

HEREFORD & WORCESTER FIRE AND RESCUE SERVICE

RISK MANAGEMENT - BUSINESS IMPACT ANALYSIS

Purpose

This form needs to be used when compiling all Service/Policy Instructions (SPI's) and relevant PMM and FRA Papers, to **measure and address the business impact your policy or documentation has on the Service**. You should use this form **as a tool to guide** your completion of the proposed documentation and **identify how it links** to Service priorities (Corporate Plan) and current policy framework. This process will improve the Service's management of Corporate Risk and Equality and Diversity. This summary will enable Principal Management and Authority Members to be confident that all Corporate considerations have been **addressed prior to approval**.

| | | | | | |
|---------------------------------|---|---|--|---|---|
| PMM Papers (please tick) | | FRA Committee Papers (please tick) | | Service Policy/Instruction (please tick) | |
| Paper/Policy Title: | Transfer of Ownership of New Dimension Assets | | | Author | Jon Hall, Assistant Chief Fire Officer |
| Purpose: | To seek FRA sign-up to the final Transfer of Ownership Agreement | | | | |

Please identify the implications/considerations in the space provided (Comments). Please complete all fields. Make sure you have addressed all relevant corporate considerations within your document.

| Corporate Considerations | ✓ | Comments |
|--------------------------------------|--|---|
| Resource Implications | ✓ | Transfer based upon Treasury rules for a "transfer of function" but in practice results in transfer of assets |
| Legal | ✓ | Legal advice sought and received from both HLS and the Fire Lawyers Network – sign-up will be legally binding |
| Facilities (Property) | | |
| Financial | ✓ | Indirect financial effect as all grant arrangements are already established and working |
| Human Resources | | |
| Strategic Policy Implications | | |
| Operational Issues | | |
| Partnership Issues | | |
| Reputational Issues | | |
| Environmental Issues | | |
| Data Quality Issues | | |
| Equality/Ethical Issues | <i>Complete Equality Impact Assessment (EIA) Screening Process (page 3).</i> | |

Using the information above you are required to complete the table overleaf with any risks that need to be addressed and incorporated into appropriate Risk Registers.

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Managing Risk

The Risk Score is derived from the level of Impact and the Likelihood, calculated from the Strategic Risk Matrix – please see below.

| Risk Identified | Inherent Risk Evaluation | Control Measures | Residual Risk Evaluation | Opportunities | Risk Evaluation |
|---|--------------------------|------------------|--------------------------|---------------|--|
| FRAs will have no control over the level of costs apportioned to them and, if there is a dispute on the level of charges, will have no right to claim directly against the Contractor. | Risk Score | | Risk Score 5 | | <div>Risk Score</div> <ul style="list-style-type: none"> Costs for training, USAR crewing for which FRAs have been grant-funded for some time already Fixed costs of the maintenance contract – CLG has committed to fund these fixed costs under the contract – currently directly, but after transfer of assets to be paid directly by FRAs and grant funded Consumables costs – paid directly by CLG, in the future planned to be paid directly by FRAs and grant-funded. These costs are within FRAs’ control. Unfair wear and tear– to be borne by FRAs at their own cost under the recharging policy (due to issue 30 Nov). To put in proportion, these costs, which are within FRAs’ control, amounted to £118k in the first 12 months of the contract (ie the amount all English FRAs together would have had to pay if a recharging policy had been in place for that first year) |
| FRAs have no rights to terminate the National Contract or its application to the specific FRA. | Risk Score | | Risk Score 5 | | <div>Risk Score</div> <ul style="list-style-type: none"> The point of the maintenance contract is to ensure continued interoperability, resilience, convenience and economies of scale. By its nature it is collective, and Firebuy is the contracting authority with VTCS and therefore the terms of the Prime Contract can only be enforced directly by Firebuy or VTCS. |

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| | | | | | | | <ul style="list-style-type: none"> September Asset transfer circular Q&A covered this in detail - Terms of Access are the way for FRS to participate in the contract; Firebuy manages the contract and monitors performance and costs on behalf of the FRS; regular formal meetings between contractor, Firebuy and the Assurance Body, which is FRS champion raising FRS issues and concerns about the performance of the contract; formal dispute resolution procedures in the contract. |
| National risks will inevitably change over time and these assets will continue, first and foremost, to provide national resilience. CFOA maintains that the financial costs of mitigating national risks should not fall to local Services. | Risk Score | | | Risk Score | 3 | Risk Score | <ul style="list-style-type: none"> The Assurance body is funded for in-year necessary improvements, and defends interests of FRS. CLG can't commit future Parliaments, but envisage 'major refreshes' every 5-6 years which would look at major changes to the capabilities which may be required by changing Government requirements (i.e. assessment of top risks changes). This would be in the context of a spending review so that Government could find the money for changes it required. Government is fully committed to the New Burdens rules as it has been for many years – if Government requires something increasing costs to local authorities, including FRAs, then it funds it. The general track record on New Dimensions, and regarding the Assurance Body itself, provides reassurance. |

