

WMCA Strategic Risk Register - May 2020

Risk ID	Risk Owner	Category	Status & Previously reported score	Risk Description	Controls and measures already in place	Current risk score			Further actions required to mitigate risk
						Likeli-hood	Impact	Current Score	
S01	Director of Finance	Financial	 OPEN 5/5	<p>Financial Assumptions for Investment Programme</p> <p>There is a 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.</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, the model will not meet financial expectations, a number of delivery schemes will not be achievable, or members of the Combined Authority will be liable for outstanding financial commitments.</p>	<p>Close working with Government to understand the ongoing financial position and its effects on the region.</p> <p>Assessing opportunities to turn grants to loans and / or maximise 3rd party contributions and land value capture.</p> <p>The 2020/21 budget and management of the Investment Programme funding has been approved by Leaders.</p>	5	5	25	<p>Update on Investment Programme provided in January to Leaders. Further work ongoing to consider whether prioritisation is appropriate.</p> <p>Continuation of working with Government and constituent authorities regarding the assumptions relating to business rates.</p> <p>Alternative funding and financing streams are being explored with HMT.</p> <p>Future (post 2020) precept options to be explored.</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. Proposals have been presented to investment Board and will be brought forward for consideration by WMCA Board mid 2020.</p> <p>External economic uncertainty leaves high residual risks despite further mitigating actions.</p>
				<p>Covid 19 effects and response to risk</p> <p>Due to affects of Covid 19, it is impossible to predict on the outcome of financial assumptions but the current situation means it is highly unlikely the previous economic expectations will be met.</p>	<p>SLT continue to work with Central Government on financial issues arising from this situation, ensuring the voice of WMCA is heard by Government as part of discussions around financial and economic support for the region.</p>				<p>The 2020 spending review is likely to be suspended but work continues on supporting funding for the region.</p>
S11	Senior Leadership Team	Economic	 OPEN 3/5	<p>External Factors</p> <p>There is 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 more difficult to achieve.</p> <p>Following the General election there is now potential for significant change in emphasis on a wide range of policy considerations including economic policy, investment and potential further devolution .(levelling up)</p> <p>There is now a greater degree of certainty over brexit (in the short term) however the outcome of trade negotiations which will dictate the shape of UK/EU trade are still unknown so uncertainty still remains. Risks to the regional economy have not necessarily been reduced over the medium term.</p> <p>There is still a requirement to monitor the situation on a continued basis since a no-deal brexit still remains a possibility.</p>	<p>All parties remaining cognisant of external factors including the short, medium and long term effects of the exit from the EU. WMCA supports wider regional EU exit planning activities, and leads the Economic Contingency Group in the region.</p> <p>Close monitoring of economic indicators will help with early identification of an economic downturn.</p> <p>Established monthly monitoring process (in collaboration with CityREDI the University of Birmingham) as a recommendation of the Brexit Economic Contingency group, summarising economic conditions. Regular statistical releases are circulated to inform decision making and are kept under annual review through the publication of the yearly "State of the Region" report.</p> <p>Awareness is maintained of existing and new legal and environmental regulations to ensure compliance at all times.</p> <p>Innovative programme delivery mechanisms are under active exploration, 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>	5	5	25	<p>Working closely with MHCLG, HM Treasury and the Department for Business, Energy and Industry Strategy (BEIS) to ensure the CA has access to the latest intelligence and government priorities.</p> <p>Brexit implications continue to be closely monitored and the organisation remains cognisant of its developments and the emerging risks.</p> <p>Discussions are continuing with Whitehall to understand new Government priorities and to ensure the Region's views are taken into account.</p>
				<p>Covid 19 effects and response to risk</p> <p>There is significant risk that other policy developments must be stalled due to the Covid response. Particular risks associated with EU exit negotiations will have serious implications if not addressed in a timely manner.</p>	<p>Daily meetings are being held with SLT members to monitor the situation and are fully engaged in regional and national discussions on the response to Covid 19.</p>				<p>Continued development and delivery of appropriate responses as the situation develops as advised by Government, including the development of a strategy to support the recovery of the economy within the region.</p>
