

MARCHES LEP WORK PROGRAMME RISK REGISTER - APPENDIX 2

Last updated: 12th December 2019

Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	Prevailing Risk Ratings			Risk Responses	Target Risk Rating			Risk Owner	Review Date	Live/ Closed	Date Closed	Change
			LIKELIHOOD Rating	IMPACT Rating	RISK Rating		Target LIKELIHOOD rating	Target IMPACT Rating	Target RISK Rating					
Governance														
1.1	Changes to government policy regarding LEPs.	Lack of, or reduced funding available. Altered LEP role/responsibilities.	Medium	High	6	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. HM Government has published the 'Strengthened Local Enterprise Partnerships' paper (July 2018) which sets out the requirements for LEPs to reform, ensuring they continue to drive growth and remain credible organisations. The government is requesting that all LEPs have a legal personality, review their geographic boundaries as well as establish a more representative board - improving the gender balance as well as representation of those with protected characteristics. The proposals on Geography were submitted on the 28th September 18, whilst the implementation plan was submitted to government on the 31st October 2018. The LEP Board has been informed of the changes required, at the January 2019 Board Sharpe Pritchard attended, outlining the next steps in relation to setting up the LEP as a company limited by guarantee. The LEP is now a company limited by guarantee. The SLA between the LEP and Shropshire Council as the Accountable Body is now being developed with legal advice being sought.	Medium	Medium	4	LEP Director/ BIS Local	12th December 2019	Live		↔
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	12th December 2019	Live		↔
1.3	Governance structure is not being followed & there are insufficient reporting mechanisms in place.	Government confidence is low, leading to risk to further investment by government.	Low	High	3	S151 Officer and Monitoring Officer assigned to oversee governance aspects and present arising issues to Performance Risk and Monitoring Committee (PRMC)/LEP Board as required.	Low	Low	1	S151 Officer/Monitoring Officer	12th December 2019	Live		↔
1.4	Decisions cannot be made in a timely manner due to frequency and workload of LEP Board.	Delays to the programme.	Low	High	3	Board to meet on a bi-monthly basis. Programme to be managed by exception through a structure of delegations signed off at July 2015 LEP Board, was signed off by Marches Enterprise Joint Committee (MEJC) October 2016.	Low	Medium	2	PRMC/LEP Board	12th December 2019	Live		↔
1.5	PRMC is not established in a timely manner.	Projects nor regularly monitored. Lack of transparency on project performance. Government confidence low.				Draft Terms of Reference presented to LEP Board for sign off 18/05/15. Committee members identified. First PRMC meeting 12 Aug 2015. Schedule of forward meetings agreed. The ToR for PRMC is tabled on the agenda for the meeting on the 13th Friday.				LEP Director/ LEP Board	12/08/2015	Closed	12/08/15	

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1.7	Government monitoring documents for their management of Growth Deal not available to LEP & project managers in time for programme commencing.	Local confusion and inability to finalise contracts and monitoring arrangements.				Developed interim LEP in-house monitoring documents including bi-monthly project status report template & programme risk register. Format agreed with project managers, LEP Board and DCLG.				BIS/DCLG	20/04/2016	Closed	30/03/16	
1.8	Single monitoring system to oversee programme and project monitoring is not in place.	Government lacks confidence in LEP's ability to monitor programme. LEP, PRMC & LEP Board unable to track progress/manage programme.	Medium	Medium	4	A new and comprehensive programme management system and process has been established and is being implemented by the LEP team. The new system will allow more effective management of the overall programme and information will be easier to access. Reporting to the Government will also be made easier.	Low	Low	1	LEP Director	12th December 2019	Live		↔
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	12th December 2019	Live		↔

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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	12th December 2019	Live		↔
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 uploaded to the LEP website.	Low	Medium	2	LEP Director	12th December 2019	Live		↔
1.12	Potential conflicts of interest relating to LEP members of staff	This leaves the LEP open to criticism and challenge	Low	High	3	All members of the team who write Board papers have been asked to complete and sign a register of interest. Registers have been reviewed and signed off by the LEP Director and are now kept in a secure place.	Low	Low	1	LEP Director	12th December 2019	Live		↔
1.13	The ESIF Secretariat ensures members declare all interests prior to its Committee Meetings	This leaves the LEP open to criticism and challenge	Low	High	3	Gill Hamer has spoke to the Managing Authority/ EISF secretariat clarifying that a standard approach is adopted to ensure all interests are declared.	Low	Low	1	LEP Director	12th December 2019	Live		↔

