



Committee and Date

West Mercia Energy Joint
Committee

2nd March 2021

Item

12

Public

RISK MANAGEMENT UPDATE

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1. Summary

- 1.1 The Joint Committee annually reviews the WME Risk Management Strategy and at each meeting receive details regarding the key risks identified.

2. Recommendations

The Joint Committee are recommended to:

- 2.1 approve the WME Risk Management Strategy attached at Appendix A;
2.2 accept the position as set out in this report.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 The recommendations contained in this report are compatible with the provisions of the Human Rights Act 1998.
3.2 There are no direct environmental, equalities or climate change consequences arising from this report.
3.3 Given the subject matter of this report, the assessment of risk forms a fundamental part of the risk strategy.

4. Financial Implications

- 4.1 The financial implications of each risk are considered when the impact of the risk is assessed.

5. Background

- 5.1 The current WME Risk Management Strategy was approved by the Joint Committee on 25 February 2020 a copy of which is attached in Appendix A. The WME management team have conducted their annual review of the Strategy document and this year no changes are being proposed.
- 5.2 The risk register is kept under constant review and is formally reviewed by the management of WME twice a year. The current risk register comprises of seventy six highlighted risks.
- 5.3 The majority of the risks within the risk register are operational with controls in place which mitigate the impact of the risks to an acceptable risk level.
- 5.4 The table below identifies the five current medium risks and the one medium risk from the last meeting that now has a lower rank. No high risks have been identified.

Ref	Risk	Risk Owner	L	I	Status	Rank	Rank Change
Current Medium Risks							
1	Breach of product tolerance levels	Gareth Maude	4	3	12	Medium	Decrease
2	Breach of trading risk levels	Gareth Maude	1	5	5	Medium	No change
3	Central government policy or Regulative initiative	Nigel Evans	1	5	5	Medium	No change
4	Loss of key staff	Nigel Evans	2	4	8	Medium	No change
5	Loss of external customer contracts	Nigel Evans	3	4	12	Medium	Increase
Previous Medium Risk							
1	Impact of Covid-19 (lower volumes)	Nigel Evans	3	3	9	Low	Decrease

L – likelihood of the risk
I – impact of the risk

- 5.5 The risk relating to the loss of external contracts has been increased due to a rise in the likelihood rating. This is due to the relative high number of key contracts up for renewal compared to previous years.
- 5.6 The risk relating to the breach of product tolerance levels has been reduced from high to medium as the impact has been reassessed from a rating of four down to three.

<p>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</p> <p>Joint Committee 25th February 2020 – Risk Management Update</p>
<p>Member Councillor A Hardman of Worcestershire County Council (chair of the Joint Committee)</p>
<p>Appendices Appendix A - WME Risk Management Strategy</p>