

GMCA Audit Committee

Date: 23 July 2025

Subject: Risk Management Update Report

Report of: Sarah Horseman, Interim Director – Governance, Risk and Assurance

PURPOSE OF REPORT:

The purpose of this report is to provide Audit Committee with an update on the risk management activities undertaken since the last meeting.

RECOMMENDATIONS:

Audit Committee is requested to note the report.

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Equalities Impact, Carbon, and Sustainability Assessment:

N/A

Risk Management

N/A

Legal Considerations

N/A

Financial Consequences - Capital

N/A

Financial Consequences - Revenue

N/A

Number of attachments included in the report:

BACKGROUND PAPERS: N/A

TRACKING/PROCESS		
Does this report relate to a major strategic decision, as set out in the GMCA Constitution?		No
EXEMPTION FROM CALL IN		
Are there any aspects in this report which means it should be exempt from call in by the relevant Scrutiny Committee on the grounds of urgency?		No
TfGMC	Overview & Scrutiny Committee	
N/A	N/A	

1 INTRODUCTION AND CONTEXT

This report provides an overview of risk management activities since the last update to the Committee in March 2025. During this period, priority has been given to initiating a review of both the Strategic and Organisational Risk Registers to ensure they reflect the following:

- Delivery during the first year of the Integrated Settlement.
- Implications of the national Spending Review.
- Cyber-attacks in the wider UK economy.
- Launch of the Greater Manchester Strategy and other strategic planning documents, and
- Organisational changes.

The results of this review are outlined below.

2 ACTIVITY IN THE PERIOD

2.1 Review of strategic and organisational risk

The Strategic and Organisational Risk Registers were reviewed by the GM Senior Leadership Team in both May and July, with the aim of ensuring the risk profile accurately reflects the evolving challenges associated with delivering the new GM Strategy and emerging business plan priorities. A clear distinction is being made between risks to the delivery of the newly launched GM Strategy that will require ownership by the wider 'GM system' and specific risks that the Combined Authority will own and manage.

The following material updates have been made,

- **Strategic and Organisational Risks:**
Nine strategic risks and six organisational risks have been updated to reflect the evolving landscape.

- **Delivery Dependencies:**

There is explicit recognition that GMCA's ability to meet key targets relies heavily on the resilience and delivery capacity of external partners, including local authorities and the private sector.

- **Cybersecurity Vigilance:**

In light of recent cyber-attacks in the retail sector, heightened vigilance is being encouraged across all teams. A critical organisational risk has been escalated from the Digital team's directorate register.

- **Contract Management Pressures:**

The existing 'Contract Management' risk, owned by the Commercial Team, has been elevated to an organisational risk due to increasing pressure on teams to assess and manage contractual exposure effectively given cyber-resilience as well as macro-economic and commercial threats.

- **Emerging Influences on Risk Exposure:**

A number of external (e.g., Fairer Funding) and internal (e.g., Governance) reviews are underway, which may significantly shape future risk exposure.

Work will continue with risk owners to further refine the risk actions and make any adjustments to risk assessment scores as appropriate.

A mapping has been undertaken of milestone actions included in an early draft of the 2025/26 GMCA Business Plan with the current risk profile. With the intention of,

- Identifying activity that might offer mitigation of risks; and
- To better understand how teams intend to measure the effectiveness of their risk actions.

2.2 Updates to the directorate risk profile

Directorate risk registers are regularly reviewed, with the following significant changes implemented during this period: -

- **Information, Data and Governance** have added one further risk,
 - *IGR15 Third party suppliers* – where suppliers and partners may not uphold data and digital standards that match GMCA requirements. This is being managed through regular challenge to third parties by GMCA contract managers including prior to contract award.
- **Digital** have updated a significant risk.
 - *DIGR166 Cyber Attack* – given recent external examples of how attacks can have significant operational and financial consequences, a business case is under development for a 24/7 Security Operations Centre (SOC).

