

SCOTTISH FIRE AND RESCUE SERVICE
The Board of Scottish Fire and Rescue Service



Report No: B/FCS/15-17

Agenda Item: 14

Report to:	THE BOARD OF SCOTTISH FIRE AND RESCUE SERVICE
Meeting Date:	31 AUGUST 2017
Report Title:	STRATEGIC RISK GOVERNANCE FRAMEWORK
Report Classification:	FOR DECISION

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Sponsored by:	Primrose Stark, Chair of the SFRS Audit and Risk Assurance Committee
Presented by:	Primrose Stark, Chair of the SFRS Audit and Risk Assurance Committee

Links to Strategy
The risk management framework links back to the Service's Governance and Social Responsibility priority outlined within the 2016-2019 SFRS Strategic Plan

Governance Route for Report	Meeting Date	Comment
<i>Audit & Risk Assurance Committee on updated Strategic Risk Register</i>	<i>15 June 2017</i>	<i>Noted</i>
<i>Strategic Leadership Team</i>	<i>24 July 2017</i>	<i>Noted</i>
<i>SFRS Board</i>	<i>31 August 2017</i>	<i>For decision</i>

1	Purpose
1.1	The purpose of this report is to provide the Board of the Scottish Fire and Rescue Service with a proposed reporting framework for Strategic Risk to SFRS Committees.

2	Background
2.1	The Audit and Risk Assurance Committee (ARAC) is responsible for advising the Board and Accountable Officer on the adequacy and effectiveness of the Service's arrangements for risk management and has oversight of the Strategic Risk Register.
2.2	The Strategic Leadership Team (SLT) have responsibility for the identification and management of strategic risk and will ensure that the Strategic Risk Register presents a fair and reasonable reflection of the most significant risks impacting upon the organisation. The SLT will champion the importance of risk management in supporting the achievement of the Service's strategic aims and objectives.

2.3	Discussions with Deputy Assistant Chief Officers (DACO), Heads of Function, the SLT and the Board have identified a revised Strategic Risk Register which was noted by ARAC on 29 March 2017 and approved by the Board on 27 April 2017. This will be reported quarterly through ARAC and the SLT.
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3	Responsibilities for the Management and Review of Risk
3.1	The new Strategic Risk Register necessitated a change to the risk framework, introducing 8 overarching Strategic Risks and a number of supporting Corporate Risks. Whilst each risk continues to be managed through a supporting action plan, these have now been allocated to a responsible DACO or Head of Function to manage. The new framework also considers the SFRS Governance reporting arrangements to Officer Boards, with remits extended to cover risk.
3.2	Following discussions at ARAC, and a report to the SLT, it is recommended that all Member Committees should have a similar responsibility for Strategic Risk.
3.3	One of the main principles of the revised framework will be to utilise the Strategic Risk Register and the 6 supporting Directorate Risk Registers as the main reporting line for business risk within the organisation. This would then retain the central governance route for risk through SMT, SLT and ARAC.
3.4	Further discussions are still required on the practical arrangements to ensure this reporting can work effectively. Committee's would need to agree specific remits for risk and consider the processes required if a risk may impact equally upon a number of Committee's. The timelines associated with reporting will also have to be considered and aligned with the main scrutiny route to ARAC.
3.5	Appendix A to this report attaches a condensed version of the Strategic Risk Register including a Governance column detailing the proposed reporting lines. Where reporting lines may overlap Committees/Board these have been outlined for consideration. Work is ongoing to finalise the proposed reporting lines for officer led Boards.

4	Key Strategic Implications
4.1	Financial
4.1.1	There are no direct financial implications associated with this report.
4.2	Legal
4.2.1	There are no legal implications directly associated with this report.
4.3	Performance
4.3.1	The identification, evaluation, control and monitoring of risk ensures that effective decision making can be undertaken throughout the Service.
4.4	Environmental & Sustainability
4.4.1	There are no direct Environmental or Sustainability implications associated with this report.
4.5	Workforce
4.5.1	There are no direct Workforce implications associated with this report.

