

SOUTH YORKSHIRE FIRE & RESCUE AUTHORITY

Meeting	AUDIT AND GOVERNANCE COMMITTEE
Meeting Date	15 JANUARY 2024
Report of	CHIEF FIRE OFFICER & CHIEF EXECUTIVE AND CLERK
Report Sponsor(s)	DEPUTY CHIEF FIRE OFFICER
Subject	QUARTERLY FRA / SYFR CORPORATE RISK REPORT

EXECUTIVE SUMMARY

This report provides members of the Audit and Governance Committee with a corporate risk update, presenting a merged Authority and Service Corporate Risk Register, alongside a progress update on the management of risk for the current period.

The benefits of a combined Authority and Service Risk Register and reporting approach are that it enables better focus on the key risks that present a threat (or opportunity) to the delivery of strategic objectives, and provides members with clear information to undertake their assurance role.

Feedback is therefore sought and welcomed on this report, and the combined Authority / Service Risk Register is presented in Appendix A.

RECOMMENDATIONS

Members are recommended to:

- a) Note the current position with respect to the overall risk management approach for corporate risks.
- b) Consider and comment on the progress being made with the management and mitigation of corporate risks.
- c) Approve the proposed closure of corporate risks.

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Appendix B – Explanatory Note

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BACKGROUND

1. The Audit and Governance Committee receive regular reports to present the position of the joint Service and Authority corporate risks. This joint approach was launched in January 2021 and was an approach supported by internal audit.
2. Colleagues from Barnsley Metropolitan Borough Council (BMBC) and South Yorkshire Fire and Rescue (SYFR) provide updates against their risks, which are incorporated into the joint risk register and risk reports. The corporate risk register is provided at Appendix A. The accompanying report picks out the key changes since the last meeting, providing more detail for the risks rated as a high priority risk.
3. The Audit and Governance Committee last received a risk report on the 11 September 2023, which provided updates against the corporate risks via a snapshot of the risk register and an accompanying report.
4. The full Fire and Rescue Authority (FRA) last received a risk update on the 24 July 2023 via the Annual Review of Risk Management (2022/23) report. This was accompanied by the updated Risk Management Strategy, which was approved during the full FRA meeting. It should be noted that the strategy was presented as a 'light touch' review due to a full review of the strategy in 2020.

MAIN REPORT

Risk Management Approach

5. The corporate risk register continues to be available to all Service Senior Risk Owners on the Service's internal document management system. Therefore, it is available to view and edit at any time by Senior Risk Owners. The risk updates are captured at the suitable time in the previous quarter and updated when necessary. Authority risk owners continue to send updates directly by email as and when updates are required.
6. The 'Horizon Scanning' section has continued as an addition to the quarterly report. This is intended to provide an overview of risks or issues which may be upcoming for the Authority and the Service, but for which we cannot currently mitigate. The purpose of this section is to ensure that we are transparent in the anticipation of risks and issues.
7. The Service and Authority continue to adhere to the Risk Management Strategy, and Risk Management Policy respectively, which provides the approach, procedures and responsibilities of risk management across both organisations. The Senior Risk Owners review their risks in-line with the corporate risk register monitoring process. The Executive Team also regularly review corporate risk, currently led by regular meetings between the Assistant Chief Fire Officer (ACFO) and the Strategic Governance Collaboration Manager.

Risk System Project

8. The Service continues to progress the Risk System project. The aim of the project is to create or procure a system to manage SYFR risk registers in one place.
9. Ultimately, the intention is to have all project, team, department, functional, corporate (including FRA risks), board, committee and group risk registers on this system. It

will allow us to monitor and assure the risks better, including escalating risks up and down the risk management process; whilst adhering to our risk management strategy and policy.

10. July 2023 saw the Community Risk Management Plan (CRMP) Board approve the purchase of a Risk System, funded via the Digital Transformation Programme. This is the first major step in the Risk System Project.
11. The Service undertook supplier demonstrations in November 2023 and awarded the contract in the same month. The Procurement Team, the Project Manager and the ICT and Digital Services Manager are currently working through the contract and supplier set up process.
12. The project is being managed in two phases, with all corporate and projects risks due to be moved to the new system first, with department and internal governance risks due to be moved as part of the second phase.
13. Work is underway to quality assure the current project and corporate risk registers prior to the transfer of these risk register (part of phase 1 of the project). Risk register quality assurance meetings are booked in for December 2023 and January 2024.
14. The intention is to have the system up and running by the middle of 2024, with the aim that the improved corporate and project risk reporting (phase 1) will feed into the creation of the new CRMP.