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| <p>The Transfer Agreement is as stated a Transfer of Function not a Transfer of Assets. This confers specific duties on those FRAs that are currently hosting New Dimensions assets that are designated for use in the event of widespread flooding which are currently not covered by any Statutory Instrument. This is not the case for the USAR and CBRN assets which are covered by the Emergencies Order 2007 (SI 2007 No 735).</p> | Risk Score | | | Risk Score | 3 | | Risk Score | <ul style="list-style-type: none"> • Transfer of function is a classification given by HM Treasury – practical, the point is that a transfer of assets would mean CLG would have to find capital cover for them, as if it had sold them at below cost. There is no impact from the transfer on the powers and duties which FRS has. • Pros and cons of a duty for flood response on the FRS, or other responders, were much debated during the Pitt Review and the Government position was set out at that time, and a DEFRA-led project with CLG and FRS involvement is looking at how flood response can be improved. • We don't see that the arguments, or the Government position, would be affected by whether or not transfer of ND takes place. Looking from the other end, we don't see why the position on transfer is any different between USAR and mass decontamination (where there is a duty) and HVPs and C&C (where there is no duty). |
| <p>There are grants currently in place for those FRAs hosting USAR assets to cover staffing. There is no certainty on whether these grants will continue.</p> | Risk Score | | | Risk Score | 6 | | Risk Score | <ul style="list-style-type: none"> • CLG can't commit future Parliaments to funding. New Burdens rules remains. Would point to CLG's record thus far on New Dimensions. |

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| The new burdens funding to FRAs will be inadequate to cover the full and true costs of maintaining, staffing, refreshing and equipping the New Dimensions assets. | Risk Score | | | Risk Score | 5 | | Risk Score | <ul style="list-style-type: none"> • This is not the policy. • There should always be a discussion between central and local government about levels of funding for new burdens and in other areas. • Through the LGA and ALG's submissions to the Spending Reviews, local government has a clear route to raise its concerns about funding levels at the time when Government makes its spending plans. We would expect that in coming to its views in the area of New Dimensions, LGA would look to the Assurance Body for advice. |
| There will be a lack of transparency on the full costs and the funding to cover them if the funding is subsumed within the RSG or into any area based grant mechanism. There are also specific and significant impacts on those FRAs that are currently operating 'at the floor' | Risk Score | | | Risk Score | 4 | | Risk Score | <ul style="list-style-type: none"> • Many special grants have gone this route before – number of strong reasons why central and local government believe that the majority of central funding should be through block grant rather than a large number of relatively small grants. • Any proposed transfer into RSG would be looked at together with the FRAs themselves, through the normal Formula Review process, and with exemplifications of what a transfer would mean to each individual FRA. • In due course, when we consider options for the future funding mechanism, we will have regard to authorities' concerns that we are still in a transition phase, that the maintenance contract has been going for only a short while, and their wish to build up a pattern of spend over a period of time. |

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| No clarity on future funding of the Assurance function. | Risk Score | | | Risk Score | 6 | | Risk Score | <ul style="list-style-type: none"> The MoU on the Assurance Function covers this Spending Review period, and is renewable so long as both parties agree, subject to consultation with stakeholders. As noted several times above, we can't commit future Parliaments but from Policy point of view, see Assurance Body as working well and to the satisfaction of all, and think this bodes well for the future. |
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| Impact | High | Important risks - may potentially affect provision of key services or duties 6 | Key risk- may potentially affect provision of key services or duties 8 | Immediate action needed - serious threat to provision and/or achievement of key services or duties 9 |
| | Medium | Monitor as necessary - less important but still could have a serious effect on the provision of key services or duties 3 | Monitor as necessary - less important but still could have a serious effect on the provision of key services or duties 5 | Key risks - may potentially affect provision of key services or duties 7 |
| | Low | No action necessary 1 | Monitor as necessary - ensure being properly managed 2 | Monitor as necessary- less important but still could have a serious effect on the provision of key services or duties 4 |
| | | Low | Likelihood | High |

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Equality Impact Assessment (EIA) Screening Process

The purpose of an EIA is to work out how a policy or legislative proposal will affect people from different minority groups. **For the purposes of this assessment due consideration should be given to all six areas of equality i.e. Race, Gender, Disability, Sexual orientation, Age, Religion or Belief.** If there are any equality issues, refer to the [EIA Flowchart](#) ensuring that there are no likely adverse affects on minority groups. Until the screening process is complete, it is to be assumed that all policies are relevant to the equalities duties. Please complete the following in detail:

| Nature of Activity/Report/Policy | Potential Impact (Yes/No) | Explanation If 'yes', please expand. |
|--|---------------------------|--|
| • Does this impact upon the six strands of Equality legislation? If yes, please state which groups i.e. Race, Gender, Disability, Age, Sexual Orientation, Religion or Belief | No | |
| • Is there any evidence to suggest that different groups have different needs, experiences, issues and priorities with regards to this activity area or policy? | No | |
| • Does the activity/policy identify and take account of diverse needs? | Yes | Through design of equipment and selection processes for crews |
| • Have any previous activities/policies raised Equality and Diversity considerations for this particular activity/policy? | No | |
| • Is the activity/policy meant to overcome inequalities or eliminate barriers? For example harassment, bullying, eliminate stereotypes or other types of disadvantage? | No | |
| • If so, should there be equality objectives? | N/A | |
| • Are there measures in place to initiate change to the activity/policy if it is not delivering the objective defined at the outset? | N/A | |
| • Is there any evidence that any part of the proposed activity/policy could discriminate unlawfully, directly or indirectly? | No | |
| • Is the proposed activity/policy likely to affect or promote relations between different groups? | Yes | FRS response to new dimensions incidents or issues effecting national resilience affect all parts of the community and see no barriers of Race, Gender, Disability, Age, Sexual Orientation, Religion or Belief. |
| • Is there the potential to enhance equality of opportunity through this activity/policy? | Not at present | This may alter as capabilities are developed into the future. |
| • Have consultations indicated that the particular activity/policy creates problems specific to any groups? | No | |
| • Does the Service currently collate data specific to this activity for equality monitoring? If no monitoring takes place, speak to the Equality and Diversity Officer. | No | |

If you have answered 'Yes' or 'Not Known' to any of these questions, the proposed activity may be relevant to the equality duties. Please seek advice from the Equality and Diversity Manager who will assist you with carrying out a full impact assessment.