4.6 4.6.1	Health & Safety There are no direct Health and Safety implications associated with this report.
4.7 4.7.1	Engagement Engagement with the Board, SLT and SMT has been undertaken in preparing the Strategic Risk Register. Further engagement with individual Committees is now being proposed.
4.8 4.8.1	Timing The Strategic Risk Register will be reported quarterly to the ARAC and the SLT.
4.9 4.9.1	Equalities There are no direct Equality implications associated with this report.
4.10 4.10.1	Risk The risk register forms a core element of the SFRS risk management and corporate Governance arrangements.
4.11 4.11.1	Communications & Engagement Engagement with the Board, SLT and SMT has been undertaken through facilitated workshops and written reports.
4.12 4.12.1	Training There are no direct Training implications associated with this report.

5	Recommendation
5.1	The Board is asked to: <ul style="list-style-type: none"> Approve the proposed reporting framework for Strategic Risk to SFRS Committees.

6	Core Brief
6.1	The Chair of the Audit and Risk Assurance Committee provided a report to the SFRS Board on the proposed reporting framework for Strategic Risk to SFRS Committees. The risk framework has developed since 2013 linking to business planning and performance and the Annual Governance and Assurance Framework. The report looks to continue this development through the Services Committee structure, ensuring oversight and scrutiny can be demonstrated by all Member Committees in relation to Strategic Risk.

7	Appendices/Further Reading
7.1	Appendix A – Strategic Risk Register Governance Reporting

Risk Ref. No.	Risk Description	Control Measures In Place	Governance and Scrutiny Arrangements	Risk Rating	Risk Appetite Impact Assessment	Responsible Officer
Strategic Risk 1 - Failure to minimise Communities' exposure to risk and harm						SLT
CR1.1	Failure to turnout to an emergency incident	Resilient Call Handling systems within robust Control Room environment. Effective Command and Control and Mobilising system. Effective back up arrangements and partnerships. Resilience built into operational response.	SERVICE DELIVERY COMMITTEE	8	3	DACO Response & Resilience
CR1.2	Failure to effectively enforce fire safety legislation	P&P Strategy; CSE; FEng; FI; FSE Frameworks and supporting policy, procedural and guidance documents. SFRS quarterly performance reports; evaluation of activities with bespoke responses to suit any deficiencies. P&P are working with Performance Data Services to establish clearer performance measures from local to strategic level to ensure effective monitoring of outcomes from Corporate level to SDA/LSO level.	SERVICE DELIVERY COMMITTEE	8	3	DACO Prevention & Protection
CR1.3	Failure to identify the cause and spread of fire, preventing learning opportunities, highlighting good practise.	The service has established links to the business and wider Fire community for the sharing of data and intelligence regarding FI activities. The SFRS continues to have well established FI investigative processes that are utilised to allow appropriate learning to be gleaned from any operational incident. The Operational Assurance process allows for the rapid dissemination of learning gained from investigation outcomes into the wider service.	SERVICE DELIVERY COMMITTEE	8	5	DACO Prevention & Protection
CR1.4	Failure to successfully engage with partners, communities and other stakeholders on matters of community safety and resilience	SFRS Strategic Plan and P&P Strategy; national engagement through Partnership Unit; local engagement through Local Fire and Rescue Plans and Single Outcome Agreements. National strategic discussions commenced with Health and Scottish Government regarding sharing data and working together to improve safety	SERVICE DELIVERY COMMITTEE	12	4	DACO Prevention & Protection
CR1.5	Failure to identify new/emerging community risks and demands	Review of all 32 Local Fire and Rescue Plans on-going. These reviews are based on incident activity over a five year period, combined with stakeholder feedback. Reviews will lead to revised plans being developed in consultation with partners. Operational activity monitored and reported upon quarterly. Draft Interim Performance Management Framework being developed to enable performance to be measured against Fire and Rescue Framework for Scotland 2016 and SFRS Strategic Plan 2016 - 2019. This will be subject to further, fuller development into a more holistic Performance Management Framework during 2017/18.	SERVICE DELIVERY COMMITTEE	6	4	DACO SPPC
CR1.6	Failure to develop and maintain systems providing assurance in relation to organisational and community and national resilience	National Operational Assurance Board. Business Continuity Plans. National Resilience Model development. Links to UK Resilience. New Resilience assets database.	SERVICE DELIVERY COMMITTEE	8	5	DACO Response & Resilience
Strategic Risk 2 - Failure to Protect the Health, Safety and Wellbeing of Firefighters and other employees						SLT

