



Essex County
Fire & Rescue Service

Risk Management Strategy

About

The Risk Management Strategy sets out the ways in which Essex County Fire and Rescue Service approaches enterprise risk management in order to support 'The Authority', in the delivery of its mission statement as set out in the Fire and Rescue Plan *'To make Essex a safe place, to live, work and travel'*.

It outlines roles and responsibilities, for the Strategic Leadership Team (SLT), through to managers and all personnel. The document should be considered in conjunction with the procedures and processes that have been adopted by individual projects and Boards and is supported further by the Assurance Strategy and Risk Management Guidance.

Essex County Fire and Rescue Service may be referred to as 'the Service' throughout this document.

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INTRODUCTION

A risk management strategy is a structured approach to addressing risks and is best understood not as a series of steps, but as a cyclical process in which new and ongoing risks are continually identified, assessed, managed, and monitored.

This provides a way to manage risk as new developments occur and then to take steps to protect the Service, people, and its assets.

Engaging with enterprise risk management and developing a risk aware culture ensures that risk-based decision making is embedded in all processes across the Service, allowing the Service to plan for, anticipate and manage risks which may impact upon service delivery and the achievement of its objectives.

WHY MANAGE RISK?

The Service defines risk as ‘The effect of uncertainty on objectives’ (ISO3100:2018), a deviation from the expected can create or result in threats (something bad happening) or opportunities (something good happening). Risk Management is defined as **‘the coordinated activities to control and direct the organisation with regard to risk.’**

Risk is measured by using Likelihood x Consequence to determine an over-all risk score.

By identifying, assessing, and managing risk across the whole organisation we will:

- Reduce variability of outcome
- Prevent and mitigate hazards
- Take advantage of opportunities

- Comply with relevant rules and regulations.

The Service recognises that specific risks cannot be addressed in isolation; the management of one risk may have an impact on another, and management actions which are effective in controlling more than one risk simultaneously may be achievable.

THE CONTEXT FOR RISK MANAGEMENT ACTIVITIES AT ECFRS

The Service operates under several legislative arms including The Fire and Rescue National Framework (2018) which sets out priorities, objectives and guidance relating to Fire and Rescue Service's (FRS) functions that the Secretary of State considers appropriate.

The Framework requires FRS ***'to identify and assess the full range of foreseeable fire and rescue related risks their areas face***, whether they are local, cross-border, multiauthority and/or national in nature from fires to terrorist attacks.

These are identified through the Strategic Assessment of Risk (SAoR) and addressed in the Community Risk Management Plan (CRMP) which must ***'reflect up to date risk analyses including an assessment of all foreseeable fire and rescue related risks that could affect the area of the authority'***.

As a member of the Essex Resilience Forum, the Service will work with partner agencies to respond to risks identified at the National and Local level and set out in the Community Risk Register. Specific risks and actions are identified and managed through the Strategic Risk Register.

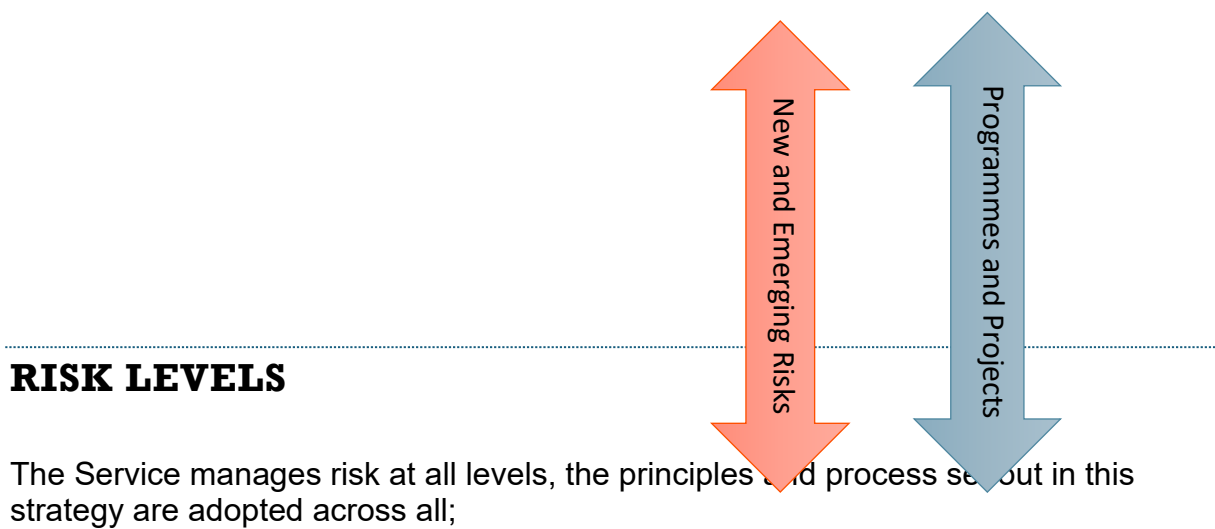
The Service is subject to regular inspections from HMICFRS which provides external assurance that the Service is managing its statutory obligations, the inspection forms part of our risk programme through the identification of improvements needed and best practise that has been applied.

