



Report to:	Governance and Audit Committee
Date:	7 March 2024
Subject:	Risk Management
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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1: paragraph 3	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

- 1.1 To provide the Committee with a copy of the Combined Authority's corporate risk register.

2. Information

Corporate Risk Register

Live Risks and Issues

- 2.1 Since the last committee meeting the corporate risk register has been reviewed by risk owners and risk sponsors to ensure that all ratings and mitigations are accurate and up to date. Internal Leadership Board have endorsed the risk register content, and a copy is attached at **Appendix 1** and **exempt Appendix 2**.
- 2.2 One new risk has been added in relation to security (CRR-014), with further details contained in exempt Appendix 2.
- 2.3 The Corporate Risk Register currently shows that there are a total of 12 risks that the Combined Authority must mitigate against. A breakdown of the rating of these risks can be seen in the table below.

Medium	High	Very High
2	9	1

2.4 The very high risk that the Combined Authority currently faces is related to cyber security (CRR-001), and has remained a very high risk since identification:

- **Due to** a malicious external incident, **there is a risk that** the Combined Authority falls victim to a cyber security attack. There is a risk that **this may result in:** human harm; damage to assets; financial penalties and enforcement action from the Information Commissioner's office; a loss of personal or sensitive data; disruption to affected services; reputational damage.

2.5 The cyber security mitigations are contained in exempt Appendix 2 alongside further mitigations by way of an action plan.

Fluctuations In Ongoing Risk

2.6 There have been no changes in the overall risk rating of the existing 12 risks and issues.

2.7 With the use of the new section of the risk register that provides a projection of the overall rating following all of the mitigation measures being put in place, it is predicted that 5 risks will reduce in rating from high to medium. These risks are shown below.

Ref	Risk	Mitigations
CRR-004	<p>Due to external pressures there is a risk that fixed budgets are affected by cost increases which will impact on the ability of the organisation to deliver objectives and outcomes for the region over the next three years.</p> <p>The same pressures may result in partner authorities being unable to deliver services or co-fund activities with the Combined Authority.</p>	<ul style="list-style-type: none"> • Robust multi-year budget setting and monitoring processes enabling Members to prioritise where funding goes • Engagement with Government on future funding models • Horizon scanning for new opportunities to generate income and/or lever in private sector funding. Completion of inflation review. • Consider further actions as part of business planning and budgeting for 2024/25, including exploring other sources of funding as part of the workplan for 2024/25 and progressing multi-year planning. • Close working with partner authorities to understand their financial and funding positions and how that could impact on achieving the Combined Authority's priorities



CRR-005	<p>Due to uncertainty in the funding landscape and the variable political climate, there is a risk that strategic objectives are not met or that key areas of expertise are lost.</p>	<ul style="list-style-type: none">• Making representations to Government about current and future funding requirements• Utilising flexible funding to fill gaps and underwrite where future funding is expected but not confirmed.• Regular advice to Members about choices and trade-offs in budgeting and business planning.• Business planning and budgeting for 2024/25 has considered how to make most effective use of resources including the use of capital to meet the direct and indirect costs of capital delivery. Further work in 2024/25, as set out in the business plan includes developing the strategic finance function and a sustainable funding model.
CRR-010	<p>Due to wide variety of external and internal competing pressures there is a risk that the delivery milestones for the mass transit programme are not met which could result in delay or non-delivery of the programme, reputational damage and limitations placed upon the availability of funding for future programmes.</p>	<ul style="list-style-type: none">• Development and baselining of resilient Integrated Master Schedule and risk profile ongoing, alongside review of governance and assurance processes supported by operating model and organisational development, to manage development and delivery of the Mass Transit Programme.• Collaborative engagement with key strategic partners and supply chain partners to optimise delivery and manage/mitigate risks and issues.• Development of appropriate gateway review and assurance processes to provide positive challenge and resilience to delivery processes and timescales.• Corporate teams resourcing proposals to come forward.• Planned engagement with Government Partners to discuss Emerging Way Forward.

CRR-013	Due to capacity within partner councils and availability of supply chain, there is a risk that capital programme delivery will be delayed, particularly in light of further funding coming through Network North and limited resources working across more programmes.	<ul style="list-style-type: none"> • Continue to work closely with Chief Highway Officers to understand current delivery performance and resource pressures. • Collaborate with partner councils and develop a forward look of programmes/projects, identifying current and future resource pressures and anticipated routes to development and delivery
CRR-014	Due to the ongoing national threat level of “Substantial”, and the profile and visibility of the Mayor, there is an ongoing risk to the security of the Combined Authority’s premises, staff and members (including the Mayor and DMPC)	Redacted – see exempt Appendix 2.

3. Tackling the Climate Emergency Implications

- 3.1 As referenced in the corporate risk register at Appendix 1, an existing corporate risk is the failure to meet the objectives set out in the Climate and Environment Plan (CRR012). The register sets out the current and proposed mitigations to address this risk.

4. Inclusive Growth Implications

- 4.1 There are no inclusive growth implications directly arising from this report, however a number of the risks identified in the corporate risk register could have indirect implications if they materialised such as the potential bus operator failure (CRR- 006) and delays in the capital programme delivery (CRR-013). The risk management strategy and tools will support the Combined Authority to identify and mitigate risks associated with Inclusive Growth.

5. Equality and Diversity Implications

- 5.1 There are no equality and diversity implications directly arising from this report, although the risk relating to potential bus operator failure could have implications which would need to be considered should the risk materialise. The risk management strategy and risk management tools will support the Combined Authority to identify and mitigate risks associated with Equality and Diversity.

6. Financial Implications

- 6.1 The corporate risk register includes both a risk (CRR-004) and an issue (CRR-005) relating to external pressures and uncertainty relating to the funding landscape, together with identified mitigations.

7. Legal Implications

- 7.1 The information contained in Appendix 2 is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person including the Combined Authority. It is considered that the public interest in maintaining the content of Appendix 2 as exempt outweighs the public interest in disclosing the information, as publication could prejudice the financial or business affairs of the Authority.

8. Staffing Implications

- 8.1 There are no staffing implications directly arising from this report.

9. External Consultees

- 9.1 No external consultations have been undertaken.

10. Recommendations

- 10.1 That the Committee notes and endorses the revised corporate risk register and action plan.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Corporate Risk Register

Appendix 2 – Very High-Risk Action Plan and Excluded Risks (Private)