Risk Ref. No.	Risk Description	Control Measures In Place	Governance and Scrutiny Arrangements	Risk Rating	Risk Appetite Impact Assessment	Responsible Officer
CR2.1	Failure to develop HSW management arrangements necessary to enhance the safety culture with the aim of protecting and enhancing the health, safety and wellbeing of staff	Completed gap analysis Management arrangements development programme Business partner Health and Safety Improvement Plan Health and Safety Engagement protocol Safety Risk and Compliance Group Development of an in-house Health and Safety Management Information System	STAFF GOVERNANCE COMMITTEE	12	3	Head of HSW
CR2.2	Failure to develop and embed core competence standards and operational skills standards consistently across the Service	Developed and implemented SFRS Training Standards for all core and specialist skills Audit against the Quality Management System within TED which is aligned to BSI ISO 9001:2015 Development and implemented of a robust Performance management framework which identified outcomes and areas for improvement, which is reported to the SLT	SERVICE DELIVERY COMMITTEE / STAFF GOVERNANCE COMMITTEE	9	3	Head of TED
CR2.3	Inadequate provision of operational intelligence at point of need	OI project underway with scrutiny by project Board. Internal Audit of OI project. Focus on maintaining legacy systems effectively. Development of national policy and guidance. Development of new software to support future OI. Procurement of new hardware to support OI. Appropriate Governance arrangements.	SERVICE DELIVERY COMMITTEE	9	3	DACO Response & Resilience
CR2.4	Failure to standardise operational practise and guidance	National Operational Assurance Board. Regional Implementation Groups have been introduced to ensure a focus on Operational Assurance within each Service Delivery Area. Audits undertaken to identify adherence to operational practise and guidance.	SERVICE DELIVERY COMMITTEE	6	5	DACO Response & Resilience
CR2.5	Failure to minimise unwanted fire alarms	A SFRS UFAS Incident Policy and Procedure has been introduced combined with a supporting Appliance Reduction Decision Matrix Procedure to assist local decision making. A UFAS Incident Policy and Procedure Implementation Review has been undertaken with a supporting Action Plan agreed, taking into account the recommendations highlighted by various external bodies. e.g. HMFSI, BRE etc.	SERVICE DELIVERY COMMITTEE	16	4	DACO Prevention & Protection
Strategic Risk 3 - Failure to deliver Service Transformation						SLT
CR3.1	Failure to fully develop an effective long-term transformation strategy	A long-term transformation strategy is being developed with support from all Directorates to ensure full organisational involvement.	SERVICE TRANSFORMATION COMMITTEE	8	3	DACO SPPC
CR3.2	Failure to engage with and communicate with relevant stakeholders, including employees	A Communication and Engagement Strategy has been approved by SLT and Board and sets out the key principles of engagement and consultation across SFRS. This will direct a consistent approach and standard across SFRS. Consultation and engagement planning will form key element of projects and policy delivery and will be scrutinised by relevant Board Committees. CitizenSpace software will be utilised for consultations to ensure the widest stakeholder reach and the provision of quantitative and qualitative reporting to inform the decision-making process. New employee communication channels are being developed to ensure effective two-way engagement. SFRS Communications is also investing in technology to provide Service-wide single sight view of all engagement, allowing us to more effectively develop our tactics to emerging needs and issues.	SERVICE TRANSFORMATION COMMITTEE / STAFF GOVERNANCE COMMITTEE	12	4	Head of Comms and Engagement

