

Risk Appetite Statement

Report to:

Date:

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Commissioner's Board.....	12 August 2026
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London Fire Commissioner	

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Values met

Service
Integrity
Teamwork
Equity
Courage
Learning

PART ONE

Non-confidential facts and advice to the decision-maker

Executive Summary

This report presents the Brigade's proposed Risk Appetite Statement 2026 and seeks approval from the Risk and Assurance Board for updating and adopting this Risk Appetite Statement.

The proposed statement is informed by the findings of the annual Risk Appetite Review, undertaken following twelve months of practical application of the Brigade's inaugural risk appetite framework. The review concluded that whilst the current framework has helped embed risk appetite across the organisation and provided a clear target for risk owners, the application of a single cautious appetite across all risk categories has limited the framework's ability to support proportionate decision-making, prioritisation and strategic oversight.

The proposed Risk Appetite Statement introduces a more mature and proportionate framework through the adoption of seven revised impact-based risk categories and differentiated appetite levels. This approach reflects recognised risk management good practice, aligns with ISO 31000 principles, and will strengthen the Brigade's ability to make informed decisions, prioritise resources and focus management attention on the areas of greatest risk exposure.

The statement also introduces primary impact-led risk classification to improve consistency in risk categorisation, scoring and reporting, whilst supporting the consolidation of overlapping risks and reducing unnecessary complexity within the corporate risk register.

Recommended decision – For Commissioner's Board

That the Commissioner's Board adopts the revised Risk Appetite Statement for the LFC.

1 Introduction and background

- 1.1 The Brigade introduced its first formal risk appetite framework during 2024/25, comprising four risk appetite levels and nine risk appetite categories. Following consultation and discussion by senior leadership, a single cautious appetite was applied across all categories to support implementation and establish a common organisational understanding of risk appetite.
- 1.2 Following twelve months of operation, the annual review of the framework has provided an opportunity to assess its effectiveness and determine whether any amendments are required to better support the Brigade's strategic objectives, governance arrangements and risk management maturity.
- 1.3 The review forms part of the Brigade's commitment to continuous improvement and aligns with

best practice expectations that risk appetite frameworks are regularly reviewed to ensure they remain proportionate, relevant and reflective of the organisation's operating environment.

2 Risk Appetite Review

- 2.1** The review found that the current cautious appetite has delivered a number of benefits. It has established a common expectation that risks should be managed towards a defined target level, supported greater consistency in risk management activities and contributed to an increase in the proportion of risks operating within appetite.
- 2.2** However, the review also identified several limitations. Approximately 60 per cent of risks remain outside appetite, despite active management. The framework has also provided limited support for prioritisation because all risks are effectively managed towards the same appetite level regardless of their nature or underlying risk characteristics.
- 2.3** Particular challenges have been identified in relation to cyber and digital risks, where feedback from governance bodies and stakeholders has suggested that achieving a cautious appetite is often unrealistic given the nature of the threat environment and available organisational resources. The review therefore concluded that a more differentiated and proportionate approach to risk appetite is required.

3 Review Findings and Benefits

- 3.1** The review identified that the most appropriate next stage in the maturity of the Brigade's risk appetite framework is the introduction of differentiated appetite levels across clearly defined risk categories. This approach was considered by Directors and agreed as the preferred development option.
- 3.2** The revised approach will deliver several benefits, including:
 - Improved alignment between risk appetite and the nature of different risk exposures.
 - Better prioritisation of management attention and organisational resources.
 - Increased consistency in risk categorisation and scoring.
 - Opportunity to reduce duplication and complexity within the corporate risk register.
 - Improved risk articulation through primary impact-led classification.
 - Stronger alignment with recognised good practice and ISO 31000 principles
- 3.3** The revised framework is also expected to increase the proportion of risks operating within appetite and provide a more realistic assessment of risks relating to cyber security, digital services, finance and commercial sustainability, whilst maintaining a predominantly cautious approach across those areas most closely linked to public safety, operational response and statutory obligations.

