EXECUTIVE SUMMARY

We are increasingly being asked for comparative data in relation to the types of risk to which fire authorities and services are exposed. These organisations in particular are keen to understand, ‘how do we compare?’ and ‘are we missing any significant risks?’ We have therefore undertaken an analysis of the corporate risk registers across 15 fire authorities to identify key risk themes.

This paper provides information to help fire authorities, audit committees and fire services review and challenge their own risk profiles and to help with ongoing risk identification and horizon scanning. It includes factors such as the changing demand and workforce requirements, emerging risks as a result of the continual budget reductions, need for more collaboration and the ever increasing use of technology and shared services.

Fire and rescue authorities and services face a raft of challenges in providing services to the public including preventing, protecting and responding. This is made more complex by the greater impetus to work collaboratively between services, with other agencies and the voluntary, community and social enterprise sector, all against a backdrop of funding reductions and realignment.

In this sector, when things go wrong there are often dire and direct consequences, quite literally lives can be put at risk. This may result in wide media attention, a public enquiry and an internal investigation. Action would clearly need to be taken to avoid the situation occurring again. The response alone will take up valuable resources, energy and time.

Unfortunately, even the best risk management can never negate the potential for a risk to materialise and the events identified above to unfold. However, ensuring that risk is managed effectively, efficiently and proportionately can, and does, help both manage and respond to risks.

We encourage fire authorities and services to compare their own understanding of the current risks they are facing. This document will be a useful sense check for fire authorities and services to utilise when considering their risks; an activity that is particularly beneficial during times of change. This enables a clear view of risks and their impact to be understood. We encourage fire authorities and services to consider the changes required through budget reductions, technological advancements and changes in workforce such as full time versus retained staff and shift patterns. Furthermore, consideration should be given to the robustness of assurances received to provide comfort that controls in place to manage and mitigate risks are indeed effective, or to highlight where controls in place may be insufficient or not operating as intended.

Daniel Harris
Partner and Head of RSM’s Emergency Services Sector
OVERVIEW OF FIRE AND RESCUE SERVICE RISKS

This document provides a breakdown of results from an analysis of fire service risk registers.

In undertaking the analysis we examined risks contained within the corporate risk registers of 15 fire and rescue services. Across our sample, we examined a total of 144 risks. Some risk registers were detailed, others far less so, providing differing levels of information and coverage.

Unsurprisingly with the reliance on the workforce within the fire service, and the changes in shift patterns and work types seen in recent years, the majority of risks were associated with the workforce; followed by financial risks as a result of the increased pressures from budget reductions; and operational risks. We have classified each risk by theme; from this exercise we have analysed the central risk themes recorded within our sample of risk registers.

Figure 1 below shows the breakdown to provide a full view of the major residual risk themes.

![Percentage Breakdown of All Risk Themes Across All Risk Registers](chart)

**Figure 1:** Percentage Breakdown of All Risk Themes Across All Risk Registers

- Workforce: 21%
- Financial: 17%
- Operations: 11%
- Laws and legislation: 8%
- Collaboration and transformation: 6%
- Information technology: 6%
- Information management: 5%
- Business planning and performance: 5%
- Governance: 4%
- Reputation and influence: 4%
- Supplies: 3.5%
- Facilities and equipment: 3.5%
- External environment: 3%
- Business continuity: 3%
How big a risk?
While each organisation measures its risks in different ways, a number of the risk registers we examined utilised a high, medium and low approach to determine the severity of the risks identified. We have therefore used this categorisation approach in our analysis. From the information available to us we were able to determine that overall, 25 per cent of risks are recorded on the corporate risk register as high; 61 per cent are recorded as medium risk and 14 per cent are recorded as low risk. Whilst the majority of risks are recorded as medium, those principal high risks relate to the following key themes: workforce; financial, operations, laws and legislation, collaboration and transformation; information technology; governance; and business continuity.

