

	A	B	C	D	I	N	O	P	Y	Z	AA	AB	AC	AD	AE	
1																
2		MARCHES LEP WORK STRATEGIC RISK REGISTER - Agenda Item 7 Appendix 1 Last updated: 17th September 2019			Prevailing Risk Ratings			Target Risk Rating								
3	Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	LIKELIHOOD Rating	IMPACT Rating	RISK Rating	Risk Responses	Target LIKELIHOOD rating	Target IMPACT Rating	Target RISK Rating	Risk Owner	Review Date	Live/ Closed	Date Closed	Change	
4	Governance															
5	1.2	Governance structure is not clearly set out for board members and officers to follow.	Decisions are not made, causing delays due to lack of clarity & inability to act in a timely manner.	Low	High	3	The Accountability & Assurance Framework was signed off by LEP Board and s151 Finance Officer and published 31 March 2015. Framework signed off by the MJEC on 11th April 2016. Framework was reviewed and updated in light of new National guidance, agreed by the Board January 2017 and MEJC February 2017. The LEP Team has implemented the suggested changes as outlined within the Government's 'Governance & Transparency Best Practice Guidance Paper' (January 2018) for the stated deadline of 28th February 2018. The Team is responding to the Ministerial Review of LEPs as set out within the Strengthened Local Enterprise Partnerships' paper (July 2018). In January 2019 the 'National Local Growth Assurance Framework' was published. This document builds on the findings of the Mary Ney Review in ensuring LEPs adopt a clear and robust approach towards corporate governance. The LEP are currently updating their Local Assurance Framework to reflect the guidance document, with a final draft being published for 31st March 2019. Due to the added complexities involved in setting the LEP up as company and the associated paperwork the LEP and its impact on our governance structures the LEP Director put forward a partial exemption for the relevant sections of the AAF. Incorporating a non-compliance/clawback policy into the Accountability & Assurance Framework.	Low	Medium	2	LEP Director/ LEP Board	6th September 2019	Live		↔	
6	1.9	Breach of Data Protection legislation within LEP/Growth Hub.	Information Commissioners Office prosecution for Data Protection breach. Negative press coverage.	Low	High	3	Taken appropriate technical and organisational measures against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data. The full LEP Team received training on the Data Protection Act and the new General Data Protection Regulations (GDPR) on 5th April 2017, the team is currently working with Shropshire Council around ensuring compliance with the regulations, this relationship will be reflected within the Memorandum of Understanding document.	Low	Medium	2	LEP Director	6th September 2019	Live		↔	
7	1.10	LEP/Growth Hub/customer relationship management system (CRM)/website IT security compromised, including the risk of cyber crime impacting on the LEP files stored on the cloud.	Loss of data, work files and business continuity. Confidential information on projects and/or clients compromised. Negative press coverage. Challenge to procurement decisions.	Medium	High	6	Upgrade LEP IT security. Ensure cloud-based suites, website hosting and CRM are properly utilised, secure and backed up (via Microsoft Office 365 licence). Register logos with Intellectual Property Office. The LEP Team will look at 'cyber essentials'.	Low	Medium	2	LEP Director	6th September 2019	Live		↔	
8	1.11	There are opportunities for conflicts of interest to arise for Board members due to their wide range of roles in the Marches area.	This leaves the LEP open to criticism and challenge	Medium	High	6	Board members received training on governance and declarations of interest on 20th March 2017. Following the Government's publication of the 'Governance & Transparency Best Practice Guidance' (Jan 2018) paper, all recommendations were approved by MEJC (21/02/18) including adopting the new National Confidential Reporting Procedure, Whistleblowing Policy and Register of Interest templates. The Government agreed that the LEP continue to use their existing Code of Conduct (covering staff as well as Board members). The LEP Team uploaded of all documents (including Board Members' Registers of Interests) by the Government's deadline of 28 th February 2018. New Board members' registers of interest have been updated to the LEP website.	Low	Medium	2	LEP Director	6th September 2019	Live		↔	