4 Revised Risk Appetite Proposal

- 4.1** The review proposes replacing the original nine risk categories with seven revised impact-based categories:
 - Safety
 - Operational Response and Resilience
 - Legal and Compliance

- Cyber Security and Digital
- Finance and Commercial Sustainability
- People, Culture and Capability
- Reputation and Public Confidence

4.2 Under the proposed framework, a cautious appetite would continue to apply to Safety, Operational Response and Resilience, Legal and Compliance, People, Culture and Capability, and Reputation and Public Confidence. A moderate appetite would apply to Cyber Security and Digital and Finance and Commercial Sustainability.

4.3 The proposal also introduces primary impact-led classification, requiring risks to be categorised according to their most significant organisational consequence. This will improve consistency, simplify risk categorisation and provide a more accurate representation of organisational risk exposure.

5 Revised Risk Appetite Statement

5.1 The proposed Risk Appetite Statement, attached at Appendix 1, formalises the revised framework and sets out the Brigade's position regarding the level and types of risk it is willing to accept in pursuit of its strategic objectives.

5.2 The statement maintains a predominantly cautious organisational risk appetite, reflecting the Brigade's role as a public safety organisation and the requirement to maintain public confidence, meet statutory obligations and protect public resources. However, it also recognises that certain areas require a more proportionate approach to manage inherent and unavoidable risk exposure.

5.3 Following consultation with Finance colleagues, an important exception has been incorporated within the Finance and Commercial Sustainability category. Whilst the category overall is proposed to operate under a moderate appetite, risks relating to fraud, financial misconduct, financial control weaknesses and breaches of statutory or regulatory requirements will continue to be managed to a cautious appetite. This ensures the Brigade maintains a low tolerance for fraud, control failure and non-compliance whilst allowing appropriate flexibility in broader financial and commercial decision-making.

5.4 The review also recognised that cyber and digital risks continue to attract significant scrutiny from both internal and external stakeholders. The proposed moderate appetite reflects the realities of the current cyber threat environment and aligns with emerging practice across comparable organisations. However, recognising the ongoing interest in this area, cyber risk appetite levels will continue to be monitored through regular governance arrangements and reviewed annually to ensure they remain appropriate to the Brigade's operating environment and risk profile.

5.5 Overall, the proposed Risk Appetite Statement represents a significant step forward in the maturity of the Brigade's risk management arrangements and provides a clearer, more proportionate and more effective framework for managing risk across the organisation.

6 Values Comments

6.1 The LFC notes the Fire Standards Board requirements around adopting and embedding the Core Code of Ethics at an individual and corporate level. Following extensive engagement, the LFC has introduced Brigade values which build on and do not detract from the Code of Ethics.

6.2 The Brigade values are:

- **Service:** we put the public first
- **Integrity:** we act with honesty
- **Teamwork:** we work together and include everyone
- **Equity:** we treat everyone fairly according to their needs
- **Courage:** we step up to the challenge
- **Learning:** we listen so that we can improve

6.3 This report proactively supports the Brigade values as follows:

- **Service:** The revised Risk Appetite Statement supports effective service delivery by ensuring that risks are managed proportionately according to their potential impact on the Brigade's objectives, helping the organisation focus resources and management attention on those risks that pose the greatest threat to serving and protecting London.
- **Integrity:** The Risk Appetite Statement provides a transparent and consistent framework for determining the level of risk the Brigade is prepared to accept across different areas of activity. This supports open decision-making, accountability and effective scrutiny of risk-related decisions.
- **Teamwork:** The revised risk appetite framework has been developed through consultation and engagement with Directors, Heads of Service, governance boards and key stakeholders from across the organisation, promoting a shared understanding of risk and collective ownership of risk management.
- **Equity:** The Risk Appetite Statement establishes a consistent enterprise-wide approach to risk categorisation and assessment, ensuring that risks are evaluated against common criteria and that risk management expectations are applied fairly and consistently across all departments.
- **Courage:** The review challenges the Brigade's previous one-size-fits-all approach to risk appetite and introduces a more mature and realistic framework that reflects the nature of different risk exposures. It encourages open discussion about risk tolerance, exception management and emerging threats, particularly in complex areas such as cyber security and digital risk.
- **Learning:** The Risk Appetite Review demonstrates the Brigade's commitment to continuous improvement by evaluating the effectiveness of the existing framework after twelve months of operation and using lessons learned, stakeholder feedback and practical experience to strengthen future risk management arrangements.

