

WMCA Strategic Risk Register - December 2018

STRATEGIC RISK REGISTER				Inherent Risk Score			Predicted Residual Risk Score					
Risk ID	Risk Owner	Category	Status & Risk Trend	Risk Description	Likelihood	Impact	Inherent Score	Controls and measures already in place	Likelihood	Impact	Residual Risk	Further actions required to mitigate risk
S01	Director of Finance	Financial	OPEN ↑	<p><b>Financial Assumptions for Existing Programmes</b></p> <p>The risk that assumptions of the Devolution deal, that have been made against expected economic growth, local precepts, business rate retention and interest rate levels, do not prove to be achievable (they have not to date).</p> <p>If these assumptions are not regularly monitored and reviewed to ensure assumptions and budgets remain valid, then should these prove to be incorrect, insufficient funds will be available to meet the Investment Programme funding requirements or the model will not meet financial expectations and a number of delivery schemes will not be achievable, or members of the Combined Authority will be liable for outstanding financial commitments.</p> <p>The accumulation of multiple funding regimes and gateway/ assurance requirements to different government departments are also adding pressures to internal resources to support this.</p>	5	5	25	<p>Close working with Government to understand the ongoing financial position and its effects on the region including the:</p> <ul style="list-style-type: none"> <li>Ownership and accountability of funding sources</li> <li>Borrowing powers of the WMCA and/or mayor for regeneration</li> <li>Ownership of Local Growth funds</li> </ul> <p>Risks and implications of any existing Enterprise Zone business rate income commitments</p> <p>Streamlining conversations are required with government to reduce duplication of different performance requirements and different timetables for different funding streams.</p>	4	4	16	<p>Continuation of working with Government and constituent authorities regarding the assumptions relating to business rates. Mayoral rights to levy supplementary business rates has been incorporated into 2017 Devolution deal together with some capacity funding.</p> <p>Funding for Growth programme set up to look at alternative funding streams.</p> <p>Agreement required between all constituent and non-constituent members on a response strategy in the event of financial expectations not being achieved.</p> <p>Preparation for 2019/20 budget includes the alignment of the powers, budgets and the processes to ensure there is an accurate budget. Due to the funding gap in the programme, a ranking and sequencing exercise is going to be undertaken by Q4 of 2019</p>
S02	Senior Leadership Team	Operations Core Functions	OPEN ↔	<p><b>Human Resources</b></p> <p>There is a risk that capacity and skills amongst managers and officers are insufficient, or conflicts with other priorities, which will impact on the ability to deliver the WMCA Strategic Economic plan or the Mayor's Renewal plan and impinge on the organisation's ability to secure future funding opportunities.</p> <p>There is currently a great deal of change in WMCA with new projects and initiatives. This is placing additional pressure on existing staff, while vacancies remain unfilled, potentially impacting staff morale and stress levels.</p>	4	5	20	<p>Recruitment and retention of high quality resources is a focus of WMCA Board and resource structures are regularly monitored at departmental, Leadership and board level. With a growing remit of new and additional priorities, the pressures on staff requirements needs close monitoring and planning to deliver these new ambitions.</p> <p>Governance structure and monitoring provides for early warning of possible pressures and required interventions to be sourced.</p> <p>Regular communications in place with all staff to maintain engagement across all levels of the organisation.</p> <p>Regular monitoring of the Annual Business Plan provides early warning of non-achievement in expected deliverables.</p> <p>Utilisation of consultants to manage delivery where specialist skills cannot be recruited to a permanent post.</p>	3	3	9	<p>Leadership team is reviewing the structure of Corporate Services in light of senior management changes to ensure its capability continues to meet the future aspirations of the organisation.</p> <p>Through the Head of HR and a new Organisational Development Manager, the focus with the Director of Strategy and Head of Finance will be to align the business planning process with organisational resources and budgets to meet existing and emerging priorities. Corporate Risk Management will also be embedded into the Performance Management Framework to ensure early indicators on changing risk profiles so that risk mitigation plans can be put into place.</p> <p>Staff Personal Objectives and Development Plans will be aligned to organisational business plan requirements.</p>