	A	B	C	D	I	N	O	P	Y	Z	AA	AB	AC	AD	AE	
2		MARCHES LEP WORK STRATEGIC RISK REGISTER - Agenda Item 7 Appendix 1 Last updated: 17th September 2019			Prevailing Risk Ratings			Target Risk Rating								
3	Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	LIKELIHOOD Rating	IMPACT Rating	RISK Rating	Risk Responses	Target LIKELIHOOD rating	Target IMPACT Rating	Target RISK Rating	Risk Owner	Review Date	Live/ Closed	Date Closed	Change	
9	Resources															
10	2.3	Reduced capacity due to LEP Team absence, members of the team leaving or lack of funding.	Delays due to lost knowledge & lack of capacity to monitor projects.	Medium	High	6	Regular meetings with LEP, PRMC and HR to ensure contingency plans are in place. All existing team members are contracted to March 2019 or June 2019. The LEP Admin Officer left the team in May, with a temporary member of staff covering this role as an interim measure. Following an interview process Ennis Vingoe has been appointed (started 15/10/18). The post of a Marketing and Data Officer is currently being filled by a temporary member of staff; following an interview process the LEP were unable to appoint and are currently reviewing the role and the duties it fulfils. In relation to the Office Administrator vacancy the LEP team has recently offered the role to a temporary member of staff (FT hours). Interviews for the role are scheduled for March 2019. The LEP interviewed 2 members of Staff in relation to the Project Officer vacancies (08/02/19), The role has been offered to a candidate who has accepted, we are currently working with HR in establishing a start date. The LEP has recently procured a consultant to help provide much need capacity in the team during this period. LEP Project Officer has now started in post. To help further alleviate capacity issues a new support post is being created to help with the administration of the LGF Programme. The LEP will be going out to recruit this post (Project Support Assistant) Imminently.	Low	Medium	3	LEP Director, Chairman & PRMC	6th September 2019	Live		↑	
11	2.4	Government requirement for LEPs to become financially resilient.	LEP team members lost from programme if funding not secured.	Medium	High	6	Part funding secured from the Enterprise Zone to partially fund required capacity. Further work to be undertaken to secure long term funding.	Medium	High	6	LEP Director	6th September 2019	Live		↔	
12	2.11	LEP does not receive its full allocation of Growth Deal 3 funds for all five projects from the Government.	Key projects are not fully funded, could result in other funds needing to be found, projects being scaled back, or projects not going ahead.	High	High	9	LEP team continues to work with BEIS local officers and with project promoters to reduce the risk to projects.	Medium	Medium	4	LEP Board/Director	6th September 2019	Live		↔	
13	Programme Management															
14	3.4	Delivery partners fail to deliver projects on time & to budget leading to underspend against government annual Growth Deal profile.	Slippage in projects & programme, milestones not achieved, leading to withdrawal of funding.	Medium	High	6	Monthly reporting and claims by most projects (quarterly for broadband projects). Bi-monthly reporting to PRMC by the LEP Team & risk registers. Effective reporting mechanisms in place between PRMC, LEP Board & government. Programme management approach to funds seeks to minimise loss of Growth Deal funds. The LEP Team has identified a potential risk of underspend within the 2019/20 Financial Year, currently the team are talking to all project leads/sponsors about bringing forward funds to mitigate that risk. The 2018/19 financial year was challenging in ensuring our Growth Deal allocation was spent. The delays in contracting with our Growth Deal 3 projects and the lack of Growth Deal 1 & 2 projects to absorb any potential underspend left the LEP exposed to a potential underspend position. Solutions are currently being explored with all projects. The Q1 19/20 return to Government was made on the 23rd August. Q1 was typically quiet in terms of both expenditure defrayed (£87,501) and outputs. The expenditure was lower than usual, however the LEP team have been conducting regular monitoring visits with projects to gain an understanding behind the lower than anticipated spend profile and to gain assurances from the projects that their spend allocations for 2019/20 will be met. There are a number of outstanding claims and potential expenditure slippage associated with some of the GD1&2 projects. The LEP are working with the relevant section 151 Officer on obtaining updates relating to these projects.	High	Medium	6	PRMC/ LEP Board	6th September 2019	Live		↔	