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Resources														
2.1	Knowledge lost from the LEP Board and PRMC due to rotation of members.	Delays to decision making while training new members/re-training members.	Medium	Medium	4	LEP Board private sector membership increased to 15, 3 members on PRMC. New Board members will receive induction/training and support.	Low	Medium	2	LEP Chairman	12th December 2019	Re-opened		↔
2.2	Lack of capacity in Finance Team.	Financial reports not prepared in a timely manner leading to inability to monitor spend & delays to programme.	Low	High	3	S151 Officer has identified dedicated resource for 3 days per week, funded by LEP. Support commenced April 2016. The LEP's Accountancy Assistant has left (24/04/19), discussions are currently being held around filling the vacancy, an option being explored is around making this a Full Time role. The LEP Accountancy Assistant role has now been filled.	Low	High	4	LEP Director/S151 Officer	12th December 2019	Live		↔
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 recruited a temporary member of staff (FT hours). Interviews for the role are scheduled for April 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, a start date of the 15th April 2019 has been agreed. The LEP has recently procured a consultant to help provide much need capacity in the team during this period. The LEP Project Officer has now started in post. To help further alleviate capacity issues a new support post will be created to help with the administration of the LGF Programme. The LEP will be going out to recruit this post (Project Support Assistant) Imminently. This post is now live on the Shropshire Council recruitment portal with a closing date of the 24th November 2019. LEP Project Officer has now been recruited with a potential start date of the 13th January 2020 Addendum - now 22nd January 2020.	Medium	Medium	4	LEP Director, Chairman & PRMC	12th December 2019	Live		↔
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	12th December 2019	Live		↔
2.5	Appropriate project resources are not allocated by all project delivery organisations.	Delay in completing tasks leading to delays to the programme.	Medium	High	6	The LEP Team work closely with project managers and monitor project progress regularly including through quarterly monitoring meetings.	Low	Medium	2	LEP Director	12th December 2019	Live		↔
2.6	Project costs escalate since outlined in the Strategic Economic Plan (March 2014) for Growth Deals 1 and 2; and since Growth Deal 3 project proposals.	Local match funding no longer available & projects cannot be delivered.	Medium	High	6	Project Managers provide detail to LEP prior to contracting, via monthly project claim forms and quarterly monitoring meetings.	Low	Medium	2	LEP Director/ITE	12th December 2019	Live		↔
2.7	Local authority and other partners lack funds to bring forward new priority projects.	New priority projects stall. LEP has no viable project pipeline.	Medium	High	6	LA and other partners to work with LEP to ensure match funding is available. LEP capacity funding is being used to encourage project development.	Medium	Medium	4	LA Partners/ LEP Director	12th December 2019	Live		↔
2.8	LA partner capacity reduced due to funding cuts and no continuity plan in place.	Individual projects not delivered within the programme and delays due to loss of staff time and knowledge.	Medium	High	6	LA partners required to provide named project manager for each priority project promoted by the LEP.	Medium	Medium	4	LA Partners	12th December 2019	Live		↔
2.9	A company defaults on their MIF loan	In short term, loan would not return to LEP for recycling and interest would be lost. Project outcomes and outputs would not be delivered	Low	Medium	2	Detailed due diligence is undertaken on all applicants including checks with Companies House. The contract with the applicant confirms that the accountable body will activate a charge on property and either sell or complete the project to recoup the loan and interest.	Low	Medium	2	LEP Director	12th December 2019	Live		↔
2.10	Lack of knowledge/training on the cloud based system.	Work may be lost and/or stored in a less secure place than the cloud, could result in loss of confidential or commercially sensitive information.	Medium	High	6	Team trained on 27th June 2016, will be refreshed as required. New team members were trained on 27th October 2017.	Low	Low	1	LEP Director	12th December 2019	Live		↔
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	12th December 2019	Live		↔