S07	Senior Leadership Team	Programme Delivery & Devolution Commitments	OPEN Updated 24/10/18 ↑	<p><b>Delivery</b></p> <p>The risk that the WMCA will come into disrepute if the organisation is unable to effectively deliver its obligations and aspirations as detailed in the Devolution programmes, the Strategic Economic and Mayoral Renewal plans or the Transport Act 2000, Housing Deal, AEB, 5G, Commonwealth Games Transport Programme. Failure to deliver these commitments will also impact confidence in the Mayor</p> <p>(a) WMFS (b) PCC (c) AEB (d) 5G (e) Commonwealth Games (WMCA led programme only) (f) Housing</p>	4	5	20	<p>WMCA Board undertakes overall responsibility for delivery of the Strategic Economic Plan, future devolution deal development, investment decisions and for allocating resources.</p> <p>The Devolution Agreement Strategic Implementaion Plan (DASIP) has been agreed by DCLG and provides regular KPI reporting to Government.</p> <p>Robust assurance arrangements in place to ensure delivery meets all governance requirements including the DCLG Assurance Framework. There is a issue with numerous non-aligned assurance and performance requirements specified by Central Government that causes additional pressures on Delivery timeframes. Newly initiated programme would also add additional resource pressure to deliver all commitments.</p>	3	4	12	<p>WMCA Board and Leadership team providing oversight of any shortfalls in Investment Programme funding and opportunities for investment from stakeholders.</p> <p>The availability of sufficient capacity and appropriate skills in the marketplace to deliver the forward agenda is key to delivery and is on the Leadership agenda.</p> <p>A review of investment programme governance and appraisal processes has been commissioned to ensure effective arrangements are in place to support the delivery of the Investment Programme</p> <p>Aligned business planning and performance reporting will provide greater earlier insights into deliver areas at risk so mitigations can be developed.</p>
S07a	Senior Leadership Team	Programme Delivery & Devolution Commitments	New	<p><b>Delivery - West Midlands Fire Service</b></p> <p>Due to other political priorities within Government, there is a risk the statutory order required to formally transfer WMFS services to WMCA will be delayed beyond the expected delivery of 1st April 2019.</p>	5	3	15	<p>The Statutory Order has been delayed and the Home Office are now advising that the Order can be laid on the 14th January 2019. Legal checks by the relevant central government bodies are still being completed as at 12th Dec. The Order must be laid by mid-January to achieve the 1st April target date.</p>				<p>Operational arrangements continue to be established for implementation upon delivery.</p> <p>Ouptut of an independent Impact Assessment on non delivery by 1st April to be considered and actioned as appropriate.</p>

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S07b	Senior Leadership Team	Political	New	<b>Delivery - Police &amp; Crime Commissioner</b> There is a risk the transfer of the role of Police and Crime Commissioner to the West Midlands Mayor in May 2020 will be unachievable due to lack of public engagement and political sensitivities.	4	3	12	Discussions progressing with all stakeholders including approval by WMCA Board to undertake the Consultation stages. Stage 1 is progressing and will continue with Stage 2 between 14/01/19 - 11/03/19.  Active engagement with members of the public via roadshows within the 7 metropolitan districts.				
S07c	Director of Productivity and Skills	Programme Delivery & Devolution Commitments	New	<b>Delivery - Adult Education Budget</b> There is a risk to the delivery of the Adult Education budget within the set timescales of 1st August 2019 due to delays in the procurement of Adult education suppliers in line with tendering regulations.	3	4	12	Approval received by the Department of Education for all preparatory works completed and required to meet 1st August delivery  Supplier engagement day undertaken providing insight into the supplier assessment process in preparation for launch on 14th January				Recruitment of specialist resource to undertake procurement activity is progressing
S07d	Director of Public Service Reform	Programme Delivery & Devolution Commitments	New	<b>Delivery - 5G</b> There continues to be a high level of uncertainty surrounding the 5G programme, this stems from the numbers of stakeholders involved, which is adding to the complexity of getting the joint venture off the ground. Agreeing a governance structure that not only meets all requirements and allows the delivery entity to be agile in funding and deploying proof of concept trials 3 to 6 months in most cases, with supporting business cases focused on potential rather than achievable benefits. These complexities are slowing progress and frustrating the market place and potential suppliers who want to progress quickly.								
S07e	Managing Director, TfWM	Financial	New	<b>Delivery - Commonwealth Games (CWG)</b> There is a risk the Commonwealth Games budgets will not be confirmed before May 2019 due to CWG requiring to be processed via Governments Major Projects Review Group (MPRG). Financial processes remain uncertain and draw down of funds from Government is ill-defined. TfWM is expending significant monies in advancing the transport planning for the Games. There is a financial risk that all monies will not be reimbursed, current budget estimates are 50% higher than original bid budgets. There is also a reputational risk that budgets when agreed are inadequate to fulfil national/regional and local expectations of transport service levels potentially leading to long queues, transport delay and negative media coverage.	4	4	16	TfWM is chairing a multi-agency Joint Transport Group which involves relevant Government departments, Local Authorities and Organising Committee. WMCA CEO and TfWM MD are also members of the Chief Executive Officers Group (CEOG) for the Games. All current spend is approved in advance by the JTG and also by CEOG. TfWM, through JTG, led a review of transport budgets in Summer 2018 and is due to review again in early 2019. All budget and planning assumptions are being recorded and tracked to ensure no budget surprises.  TfWM has established a Transport Programme Office for the Games and staff are participating in the Cross Partner Programme Group led by the Organising Committee and DCMS.	4	4	16	The case continues to be made via CEOG, JTG and CPPG for the appropriate level of funding.