S04	Senior Leadership Team	Political	 OPEN 4/4	<p>Stakeholder & Political Relations</p> <p>There is a risk that as WMCA continues to expand and absorb new remits and accountabilities that WMCA's stakeholder & political relations become more pressured. Positive stakeholder and political relations are needed to deliver the ambitions of the organisation.</p> <p>The potential devolution of new powers and budgets from government to the Combined Authority under the Government's "levelling up" proposals 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>Mayoral elections have been cancelled until May 2021. Political relations will need to be managed in these circumstances.</p>	<p>Ongoing close working with LEPs, 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>Arrangements are being put in place to ensure all stakeholders are kept informed & involved with any Devolution discussions. 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 engagement to discuss both inflight and emerging opportunities for the wider benefit of the region. This has been supported by detailed stakeholder mapping and engagement activities being undertaken including protocols being established with local authorities.</p>	4	4	16	<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> <p>Induction process for newly elected political members of WMCA in place.</p> <p>External political uncertainties are likely to contribute to residual risks despite mitigating actions.</p>

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S03	Senior Information Risk owner (MD, TfWM) / Head of Governance	Operations Core Functions	OPEN 4/4 	<p>Data Protection & Information Security</p> <p>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>Cyber terrorism is an increasing threat and public sector bodies are regular targets. National advice sets the risk at substantial. Failure to maintain adequate response has the potential for severe reputational, operational and regulatory impact on WMCA. Financial penalties for breach of Data Protection obligations are now significantly increased.</p>	<p>The WMCA has an Information Assurance Framework in place supported by a suite of Information Security/Management and Data Protection policies. The IA Frameworks, ratified at Senior Leadership level, sets out the organisation commitment and response to the mitigation of identified information threats and risks.</p> <p>In accordance with the IA framework, the WMCA is committed to counter cyber threats and appropriately protect its business and Data Protection relevant information assets. To enable this, the organisation has adopted and continues to monitor adherence to all standards, warnings, advice, guidance and best practice as indicated by the CPNI, NCSC and other external experts.</p> <p>The Information Assurance framework provides an internal information governance hierarchy for risk owners, whose function it is to consider and manage information risk at strategic and operational levels.</p> <p>Mandatory requirement in place for all staff to complete Information Security training, including GDPR, with regular staff awareness and monitoring in place.</p>	4	4	16	<p>Increasing organisational maturity surrounding the employment of baseline HMG standards of physical and Environmental, Policy and Procedural, and Personnel security, including staff training and awareness of Information Security and Data Protection.</p> <p>Comprehensive review of ICT strategy and service delivery in progress.</p> <p>Regular scenario and resilience based exercises in place to support response preparedness.</p> <p>Covid 19 response: Guidance has been issued to all staff to support continued conformity of data security in line with WMCA remote working protocols including completion of mandatory cyber security and GDPR training by all. Government guidance has been issued to respond to the continued security of personal data with all National Cyber Security Centre advisories being actively managed within the organisation</p>
S02	Senior Leadership Team	Operations Core Functions	 OPEN 3/3	<p>Capacity and Capability</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's strategic deliverables and will impinge on the organisation's ability to secure future funding opportunities.</p>	<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. Staff personal objectives and development plans are also aligned to organisational business plan requirements.</p> <p>The budget process is aligned to the Business Plan, incorporating resource and capacity requirements to the budget to ensure delivery of known commitments.</p>	4	4	16	<p>Senior Leadership Team has completed the review of the Corporate Services with new structures currently being implemented to meet the future aspirations of the organisation.</p>
				<p>Covid 19 effects and response to risk</p> <p>The organisation has moved to a predominantly home working environment. There is a risk that operational efficiency and staff morale and wellbeing could be affected in the long term. Normal control measures could also be strained during this time due to unusual working conditions.</p>	<p>Measures have been put in place to ensure regular staff briefings are completed, including guidance, written updates and video links with the Chief Executive and the Mayor. Policies have been reviewed to ensure they take account of the current situation.</p>				<p>Recruitment of key roles continue to be managed remotely.</p>
S15	Senior Leadership Team	Economic Political Financial	OPEN 4/4 	<p>Overall Delivery of Devolution Objectives</p> <p>As a result of political and economic uncertainty, there is a risk that the overall objectives underpinning the establishment of WMCA to deliver Devolution are compromised. This is both a delivery risk but also a reputational and functional risk.</p> <p>Ability to deliver on programmes that are not secured in full may be affected by funding pressures, political uncertainty and changing priorities of central government.</p> <p><i>Please refer to comments on risk ref.S11 for information on Covid 19 response</i></p>	<p>We continue to maintain close relationships with central government at both political and civil service levels.</p> <p>We make strong arguments for funding on all appropriate occasions. We are involved in regional and national review and planning exercises e.g. Brexit contingency planning.</p> <p>Devolution objectives are monitored and managed by Officers, thematic Boards and also WMCA Board.</p> <p>WMCA has active Overview & Scrutiny and Audit committees, monitoring progress and delivery of Devolution.</p> <p>The Annual Plan is produced based on Devolution priorities.</p>	4	4	16	<p>High residual external risks given current political and economic uncertainty</p>