Risk Ref. No.	Risk Description	Control Measures In Place	Governance and Scrutiny Arrangements	Risk Rating	Risk Appetite Impact Assessment	Responsible Officer
CR3.3	Failure to secure required levels of political and other critical support	A Communication and Engagement Strategy has been approved by SLT and Board and sets out the key principles of engagement and consultation across SFRS. This will direct a consistent approach and standard across SFRS. SFRS Communications has also increased its capability in political engagement with ex-Scottish Government employees providing insight to the political landscape and ensuring increased frequency and more effective engagement with both Ministers, Officials and Opposition MSPs. The future use of a matrix approach to engagement will also ensure we deploy the appropriate skills and experience from within SFRS to maximise political and stakeholder engagement. SFRS Communications will also provide specialist guidance on the reputational risk of failure to achieve political and stakeholder support and steps required to mitigate this risk.	SERVICE TRANSFORMATION COMMITTEE	8	4	Head of Comms and Engagement
CR3.4	Failure to make changes within required timescales	A robust timeline for the Transformation Programme is being developed. This will include the need for individual projects to identify timelines and project milestones to allow effective scrutiny and governance of the programme.	SERVICE TRANSFORMATION COMMITTEE	8	3	DACO SPPC
CR3.5	Failure to measure the benefits and improved outcomes received from activity and investment of resources	A benefits identification and tracking tool is being developed, which has been improved using lessons identified from the previous transformation programme, to ensure that all benefits and improved outcomes can be identified and measured.	SERVICE TRANSFORMATION COMMITTEE	4	4	DACO SPPC
CR3.6	Failure to identify and manage inter-dependencies within the programme of transformation and/or with BAU activities.	Using lessons identified from the previous transformation programme a process to identify and communicate interdependencies between projects in the transformation programme and with BAU activities is being developed.	SERVICE TRANSFORMATION COMMITTEE	4	4	DACO SPPC
CR3.7	Failure to develop a sustainable skills profile to effect transformation	Engagement with Service Redesign to identify potential training requirements at the earliest opportunity Development of new SFRS Training Standards to ensure consistency of development across the Service Identification of Training Needs aligned to the introduction of any new ways of working	SERVICE TRANSFORMATION COMMITTEE	9	5	Head of TED
Strategic Risk 4 - Failure to ensure Financial Sustainability						SLT
CR4.1	Failure to have in place appropriate financial planning arrangements	Capital Programme has been scrutinised by Directorates, Business Cases are developed for strategic transformation projects with resource implications understood and agreed	AUDIT AND RISK ASSURANCE COMMITTEE	12	3	Head of Finance & Procurement
CR4.2	Failure to maintain sufficient investment in asset base	Continue to maintain assets within allocated budget, ensuring that assets are kept to legislative requirements and fit for purpose. Long Term Financial strategy clearly demonstrates that further high levels of investment are required to ensure asset base is fully supported .	AUDIT AND RISK ASSURANCE COMMITTEE	20	3	Head of Asset Management
CR4.3	Budget reduced without sufficient time to make corresponding reduction in cost base	Engagement with Government to build awareness of the level of cost base flexibility	AUDIT AND RISK ASSURANCE COMMITTEE	9	3	Head of Finance & Procurement
CR4.4	Failure to match expenditure with available funding	Monthly monitoring, Finance Business Partner support, Active contribution to Government Spending Review to articulate requirements of Service	AUDIT AND RISK ASSURANCE COMMITTEE	6	3	Head of Finance & Procurement
Strategic Risk 5 - Failure to ensure Legal Compliance is maintained						SLT