2.3 Business Case for Risk Management Software

Opportunities to purchase an enterprise risk management system for use by the GMCA continue to be explored, to seek a cost-effective proposal for consideration. Over the period there have been further demonstrations and more detailed examination of implementation requirements across the Group along with the work that would be needed for its implementation.

3 UPCOMING ACTIVITY

The following activities will continue to grow our maturity in managing risks: -

- A short internal consultation will shortly get underway with risk champions offered the opportunity to comment on a draft, updated GMCA Risk Management Strategy. The final version will be shared with the organisation through learning sessions, and a learning module available on the intranet.
- To assist the Group Leadership Team, consideration will be given to identifying risks that can be addressed at the 'Group' level, where shared challenges can be effectively managed through collaboration.

Appendix 1 – GMCA Strategic Risk Register

*Informed by early work on Business Plan. Actions will be refined and their completion dates updated and monitored).

Risk Title and Description	Risk Causes (to address)	Key Actions*	Inherent Score	Residual Score
SCA1 - Engagement and collaboration with GM Partners <i>GMCA fails to use its role to sufficiently engage the GM system to deliver GMS outcomes</i>	Reliance on the resilience, and performance of anchor partners. Major changes in local political control. Policy and planning do not reflect all interests. Insufficient engagement with residents.	<ul style="list-style-type: none"> • Drive ownership and delivery of GM Strategy outcomes by external partners – continually making sure strategy reflects the needs and expectations of residents. Collaboration and support into Local Authorities and partners covering policy, resource, and service delivery. (<i>Multiple teams, monthly monitoring and sharing insight</i>). 	20	15
SCA2 - Funding and financial resilience <i>Insufficient funding to deliver GMCA activity and secure financial resilience.</i>	Failure to secure sufficient strategic investment. Limited funds from local or national sources. Inability to maximise flexibilities from Integrated Settlement. High cost of borrowing.	<ul style="list-style-type: none"> • BAU budget management to keep expenditure in control and lobby for further funding. (<i>Budget holders and Finance, quarterly reporting</i>). • Strategic Delivery Function (capital investment and prioritisation. (<i>Finance, monthly monitoring</i>). • Develop and monitor Borrowing Criteria (<i>Finance, track in corporate reporting</i>). • Complete Task and Finish Groups with govern. (<i>Finance/ Economy, Q1&2</i>). • Management of Retained Business Rates (<i>Finance, continuing</i>). 	20	15
SCA3 – Impact of Bee Network finances on the GMCA <i>Without growth in revenue across the Bee Network there is a risk that the use of GMCA reserves will be required</i>	Lower than anticipated patronage and revenue generation. Higher operating costs. Limited scope to increase revenue through fare increases.	<ul style="list-style-type: none"> • TfGM Financial Sustainability Plan to grow revenue, manage costs and identify efficiencies. (<i>TfGM, monthly review, continuing</i>). • Efficient contract management with network operators. (<i>TfGM, monthly review 25/26</i>). • Collaboration with partners to improve safety on the network to encourage growth in patronage (<i>TfGM to publish Bee Network Safety Plan, summer 25</i>). 	20	16
SCA4 - Robust policy & decision making – <i>Decision making is sub-optimal making wrong decisions or not having a robust evidence base.</i>	Challenging prioritisation and need for evidence. Variations in policy between stakeholders. Lack of a clear and understood decision framework. Uncertainty ion macro environment.	<ul style="list-style-type: none"> • Finance analytical capability to inform prioritisation. (<i>Finance, continuing</i>). • Complete outstanding 'Readiness Review' improvement actions. (<i>Multiple, Q1/2</i>). • Policy / strategy reviews, plus business planning (<i>Strategy, Q1-4</i>). • Local Growth & Place outcomes agreed with government. (<i>Economy, Q4</i>) • Develop 'Strategic Delivery Function'. (<i>Strategy, continuing</i>). • Governance review is currently being undertaken (<i>Governance Q2</i>) 	16	12