Once potential risks have been identified, each risk should be assessed to determine the likelihood of it materialising, its level of severity, and the probable consequences.

The outcome of this analysis aids the Service in prioritising specific risks and developing risk treatment plans to bring the risk into acceptable parameters.

The Service utilises the PESTLEO (Political, Economic, Societal, Technological, Legal, Environmental and Organisational) classification systems for providing context to the External and Internal risk environment.

The National Fire Chiefs Council has developed a national Risk Framework and accompanying guidance for Fire and Services in the UK to promote a consistent approach to Risk Management.



Strategic Risk

Is owned and managed by the Senior Leadership Team (SLT), with strategic controls usually sitting with a member of the Extended Leadership Team (ELT) or Subject Matter Expert (SME)

Strategic Risk is associated with:

- Delivery of the Fire and Rescue Plan
- Delivery of Strategic Objectives Adherence to Statutory Obligations.
- Accumulated Risk
- Escalated Risk

The consequences of strategic risk if not managed are usually felt 3-5 years after the event.

Tactical Risk

Tactical risks are associated with 'running' the service and are owned and managed by Extended Leadership Team (ELT) with the involvement of the Risk Group to co-ordinate activities. Risk at this level is normally associated with the delivery of the strategic vision and ensuring the correct process, people, infrastructure and systems are in place to support this.

The consequences of tactical risk not being managed would normally be felt around 1 year after the event.

Operational Risk

This covers the day to day 'doing' activities in support and operational roles. Risk at this level is usual associated with Hazard risk and is owned by local managers reporting to the ELT.

The consequences of operational risk would usually be felt immediately.

Operational Risk is usual managed and supported through specialist departments such as Health and Safety and Business Continuity Planning.

New and Emerging Risk

The service encourages the identification of new and emerging risk, this is driven by SLT with support from ELT and the Risk Lead.

The purpose of identifying new and emerging risk, is to build resilience into the organisation by anticipating possible adverse events and preparing the Service to absorb their impacts and adapt to the situation.

Change Risk

Change is initiated to improve services and manage risk; the project initiation document should clearly set out how the proposed change will improve service delivery and reference the relevant risk.