FIGURE 2: ASSESSED SEVERITY OF KEY RESIDUAL RISK THEMES

- Workforce: 32% High, 59% Medium, 9% Low
- Financial: 31% High, 52% Medium, 17% Low
- Operations: 42% High, 50% Medium, 8% Low
- Laws and legislation: 40% High, 50% Medium, 10% Low
- Collaboration and transformation: 75% High, 12.5% Medium, 12.5% Low
- Information technology: 80% High, 20% Medium, 8% Low
- Information management: 100% High, 0% Medium, 0% Low
- Business planning and performance: 50% High, 50% Medium, 0% Low
- Governance: 67% High, 33% Medium, 0% Low
- Reputation and influence: 60% High, 40% Medium, 0% Low
- Supplies: 100% High, 0% Medium, 0% Low
- Facilities and equipment: 67% High, 33% Medium, 0% Low
- External environment: 100% High, 0% Medium, 0% Low
- Business continuity: 67% High, 33% Medium, 0% Low

- High risk
- Medium risk
- Low risk
RISKS IN DETAIL

We now take each of the key themes and examine the sorts of risks that fire services are becoming increasingly concerned about.

Workforce
It is apparent that many fire and rescue services have concerns regarding their workforce. 20 per cent have identified staff resource as an area of concern, in addition, 20 per cent have identified risks relating to recruitment, retention and training. Fire and rescue services also have concerns that they may not have the staff available to meet required demand, which would then impact on the ability of the service to deliver an effective and timely emergency response. The number of full-time equivalent (FTE) fire and rescue service staff in England was 44,000 as of 31 March 2015; 3.6 per cent lower than the same period in 2014 and 12.6 per cent lower than 10 years ago. There are concerns from the services that actions designed to strengthen recruitment processes fail and that firefighters are not fully trained and therefore, not fully competent to fulfil their role to the highest standards. This is compounded by the length of the training programme for new starters, and the resources required to deliver the necessary training in addition to the time taken to complete this. Overall, 10 per cent of workforce related risks are concerned with the loss of key skills or an apparent skills gap in the service. This includes both current skills gaps and potential future skills gaps; with an ageing workforce and many services having potential for multiple retirements at a senior level at the same time. We are therefore seeing the need and increased importance of clear succession planning, restructuring programmes and robust financial planning to support the changes required to continue to adjust the workforce to meet the reduced level of funding available and changes in demands.

The threat of industrial action is clearly on the radar for fire and rescue services. 24 per cent of workforce risks focus on industrial dispute, which services fear could impact on day to day operations and ultimately the achievement of core priorities. The threat of industrial action stems largely from changes in public sector fire pensions and fire station closures which has not only attracted wide media attention, but is reflective of some of the problems faced by fire and rescue services as they undertake restructuring initiatives. Interestingly, 71 per cent of all those workforce risks that were assessed as high were concerned with the threat of industrial action. It may only be natural therefore that risks centred upon staff engagement would be a factor and our analysis showed they accounted for 13 per cent of all workforce related risks.

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21 per cent of all fire and rescue service risks relate to the workforce

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There are concerns that a failure to engage with staff in a timely and effective manner will lead to weaker organisational solutions in the longer term. We have found that fire and rescue services have identified the need to address work related issues such as stress and workload problems and the importance of keeping employees motivated and engaged. This has included increased publicising of welfare support and programmes, revising appraisal schemes and an increase in the use of one to ones and HR support to ensure workloads are being managed more effectively.

13 per cent of workforce risks focus on concerns surrounding employee performance management and the need to have a robust process in place to minimise any potential unethical behaviour or misconduct. Fire and rescue services are concerned about having appropriate and fit for purpose procedures in place so that good performance can be rewarded and poor performance dealt with consistently and fairly.

From the information available, we identified that the majority of workforce related risks (59 per cent) were recorded on the corporate risk register as medium risk. 32 per cent were recorded as high risk while only nine per cent were categorised as low risk. Those principal high risks recorded by fire and rescue services relate to: the threat of industrial action; recruitment, retention and training; and staff resource.

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**FIGURE 3: BREAKDOWN OF WORKFORCE RELATED RISKS BY TOPIC**

- Industrial action: 24%
- Recruitment retention and training: 20%
- Staff resource: 20%
- Performance management: 13%
- Staff engagement: 13%
- Skill gap: 10%

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**FIGURE 4: PERCENTAGE OF WORKFORCE RELATED RISKS BY SEVERITY**

- High risk: 32%
- Medium risk: 59%
- Low risk: 9%

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Of all workforce risks assessed as high in severity, 71 per cent relate to the threat of industrial action.
Against a backdrop of funding reductions and associated savings plans, our analysis shows that financial risks account for 17 per cent of all of the risks recorded. Like much of the public sector, fire and rescue services have felt the impact of reduced funding since 2010. With sustained reductions in final settlements, it is perhaps surprising that only 56 per cent of risk registers made direct reference to insufficient funding resource. However, similar to our discussions with clients in the sector many of the financial risks relate, in some way, to the government’s austerity measures; be that efficiency initiatives to manage with reduced funding or the increased importance of having robust cost controls and reporting frameworks in place.