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S14	Senior Leadership Team	Political & Programme Delivery	OPEN 3/5 ↔	<p>Delivering the 2041 Carbon Budget reduction</p> <p>There is a risk the WMCA members and partners will not meet the region's carbon budget reduction net-zero CO2 by 2041 (and attendant interim targets) due to a variety of structural and operational factors - including the pace of transition within key industries and sectors, and the scale of government investment and legislation.</p> <p>This is a collective regional commitment (relevant across the three LEP areas) underpinned by a number of pre-conditions and determinants that are outside of WMCA's direct control.</p> <p>There are profound implications for the region as part of a headline global risk of severe warming which evidence suggest will be costly in human and economic terms.</p>	<p>Monitoring is provided annually by Sustainability West Midlands. The latest figures, based on 2017 data demonstrates current targets have been achieved with a 21.8% reduction recorded since 2010. But the scale of the renewed commitment of WMCA (alongside that of its members and partners) requires a step change.</p> <p>Commitment has been made to support businesses including our regional response to the clean growth opportunities set out in the Local Industrial Strategy and through close working with LEPs.</p> <p>Supporting progress with sustainability partners in aligning the five-year budget cycles required under the UK Climate Change Act.</p> <p>TfWM continues work to effect a modal shift to clean and efficient public transport and active travel addresses medium term carbon reduction goals as well as shorter term concerns over clean air and congestion.</p>	3	5	15	<p>An Action Plan was presented to WMCA Board in January 2020 providing a set of actions, policies and investments required to adhere to the carbon reduction timetable which will be consulted on with the public and stakeholders. Progress to be reported to Board in June.</p> <p>We continue to press the Government for additional funding for the Carbon Reduction Plan in connection with the forthcoming Budget and any review of public spending</p>
S12	Senior Leadership Team	Programme Delivery & Devolution Commitments	OPEN 3/5 ↔	<p>Project/Programme Appraisal & Assurance</p> <p>The risk that new project and programme proposals are not effectively appraised or assured. This could lead to poor investment decisions and failure to realise anticipated benefits or value for money, hence it will have an adverse financial and reputational impact.</p>	<p>A WMCA Assurance framework is in place and currently under review to provide guidance and further enhance the supporting processes.</p> <p>Internal Audit providing up to date assessment of current performance</p> <p>The Investment Director is establishing a commercial approach to funding opportunities.</p>	3	5	15	<p>A plan to develop and implement an enhanced Governance and Assurance Framework was endorsed by the Investment Board on 10th December 2018. Reflecting updated MHCLG guidance, the CA is developing a Single Assurance Framework.</p> <p>A Strategic Hub has been created with operations currently being established to provide a single framework for programme oversight and assurance.</p>
S07d	Investment & Commercial Activities Director	Programme Delivery & Devolution Commitments	Open 3/4 ↔	<p>Delivery - West Midlands 5G</p> <p>5G is a complex, multi-stakeholder project which is part of the national TestBeds and Trials programme within DCMS. There is managed risk inbuilt within the programme as to the market response, the technical requirements of a hitherto largely untested (at scale) technology, and the extent to which we as a region can build the mix of supply and demand that will be needed to realise maximum economic and social value for the region.</p>	<p>WMCA and DCMS are developing robust assurance frameworks for the programme. Finances throughout the project will be drawn down subject to robust business case criteria within both DCMS (via an over-arching grant agreement) and within WMCA (via investment programme mechanisms). The governance structure further reinforces this - via an arms length, wholly owned subsidiary company of WMCA, overseen by an independent chair held ultimately to account by a joint-venture board - each with senior representation from WMCA, DCMS and other stakeholders.</p>	3	4	12	<p>We will continue to ensure that finance, governance and assurance processes reflect the commitments as to ensuring maximum regional benefit made to WMCA Board. Nonetheless, the region is participating in a 'testbed and trial' project which due to its innovative nature carries an inherent element of risk (and commensurate reward)</p> <p>We will continue to monitor the programme according to market realities and the profile of funding available - and adapt accordingly within the governance framework created for this purpose</p>
