



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 the Fire and Rescue Service's (FRS) functions that the Secretary of State considers appropriate.

These include but are not limited to:

- The Fire and Rescue Services Act (2004)
- The Civil Contingencies Act (2004)
- The Health and Safety (H&S) at Work etc. Act (1974)
- The Fire & Rescue Services (Emergencies)(England) Order (2007)
- The Human Rights Act (1998)

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- The Regulatory Reform (Fire Safety) Order (2005)
- Emergency Services (Obstruction) Act (2006)
- Policing and Crime Act (2017)
- Reservoirs Act (1975)
- Water Resources Act (1991)
- Data Protection Act (2018)

The Fire and Rescue National 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 e.g. 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'***.

To support this activity, The National Fire Chiefs Council (NFCC) has developed a risk framework and accompanying guidance for FRS in the UK to promote a consistent approach to risk management.

As a member of the Essex Resilience Forum, the Service will work with partner agencies to respond to risks identified at 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 informs our risk activities through the identification of improvements needed and best practice that has been applied.

In addition, the Service has an internal audit programme and participates in peer reviews to identify areas for improvement.

Once potential risks to the Service and/or our communities have been identified, each risk will be assessed against, set criteria to determine the likelihood of the risk 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.

RISK MANAGEMENT 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 managers are monitoring risk.

Managers

- Have an awareness of risk and attend any relevant training.
- Support and champion a culture of risk management throughout their areas of responsibility.
- Discuss risk and control at team meetings, ensuring that risk registers are maintained.
- Provide assurance that risk is being managed.
- Identify new and emerging risk.
- Report unworkable controls to the risk owner.
- Ensure implementation of risk improvement activities.