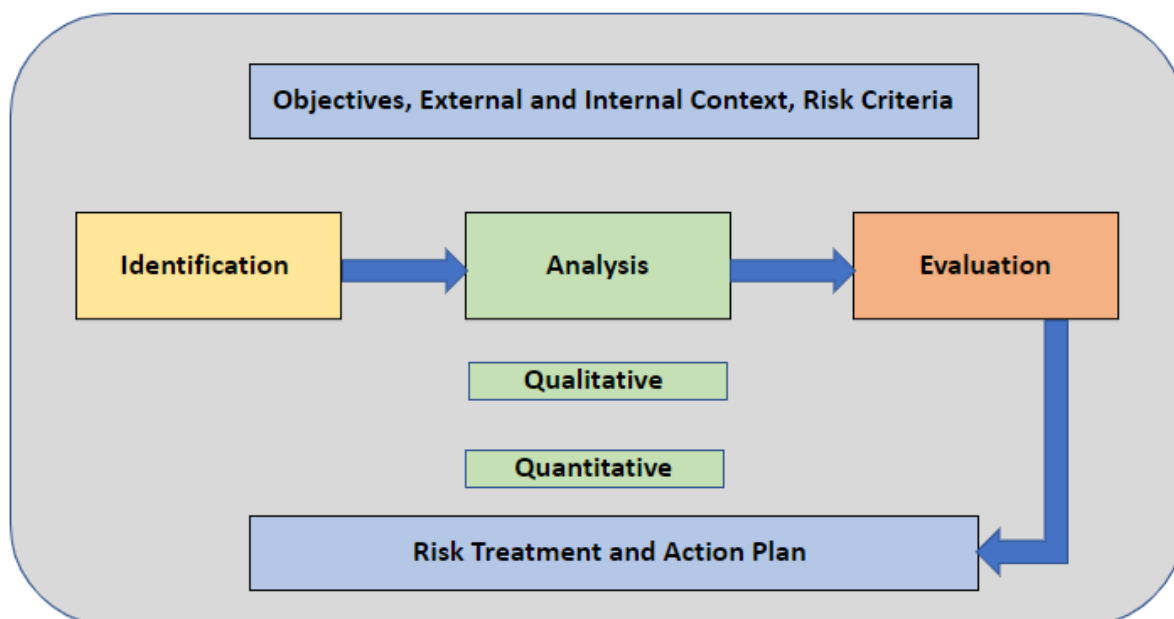
Risk associated with change initiatives are designed to reduce variability of outcome and successful transfer to business as usual upon completion.

A risk assessment and review should be carried out at each phase of the project cycle, as the risk may change at each phase and assumption may become risks putting delivery at risk.

Any activity introduced to change the business must undergo a Data Protection and People Impact Assessment, any risks identified which are above the Service risk appetite must be included in the project risk register (JCAD).

The Risk Assessment Process

The process for assessing risk is framed by the need to have a clear understanding of what we want to achieve, and the context in which we are trying to achieve it, both internally and externally.



Risk Assessment is comprised of three components:

Risk identification: is to find, recognise and describe risks that might help or prevent an organization achieving its objectives. Relevant, appropriate and up-to-date information is important in identifying risks.

Risk analysis: considers uncertainties, risk sources, consequences, likelihood, events, scenarios, risk levels, controls and their effectiveness.

Risk evaluation: compares the results of the risk analysis with the established risk criteria to determine where additional action is required.

The outcomes of the Risk Assessment will be used to determine the most appropriate way to treat the risk, detailed information on treating risk can be found in the Risk Management Guidance.

RISK APPETITE

The purpose of ECFRS Risk Appetite Statement

Risk appetite communicates “the amount of risk Essex County Fire and Rescue Service is willing to accept, in the pursuit of its long-term objectives, (IRM) and provides the means to assess whether the organisation is operating within acceptable limits and communicates to employees and stakeholders the parameters within which they are allowed to take risk.

Where a specific activity leads to ECFRS exceeding the risk appetite, consideration will be given to pausing that activity until measures can be put in place to bring the risk

back within acceptable limits and prevent the introduction of more risk into the organisation.

There will be occasions when a risk needs to be tolerated outside of the risk appetite, these should be carefully monitored, the Service Leadership Team and Senior Management are responsible for ensuring that risk taking remains within acceptable limits.

Both the risk appetite and risk profile of the organisation should be regularly monitored by The Authority and the SLT and formally reviewed on an annual basis unless circumstances demand otherwise.

Risk Appetite Statement

Compliance – Risk Appetite for this category is Open

The Fire and Rescue Service operates within a legal and regulatory framework. Adhering to relevant laws, regulations and guidelines is crucial for maintaining accountability and public trust. The risk appetite is aligned with compliance requirements to prevent any legal or ethical issues.

The service accepts that due to the nature of work the work carried out by Fire and Rescue Services that some calculated risk taking is necessary to reduce harm to our communities, however the risk when carrying out FRS activities should be as low as reasonably practicable whilst still allowing for dynamic decision making to take place.

Avoiding unnecessary risks and ensuring adequate safety protocols are in place is a top priority.

We also acknowledge that some activities governed by legislation and regulation carry an inherently higher risk of non-compliance if not carefully monitored such as maintaining safe working conditions and information governance.

All decisions must take into consideration any relevant legislation and regulation and must be managed to maintain compliance where they are deemed to potential carry a risk.