SCA5 – GMCA statutory flagship services and contracts – <i>Failure to deliver statutory duties as a Mayoral Combined Authority (e.g. Waste, Bee Network etc)</i> <i>Note: Risk can also include non-statutory services.</i>	Lack of capability, capacity, or commercial value. Supply chain challenges. Macro-economic factors e.g., inflation.	<ul style="list-style-type: none"> • Implement Fire Plan 2025-29. (<i>GMFRS Q1 onwards</i>). • Implementation of the Contract Management Framework with training and development of accurate data. (<i>Commercial Team, Q1-4</i>). • Delivery of individual contract milestones, for example, consideration of draft Waste Strategy. (<i>Waste Team, Q3</i>). 	20	15
SCA6 - Deliver strategic programmes and pipeline. <i>Failure to deliver intended outcomes and to expectations (e.g. Growth Pipeline, Adult Education, Investment Zones etc)</i>	Ineffective planning and / or performance management. Limitations in funding. Supply chain challenges. Lack of take up by beneficiaries. Insufficient powers to, for example acquire sufficient land for development.	<ul style="list-style-type: none"> • Delivery of individual programme milestones. (<i>All, quarterly reporting</i>). • Delivery against Outcomes Framework and internal Performance Framework. (<i>All teams, March 26</i>). • Development of growth pipelines. (<i>Economy / Place, 25/26</i>). • Deliver GMCA contribution into wider GM led activity such as Live Well, Housing, Prevention, Mbacc and other strategic priorities. (<i>All, quarterly reporting</i>). 	20	15
SCA7 - GMCA carbon targets – <i>Loss of ability to influence and secure behavioural change by others to achieve carbon targets.</i> <i>Note the escalated risks of the cost of the Emissions Trading Scheme that may not be in budgets. (Waste Team)</i>	Failure to deliver GMCA outputs and outcomes. Non-compliance with ISO14001. Affordability challenges for citizens and organisations to change behaviour.	<ul style="list-style-type: none"> • Deliver GMCA commitment for GM 5 Year Environment Plan including an Environmental Sustainability Strategy. (<i>Environment, quarterly reporting</i>). • Act as an advocate with GM amongst partners, for example supporting local authorities to deliver decarbonisation heat programmes. (<i>Environment, continuing</i>). 	20	15
SCA8 - Local or national emergencies / events/ shocks <i>Do not respond effectively to local or national emergencies/ events/ shocks.</i>	Ability to keep pace with threats from cyber, extreme weather, terrorism, technological change etc. Failure to anticipate potential external and internal threats together with a lack of testing.	<ul style="list-style-type: none"> • Maintain the new Business Continuity and Resilience Plans for programmes and services (<i>oversight from Resilience Team, Q1-4</i>). • Horizon scanning, digital reviews, and wider GM research to anticipate potential challenges. (<i>Resilience Team. Research Team, Digital Q1-4</i>). 	20	15
SCA9- Maximising devolution <i>Do not maximise opportunities that current and future devolution offers</i>	Failure to spend 2025/26 Integrated Settlement allocation. Failure to properly utilise the flexibilities provided in the integrated settlement.	<ul style="list-style-type: none"> • Track future opportunities via the next Devolution Bill (before Parliament in July). Track ability to take forward specific activities using further devolution e.g., GM Working Plan etc. (<i>Q2-4, 25/26</i>). • Significant financial devolution to take forward our Live Well approach and introduce Live Well Spaces and Live Well Centres in our Neighbourhoods. (<i>Complete T&F Groups and await passage of Devolution Bill through Parliament</i>) 	16	12

Appendix 2 – Organisational Risk Register

*Milestones informed by early work on Business Plan and may be refined further.