7 Equality Comments

- 7.1** The LFC and the Deputy Mayor for Planning, Regeneration and the Fire Service are required to have due regard to the Public Sector Equality Duty (section 149 of the Equality Act 2010) when taking decisions. This in broad terms involves understanding the potential impact of policy and decisions on different people, taking this into account and then evidencing how decisions were reached.
- 7.2** It is important to note that consideration of the Public Sector Equality Duty is not a one-off task. The duty must be fulfilled before taking a decision, at the time of taking a decision, and after the decision has been taken.
- 7.3** The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership (but only in respect of the requirements to have due

regard to the need to eliminate discrimination), race (ethnic or national origins, colour or nationality), religion or belief (including lack of belief), sex, and sexual orientation.

7.4 The Public Sector Equality Duty requires decision-takers in the exercise of all their functions, to have due regard to the need to:

- eliminate discrimination, harassment and victimisation and other prohibited conduct.
- advance equality of opportunity between people who share a relevant protected characteristic and persons who do not share it.
- foster good relations between people who share a relevant protected characteristic and persons who do not share it.

7.5 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic where those disadvantages are connected to that characteristic.
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

7.6 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

7.7 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- tackle prejudice
- promote understanding.

7.8 An equality impact assessment (EIA) has not been conducted for the Risk Appetite Review and revised Risk Appetite Statement, as any EIA impacts have already been identified via the EIA undertaken for the overarching Risk Management Policy.

8 Other considerations

Workforce comments

8.1 There are no immediate consequences on the workforce arising from this report, however the implementation of improvement actions may have resource implications in the future and/or require consultation with representative bodies.

Sustainability comments

8.2 There are no known sustainability implications arising from this report.

Procurement comments

8.3 There are no known procurement implications arising from this report.

Communications comments

8.4 This report is intended to be the main form of communication for the matters contained within it and will be circulated for consultation to Heads of Service prior to presentation at the Risk and Assurance Board.

9 Financial comments

9.1 The Chief Finance Officer has reviewed this report and has no comments.

10 Legal Comments

10.1 Under section 9 of the Policing and Crime Act 2017, the London Fire Commissioner (the "LFC") is established as a corporation sole with the Mayor appointing the occupant of that office.

10.2 Section 1 of the Fire and Rescue Services Act 2004 states that the LFC is the fire and rescue authority for Greater London.

10.3 Under section 327D of the GLA Act 1999, as amended by the Policing and Crime Act 2017, the Mayor may issue to the LFC specific or general directions as to the manner in which the holder of that office is to exercise his or her functions.

10.4 By direction dated 1 April 2018, the Mayor set out those matters, for which the LFC would require the prior approval of either the Mayor or the Deputy Mayor for Fire and Resilience (the "Deputy Mayor").

10.5 Paragraph 3.1 of Part 3 of the said direction requires the LFC to consult with the Deputy Mayor as far as practicable in the circumstances before a decision is taken on (inter alia) any "[c] decision that can be reasonably considered to be novel, contentious or repercussive in nature, irrespective of the monetary value of the decision involved (which may be nil)".

10.6 The subject of this report is considered to be novel, contentious or repercussive in nature as it relates to risk management within the London Fire Brigade.

