

**REPORT TO: WEST OF ENGLAND COMBINED AUTHORITY
AUDIT COMMITTEE**

DATE: 2nd March 2023

**REPORT TITLE: RISK MANAGEMENT AND INFRASTRUCTURE RISK
REGISTER**

DIRECTOR: STEPHEN FITZGERALD & ALISTAIR KIRK

**AUTHOR: MARK WAKEFIELD,
HEAD OF CHIEF EXECUTIVE'S OFFICE**

Purpose of Report

- 1 Present the current Infrastructure Directorate Risk Register
- 2 To provide an update on the Combined Authority's Corporate Risk Register

Recommendation

- 3 For Audit Committee to note and comment on the Infrastructure Risk Register and the Corporate Risk Register.

Background / Issues for Consideration

- 4 Following discussion at the Audit Committee in December 2022, a timetable has been developed for approval to bring the corporate risk register and selected high level risk registers to audit committee.
- 5 The proposed timetable is as follows:
 - 2023 Q1 – Infrastructure Risk Register
 - 2023 Q2 – Fraud Risk Register
 - 2023 Q3 – Climate Risk Register
 - 2023 Q4 – Business & Skills Risk Register
 - 2024 Q1 – Strategy & Innovation Risk Register
- 6 The latest Corporate Risk Register will also be presented each quarter.
- 7 The combined authority is in the process of establishing a corporate governance board at senior officer level to manage the governance and associated risk issues in the organisation.

Infrastructure Risk Register

- 8 As requested in December, the Infrastructure risk register is brought for review and is attached at Appendix A.
- 9 As set out in the risk management framework, appropriate escalation through projects and programme risk reviews have taken place.
- 10 Current most significant /active risk/mitigations/notables are:

- a. Funding and inflationary pressures are the most significant risk to achieving the region's delivery programme. This is also reflected in the overall corporate risk. A review of costs and schedule is due to commence on the City Region's Programme over the next quarter to understand the impact and mitigation of this risk.
- b. Achieving and maintaining the political and public mandate which is required to deliver the climate change commitments outlined by our regional Mayors and Leaders. This risk is indelibly linked to funding. The Transport Decarbonisation Strategy is expected to report its findings to the July Committee meeting. This is expected to require choices, which may require unprecedented levels of socio-economic change. While this risk can be mitigated by the provision of a robust evidence base, behavioural education and prioritisation of funding; several choices are expected to be challenging.
- c. Building sufficient capacity and capability to match our portfolio delivery requirements will continue to remain a key risk for Infrastructure for the foreseeable future, as well as for the organisation generally. Establishing strategic supply chain partnerships as well as developing requisite team skills and capacity will be essential for delivery success.
- d. The risk to rural connectivity and wider bus usage as the result of economic, commercial pressures is the most immediate risk in the portfolio. As a mitigation to this the Combined Authority is due to implement a Demand Responsive Transport service. Exacerbating this risk is the driver shortage. Work is underway to mitigate this via our Business and Skills recruitment initiative and by agreeing contractual obligations with the supply chain around service provision.

Corporate Risk Register

- 11 The CRR has been updated to reflect the comments of the Audit Committee in December 2022, individual risk owners and mitigations are named, replacing teams.
- 12 The risks and mitigations have been reviewed and updated, the CRR is at Appendix B.
- 13 The most notable changes are summarised as follows:
 - Whilst the inflation risks have materialised, the work to quantify and then respond through matching a revised programme to the budget is underway.
 - Supported Bus services risk is removed as the contracts in place now match the levy funding available
 - This risk is replaced by the DRT implementation and mitigations to maximise the timeliness and effectiveness of these services
 - Health and Safety risk added to reflect the increased role the CA will have as the delivery programme increases

Consultation

- 14 The Corporate Risk Register is produced in conjunction with risk and mitigation owners. As with the directorate risk registers, escalation follows project and programme reviews of the risks and mitigations.

Other Options Considered

- 15 None, Audit Committee have asked to be kept informed.

Risk Management/Assessment

- 16 Without a formal risk management framework and processes we will be unable to anticipate and take preventative action to avoid risk and will instead incur time and additional cost in managing the consequences of unplanned events.
- 17 We have provided a copy of our Corporate Risk Register as an appendix to this report.

Public Sector Equality Duties

- 18 There are no equality implications arising directly from this report.

Finance Implications, including economic impact assessment where appropriate:

- 19 The monitoring and evaluation framework provides assurance that limited resources will be utilised to their best effect to ensure activity is appropriate and proportionate.

Advice given by: Stephen Fitzgerald, Interim Director of Investment and Corporate Services

Legal Implications:

- 20 The Accounts and Audit (England) Regulations 2015 state that “A relevant authority (the Council) must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk”. The risk management framework meets this requirement and is an essential part of good governance for the Combined Authority.

Advice given by: Stephen Gerrard, Interim Director of Legal and Democratic Services

Climate Change Implications

- 21 There are no specific climate implications arising directly from this report.

Land/property Implications

- 22 *n/a*

Human Resources Implications:

- 23 None arising from this report. If specific workforce risks are identified they will be managed in line with policy and best practice in consultation with the Human Resources Team.

Advice given by: Alex Holly, Head of People and Assets

Appendices:

Appendix A – West of England Combined Authority Corporate Risk Register

Background papers: *n/a*

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 70 Redcliff Street, Bristol BS1 6AL; email: democratic.services@westofengland-ca.gov.uk