With the department for communities and local government needing to find resource savings of 29 per cent by 2019/20 and planned reductions in fire service funding in 2016/17, and throughout the spending review period, the future still holds financial challenges which will need to be managed. Perhaps of some comfort, is confirmation that at least £74m is to be made available for the Emergency Services Mobile Communications Programme, designed to ensure fire and rescue services are able to utilise a new communication system featuring modern mobile digital technology.

A significant proportion of the risks identified by fire and rescue services relate to the financial settlement provided by government and how this may be insufficient. There are concerns that in making the required financial savings, levels of prevention services will reduce, response times will be negatively impacted, and ultimately, strategic priorities and objectives will be compromised, having a direct impact on public safety.

It is within this context that 16 per cent of risk registers allude to the necessity of effective budgetary management. Budgetary control is an area which has been identified by many services as requiring investment and escalated importance throughout the governance process to ensure that revenue and capital budgets are not significantly over or under spent. With funding reducing, the local government association estimates that by 2017/18 fire and rescue organisations will have to spend 30 per cent less annually compared to 2011/12.

In response to reduced funding, fire and rescue services have embarked upon programmes designed to improve efficiency. In seeking to transform the service, they have developed flexible practices in relation to staffing and shift patterns, reduced the number of fire stations and introduced back office restructures and savings programmes.

FIGURE 5: BREAKDOWN OF FINANCE RELATED RISKS BY TOPIC

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insufficient financial resource</td>
<td>56%</td>
</tr>
<tr>
<td>Pensions</td>
<td>20%</td>
</tr>
<tr>
<td>Budgetary management</td>
<td>16%</td>
</tr>
<tr>
<td>Efficiency initiatives</td>
<td>8%</td>
</tr>
</tbody>
</table>

31 per cent of finance risks are high risk in severity; the majority of high risks relate to insufficient funding.

\[^2\] Local Government Association Fire future funding report 2013 p. 18
Our analysis shows that eight per cent of financial risks are concerned with savings from efficiency initiatives. Risks here relate to the opportunity to bid for additional funding to implement further efficiency initiatives and/or joint or collaborative working.

In recent years fire and rescue services have gone beyond their traditional firefighting role and have been focused on prevention. It is concerning therefore for the service and the general public that the number of personnel hours spent on community fire safety campaigns and initiatives has been declining in recent years. The department for communities and local government estimates that, despite an increase in personnel visits, there has been around a three per cent decline in the number of hours spent on campaigns and initiatives in 2014/15, when compared with the previous year. This may be a sign of the financial pressures being faced. As budgets reduce, is prevention activity at risk? Indeed, many services are reconsidering what services they deliver now and what they will be able to deliver in the future. This may well be a key topic for future fire authority strategy sessions.

Linked to reduced funding are concerns around increasing employer pension liabilities, the effects of which will lead to increasing costs for the service which will need to plug the gap. Our analysis found 20 per cent of financial risks related to pension concerns. With an aging population and the current average age in the service it is highly likely this liability will further increase in the foreseeable future.

The majority (52 per cent) of finance related risks were recorded on the corporate risk register as medium risk. 31 per cent were recorded as high risk while 17 per cent were categorised as low risk (figure 6).

Interestingly, of all the high risks recorded, 57 per cent related to insufficient financial resource and 29 per cent related to budgetary management. This is a clear indication of the level of concern on these matters. Pensions also featured as high risk; making up a total of 14 per cent.

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Operations

Given the important role of fire and rescue services in responding to emergencies it is not surprising that after the workforce and financial risks, the next largest category with 11 per cent of all risks recorded on strategic risk registers relate to operational aspects. How fire and rescue services operate has not only changed in recent years, but continues to evolve with increased use of technology, shared services and changes to working patterns. Given the funding environment, services have had to examine their operational arrangements with increasing scrutiny to ensure they are delivering the service that offers the most value for money to the public while fulfilling their statutory duties.

