

Policy Framework

Risk Management

Version Control	Changes Made	Author
Version 1		

1. Introduction

Risk management is the process of identifying threats and opportunities, evaluating their potential consequences and then determining the most effective and efficient methods of controlling and/or responding to them. Risk management forms an important element of Cumbria Fire and Rescue Service’s planning process.

The Risk Management Framework is in place to ensure that risk is systematically addressed at differing levels within the Service to ensure that strategies, plans and activities that contribute to the Service priorities are completed satisfactorily.

2. Risk Strands

Risk is inherent in all areas of Cumbria Fire & Rescue Service and should be systematically managed to ensure that the Service is exposed to as low a level of risk as is reasonably practicable.

Community Risk

Like all Fire and Rescue Services, we are required to produce a Community Risk Management Plan (CRMP) that identifies and assesses all foreseeable fire and rescue related risks to our communities. From this assessment of risk we allocate people, equipment, skills and resources that allow us to prevent or respond to them.

We have in place a performance management system which allows us to monitor the actions we take and measure their effectiveness.

Corporate Risk

A Corporate Risk is a new or elevated risk which may have a serious impact on the Service's ability to function

This category of risk focuses on targeting risks which would prevent the organisation from achieving the activities set out in our CRMP or fulfilling our statutory duties. Corporate Risks are scrutinised by the Service Leadership Team until suitable and sufficient mitigation has been put in place which manages the risk at a tolerable level, or the risk has ceased to exist.

Departmental Risk

A Departmental Risk is a known risk reduced to a tolerable level through control measures and monitoring.

This level of risk focuses on monitoring risks which the organisation is aware of and has mitigated to a tolerable level. Departmental Heads manage risks which are allocated to their departments ensuring that all risk reduction activities remain effective in keeping the organisation's levels of exposure to a certain risk as low as is reasonably practicable.

Project Risk

All of our projects face risks which can have either a positive or negative effect on the outcomes. The project team will identify potential risks as part of their initial scope of the project and also monitor the operating environment for new risks throughout the life of the project.

Operational

CFRS has in place a suite of policies and operational guidance that are specifically focused on managing operational risk on the incident ground. The Service's approach of pre-planned, dynamic and analytical risk assessments ensures that operational activity on the incident ground is carried out as safely as possible.

Health, Safety and Wellbeing Risk

CFRS has in place policies procedures and strategies which are targeted at ensuring the health, safety and wellbeing of all groups of staff, contractors, visitors and members of the public which ensures compliance with all relevant Health and Safety legislation.

Emergency and Business Continuity

Covered under a separate Service procedure, one of the biggest risks to CFRS is an event or emergency which would inhibit its ability to deliver core services to the communities of Cumbria and to meet its legislative requirements.

As a category 1 responder, the Service has a duty under the Civil Contingencies Act 2004 to have in place business continuity plans to ensure that it can maintain service delivery.

3. Roles and Responsibilities

Cumbria Commissioner Fire and Rescue Authority

The CCFRA will ensure that a proper governance framework exists to allow risk to be managed effectively, with the facility to elevate risk to the highest level if deemed necessary by CFRS.

Service Leadership Team

The Service Leadership Team (SLT) led by the Chief Fire Officer has overall responsibility for ensuring that the Organisation manages risk effectively through the development and implementation of a comprehensive Risk Management Framework.

Decisions taken by SLT should ensure that full consideration is given to risks as part of their decision-making process.

Senior Leaders

Comprising of Heads of Department and Group Managers, senior leaders within the Service are responsible for identifying new risks in their areas of responsibility and monitoring both Corporate and Departmental Risks on a regular basis.

These leaders are likely to be the allocated owners of risks identified on the Corporate Risk Register, and it is their responsibility to provide updates at the required frequencies.

CFRS Transformation lead

The Corporate Risk Register is overseen by the CFRS Transformation lead.

Project Managers

It is the responsibility of project managers that risks are recorded on the Project Initiation Document to be submitted to the Programme Board for scrutiny. Any risks that are identified during the life cycle of the project must be recorded on the monthly update and reported at the monthly Programme Board meeting.