There may be some areas of legislation or compliance considered obstructive or insufficient, in this case we would support the PFCC in exerting their influence in challenging legislative and regulatory expectations if there is compelling evidence or a strong argument to do so and the potential gain is likely to outweigh any foreseeable adverse consequences.

Performance and Delivery – Risk Appetite for this category is Open

Performance is a priority, and we encourage our people to maintain performance targets, continually improving, to keep our communities safe from harm.

As a public service any actions to improve performance must be balanced against financial considerations and the safety of our people and communities.

There may be some instances when it is acceptable not to meet our performance standards if there is a valid reason to do, competing interests or resources are diverted to provide greater benefit elsewhere in the organisation.

People – Risk Appetite for this Category is Cautious

Essex County Fire and Rescue Service are committed to providing a safe working environment with a kind and positive culture at its heart that values the dignity and contribution of all employees and is reflective of the communities we serve.

We are committed to developing our people and strive to be an employer of choice which reflects the communities it serves. Our people are expected to conduct themselves in accordance with the code ethics and service values.

The level of training and preparedness of Fire and Rescue personnel plays a crucial role in managing risks effectively. Adequate training, ongoing professional development and comprehensive emergency response plans are essential components.

The service expects employees to strive for excellence in all they do, utilising evidence-based decision making and innovative thinking to provide the best possible service to the public, who must be central to all we do.

We will not accept risks which result in or allow bullying, unprofessional conduct and behaviours which make others feel unsafe in the workplace or communities we serve.

In seeking to be an employer of choice we are willing to take risks which enable us to attract talented people, from a range of backgrounds, into roles within the service. This may mean innovating in recruitment and retention to attract and keep people of high calibre.

It is recognised that service improvements will from time to time require changes within the organisation, including structure, employment and business models or ways of working. These have the potential to cause disruption in the short term but careful managed provide long term reward.

Finance and Resources – Risk Appetite for this Category is Cautious

There is a degree of uncertainty around the financial operating context. The service primarily aims to work within the financial parameter set out for us as a Fire and Rescue Service, we recognise that on occasion for reason out of our direct control there may conditions which create budgetary shortfall or over-spend, the Service aims to have plans in place to address such eventualities.

We recognise that in creating a Service that is fit for the future and able to serve its communities as effectively and efficiently as possible we need to invest and innovate finances and resources to do so.

Protecting property and minimising damage (asset protection) is also an important aspect of the Fire and Rescue Service. Risk appetite should be balanced to mitigate potential losses and damage to structures and belongings. This includes ensuring effective fire prevention measures, timely response, and appropriate resource allocation.

Decisions taken to invest for long term improvement and making the most of opportunities as they present themselves are taken only once the benefits and risks of said investment of finance and resources are fully understood and appropriate risk treatment plans are agreed and in place to manage down the potential for negative impacts on finance and resources.

Funding and resourcing of core activities and the delivery of service priorities must be protected as much as possible.

Reputation – Risk Appetite for this Category is Open

Reputation is key to the effective and efficient delivery of services to our communities and stakeholders, without trust the service would find it difficult to reach out to our communities and develop and maintain critical relationships with partners.

We recognise that, as a public body, some decisions may result in negative publicity however we can accept some negative publicity where there is sound reasoning behind a decision backed by evidence.

The service also accepts that the actions of individuals can, on occasion give rise to negative exposure, we therefore have a moderate appetite for negative publicity providing the exposure is managed and monitored through via the Service Communications and Media Department.

ROLES AND RESPONSIBILITIES

Service Leadership Team

- Responsible for the over-all governance of Risk
- Determining tolerance and risk appetite levels
- Set the 'Tone from the Top' for Risk Management and ensure that it is embedded in strategic decision making and business planning.
- Have a clear understanding of the nature of risk, discuss and review the strategic risk register.
- Ensure risk assessments are carried out on a continual basis and that management are monitoring risk.

Extended Leadership Team

- Escalate risk to the service leadership team when required.
- Own and maintain strategic control measures.
- Work with the risk lead and service leadership team to identify new and emerging risk.
- Drive the management of risk in areas of responsibility ensuring risk registers are regularly discussed and maintained.
- Ensure implementation of risk improvement activities, including audit outcomes, HMICFRS and annual planning.

