



West Midlands  
Combined Authority

# ARAC Strategic Risk Update January 2024

Peter Astrella – Risk Manager  
Finance & Business Hub



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# WMCA Strategic Risks – Scores and Owners

There are now 11 strategic risks rated High / Red, four of which have the highest residual rating:

Risk ID	Risk Title	Risk Owner 1	Dec-23
SRR-R001	Failure to deliver the opportunities and benefits of the Investment Programme	Exec Dir Finance Business Hub	25
SRR-R024	Inflation & global supply chain pressures	SLT	25
SRR-R030	TfWM Programme Cost Management	Exec Dir TfWM	25
SRR-R033	Local authority partners in financial difficulties or entering Section 114	Exec Dir Finance Business Hub	25
SRR-R003	Information and IT Systems Assurance & Security	SLT	20
SRR-R021	Financial resilience of WMCA to absorb fiscal shocks	Exec Dir Finance Business Hub	20
SRR-R005	Capacity and Capability	Head of HR	20
SRR-R004	Regional Stakeholder & Political Relations	Exec Dir Strategy, Economy & Net Zero	16
SRR-R007	Post pandemic sustainability of public transport network	Exec Dir TfWM	15
SRR-R008	Commerciality	Exec Dir Finance Business Hub	15
SRR-R028	Cost of living crisis	Our Staff - Exec Dir Finance Business Hub Citizens - Exec Dir Strategy, Economy & Net Zero	15
SRR-R010	Governance Failures	Head of Governance	12
SRR-R031	Single Settlement - Negotiations	Exec Dir Strategy, Economy & Net Zero	12
SRR-R015	Failure to deliver the collective regional commitment to reducing the carbon budget to net-zero CO2 by 2041	Exec Dir Strategy, Economy & Net Zero	10
SRR-R019	Investment Programme Delivery	Exec Dir Finance Business Hub	10
SRR-R027	Financial Sustainability of the Mayoral-led CA Model	Exec Dir Finance Business Hub	10
SRR-R012	WMCA Resilience	Exec Dir Housing, Property and Regeneration	9
SRR-R018	Health & Safety	Exec Dir TfWM	6
SRR-R006	Maintenance of political support for devolution from HMG to WMCA	Exec Dir Strategy, Economy & Net Zero	4
SRR-R032	TDD Ratification	Exec Dir Strategy, Economy & Net Zero	1

