



WILTSHIRE FIRE & RESCUE SERVICE
Wiltshire and Swindon Fire Authority

A Risk Management Strategy



August 2005

Your Safety: Our Priority



Document Control

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Foreword from the Chair of the Fire Authority & Chief Fire Officer



Risk is uncertainty of outcome, and good risk management allows an organisation to have increased confidence in achieving its desired outcomes; effectively constrain threats to acceptable levels; and take informed decisions about exploiting opportunities. It will also allow us to learn the value of appropriate risk-taking and benefit from innovation.



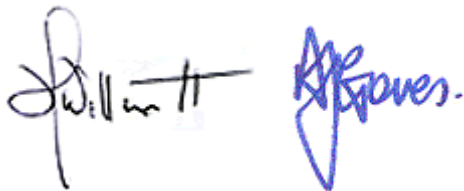
The Modernising Government initiative seeks to encourage public services and Fire Authorities to adopt well-managed risk taking where it is likely to lead to sustainable improvements in service delivery.

More effective risk management will improve our ability to undertake the increasingly complex and crosscutting projects that are demanded by the modernisation agenda. Fire Authorities need to have in place the skills, management, and organisational structures to take advantage of potential opportunities to perform better, and reduce the possibility of failure.

In business terms risk can take various forms, risks from missed opportunities, financial risk, risk to programmes / projects, risk to the services we deliver, risk to the public or specific stakeholders, or from policy failures, and risks to our reputation.

Risks can affect our performance, our staff and members of the public. Because there are such wide ranges of risks we need a clear and shared understanding of how such risks should be managed. This disciplined and harmonised approach is central to success, maximising opportunities and avoiding disappointment; to meeting our key objectives and targets; to creating public confidence; and to meeting the legal requirements of good corporate governance.

This strategy outlines how I, and my colleagues on the Management Board want to approach risk management. It describes the key important elements of successful risk management – how we identify, assess, address, review and then report on our risks. It clarifies the various roles and responsibilities. Every member of the Brigade has an essential part to play. The Authority and the Management Board are committed to embedding the principles of effective risk management in the culture of Wiltshire Fire Brigade. Risk Management must be a living and integrated process, not a “tick-box” exercise. Doing it effectively, across the board, will take time; this strategy is an important step along this road.





Foreword from the Chair of the Fire Authority & Chief Fire Officer	3
1. Introduction.....	2
2. Purpose of this strategy	3
3. Benefits of Managing Risk Effectively	4
4. Outcomes of Risk Management.....	5
5. How the strategy works	6
6. Training	8
7. Reviewing and Monitoring.....	8
8. Implementation	9
9. Summary.....	11
10. Definitions List	12
Appendix 1- Roles and Responsibilities	14
Appendix 2 - Risk Management Framework	18
Appendix 3 Organisational Risk Analysis Process	19



1. Introduction

1.1. The Fire Authority has a moral and statutory duty to reduce risk to the community and its employees and to ensure that it is financially and operationally effective. The Brigade's Management Board supports the Authority in fulfilling this objective by ensuring that risk management plays an integral part in the way we do business. The strategic statement of intent below illustrates the Authority's commitment to good risk management.

'Wiltshire & Swindon Fire Authority will adopt current best practice¹ for the identification, evaluation, and control of risks to the organisation by ensuring that opportunities are identified and exploited, and risks are eliminated where possible, or reduced to a tolerable level'

1.2. Risk management is fundamental to any modern organisation because it reduces uncertainty, increases effectiveness and efficiency. It is an issue that we have to address to meet public expectations and legal requirements and to facilitate the Governments agenda for modernisation of the Fire & Rescue Service.

1.3. The Brigade Management Board will support the Authority in fulfilling this objective. However, risk management is an active process that requires everyone's involvement wherever they are in the brigade. Like Health & Safety, the management of risk is not the responsibility of any one person or group, but the responsibility of every one in the Brigade.

¹ HM Treasury – Management of Risk, Principles and Concepts, OGC – M-o-R, IRM (2003) Risk Management Standard. The Institute of Risk Management: London



2. Purpose of this strategy

2.1. This risk management strategy explains how the Authority will deal with risks and exploit opportunities, it sets out the aim, objectives and approach that everyone must follow to facilitate good risk management.

