

MARCHES LEP WORK PROGRAMME RISK REGISTER - APPENDIX 2

Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	Current Controls	Residual Risk Ratings				Rationale for Risk Changes	Risk Responses	Target Risk Rating			Risk Owner	Annual Review Date	Live/ Closed	Date Closed	Direction of Travel
				LIKELIHOOD Rating	IMPACT Rating	Total Impact	RISK Rating			Target LIKELIHOOD rating	Target IMPACT Rating	Target RISK Rating					
Governance																	
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.	A new and comprehensive programme management system and process has been established and 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. Programme and project management has been checked as part of the internal audit undertaken in 19/20 by Shropshire Council Audit Services. The LEP has moved up 2 assurance levels from Limited to Good with sound systems of control in place to address relevant risks and controls being applied consistently.	Medium	Medium	2	4		Please see Current Controls	Low	Low	1	LEP CEO	01.04.21	Live		↔
1.12	Government sets call deadlines which may not allow time for the LEP to follow processes set out in the Assurance and Accountability Framework.	Risk of funding being awarded to projects within limited timescales set by Government which may impact on LEP processes and procedures. There could be a risk of challenge by unsuccessful projects due to the perception of a less robust appraisal and selection process.	The LEP always adheres to the AAF working with the S151 Officer, PRMC and the LEP Board to ensure processes are followed.	Medium	High	3	6		Please see Current Controls	Medium	Medium	4	LEP CEO	01.04.21	Live		↔
Resources																	
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.	Previous risk responses have been archived. The LEP Accountancy Assistant role has now been filled.	Low	High	3	3		Shropshire Council has undertaken a restructure merging Workforce and Transformation, Finance, Governance and Assurance, and Legal and Democratic Services into one Resources Directorate. As part of these changes the Director of Finance, Governance and Assurance (Section 151 Officer) has been appointed as Interim Executive Director of Resources, with Toyin Bamidele appointed as Interim Director of Strategic Finance - adding capacity to all Strategic Finance workstreams including the Marches LEP. The Finance Team has also recently recruited a new Assistant Financial Accountant who will be also working with the LEP Team.	Low	High	3	LEP CEO/ S151 Officer	01.04.21	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.	Previous risk responses have been archived. The LEP Project Support Officer has now started in post.	Medium	High	3	4		Capacity is being reviewed in light of the additional workload associated with the £14m Getting Building Fund programme.	Medium	Medium	4	LEP CEO, Chairman & PRMC	01.04.21	Live		↔
2.5	Appropriate project resources are not allocated by all project delivery organisations.	Delay in completing tasks leading to delays to the programme.	The LEP Team work closely with project managers and monitor project progress regularly including through quarterly monitoring meetings.	Medium	High	3	6		Please see Current Controls	Low	Medium	2	LEP CEO	01.04.21	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.	Project Managers provide detail to LEP prior to contracting, via monthly project claim forms and quarterly monitoring meetings.	Medium	High	3	6		LGF and Getting Building Fund projects continue to be managed through the claims and monitoring process.	Low	Medium	2	LEP CEO	01.04.21	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.	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	High	3	6		Government announced in the March 2021 Budget that Local Authorities would be the conduit for the Levelling Up Fund.	Medium	Medium	4	LA Partners/ LEP CEO	01.04.21	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.	LA partners required to provide named project manager for each priority project promoted by the LEP.	Medium	High	3	6		Please see Current Controls	Medium	Medium	4	LA Partners	01.04.21	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	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	2		Please see Current Controls	Low	Medium	2	LEP CEO	01.04.21	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.	Team trained on 27th June 2016, will be refreshed as required. New team members were trained on 27th October 2017. The LEP has a dedicated IT partner at Shropshire Council and staff received training on cloud based system on 28th January 2020.	Medium	High	3	4		The Accountable Body have set up a Project SharePoint system to aid due diligence process. Further guidance and training on this is being sought from the Accountable Body. The Sharepoint system with Shropshire Council has been implemented and used to manage the recent funding agreement and contract variation process.	Low	Low	1	LEP CEO	01.04.21	Live		↓