Department Managers

- Assist ELT activities required to manage risk.
- Have an awareness of risk and attend any relevant training.
- Discuss risk and control at team meetings, ensuring that risk registers are reviewed as required.
- Identify and manage risk at the local level, using the risk register to record all activity and provide assurance to senior managers.
- Report unworkable controls.

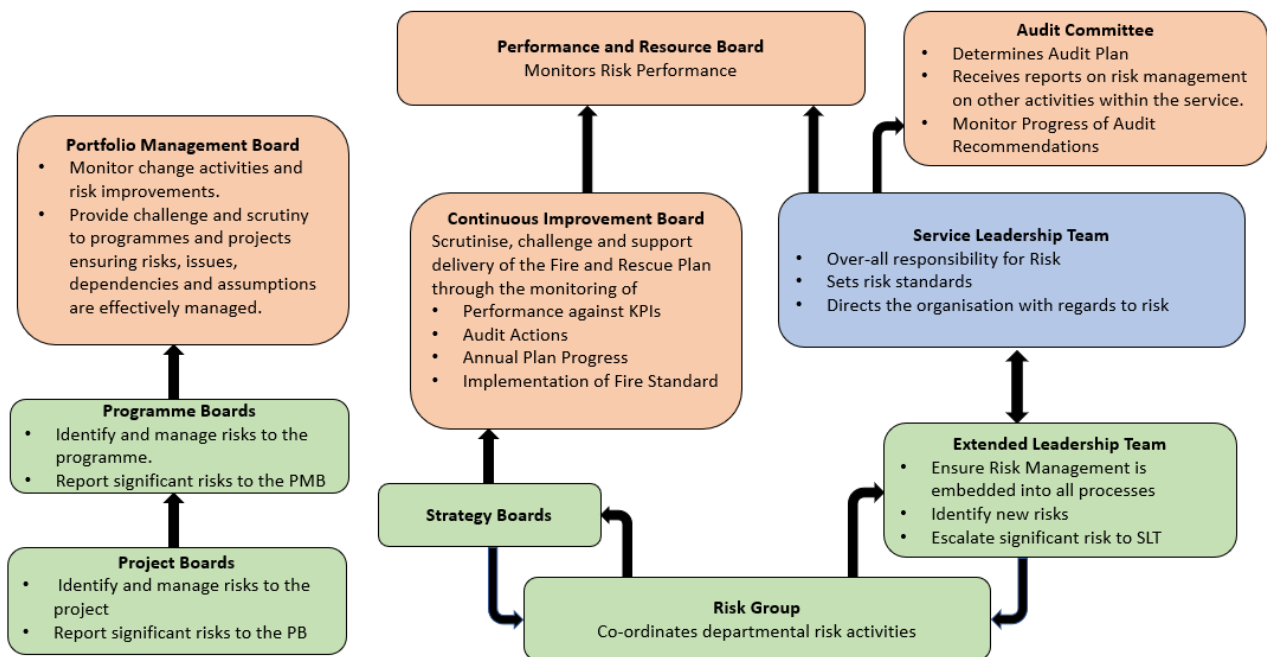
All Employees

- Report near misses and lessons learnt to managers.
 - Identify and assist with risk management activities as part of their role
 - Attend training as required including eLearning to develop an awareness of risk.
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RISK ARCHITECTURE

The risk architecture sets out the hierarchy of committees and boards in the service and their responsibilities with regards to risk management and internal control.

Reporting and the communication of risk follows the same structure, each board and committee sets out its responsibility for risk in the Terms of Reference.