Risk Training

15. In January 2023 the first internal Introduction to Risk Management training session took place, with attendance from a range of staff, including the Chair of the Audit and Governance Committee. A further three courses have taken place since and are being met with positive feedback.
16. The Introduction to Risk Management training provides staff with an overview of how SYFR manage risk. This includes an overview of the risk register template, how to identify and monitor risks, and how risk is managed at corporate, project and team levels.
17. In December 2023, the Service delivered a 'Member Learning & Development Session for risk management' to the Audit and Governance Committee and Fire and Rescue Authority members. This is the first year that the training was delivered to Audit and Governance committee members and Fire Authority members, following a request from Fire Authority members at the 24 July 2023 meeting.

High Priority Risks

18. Detailed below is a summary of the position regarding the high priority risks (where the current risk rating is between 15 and 25, a red risk).
19. Members are asked to view Appendix A, the Corporate Risk Register, for the risk detail and for the risk progress updates.

20. Currently there is one 'red' corporate risks rated as high priority risks. This is Risk 37 'Embedding sustainability'.
21. There is a new risk, 'Risk FRA 20 – Financial Planning in the longer term' which is also has a current red rating, which is recommended for opening at today's meeting. See paragraph 30 onwards for more information.

Risk 37 – Planning environmental sustainability - The failure to prepare and embed sustainability

22. This risk has been rated as a red risk and scored at 16 (4 x 4).
23. This risk was identified and raised by the Deputy Chief Fire Officer (DCFO), following conversations with the Sustainability Officer and the Estates and Facilities Manager.
24. The risk captures the failure to prepare and embed the sustainability changes required at SYFR.
25. Six mitigating actions have been identified, including setting up a suitable governance structure, creating a Green Plan, and creating a Green team.
26. Since the last Audit and Governance Committee meeting, there is a request to close mitigating action 5, 'Create and launch the Green Plan' and a new mitigating action has been created, action 6, 'Long term decarbonisation plan - taking account of short, medium and long term plan and milestones'.
27. It should be noted that the post holder for the Sustainability Officer has left the organisation. SYFR have put in place some resilience in the short term, and are workforce planning for the longer term.
28. The residual risk has been identified at a 12, which would bring the risk down to an amber level once the Service and Authority deem this risk to be sufficiently mitigated.
29. Members can find further detail captured in the Risk Register (Appendix A).

Service and Fire Authority Risks recommended for closure

Financial risks

30. This current corporate risk register includes three financial corporate risks, which are:
 - Risk 38 – Financial Uncertainty – regarding industrial action, funding settlements and pay negotiations
 - Risk FRA 016 – MTFP development
 - Risk FRA 017 – MTFP delivery
31. The risks captures the financial uncertainty in relation to financial planning and financial issues across the service and the Authority.
32. The financial risks have been reviewed by the new SYFR role, Director of Finance and Procurement. With this, the Director of Finance and Procurement has reviewed the corporate risk register and proposed that we edit and repurpose the financial risks to better represent the financial picture and planning.

33. These proposed changes to the financial risks have been discussed and supported by Barnsley colleagues, specifically in relation to the proposed changes to risks FRA 016 and 017.
34. It is recommended that SYFR corporate risk 38 is closed and subsumed by the new SYFR risk 39.
35. It is recommended that FRA risks 016 and 017 are closed and subsumed by new risk FRA20.
36. Members can find further detail captured in the Risk Register (Appendix A).

Service and Fire Authority Risks recommended for opening

Financial risks

37. Following on from the above recommendation for closure, two financial risks are presented with a recommendation to open. These are Service risk 39, 'Failure to deliver the 2023/24 agreed financial plan' and FRA risk 20, 'Failure to ensure South Yorkshire Fire and Rescue Authority (SYFRA) services are financially sustainable for the long term'.

Risk 39 – Financial planning in the short term - Failure to deliver the 2023/24 agreed financial plan

38. This risk is a draft and has provisionally been scored as a green risk with a current risk rating of 4. This risk will 'rollover' each financial year, so the current risk rating is expected to rise again for the 2024/2025 financial year.
39. This risk was identified and raised by the Director of Finance and Procurement, following a review of the corporate risk register and a discussion with Barnsley finance colleagues.
40. The risk captures the failure to prepare and embed financial planning and sustainability in the short term at SYFR.
41. Three mitigating actions have been identified, including regular quarterly financial reporting, enhancements to budget holder responsibilities, and efficiency reporting.
42. It is proposed that the Senior Risk Owner is the Chief Fire Officer and the current Risk Manager is the Director of Finance and Procurement.
43. This paper presents a request to add the service risk 39 to the corporate risk register.
44. Members can find further detail captured in the Risk Register (Appendix A).