S07f	Director of Housing and Regeneration	Programme Delivery & Devolution Commitments	Open 3/4 ↔	<p>Delivery - Housing</p> <p>The Combined Authority's Housing & Regeneration priorities and objectives are contingent on the deployment of funding secured through Devolution and subsequent agreements with HMG including both acquisitions by WMCA directly and joint ventures and investments. The impact of the Covid-19 pandemic on the property market may have consequences for programme delivery, progress towards HMG targets, and the financial risk profile of the CA's investments and acquisitions.</p> <p>The updating, where necessary, of local plans for constituent and non-constituent members is a core element of Government support for the Housing Deal agreed in 2018 and the Housing and Land Board are regularly updated on progress. With the impact of Covid-19 on local authority priorities and resourcing, there is a risk that progress with local plans could be hampered, which is a risk the Combined Authority does not control, with a consequence for securing continuing funding, support and confidence from Whitehall to achieve the Combined Authority's outcomes. In addition, there are potential consequences for developer investment, alongside maintaining relationships with local authorities, delivery of objectives and reputational and political damage.</p>	<p>WMCA is in ongoing dialogue with officials in MHCLG, Treasury and No 10 to maintain relationships and confirm progress towards the Housing Deal goals. This includes updates on Local Plan progress and delivery of housing and wider inclusive growth ambitions in the region. The Single Commissioning Framework approved by the WMCA to guide deployment of devolved housing and land funds and its associated gateway process is used by WMCA to ensure value for money, risk management, effective due diligence and ensuring WMCA is intervening where there is demonstrable market failure to secure additionality and wider inclusive growth objectives. Additional checks and balances have been included in the governance process during the pandemic to ensure the appropriate risk analysis and assurances are in place.</p> <p>The Housing and Land Board consists of elected Members from all local authorities in the WMCA geography, alongside representation from LEPs, Homes England and the housing industry. Housing & Regeneration team members at all levels are in regular contact with colleagues at local authorities and all reports are considered by an officers steering group. This collective approach is in place to ensure all parties are fully engaged in the strategic approach of the WMCA.</p> <p>The WMCA, its local authority partners and business sector representatives are currently co-developing the Housing and Land Board Portfolio's Economic Recovery Strategy and Interventions Plan, as commissioned by the Housing and Land Delivery Board. These documents assess and analyse the challenges and opportunities brought about by Covid-19 and a series of interventions, including asks of HMG to mitigate risk and maximise public value.</p>	3	4	12	<p>Co-development of Housing and Land Board Portfolio's Economic Recovery Strategy & Interventions, including asks of HMG, with local authority partners, private sector leaders and industry groups. Regular dialogue with civil servants to establish WM progress and delivery Development of stakeholder engagement tools</p> <p>Close working relationships with Members and Officers at local authorities</p> <p>Meetings of officer Steering Group to include workshops and task and finish sessions.</p> <p>Communications plan for Housing & Regeneration to ensure consistent messaging and that LAs and other partners are included and engaged in relevant work.</p> <p>Housing & Regeneration business plan to set out consistent approach to targets, measures and reporting</p>
S05	Head of Governance	Operations Core Functions	↔ OPEN 4/4	<p>Governance Arrangements</p> <p>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 do 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.</p>	<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 Internal Audit.</p> <p>WMCA assurance framework in place and currently under review. Governance requirements for Adult Education Budget, Housing and 5G have, or are being established to ensure the adoption of streamlined approaches where required.</p> <p>Governance activities are managed centrally to ensure robust arrangements are in place and conform to all legal requirements.</p> <p>Statutory Officers Group has been established to moderate and review compliance of governance arrangements. Membership includes the CEO, Section 151 officer, and the Monitoring Officer.</p>	3	4	12	<p>Ongoing programme of risk based 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 continue to liaise with new functions to establish appropriate assurance and governance arrangements.</p> <p>A governance review including a full review of the Constitution is currently underway.</p>

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				<p>Covid 19 effects and response to risk Government guidance on social distancing has resulted in formal meetings having been suspended. There is a risk that decision making will not be possible for a period of time resulting in inevitable issues for programme delivery where decisions are delayed.</p>	<p>An interim process to enable urgent decision making to be made under delegated powers has been agreed, ensuring transparency measures are in place.</p> <p>Government has set regulations in place to allow participants into remote decision making activities within Parliament via Online meetings and has been implemented within WMCA with the successful delivery of a number of formal meetings having taken place.</p>				