Risk Ref. No.	Risk Description	Control Measures In Place	Governance and Scrutiny Arrangements	Risk Rating	Risk Appetite Impact Assessment	Responsible Officer
CR5.1	Failure to govern organisation within statutory framework	Established Board support Team, Published 2016/19 Strategic Plan complementing the Fire and Rescue Framework. Compliance with established Data Protection policies and procedures. Guidance and support in relation to equalities, data management, freedom of information and adoption of a business partner approach informing Directorates of governance requirements developing awareness and ownership of governance arrangements.	AUDIT AND RISK ASSURANCE COMMITTEE	6	3	DACO SPPC
CR5.2	Failure to ensure compliance with relevant Employment legislation	Key people policies have been revised to represent the SFRS from antecedent services in line with current legislation and good practice. Evolving case law is regularly monitored and policies adjusted as required. Harmonised T&Cs proposal will be negotiated with unions removing risk of equal pay claims related to differences in T&Cs across SFRS.	STAFF GOVERNANCE COMMITTEE	4	3	Head of HR-OD
CR5.3	Failure to ensure compliance with Health, Safety and Welfare Legislation	Directorate/SDA Improvement Plans Health and Safety partner engagement Quarterly reports Annual reports	STAFF GOVERNANCE COMMITTEE	16	3	Head of HSW
CR5.4	Failure to ensure compliance with the Civil Contingencies Act 2004	Resilience capability leads appointed. National Resilience Model being developed. Close liaison with other UK fire services and partner agencies. SMARTEU exercise co-ordination and joint working.	SERVICE DELIVERY COMMITTEE	8	3	DACO Response & Resilience
CR5.5	Failure to ensure compliance with information governance legislation	Compliance with Data Protection policies and procedures. Guidance and support regarding data breach/incident management. Development of e-learning package for all staff. Development of Information Sharing Protocol Policy and template/awareness training. Implementation of Secure Email System and supporting policies. Information Governance adopt a business partner approach to advise Directorates. Compliance with Freedom of Information policies and procedures. Guidance and support in relation to handling requests. Proactive publishing on Publication Scheme (website). Information Governance adopt a business partner approach to advise Directorates. Implementation of a Records Management Plan (RMP) which sets out proper arrangements for the management of records in compliance with the Public Records (Scotland) Act. Compliance with SFRS Records Management and Retention arrangements. Information Governance adopt a business partner approach to advise Directorates.	AUDIT AND RISK ASSURANCE COMMITTEE	6	3	DACO SPPC
CR5.6	Failure to comply with relevant Procurement Legislation	Standing Orders, Procurement procedures, Peer review process, Training for staff involved in procurement eg Quick Quote	AUDIT AND RISK ASSURANCE COMMITTEE	9	3	HoF Finance & Procurement
CR5.7	Failure to ensure compliance with Environmental Legislation	New environmental plans are being developed and various new contracts will have Environmental responsibilities incorporated within (Hard and Soft FM)	AUDIT AND RISK ASSURANCE COMMITTEE	8	3	HoF Asset Management