Link to Strategic Risk	Risk	Risk Causes (to address)	Key Actions*	Inherent Score	Residual Score
SCA4	OCA1 - Organisational Governance and Decision Making	Governance and procedures not fit for scale of current ambition. Inconsistent practice across the organisation. Lack of awareness of process.	<ul style="list-style-type: none"> Complete Governance review and implement actions. (<i>All, Q1-4</i>). Secure approval and implementation of the Single Assurance Framework. (<i>Economy, Q1-3</i>). Implement Performance Framework. (<i>Multiple, Q2-3</i>) Updated Risk Management Strategy (including re-statement of risk appetite. (<i>FAC, Q3</i>)) 	16	12
SCA6	OCA2 – Programme management. <i>Grow programme management capability and capacity to meet challenge</i>	Siloed skills and capability. Large volume and complexity of pipeline. Pace of transition to Group working.	<ul style="list-style-type: none"> Implementation of Single Assurance Framework. (<i>Economy, Q1-3</i>). Grow organisation PMO capability. (<i>Economy, Q1-4</i>). Build on existing good practice e.g., use of Strategic Oversight Groups within EWS programmes. 	16	12
N/A	OCA3 – Data management <i>Better management and application of data.</i>	Senior sponsorship. GM Data Strategy stalled. No unified, accessible data standard. Preventable breaches. Inconsistent data management and AI use.	<ul style="list-style-type: none"> AI Generative Policy in place. (<i>IDG, regular review</i>). Oversight from Information, Data and Governance Board. (<i>IDG, implemented</i>) GM Data Strategy and Data Framework (Standards, behaviours, and capabilities). (<i>IDG, to be confirmed</i>) 	20	15
SCA5 / SCA6	OCA4 - Organisational development – <i>Ensuring the GMCA has the capability, capacity in place alongside a supported workforce.</i>	Imbalance between fixed term contracts and long-term resource requirements. Lack of understanding of ‘Group’ approach. Insufficient resource in place fast enough to spend and deliver according to forecast. Pace of change. Plans are not implemented fully.	<ul style="list-style-type: none"> Budget / Portfolio leads set out exact and realistic resource requirements. (<i>All teams + People, continuing</i>). Talent Management / Succession Planning to address gaps. (<i>People, launch Q1-2</i>). People Plan. (<i>People, Q2-4</i>) Improvement actions as identified from b-Heard survey. (<i>People, launch Q3</i>). 	16	12
All risks	OCA5 - Enhancing our capability in contract management. <i>Successfully deliver a high volume of complex and commercially challenging contracts.</i>	Limited resource within teams to manage all their contracts plus their complexity. Lack of resilience and up to date continuity plans. Inability to anticipate market change.	<ul style="list-style-type: none"> Implementation of the Contract Management Framework with training and development of accurate data. (<i>Commercial Team, Q1-4</i>). Deliver Contract Management Training. (<i>Commercial team, continuing</i>). 	20	15

Link to Strategic Risk	Risk	Risk Causes (to address)	Key Actions*	Inherent Score	Residual Score
			<ul style="list-style-type: none"> Contract contingency planning in place. (<i>Contract Managers, continuing</i>). 		
SCA5 / SCA6	OCA6 - Cyber-attack or other major resilience event <i>Note: Critical National Infrastructure like GMFRS more make us more of a target.</i>	Malicious intent from third parties. Lack of capability and capacity across teams in charge of key operations. Limitations in budget. Legacy technologies or software. Complacency or failure to complete essential training.	<ul style="list-style-type: none"> Consider a 24/7 Security Operation Centre - business case being completed. (<i>Digital team, 25/26</i>). Cyber Security Programme and develop assurance from business continuity and disaster recovery planning (<i>Digital team, continuing</i>). Remove legacy technology. (<i>Digital team, continuing</i>). Align cyber security activities and posture with an appropriate best practice framework. (<i>Digital team, continuing</i>). 	25	20

Escalated / “Top” Directorate Risks

There are a number of high scoring directorate risks, some of these links directly to Strategic or Organisational risks but some are discrete and specific to the directorate. The table below shows those with a residual risk score of 16 or more.