All Employees

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

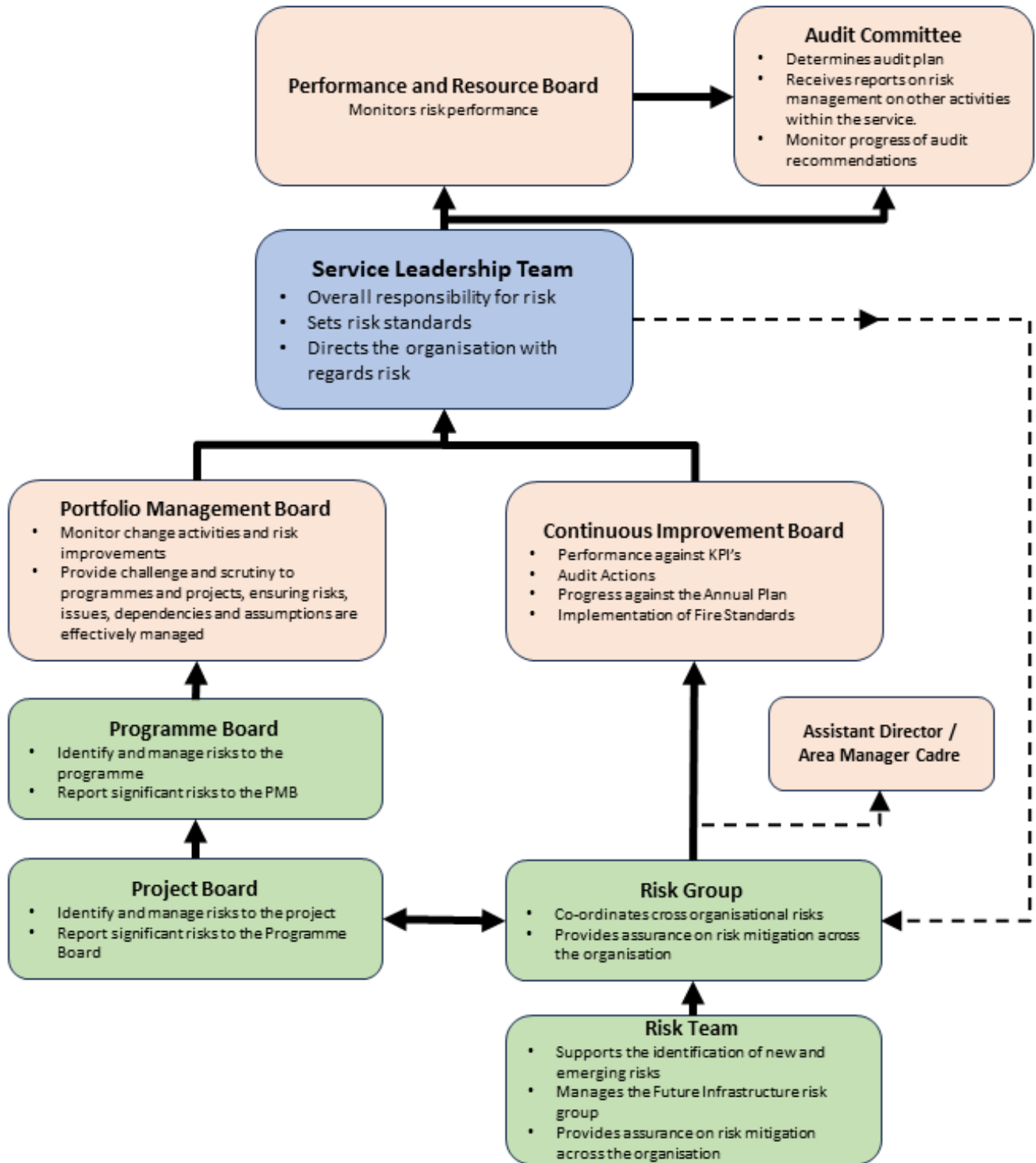
RISK ARCHITECTURE

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 boards listed in the diagram has responsibility for one of the following:

- Setting risk standards.
- Implementing risk standards.
- Monitoring risk performance.



RISK LEVELS

The Service adopts Enterprise Risk Management to identify and manage risk across the Service, the principles and process set out in this strategy should be followed by all departments.

Strategic Risk

These are risks that will have a significant impact on the Service should they occur including aggregated risk.

Robust risk management at the strategic level can help protect the reputation of the Service, safeguard against financial loss and minimise service disruption.

Risks in this category are managed through the Service Leadership Team and reported to the Performance and Resource Board and Audit Committee.

Members of the Service Leadership Team are appropriate risk owners for strategic risks.

Strategic Risk is associated with:

- Delivery of the Fire and Rescue Plan.
- Delivery of Strategic objectives.
- Adherence to statutory obligations.
- Accumulated risk.
- Escalated risk.

Risk at the strategic level will normally take around 3- 5 years for the consequences to materialise, as risk at this level it is associated with the development of vision, strategy and decision making.

Departmental Risk

These are risks which are usually more local in nature, new and emerging risk is identified at this level and escalated to the Strategic Risk Register if deemed to be of sufficient threat to the Service.

Risk management at this level should ensure the safety of operational and support personnel, continuity of service, maintenance of effective and efficient processes and delivery of strategic vision and is the responsibility of department managers and managed through team meetings, with over-sight provided at the Risk Group.

Those risks which are accumulated or require escalation will be reported to the Service Leadership Team via the Monthly Risk Report.

Consequences of a risk materialising at this level can be felt immediately or up to three years after the risk event.

Programme and Project Risk

Programmes and projects are created out of an identified business need and/or to manage an existing service risk. The project initiation document should clearly set out how the proposed programme or project will improve service delivery and reference the relevant risk.

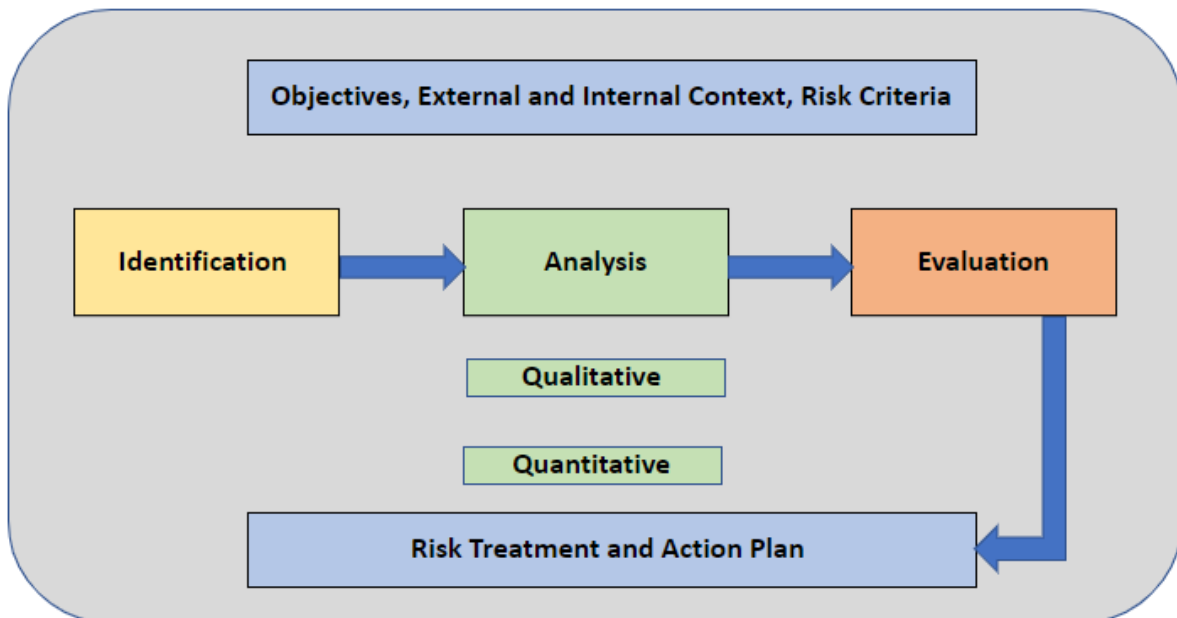
Responsibility for programme and project risk falls under the Portfolio Management Team with guidance from the Risk Lead.