2.2. The Authority has adopted the following statement in relation to its vision for the communities of Wiltshire and Swindon: -

'To reduce the incidence and consequence of fires, road traffic collisions, other emergencies, and to provide a professional response to those we serve'.

2.3. The vision translates into five high level corporate aims which are to: -

- **Reduce the number of fires and other emergency incidents;**
- **Reduce the loss of life and number and severity of injuries from fires and other emergency incidents;**
- **Reduce the commercial, economic and social impact of fires and other emergency incidents;**
- **Safeguard the environment and heritage (built and natural);**
- **Develop our organisation and staff to provide the community with value for money;**

2.4. At a practical level the purpose of risk management is to help us meet these objectives efficiently and effectively and to understand the vulnerable points which could prevent us from doing so.



3. Benefits of Managing Risk Effectively

3.1. Effective risk management will deliver a number of tangible and intangible benefits to individual services and to the organisation as a whole. These can vary in their nature and extent from service to service. However, they will be important to the organisation's reputation and its ability to deliver best value.

Improved strategic management

- Better informed selection of strategic objectives and associated targets as a result of the risk identification, analysis, control and monitoring process
- Greater ability to deliver against more realistic and achievable objectives and targets

Improved operational management

- Improved innovation
- Reduction in interruptions to service delivery
- Reduction in managerial time dedicated to dealing with the consequences of a loss event having occurred
- Enhanced managerial control as a result of risk identification, analysis, control and monitoring
- A more systematic approach to addressing legislative, regulatory or competitive demands
- Improved control of the risks associated with any arms-length or contractual working arrangement
- Improved health and safety and the enhanced condition of property and equipment
- Improved project management and greater success rate

Improved financial management

- Better-informed financial decision-making on investment, insurance, option appraisal etc.
- Enhanced financial control as a result of risk identification, analysis, control and monitoring
- Reduction in the financial costs associated with losses due to service interruption, litigation, bad investment decisions etc.
- Reduction in insurance premiums and/or direct costs met through self-insurance

Improved customer service

- Minimal service disruption to customers and a positive external image as a result of all of the above



4. Outcomes of Risk Management

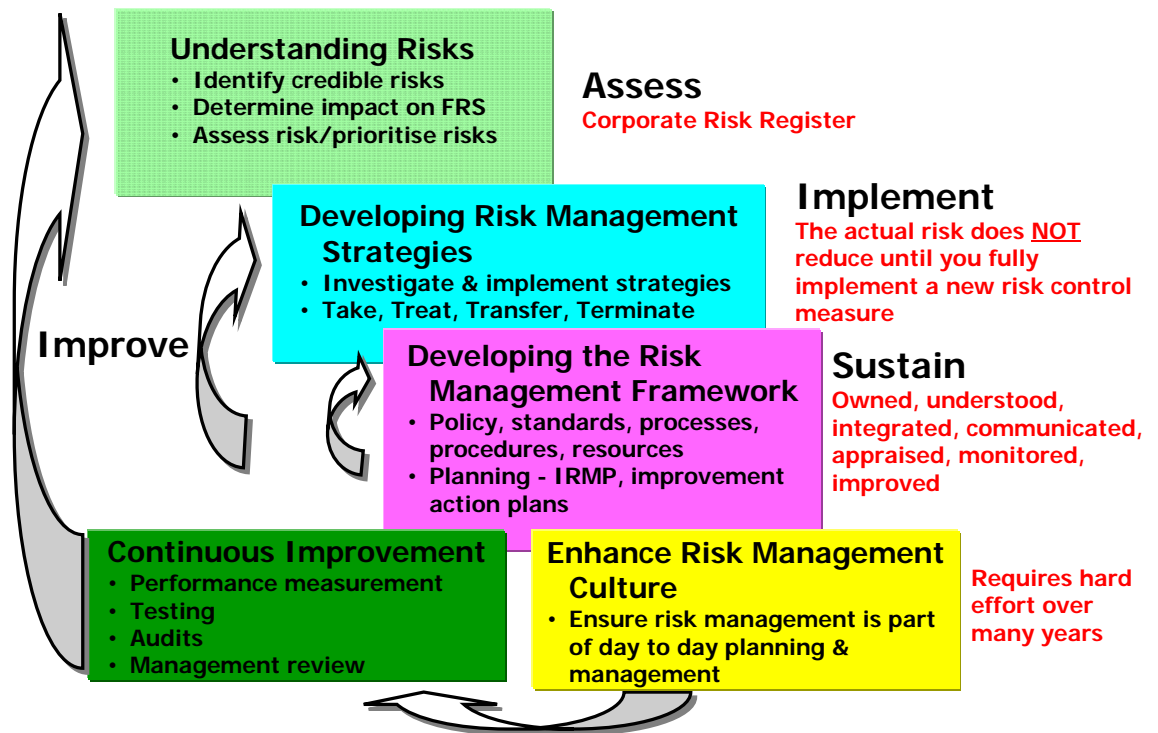
4.1. In implementing the risk management strategy the Authority aims to achieve a number of outcomes as identified below: -