S09	Senior Leadership Team	Operations Core Functions	OPEN 3/4 ↔	<p>Capacity of Leadership Team 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.</p> <p><i>Please refer to risk ref. S02 for information on Covid 19 effects and response.</i></p>	<p>Leadership team is fully 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 the WMCA agenda.</p> <p>Continued oversight of all functions is maintained by the CEO with weekly individual and Leadership Team review meetings to enable early intervention.</p> <p>A Corporate Management Team of Heads of Service has been established to provide additional leadership capacity and support to the Strategic Leadership Team by providing regular oversight of organisational policy, development and performance.</p> <p>An integrated Performance Management Framework has been established to provide SLT with early trigger warnings affecting delivery.</p>	3	4	12	Close working arrangements in place with member authorities in order for all parties to provide mutual support as required.
S13	Head of Governance / Managing Director TFWM	Operations Core Functions	OPEN 3/4 ↔	<p>WMCA Resilience 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 or regulatory breach.</p> <p><i>Please see below re: Covid 19 effects</i></p>	<p>A business continuity framework and programme exists and continues to be advanced to ensure that WMCA can respond to any business disruption in a timely manner.</p> <p>An incident management team and out of hours On Call arrangements are in place with alternative workspace identified at alternative WMCA locations.</p> <p>Independent review by Internal Audit provided 'substantial' rating for corporate business continuity arrangements.</p>	3	4	12	<p>Raising business continuity awareness and embedding the programme within the business.</p> <p>ICT to review disaster recovery plan to ensure consistency between ICT and operational requirements are met and to update following Covid-19 and in light of the new remote working policies and procedures.</p> <p>WMCA Assets Team are working on an updated Business Continuity Plan and ICT have asked to be part of the group for this to look at the IT DR plan in conjunction with business requirements</p>
S18	Senior Leadership Team	Economic Financial Capacity Delivery	New	<p>WMCA Resilience - Covid 19 There is a risk WMCA cannot respond in an effective or timely manner to respond to the national and regional effects of the Covid 19 pandemic. This will result in significant challenges to the deliverability of the devolution programme within expected timescales, including a detrimental impact to the national economy, programme delivery, an inability to maintain robust governance arrangements and the capacity and wellbeing of it's staff.</p>	<p>Strategic team established by SLT to consider and manage the organisational response to the outbreak of Covid 19.</p> <p>Assessment of critical business activities, ensuring the prioritisation and continuation of the organisation's critical path.</p> <p>Revision of rules or suspension of statutory and constitutional obligations following government advice and instruction, including the suspension of the 2020 mayoral election and public meetings.</p> <p>Engagement with local and regional resilience forums and Civil Contingency groups to provide a consistent and consolidated response to the external effects of the pandemic response.</p> <p>Working with economic and other local strategic groups to mitigate the economic effects, disseminating their views to Government for onward consideration.</p>	5	5	25	<p>Situation updates appraised daily with active engagement to ensure the safety and wellbeing of staff is a priority, ensuring work demands and practices do not create additional risk, following Government and Public Health England guidelines.</p> <p>Plans being established for the reopening of 16 Summer Lane to accommodate critical roles only, fulfilling all health and safety requirements when allowed by Government guidelines.</p>
S08	Senior Leadership Team	Programme Delivery & Devolution Commitments	OPEN 3/4 ↔	<p>Reputation 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 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>	<p>The Communications department is engaged in all business activity, providing regular liaison with the Mayor's office to ensure a pro-active and consistent messaging is delivered by all, at all times.</p> <p>Communications Director and all WMCA spokespersons provided with media training.</p> <p>Regional Communications Group established ensuring access to media facilities for all WMCA members and stakeholders.</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 with ongoing management and forward planning of all Communication activities.</p>	3	4	12	<p>Ensure that major Regional initiatives e.g. Commonwealth Games have clear and transparent governance arrangements in place.</p> <p>External political and economic uncertainties will contribute to residual risk.</p>

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S06	Director of Finance	Financial	OPEN 2/4 ↔	<p>Commerciality</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:</p> <p>a) commercial models not being able to deliver expected benefits and commercial revenue targets and/or</p> <p>b) the structure exposes the Combined Authority to greater financial risk if the delivery model is unsuccessful.</p>	<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 & Governance checklist in place to review and confirm satisfactory arrangements are in place for all 'Arms Length companies'</p> <p>The Investment Director provides a commercial perspective on funding opportunities that are presented to WMCA.</p>	2	4	8	Adopting commercial models will allow the WMCA to become less dependent on government as it can diversify funding income.