Statistics published by the department for communities and local government reveal that in 2014/15 fire and rescue services in England attended approximately 154,700 fires; 10 per cent fewer than in 2013/14. The statistics also reveal a four per cent decrease in false alarms and a six per cent decrease in the number of fire fatalities in 2014/15 compared with the previous year. Fire and rescue services appear to be maintaining their service delivery where it matters most.

38 per cent of operational associated risks concerned response capability; 31 per cent concerned inadequate systems and service failure specifically and 31 per cent of risks were concerned with service management. All therefore linked to the responsiveness of the fire service and its ability to deliver its core role. The key risks recorded by fire and rescue services under these themes are:

- control and mobilising, and specifically a delay in mobilisation;
- operational preparedness and resilience;
- response capability and the ability of the service to respond to a wider range of incidents considered to be non-life threatening;
- review of fire cover in specific geographical areas or difficult locations;
- the risk of a significant failure within the organisation which would impact on the ability of the service to deliver the same levels of prevention, protection and response to the local community;
- the model the service relies upon to maintain operational cover is not sustainable;
- following information received from other areas and organisations across the country there are risks that standard operating procedures, supporting operational risk information and equipment and training are not fit for purpose meaning the service response will be compromised;
- a risk that supporting systems, procedures and training are not applied and integrated to the command, control and communication for operational incidents. This may result in reduced operational efficiency and could affect firefighter and public safety;
- security and resilience of the command and control system;
- inadequate intervention or inconsistent practices by the service, which then results in death or injury; and
- loss of mobilising capability as a result of replacing the airwave system.

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*Department for Communities and Local Government, Fire Statistics Monitor: England April 2014 to March 2015*
From the information available to us, only eight per cent of operational risks were recorded as low risk. A significant proportion (42 per cent) were recorded as high risk, while the majority, (50 per cent) were recorded as medium risk. Overall, 60 per cent of all high risks related to inadequate systems and system failure, while the remaining high risks were concerned with response capability.

**FIGURE 7: BREAKDOWN OF OPERATIONAL RELATED RISKS BY TOPIC**

- **38%** Response capability
- **31%** Inadequate systems and service failure
- **31%** Service management

**FIGURE 8: PERCENTAGE OF OPERATIONAL RELATED RISKS BY SEVERITY**

- **High risk** 42%
- **Medium risk** 50%
- **Low risk** 8%
Laws and legislation

Adherence to laws and legislation is important for all organisations. Given the role of fire and rescue services, we may have anticipated legislative risks to be a factor; from our analysis we determined that legislation associated risks account for eight per cent of all of the risks recorded within corporate risks registers. Of all law and legislative risks, 58 per cent of risks relate to compliance specifically; while 42 per cent concern health and safety in particular.

There are concerns that fire and rescue organisations may fail to adhere to legal requirements resulting in prosecution, injury to employees and the public and reputational damage. There are concerns regarding a failure to implement the EU working time directive, which would then expose the organisation to a legal challenge. There are also concerns surrounding: ineffective health and safety policies and related practices; inadequate health and safety training; insufficient safety testing with regards to equipment; and risks that come as part of the job but which may cause harm to employees and effect service delivery, employee morale and may bring civil sanctions. The challenge for all services is to continue to meet all of the health and safety laws and legislation with reduced funding. This places increased importance on training and development, demand management and workforce planning.

In considering the severity of those legislative risks identified, 90 per cent were considered to be either high or medium risk. This may reflect the highly hazardous and inherently potentially unsafe conditions within which fire and rescue services operate in order to protect the public.
Collaboration and transformation

Given the changing landscape of the fire sector it is only natural that risks associated with collaboration and transformation would feature on corporate risk registers. Overall they account for six per cent of all of the risks recorded by fire and rescue services, however, we have found that these are often included with other risk categories such as changes to the workforce, IT systems and budget reductions and therefore collaboration and transformation is now seen as core to the operation of the service.