- **To focus activity on the Authority's strategic aims** – Resulting in increased confidence in achieving desired outcomes; effective constraint of threats to acceptable levels; and taking informed decisions about exploiting opportunities.
- **To use recognised and approved techniques to identify or opportunities and determine their likely impact.** – Resulting in effective risk analysis and evaluation of risks at strategic and operational levels, and within programmes / projects.
- **To promote opportunities for innovation** - Application of the risk management process to identify opportunities to reduce risks to the community, our people, processes and finances
- **To prioritise and implement control measures to manage the risks** – Resulting in the application of cost effective and efficient control measures that are proportionate to the risk.
- **Through the use of education, training and communication, to develop and maintain a good risk management culture** – Improved understanding of risks and risk management. Resulting in improved responsibility for risk matters, and greater understanding of the need for proportionate action in response.
- **To maintain records and provide, relevant and timely risk management information-** Resulting in the production of a central, and departmental risk registers, that are integrated with our performance management systems.
- **To reduce the negative effects of risk** – Reduction in impact of the political, economic, social, technical, legal, environmental, competitive, customer/citizen, reputational risks.
- **To protect and promote the reputation of the Authority in the community** - the attraction of positive comments from staff, partners, stakeholder surveys, project/programme reviews, third party comments (e.g. press)



5. How the strategy works

5.1. A disciplined and united corporate approach is essential if risks and opportunities are to be identified and managed in a consistent way. This strategy offers a framework that can be used at all levels in the service it is a structured approach. The diagram below illustrates how this structured approach to risk management will enable the Authority to assess, implement, sustain and improve.



5.2. To ensure a disciplined and consistent approach to risk management a risk manual has been produced, which is available on the brigades IRMP web page via the following hyperlink, http://intranet2/fireaid/2003_website/website/IRMP/downloads/WFB_Risk_Management_Guide.doc This details how all staff will identify, evaluate, treat, monitor and review organisational risks and contains guidance and information on risk management.

5.3. Appendix 2 shows the risk management framework and this will be used to identify, evaluate, prioritise and treat risks. Using this approach risk management becomes integrated throughout the organisation and the activities it undertakes which are primarily: -

- **Protection** – The protection of people and premises from the effects of fire and other hazards and overall community well-being. It often involves working in conjunction with the business community to reduce risk and improve safety.
- **Prevention** – This involves the prevention of fires and other foreseeable accidents and emergencies.
- **Intervention** – All departments and fire stations involved in developing and implementing policies and procedures for providing a response to fires and other emergencies.
- **Support Services** - All departments and sections involved in the provision of service support, such as personnel, procurement, financial management, business continuity, risk management.

5.4. Each department will be required to identify risks and record these on a departmental risk register. This will ensure that risks are identified at all levels, and right across the organisation. When a strategic risk has been identified, it may be necessary to integrate this risk into corporate planning by using the organisational risk analysis process (See Appendix 3). This will help determine which risks are to be actioned by prioritising and building them into the financial planning process.