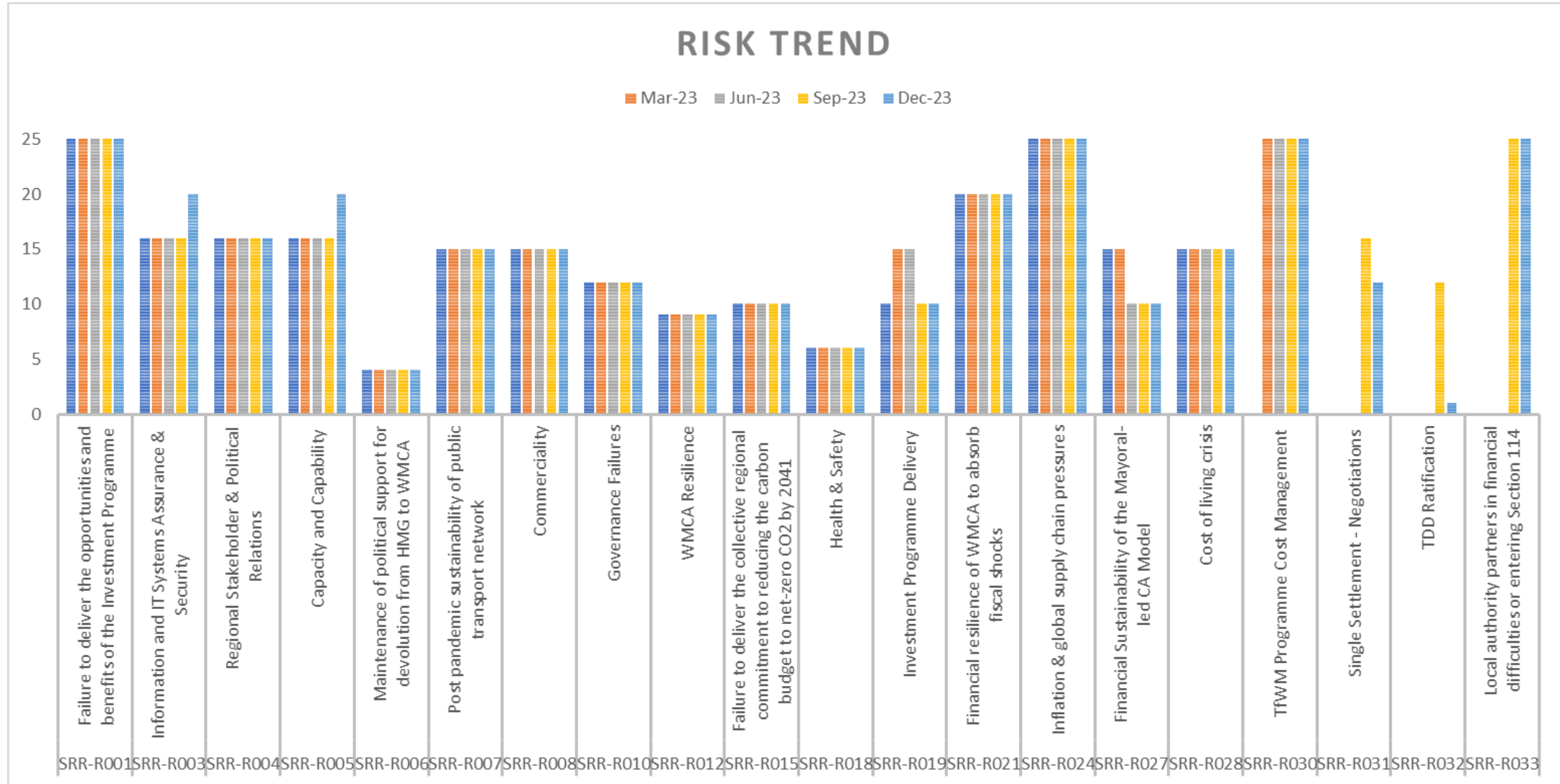
# WMCA Strategic Risk Heat Map

The latest review of strategic risks has seen an increased assessment for two risks, and a reduced assessment of two other risks.

			Current Threats				
Likelihood	5	Very high			SRR-R028 ⇄	SRR-R003 ↑	SRR-R001 ⇄ SRR-R024 ⇄ SRR-R030 ⇄ SRR-R033 ⇄
	4	High				SRR-R004 ⇄	SRR-R005 ↑ SRR-R021 ⇄
	3	Medium			SRR-R012 ⇄	SRR-R010 ⇄ SRR-R031 ↓	SRR-R007 ⇄ SRR-R008 ⇄
	2	Low			SRR-R018 ⇄		SRR-R015 ⇄ SRR-R019 ⇄ SRR-R027 ⇄
	1	Very low	SRR-R032 ↓			SRR-R006 ⇄	
Threat Rating	Score Range	Count	1	2	3	4	5
Limited	1-5	2					
Medium	6-12	7	Minimal	Minor	Significant	Major	Critical
Very High	15-25	11					
Total		20					



# WMCA Strategic Risk 12 Month Trend



# Key Messages for ARAC - Issues

- *Metro 2GT Cracks* – The second phase of repairs is now complete, but there has been a delay in starting the third and final phase of repairs, as a result we will continue to retain and monitor the issue on the issue log.
- *TfWM Technical Breach* – We have reported to ARAC the audit recommendations, which are being implemented, while a further independent audit will be undertaken to confirm implementation of these recommendations.
- *Buckingham Group Contracting Limited has gone into administration* – The contract for Willenhall and Darlaston stations has been novated to Kier Integrated Services Limited ('Kier'). As a result, this issue is closed and will be removed from the issue log.

# Key Messages for ARAC – Risks Increasing

*Information and IT Systems Assurance & Security* – The recent cyber threat activity on transport infrastructure across the UK, has resulted in the likelihood of this risk being increased from 4 to 5. Digital & Data (D&D) have implemented additional mechanisms to further mitigate against this type of incident.

*Capacity & Capability* – the risk has been revised to reflect resource challenges we face in delivering our organisational priorities over the next 12 months, particularly the Single Settlement. The overall risk score has increase to 20 from 16. New control activity is focussed on the need to review capacity requirements ahead of EXB discussion in Jan 2024; this is not just about looking at increasing headcount, but ensuring we have the right people in the right posts.

# Key Messages for ARAC – Risks Reducing

*TDD Ratification* – The TDD has now been ratified by constituent LA members and the related risk has been closed and will be removed from the strategic risk register.

*Single Settlement Negotiations* – The risk has been rewritten to reflect the possible ‘failure to deliver the overall single settlement implementation plan post MoU announcement’, and to recognise concerns around ‘quantum’. Control activity is focussed on the process for developing a comprehensive single settlement plan. Having said this, likelihood has reduced slightly.



# Key Messages for ARAC – High Risks

*Post pandemic sustainability of public transport network and Financial resilience of WMCA to absorb fiscal shocks* – We have had a request approved that allows BSIP funds to be used to provide additional financial capacity to secure the Bus network to December 2024.

In addition, while the Network North announcement has bought some short/medium term funding into the authority for transport pressures, further options for increased funding on a long-term sustainable basis continue to be explored.

*Financial Sustainability of the Mayoral-led CA Model* - WMCA expects to be able to present a balance draft 2024/25 budget to Board in January 2024 utilising mainly short-term funding solutions while a longer-term solution continues to be developed.