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Programme Management														
3.1	Programme is too loosely managed, allowing timeline slippage and inconsistent record keeping.	Programme timeline becomes unrealistic and key milestones are missed. Transparency is negatively affected, opening the LEP up to criticism and making the programme harder to replicate in future plans.	Low	Medium	2	Programme managed in accordance with provisions of the Assurance Framework. Refer to 1.7 and re-opened risk 1.8, processes in place. PRMC established to meet bi-monthly and review milestones and spend against profile. Project claim forms submitted monthly. LEP team has worked with Shropshire Council Audit team and has responded to the recommendations in the Audit Report, putting in place the systems and procedures required, which have now been signed off by the accountable body and were implemented in March 18.	Low	Medium	2	LEP Director/ PRMC	12th December 2019	Live		↔
3.2	Delivery partners fail to complete project status reports by the required deadline.	PRMC receive insufficient notice of any project issues and/or underspend and money is lost from the programme (if processes in 3.1 and 1.7 not followed).	Medium	High	6	Forward programme of deadlines provided to project managers with updates as required. All projects are required to submit monthly reports and claims, (except broadband projects which report quarterly due to their contractual arrangements), and to have quarterly monitoring meetings with the LEP.	Low	Medium	2	PRMC/LEP Director	12th December 2019	Live		↔
3.3	Project scope is not agreed, clarified & communicated to the LEP team.	Proposed projects do not deliver against SEP priorities and identified business needs. Expected benefits are not realised.	Low	High	3	Project scope, deliverability and benefits identified through the business case prepared at the outset of the project, and appraisal by ITE verifies this and communicates it with the LEP team. Projects update project status reports monthly which the LEP Team monitor; the process is included in the Accountability and Assurance Framework. A more robust process to monitor and record project outputs has been signed off by the LEP's accountable body and will be implemented in Q4 2017/18. See risk 1.8.	Low	Medium	2	Project manager	12th December 2019	Live		↔
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. This financial year (2018/19) has been a challenge in ensuring our Growth Deal allocation is 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 has 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. Quarter 2 19/20 has been quiet in terms of expenditure with a cumulative figure of £243,825 being defrayed, this is considerably lower than anticipated. During this quarter the LEP team has worked with the NMITE team in signing off their Funding Agreement for Phase 1 - this project is due to spend £2,340,000 of Growth Deal Funds during the 2019/20 Financial Year, having a considerable impact on our spend profile. In relation to other projects Monitoring Visits have been conducted enabling the LEP team to understand the reasons behind the current spend position, getting assurances that spend allocations for 2019/20 will be met. A decision was taken at the 7th November 2018 Board meeting to approve the merger of the Oxen Link Road and the	High	Medium	6	PRMC/ LEP Board	12th December 2019	Live		↔

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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 within the next two 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. A paper presented to Board on the 7th November outlined a revision to the funding agreement and a 2 phased approach focusing on	Low	Medium	6	LEP Board	12th December 2019	Live		↑
3.6	The Single Local Growth Deal funds for the three Telford transport projects accounts for 50% of the Growth Deal 2016-17 spend.	Changes to the Telford Land Deal delivery programme has an impact on delivery of the Marches Growth Deal.	Medium	High	6	Agreed governance for the Telford Land Deal enables the LEP team and s151 Officer to input to any required changes in the Telford Land Deal programme. Early warning of potential underspend to the Marches Growth Deal is provided. TWC to confirm governance arrangements are in place.	Medium	Medium	4	Telford & Wrekin Council	18/07/2017	Closed		↔
3.7	The funds allocated to the further education (FE) skills capital programme may not be spent by the end of the programme (31st March 2017), variations were put in place to permit later spend.	Funds not spend could be lost from the LEP. Skills projects in the Marches area would not be supported.	Medium	Medium	4	A small amount of funding remains unclaimed (£39k), the amount was £49k but Telford Growth Point Package Growth Deal 1 project was able to use £10k which had not been requested at the time of contracting but had been allocated to the project. The remaining £39k will be re-allocated to other Growth Deal projects. A skills call is now live following Board approval on the 24th September for a £270k underspend. The closing date for applications is the 22nd	Low	Low	4	LEP Director, skills provider project managers	12th December 2019	Live		↑
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 BETS, 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: 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 LEP have procured independent legal advice on the GFA for NMITE. 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. Following the submission of an updated business case and a project proposal the	Medium	Medium	6	LEP Board, LEP Director, NMITE	12th December 2019	Live		↑

