

**Corporate Risk Update**

Combined Authority risk appetite levels

	<b>Low ↔ High Appetite</b>					
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	
<b>Legal Compliance and Regulation</b>	1					This is something for which the Combined Authority has no appetite for and expects minimal exposure to risk. Where it relates to a service which must be provided, significant controls must be in place.
<b>Safety and Security</b>	1					
<b>Finance and Resources</b>		2				There is a preference for what are deemed to be 'safe' options where there is a reduced degree of risk. Good controls are expected to be in place where risk remains.
<b>Reputational</b>		2				
<b>Environmental</b>		2				
<b>Service Delivery and Operational</b>			3			The Combined Authority accepts a level of risk may remain in the delivery of services in pursuit of our corporate priorities. The chosen option must present a healthy level of reward in relation to the risk faced.
<b>Transformational Change</b>				4		This is an area in which the Combined Authority has an increased appetite for risk. More uncertainty can be tolerated in seeking opportunities for improvement, commercialisation or innovation.
<b>Development and Regeneration</b>				4		

Corporate risk summary

		Probability	Impact	Mitigation summary	
Very high  X5	CRR - SD1	<p><b>There is a risk that</b> we fail to fully deliver projects and programmes (i.e. Growth Deal) within timescales or budget, or with the anticipated level of benefits, <b>due to</b> over-optimistic profiles, capacity within District partners and recruitment and retention challenges.</p>	Possible 3	Critical 5	<ul style="list-style-type: none"> <li>• Significant monitoring and controls in place through PMO</li> <li>• Continuing support through 'District Pool' project resource</li> <li>• Call for projects to ensure healthy pipeline of projects/ programmes (2017)</li> <li>• Reviewing WY+TF portfolio with Chief Highways Officers</li> <li>• Review of housing outputs underway with district partners</li> </ul>
	CRR - SD2	<p><b>There is a risk that</b> there are challenges and disruption to the way in which the Combined Authority provides services and the resources available to deliver those, <b>due to</b> uncertainty surrounding the UK's future relationship with the EU.</p>	Possible 3	Critical 5	<ul style="list-style-type: none"> <li>• Brexit working group in place with Director representation and links to West Yorkshire Resilience Forum</li> <li>• Ongoing liaison with Bus Operators for reassurance on preparation for fuel or labour shortages</li> <li>• Communications and media campaign has increased to focus on effective signposting and support</li> <li>• Monitoring of legislative developments</li> <li>• Additional grant funding available to support local businesses</li> <li>• Secured additional resources, and refocussed existing ones, to support more businesses to prepare for Brexit and to gain a better understanding of impacts/opportunities on the economy.</li> <li>• Identifying any projects which may be vulnerable to shortages in skilled labour or supply chain disruption</li> </ul>
	CRR -FR3	<p><b>There is a risk that</b> the Combined Authority does not secure an enhanced devolution deal or secure extensions to current funding agreements, <b>due to</b> government policy and failure to secure local agreement.</p>	Possible 3	Critical 5	<ul style="list-style-type: none"> <li>• Devolution discussions continuing as a key priority</li> <li>• Development of pipelines to be 'bid' ready</li> <li>• Development of devolution 'Asks'.</li> </ul>
	CRR - SD5	<p><b>There is a risk that</b> there will be a major impact on achievement of organisational objectives and/or a need to reconsider objectives and divert resources, <b>due to</b> a major unanticipated change in national policy (Brexit; major change in govt policy).</p>	Possible 3	Critical 5	<ul style="list-style-type: none"> <li>• Continued dialogue with Government</li> <li>• Policy and Strategy directorate continuing to monitor emerging national trends</li> <li>• Continued work with local LEPs and Combined Authorities</li> </ul>
	CRR - SD6	<p><b>There is a risk that</b> there could be major disruption to the delivery of business critical and frontline services, <b>due to</b> the Cononavirus outbreak and changes in the national response to this.</p>	Possible 3	Critical 5	<ul style="list-style-type: none"> <li>• Ongoing monitoring of latest developments and Government advice</li> <li>• Continued update of service-specific business recovery plans to ensure scenarios impacting on critical services are identified and planned for</li> <li>• Precautionary measures in place and staff communications continuing</li> </ul>