10.7 The production by the LFC of an integrated risk action plan which, "reflect[s] up to date risk analyses including an assessment of all foreseeable fire and rescue related risks that could affect the area of the authority" is a requirement of the Fire and Rescue National Framework for England (Framework) issued by the Secretary of State under section 21 of the Fire and Rescue Services Act 2004. From 2023 the Community Risk Management Plan 2023: Your London Fire Brigade, meets this requirement and has been approved by the Mayor under a separate decision.

10.8 Additionally, the LFC, in his Scheme of Governance, has adopted the CIPFA/SOLACE Framework Delivering Good Governance in Local Government which sets out the core principles on which effective governance should be built.

10.9 In furtherance of taking robust, accountable, and transparent decisions, which are subject to effective scrutiny and risk management, the Commissioner has committed to ensure robust systems for identifying and managing corporate risks are in place, including the regular review of the Corporate Risk Register by the Commissioner's Board and regular reporting of significant risks for scrutiny by the London Assembly.

- 10.10** As part of this approach to strategic risk management referenced above, the LFC receives regular reports on the Brigade's corporate (red) risks along with details about the LFB's assurance frameworks for discussion and scrutiny.
- 10.11** This report, which attaches an updated risk appetite statement for the LFC, is complimentary to the requirements of the LFC's Scheme of Governance and internal policies on strategic risk management.

List of appendices

Appendix	Title	Open or confidential*
1	Risk Appetite Statement 2026	Open

Part two confidentiality

Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part Two form, together with the legal rationale for non-publication.

Is there a Part Two form: NO

Appendix 1

Risk Appetite Statement

Executive summary

1. This Risk Appetite Statement sets out the level of risk the London Fire Brigade is willing to accept in pursuit of its strategic objectives, statutory duties and improvement priorities. It provides a consistent framework for risk-based decision-making, prioritisation, escalation and assurance. It also sets out the expectations on risk and control owners to manage the Brigade's risks within appetite.
2. The Brigade's overall approach to risk is predominantly cautious, reflecting its role as a public safety organisation and the need to protect life, maintain public confidence, comply with statutory obligations and use public resources responsibly. Risk appetite is applied by category, with the Brigade having seven distinct risk categories, with set criterion for assigning risks to each (see Appendix 1), so that the level of risk accepted is proportionate to the nature and impact of the activity or exposure being managed.
3. A cautious appetite is applied to five of the Brigade's risk categories - Safety; Operational Response and Resilience; Legal and Compliance; People, Culture and Capability; and Reputation and Public Confidence. A moderate appetite is applied to two risk categories - Cyber Security and Digital; and Finance and Commercial Sustainability, recognising the inherent and unavoidable exposure in these areas.
4. However, there are agreed exceptions to appetite within risks categories. For example, Finance and Commercial Sustainability has a moderate appetite for the category as a whole, but a cautious appetite will be applied as an exception to risks within the category relating to fraud, financial control weaknesses and breaches of statutory or regulatory requirements.
5. This statement should be read as the Brigade's formal position on risk appetite and applied alongside the Risk Management Policy, the corporate risk register management process and relevant governance arrangements.

Our vision and purpose

6. Our vision is to be a dynamic, forward-looking organisation of fully engaged people at the centre of the communities we serve, adapting to the changing needs of London.
7. Our purpose is to be trusted to serve and protect London. Effective risk management supports this purpose by helping the Brigade understand uncertainty, make informed decisions, protect communities and staff, and deliver its strategic priorities in a controlled and proportionate way.

Introduction

8. The Brigade operates in a complex and demanding risk environment. Its services involve inherent exposure to safety, operational, legal, financial, workforce, cyber and reputational risks. Managing these risks effectively is essential to the achievement of the Community Risk Management Plan (CRMP), the delivery of statutory responsibilities and the maintenance of public trust.
9. Risk appetite describes the amount and type of risk the Brigade is willing to seek, accept or tolerate in pursuit of its objectives. It provides a reference point for decision-making, prioritisation, escalation and assurance. It does not remove the need for professional judgement, but it provides a consistent framework for determining whether the level of risk being carried is acceptable, tolerable by exception, or requires further action.

