



Name of meeting: Audit Risk and Assurance Committee

Meeting date: 3 February 2025

Report title: Strategic Risk Update

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Key Decision? No

Is the ability for the Combined Authority to make a decision internally reliant on Constituent or Non-Constituent Councils making a formal decision first?

Yes No

Recommendations

The Audit, Risk and Assurance Committee is asked to:

(1) Note the key messages in the Strategic Risk Update and note the Strategic Risk Register.

Voting Requirements

A simple majority of the members appointed by the constituent councils, in attendance in the meeting room and indicating their preference, are required to vote in favour of any recommendation/proposition for it to become a decision of the board.

1. Executive Summary

1.1 The Strategic Risk Register (SRR) (Appendix 1) supports the identification and management of the risks faced by the organisation in achieving its organisational or strategic objectives. The SRR captures only those high-level risks which are of such significance as to require oversight by the Executive Board (EXB). The EXB monitors WMCA's risk environment on a regular basis to ensure key risks are captured on the SRR and measures are in place to effectively manage or mitigate their effects.

1.2 The SRR provides the ARAC with visibility of the strategic risks currently faced by the WMCA, while the Strategic Risk Update (Appendix 2) provides details of the main changes to the SRR. This information is provided in support of the Committee's function in monitoring the operation of risk management at the WMCA.

4. Matters for Consideration

4.1 The latest review has seen the de-escalation of two strategic issues: *Metro 2GT Cracks*, and *TfWM Technical Breach*, which will now be managed at TfWM operational level.

4.2 One new risk has been identified (*Unspent Grant Expenditure*), three other risks have seen their assessment reduce (*Regional Stakeholder & Political Relationships*; *Local authority partners in financial difficulties or entering Section 114*; and *Investment Zones*) and one risk (*Maintenance of political support for devolution from HMG to WMCA*) has seen a slight increase.

4.3 As a result, there are now ten strategic risks rated High, two of which have the highest residual rating:

- Financial resilience of WMCA to absorb fiscal shocks.
- TfWM Programme Cost Management.

4.4 The eight other risks rated at High / Red are:

- Information and IT Systems Assurance & Security
- Capacity and capability
- Capital Delivery (Transport)
- WMCA Resilience
- Sustainable & Affordable Public Transport
- Commerciality
- Energy Efficient Homes
- Unspent Grant Expenditure

5. What options have been considered and what is the evidence telling us about them?

5.1 N/A

6. Reasons for recommending preferred option

6.1 N/A

7. Implications and Considerations

Priority:	Contribution:
Delivery of Strategic Transport Plan	N/A
Promote inclusive economic growth in every corner of the region	N/A
Ensure everyone has the opportunity to benefit	N/A
Connect our communities by delivering transport and unlocking housing and regeneration schemes	N/A

Priority:	Contribution:
Reduce carbon emissions to net zero and enhance the environment	N/A
Secure new powers and resources from central government	N/A
Develop our organisation and our role as a good regional partner	Management of the WMCA's strategic risks is fundamental to the delivery of its strategic priorities. Providing an update to the ARAC, to ensure they are sighted on the Executive's risk management considerations, activities and decisions enables the ARAC to provide assurance to the WMCA Board as to the application and effectiveness of the Executive's strategic risk management activity.

8. Internal Consultation and Scrutiny:

8.1 Paper was discussed by the Executive Board on 18 December 2025.

9. External Consultation and Scrutiny:

9.1 N/A

10. Financial implications:

10.1 N/A

11. Legal implications:

11.1 N/A

12. Single Assurance Framework implications:

12.1 N/A

13. Risk implications, including Risk Appetite:

13.1 N/A

14. Procurement Implications:

14.1 N/A

15. Equality implications:

15.1 N/A

16. Inclusive Growth Implications:

16.1 N/A

17. Local Authority Impact:

17.1 N/A

18. List of appendices referred to:

Appendix 1 Strategic Risk Register
Appendix 2 WMCA Strategic Risk Update

19. Background papers used to compile this report:

19.1 N/A

20. List of Other Relevant Documents

20.1 N/A