GMCA Audit Committee

Date: 22 September 2025

Subject: Risk Management Update Report

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

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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 outlines risk management activities undertaken since the Committee's last update in July 2025.

There have been no changes to the Strategic and Organisational Risk Registers following the approval of the updated risk set in July. A comprehensive review of all risks will be conducted with individual risk owners in late September. The outcomes of this review will inform a three-month risk update, which is scheduled for submission to the GMCA Senior Leadership Team in October for their consideration.

2 ACTIVITY IN THE PERIOD

2.1 GMCA Strategic and organisational risk register

Following agreement on an updated set of risks with the GMCA Senior Leadership Team in July, a progress update will be shared with the team in October, informed by upcoming 121 discussions with risk owners. These conversations will cover not only the status of each risk but also consider performance of the measures / metrics in place to assess risk control effectiveness. This enhancement will make it easier to determine our risk exposure.

Work is continuing in parallel on the GMS Delivery Plan, Performance Framework, and an updated Corporate Metrics Report. To help enhance our corporate risk reporting a short exercise will look at mapping existing corporate risks to the activities in the Delivery Plan, to understand the 'golden thread' for GMCA risks and activities. This will be used to inform future reporting and identify risk interdependencies.

This update is set against a complex and pressurised external backdrop, with macroeconomic uncertainty, political tension, and emerging risks requiring vigilance, including: -

- Likelihood of **industrial relations on the bus network** may generate reputational damage for the Bee Network and impact on ticket revenue for the duration.

- The impact of the **Future Funding Review** on local financial resilience and funding decisions.

- **Global tensions** and the upcoming **autumn budget** may affect inflation and the costs of investment.

- Early engagement is underway to shape the **2026/27 GMCA budget** and align resources with GM Strategy and internal corporate priorities.

- A further high-profile **cyber-attack at Jaguar Land Rover** demonstrates the need to remain vigilant.

2.2 Current reputational risk within the GMCA risk profile

At the previous Audit Committee meeting members asked that reputational risk be considered in future reporting. A number of strategic and organisational risks carry potential reputational impact. These are linked to GMCA's leadership role in delivering GM Strategy outcomes across the workstreams, where measuring both our own performance and stakeholder perception are essential. Examples include:

- **Strategic delivery** of complex outcomes requiring innovatory solutions and external collaboration such as *Live Well, and Healthy for All Homes, etc. (Risk: SCA6 – Deliver strategic programmes and pipeline - HIGH)*

- **Delivering under the Integrated Settlement** - where the reputational risk at national and local levels may limit further opportunities for devolution. *(SCA9 – Maximising devolution - HIGH)*

- **Data Security** – where a major data breach or cyber-attack could erode stakeholder trust. *(OCA6 – Cyber-attack, CRITICAL, and OCA3 – Data management, HIGH)*.

Ongoing consideration will be given to how this should be incorporated into our risk profile.

2.3 Directorate risks

- **New risk: GMFRS – NWFC Mobilisation System Procurement**

Covers potential for delay to the go-live date which may impact operational resilience. Project Team continues to engage with the supplier.

Note: Exposure over the **GMFRS risks** 'RR55 Contractor Administration' and 'RR19 GMFRS Budget' have reduced over the period.

No other material changes to risk scores have been reported during this period.

However, in order to strengthen our cybersecurity resilience, the Digital and Information Data Governance teams will now meet quarterly to generate a unified approach to the organisational cyber risk. This coordinated approach supports timely escalation of key concerns to senior management and will enhance oversight.

2.4 Business Case for Enterprise Risk Management system

The business case has been shared with stakeholders across project partners to continue refinement of the final recommendation. This reflects how important understanding how (and what) risk data consolidation would be needed, where there may be gaps or different processes in place, what will drive greater usage by busy risk owners, and whether a more mature and insightful understanding of our risk landscape would be forthcoming.

3 UPCOMING ACTIVITY

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

3.1   Strategic and organisational risk update to the Senior Leadership Team over the next period.

- It is hoped that work on the GMS Performance Framework, Corporate Metrics Report, and GMS Delivery Plan will provide the opportunity to better integrate risk into corporate reporting.

- The new 'Introduction to Risk learning module is be made available to staff once a short test phase with team risk champions has been completed.

Appendix 1 – GMCA Strategic Risk Register

As agreed with GM Senior Leadership Team in July 25. Update report to GM Senior Leadership Team in October.

