



Combined Authority Board		Agenda Item
20 September 2023		12
Title:	Risk Management Framework	
Report of:	Nick Bell, Executive Director Resources and Performance Chris Bolton, Head of Programme Management Office	
Lead Member:	Cllr Edna Murphy	
Public Report:	Yes	
Key Decision:	No	
Voting Arrangements:	By a majority of voting members, subject to that majority including the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor.	

Recommendations:

A	Approval of the Risk Management Framework and Procedure
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Strategic Objective(s):

The proposals within this report fit under the following strategic objective(s):

X	Achieving ambitious skills and employment opportunities
X	Achieving good growth
X	Increased connectivity
X	Enabling resilient communities
X	Achieving Best Value and High Performance

1. Purpose

1.1	The purpose of this document is to seek approval for the CPCA's Risk Management Framework and Procedure, to assist its communication and understanding and to provide guidance to those with responsibilities for ensuring that it is applied effectively and consistently. (This information is supplied in Appendix A and B).
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2. Proposal

2.1	<p>The CPCA are accountable for delivering in a complex and changing environment. Managing risk and uncertainty is critical to the successful delivery of strategic aims.</p> <p>The Risk Management Framework sets out an enhanced and integrated approach that builds on our existing risk management practice. The Framework is intended to support the strategic and organisation-wide focus on risk, setting out the ambition, motivation and principles that frame our approach.</p>
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	<p>The Risk Management Procedure outlines the Combined Authority's approach to managing risk and outlines the tools and techniques involved in ensuring that this takes place effectively and in a consistent manner.</p> <p>The CPCA is committed to implementing an organisation-wide risk management culture that exemplifies high levels of risk maturity and best practice in the identification, evaluation and effective management of risk in respect of current activities and new opportunities.</p> <p>The Risk Management Framework has been co-produced with our Partners through a Partner Working Group.</p>
2.2	<p>The Orange Book 5 principles are governance, integration, collaboration, processes, and continual improvement.</p> <p>The objective of this framework is to adapt these principles to the Combined Authority's ways of working, ensuring compliance with our Single Assurance Framework.</p> <p>This Framework sits within the proposed Single Assurance Framework (SAF). The proposed SAF sets out the processes, approach and criteria that demonstrate to government the robust assurance, appraisal and value for money considerations that are used to develop and deliver projects and programmes to a high standard, maximising the opportunity to realise benefits whilst ensuring effective stewardship of public funds.</p> <p>The Risk Management Framework is a key tool in successfully delivering the SAF. It ensures that appropriate pipeline and project oversight is provided by both officers and politicians and provides risk data on project development and delivery to drive performance review considerations.</p> <p>To embed the use of the Risk Management Framework and Procedure, risk training has been undertaken with following groups:</p>
2.3	<p>Risk Management training</p> <p>Two risk Management sessions for members of the Audit and Governance Committee have now taken place:</p> <ul style="list-style-type: none"> 21 November 2022 24 March 2023 <p>Risk Management training for CPCA and subsidiary companies Programme / Project Managers was delivered on 24 February 2023. A follow up training session is to be delivered in Autumn 2023.</p> <p>Risk Appetite training for the Corporate Management team took place on 27 April 2023. A Risk Appetite Statement has been drafted. The Risk Appetite Statement is incorporated within the Risk Management Framework.</p>
2.4	<p>Implementation of Risk Register software – 4Risk</p> <p>In May, risk software was procured. (4Risk supplied by RSM). The investment in new corporate, web-based risk software will allow a central and auditable platform to register risks associated across the work programme.</p> <p>Training in the use of the new software will be undertaken across all service areas and subsidiary companies this autumn.</p>

3. Background

3.1	<p>The Combined Authority Risk Management Framework has been based upon the principles of the HMT Orange Book (2020).</p> <p>The Orange Book states that, in successful organisations, risk management enhances strategic planning and prioritisation, assists in achieving objectives and strengthens the ability to be agile to respond to the challenges faced. Therefore, if we are serious about meeting our objectives successfully, improving service delivery and achieving value for money, risk management must be an essential and integral part of planning and decision-making.</p> <p>The Department for Levelling Up Housing & Communities (DLUHC) published its English Devolution Accountability Framework (EDAF) in March 2023. This provides guidance on how Mayoral Combined Authorities should be accountable to local scrutiny, the public and the UK government. Our Risk</p>
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	Management Framework supports our compliance with the standards in the EDAF, and we are seeking to go beyond the spirit of EDAF in delivering good governance and strong measures of accountability. The Risk Management Framework was last approved in January 2020.
3.2	<p>The Risk Management Framework and Procedure documents have been co-produced and co-designed with the following groups:</p> <ul style="list-style-type: none"> • M10 Assurance network (3 sessions – May – Aug 2023). • Internal Officer Working Group – officers from across all CPCA service areas. (4 sessions covering the Single Assurance Framework, Performance Management Framework and Risk Management Framework, May – Aug 2023). • Partner Working Group – nominated officers from all CPCA constituent councils. (4 sessions covering the Single Assurance Framework, Performance Management Framework and Risk Management Framework, May – Aug 2023).

4. Appendices

4.1	Appendix A - Risk Management Framework
4.2	Appendix B - Risk Management Procedure

5. Implications

Financial Implications

5.1	There are no direct financial implications from approving the proposed Risk Management Framework, however good practice in Risk Management (which the proposed framework, developed in conjunction with RSM, represents) enables the Authority to improve its value for money and demonstrate Best Value by actively monitoring and managing its risks and opportunities.
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Legal Implications

5.2	This Report seeks to demonstrate that the work being done will ensure that the CPCA maintains a Corporate Risk Register which reflects the key risks that may impact on its ability to deliver its corporate plan objectives and to monitor and appraise CPCA's arrangements for the evaluation and management of risk.
5.3	Monitoring and evaluation is an essential part of the Combined Authority's governance. This report sets out the approach to be taken to evaluate the outcomes of our interventions. The Accounts and Audit (England) Regulations 2015 state that "A relevant authority (the CPCA) 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

Public Health Implications

5.4	None specifically
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Environmental & Climate Change Implications

5.5	None specifically
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Other Significant Implications

5.6	None specifically
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Background Papers

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