	A	B	C	D	I	N	O	P	Y	Z	AA	AB	AC	AD	AE	
2	MARCHES LEP WORK STRATEGIC RISK REGISTER - Agenda Item 7 Appendix 1 Last updated: 17th September 2019			Prevailing Risk Ratings			Target Risk Rating									
3	Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	LIKELIHOOD Rating	IMPACT Rating	RISK Rating	Risk Responses	Target LIKELIHOOD rating	Target IMPACT Rating	Target RISK Rating	Risk Owner	Review Date	Live/ Closed	Date Closed	Change	
15	3.5	The South Wye Package is our biggest project and represents approximately 1/4 of the LEP's overall Growth Deal.	If the project doesn't proceed or complete, a significant proportion of the Growth Deal funds will need to be re-allocated.	Medium	High	6	Department for Transport is providing due diligence on this important project. Detailed planning on the package has been undertaken. Planning application was approved on 6th June 2016. The LEP is developing a pipeline of projects which could utilise any underspend. The Full Business Case should be fully submitted to DfT in December 2018 with sign off anticipated within 6 weeks; construction should then begin in Spring 2019. At Herefordshire Council's Full Council meeting (12.07.19) it was announced that a decision would be taken in relation to major transport infrastructure projects, including the Hereford bypass (as part of Hereford Transport Package) and Southern Link Road (as part of South Wye Transport Package). A forthcoming decision notice has been published on the Herefordshire Council's website confirming the intention for a decision to be made in relation to these projects and the options as to whether to continue with progression of the schemes, pause and review the schemes or cancel them. The decision is scheduled to be taken over the coming weeks. To date Herefordshire Council has received £2.146 million from DfT against a total grant allocation of £27 million towards the South Wye Package. Should the project be cancelled the LEP Board would need to consider options relating to the balance of the DfT funds (£24,854,000) should this be made available for reinvestment within the Marches region and the associated timescales in spending the grant by 31.03.2021. Clarity would need to be sought around the £2.146 million of grant received and any 'clawback' implications. An update on South Wye is included within the September PRMC agenda. Any funds not utilised will be offered to existing GD3 projects in the first instance followed by an open call for projects with the defrayal of funds by March 2021 being a key criteria. The withdrawal of funding should the project not proceed is a major risk. Obtaining the funding from DfT should the project not go ahead is a risk to the programme.	Medium	High	6	LEP Board	6th September 2019	Live			↑
16	3.8	The NMiTE project represents a large proportion of the Growth Deal 3 allocation (36%). Match funding has not yet been fully secured, without the match it may not be possible to continue to fund the project with Growth Deal funding. The spend profile for the project does not reflect the profile given to the LEP by the Government.	If the match funding is not confirmed, there will be no match funding for Growth Deal funds which is a requirement by DCLG. If the project goes ahead, the Growth Deal funds coming to the LEP from the Government will be insufficient to cover its planned spend profile in 2018/19 & 2019/20.	Medium	High	6	The LEP Director met with BEIS, DfE and NMiTE on 12th July 2017, all parties are aware of the risks. Herefordshire Council's Cabinet agreed (on 14th Dec 2017) proposals to act as accountable body for both the DfE and Growth Deal funds. A revised draft Funding Agreement has been circulated to all parties (15/10/18), this includes clauses to help manage the risk around match funding - ensuring LEP funding is not spend without the use/inclusion of Match Funding. At the October 2018 PRMC meeting a decision was taken to present a paper at the November 2018 LEP Board to outline the risks associated with the NMiTE project and potential solutions in relation to the development of the Funding Agreement. A fundamental risk is around securing the £10.9m of Private Sector Match. The LEP, Herefordshire Council and NMiTE have been working on the