5.5. The application of this kind of risk management will generate better information to ensure that risks and opportunities at all levels are identified, controlled and exploited.

5.6. A Risk Management Group will be established, this group consisting of cross-functional representatives will co-ordinate the integration of risk management throughout the service and act as a source of guidance and advice. Like many activities the risk identification process is continuous with the risk analysis process being the main function of the Risk Management Group.

5.7. The Risk Management Group will also draw information from a number of other sources including: -

- Risk history information based on previous damaging events or near misses;
- Risk experience from elsewhere based on the frequency and consequences of known events and near misses;
- Horizon scanning to identify new and emergent risks, especially those coming from outside the organisation.
- Comparing and bench marking the application and outcomes of risk management with other fire brigades.



6. Training

6.1. Through the use of education, training and communication, we will make sure everyone knows about and understands how we want to manage risk. This process will lead to the development and maintenance of a structured approach to risk management, where risk is considered in everyday working situations and every decision making process. Personnel will receive training to enable them to fulfil risk management responsibilities and duties appropriate to their role, as set out in Appendix 1

7. Reviewing and Monitoring

7.1. The Management Board will keep strategic risks under regular review. High-level information on risk will be integrated with other key business performance data. Monitoring and reporting on the management of risk will take place at all levels within the service.

7.2. The schedule below sets out the minimum frequency for risk management monitoring and review, and illustrates how risk management and performance management will be integrated at strategic, tactical and operational levels.

Level of Reporting	IRMP	Service Action Plans	Performance Management	Area, Depart. Action Plans
Fire Authority	Annually (April)	Interim after 6 months. Out-turn at end of year	Review performance management information 6 weekly	Not reported
Brigade Management Team	Three Monthly	Monthly	Review performance management information monthly	Not reported
Group Managers Functional Heads	Annually (April)	Monthly	Review performance management information weekly	Monthly
Station Managers	Annually (April)	Monthly	Review performance management information weekly	Monthly

7.3. We will utilise the guidance contained in the Risk Management Assessment Framework produced by the HM Treasury Risk Support Team, to carry out bench marking activities, and commission external audits to assess the quality of risk management in the organisation.

8. Implementation

8.1. The full integration of risk management into the Brigade is a gradual process it requires several clearly defined steps that will be carefully managed .The schedule below identifies these steps and the associated actions and timescales for completion.

Activity	Action	Completion
Consultation on draft Strategy	Circulate to key stakeholders	May 05
Amendments	Incorporate comments	June 05
Submission for approval and adoption	Brigade Management Board	September 05
	CFA	Oct 05
Publish Documents	Intranet - Web site	Nov 05
Training		
- Members - All brigade managers - Brigade staff	Introduction to Risk Management of Risk Introduction to Risk	Oct 05 Oct 05 & continuing Oct 05 & continuing
Establish Corporate Risk Management Group	Agree role, responsibility and membership, frequency of meetings	Oct 05
Risk Strategy Review	Annual	July 06
Risk Register		
Corporate Risk Registry to review risks held on register	Identify status of risk, determine in conjunction with risk owner risk category. Brigade Management Board to identify strategic risks to be held on strategic risk register	Oct 05
Corporate risk registry and risk manager to review structure of strategic risk register	Risk register to be modified to resemble Government examples of best practice. Final risk register to be submitted to Brigade Management Board for approval.	Sep 05



Formulate Project and Programme Plans to ensure IRMP action plans are risk assessed, and PIDS produced using brigade project management methodology	Maintain Risk registers within these plans, escalate any strategic risks to Management Board level for inclusion on strategic risk register	June 06
Development of departmental risk registers, and populated with operational risks	Corporate risk registry to develop department risk registers, risk manager to assist department heads with risk analysis process and establishment of department risk tolerance levels	June 06
Brigade Management Board meet to conduct annual review of Corporate risk registers	Review of all risks identified, current status, priority level, and risk management actions required, to facilitate risk based budget process	June 06
Prioritisation of risks for action at strategic and operational levels	Management Board to agree action plans and feed into risk based budget process	June 06
Development of ongoing method for reporting on progress of risk management performance across the brigade	Production of risk based performance indicators, linked to IT desktop monitoring software. Evaluation of IT based solutions	Aug 06
Audit risk management framework and processes	To be carried out by independent consultant via risk health check	Sep 06
Compare and Bench mark against other Fire Services	To be carried out with assistance of Fire sub committee of ALARM	Oct 06



