



West Midlands
Combined Authority

Audit, Risk & Assurance Committee

Date	15 April 2019
Report title	WMCA Strategic Risk Register
Accountable Chief Executive	Deborah Cadman, OBE Chief Executive Email: Deborah.Cadman@wmca.org.uk Tel: (0121) 214 7200
Accountable Employee	Julia Goldsworthy Director of Strategy Email: Julia.Goldsworthy@wmca.org.uk Tel: (0121) 214 7941
Report has been considered by	Senior Leadership Team

Recommendation(s) for action or decision:

Audit, Risk and Assurance Committee is recommended to:

(1) Consider and note the strategic risks contained within the WMCA Strategic risk register.

1. Purpose

This report provides a summary on the current status of key risks being considered by Senior Leadership Team as captured within the strategic risk register, and presented as Appendix 1 to support Audit, Risk and Assurance committee in its function to monitor the operation of risk management at West Midlands Combined Authority.

2. Background

Senior Leadership Team (SLT) reviewed the register at its meeting of 13th March 2019 to ensure the register continues to reflect the key risks affecting WMCA at the present time.

Continuing work on the establishment and management of Directorate risk registers, it is anticipated Directorate risk registers will provide a focus on threats to delivery of organisational deliverables contained within the Annual Business Plan, and will also be aligned to the monitoring of performance indicators. This will support SLT members in providing clear oversight and visibility of risks requiring escalation to the Strategic risk register.

Senior Leadership Team has confirmed their intention to review the entire strategic risk register in the next few months in the context of the 2019/20 annual business plan. In preparation for this review, the Chief Executive has requested the attendance of the Chair of Audit, Risk and Assurance Committee during this risk discussion, and the register has been realigned to reflect the current risk score only for the intervening period.

18 strategic risks are currently recorded within the register with 7 risks rated as high (red) rated risks, 10 as medium (amber) risks and 1 rated as a low (green) risk. One risk has been closed during this reporting period.

3. Key risks

3.1 Risk ID: S01 – Financial Assumptions for Existing Programmes

This risk continues to present the greatest risk to WMCA due to a funding shortfall in the Investment Programme. A prioritisation exercise is being undertaken and will be presented to the Investment Board in due course.

3.2 Risk ID: S02 – Human Resources

Sustained progress has been made in managing the capacity and skills necessary to deliver the strategic objectives within tight timescales. This has been achieved by the appointment of the Investment and Commercial Activities Director to provide a full complement of Directors at SLT, a flexible approach to resources throughout the organisation, and the utilisation of specialist consultant services when required.

Resource requirements have been considered as part of the development of the 2019/20 budget and establishment of the annual business plan to ensure delivery of objectives can be achieved. This is being supported by the current review of the Corporate Services directorate by SLT, and will result in a future target operating model to be defined and implemented by the summer, ensuring the directorate has the capacity and skills to deliver an effective and efficient service to meet the continuing growth of WMCA.

Major delivery programmes that have been established more recently have developed resource plans alongside business plans and budgets, including the provision of specialist support services where required.

With the increased clarity on resources, this risk has been reviewed by SLT and has been reduced from high to a medium rated risk.

3.3 Risk ID: S07 – Delivery

Delivery of key programmes within the strategic economic plan continue to remain on the strategic risk register to support oversight of the devolution commitments and strategic aims by SLT, as non-delivery of any programme would have a significant impact on WMCA more broadly than each programme by itself.

Progress has been noted on delivery of the programmes captured within the register, with West Midlands Fire Service reducing to a low rated risk following decisions made at WMCA Board on 22nd March 2019, and confirmation of the funding drawdown being agreed in relation to delivery of transport services for the Commonwealth Games has enabled this risk to be reduced to a medium rating.

3.4 Risk ID: S11 – External Factors

This risk has been updated to capture specific elements relating to the exit from the EU and the potential for an economic downturn resulting in a recession in the future, as previously discussed by Audit Risk and Assurance Committee at its meeting in January 2019.

Strategic Leadership Team is closely monitoring the economic position, and whilst economic indicators are strong at the present time, it is recognised a downturn could occur creating a turbulent outlook in the foreseeable future.

WMCA is represented at the Economic Contingency Group in discussions on the likely impact on the region and a submission has been made to BEIS on WMCA's requirements in the event of a no-deal exit from the EU.

4. Risk closure

At WMCA Board on 22nd March 2019 it was decided (by recorded majority vote) that the transfer of the Police and Crime Commissioner should not proceed and the status of this work is therefore put on hold until further notice. As a result risk reference S07b, 'Transfer of Governance from Police & Crime Commissioner to Mayoralty', has been closed and removed from the Strategic risk register.

5. Financial Implications

N/A

6. Legal Implications

N/A

7. Equalities Implications

N/A

8. Inclusive Growth Implications

N/A

9. Geographical Area of Report's Implications

N/A

10. Other Implications

N/A

11. Schedule of Background Papers

Appendix 1 - Strategic Risk register