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| Report to       | <b>Executive Panel</b>   |
| Date            | <b>16 June 2025</b>  |
| Lead Officer    | <b>Anthony Jones - Assistant Chief Fire Officer</b>                  |
| Contact Officer | <b>Mike Plant - Head of Planning, Performance and Transformation</b> |
| Subject         | <b>Strategic Risk Management</b>                                     |



## PURPOSE OF REPORT

- 1 To provide Members with;
  - an update in relation to the Risk Appetite Statement; and
  - an overview of North Wales Fire and Rescue Authority's (the Authority) Strategic Risk Register.

## EXECUTIVE SUMMARY

- 2 Since the last update and following the review of internal controls by internal auditors, Mersey Internal Audit Agency (MIAA), several changes to how risk is recorded and managed are being implemented to strengthen the risk management process.
- 3 The Risk Appetite matrix was approved by the Executive Panel in its meeting of 16 December 2024. There are eight risk types. The approved Risk Appetite matrix has been reviewed at each Strategic Risk Committee which remains unchanged.
- 4 The report provides Members with an update of the content of the Authority's Strategic Risk Register.

## RECOMMENDATIONS

- 5 It is recommended that Members:
  - i) note the Strategic Risk Register.

## BACKGROUND

- 6 The Authority's Strategic Risk Register identifies known risks that could potentially prevent the Authority from achieving its planned outcomes and/or delivering its core functions. Register entries are assigned risk scores that are regularly re-evaluated by officers to reflect the current state and the predicted effect of planned mitigations.

- 7 Under this policy, the Executive Panel receives a summary report on strategic risks at least twice a year. Between meetings, the Chair and Deputy Chair of the Authority are able to view the full detail of the register with officers.

## **INFORMATION**

- 8 Heads of Department are responsible for identifying and managing the risks they own; however, a Strategic Risk Committee has been added to the Governance Assurance Structure and has met twice since the last report. This committee is responsible, amongst other things, for reviewing those risks that are identified as being High or Very High Risk.
- 9 The Strategic Risk Committee is supported in its work by all other Committees in the Governance Assurance Structure, which now all have risk as a standing agenda item for discussion of new and existing risks in the context of their respective workstreams.

## **North Wales Fire and Rescue Authority Risk Appetite Statement**

Last reviewed: 9 May 2025 at Strategic Risk Committee

- 10 The Authority recognises that its long-term sustainability depends upon optimising risk in relation to the delivery of its strategic objectives, and also that the relationship with communities, staff, contractors, the general public and other stakeholders is key to North Wales Fire and Rescue Service (the Service)'s success.
- 11 The Authority does not have a single risk appetite, but rather appetites across the range of its activities. We recognise that in pursuit of our well-being and improvement objectives we may choose to accept different degrees of risk in different areas.
- 12 Our risk appetite has been defined following consideration of organisational risks, issues and consequences. We will always aim to operate organisational activities at the levels defined below. Where activities are projected to exceed the defined levels, this must be highlighted through appropriate governance mechanisms.
- 13 **Financial risks:** We have adopted a **cautious** stance for financial risks with reference to core running costs, seeking safe delivery options with little residual risk that only yield some upside opportunities. The Authority will receive ongoing assurance through the annual governance statement that policies and procedures are in place in line with Chartered Institute of Public Finance and Accountancy (CIPFA) and SOLACE guidance.