Directorate	Risk Title	Inherent Score	Residual Score	July 2025 Comment
Digital	DIGR166 – GMCA is subject to a cyber-attack.	25	20	Escalated as organisational risk as all teams need to be vigilant.
	DIGR162 - Digital Services capacity pressures - to meet both organisational demand and GM demand for project related support.	20	16	
	DIGR188 - Digital, data and technology skills gap - availability and increasing cost of technical skills impacting recruitment. Coupled with lower ability to upskill staff and invest in talent like the private sector.	20	16	

EWS	EWS03 - Delivery of EWS programmes - greater governance and accountability due to the increasing scope and scale of work, especially with further devolution.	20	16	Link to organisational risk OR2 (programme management).
	EWS-04 - Cessation of current Inclusive Employment (Working Well) and NEET Programmes – with a reduction in support many residents without action.	20	16	
	EWS05 - Ensuring EWS has the right staff in place to deliver commitments – where there is greater devolution and changing nature of work especially around policy development, case making and stakeholder engagement.	20	16	Links to organisation risk OCA4 (covering fixed term contracts).
Environment	Commercial Buildings (Low carbon) - Develop commercial buildings retrofit offer.	16	16	
Finance	FIN11 Strategic Analytical Capability - to make financial recommendations covering prioritisation and governance of funding under the Integrated Settlement.	20	16	
	FIN03 Contract management - failure to optimise commercial performance, guarantee compliance with regulations, support project outcomes or anticipate supplier collapse.	20	16	Escalated as organisational risk OCA5.
GMFRS	RR4 Capital Programme Funding - future capital investment has to be independently sourced to support our organisational requirements putting additional pressures on our future budget.	20	20	
	RR39 Spending Review and Funding - 25/26 Budget is a one-year settlement and future funding will be affected, and that one off funding (Pension Grant & Protection) will not continue or be at reduced levels. Local Government Settlement has meant funding shortfalls over the short to medium term.	20	20	
	RR19 GMFRS Budget - due to the need to make ongoing savings, GMFRS may not fully deliver the efficiency savings to balance their budget over the medium term.	16	16	
	RR54 Industrial Action (Green Book Employees) - service disruptions may occur and result in a reduced service.	16	16	

	RR47 Utilities Pricing - due to current market conditions there is a significant risk of rising prices in utility bills with budgetary consequences.	20	16	
	RR55 Contractor Administration - delays from appointing a new contractor lead to increased costs and further delays.	20	20	
	RR40 FF Pensions – covering increased cost of Employer's Contributions funded by Home Office grant in 2024/25, with no further commitment beyond that.	16	20	
Information Data Governance	IGR14 Cyber-attack (loss or corruption of sensitive data) causing exposure to reputational damage, legal sanction and/ or inability to operate.	20	20	Escalated as part of organisational risk OCA6.
	IGR13 Uncoordinated and unacceptable use of AI - proliferation of and uncoordinated use of AI weakens assurance over the data captured and processed for analysis, reporting and decision-making.	16	16	Escalated into organisational risk OCA3.
Place	PLA02 Achievement of net zero / social homes targets	20	20	Connects to strategic risk SCA6
Stronger safer communities	SSC07 SARC contracting, funding and therapeutic support - there is no contract in place and the financial allocation has been disputed. Circa 1k on the waiting list for support waiting up to a year.	20	16	
	SSC15 Confidence in GMP (vulnerable groups and communities) - declining confidence particularly among people experiencing inequality (race, gender).	20	16	
	SSC20 Indemnity for legally qualified people and independent panel members - Provision to Legally Qualified Chairs and Independent Panel members in the case they are subject to legal proceeding from challenges to their decision-making.	25	20	
	SSC22 Remand courts - Lack of consensus regarding the nature of demand at the Magistrates court and how this should be remedied.	25	16	
	SSC23 Victim attrition + feeling of safety - Magistrates Court - high level of attrition compared to the national average.	20	20	
	SSC24 Racial Discrimination and Disproportionality - results from double Discrimination Report of Black males in the Youth Justice System and a CPS Report.	25	20	

Waste	WR10 Emissions Trading Scheme - Future cost of Trading Scheme may not be in GMCA or LAD medium to long term budgets.	25	25	Escalated into strategic risk SCA7 GMCA carbon targets.
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