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**Report to:** Governance and Audit Committee

**Date:** 13 October 2022

**Subject:** **Risk Management Strategy**

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## **1. Purpose of this report**

- 1.1 To provide Governance and Audit Committee with an update on corporate planning and performance activities.

## **2. Information**

### Corporate Risk Review

- 2.1 The Corporate Risk Management Strategy has been in place since January 2020 and sets out the Combined Authority's long-term strategy on risk. While the majority of the strategy remains relevant and effective, there is a recognition that this needs to be reviewed in the coming months to ensure it is still fit for purpose and reflects the needs of the evolving organisation and environment we are working within. This will include:
- Review of the suite of templates and documents to ensure these are fit for purpose and user friendly
  - Review of the risk appetite and categories
  - Wholesale review of the existing risk registers and reporting template
  - Clarity over the escalation process and standardisation in the application of this process
  - Further integration of the Policing Teams in the Risk Strategy and Risk Register.
- 2.2 A key focus of the Corporate Planning and Performance Team, as capacity increases to dedicate to this work, will be on working in partnership with Directorates to embed a focus on more active risk management, ensure the strategy is consistently applied and that teams are supported to monitor and control risks and issues more effectively.
- 2.3 The first step in this work began with a session with the Strategic Leadership Board on 22 July to review the current risks identified on the risk register. The

Strategic Leadership Board meets quarterly and provides challenge and support to the organisation on matters relating to business planning, corporate objectives, performance, risk and other such strategic matters. The members of the Board include the Mayor of West Yorkshire (Chair) and Deputy Mayor, LEP Chair, Directors of Development Chair, Combined Authority Chief Executive and Directors, Head of Finance, HR, Legal and Governance Services, and UNISON Branch Secretary.

2.4 The Strategic Leadership Board supported the initiation of the review and the approach outlined and feedback focused on the following areas:

- Differentiation on the Corporate Risk Register between potential risks that might occur, and risks that are currently active
- The importance of risks focusing on equality, diversity and inclusion
- Support for prioritising reviewing the escalation process to ensure consistency of approach

2.5 Following the Strategic Leadership Board, the approach was refined and brought to Governance and Audit Committee on 28 July 2022. The Committee was supportive of the approach and again highlighted the importance of prioritising the review of the escalation process including ensuring there are clear formal and informal routes for escalating risk to the Mayor and Leadership. Views from this Committee are also welcomed at this stage.

2.6 Of particular note:

- 4 new risks have been added to the Corporate Risk Register recently, with mitigations in place. Risks are as follows:
  - *Due to rising national inflation, there is a risk that the Combined Authority's costs, including energy will rise significantly.*
  - *Due to significant rising inflation including construction and materials costs there is a risk that costs increase significantly across Combined Authority capital programmes and projects.*
  - *Due to internal capacity, there is a risk that the Equality, Diversity and Inclusion (EDI) objectives for the CA are not met.*
  - *Due to technology limitations, there is a risk to the CA's EDI external view from partners and the public.*
- 1 risk has been removed from the Corporate Risk Register. '*Due to the challenges associated with removing the geographic overlaps between the LEP and neighbouring local enterprise partnerships there is a risk that the Leeds City Region LEP may not be fully compliant with 'Strengthening LEPs'.*' This risk has now been removed as the Strengthening LEPs review has concluded, our geography has been changed to West Yorkshire so that it no longer overlaps with York and North Yorkshire, and we are therefore compliant with the review.

### **3. Tackling the Climate Emergency Implications**

3.1 There are no climate emergency implications directly arising from this report.

### **4. Inclusive Growth Implications**

4.1 There are no inclusive growth implications directly arising from this report.

## **5. Equality and Diversity Implications**

5.1 There are no equality and diversity implications directly arising from this report.

## **6. Financial Implications**

6.1 There are no financial implications directly arising from this report.

## **7. Legal Implications**

7.1 There are no legal implications directly arising from this report.

## **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**

10.2 That the Governance and Audit Committee notes progress to date.

## **11. Background Documents**

None.

## **12. Appendices**

Appendix 1 – Corporate Risk Register – September Update.