Risk Title and Description	Risk Causes (to address)	Key Actions*	Inherent Score	Residual Score
SCA1 - Engagement and collaboration with GM Partners *GMCA fails to use its role to sufficiently engage the GM system to deliver GMS outcomes*	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.	• 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. (*Multiple teams, monthly monitoring and sharing insight*).	20	15
SCA2 - Funding and financial resilience *Insufficient funding to deliver GMCA activity and secure financial resilience.*	Failure to secure sufficient strategic investment. Limited funds from local or national sources. Inability to maximise flexibilities from Integrated Settlement. High cost of borrowing.	• BAU budget management to keep expenditure in control and lobby for further funding. (*Budget holders and Finance, quarterly reporting*). • Strategic Delivery Function (capital investment and prioritisation. (*Finance, monthly monitoring*). • Develop and monitor Borrowing Criteria (*Finance, track in corporate reporting*). • Complete Task and Finish Groups with govern. (*Finance/ Economy, Q1&2*). • Management of Retained Business Rates (*Finance, continuing*).	20	15
SCA3 – Impact of Bee Network finances on the GMCA *Without growth in revenue across the Bee Network there is a risk that the use of GMCA reserves will be required*	Lower than anticipated patronage and revenue generation. Higher operating costs. Limited scope to increase revenue through fare increases.	• TfGM Financial Sustainability Plan to grow revenue, manage costs and identify efficiencies. (*TfGM, monthly review, continuing*). • Efficient contract management with network operators. (*TfGM, monthly review 25/26*). • Collaboration with partners to improve safety on the network to encourage growth in patronage (*TfGM to publish Bee Network Safety Plan, summer 25*).	20	16
SCA4 - Robust policy & decision making – *Decision making is sub-optimal making wrong decisions or not having a robust evidence base.*	Challenging prioritisation and need for evidence. Variations in policy between stakeholders. Lack of a clear and understood decision framework. Uncertainty ion macro environment.	• Finance analytical capability to inform prioritisation. (*Finance, continuing*). • Complete outstanding 'Readiness Review' improvement actions. (*Multiple, Q1/2*). • Policy / strategy reviews, plus business planning (*Strategy, Q1-4*). • Local Growth & Place outcomes agreed with government. (*Economy, Q4*) • Develop 'Strategic Delivery Function'. (*Strategy, continuing*). • Governance review is currently being undertaken (*Governance Q2*)	16	12

SCA5 – GMCA statutory flagship services and contracts – *Failure to deliver statutory duties as a Mayoral Combined Authority (e.g. Waste, Bee Network etc)* *Note: Risk can also include non-statutory services.*	Lack of capability, capacity, or commercial value. Supply chain challenges. Macro-economic factors e.g., inflation.	• Implement Fire Plan 2025-29. (*GMFRS Q1 onwards*). • Implementation of the Contract Management Framework with training and development of accurate data. (*Commercial Team, Q1-4*). • Delivery of individual contract milestones, for example, consideration of draft Waste Strategy. (*Waste Team, Q3*).	20	15
SCA6 - Deliver strategic programmes and pipeline. *Failure to deliver intended outcomes and to expectations (e.g. Growth Pipeline, Adult Education, Investment Zones etc)*	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.	• Delivery of individual programme milestones. (*All, quarterly reporting*). • Delivery against Outcomes Framework and internal Performance Framework. (*All teams, March 26*). • Development of growth pipelines. (*Economy / Place, 25/26*). • Deliver GMCA contribution into wider GM led activity such as Live Well, Housing, Prevention, Mbacc and other strategic priorities. (*All, quarterly reporting*).	20	15
SCA7 - GMCA carbon targets – *Loss of ability to influence and secure behavioural change by others to achieve carbon targets.* *Note the escalated risks of the cost of the Emissions Trading Scheme that may not be in budgets. (Waste Team)*	Failure to deliver GMCA outputs and outcomes. Non-compliance with ISO14001. Affordability challenges for citizens and organisations to change behaviour.	• Deliver GMCA commitment for GM 5 Year Environment Plan including an Environmental Sustainability Strategy. *(Environment, quarterly reporting).* • Act as an advocate with GM amongst partners, for example supporting local authorities to deliver decarbonisation heat programmes. (*Environment, continuing).*	20	15
SCA8 - Local or national emergencies / events/ shocks *Do not respond effectively to local or national emergencies/ events/ shocks.*	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.	• Maintain the new Business Continuity and Resilience Plans for programmes and services (*oversight from Resilience Team, Q1-4*). • Horizon scanning, digital reviews, and wider GM research to anticipate potential challenges. (*Resilience Team. Research Team, Digital Q1-4*).	20	15
SCA9- Maximising devolution *Do not maximise opportunities that current and future devolution offers*	Failure to spend 2025/26 Integrated Settlement allocation. Failure to properly utilise the flexibilities provided in the integrated settlement.	• 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. (*Q2-4, 25/26*). • Significant financial devolution to take forward our Live Well approach and introduce Live Well Spaces and Live Well Centres in our Neighbourhoods. (*Complete T&F Groups and await passage of Devolution Bill through Parliament*)	16	12

