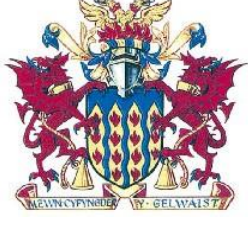


Report to	<b>Executive Panel</b>	
Date	<b>18 December 2023</b>	
Lead Officer	<b>Stewart Forshaw, Deputy Chief Fire Officer</b>	
Contact Officer	<b>Anthony Jones, Head of Corporate Planning</b>	
Subject	<b>Strategic Risk Management</b>	

## PURPOSE OF REPORT

1. To provide members with a mid-year update on the content of the North Wales Fire and Rescue Authority's (the Authority) strategic risk register in accordance with the Strategic Risk Management Policy.

## EXECUTIVE SUMMARY

2. Departmental plans for 2023/24 have been reviewed for Q1 and Q2 by heads of department including risks associated to the delivery of their objectives after mitigation. These risks have been scored 1-25, categorised as Very High, High, Medium and Low and collated into a combined list of 74 departmental risks.
3. The majority of risks have remained the same, however, some risks have either increased or decreased within departments during these reviews.
4. Following these reviews, no new Very High or High Risks have been identified and no existing Very High or High risk have been reduced within the strategic risks. Therefore, the Strategic Risk Register remains the same.
5. To collate the Strategic Risk Register, the 74 departmental risks have been grouped into nine themes in Fig1. which mirror the departmental score to identify the cumulative risk to the organisation. The areas of highest risk to the organisation being cyber-attack, financial challenges, impact of climate change, the recruitment and retention of sufficient staff to maintain an effective and efficient response and any disruption to the IT systems in use by all departments.

## RECOMMENDATIONS

6. It is recommended that:
  - i. Members note the identified strategic risks that are facing the Authority following mid-year review.

## **BACKGROUND**

7. The Authority's adopted Strategic Risk Management Policy defines strategic risk as "an event that, should it occur, would impact on the achievement of the Authority's planned outcomes and/or the delivery of its core functions".
8. The Authority's Strategic Risk Register lists known risks that could potentially prevent the Authority from achieving its planned outcomes and/or delivering its core functions. Register entries are ascribed risk scores that are regularly re-evaluated by officers to reflect the current state and the predicted effect of planned countermeasures.
9. Under this policy, the Executive Panel receives a summary report on strategic risks at least twice a year. Between times, the Chair and Deputy Chair of the Authority are able to view the full detail of the register with officers.
10. The Strategic Risk Register records both current risk levels and future risk levels (based on an assumption that planned countermeasures will have had the desired effect).
11. Risk levels are based on an evaluation of the likelihood that something might happen and the consequences if it did. Descriptions are provided for information at Appendix 2.

## **INFORMATION**

12. Officers continue to review and update the risk register, adding, removing and re-scoring risks as appropriate. As a minimum this is undertaken during the quarterly updates to departmental plans.
13. A summary of the current register entries is provided at Appendix 1.

## IMPLICATIONS

Well-being Objectives	Maintaining the register and taking action to manage risk increases the likelihood that the Authority's well-being objectives will be achieved.
Budget	Maintaining the register helps prioritise spending decisions that would reduce risk levels.
Legal	Maintaining the register helps to ensure the Authority's compliance with laws that define its functions and how it operates.
Staffing	No specific implications identified.
Equalities/Human Rights/Welsh Language	No specific implications identified.
Risks	An accidental release of the register could expose the Authority to harm.

## Appendix 1

### Strategic Risk Register

1. A total of 74 risks are included in Departmental Plans for 2023/24 which are collated into nine themes which form the basis for identifying their overarching risk to the organisation:

Risks from Departmental Plans for 2023/24 grouped into Strategic Themes

Strategic Risk Ref	Risk	Very High 20-25	High 12-16	Medium High 8-10	Medium Low 4-6	Low 1-3	Total from dept. plans
1	Cyber Attack	1	3				4
2	Financial		4	12	1		17
3	Climate		1				1
4	Legal			6	1		7
5	Reputational			3	1		4
6	Response			2	6		8
7	Staffing resource		8	11	5		24
8	Supply Chain			2			2
9	IT Systems		1	2	4		7
Totals		1	17	38	18		74

2. Details of the Very High and High Risks and their countermeasures are as follows:
  - i. Only one overarching risk scores as Very High, this being around cyber security. With proactive work continuing to reduce the likelihood. This could reduce to High when Cyber Essential accreditation is achieved.

