



Swansea Bay City Region Joint Committee – 12 November 2020

Swansea Bay City Deal Risk Management Strategy

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| Purpose: | To set an agreed Risk Management Strategy and Risk Register for the SBCD Portfolio |
| Policy Framework: | Swansea Bay City Deal (SBCD) Joint Committee Agreement (JCA) |
| Recommendation(s): | It is recommended that Joint Committee: |
| 1) | Approves the Risk Management Strategy and agreed approach to be overseen by Programme Board (Appendix A) |
| 2) | Notes the updated Portfolio Risk Register and Covid-19 Impact Assessment (Appendices B & C) |
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| Legal Officer: | Tracey Meredith (SBCD Monitoring Officer) |

1. Introduction

- 1.1 Risk management is vital to the good governance and operations of the SBCD, which is why the SBCD portfolio is seeking to promote an environment that is risk aware by striving to place risk management information at the heart of key decisions. This will enable the SBCD's Portfolio Management Office, primary stakeholders, governance structures and third parties to take an effective approach to managing risk in a way that address significant challenges, while delivering positive outcomes.

2. Background

- 2.1 Aligned to HM Treasury Green Book supplementary guidance (the Orange Book), the SBCD Risk Management Strategy has been developed to provide a systematic and effective method by which risks can be consistently managed throughout the SBCD portfolio. The SBCD Risk Management Strategy:
- Informs stakeholders how risks will be identified, assessed, addressed, reviewed and reported



- Provides a common strategy and understanding of portfolio management that will enhance the capability, willingness and understanding of appropriate governance and assurance
- Details the key roles and responsibilities of groups and individuals associated with the SBCD with respect to portfolio management, while identifying a clear decision-making process
- Provides clear expression of risk appetite and tolerance and preferred methodologies for risk assessment
- Provides clear instruction on how risks will be scored to ensure consistency and common language across the SBCD portfolio
- Provides standard definitions and language to underpin the risk management process
- Implements an approach that follows best practice

2.2 Including a risk management policy statement, the SBCD Risk Management Strategy available in Appendix A outlines benefits of robust risk management, along with information on the categorisation and classification of risks. The approach to risk management is illustrated by a risk management model.

2.3 The Risk Management Strategy will be led from the top of the SBCD and embedded in its standard practices and processes. All stakeholders will be made aware of the importance of risk management and how it supports the achievement of the SBCD objectives. Training and support - where needed - will be made available via the SBCD Portfolio Management Office.

2.4 The Portfolio Risk Register in Appendix B is an important tool that forms an integral part of the SBCD Portfolio Risk Strategy and helps the PoMO document risks, track risks and address them through preventative controls and corrective measures. This will be standardised and used throughout the SBCD portfolio.

2.5 Available in Appendix C is the Covid-19 Impact Assessment. The SBCD PoMO coordinated all programmes / projects to populate a Covid-19 Impact Assessment template, which is reported through governance structures to actively manage the identified Covid-19 risks. This is a live document that is regularly reviewed by the PoMO.

3. Financial Implications

3.1 Financial implications in respect of this strategy are captured and reported through the portfolio risk register. This report outlines the process of identifying and reporting portfolio risks which is inclusive of financial risks, applied and detailed as an independent component of the overall Portfolio Risk Management Strategy and risk register.

3.2 The financial risks are contained within the risk register - of which there are two high-level risks that are being actively managed within the portfolio and monitored on an ongoing basis.

3.3 The risk register also contains four medium and two low-level risks with management actions.

4. Legal Implications

4.1 There are no legal implications associated with this report.

5. Alignment to the Well-being of Future Generations (Wales) Act 2015

5.1 The SBCD Portfolio and its constituent projects are closely aligned to the Well-being of Future Generations (Wales) Act 2015 and the seven well-being goals for Wales. These alignments are outlined in a Portfolio Business Case for the SBCD, as well as in individual project business cases.

Background Papers: None.

Appendices:

Appendix A: SBCD Risk Management Strategy

Appendix B: SBCD Portfolio Risk Register

Appendix C: Covid-19 Impact Assessment