Fire and rescue services have been achieving efficiency savings in recent years however recent funding settlements will require real transformational change in order to protect services, manage risk and ensure a balanced budget. 67 per cent of all transformation risks were concerned with change management, while 33 per cent focused specifically on projects and programmes and associated implementation. We have identified many instances in our work with fire and rescue services where the project management arrangements at the start of a project and during procurement are robust, however, once complete the benefits are either not captured or not related back to the original business case to see if the project has fully achieved the original objectives. This is a key area for services to ensure that organisational change and transformation works to achieve the intended benefits.

**FIGURE 11: BREAKDOWN OF COLLABORATION AND TRANSFORMATION RELATED RISKS**

- **67%** Change management
- **33%** Project implementation
The key risks identified relate to:

- creating a fit for purpose restructure and organisational change programme;
- reluctance amongst employees to adapt to change which then limits the ability of the organisation to implement new, positive practices and measures. There remains low morale, a loss of trust and internal resistance;
- opportunities to enter into collaborative projects, resulting in more effective and efficient services. Risks are identified in relation to potential collaborative projects with other parts of the emergency services sector, such as police and ambulance services;
- opportunities to maximise service improvement are missed due to a lack of integrated approaches within the organisation;
- the potential for increased costs as projects do not go according to plan. There is a risk that complex projects may be delayed or fail entirely, which has the potential for reputational damage particularly where high profile joint ventures are undertaken; and
- failing to implement new firefighting procedures and techniques.

Entering into partnerships and collaborations with regards to co-responding and co-location is an option available to fire and rescue services. The government has recently published its response to its consultation on greater collaboration between the emergency services. The consultation response confirms the government is to press forward with legislation to implement a duty for emergency services to collaborate in order to improve effectiveness or efficiency and for Police and Crime Commissioners (PCCs) to take control of fire and rescue services where a case is made. Whist it will take time for the necessary legislation to be put in place, fire services will be thinking about potential collaborations, or perhaps, what collaboration arrangements already in place could be further enhanced to achieve greater efficiencies and better ways of working. Moving forwards, we expect to see collaboration associated risks become more prevalent on fire and rescue services’ risk registers and we are already seeing collaboration being discussed in greater depth by audit committees. The need for further emergency services sector collaboration should be aided by the announcement that responsibility for fire and rescue policy is now within the remit of the home office.

The varying governance and operational structures adds additional complexity to fire and rescue service collaboration and transformation. Yet, we have seen that fire and rescue services embrace change with the aim of realising efficiencies and are considering and developing innovative ways to operate within reduced budgets. Some fire and rescue services have entered into shared service arrangements in relation to ICT services, training, fleet procurement and co-location, such endeavours are realising financial savings; moving forwards significant financial savings from such collaborative arrangements may become harder to realise once the initial change and saving is made.

Moving forwards, we expect to see collaboration risks become more prevalent on fire and rescue services’ risk registers

1 HM Government Enabling closer working between the emergency services, summary of consultation responses and next steps 2016
**Information technology**

IT risk is a common feature on risk registers given the importance of information security, reliance on communications and technology, and the potential ramifications should problems or errors occur. Six per cent of all risks recorded on corporate risk registers concern IT specifically. 75 per cent of IT risks concern inadequate systems and system failure while a quarter of risks are focused on security which of course could lead to system failure. We are seeing many organisations where IT systems are in need of replacement due to their age, lack of integration capabilities and functionality. Services therefore need to ensure robust business cases are in place that are fully costed to ensure that the perceived benefits of new systems are fully understood and evaluated.

The types of risks recorded by fire and rescue services are:

- the financial and resource cost of upgrading aged ICT systems;
- risks with regards to public services network accreditation and email software that is inadequate resulting in a failure within the organisation to send and receive data securely and to comply with data sharing agreements;
- the ramifications of key IT failures in terms of service disruption;
- failing to implement sustainable arrangements to ensure an effective IT infrastructure;
- a risk that the IT network infrastructure is not resilient and is not secure;
- risks that sensitive information could be lost or compromised resulting in reputational damage, litigation and substantial fines; and
- the airwave network could reach capacity which would result in the organisation failing to control communication with operational crews.
Information management

Managing information is important for all public sector organisations. Failure to capture and use information effectively will hinder an organisation’s ability to deliver high quality services and achieve corporate objectives. Fire services also have a duty to comply with data protection legislation. Failure to adhere to recognised good practice may result in fines from the information commissioner, which ultimately has reputational consequences as well as financial implications. Our analysis has shown that five per cent of corporate risk registers contain reference to information management. With changes in data protection legislation coming into place in the near future, this will become a more challenging environment to ensure compliance and services must ensure their systems meet the required standards.