Very High Risk	Countermeasures
Cyber attack on Information, Communication and Technology	<ul style="list-style-type: none"> <li>• Continual monitoring of global threats and review of cyber security defences</li> <li>• Progress towards achieving CE (Cyber Essential) and CE+ (Cyber Essentials Plus) accreditation</li> <li>• Endeavor to attract personnel with the requisite skillset to support compliance with best practice</li> <li>• Conduct preventative maintenance and review resilient technologies</li> </ul>

The 17 High level risks identified by Departments in relation to delivering their objectives are grouped within the four Strategic Risk themes below and are likely to remain at High, despite the below countermeasures.

Strategic Risk	Countermeasures
Impact of climate change, including demand on resources and environmental challenges with estate and vehicles.	<ul style="list-style-type: none"> <li>• Governance structure in place to monitor and report</li> <li>• Environment and Sustainability Strategy in place</li> </ul>
Financial challenges arising from insufficient funds to deliver core services or to maintain risk-critical systems. This includes risks linked to Pension changes following recent rulings and the impact of changes following the revoking of EU law	<ul style="list-style-type: none"> <li>• Budget already allocated in the Capital programme with all variations to be approved by the SPOC</li> <li>• All Wales technical lead for Pensions to be appointed to support the Senior Pensions Officer to process changes arising from the pensions legislation changes with audit process in place</li> <li>• Continue collaboration of partnership work with NWFRA</li> <li>• Continue dialogue with Welsh Government and Local Authorities particularly around grant funding.</li> <li>• Ensure Business Continuity Plans are in place and regularly reviewed.</li> <li>• Monitor changes to employment law that could impact on increased budget pressure following the revoking of EU law</li> </ul>
Recruitment and retention of sufficient staff to maintain service delivery with specific challenges around maintaining emergency response cover in rural areas	<ul style="list-style-type: none"> <li>• Develop and implement improved, effective and efficient response standards through the Emergency Response Review Project.</li> <li>• Proactively recruit on rural stations with continuous efforts to recruit the right staff in the right place to provide cover at the right time</li> <li>• Prioritisation of workloads and upskilling/training of staff</li> <li>• Mentoring and coaching staff where possible to enhance resilience</li> <li>• Work to reduce single points of success and knowledge silos including continuing to recruit against vacancies.</li> <li>• Review lessons learned from planning for industrial action in 2022/23</li> <li>• Ensure Business Continuity Plans are in place and regularly reviewed covering loss of staff in all departments</li> <li>• Monitor changes to employment law that could impact on increased budget pressure following the revoking of EU law</li> </ul>

Disruption or loss of IT systems bespoke to departments and/or the wider service	<ul style="list-style-type: none"><li>• Work to ensure there are replacement contracts with suitable suppliers to maintain systems and migrate to alternatives</li><li>• Ensure all relevant staff are suitably and sufficiently trained</li><li>• Ensure Business Continuity Plans are in place and regularly reviewed.</li></ul>
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**Risk analysis**

<b>LIKELIHOOD</b>	5 Almost certain	5	10	15	20	25
	4 Likely	4	8	12	16	20
	3 Possible	3	6	9	12	15
	2 Unlikely	2	4	6	8	10
	1 Very unlikely	1	2	3	4	5
		1 Insignificant	2 Minor	3 Moderate	4 Significant	5 Major
		<b>CONSEQUENCE</b>				

**Risk priority scale**

Value	Priority scale
20-25	Very high - risk is intolerably high
12-16	High - risk is substantial
8-10	Medium high - risk is moderate
4-6	Medium low - risk is tolerable
1-3	Low