Risk Ref. No.	Risk Description	Control Measures In Place	Governance and Scrutiny Arrangements		Risk Appetite	Responsible Officer
				Risk Rating	Impact Assessment	
CR5.8	Failure to comply with Road Traffic Legislation	Implementation of the Management of Occupational Road Risk (MORR) policy and subsequent awareness generation of policy. Establishment of the Driver Awareness Group and provision of insurance data identifying areas of exposure	AUDIT AND RISK ASSURANCE COMMITTEE	8	3	HoF Asset Management
CR5.9	Failure to comply with Software Licensing agreements and Copyright Legislation	Contract management with major suppliers, technical controls over source programmes and files	AUDIT AND RISK ASSURANCE COMMITTEE	8	3	Head of ICT
Strategic Risk 6 - Failure to enable the delivery of the SFRS People Agenda						SLT
CR6.1	Failure to maintain harmonious employee relations within established collective bargaining arrangements	There is an agreed Working Together Framework with an associated action plan live and under regular review with regular updates via Staff Governance Committee and Employee Partnership Forum to ensure principles are embedded. Positive working is promoted in all union meetings.	STAFF GOVERNANCE COMMITTEE	16	3	Head of HR-OD
CR6.2	Failure to develop and maintain a positive/transparent working culture and climate that is aligned with SFRS Values	Cultural audit in 2014 was undertaken with an action plan in place. There is now a need to conduct a further employee audit/survey to review the impact of the action planning and to determine current employee climate and this is planned for 2017. A workshop is being arranged in Q1 with Staff Governance Committee to agree survey approach and strategy for action plan. This will allow the service to focus on positive actions relating to any current workforce issues.	STAFF GOVERNANCE COMMITTEE	9	4	Head of HR-OD
CR6.3	Failure to develop and deliver a Workforce and Resourcing Plan in support of the SFRS strategic plan, financial strategy and service transformation programme.	A task and finish group was set up in november to drive necessary changes to current people data and structures. This will be complete at financial year and a permanent WFP group will be established to monitor this on a permanent basis. In addition an interim succession/recruitment plan has been developed and action is now underway to implement this on a priority basis. From Q1 the workforce plan will be updated for 2017-19 and will include a clear succession and leadership development plan. An executive leadership programme has just been launched to support the internal development of executive leaders as part of the wider succession planning process.	STAFF GOVERNANCE COMMITTEE	6	4	Head of HR-OD
Strategic Risk 7 - Failure to maintain effective systems of control						SLT
CR7.1	Breach of cyber security	ICT management process, Digital Strategy Steering Group	AUDIT AND RISK ASSURANCE COMMITTEE	15	3	Head of ICT
CR7.2	Breach of physical security	Station Security measure to be reviewed, however all personnel must be aware of their personal security responsibilities	SERVICE DELIVERY COMMITTEE	9	3	Head of Asset Management
CR7.3	Failure to prevent insider threats to the organisation	Mitigation may be through new governance Boards/Groups - i.e. Information Governance Board - need to consider work undertaken by group. If this work relates to activities undertaken at a Directorate level we need to look at who is doing work and therefore responsible. Going forward then is mitigation responsibility of Group or DACO/HoF.	STAFF GOVERNANCE COMMITTEE	8	5	Head of HR-OD
CR7.4	Failure to develop secure systems and safeguards to facilitate the transfer of data between partner agencies	ICT management process, Digital Strategy Steering Group, use of Egress secure email in place and widely used. Additional requirements fulfilled on a case by case basis.	AUDIT AND RISK ASSURANCE COMMITTEE	8	3	Head of ICT

Risk Ref. No.	Risk Description	Control Measures In Place	Governance and Scrutiny Arrangements	Risk Rating	Risk Appetite Impact Assessment	Responsible Officer
CR7.5	Failure to identify interdependencies between systems of controls, allowing effective decision making and transfer of information	Revised Executive Governance Structure of SLT and SMT aligned to Non-Executive Board and Committees Structure including establishment of IGG - Integrated Governance Group; Annual Governance Statement /Assurance Framework Process aligning risks and actions to Annual Operating Plan and business as usual arrangements; Internal and External Audit of these systems including annual review of Statement of Assurance by External Audit.	AUDIT AND RISK ASSURANCE COMMITTEE	9	4	DACO SPPC
CR7.6	Failure to maintain and mature effective governance arrangements	Annual Review of Effectiveness of SFRS Board and its Committees; Board Strategy Days programme; Internal and External Audit; liaison and support from Scottish Government Fire and Rescue Division, Board members and SLT appraisals.	AUDIT AND RISK ASSURANCE COMMITTEE	9	4	DACO SPPC
CR7.7	Loss of Financial Control	All SLT/Board/Committee Reports are required to identify any financial implications resulting from the recommendations made. All such proposals must be verified by the Finance Business Partner; Delegated Financial Authority. Monthly monitoring and reporting process together with active engagement by Business Partners within Directorates of the Service.	AUDIT AND RISK ASSURANCE COMMITTEE	8	3	Head of Finance & Procurement
Strategic Risk 8 - Failure to maintain confidence in the Service						SLT
CR8.1	Failure to develop suitable consultation and engagement processes informing effective decision making	A Communication and Engagement Strategy has been approved by SLT and Board and sets out the key principles of engagement and consultation across SFRS. This will direct a consistent approach and standard across SFRS. Consultation and engagement planning will form key element of projects and policy delivery and will be scrutinised by relevant Board Committees. CitizenSpace software will be utilised for consultations to ensure the widest stakeholder reach and the provision of quantitative and qualitative reporting to inform the decision-making process.	SERVICE TRANSFORMATION COMMITTEE	10	4	Head of Comms and Engagement
CR8.2	Failure to effectively use intelligence data received to drive service improvement	Draft Interim Performance Management Framework being developed to enable performance to be measured against Fire and Rescue Framework for Scotland 2016 and SFRS Strategic Plan 2016 - 2019. This will be subject to further, fuller development into a more holistic Performance Management Framework during 2017/18.	SERVICE DELIVERY COMMITTEE	9	4	DACO SPPC
CR8.3	Failure to provide/identify appropriate performance measures driving service improvement	Draft Interim Performance Management Framework being developed to enable performance to be measured against Fire and Rescue Framework for Scotland 2016 and SFRS Strategic Plan 2016 - 2019. This will be subject to further, fuller development into a more holistic Performance Management Framework during 2017/18.	SERVICE DELIVERY COMMITTEE / BOARD	6	4	DACO SPPC
CR8.4	Failure to demonstrate satisfactory performance	Draft Interim Performance Management Framework being developed to enable performance to be measured against Fire and Rescue Framework for Scotland 2016 and SFRS Strategic Plan 2016 - 2019. This will be subject to further, fuller development into a more holistic Performance Management Framework during 2017/18.	SERVICE DELIVERY COMMITTEE / BOARD	6	4	DACO SPPC