Appendix 2 – Organisational Risk Register

As agreed with GM Senior Leadership Team in July 25. Update report to GM Senior Leadership Team in October.

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.	• Complete Governance review and implement actions. (*All, Q1-4*). • Secure approval and implementation of the Single Assurance Framework. (*Economy, Q1-3*). • Implement Performance Framework. (Multiple, Q2-3) • Updated Risk Management Strategy (including re-statement of risk appetite. (*FAC, Q3*)	16	12
SCA6	**OCA2 – Programme management.** *Grow programme management capability and capacity to meet challenge*	Siloed skills and capability. Large volume and complexity of pipeline. Pace of transition to Group working.	• Implementation of Single Assurance Framework. (*Economy, Q1-3*). • Grow organisation PMO capability. (*Economy, Q1-4*). • Build on existing good practice e.g., use of Strategic Oversight Groups within EWS programmes.	16	12
N/A	**OCA3 – Data management** *Better management and application of data.*	Senior sponsorship. GM Data Strategy stalled. No unified, accessible data standard. Preventable breaches. Inconsistent data management and AI use.	• AI Generative Policy in place. (*IDG, regular review*). • Oversight from Information, Data and Governance Board. (*IDG, implemented*) • GM Data Strategy and Data Framework (Standards, behaviours, and capabilities). (*IDG, to be confirmed*)	20	15
SCA5 / SCA6	**OCA4 - Organisational development –** *Ensuring the GMCA has the capability, capacity in place alongside a supported workforce.*	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.	• Budget / Portfolio leads set out exact and realistic resource requirements. (*All teams + People, continuing*). • Talent Management / Succession Planning to address gaps. (*People, launch Q1-2*). • People Plan. (*People, Q2-4*) • Improvement actions as identified from b-Heard survey. (*People, launch Q3*).	16	12
All risks	**OCA5 - Enhancing our capability in contract management.** *Successfully deliver a high volume of complex and commercially challenging contracts.*	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.	• Implementation of the Contract Management Framework with training and development of accurate data. (*Commercial Team, Q1-4*). • Deliver Contract Management Training. (*Commercial team, continuing*). • Contract contingency planning in place. (*Contract Managers, continuing*).	20	15

Link to Strategic Risk	Risk	Risk Causes (to address)	Key Actions*	Inherent Score	Residual Score
SCA5 / SCA6	**OCA6 - Cyber-attack or other major resilience event** *Note: Critical National Infrastructure like GMFRS more make us more of a target.*	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.	• Consider a 24/7 Security Operation Centre - business case being completed. (*Digital team, 25/26*). • Cyber Security Programme and develop assurance from business continuity and disaster recovery planning (*Digital team, continuing*). • Remove legacy technology. (*Digital team, continuing*). • Align cyber security activities and posture with an appropriate best practice framework. (*Digital team, continuing*).	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
Digital	*DIGR166 – Cyber-attack* - GMCA is subject to a cyber-attack.	25	20
	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
	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

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
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
	NEW: RR53– NWFC Mobilisation System Procurement – a potential delay to delivery of the new mobilising system where the delay could exceed the current maintenance period of the existing system. **NOTE:** GMFRS alerted to discrepancy with the Inherent Score.	15	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
	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
	RR40 FF Pensions – covering increased cost of Employer's Contributions funded by Home Office grant in 2024/25, with no further commitment beyond that. **NOTE:** GMFRS alerted to discrepancy with the Inherent Score.	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
	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
Place	*PLA02 Achievement of net zero / social homes targets -* *Failure to achieve publicly stated strategic environmental targets.*	20	20
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.	25 (+5)	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