

ARAC

Strategic Risk Update

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WMCA Strategic Risk Update Contents

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WMCA Strategic Risks and Owners

There are now 10 strategic risks rated High / Red, two of which have the highest residual rating:

Risk ID	Risk Title	Risk Owner 1	Dec-24
SRR-R021	Financial resilience of WMCA to absorb fiscal shocks	Exec Dir Finance Business Hub	25
SRR-R030	TfWM Programme Cost Management	Exec Dir TfWM	25
SRR-R003	Information and IT Systems Assurance & Security	EXB	20
SRR-R005	Capacity and Capability	Head of HR	20
SRR-R037	Capital Delivery (Transport)	Exec Dir TfWM	20
SRR-R012	WMCA Resilience	Exec Dir Finance Business Hub	16
SRR-R007	Sustainable & affordable public transport network	Exec Dir TfWM	15
SRR-R008	Commerciality	Exec Dir Finance Business Hub	15
SRR-R034	Energy Efficient Homes	Exec Dir Strategy, Economy & Net Zero	15
SRR-R039	Unspent Grant Expenditure	EXB	15
SRR-R004	Regional Stakeholder & Political Relations	Exec Dir Strategy, Economy & Net Zero	12
SRR-R010	Governance Failures	Head of Governance	12
SRR-R031	Single Settlement - Negotiations	Exec Dir Strategy, Economy & Net Zero	12
SRR-R033	Local authority partners in financial difficulties or entering Section 114	Exec Dir Finance Business Hub	12
SRR-R035	Capital Delivery (Homes & Regeneration)	Exec Dir HPR	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-R036	Investment Zones	Exec Dir Strategy, Economy & Net Zero / Exec Dir Finance Business Hub	8
SRR-R006	Maintenance of political support for devolution from HMG to WMCA	Exec Dir Strategy, Economy & Net Zero	6
SRR-R018	Health & Safety	Exec Dir TfWM	6

WMCA Strategic Risk Heat Map

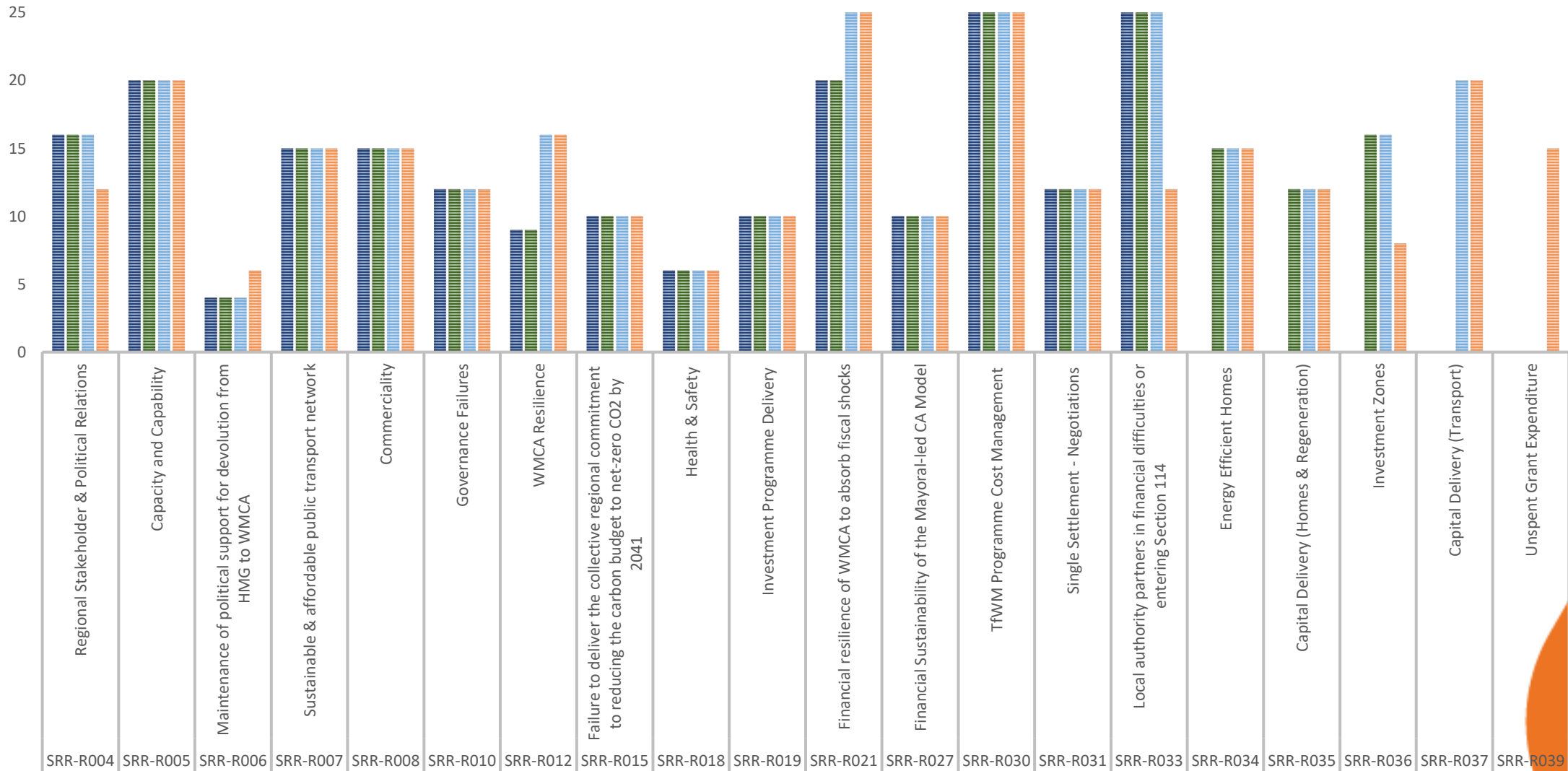
The latest review of strategic risks has seen the identification of one new risk, a slight increase in another, and a reduction in three more.

