

## MARCHES LEP BOARD MEETING PAPER

<b>Meeting date:</b>	26 <sup>th</sup> November 2019					
<b>Agenda Item:</b>	Item 11					
<b>Item Subject:</b>	Performance, Rick & Monitoring Committee - LEP Risk Registers					
<b>For:</b>	<b>Discussion</b>	<b>X</b>	<b>Decision</b>		<b>Information</b>	<b>X</b>
<b>Purpose:</b>	<p>To update the Board on the changes made to both the LEP Strategic and Programme Risk Registers following the Board meeting on the 24<sup>th</sup> September 2019 and the Emergency Board meeting on the 7<sup>th</sup> November 2019. To inform the Board on the work being undertaken by the LEP secretariat in reviewing and refreshing the risk registers.</p>					
<b>Recommendations:</b>	<p>That Board Members note:</p> <ol style="list-style-type: none"> <li>1. The content of the Strategic Risk Register (in Appendix 1) and the full LEP Programme Risk Register (in Appendix 2).</li> <li>2. Following discussion at both Board and PRMC, the LEP secretariat have reviewed the format of the risk registers based on feedback from both Board and PRMC and will take forward proposals for a revised format to PRMC in December for consideration.</li> </ol>					
<b>Background:</b>	<p>The LEP Risk Registers (RR) were developed in their current format in 2015, to identify, assess and control uncertainty and improve the delivery of activity, helping to maximise outcomes for the Partnership. They are arranged into five sections:</p> <ul style="list-style-type: none"> <li>• Governance.</li> <li>• Resources.</li> <li>• Programme Management.</li> <li>• Stakeholder, Reputational, Communications &amp; Marketing.</li> <li>• Financial &amp; Legal.</li> </ul> <p>Each risk is described, the potential impact noted, and the likelihood and impacts are assessed, resulting in a risk rating. The risk response (mitigating action(s) taken) is noted, with an assessment of the likelihood and impact of the risk response resulting in a target risk rating. The owner of the risk and review date are also included, with the final column illustrating whether the risk is either new/increasing/decreasing/unchanged since the last review.</p> <p>The Performance Risk and Monitoring Committee (PRMC) considers the LEP Risk Registers in detail at every meeting, highlighting new risks, changes and updates. The PRMC identifies those risks on the Registers that are of a strategic nature, highlighting these to the LEP Board. The LEP Board considers the Strategic Risks, set out in Appendix 1 of this report at each meeting. The full LEP Programme Risk Register is also provided for comment at each meeting.</p> <p>The Risk Registers were last reviewed by the LEP Board on the 24<sup>th</sup> September 2019. The registers have since been amended with new or refreshed text highlighted in red font.</p> <p>The LEP secretariat are currently undertaking a refresh on the risk registers and will propose a number of different approaches for PRMC to consider on the 17<sup>th</sup> December 2019.</p>					

**1. Main updates to risk registers since last considered by the Board**

**a) 3.4 Delivery of Projects**

Quarter 2 19/20 has been quiet in terms of expenditure with a cumulative figure of £243,825 being defrayed, this is lower than anticipated. A decision was taken at the 7<sup>th</sup> November 2018 Emergency LEP Board meeting to approve the merger of the Oxon Link Road and the Shrewsbury North West Relief Road, along with NMiTE Phase 2 (both subject to conditions). Discussions relating to next steps around the South Wye Transport Package will be held at the 26<sup>th</sup> November 2019 LEP Board meeting. To help mitigate risk around underspend within the Growth Deal Programme a Project Call has been launched (8<sup>th</sup> November 2019 – 6<sup>th</sup> December 2019) for expressions of interest following Board approval on the 7<sup>th</sup> November 2019.

**b) 3.5 and 3.14 South Wye**

A paper was presented to LEP Board on the 7<sup>th</sup> November 2019 outlining a 2 phased approach. This proposal was not approved with next steps due to be discussed at the next Board meeting on the 26<sup>th</sup> November 2019 (see agenda item 8). This project presents a risk of a potential £27 million underspend in the Growth Deal Programme to be reallocated. To mitigate this risk an open call for projects was approved at the 7<sup>th</sup> November 2019 meeting.

**c) 3.8 and 3.13 NMiTE**

Following the submission of an updated business case and a project proposal the LEP Board confirmed funding for Phase 2 of the NMiTE project (£5.6m) from their total allocation of £8m. The majority of the match is profiled for later on in the project to fund the third building. This does present a risk in terms of LEP funds being spent ahead of match. There are also additional risks associated with this project which have been previously outlined to the Board. These include a number of financial risks around the underwriting of the project and a potential conflict of interest relating to the purchasing of land. To mitigate these risks external legal advice is being sought as part of the funding agreement process. Risks have also been identified in terms of timescales and the defrayal of funding by the 31<sup>st</sup> March 2021.

**2. Considerations for the Board**

- To consider the updated risks, highlighted red on the attached registers, as a number of these have implications for the LEP Board and how it manages the Growth Deal Programme moving forward.
- There was discussion at the last PRMC meeting (24<sup>th</sup> September 2019) on the possibility of combining both the strategic and programme register into one document as some of the risks are now being replicated across both. A number of approaches/suggested formats will be put forward to PRMC at the 17<sup>th</sup> December 2019 meeting for consideration.

**Financial implications:**

- There are no specific financial implications arising from this report.

**Risks, Opportunities and Impacts:**

**Risk:**

- There may be gaps in the Risk Register. All key strategic risks may have not been identified. The register is reviewed and updated at each PRMC.

**Opportunity:**

- Regular review of the strategic risks by the LEP Director and the Board should lead to better project/programme delivery and management and improved outcomes for the LEP.

**Consultation:**

The LEP's PRMC consider the Risk Register at each of their meetings. The Board receives the register, highlighting strategic risks, at each meeting for comment.

**Appendices:**

Appendix 1 - LEP Strategic Risk Register

Appendix 2 - LEP Programme Risk Register

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