S07f	Director of Housing and Regeneration		New	<b>Delivery - Housing</b>  Gareth Bradford to provide								
S13	Director of Finance & Managing Director TfWM	Operations Core Functions	NEW 24/10/18	<b>WMCA Resilience</b> The risk that WMCA cannot respond in an effective and timely manner to events that disrupt operations and activities, which could lead to financial loss (or failure to realise expected benefits or funding) reputational damage, legal/regulatory breach etc.	4	5	20	A business Continuity framework and programme exists and continues to be developed to ensure that WMCA can respond to any business disruption. An incident management team and out of hours on call arrangements are in place with alternative work space identified at other WMCA locations.	3	5	15	Raising business continuity awareness and embedding the programme continues.  A separate ICT disaster recovery plan should be documented and differences/gaps between ICT deliverables and business/operational requirements need to be identified for consideration/resolution.

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S03	Director of Finance	Operations Core Functions	OPEN ↕	<p><b>Data Protection &amp; Information Security</b> The risk that data protection requirements and/or ICT system security are not maintained, causing the loss or misuse of personal data and ICT systems including opportunities for cyber crime and will result in legal challenges and an inability to maintain operations.</p> <p>The WMCA's remit is also increasing and we will become a more data rich organisation working more closely with varied stakeholders/delivery partners and other 3rd parties. There is a growing risk that WMCA will be unable to ensure compliance with regulations.</p>	4	4	16	<p>An Information Assurance framework is in place supported by a suite of information protection policies.</p> <p>Information governance roles have been created, and responsibilities defined. The Data Protection Officer and Cyber Security Specialist lead a rolling programme of information governance</p> <p>Governance activities are managed centrally to ensure robust arrangements are in place and conform to all legal requirements.</p> <p>Comprehensive suite of ICT security systems and monitoring in place to maintain secure ICT systems and protect against potential cybercrime structured in line with the 10 Steps to Cyber Security' as set by the National Cyber Security Centre.</p> <p>Issues identified by a gap analysis of WMCA compliance with GDPR have been addressed to ensure compliance with new legislation</p> <p>Further assurances will be sought to confirm the data management arrangements with WMCA Stakeholders.</p>	3	3	9	Increasing organisational and staff awareness of data protection by embedding newly established policies, Information Assurance Framework, and principles of new GDPR across WMCA
S04	Senior Leadership Team	Political	OPEN ↕ Updated 8/10/18	<p><b>Stakeholder &amp; Political Relations</b> The risk that as WMCA continues to expand and absorb new remits &amp; accountabilities that WMCA's stakeholder &amp; political relations become more pressured, threatening WMCA's ambitions. WMCA is dependent on positive stakeholder &amp; political relations to deliver the ambitions of the organisation.</p> <p>The devolution of new powers and budgets from government to the Authority under a reformed governance model will increase pressures on financial, operational, governance and scrutiny functions. There may be challenges in maintaining the relationships across the Region which helped to deliver the WMCA.</p> <p>Additional political pressure is also likely due to the impending changes associated with WMFS, PCC and Mayoral elections.</p>	4	4	16	<p>Ongoing close working with LEP's, Constituent and non-constituent members with regular communications in place to ensure all parties are fully engaged.</p> <p>Collaborative working to be maintained and extended where opportunities allow.</p> <p>The expectations of all members is to be clearly understood and shared with ongoing engagement with all partners and businesses at all stages of the Portfolio delivery.</p> <p>WMCA are developing more regular stakeholder and political liaison and engagement to discuss both inflight and emerging opportunities for the wider benefit of the region.</p>	3	4	12	<p>Regular communication exists and is maintained at various levels.</p> <p>Wide representation at Governance Boards are to be maintained.</p> <p>New opportunities being identified by Leadership Team to maintain and improve relations.</p>