The types of risks recorded were broadly split into two key themes; information maintenance and information security. The vast majority (72 per cent) of risks were concerned with information maintenance; those key risks recorded relate to:

- a lack of a formal document management process meaning that corporate papers (such as policies and procedures) and website content are not maintained effectively and so inconsistencies arise;
- operational staff do not have, at their disposal, adequate and reliable information to enable them to efficiently resolve problems or incidents;
- there is an inconsistent approach to information management within the organisation; and
- a lack of effective information management hinders service delivery.

Only 28 per cent of information management risks solely focus on information security. The risks focus on information security lapses but also information exempt by virtue of the Local Government Act 1972 amended section 12A.

FIGURE 13: BREAKDOWN OF INFORMATION MANAGEMENT RELATED RISKS
Business planning and performance
Effective business planning is essential in seeking to achieve organisational objectives. At a time when budgets are tight, and fire and rescue services are seeking efficiencies, effective planning becomes ever more important. From our review we have identified that five per cent of corporate risk registers are focused on business planning and organisational performance. 57 per cent of business planning and performance risks relate specifically to crew and staffing while 43 per cent are concerned with the organisations’ overarching objectives and targets. This is another area of potential change and increased risk profile, as authorities will need to make fundamental decisions about the service and levels of service to be provided outside of the statutory requirements, as it is unlikely they can continue to deliver at the current levels.

The main concerns centre upon:

- how current levels of resource may affect the organisations’ ability to achieve aims and goals. With lower levels of resource, there are concerns that meeting corporate objectives will take longer and may even become unachievable;
- lack of staff engagement prevents the service from exploring all avenues where potential efficiency savings may be achieved;
- there is a failure to meet performance targets which then affects the ability of the service to realise overarching corporate objectives;
- there is a risk that the service fails to crew some appliances resulting in a fall in average response times;
- lack of workforce planning resulting in significant under / over staff provision, which has financial consequences for the organisation;
- during unplanned incidents, such as terrorist activity, civil disturbance, large scale flooding or periods of industrial action, there is a risk that the service may have insufficient resources to cope which may result in a reliance on regional or national resources or significantly reduced fire cover.

Ensuring the service has the right staffing levels is essential; we would encourage fire and rescue services to continue to pay close attention to their firefighter to manager ratios as there may be the potential to make further savings. However service provision and quality impact assessments will need to be carefully considered along with the associated risks. This is echoed by Sir Ken Knight in his review of efficiencies and operations. His review notes state there are some fire and rescue organisations that spend almost twice as much per person each year than others yet there is little correlation between expenditure and outcomes⁶.

⁶ Sir Ken Knight CBE QF SM F FireE Facing the future: Findings from the review of efficiencies and operations in fire and rescue authorities in England May 2013 p. 7
Sound governance is the cornerstone of an effective, well managed and service focused organisation. Fire and rescue services are accountable for their performance and they are required to provide assurance annually on governance and operational matters. Within the risk registers we examined only four per cent of risks concern internal governance processes. Moving forwards, governance arrangements will be subject to further change where PCCs take control of fire and rescue services (where a case is made); or where a PCC does not take over they will have voting rights and representation on their local fire and rescue authority. Overall, good governance will be key to overseeing and delivering the change and transformation mentioned earlier.

Governance related risks are focused on: leadership; process, policies and procedures; and risk management. The key risks recorded relate to:

- failure to equip leaders and management with the necessary skills and competencies to fulfil their role;
- failure to ensure the organisation has adequate succession management arrangements;
- failure to develop adequate policies and procedures meaning that employees are unaware of their responsibilities. This may result in unnecessary harm to individuals and in turn damage the reputation of the service and leave it exposed to potential litigation;
- procedures and protocols are not recognised, or adhered to, by all within the service. There is a risk that the service fails to respond appropriately (be that morally, legally or financially) where a fatality in service occurs;
- governance processes are deemed to be ineffective. This compromises the ability of the service to be able to engage effectively with partners or may mean that resources are misaligned. This could impact upon safety and the delivery of services within the local community; and
- the need to review, develop and embed corporate risk management to ensure the service is effectively assessing and managing business risk.