				<p>Covid 19 effects and risk response</p> <p>There is a risk the current economic situation will have a greater impact on the commercial arrangements currently in place or being established.</p>	<p>The statutory officers of WMCA are involved in the review of all commercial decisions and contracts/legal agreements to ensure that Covid risks/viability and costs have been assessed and where possible, controlled at the present time.</p>				
S07e	Managing Director, TfWM	Programme Delivery & Devolution Commitments	OPEN 2/4 ↔	<p>Delivery</p> <p>Commonwealth Games Regional and Spectator Transport Operations (TfWM)</p> <p>There is a risk that the cost of resources to strengthen the local and regional transport network under the extraordinary one-off demands of the Commonwealth Games cannot be met entirely by the Organising Committee (OC) operations budget. A robust budget and funding agreement was reviewed and agreed by TfWM and the OC Jan 2020.</p>	<p>TfWM chairs the multi-agency Joint Transport Group (JTG) which includes relevant central Government departments (DCMS, DfT), Local Authorities and the OC. WMCA CEO and TfWM MD are members of the Chief Executive Officers Group (CEOG) for the Games. Budget for Transport Operations was agreed with HMG as part of its major Project Review Group and TfWM continues to work in partnership with B2022 to develop and deliver a successful transport operation across the region for Spectators for Games time. An Integrated Transport Programme, cost plan and financial management processes have been developed that supports the formal funding agreement and progresses the delivery of operations that fall under TfWM's remit for Games.</p>	2	4	8	We will continue to work in partnership with Government, the Organising Committee, Birmingham City Council and other authorities to ensure a successful games for the region
S10	Managing Director, TfWM	Operations Core Functions	OPEN 2/4 ↔	<p>Health & Safety</p> <p>There is a risk that Health & Safety procedures to ensure safe working conditions 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 & a number of project construction sites with the growing number of infrastructure projects in delivery.</p>	<p>Health & 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&S compliance is maintained including review of accident reports.</p> <p>Monthly H&S position statement provided to satisfy Boards of the Organisation's Corporate responsibilities.</p> <p>Health & safety obligations are considered in the development of all projects and programmes. Strategic and operational Safety, Health, and Environment (SHE) committees established providing operational and Director engagement.</p>	2	4	8	<p>Ongoing engagement with all WMCA departments to ensure adherence of H&S policies by all.</p> <p>Immediate engagement with emergency services and /or HSE to provide pro-active management of H&S incidents.</p> <p>Further plans will need to be developed to ensure all H&S requirements are developed for the continuing growth of the WMCA portfolio.</p> <p>Covid 19 response: : Covid-19 Risk Assessments have been produced for all operational environments, with particular attention paid to Transport Operations as the network re-mobilises. Operational Guidelines have been produced for Transport Operations setting out new operational norms. A DSE Self-Assessment tool is available to assist staff with Remote Working. Latest HM Government guidance has been reviewed and feedback provided on its application within the organisation. Guidance has been produced setting out the management framework and procedure for "Covid-19 Secure" safe workplaces. H&S impacts to de-mobilisation and re-mobilisation of projects due to Covid-19 continue to be considered, working closely with stakeholders to ensure ongoing compliance with Covid-19 requirements. Ongoing work with Strategic Assets in relation to the recovery of 16 Summer Lane</p>
S07c	Director of Productivity and Skills	Programme Delivery & Devolution Commitments	OPEN 3/4 ↔	<p>Delivery - Adult Education Budget</p> <p>Devolution of AEB represents a significant opportunity to demonstrate the impact of local control of skills funding on communities, through the ability to align £126m p.a. of skills funding to better meet the needs of residents and businesses in line with the priorities as set out within the Regional Skills Plan. There is a risk that this opportunity will not be taken if not managed appropriately.</p>	<p>Priorities for AEB agreed as set out within the Regional Skills Plan with further local tailoring agreed with local authorities. The initial procurement process has been concluded with just over £25m awarded. Where gaps in provision against priorities have been identified further conversations are being undertaken to identify how they can be addressed - either through grant funded providers within their allocation or through additional procurement.</p> <p>Approximately £100m will continue to be Grant funded to local authorities and local colleges and delivery agreements are in place to demonstrate how funding will be used to meet regional and local priorities. The remainder of provision has been secured through competitive tenders and awarded to a range of private and voluntary organisations.</p> <p>The Productivity and Skills team have reviewed service levels and requirements with corporate service teams to ensure that the appropriate resource is scheduled to support the business needs.</p>	2	3	6	We will continue to ensure that finance, governance and assurance processes support the commitment to ensure that AEB delivers regional priorities. Review of capacity to be undertaken on a termly basis to ensure that sufficient resources are in place to successfully manage AEB.