		Probability	Impact	Mitigation summary	
<b>High x6</b>	CRR-FR1	<b>There is a risk that</b> key services will cease and the knowledge and expertise we have developed to deliver them will be lost, <b>due to</b> uncertainty surrounding the availability and timing of future funding streams.	Possible 3	Serious 4	<ul style="list-style-type: none"> <li>• Ongoing budget discussions with District partners</li> <li>• Ongoing devolution discussions with key stakeholders and Government, including the UK Shared Prosperity Fund</li> <li>• Regularly reviewing additional funding opportunities</li> <li>• Preparation of a submission to the 2020 Spending Review</li> <li>• Ongoing liaison with BEIS/DIT regarding continued funding</li> </ul>
	CRR-DR1	<b>There is a risk that</b> a major contractor/supplier/recipient of Combined Authority funding encounters significant financial difficulties, or enters administration or liquidation, and are therefore unable to deliver agreed projects, <b>due to</b> current uncertainties within the construction industry.	Possible 3	Serious 4	<ul style="list-style-type: none"> <li>• Contractual KPIs &amp; penalty clauses</li> <li>• Agreed escalation routes in contracts</li> <li>• Ability to de-scope via change requests with partner buy-in</li> <li>• Embed security measures into as many contracts as possible e.g. bond, legal charge, priority in lending hierarchy</li> <li>• Regular financial checks in place through Procurement &amp; contract/loan monitoring</li> <li>• External consultants procured to advise on future investment strategy/due diligence processes for more commercial deals</li> </ul>
	CRR-FR2	<b>There is a risk that</b> there is insufficient floorspace to generate projected business rates income, <b>due to</b> challenges in bringing forward Enterprise Zone sites within Growth Deal funding and occupier incentive timescales.	Possible 3	Serious 4	<ul style="list-style-type: none"> <li>• Progress policy gap workstreams in parallel with Delivery</li> <li>• Progress detailed due diligence &amp; potential funding/overage agreement negotiations</li> <li>• Identify other potential land/property income streams for GD monies</li> </ul>
	CRR-SS1	<b>There is a risk that</b> a major accident or injury occurs at a Combined Authority facility, <b>due to</b> the high volume of people and inherent operational risks present in a bus station, transport interchange or Combined Authority facility.	Unlikely 2	Critical 5	<ul style="list-style-type: none"> <li>• Health and safety policies, procedures and processes in place</li> <li>• Staff training</li> <li>• Ongoing review of Health and Safety risks</li> <li>• Working with district emergency planning units to share knowledge and develop joint plans</li> <li>• Continued working with police on preventative measures</li> <li>• Business Continuity and Disaster Management workshops taking place at corporate level</li> </ul>
	CRR-DR2	<b>There is a risk that</b> significant travel disruption arises from the implementation of major transport investment programmes, <b>due to</b> their intrusive nature, and a lack of effective communication or co-ordination.	Possible 3	Serious 4	<ul style="list-style-type: none"> <li>• Close working with programme sponsors on phasing out of construction</li> <li>• Mitigating travel arrangements</li> <li>• Creation of a 'travel demand management plan' to inform and influence travel behaviours</li> <li>• Economic analysis taking place to further assess current situations and potential future risks</li> </ul>
	CRR-SD3	<b>There is a risk that</b> there is a substantial reduction or alternation of services to	Possible 3	Serious 4	<ul style="list-style-type: none"> <li>• Close relationships with operators to obtain early warnings</li> <li>• Dialogue with DFT, TFN</li> </ul>

customers, **due to** the business failure, sale, or substantial change in bus/rail providers.

- Work commissioned and in progress to consider future bus options