10. Risk appetite is applied by reference to the primary impact of each risk. This ensures that risks are categorised, scored and managed consistently against the area of greatest organisational exposure, while still allowing secondary and tertiary impacts to be understood and recorded.

Risk appetite framework

11. The Brigade uses four levels of risk appetite: minimalist, cautious, moderate and open. These levels describe the degree of risk the Brigade is prepared to accept to achieve its objectives (see Table 1 below). Appetite levels are applied across seven impact-led risk categories (see Table 2) to support proportionate decision-making and effective oversight (see Risk Management Policy PN1035 for further details).

Table 1. Risk Appetite Levels

Risk Appetite Levels			
The level of risk the Brigade is willing to take to achieve its objectives	High ↑ Low	Appetite Level	'Acceptable' risk score
		Open	Score 15 - 16
		Moderate	Score 10 - 12
		Cautious	Score 4 - 9
		Minimalist	Score 1 - 3

Table 2: Current Risk Appetite Categories

Risk Appetite Categories	
1.	Safety
2.	Operational Response and Resilience
3.	Legal and Compliance
4.	Cyber Security and Digital
5.	Finance and Commercial Sustainability
6.	People, Culture and Capability
7.	Reputational and Public Confidence

12. Each risk must be classified according to its primary impact. This means identifying the most significant consequence to the Brigade if the risk materialises and using that impact to determine the relevant category, appetite level and target score (see Table 3 below). Secondary and tertiary impacts should be recorded and considered as part of the risk assessment, but they should not determine the risk category or score.

Table 3 - Risk appetite categories primary impacts and appetite levels

Risk appetite category	Primary impact	Appetite level
Safety	Physical or mental harm, injury or immediate threat to life affecting firefighters, staff or the public.	Cautious
Operational Response and Resilience	The Brigade's ability to deliver, sustain or recover operational response to incidents and maintain operational readiness.	Cautious
Legal and Compliance	Breach of law, statutory duty, regulation or legal obligation, including enforcement action or litigation.	Cautious

Cyber Security and Digital	Loss of confidentiality, integrity or availability of digital systems, data or information due to cyber or ICT-related events.	Moderate
Finance and Commercial Sustainability	Financial loss, inefficiency, budgetary pressures, failure to achieve financial sustainability or budget delivery, procurement integrity and third-party supplier failure.	Moderate*
People, Culture and Capability	Workforce capability, staff development and performance, leadership, behaviour and organisational culture.	Cautious
Reputation and Public Confidence	Loss of public trust, reputational damage or negative perception of the Brigade by stakeholders, media or communities.	Cautious

**Exceptions for Finance and Commercial Sustainability category - cautious or low appetite to be applied for risks relating to fraud, financial control weaknesses and statutory or regulatory breaches.*

Overall risk appetite position

13. The Brigade's overall risk appetite remains predominantly cautious. This reflects the nature of the Brigade's statutory responsibilities, the importance of public safety, the need to maintain public confidence and the expectation that public services should operate within strong governance and control arrangements.
14. The Brigade recognises that some risk areas cannot realistically be managed to a cautious level at all times without disproportionate cost, resource demand or operational constraint. A moderate appetite is therefore appropriate for Cyber Security and Digital and for Finance and Commercial Sustainability, where a degree of risk exposure is inherent and must be managed through proportionate controls, assurance and prioritisation.
15. The moderate appetite in these areas should not be interpreted as acceptance of unmanaged exposure. It means that the Brigade may tolerate a higher level of residual risk where this is justified, understood, monitored and supported by appropriate governance. Risks involving fraud, financial misconduct, material control failure, statutory non-compliance or unacceptable safety consequences remain outside the Brigade's moderate appetite and require escalation and treatment.

