

REPORT TO THE:
PERFORMANCE, REVIEW AND AUDIT COMMITTEE

DATE: 7th April 2008 **REFERENCE:**

SUBJECT:
 Business Risk Management Report

SUMMARY:
 Committee will note from the attached report that the Service is progressing with the establishment of a Business Risk Register to identify aspects and impacts of Strategic, Operational and Financial risks to the organisation. Desk top reviews with key stakeholders has been established to take place during the month of June. A brief report on the outcomes of the recent Insurance renewal tendering exercise is also included which demonstrates that the Service's approach to managing its business risks has a direct impact on the Service's combined liability insurance portfolio and in this case, a very positive impact that will benefit the whole Authority in the long term.

OBJECTIVES		IMPLICATIONS	
Trusted & Respect		Operational Risk Management	
More than Emergencies		Community Risk Reduction	
Saving Lives, Protecting Communities		Learning & Development	
Managing within Budget	Yes	Civil Contingencies & Resilience	
Improving Efficiency	Yes	Finance & Procurement	
Resources to Priorities		H.R.	
Alternative Resources		ICT	
Managing People		Comms.	
Integrated Management Planning	Yes	Transport	
Partnership Working		Health & Safety	Yes
Effective & Empowered People	Yes	Premises	
		Sustainability & Environment	Yes
		Welsh Language	
		Legal	
		Governance	Yes
		Equality & Diversity	

COMMENTS/OBSERVATIONS ON THE ABOVE OBJECTIVES / IMPLICATIONS:
 None.

RECOMMENDATIONS:
 Performance Review & Audit Committee Members to review minutes of the Business Risk Management Group meeting and to acknowledge the progress being made to continuously improve the management of business risk within the Mid & West Wales Fire & Rescue Service.

BACKGROUND PAPERS USED IN PREPARATION OF THIS REPORT:

Business Risk Management Group Meeting Minutes - February 2008

2007 / 08 MARSH Insurance Renewal report

MAWW F&RS Insurance Renewal Report 08/09

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Business Risk Management Report

Establish a Business Risk Register

Committee will note that the last meeting of the newly established Business Risk Management Group was held in February of this year. Unfortunately, due to a number of other meetings that have been held during March it has not been possible for the Business Risk Management Group to meet in readiness for reporting to the PRAC meeting. However, it is intended for this report to provide Committee with a suitable update on progress in the absence of a formal meeting.

From the initial outset, one of the main features of the Business Risk Management Group's function is to establish and monitor a Business Risk Register for the Service. Following the last meeting held on the 4th February the group agreed on a proposal for the Service to undertake a 'desk-top' Risk Profiling exercise utilising specialist risk management consultants from the Services combined liability insurers, namely Travelers. The format of the exercise will consist of one-to-one interviews lasting 45 minutes between the consultants and some 20 – 24 Managers (Operational and Non-Operational). All participants will be asked to consider what 'risk(s)' do they perceive as having a potential impact upon the effective service delivery of their specific area of work and this will be broken down into Operational, Financial and Strategic risk. The information collated from all the interviews will then be reviewed, categorised and given a risk rating against defined sustainable/unsustainable organisational risk thresholds and presented to the Business Risk Management Group Members.

This data will then formulate a register of business risk which the group will monitor as part of its terms of reference as well as to discuss their impact, establish means of reducing their risk exposure and consider new risks accordingly. The establishing of a Business Risk Register for the Service is a fundamental element in the continued success of the Business Risk Management group and will become the main point of focus for the Services business risk objectives.

Further details on this exercise will be made available to Committee at the next meeting.

Insurance Renewal Report 2008/09

During the last few months of 2007 the Service in conjunction with its Insurance Brokers MARSH commenced a combined insurance renewal exercise for the 2008/09 year as well as the long term agreements in accordance with OJEU Regulations. The Service were given an opportunity to present a portfolio of evidence to the prospective short list of insurers as part of the tendering exercise so that a full picture of the organisations' positive approach to business risk management could be recognised. This work proved to be a worthwhile exercise as mentioned by our Broker's in their renewal outcome report to the Service, where they stated:

"We believe these savings have been achieved by the excellent work the Authority has done in controlling the risks which it faces, and this was clearly and succinctly portrayed to the Insurers bidding for the business.

The Service has managed to secure a significant saving in insurance premium costs which over the five year term which has been secured equates to a direct saving to

the Authority of more than £1.3 million. This has been an excellent result for the Service and a measurable outcome of what a structured approach to identifying and reducing risk to the organisation can achieve.

It would be remiss of this report not to emphasize that a proportionate quantity of the savings achieved should be re-invested into the Service's internal risk control strategies in order for it to continue with its objective for continued improvement in business risk management. A fuller discussion on this matter will be undertaken at the next scheduled Business Risk Management Group meeting and reported back to Committee.

A detailed report on the Insurance tendering exercise has already been presented to the Resources Committee held on the 31st March 2008.

Mydrian Harries
Service Risk Manager