Individual Managers and Employees

At the most basic level, individual employees and line managers are tasked with the effective management of the risks associated with their particular roles and duties and for ensuring that significant risks are identified to appropriate managers as soon as they become known.

Primarily these responsibilities are to identify potential and actual hazards/risks within the workplace, assist with their reduction and to comply with Health and Safety policies.

4. Strategic Identification and Assessment of Risk

In order for risks to be effectively managed, they must first be identified and assessed. This will be done by reviewing the Service's/Department's strategic, project and operational objectives, considering both external and internal risk factors that may influence these and by identifying all significant risks which could impact them.

Departmental meetings will be used to carry out horizon scanning activities to identify risks which are pertinent to the delivery of departmental activities. Any risks identified may require a higher degree of management to departmental issues, which would not require active monitoring through the risk recording platforms.

Once a risk has been identified and deemed significant enough to pose a risk to the organisation or a department, it will be added to the CFRS register.

5. Risk Management Methodology

Having identified and assessed a risk, the Service will employ one of a number of options for effective risk management including

- Terminate – cease undertaking the activity that gives rise to the risk; however this is not always viable
- Transfer – transfer the risk to a third party through either outsourcing/contracting or via insurance arrangements, but this may not be financially viable.
- Tolerate – accept the risk as it stands and take no further action
- Treat – take further action to reduce the risk as low as is practicable, at which point the Service will determine whether it is able to tolerate the revised risk and monitor.

The application of the methodology should be discussed at the correct governance level where a suitable course of action can be decided on and actioned. Decisions on risk, where possible, will not be decided on in isolation.

6. Risk Appetite / Risk Tolerance

Risk Appetite, refers to the “amount and type of risk that an organisation is prepared to seek, accept and tolerate”. While risk appetite is about the propensity to take risks, risk tolerance is about the propensity to exercise control.

Ensuring the ongoing effectiveness of risk management requires strong and sustained leadership and commitment by senior officers and it is this tone from the top towards risk management that has one of the greatest impacts on organisational appetite.

As a large and diverse organisation, CFRS recognise that the risk appetite will vary according to the activity undertaken and hence different appetites and tolerances to risk will apply.

CFRS's current risk appetite is defined by setting maximum risk limits and tolerances within the 5x5 likelihood and impact matrices and risk assessment criteria.

Each risk is evaluated using the approved risk assessment criteria for both impact and likelihood, these scores are then multiplied together to provide a final risk score.

A 5x5 risk matrix is used to evaluate risks and to rank those risks that have the highest level of exposure for CFRS. Risk tolerances are defined in terms of High (Red), Medium (Amber) and Low (Green) risk exposure and are treated proportionately.

5x5 Risk Management Matrix

Likelihood	V Likely	5	5	10	15	20	25
	Likely	4	4	8	12	16	20
	Possible	3	3	6	9	12	15
	Unlikely	2	2	4	6	8	10
	V Unlikely	1	1	2	3	4	5
Impact		1	2	3	4	5	
		Insignificant	Minor	Moderate	Major	Most severe	

Level of risk exposure	Risk Treatment
High Score 15 -25 (Red)	High-scoring risks are significant to CFRS and risk treatment is mandatory.
Medium Score 6 -12 (Amber)	Medium-scoring risks may require an evaluation of cost & benefit to determine the most appropriate treatment to mitigate or manage the risk.
Low Score 1 -5 (Green)	Low-scoring risks are tolerable and will have a low or no impact, and no risk treatment may be necessary. These risks should be monitored regularly in case the risk scores increase.

This approach guides staff on the level of risk permitted and encourages consistency of approach across CFRS.

In the main, Intolerable risks are those that:

- Negatively affect the safety of customers/ clients and staff
- Have a direct impact on CFRS' reputation.
- Lead to a breach of laws or regulations.
- Endanger the sustainability of CFRS services.
- Have a significant financial impact.

The table below provides guidance on how to score risk against a series of set criteria.