Likelihood	5	Very high			SRR-R034 ⇄	SRR-R003 ⇄	SRR-R021 ⇄ SRR-R030 ⇄
	4	High			SRR-R033 ↓	SRR-R016 ⇄	SRR-R005 ⇄ SRR-R037 ⇄
	3	Medium				SRR-R004 ↓ SRR-R010 ⇄ SRR-R031 ⇄ SRR-R035 ⇄	SRR-R007 ⇄ SRR-R008 ⇄ SRR-R038 NEW
	2	Low			SRR-R006 ↑ SRR-R018 ⇄	SRR-R036 ↓	SRR-R015 ⇄ SRR-R019 ⇄ SRR-R027 ⇄
	1	Very low					
			1	2	3	4	5
			Minimal	Minor	Significant	Major	Critical
			Impact				

WMCA Strategic Risk 12 Month Trend

RISK TREND

■ Dec-23 ■ Mar-24 ■ Aug-24 ■ Dec-24



Key Messages for ARAC – Issues

The Executive Board have agreed that both remaining issues:

- *Metro 2GT Cracks*, and
- *TfWM Technical Breach*

were to be de-escalated to TfWM operational risk and issue management.

Accordingly, both have been closed and removed from the Strategic Issues Log.

Key Messages for ARAC – New Risks

Unspent Grant Expenditure – This new strategic risk reflects several concerns regarding the possibility that we do not perform against activities where there are specific, defined terms, resulting in grant underspend.

Transport and Housing concerns are referenced elsewhere in the strategic risk register, but the possible effect on future funding is such that we consider it appropriate to include as a standalone risk.

Key Messages for ARAC – High Risks

Capital Delivery (Transport) – Mayoral transport capital delivery review, conducted by Arup, offers a clear view of delivery challenges and opportunities across key transport programmes such as the investment programme, CRSTS, Active Travel, Transforming Cities Fund and other legacy funding regimes. The review made eight core recommendations, including:

- Strengthening leadership of projects
- Improving governance
- Standardising information
- Rationalising processes
- Advocating for long-term funding
- Implementing a project reset and programme management approach

The WMCA Executive team supports these recommendations, many of which align with work already underway through TfWM Reimagined, the Transformation Programme, and the Integrated Settlement.

Key Messages for ARAC – High Risks

Financial resilience of WMCA to absorb fiscal shocks – The risk now recognises HMG’s commitment to the Integrated Settlement through the Autumn budget announcement, although the risk also recognises several concerns, including: the continued use of reserves to support the revenue budget in 2025/26, and long-term issues around securing the bus network.

Information and IT Systems Assurance & Security – Technical Governance Panel will work with the Information Governance Panel on issues highlighted in previous risk updates. While the Business Management Panel have discussed a paper on the support needed to resolve the outstanding recommendations of the Cyber Treatment Plan.

Key Messages for ARAC – Other Risks

Capital Delivery (Affordable Homes) – Mitigating action focusses on the need for flexibility in the use of existing WMCA brownfield funds, with recent discussions with Ministry of Housing, Communities and Local Government (MHCLG) indicating a willingness to provide further flexibility, which we are now seeking to agree with Treasury.

Three risks have seen a decrease in their assessment over the last quarter:

- *Regional Stakeholder & Political Relationships*
- *Local authority partners in financial difficulties or entering Section 114*
- *Investment Zones*

One risk has seen a slight increase in the last quarter:

- *Maintenance of political support for devolution from HMG to WMCA*