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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	12th December 2019	Live		↔

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3.10	Partners fail to spend the required level of match funding, or fail to report on match funding spend and/or outputs from the project delivery.	The government response is unknown, but could include claw-back of funds.	Medium	Medium	4	A quarterly monitoring process has been drafted by the LEP Team and now agreed with Shropshire Council Finance Team and S151 Officer. New process has been implemented and the LEP are currently undertaking an exercise around reviewing and verifying Match Funding.	Low	Low	1	LEP Board, LEP Director, project managers	12th December 2019	Live		↔
3.11	The LEP may not receive the additional £3m to top up the Growth Deal 3 award which the BEIS Regional Director is trying to achieve.	All projects funded under Growth Deal 3 were under-funded compared to their funding request. Whilst the £3m would not cover the full shortfall, it would reduce the amounts the projects have to find from other sources.	Medium	Medium	4	The issue was raised at the Annual Conversation in Dec 2017, the LEP Director has regular conversations with the BEIS Regional Director and the local lead, and raises this issue regularly. The BEIS Regional Director has committed to progress the issue.	Low	Low	1	LEP Director	12th December 2019	Live		↔
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'. 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). Ongoing monitoring of the projects is being undertaken to ensure they meet their outputs targets.	Medium	Medium	4	LEP Board, LEP Director, project managers	12th December 2019	Live		↔
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. Following the submission of an updated business case and a project proposal the LEP Board confirmed funding for 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.	Medium	Medium	4	LEP Board, LEP Director, project managers	12th December 2019	Live		↔
3.14	The £1.6m of Growth Deal funds 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	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. This risk is on pause pending the decision to be reached by Herefordshire Council in January 2020 following the Boards decision not to approve the changes to the project which include funding active travel measueres but not the southern link road. Herefordshire Council to	Medium	Medium	4	LEP Board, LEP Director, project managers	12th December 2019	Live		↔

MARCHES LEP WORK PROGRAMME RISK REGISTER - APPENDIX 2

Last updated: 12th December 2019

Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	Prevailing Risk Ratings			Risk Responses	Target Risk Rating			Risk Owner	Review Date	Live/ Closed	Date Closed	Change
			LIKELIHOOD Rating	IMPACT Rating	RISK Rating		Target LIKELIHOOD rating	Target IMPACT Rating	Target RISK Rating					
3.15	Revenue funding gap relating to the Marches Centre for Manufacturing and Technology (MCMT) project.	The funding gap may impact on the ability of MCMT to operate. Should the project cease it would leave a number of LEP contracted outputs undelivered and a number of capital items not being utilised.	Medium	High	6	The Marches LEP and Shropshire Council were invited to a Shareholder Board meeting (10.07.19) stating the organisation has 'short-term' revenue cashflow issues. Both the LEP and Shropshire Council have committed to work with MCMT in finding solutions – in accordance with their respective governance arrangements. The LEP have proposed an allocation of £20k to be used towards the commissioning of a report into the health of the company before any additional funding can be considered. A procurement exercise is currently being undertaken. An advertisement for a consultant is now live on the website with a closing date of the 4th December. Tenders have been received for this work and are being assessed.	Medium	Medium	4	LEP Board, LEP Director, project managers	12th December 2019	Live		↔