9. Summary

9.1. This strategy outlines how Wiltshire & Swindon Fire Authority and its staff will identify, evaluate, treat, monitor and review risks that impact on Authority's vision and strategic aims. It outlines the key roles and responsibilities of strategic decision makers, managers and staff in developing and implementing an all-encompassing corporate approach to managing risk. The key issues highlighted in this strategy are outlined below

- Risk management is fundamental to any modern organisation because it reduces uncertainty, increases effectiveness and efficiency. It is an issue that we have to address to meet public expectations and legal requirements;
- This risk management strategy explains how the Authority will deal with risks it sets out the aim, objectives and approach that everyone must follow to facilitate good risk management;
- A disciplined and united corporate approach is essential if the risks are to be identified and managed in a consistent and consistent way. This strategy offers a framework that can be used at all levels in the service to structure this approach;
- All managers, elected Members, and employees have a part to play. Everyone in the organisation must be clear as to his or her particular roles and responsibilities as identified in Appendix 1;
- Many of the skills and resources needed to manage risk effectively already exist in the Authority, however they must be co-ordinated to deliver a more structured and focussed approach to risk management;
- A risk manual and supporting documentation has been developed and made available to facilitate the training and application of risk management within the Authority via the IRMP intranet site;
- A central risk register has been developed this will ensure that risks will be captured and assessed,



10. Definitions List

Business Continuity Management	Looking at the totality of the organisation: what business services and processes are vital to ensure that business can survive into the future. This includes derivation and integration of the planning cycle into business operations, and the subsequent evaluation of any business continuity measures adopted.
Business Recovery Plans	Documents describing the roles, responsibilities and actions necessary to resume business processes following a business interruption
Corporate Governance	The ongoing activity of maintaining a sound system of internal control to safeguard investment and the organisations assets
Issue	A concern that cannot be avoided
Operational risk	Primarily those risks concerned with continuity of business services
Opportunity	A future event that, should it occur, would have a favourable impact upon the activity (e.g. project)
Programme	A portfolio of projects that aims to achieve a strategic goal of the organisation, planned, managed in a co-ordinated way
Programme risk	Risk concerned with transforming high level strategy into new ways of working to deliver benefits to the organisation
Project	A specific suite of work aimed at acquiring a specific product or achieving a unique outcome, or series of outcomes, as distinct from being a repetitive process. This will be a temporary organisation that is created to achieve the desired outcome, and should be directed to a specified business case to ensure viability in business terms.
Project Risk	Risks, which are concerned with stopping the successful completion of a project. Typically these risks include personal, technical, cost, schedule, resource, operational support, quality and supplier issues.
Risk	Uncertainty of outcome, whether positive opportunity or negative threat. It is a combination of the probability of an event and its consequences
Risk analysis	Systematic use of the information to identify threats/risks , to estimate the probability of occurrence and severity of the consequences, and provide information to management so that decisions on optimal responses can be taken.
Risk management	Systematic application of policies, procedures, methods and practices to the task of identifying, analysing, evaluating and treating, reviewing and monitoring risk. (i.e. incorporates risk analysis and risk management). This provides a disciplined environment for proactive decision making
Risk management framework	Sets the context within which risks are managed, in terms of how they will be identified, evaluated, controlled, monitored and reviewed. It must be consistent and comprehensive with processes that re embedded in management activities throughout the organisation



Risk Evaluation	The assessment of the probability and consequences of an individual risk , taking into account predetermined standards, target risk levels, interdependencies, and other relevant factors
Risk Identification	Determination of what could pose a risk; a process to describe and list sources of risks
Risk Register	A product used to maintain information on all identified risks pertaining to a particular activity
Risk treatment	Actions that may be taken to bring the situation to a level where the exposure to risk is acceptable to the organization. Individual risk responses can be to transfer (some aspects) , tolerate, treat or terminate one or more risks.
Strategic risk	Risk concerned with where the organization wants to go, how it plans to get there, and how it can ensure survival.