actions following the November Board meeting. To help contain the risk around Private Match Funding the following has been recommended: The phasing of the Funding Agreement into 2 parts: Phase 1 Black Friars site (Phase 1) - £1.9m (2018/19) and £440,000 (2019/20). Phase 2 £5.7m With NMiTE required to achieve a Capital Private Match Figure of £3,133,750 by the 31st March 2020 - based on a pro-rata figure of the overall LEP Grant v Match. This will manage the risk, ensuring LEP Grant isn't spent prior to bringing in any Private Sector Match. The NMiTE Grant Funding Agreement (Phase 1) has now been signed as of the 19th August 2019 with a proposal for Phase 2 to be presented at the September 2019 LEP Board. There is a risk that NMiTE may not fully spend due to delays in contracting. PRMC were also made aware of an audit undertaken by Herefordshire Council in relation to NMiTE. The LEP have been sent a link to the NMiTE Assurance review which went to the Council's audit and governance committee in July. The LEP have requested a copy of the full audit report.	Medium	Medium	6	LEP Board, LEP Director, NMiTE	6th September 2019	Live			↑
17	3.9	The funding profile provided by the Government does not match the funding required by the Growth Deal 1, 2 & 3 projects as submitted by the LEP to government - if the projects spend to their profiles there will be insufficient funding from Government in 2017/18 through to 2019/20.	There is a risk to the projects that if they spend to their profiles during 2017/18-2019/20, they may not receive the full amount of their claims until 2020/21 when sufficient funding comes from the Government. If the LEP does not spend its full allocation of funds in year, there is a risk that funding could be lost from the programme.	High	High	9	The LEP Board meeting on 21 st Nov 2017 approved the use of MIF to bankroll the shortfall in 2018/19 and to request S151 Officers and Finance lead at the University of Wolverhampton all attend PRMC on 21 st Dec 2017 to seek a resolution to the shortfall in 2019/20. Following dialogue with all GD3 project leads a proposal for covering their own spend in 2019/20 has now been agreed. Funding agreements are being drafted to reflect this position.	Medium	Medium	4	LEP Board, LEP Director, project managers	6th September 2019	Live			↔

A	B	C	D	I	N	O	P	Y	Z	AA	AB	AC	AD	AE	
2	MARCHES LEP WORK STRATEGIC RISK REGISTER - Agenda Item 7 Appendix 1 Last updated: 17th September 2019		Prevailing Risk Ratings			Target Risk Rating									
3	Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	LIKELIHOOD Rating	IMPACT Rating	RISK Rating	Risk Responses	Target LIKELIHOOD rating	Target IMPACT Rating	Target RISK Rating	Risk Owner	Review Date	Live/ Closed	Date Closed	Change
18	3.12	Growth Deal projects are not able to deliver against their contracted outputs.	Underperformance relating to the achievement of outputs would result in the LEP underperforming against its Growth Deal programme. This would have an impact on our reputational at a national level, whilst also negatively impacting on our ability to attract future grant allocations to the region.	High	High	9	Throughout the 2018/19 financial year monitoring visits/meetings have been conducted with Growth Deal Projects in relation to the achievement of Outputs and also the 're-profiling' of contracts to reflect current delivery. To date Outputs relating to Skills and Broadband have been included, however Homes, Jobs and Employment land are still outstanding from Growth Deal 1 projects. A deadline of the 31st March 2019 has been set for all Output information to be submitted to the LEP along with 're-profiled' output figures to be included within a 'Deed of Variation'. Reprofile work has now been undertaken and LEP officers are currently working with projects on obtaining outputs and arranging monitoring visits. The reprofiling exercise has now been completed, the LEP team are currently working with Legal Services at Shropshire Council in varying Growth Deal 1 Grant Funding Agreements - reflecting the LEP Board Paper (approved 21.05.19). These amended contracts will be sent to projects for signature mid September 2019.	Medium	Medium	4	LEP Board, LEP Director, project managers	6th September 2019	Live		↔