The role of risk management in projects is to reduce variability of outcome by identifying and addressing barriers to successful project delivery and transfer into business as usual.

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

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.



The Risk Assessment is comprised of three components:

Risk identification: Is the process of finding, recognising, and describing risks that might help or prevent an organisation achieving its objectives. Relevant, appropriate, and up-to-date information is key to identifying risks.

It is helpful to ask the following questions.

- What are we trying to achieve?
- What could prevent us achieving that goal?

Sources of risk information: Risks can be identified through a number of sources from the internal or external environment, examples include:

- Legal or Regulatory developments
- Through partnership activities or collaborative working
- Internal Audit
- Her Majesty's Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) Reports
- Reports into similar organisations
- Lessons learnt, de-briefs and past experience.

Useful tools and techniques to aid in risk identification are:

- Horizon scanning, which can identify emerging issues or trends and their potential impact on the organisation.
- PESTLEO which is used to assess the external risk environment through consideration of political, economic, sociological, technological, environmental and legal factors and internal risk through consideration of organisational influences that may impact on an organisation.
- SWOT can strengthen analysis by considering the strengths and weaknesses of plans and processes, and the external threats and opportunities which may impact delivery.
- Workshops

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

- How likely is it that a risk may occur and what would be the consequences?

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.

RISK ASSESSMENT SCORING CRITERIA

An identified risk is usually assessed against the likelihood of that risk occurring and the impact should it occur, scoring should be supported by an assessment of quantitative and qualitative information.

Likelihood: how likely is it that the risk will occur?

There are five categories, and each is allocated a score:

- Rare
- Unlikely
- Possible
- Likely
- Almost Certain

Impact: how serious will the consequences be?

Again, this is assessed at five levels with a corresponding score:

- Insignificant (2)
- Minor (5)
- Significant (10)
- Major (15)
- Critical (20)

Detailed information on risk scoring is contained within the document [ECFRS Risk Scoring Methodology V1](#)

Inherent Risk: The inherent risk is the level of risk without any controls in place. The purpose of this is to demonstrate the importance of specific control measures in managing the risk and provide a worst-case scenario context.

Residual Risk: Residual risk is the level of risk that remains when all the controls are in place, this is the 'current' risk profile. If the residual risk is above the risk appetite score immediate action should be taken to reduce this in line with the target risk score.

It should be noted that not all risks can be reduced to below the risk appetite, in this case a decision should be taken as to whether we accept the risk at that level with careful monitoring in place or cease the activity which is giving rise to the risk until a solution can be found.

Target Risk Score: The target risk score is where you realistically want the risk to be, the services risk appetite statement should guide you however as a rule scores of 6 and below are considered tolerable.

An assessment of the target score should consider availability of resources and finances as well as external factors which the Service can't control.

Proximity of Risk: This is the point in time when the risk is most likely to occur. Considering proximity helps to set a timescale for the implementation of control measures.

Risk Owner: Each risk should be allocated a risk owner; the risk owner should have sufficient authority and access to resources to manage the risk accordingly. The risk owner also has responsibility for ensuring that control measures are identified and implemented.

A risk owner may delegate the day-to-day management of a risk to a suitably qualified person who has expertise in that area of the business.

Department heads may also wish to identify a team member who can accept, reject, or redirect risks on their behalf and who will also be responsible for updating the risk register.

Treating Risk: Where the overall risk score is 6 or less, there will normally be no need to take any further action other than maintain the current control environments, although a record must be made that the risk has been identified.

A risk score of 8-12 will require the creation of a risk treatment plan to manage the risk down to an acceptable level. This should consider both preventative and mitigating actions.