Risk Ref. No.	Risk Description	Control Measures In Place	Governance and Scrutiny Arrangements		Risk Appetite	Responsible Officer
				Risk Rating	Impact Assessment	
CR8.5	Failure to protect the reputation of the Scottish Fire & Rescue Service	A Communication and Engagement Strategy has been approved by SLT and Board and sets out the key principles of engagement and consultation across SFRS. This will direct a consistent approach and standard across SFRS. Policies to set out requirements for engagement with the Media, Political Stakeholders and the use of Social Media will be in place. The SFRS Communications team is investing in specialist, skilled personnel to both professionalise our communications and ensure more effective horizon scanning and response to reputational risk.	AUDIT AND RISK ASSURANCE COMMITTEE	12	4	Head of Comms and Engagement

RISK APPETITE						
Impact	Political	Operational	Financial	Legal & Regulatory Compliance	Reputational/Stakeholder Confidence	
1	Averse	Minimal tolerance for taking any decisions or actions that could result in increased parliamentary scrutiny or criticism of the Service	Defensive approach - aim to maintain or protect existing ways of working, rather than to create or innovate. Priority for tight management controls and oversight with limited devolved decision making authority. Resources withdrawn for all non-essential activities. General avoidance of system/technology developments	The key objective is to operate in line with the agreed budget profile. Only willing to accept the low cost option	Avoid anything which could be challenged, even unsuccessfully	Minimal tolerance for any decisions that could lead to increased scrutiny or criticism of the Service
2	Minimalist	Only tolerant of making decisions that contradict or challenge national or local governments where there is no chance of significant repercussions for the Service	Innovations are always avoided unless essential. Decision making authority held by the SLT. Resources allocated to core business. Only essential systems/technology developments	Only prepared to accept the potential for very limited variance in budget lines. Minimising cost is the primary concern	Want to be very sure the Service would win any challenge	Only tolerant of risk taking where there is no chance of significant repercussions for the Service
3	Cautious	Only tolerant of making statements or taking decisions that impact on the political arena where the Service has the support of key political stakeholders	Tendency to stick to the status quo. Innovations generally avoided unless necessary. Decision making authority generally held by SLT. Resources are generally allocated to core business. Systems/technology developments limited to those which are essential, unless low risk	Prepared to accept the potential for some variance in budget lines and the potential for some minor underspend/overspend. Value for money is the primary concern, with an emphasis on quality as well as price	Limited tolerance for sticking our neck out. Want to be reasonably sure the Service would win any challenge.	Only tolerant of risk taking where there is limited chance of significant repercussions for the Service
4	Open	Appetite to take decisions which may expose the Service to additional parliamentary or political scrutiny, but only where appropriate steps have been taken to minimise any exposure	Innovation supported as long as there is a commensurate improvement in management control. Responsibility for non-critical decisions may be devolved. Resources are allocated to capitalise on potential opportunities, not just to deliver our current practises. Systems/technology developments considered where these will enable delivery.	Prepared to take some financial risk by investing in new projects or activities (recognising that this could result in overspend / underspend) as long as appropriate controls are in place. In assessing value for money, quality considerations are weighted more than price	Challenge will be problematic but the Service is likely to win it. The gain will outweigh the adverse consequences.	Appetite to take any decisions which may expose the Service to additional scrutiny, but only where appropriate steps have been taken to minimise any exposure
5	Hungry	Appetite to take decisions which are likely to expose the Service to additional political, media and parliamentary scrutiny where the potential benefits to the Service outweigh the risks	Innovation pursued, desire to break the mould and challenge working practices. High levels of devolved authority, management by trust rather than tight control. Resources are allocated to areas of work where there are guarantees of success - investment capital type approach. New technologies viewed as a key enabler of operational delivery.	Prepared to take financial risks by investing for the best possible reward, accepting that this brings the possibility of underspend/overspend.	Chances of losing are high and consequences serious. But a win would be seen as a great coup.	Appetite to take decisions which are likely to expose the Service to additional scrutiny, if the potential benefits outweigh the risks