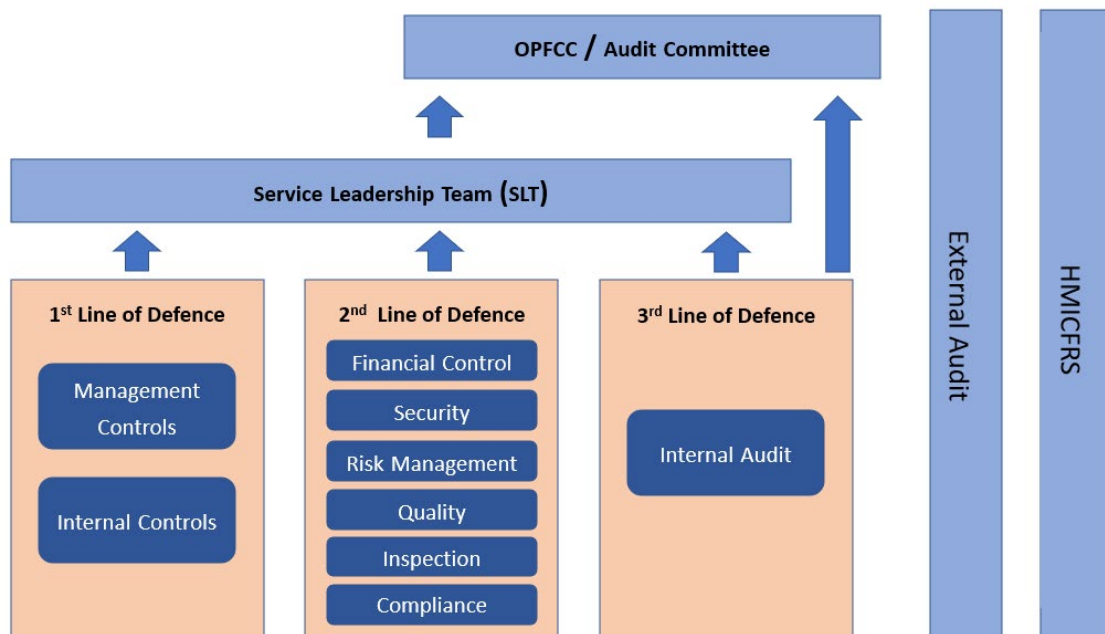
Each of the areas listed below has responsibility for one of the following:

- Setting risk standards
- Implementing risk standards
- Monitoring Risk Performance

RISK ASSURANCE MODEL

The Service applies The Three Lines of Defence Model from the Institute of Internal Auditors when as the basis for Risk Assurance, the model also informs the wider Assurance Framework.

The three lines of defence sets out the role of various functions in directing and controlling risk activities including, action, accountability and governance.



The Service Leadership Team

The Service Leadership Team as the governing body are accountable for:

- Ensuring appropriate structures and processes are in place for effective governance.

- Service objectives and activities are aligned to stakeholder interests.
- There is an independent and objective Internal Audit process.

1st Line of Defence

The first line of defence is owned by management and the actions they take to deliver statutory obligations, manage risk and support other activities as directed by the Service Leadership Team.

2nd Line of Defense

The second line of defence are those functions which operate with some independence from the usual management structure. These functions assist with Risk Management and provide expertise support and challenge to the 1st Line

3rd Line of Defence

Internal Audit as the 3rd line of defence provide Independent and objective assurance, and advice on the adequacy and effectiveness of Risk Management and Governance.

External Assurance (The 4th Line of Defence)

The fourth line should be independent from the Service to provide independent and objective assurance to stakeholders, those falling under this category are HMICFRS, External Audit and other bodies responsible for ensuring that we are delivering our statutory obligations effectively and efficiently are aligned to recognised frameworks and best practice.

RISK MATURITY

ECFRS uses the ALARM Risk Performance Model to measure risk maturity, the Model tests the extent to which risk management is having a positive effect on the organisation.

- The model provides a benchmark for risk maturity against set criteria using a scale of 1-5 with optimum best practise being Level 5, The last assessment of this criteria in 2020 indicated that ECFRS were at Level 2 'Happening', whilst we are moving towards achieving Level 3 'Working' there are some areas requiring improvement. Design and delivery of a Training Package for the Service including an eLearning option.
- Early warning indicators should be identified for risks with near misses and lessons learnt reported to the relevant Risk Owner and recorded on the risk software.
- Performance Management is linked to and reported against relevant risks.

Risk Strategy 2023

- Risk is built into the Business Planning Process through the Community Risk Management Plan and Annual Planning Process.
- Key risks to the delivery of Business Plan aims and objectives are identified and tracked through JCAD.
- Partner and Supplier Risk is well managed.

The Extended Leadership Team take the lead in integrating Risk Management in their areas of responsibility. The Service's aspirations for the future are to continue to move towards risk management becoming an integrated part of business planning and decision making to aid in the achievement of objectives, it aims to be at Level Three for the next assessment in 2023/24.