Risk approach

16. Risks should be managed in line with the appetite level assigned to their primary impact category (see Table 1 above). For categories with a cautious appetite, the target level is normally a yellow risk rating, with a score between 4 and 9. For categories with a moderate appetite, the target level is normally an amber risk rating within the agreed moderate range, with a score between 10 and 12.
17. Red risks remain outside the Brigade's tolerable range and should be subject to active management, escalation and clear treatment plans. Where a risk remains outside appetite but cannot currently be reduced further, the position should be clearly justified, documented and reviewed through the appropriate governance route. This may include circumstances where the risk is considered as low as reasonably practicable, where further treatment is dependent on external decisions, or where additional controls would be disproportionate to the benefit achieved.

18. Risks within appetite should continue to be monitored to confirm that controls remain effective and that the risk environment has not changed. Risks well within appetite should be reviewed to determine whether controls remain proportionate and whether resources could be better directed towards risks that are outside appetite or require greater management attention.

Responsibilities

19. The Commissioner's Board is responsible for setting and overseeing the Brigade's risk appetite, supported by recommendations from the Risk and Assurance Board. The Risk and Assurance Board is responsible for monitoring application of the framework, reviewing risks outside appetite and seeking assurance that controls are effective and proportionate.
20. Heads of Service, risk owners, control owners, project and programme managers and risk champions are responsible for ensuring that risks are described, categorised, scored and managed consistently with this statement. This includes identifying the primary impact, considering relevant secondary impacts, maintaining clear treatment plans and escalating risks that sit outside appetite or agreed tolerance.
21. The central Risk Team will support consistent application of the framework by providing guidance, challenge and assurance on risk articulation, categorisation, scoring and escalation. The framework should be applied consistently across corporate, departmental, project and programme risks where relevant.

Approval, review and communication

22. This Risk Appetite Statement will be reviewed at least annually, or sooner where there are material changes to the Brigade's operating environment, statutory responsibilities, governance arrangements or risk profile. The review will consider whether the appetite levels remain appropriate, whether the categories remain clear and usable, and whether the framework continues to support effective prioritisation and decision-making.
23. The statement should be communicated to risk owners, control owners, risk champions, project and programme leads and relevant governance boards. Supporting guidance should explain how to identify primary impact, apply the relevant category, assess whether a risk is within appetite and escalate risks where appetite is exceeded.

Appendix 1: Risk appetite categories, criterion and appetite levels

Risk Category	Primary impact	Types of risk included	Proposed Risk Appetite & Rationale
Safety This category ensures that risks to life and safety remain clearly visible and are not diluted within other categories. It supports a consistently low tolerance for risk.	Relates to physical and mental harm, injury or immediate threat to life affecting firefighters, staff or the public	Harm to people (injury or fatality of firefighters, staff or public); Firefighter safety; public safety; safe systems of work; occupational health; mental health and wellbeing; operational injuries; exposure to hazards; incident ground safety; critical H&S risks; release of toxins/contaminates (e.g. foam) into the environment	Cautious Some organisations would set a minimalist appetite due to zero tolerance for avoidable harm: alongside highest moral, legal and regulatory expectations. However, due to the nature of work undertaken by a fire service that involves increased risk exposure, this category has previously been agreed at a 'cautious' appetite level.
Operational Response & Resilience Resilience is included to reflect the increasing importance of managing prolonged and large-scale disruption.	Relates to the Brigade's ability to deliver, sustain, or recover its operational response to incidents	Mobilising performance; response times; availability of operational resources; equipment failure; control room issues; incident command; business continuity; failure of partner organisations and/or third-party suppliers; utilities failure impacting operational readiness; climate-driven demand impacts (wildfires, flooding, extreme heat); failure to adapt operationally to climate risks	Cautious Some managed operational risks are acceptable but major service failure must be avoided.
Legal & Compliance This ensures clear visibility of statutory obligations and supports appropriate oversight of legal exposure.	Relates to breach of law, statutory duty, regulation, or legal obligation, including enforcement action or litigation.	Regulatory and statutory compliance; legal challenge and litigation; governance failures; data protection – breach of UK GDPR / data Protection Act (where legal impact is primary); breach of environmental law/regulations and fines (e.g. non-compliance with emissions standards)	Cautious Legal breaches can create political, financial and reputational consequences, but compliance may not always be possible
Cyber Security & Digital Importantly, risks are only classified here where the	Relates to the loss of confidentiality, integrity, or availability of digital systems, data, or information due to cyber or ICT-related events	Cyber threats/attacks (ransomware, DDoS, zero-day); data and information security and breaches; ICT system compromise; digital dependencies (cyber cause) e.g. cloud or externally hosted system or weakness in cyber controls/monitoring; digital integrity incidents.	Moderate Aligns to national norms. Threat-driven domain cannot realistically reach current risk appetite of cautious (9 or less risk score) across the Brigade.