- 14 **Response/Operations risks:** We have adopted a **cautious** stance for risks to our ability to respond to emergencies, seeking to safeguard our ability to reduce risk to the public whilst maximising the safety of our fire fighters.
- 15 **Legal/Regulatory compliance risks:** We have adopted a **minimal** stance for compliance, seeking a preference for adhering to responsibilities, and safe delivery options with little residual risk. The Authority will have annual assurance that compliance regimes are in place, through the Annual Governance Statement (AGS).
- 16 **Reputational risks:** We have adopted an **open** stance for reputational risks, with a preference for safer delivery options, tolerating a cautious degree of residual risk and choosing the option most likely to result in successful delivery, thereby enhancing our reputation for delivering high quality, cost-effective services to the public.
- 17 **People risks:** We have adopted a **cautious** stance in relation to People risks. We believe strongly in the importance of positive staff engagement and maintaining a values-led culture in support of all our staff. Recruitment and retention of retained firefighters is a particular challenge in some of our more rural communities.
- 18 **Information risks:** We have adopted a **cautious** stance to the management and storage of personal information risk, to reflect the sensitivity and importance of information held on our systems to support our prevention and protection activities as well as staff information processed for the purposes of employment.
- 19 **Technology/Cyber risks:** We have adopted a **minimal** stance for threats to our assets arising from external malicious attacks. To address this risk, we operate strong internal control processes and utilise robust technology solutions.
- 20 **Assets/Estates risks:** We have adopted a **cautious** stance for assets and estates respectively, seeking value for money but with a preference for proven delivery options that have a low residual risk. This means that we use solutions for purchase, rental, disposal, construction, and refurbishment that ensure we protect the taxpayer from as much risk as possible, producing good value for money whilst fully meeting organisational requirements.

## 21 Strategic Risk Register

| Theme   | Mitigating Actions   |
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| <p><b>Financial</b><br/>(Risk Appetite – Cautious)</p> <p>Due to unexpected events, including weaknesses in budget management, there is a risk that services are not delivered within the agreed budget.</p> <p>Due to complexity of pension rules and the need to address legal challenges there is a risk that the deadlines may not be met</p> | <p>Financial information available to budget holders in real time, and additional information provided regarding high level, high risk areas.</p> <p>Business case to be completed for all additional and capital expenditure.</p> <p>Members' Budget Scrutiny Working Group to ensure appropriate budget is set.</p> <p>Promotion of adherence to the Contract Procedural Rules and scheme of delegation.</p> <p>Procurement &amp; Contracts Manager supporting departments to identify appropriate procurement routes.</p> <p>Member of scheme Advisory Board.</p> <p>Data quality is improving.</p> <p>Cashflows are outside of the pension fund.</p> |
| <p><b>Response/Operations</b><br/>(Risk appetite – Cautious)</p> <p>The recruitment and retention of sufficient staff to maintain service delivery with specific challenges around maintaining emergency response cover in rural areas.</p>   | <p>Dedicated recruitment and availability teams in each area.</p> <p>Dedicated groups and Committee in Assurance Structure focusing on this risk. Officers, staff and representative groups working in social partnership to achieve the aims of the Emergency Cover Review.</p> <p>Dedicated daily availability resource maximises appliance availability across North Wales.</p>   |

**Reputational**

(Risk appetite – Open)

Due to the current internal and external focus on culture within North Wales Fire and Rescue Service and the Authority there is a reputational risk to the Service and Authority.

Strategic gap analysis and action plans against all recent Fire and Rescue Service cultural reviews.

Equality, Diversity and Inclusion Committee focusing on internal culture.

Variety of established staff networks.

Establishment of new Cultural Board.

Crest Advisory review of culture.

Strategic Cultural Improvement Plan, and associated Action implementation plan now completed based on the recommendations of the CREST report, and feedback from numerous staff engagement workshops.

Biennial Fire Family Survey and Staff Working Group.

Dedicated Health and well-being resources available to staff, including Safecall.

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| <b>Technology/Cyber</b><br>(Risk appetite – Minimal)<br><br>Technology/Cyber - Cyber-attack on information, communication and technology. | Continual monitoring of global threats and review of cyber security defences<br>Cyber Essentials accreditation achieved, a Government backed scheme that protects organisations, against a range of the most common cyber-attacks.<br><br>Endeavour to attract personnel with the requisite skillset to support compliance with best practice<br><br>Conduct preventative maintenance and review resilient technologies |
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**Risk** is defined as a combination of the likelihood and consequences of hazardous events.

**Likelihood:** the chance of something happening. May be described by the probability, frequency or uncertainty of events.

**Consequence:** The outcome of an event. Specifically, the severity or extent of harm caused by an event.

## IMPLICATIONS

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