19	3.13	Should NMiTE cease or encounter any delivery issues the ringfenced £5.7m of LEP Funding for the 2020/21 financial year will not be spent and defrayed by the 31st March 2021	Valuable Economic Growth Funds would be lost to region.	Medium	High	6	The LEP have a project pipeline and available projects which would be able to utilise the funding should NMiTE encounter any issues. This would ensure valuable funds for the purpose of economic growth are not lost to the Marches region. In the first instance the remaining Growth Deal 3 projects would be allocated funds, ensuring they receive the amount of grant originally requested within their Growth Deal 3 submissions. The LEP team are currently working with NMiTE to understand Phase 2 of the project and how they intend to utilise the £5.7M funds allocated. The LEP are waiting on further information to be supplied from NMiTE. In the event that NMiTE should cease or encounter any problems with delivery the LEP would offer the funding to either existing GD3 projects, and/or run an open call for projects to apply for any funds not utilised, with the need to have defrayed the funds by March 2021 being a key criteria. A proposal for Phase 2 will be presented at the September 2019 LEP Board. There is a risk to Phase 2. to consider in terms of short timescales and the business case being sufficient.	Medium	Medium	6	LEP Board, LEP Director, project managers	6th September 2019	Live		↑
20	3.14	The Repayable £1.6m Growth Deal Grant claimed against the South Wye Project (in 2016/17) is not repaid back to the LEP.	The Growth Deal Programme would be overcommitted by £1.6m. This would impact on existing Growth Deal projects and their future allocations	Medium	High	6	During the 2016/17 Financial Year Herefordshire Council claimed £1,697,609 of Growth Deal Funds against the South Wye Package. The signed Drawdown Notices for the funding outlined that these funds would be repaid to the Growth Deal programme, either from additional DfT funds made available for South Wye Package or from Herefordshire Council. At the 17 May 2019 Performance Monitoring and Risk Committee meeting members were informed that Herefordshire Council had received Legal Advice stating that the £1,697,609 was non-repayable, questioning the agreement to pay back the grant. It was agreed that Herefordshire Council would share the Legal Advice received enabling the LEP and Shropshire Council to review. This legal advice has not been received. Shropshire Council are now looking into the legality of the drawdown notices. The Section 151 Officer for Shropshire Councils is seeking clarity from legal before a letter and invoice is sent to Herefordshire Council.	Medium	Medium	6	LEP Board, LEP Director, project managers	6th September 2019	Live		↔
21	Stakeholder, Reputational, Communications & Marketing														
22	4.1	The LEP fails to share information with internal & external stakeholders.	Stakeholders not informed of LEP investment and work which is in line with government requirements. Stakeholders are critical of projects & programme due to lack of up to date information being communicated on project progress/successes.	Low	Medium	2	Agreed communications approach is set out in Assurance Framework which is on the LEP website. Strategy includes annual conference, annual report, regular LEP and Marches EU newsletters, press releases. LEP Board Members and Director regularly brief stakeholder groups and 3 area Business Boards are used as communication tools.	Low	Medium	2	LEP Director	6th September 2019	Live		↔
23	4.2	The LEP's partner organisations fail to share information with internal & external stakeholders.	Stakeholders not informed of LEP investment and work which is in line with government requirements. Stakeholders are critical of projects & programme due to lack of up to date information being communicated on project progress/successes.	Low	Medium	2	Agreed communications approach is set out in Assurance Framework which is on the LEP website. Strategy includes annual conference, annual report, regular LEP and Marches EU newsletters, press releases. LEP Board Members and Director regularly brief stakeholder groups and 3 area Business Boards are used as communication tools.	Low	Medium	2	S151 Officers &/or senior project sponsor	6th September 2019	Live		↔
24	Financial & Legal														
25															
29	Key														
30	↑	The risk has increased since last review date	Red text denotes text which has changed or been added since the Risk Register was last reviewed.												
31	↓	The risk has decreased since last review date													
32	↔	No change in the risk													
33	*	New risk													