				<p>Covid 19 effects and response</p> <p>There is a risk Adult education delivery targets will not be achievable due to the necessary closure of training providers with success rates also reducing from the loss of existing learners.</p>	<p>Provision has been reconfigured in a number of cases to provide a response to the current situation enabling providers to deliver a different set of provision.</p> <p>A payment profile minimum has been agreed for all contracted providers for April, May and June to ensure capacity. Grant providers will be paid full allocations if they continue to deliver services to all learners in the best way they can. Modelling of impact by provider is being undertaken.</p>				Continued engagement with training providers to support their response and to recovery.

WMCA Strategic Risk Register - May 2020

Risk ID	Risk Owner	Category	Status & Previously reported score	Risk Description	Controls and measures already in place	Likeli-hood	Impact	Current Score	Further actions required to mitigate risk
S16	Managing Director, TfWM	Economic	OPEN ↔ 3/4	<p>HS2 economic and programme impacts</p> <p>HS2 is expected to bring economic benefits to the region both during construction and beyond. If the Oakervee review results in HS2 being stopped, regional benefits will be lost with a detrimental impact on the anticipated regeneration of the region and WMCA's ability to meet its strategic priorities.</p>	<p>Working with partners to continue advocating of HS2 as a fundamental building block on which the regions economic growth, transport sustainable growth strategies are based.</p> <p>HS2 connectivity plans continue to be established including close working with the HS2 Growth Delivery Board.</p>	3	4	12	We continue to work closely with all HS2 stakeholders, assessing the outcome of the Oakervee review to determine its effects on, and WMCA's response to achieve delivery of its strategic aims
S17	Managing Director, TfWM	Operations Emerging	OPEN 4/3 ↓	<p>Rail services Industrial Action</p> <p>Industrial action could arise on the rail network as a result of proposals by the local rail franchisee to make changes to current operational arrangements. This would impact on the rail service provision and the reputation of TfWM as the co-ordinator of public transport services within the West Midlands.</p>	Dispute resolution agreed on the 23rd December though continual monitoring is in place	3	3	9	Close engagement with the rail franchisee to understand direct effects on passengers and working with other transport operators to mitigate impact on all.
S19	Investment & Commercial Activities Director Director of Finance	Programme Delivery & Devolution Commitments	New	<p>Programme overspend / Budgetary management</p> <p>As a result of economic uncertainties and unexpected outcomes arising during project construction and delivery, there is a risk of cost increases from approved budgets. This will result in a need to realign funds with potential for financial, reputational and political impact to the organisation.</p>	<p>Comprehensive programme management arrangements in place for all projects to ensure early visibility and consideration of all of risk and issues.</p> <p>Independent monitoring programme in place through Transport Delivery Committee, Investment Board and WMCA Board.</p> <p>Contingency provision has been applied to budget requirements and is aligned to the protocols set out within the HMG Green Book.</p>				<p>Ongoing consideration being given to programme costs arising from the impact on delivery of programmes due to resourcing and supply chain effects of Covid 19.</p> <p>Increased monitoring and due diligence being undertaken at Procurement stage to ensure delivery objectives can be achieved due to economic conditions.</p>