S05	Director of Finance	Operations Core Functions	OPEN ↕	<p><b>Governance Arrangements</b> The risk that a lack of, or non- adherence to, formal governance arrangements will result in a risk of ineffective or unsuccessful delivery of WMCA objectives and possible legal challenge, impacting on the WMCA's ability to meet its obligations and future aspirations.</p> <p>As the WMCA is going through a period of growth with absorption of new and emerging priorities there is a risk that existing governance arrangements to not support the delivery of the organisation's objectives. With new devolved budgets, different government departments have specified different assurance requirements which are adding to pressures to develop bespoke governance arrangements being required.</p>	4	4	16	<p>Comprehensive governance arrangements are in place and contained in the WMCA constitution, approved by the Board.</p> <p>The Head of Governance and Monitoring officer has direct access to the Leadership Team and WMCA Board, and responsibility for oversight of all assurance activities, including Audit.</p> <p>WMCA assurance framework developed in conjunction with, and approved by DCLG, this is currently under review. Governance requirements for Adult Education Budget, Police Crime Commission, West Midlands Fire Service, Housing and 5G are all being reviewed to ensure adoption streamlined approaches wherever possible. Currently this is consuming a lot of internal resource and is disruptive to delivering business as usual operations.</p> <p>Governance activities are managed centrally to ensure robust arrangements are in place and conform to all legal requirements.</p>	3	4	12	<p>Ongoing programme of Internal audits undertaken to provide an independent review that governance arrangements and internal policies are adhered to and remain effective.</p> <p>Corporate Assurance Team and Governance are liaising with the various new teams to develop appropriate assurance frameworks and governance arrangements.</p> <p>Resource requirements will need to be assessed to support the more complex areas.</p>

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S09	Chief Executive	Operations Core Functions	OPEN Updated 8/10/18 ↑	<p><b>Leadership Team</b></p> <p>The risk that the capacity of the Leadership team is not sufficient to enable business decisions to be made in a timely manner, for instance due to difficulties in recruitment or excessive workloads. This risk is heightened as not all teams/ directorates have recruited to vacant posts to deliver priorities. Finances are constraining budget availability for all required resources.</p>	4	4	16	<p>Leadership team has been established with key individuals who have an expertise in their specific field and have established relations with key stakeholders to support the continued delivery of WMCA agenda.</p> <p>Continued oversight of all functions is maintained by the CEO with weekly review meetings to enable early intervention.</p> <p>Business Planning/ Resourcing Planning is being undertaken to confirm resources required by SLT. This has become more pressured lately due to expanding priorities.</p>	3	4	12	<p>Close working arrangements in place with member authorities in order for all parties to provide mutual support as required.</p> <p>Business Planning/ Priorities/ Resource Requirements and budget availability all requires alignment. Director of Strategy is developing a integrated performance management framework to support this.</p>
S11	Senior Leadership Team	Economic	OPEN Updated 8/10/18 ↔	<p><b>External Factors</b></p> <p>The risk that external challenges or changes in policy from global, EU or government / political or financial change are not factored into WMCA plans, which could make delivery ambitions unachievable.</p> <p>There is a lot of external uncertainty - there is a risk that instability in the external economic environment could adversely impact WMCA.</p>	3	5	15	<p>All parties remaining cognisant of external factors including the short, medium and long term effects of the exit from Europe.</p> <p>Maintaining awareness of existing and new legal and environmental regulations to ensure compliance at all times.</p> <p>Innovative programme delivery mechanisms to be sourced, working towards joint venture modelling (similar to the Metro Alliance) working collectively with the private sector on sharing of risk and costs with partners.</p> <p>Close liaison with HS2 Board to deliver synergies across programmes and providing a collective investment vehicle for growth to local residents and businesses.</p> <p>WMCA is part of wider regional brexit discussions to understand how this can impact our commitments.</p>	3	4	12	<p>Working continually with the Department for Business, Energy and Industry Strategy (BEIS) to ensure the government agenda is met</p> <p>Brexit implications continue to be monitored and the organisation remains cognisant of it's developments and the emerging risks.</p>
S12	Senior Leadership Team	Programme Delivery & Devolution Commitments	NEW 24/10/18	<p><b>Project/Programme Appraisal &amp; Assurance</b></p> <p>The risk that new project and programme proposals are not effectively appraised or assured. This will lead to poor investment decisions and failure to realise anticipated benefits or value for money, hence it will have adverse financial and reputational impact.</p>	3	5	15	<p>A WMCA Assurance framework is in place. An improvement is being developed to further enhance the supporting processes.</p>	2	5	10	<p>Implement:</p> <ul style="list-style-type: none"> <li>- Clear governance framework and evidence based assurance processes</li> <li>- Clear appraisal</li> <li>- Learning &amp; embedding knowledge &amp; lessons learned from other projects</li> </ul>