Appendix 1- Roles and Responsibilities

This Appendix describes the roles and responsibilities of members and brigade staff in the risk management process.

Elected Members

Role

Members are responsible for overseeing the effective management of risk. This means that they will set the strategy and priorities for action.

Responsibilities

- To understand risk management and its benefits
- To develop and implement an all encompassing approach to risk management
- To review the effectiveness of risk management
- To be involved in providing reports to stakeholders on the effectiveness of the risk management framework, strategy and process.

Management Board

Role

To ensure that they deliver good risk management through the implementation of the corporate risk strategy.

Responsibilities

- To understand of risk managements and its benefits
- To develop the corporate risk management plan in liaison with the Risk Manager and communicate it to elected members
- To promote and oversee the plan's implementation across the Authority
- To monitor and review the effectiveness of the risk management plan
- To agree any inputs and resources required to support the work corporately
- To assist Members to review the strategy on a regular basis



Risk Management Group

Role

To act as a source of guidance and advice, and to co-ordinate the integration of the process. The group will share experience on risk management and strategy implementation across the Brigade and work in partnership with the Budget Monitoring Group.

Responsibilities

- Rationalise of areas of overlapping risk;
- Apply good practice on all aspects of risk management;
- Develop better risk management;
- Review corporate risk assessments and make recommendations to the Management Board, and department managers on strategic and operational risks;

Corporate Risk Manager

Role

To support the Authority and all departments in the effective development, implementation and review of the risk strategy and the development of the integrated risk management plan.

Responsibilities

- To develop the corporate risk management strategy in liaison with the Brigade Management Board
- To develop the integrated risk management plan in liaison with the Brigade Management Board
- To promote, support and oversee its implementation across the Authority
- To identify any dedicated inputs and resources required to support the work
- To monitor and review the effectiveness of the risk management strategy
- To identify and communicate risk management issues to departments
- To assist departments in undertaking risk management activity through training and or/direct support.
- To work with the finance department to establish a risk based budget
- To produce an annual report on progress and status to Brigade Management Board and the Combined Fire Authority



Corporate Risk Registry

Role

To provide central risk register and organisational support for the monitoring and review of risk and to facilitate the risk management processes used within the Authority

Responsibilities

- To act as a central department for the collation of risk assessments;
- To distribute risk assessments and manage the review timescales in support of the Brigade Management Board, risk management group, department heads or anyone else involved in the process;
- To work in conjunction with the Authority's Health & Safety Advisor and Risk Manager to produce accurate electronic risk records for all recorded risks;

Group Managers

Role

Manage risk in each particular group.

Responsibilities

- To contribute to the development of the risk management strategy.
- To disseminate the detail of the strategy and allocate responsibilities for implementation of the strategy in the area.
- To recommend the necessary training on risk management for the employees in the area.
- To share relevant information with other command areas.
- To identify any risk management issues in the area.
- To provide feedback to the risk management strategy group on their experience of implementing the strategy and their perceptions of the effectiveness of the strategy.



Functional Heads

Role

To ensure that risk is managed in each functional area.

Responsibilities

- To contribute to the development of the risk management strategy from a function specific perspective.
- To identify any function specific risk management issues which have not been addressed in the strategy.
- To ensure that the strategy is implemented across the function.
- To negotiate departmental budget requirements for risk control projects.
- To disseminate the detail of the strategy and allocate responsibilities for implementation to function staff.
- To establish the training requirements of staff with regard to risk management and the strategy implementation.
- To provide feedback to the risk management strategy group on their experience of implementing the strategy and their perceptions of the effectiveness of the strategy.

Employees

Role

The management of risk within an individual's own work.

Responsibilities

- To liaise with their manager to assess areas of risk in their job.
- To identify and alert the managers of new or changing risks in their job.
- To effectively use skills and knowledge that they have gained through training.
- To carry out their job within the risk management guidelines set down by their manager.



Appendix 3 Organisational Risk Analysis Process