**FIGURE 15: BREAKDOWN OF GOVERNANCE RELATED RISKS**
Only four per cent of risks concern internal governance processes.
Reputation and influence
Many of the activities undertaken by fire and rescue services have the potential for adverse reputational consequences. However, influence is important as fire and rescue services seek to further develop preventative fire measures through community engagement. While a number of the risks recorded by fire and rescue services have attached to them a reputational and / or influence element, only four per cent really focus on these themes specifically. The main reputational and influence risks relate to: adverse attention; standards and accountabilities; and loss of stakeholder confidence. To provide further context, those key risks concern:

• public and media perceptions of the service may be negatively affected by the activities of other neighbouring services;
• adverse media attention regarding industrial action which negatively affects the service’s reputation;
• there may be incidents of intimidation to either individuals or groups in an attempt to influence their behaviour during an industrial dispute;
• failure to provide extensive support in the event of an investigation (following an incident) where the service may be perceived as being uncooperative. This could result in the service losing credibility but also regulatory enforcement action being taken; and
• there is a loss of public or stakeholder confidence which hinders the ability of the service to engage effectively with its communities. This would ultimately impact on the ability of the organisation to deliver its service.

FIGURE 16: BREAKDOWN OF REPUTATION AND INFLUENCE RELATED RISKS
Supplies and business continuity

Supplies associated risks account for 3.5 per cent of all the risks recorded on the corporate risk registers. There are risks concerning the discontinuation of energy (gas and electricity), water and fuel supplies. One service identified that it does not hold bunkered fuel reserves; if normal supplies were halted for up to 10 days the ability of the service to respond to incidents would be compromised. There are also risks surrounding contractor/supplier failures and procurement, potentially a reflection of services experiencing their contractor’s going into administration and not delivering the required goods and services. Most of the risks fall back to effective business continuity planning; services should ensure their business continuity arrangements are robust and that vital services are protected.

Only three per cent of risks recorded by fire and rescue services are directly concerned with business continuity. There are concerns that the business resilience plan may fail during prolonged periods of industrial action, which would ultimately result in an inability to provide an acceptable level of fire cover. There are risks that the service may lose access to key assets such as premises, equipment, systems, data and employees. There are also concerns that in the event of a major, multi-agency incident the service may fail to work effectively.

FIGURE 17: BREAKDOWN OF SUPPLIES RELATED RISKS
Facilities and equipment
Risks associated with facilities and equipment account for 3.5 per cent of all the risks recorded on corporate risk registers. There are risks concerning inadequate facilities and equipment, building projects and asset management. There are concerns that the brigade estate is below standard and that backlog repairs will be costly which will result in significant financial pressures and may compromise the service’s ability to meet its aims and objectives. In addition, there are risks that operational and personal protective equipment are inadequate, which is clearly a safety concern. However, some fire and rescue services are investing in their estate, building new headquarters and other facilities, designed to improve firefighter safety, increase operational efficiency, reduce financial losses in the longer term and improve community engagement opportunities. Against this backdrop, it is not surprising that asset management is another key risk for fire and rescue services.

FIGURE 18: BREAKDOWN OF FACILITIES AND EQUIPMENT RELATED RISKS

- 40% Inadequate facilities / equipment
- 40% Building projects
- 20% Asset management
External environment
Risks associated with the external environment account for three per cent of all the risks recorded on corporate risk registers. Half of the risks recorded relate to government or industry body initiatives and plans while the remaining focus on social factors and climate change.

In summary, there are concerns surrounding:

• Fire Industry Association (FIA) challenges;
• the potential impact of planned or likely changes in local government. The Localism Act 2011, open public services white paper, community budgets, in addition to other initiatives such as proposed mutualisation of fire and rescue services, which may result in the service moving towards a commissioned service, with all functions exposed to potential challenge/competition with fresh scrutiny arrangements;
• an increase in fire related incidents due to increased levels of vulnerability and social deprivation; and
• climate changes may lead to an increase in the number of emergency incidents, affecting overall service capability as well as business continuity plans.

FIGURE 19: BREAKDOWN OF EXTERNAL ENVIRONMENT RELATED RISKS

- 50% Government / Industry body initiatives and plans
- 25% Social factors
- 25% Climate change