primary impact is cyber-related. Where the main impact is operational disruption, they are classified under Operations & Resilience.			Cyber and digital risks continue to attract significant scrutiny from both internal and external stakeholders. The moderate appetite reflects the realities of the current cyber threat environment and aligns with emerging practice across comparable organisations. However, recognising the ongoing interest in this area, cyber risk appetite levels will continue to be monitored through regular governance arrangements and reviewed annually to ensure they remain appropriate to the Brigade's operating environment and risk profile.
Finance & Commercial Sustainability	Relates to financial loss, inefficiency, budgetary pressures, or failure to achieve financial sustainability or budget delivery, and procurement integrity, and failure of third party suppliers.	Financial management (budget overspend /financial instability or inaccurate financial forecasting); budget pressures; cost inflation; procurement failures; third party supplier failures; lack of value for money; transformation affordability; fraud and financial misconduct; financial systems and controls; environmental impact of assets (fleet, building, energy) e.g. energy efficiency in buildings, cost of sustainable infrastructure upgrades, transition to electric fleet	Moderate Some financial risk-taking is necessary in constrained environments. LFB has a moderate financial risk appetite, recognising the ongoing pressures on public finances alongside the need to deliver statutory commitments. LFB will take proportionate and well-managed financial risks to support transformation, efficiency, and long-term sustainability, where supported by a robust business case and alignment with the Medium Term Financial Strategy (MTFS). However, LFB has a low appetite for risks relating to fraud, financial control weaknesses, and breaches of statutory or regulatory requirements. It will not tolerate financial misconduct, control failures, or non-compliance that could undermine public trust, governance standards, or legal obligations. All financial risks are managed through strong governance, effective controls, and prudent financial management in line with professional standards.

People, Culture & Capability This reflects the importance of skills, leadership, culture, behaviour, and workforce planning	Relates to workforce capability, staff development and performance and organisational culture	Workforce capacity and skills issues (inability to retain/recruit staff and skills gaps); staff development and performance issues; training and competence issues and gaps; culture and behaviour issues (poor unethical behaviours and failure to embed values and inclusive behaviours); conduct; leadership and governance issues (people) – ineffective leadership /decision-making; poor workforce / succession planning; D&I impacts.	Cautious People-related decisions require managed flexibility but low tolerance for harmful behaviours.
Reputation & Public Confidence This category is used only where reputation is the main consequence, not a secondary effect.	Relates to loss of public trust, reputational damage or negative perception of the Brigade by stakeholders, media, or the community.	Negative media coverage (local/ national); media crises; public criticism or loss of public trust; loss of political and stakeholder confidence (e.g. Mayor, GLA, regulators), adverse inspection outcomes impacting reputation; poor engagement with communities; perceived failure to meet public expectations, including failure to meet public and stakeholders environmental expectations e.g. failure to meet Mayors Net Zero expectations or public perceive LFB as not environmentally responsible	Cautious Some reputational risk is inevitable in delivering change activity, but major harm must be avoided.