Impact Score	Organisational/Service	Operational/Performance	Finance	Reputational	Legal	Health & Safety	EDI
5 = Major	Major impact/disruption to critical services. Inability to deliver a number of organisational objectives.	Significant organisational or performance impact. Not achieving more than one of the organisation's performance targets	Fire – over £250k	Sustained national media coverage. External Enquiry. Removal of a command team member.	Prosecution. Major claims/fines against both organisations	Multiple fatalities or multiple permanent injuries	Unjustified impact or interference.
4 = Serious	Serious impact/disruption on critical services with a noticeable impact on local communities.	Large impact on performance resulting in not achieving one of the organisation's performance targets	Fire - over £100k	Sustained adverse media coverage	Serious claims/ fines against both organisations	Single fatality or severe injuries	Serious unjustified impacts or interference.
3 = Moderate	Noticeable impact on non-critical services or short-term disruption.	Impact on performance resulting in difficulty achieving performance targets but where corrective action can still be taken	Fire – over £50k	Some local adverse publicity	Significant litigation/claims Within insurance cover.	Major injury	Some limited unjustified impact or interference.
2 = Low	Minor disruption to Service Delivery	Small impact on performance targets but can still be managed	Fire – over £25K	Short-term customer dissatisfaction	Minor claims within the insurance cover	Minor or slight injury	Impact of interference manageable with existing resources
1 = Negligible	Negligible No noticeable disruption to service. The impact is easily manageable	Minimal/short-term impact on performance, not to the extent where key targets are impacted.	Fire – below £25K	Manageable customer dissatisfaction	Unlikely to lead to litigation or a claim.	Unlikely to have any safety impact.	No impact on diversity/human rights

7. Scope and Escalation of Risks

Who this Policy applies to?

This Policy is in place to ensure that risk management is applied effectively and consistently across all levels of the organisation and that all levels use the risk management process proportionately.

This policy applies to all activities and premises controlled or occupied by CFRS employees. It applies to all employees within CFRS and to those employees within partnerships, commissioned or contracted services.

Decisions about risk will vary depending on whether the risk relates to long, medium- or short-term CFRS Plan, directorate, programme or operational objectives, and there is a need to capture and understand the impact of all risks facing CFRS across all these different levels.

Escalation of Risk

Within CFRS risks may be escalated from any level within the organisation to SLT and Chief Fire Officer Level. At each stage of the process, the risk owner will review the risk to ensure escalation is required. In a similar fashion, if the level of a risk reduces then the risk may be passed back down through the organisation to the appropriate level.

Strategic risks can be escalated from CFRS to the Office of the Police Fire and Crime Commissioner for consideration. These strategic risks are considered quarterly by the Joint Audit Committee on behalf of the PFCC.

8. Measuring, Monitoring and Review

The success of this Policy and the Risk Management Arrangements across CFRS is routinely monitored.

Risk monitoring & reporting

A risk monitoring report is delivered on a regular basis to the Service Leadership Team.

These meetings monitor progress in the management of the risk exposure for each Risk including future mitigations, they also identify any emerging risks, and potential escalating risks as well as monitor the progress of risk improvement activities and the overall effectiveness of the Risk Management arrangements.

Internal Audit Activity

Regular updates on risk management are provided to the Joint Audit Committee, hosted by the Office of the Police, Fire and Crime Commissioner. This provides independent oversight and the opportunity to draw on independent expertise.

Risk Management Policy Review

The Risk Management Policy applies for a rolling three-year period, 2024-2027 and an annual review will take place to ensure it continues to be relevant and meet the needs of CFRS.

The annual review of this Policy will be informed by the annual review of corporate governance arrangements, the aim being:

- To assess how well we comply with our governance framework, and
- To identify areas for further improvement.

The review of this Policy will be overseen by the Transformation Lead to ensure that this Policy aligns with the wider governance arrangements in CFRS.

CCFRA oversight for Risk Management is done through the Joint Audit Committee, which receives a quarterly progress report on the Risk Management Improvement Plan as well as an overview of all corporate risks. This committee also receives an independent annual opinion on the effectiveness of Risk Management arrangements.