Risk FRA 20 – Financial Planning in the longer term - Failure to ensure SYFRA services are financial sustainable for the long term

45. This risk is a draft and has provisionally been scored as a red risk with a current risk rating of 16.

46. This risk was identified and raised by the Director of Finance and Procurement, following a review of the corporate risk register and a discussion with Barnsley finance colleagues.
47. The risk captures the failure to prepare and embed financial planning and sustainability in the longer term for SYFR and the Authority.
48. Seven mitigating actions have been identified, including the creation of the Medium Term Financial Plan (MTFP) ensuring it captures organisational requirements such as the CRMP and workforce planning, reserves planning, additional control processes and further regional working and benchmarking activities.
49. It is proposed that the Senior Risk Owner is the Chief Fire Officer and the current Risk Manager is the Director of Finance and Procurement.
50. This paper presents a request to add the service risk 39 to the corporate risk register.
51. Members can find further detail captured in the Risk Register (Appendix A).

Conclusion

52. Members are asked to consider the progress and approve the requests for change captured in the above report and the appendices.

CONTRIBUTION TO OUR ASPIRATIONS

- Be a great place to work-** we will create the right culture, values and behaviours to make this a brilliant place to work that is inclusive for all
- Put people first-** we will spend money carefully, use our resources wisely and collaborate with others to provide the best deal to the communities we serve
- Strive to be the best in everything we do-** we will work with others, make the most of technology and develop leaders to become the very best at what we can be

CONTRIBUTION TO SERVICE IMPROVEMENT

- [HMICFRS Inspection Framework e.g. Diagnostic area and/ or diagnostic questions](#)
- [SYFR Inspection report Areas for Improvement \(AFIs\)](#)
- [Fit for the Future Improvement Objectives](#)
- [Professional Standards for Fire & Rescue Services in England](#)
- [SYFR Service Plan 2023-24 Priorities](#)
- [SYFR Community Risk Management Plan 2021-24](#)

Corporate Risk management is integral to several of the service and Fire and Rescue Authority's strategic plans, notably through the understanding and application of risks with the Community Risk Management Plan (CRMP).

There are existing Areas for Improvement (AFIs) for the CRMP and how it links to other strategic plans.

The CRMP and effective risk management is a specific Improvement Objective on Fit for the Future.

The service currently aligns to a live CRMP Fire Standard, mapping the progress against this and reviewing it annually via the CRMP Board.

The CRMP links in part to all of the service plan priorities, notably the Efficiency objective and the Performance Information objective. The Corporate Risk register currently includes a sustainability risk, which is a specific objective on the service plan.

OPPORTUNITIES FOR COLLABORATION

- Yes
 No

If you have ticked 'Yes' please provide brief details in the box below and include the third party/parties it would involve:

No more so than the collaboration already encompassed in the risk register and risk register actions.

CORPORATE RISK ASSESSMENT AND BUSINESS CONTINUITY IMPLICATIONS

53. The report considers corporate risk and the impact to delivery of business objectives. Business continuity is considered as part of the risk identification and risk mitigation actions.

EQUALITY ANALYSIS COMPLETED

- Yes

If you have ticked 'Yes' please complete the below comment boxes providing details as follows:

Summary of any Adverse Impacts Identified:	Key Mitigating Actions Proposed and Agreed:

- No
 N/A

If you have ticked 'No' or 'N/A' please complete the comments box below providing details of why an EA is not required/is outstanding:

The report provides an update on the management of corporate risk, and does not require an Equality Analysis assessment.

HEALTH AND SAFETY RISK ASSESSMENT COMPLETED

- Yes
 No
 N/A

If you have ticked 'No' or 'N/A' please complete the comments box below providing details of why a Health and Safety Risk Assessment is not required/is outstanding:

Any health and safety risk assessments appertaining to the risks on the risk register should already have been completed by the relevant departments.

SCHEME OF DELEGATION

54. Under the South Yorkshire Fire and Rescue Authority [Scheme of Delegation](#) a decision *is required / *has been approved at Service level.

Delegated Power Yes
 No

If yes, please complete the comments box indicating under which delegated power.

IMPLICATIONS

55. Consider whether this report has any of the following implications and if so, address them below:., Diversity, Financial, Asset Management, Environmental and Sustainability, Fleet, Communications, ICT, Health and Safety, Data Protection, Collaboration, Legal and Industrial Relations implications have been considered in compiling this report.

List of background documents		
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