Risks scoring 15 or more will be raised with the SLT and require immediate action or a pause in the activity giving rise to the risk.

The following actions may be taken to treat the risk:

- **Terminate:** where a risk outweighs the potential benefit it may be better to terminate the activity and therefore remove the risk.
- **Tolerate:** a decision is taken to accept the risk. This may be where the risk score is so low that the effort of managing the risk is disproportionate. In some cases, it may also be impractical to treat the risk and therefore a decision can be made to do nothing other than monitor it.
- **Treat:** The organisation will take action to manage the risk into acceptable limits. This is the most common and preferred option where possible.
- **Transfer:** this includes insurance, contracting out a service or paying a third party to take on the risk associated with an activity. However, it should be noted that this option does not absolve the Service of responsibility particularly when it comes to reputation.

Recording Risk

All identified risks at the strategic and departmental levels are to be recorded on the relevant risk registers, a risk register is designed to record key information regarding a risk and its associated control measures. An up to date and accurate risk register provides the Service and key stakeholders with assurance that risks are being identified and managed.

This is done through risk reporting; the strategic risk register is currently reported to the SLT monthly, and quarterly to the Audit Committee and the Performance and Resource Board using the information contained within the risk registers.

The Service records risk via the risk management software JCAD Core.

Risk management software provides the Service with a holistic view of its risk exposure by recording risks, providing an audit trail, giving over-sight and reporting functionality within one system.

Heads of Department or equivalent are responsible for ensuring risk registers are maintained and updated in a timely manner and ensuring that risk management support is provided to employees recording and maintaining risks on their behalf.

Reviewing Risk

The risk owner is responsible for ensuring that the risk is monitored, and reviews carried out at regular intervals depending on the risk score, reviews may be more or less frequent at the risk owner's discretion or if the circumstances surrounding a risk change.

A risk review should consider:

- Additional risk information.
- Is the risk score correct?
- Regular reviews of the risk and risk score.
- Are control measures progressing and what effect is this having on the risk?
- Are controls being implemented within agreed timescales.
- Are any controls unworkable or ineffective?
- Is further action required?

If the risk is deemed sufficiently significant to require management at a more senior level, it can be escalated with the approval of the Risk Lead and relevant Director.

The risk register should be updated prior to a board or team meetings.

Business Continuity and Contingency Plans

In certain cases, particularly in relation to the most serious risks, it may be appropriate to develop a contingency plan. The aim of contingency planning is to enable the Service to return to 'business as usual' as quickly as possible and mitigate against financial loss and reputational damage if preventive action is unsuccessful or the event is out of the Services control.

Pre-defined plans are developed and maintained as part of the business continuity process, advice on business continuity planning can be obtained from the Business Continuity Advisor.

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' (The Institute of Risk Management) 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 SLT 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 FRS 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 carried out by our people 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.

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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 so, competing interests or resources are diverted to provide greater benefit elsewhere in the organisation.

People – Risk appetite for this category is **Cautious**.

ECFRS 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 FRS 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.

Risk Strategy 2024

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 if carefully 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 parameters set out for us as a FRS, we recognise that on occasion for reasons out of our direct control there may conditions which create budgetary shortfalls 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.

The protection of property and assets in Greater Essex is an important part of the Service's responsibilities. Risk appetite should be balanced to mitigate potential losses and damage to structures and belongings whilst keeping our people safe. This includes ensuring effective fire prevention measures, timely response, and appropriate resource allocation.

Decisions taken to invest for long term service 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.

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**.

The reputation of the Service is key to the delivery of effective and efficient services to our communities and in developing good working relationships with our stakeholders. Without trust the Service would find it difficult to develop and maintain critical relationships with partners vital to carrying out our functions as a FRS, trust allows us to reach the most vulnerable in our communities.

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.

RISK ASSURANCE FRAMEWORK

The aim of risk assurance is to determine whether the risk management procedure is working effectively.

The Service applies The Three Lines of Defence Model from the Institute of Internal Auditors 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 SLT.

2nd Line of Defence

The second line of defence are internal functions which operate with some independence from the usual management structure 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.

External Assurance

External assurance provides 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, efficiently and are aligned to recognised frameworks and best practice.

RISK MATURITY

The Service 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.

Including:

- The design and delivery of a training package for the Service including an eLearning option.
- Early warning indicators for risks with near misses and lessons learned reported to the relevant risk owner and recorded on the risk software.
- Performance management linked to and reported against relevant risks.
- 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 planning aims and objectives are identified and tracked through JCAD.
- Partner and supplier risk is well managed.

Managers should 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 2024/5.