S08	Senior Leadership Team	Programme Delivery & Devolution Commitments	OPEN Updated 8/10/18 ↑	<p><b>Reputation</b></p> <p>The risk that the reputation of the WMCA will be compromised if the organisation does not present itself as, or deliver an effective and efficient organisation resulting in negative media coverage and an inability to deliver expectations.</p> <p>Where the WMCA has significant monetary investment and/or where the Mayor is heavily involved in projects/proposals run by partners, for example the Commonwealth Games, the operation of Arms Length Companies or high profile sporting or cultural events in the region; the WMCA needs to manage the additional indirect reputational risks that are posed by association with these projects/proposals.</p> <p>There is reputational risk involved in that there is a wider perception that the WMCA is accountable for more than it is, i.e. Delivery of the Commonwealth Games.</p>	3	4	12	<p>Communications engaged in all business activity, providing regular liaison with the Mayor's office to ensure a pro-active and consistent message is delivered by all, at all times.</p> <p>WMCA spokespersons provided with media training.</p> <p>Regional Communications Group established ensuring access to media facilities for all WMCA members and stakeholders have access to media facilities.</p> <p>Progress of financial contributions monitored to enable coverage of all WMCA successes or early intervention of possible challenges.</p> <p>Close engagement with wider organisations.</p> <p>WMCA is heavily dependent of a positive relationship with all partners, stakeholders and the government. WMCA will be impacted by external factors that it has no control over (Brexit). All of these result in reputational risk and being able to demonstrate WMCA's value</p>	2	4	8	<p>Ensure regular review of Communication issues including forward planning Communications Grid.</p> <p>Ensure that major Regional initiatives e.g. Commonwealth Games have clear and transparent governance arrangements in place.</p>

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S06	Director of Finance	Financial	OPEN ↔	<p><b>Commerciality</b></p> <p>The risk that, having chosen to use commercial company delivery models in some areas, challenging economic conditions and/or material loss of revenue from investments may result in commercial income streams not being able to deliver commercial revenue targets and/or the services which are contracted to be provided.</p>	2	4	8	<p>Formal governance structures in place between WMCA and commercial bodies.</p> <p>CA directors appointed to companies providing regular interface between parties.</p> <p>Compliance of all financial accounting arrangements.</p> <p>Assurance &amp; Governance checklist in place to review and confirm satisfactory arrangements are in place for all 'Arms Length companies'</p>	2	4	8	Adopting commercial models will allow the WMCA to become less dependent on government as it can diversify funding income.
S10	Director of Finance & Strategic Director of Transport	Operations Core Functions	OPEN Updated 8/10/18 ↑	<p><b>Health &amp; Safety</b></p> <p>The risk that Health &amp; Safety procedures to ensure safe working conditions exist for staff, visitors and users of all WMCA facilities are absent or inadequate. Failure to provide a safe environment for all users will result in potential legal challenges and reputational damage due to unsafe, or unreliable infrastructure particularly on the transport network.</p> <p>The WMCA is now accountable for the delivery of Metro Operations &amp; a number of project construction sites with the growing number of infrastructure projects in delivery.</p>	2	4	8	<p>Health &amp; safety duties are delivered to ISO18001 standard with ongoing compliance externally assessed 6 monthly.</p> <p>Quarterly inspections of all assets undertaken to ensure H&amp;S compliance is maintained including review of accident reports.</p> <p>Monthly H&amp;S position statement provided to satisfy Boards of the Organisation's Corporate responsibilities.</p> <p>Health &amp; safety obligations are considered in the development of all projects and programmes.</p>	2	3	6	<p>Ongoing engagement with all WMCA departments to ensure adherence of H&amp;S policies by all.</p> <p>Immediate engagement with emergency services and /or HSE to provide proactive management of H&amp;S incidents.</p> <p>Further plans will need to be developed to ensure all H&amp;S requirements are developed for the governance transfer of WMFS.</p>
S14	Senior Leadership Team	Operations Core Functions	NEW 24/10/18	<p><b>Media intrusion</b></p> <p>The risk that an event attracts high profile media attention which the Authority fails to manage or influence, which could result in significant reputational damage and subsequent adverse financial impact.</p>								<p>New Director of Communications is due to commence role imminently and these controls need to be developed:</p> <p>Establish and implement an approved Media Strategy to ensure an effective, professional and timely response. The strategy will cover aspects such as media training, nominated spokesperson(s), strategy owner, media statements etc.</p> <p>The business continuity programme also refers to media and seeks to ensure adequate training, awareness and planning are in place.</p>