MARCHES LEP WORK PROGRAMME RISK REGISTER - APPENDIX 2

Last updated: 12th December 2019





Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	Prevailing Risk Ratings			Risk Responses	Target Risk Rating			Risk Owner	Review Date	Live/ Closed	Date Closed	Change
			LIKELIHOOD Rating	IMPACT Rating	RISK Rating		Target LIKELIHOOD rating	Target IMPACT Rating	Target RISK Rating					
12														
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	12th December 2019	Live		↔
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	12th December 2019	Live		↔
4.3	The LEP receives a number of requests for information from residents in Herefordshire particularly relating to planning and road projects.	Confusion relating to project details is a reputational risk for the LEP.	Low	Medium	2	Requests for information and Freedom of Information requests are answered quickly and accurately, with support sought from partners when required. The LEP ensures it has clarity on projects aims and outputs, clear communication with stakeholders and is clear on governance processes. Local transport authority stakeholder engagement is undertaken in line with DfT requirements.	Low	Medium	2	LEP Director/Finance/senior project sponsor	12th December 2019	Live		↔
4.4	The LEP website and the Growth Hub website can easily become out of date and not provide clear or accurate information to stakeholders.	Inaccurate, misleading and or out of date information could be accessed from the website.	Medium	High	6	Members of the LEP team have been tasked with undertaking monthly reviews of the LEP and Growth Hub websites to check for out of date text and overly complex text. A member of the LEP team will be trained on updating the websites so that updates are timely.	Low	Medium	2	LEP Director	12th December 2019	Live		↔
4.5	The NMITE project is due to receive some of its match funds in the form of private/philanthropic contributions. There is a risk that the LEP may not know where this funding comes from.	There is a reputational risk to the LEP if any funding were to be provided from an inappropriate source. There is an additional risk to the project that its funding stream is curtailed.	Medium	High	6	Assurances are now included in the grant agreement, that all private/philanthropic contributions to the project will be from appropriate sources and meet the usual tax requirements. The LEP, DfE, Shropshire and Herefordshire Councils are working with the NMITE team to establish a process which determines the source of Donations but does not compromise their anonymity. 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. The LEP, DfE, Shropshire and Herefordshire Councils are working with the NMITE team to establish a process which determines the source of Donations but does not compromise their anonymity. The majority of the match for Phase 2 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	Low	Medium	6	LEP Director/S151 Officers (Shropshire and Herefordshire Councils)	12th December 2019	Live		↑
4.6	Projects do not use the approved branding on their websites, publicity materials or hoardings, so do not comply with BEIS guidance.	BEIS produced guidance for Growth Deal funded projects and the LEPs and require projects to use the branding; the LEP would be criticised if projects do not follow the guidelines.	Medium	Medium	4	The LEP team has circulated the BEIS guidance to all Growth Deal projects. The LEP team is developing fresh guidance which incorporates the BEIS guidance but also requires projects to utilise the LEP logo in all webpages, publicity materials and hoardings relating to the project. Grant funding agreements require projects to use branding appropriately. The LEP are currently drafting a new publicity guidance document to go out to all projects	Low	Low	2	LEP Director	12th December 2019	Live		↔

MARCHES LEP WORK PROGRAMME RISK REGISTER - APPENDIX 2

Last updated: 12th December 2019

Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	Prevailing Risk Ratings			Risk Responses	Target Risk Rating			Risk Owner	Review Date	Live/ Closed	Date Closed	Change
			LIKELIHOOD Rating	IMPACT Rating	RISK Rating		Target LIKELIHOOD rating	Target IMPACT Rating	Target RISK Rating					
Financial & Legal														
5.1	Delays in LEP contracting with project delivery partners.	Project delivery partner delays the project start date and fails to meet key milestones and spend profile.	Medium	High	6	All Growth Deal 1 and 2 projects have been contracted; all Growth Deal 3 projects will be contracted as soon as possible.	Low	High	3	s151 Officer	12th December 2019	Live		↔
5.2	Projects are not compliant with State Aid regulations.	Clawback of funding leading to projects not having adequate funds to proceed without delays to programme. Reputational risk to LEP.	Low	High	3	LEP sought advice from Pinsent Mason in August 2015. Project Managers to obtain specialist advice on compliance as part of project development work. LEP to ensure all contracts reflect the requirement for projects to comply with State Aid requirements.	Low	High	3	Project delivery partners / s151 Officer	12th December 2019	Live		↔
5.3	Procurement procedures are not compliant with EU legislation.	Project stalls. Clawback of funding leading to projects not having adequate funds to proceed.	Low	High	3	LEP contracts reflect the requirement for projects to meet EU legislation in respect of procurement procedures. Project managers to seek/procure specialist advice on compliance.	Low	High	3	Project Managers/ s151 Officer	12th December 2019	Live		↔
5.4	Reports to LEP board and MEJC are delayed due to required input on finance and legal issues.	Decisions are not made in a timely manner which puts the programme of work at risk.	Medium	Medium	4	Sufficient time is built into the reporting timetable.	Low	Low	1	LEP Director	12th December 2019	Live		↔

Key

	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 by the Board/PRMC.
	The risk has decreased since last review date	
	No change in the risk	
	New risk	