(Red highlighted Section indicates the risk appetite level determined by the Board and SLT)

RISK ASSESSMENT					
Impact	Political	Operational	Financial	Legal & Regulatory Compliance	Reputational/Stakeholder Confidence
1	Effective Strategic Decision making, full engagement by Board and SLT and meeting in full the expectation of Scottish Government and Local Communities	No negative impact on our ability to deliver the service.	no impact on our ability to deliver a balanced budget	no adverse reputational damage to the service	Rumours, with potential for local public/political concern
2	Minor reduction in Board engagement, minimal impact upon achievement of strategic objectives and no adverse comment from SG	There will be a very minimal impact on our ability to deliver the service.	our ability to deliver a balanced budget will be realised with minimal adjustments	Potential unexpected external scrutiny of our activities due to non compliance. Some adverse media attention received.	Some negative Local press interest or Local public/political concern.
3	Question raised over effectiveness of strategic decision making, noticeable impact upon service delivery, criticism by external bodies, partners and sG	There will be a reduction in the ability for us to deliver our services and there may be minor service disruption.	action required to ensure delivery of a balanced budget. Potential adverse impact on service delivery.	Prolonged adverse media attention. Criticism of our service as a result of scrutiny by external bodies. Potential legal action.	Limited damage to reputation. Extended negative local press interest. Some regional public/political concern.
4	Ineffective Board engagement, challenge over strategic decision making of SFRS, failure to deliver against agreed priorities and SG criticism and threat of intervention	Service disruption for an extended period. Major consequences.	insufficient finances available to support service delivery	Ineffective governance arrangements identified resulting in Government intervention in the management of the service.	Loss of credibility and confidence in the service. National negative press interest. Significant public/political concern.
5	Failure to deliver against SG priorities, failure of Board and SLT to engage, intervention by SG and external monitoring bodies	Failure to deliver our services	failure to live within our means	failure of the service	Full Public Inquiry. International negative press interest. Major public/political concern.

Probability

5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5

IMPACT

Criteria for Evaluating Risk			
Probability	Description	Numerical Value	Plain English
1	Very Low – Where an occurrence is improbable or very unlikely	1 in 20,000	Never happened and doubt it will
2	Low - Where an occurrence is possible but the balance of probability is against	1 in 2,000	Has happened before but unlikely
3	Medium- where it is likely or probable that an incident will occur	1 in 200	Will probably happen at some point in the future
4	High- where it is highly probable that an incident will occur	1 in 20	Has happened in recent past and will probably happen again
5	Very High- where it is certain that an event will occur	1 in 2	It's already happening and will continue to do so