2.11	LEP does not receive its full allocation of Growth Deal 3 funds for 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.	LEP team continues to work with BEIS local officers and with project promoters to reduce the risk to projects.	High	High	3	9		On 13 May 2020 LEP Chief Executives received a letter from Stephen Jones (Co-Director, Cities & Local Growth Unit) setting out the approach from Government in respect to paying LEPs their 2020-21 Growth Deal allocations. This saw all LEPs receive 2/3rds of their LGF allocations for FY2020-21 in May 2020 with a review undertaken over the Summer to unlock Ministerial confirmation on the final 1/3rd allocation. As outlined at the 21 July 2020 Board meeting the Marches LEP was not successful in the Phase 1 LGF review, due to a number of Funding Agreements not being signed off, as a consequence of the termination of the South Wye Transport Package. To date the LEP has not received correspondence from Government in respect to the outcome of the Phase 2 Review. It has been confirmed the officer recommendation put forward to Ministers was in favour of the Marches receiving the remaining 1/3rd LGF payment. The team is working closely with projects to monitor spend in anticipation of the LGF spend deadline - 31 March 2021. A Freedoms and Flexibilities (F&F) letter has been developed by Bevan Brittan solicitors to enable projects to utilise Freedoms and Flexibilities (F&F) to meet the spend deadline and avoid any underspend on the programme.	Medium	Medium	4	LEP Board/Director	01.04.21	Live		↔
2.12	Insufficient capacity in LEP team due to increased workload associated with the additional £14m Getting Building Fund.	Delays in contracting so projects have reduced time to deliver against spend profile; displacement of other activity leading to delays to Growth Deal Project Engagement Visits or monitoring meetings which could impact on delivery.	On 4 August 2020 government announced accelerated funding of £14m Getting Building Fund to six Marches LEP projects which are now being contracted. Additional resource has been provided by Shropshire Council to support pre-contract Due Diligence work. Legal support has been secured from Bevan Brittan to utilise expertise from the Growth Deal. Five of the projects are with existing Growth Deal contract holders and the same processes and template funding agreements have been adopted for the Getting Building Fund to facilitate contracting.	Medium	Medium	2	4		Capacity is being reviewed in light of the additional workload associated with the £14m Getting Building Fund programme (See 2.3). Additional legal capacity was procured from Bevan Brittan to support the LEP team during the Getting Building Fund contracting and variation process. Effective capacity planning within the team ensured projects were contracted and Project Engagement Visits held in January/early February. Work to develop GBF contract variations and GBF Freedoms & Flexibilities agreements was managed within existing capacity.	Medium	Medium	4	LEP Board/Director	01.04.21	Live		↔
2.13	LEP does not receive its full 21/22 allocation of Getting Building Fund for projects from the Government due to concerns around spend.	The LEP is unable to meet its contractual commitments.	A Freedoms and Flexibilities letter has been developed by Bevan Brittan solicitors to enable projects to utilise Freedoms and Flexibilities to meet 20/21 spend profiles. The LEP has worked closely with Bevan Brittan solicitors to develop a Variation template to respond to LGF projects requesting variations.	Medium	Medium	2	4		Project Engagement Visits have been held and the team is working closely with projects to ensure spend is in line with the GBF 20/21 programme profile. A Freedoms and Flexibilities letter has been developed by Bevan Brittan solicitors to enable projects to utilise Freedoms and Flexibilities to meet 20/21 spend profiles. Interim financial monitoring meetings were held with projects in February and March. The team worked closely with the projects, solicitors and the accountable body to put variations for two GBF projects and GBF Freedoms & Flexibilities side agreements in place and signed-off by 31 March 2021 enabling projects to spend, achieving a final outturn position of £7,575,599 for the 20/21 Financial Year. At the Emergency LEP Board on 24 February 2021 the Board approved the use of MIF funds as a cashflow facility for the Getting Building Fund, ensuring the LEP is able to meet its contractual commitments during the 2020/21 Financial Year.	Medium	Low	2	LEP Board/Director	01.04.21	Live		↓
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.	Previous risk responses have been archived. Programme managed in accordance with provisions of the Assurance Framework. PRMC meets bi-monthly to review milestones and spend against profile. Project claim forms submitted monthly. New systems and procedures implemented March 2018 in response to Shropshire Council Audit report. Programme and project management has been checked as part of the internal audit undertaken in 19/20 by Shropshire Council Audit Services. The LEP has moved up 2 assurance levels from Limited to Good with sound systems of control in place to address relevant risks and controls being applied consistently.	Low	Medium	2	2		Please see Current Controls	Low	Medium	2	LEP CEO/PRMC	01.04.21	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).	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.	Medium	High	3	6		The LEP has developed a Project Tracker to monitor reporting and associated actions. In anticipation of the March 31 st 2021 spend deadline the LEP team are issuing reminders to projects to return project status and spend reports, enabling issues to be dealt with quickly using risk mitigation measures such as Freedoms and Flexibilities (F&F) etc.	Low	Medium	2	PRMC/LEP CEO	01.04.21	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.	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	High	3	3		Please see Current Controls	Low	Medium	2	Project manager	01.04.21	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.	Previous risk responses have been archived 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	Medium	High	3	6		Projects are being monitored closely ahead of the LGF spend deadline on 31 March 2021. In addition to regular monitoring meetings, interim financial meetings were scheduled to ensure spend targets are met. The team worked closely with projects to monitor LGF spend and identify risks ahead of programme closure on 31 March 2021. The implementation of variations and Freedoms & Flexibilities agreements as risk mitigation enabled projects to spend by year end, with a final LGF outturn position of £104,887,505 by 31 March 2021.	Medium	Medium	4	PRMC/ LEP Board	01.04.21	Live		↔
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	3	6		Previous risk responses have been archived. Termination of the funding agreement for the South Wye Package was agreed at LEP Board on the 27th January 2020 in order to release money back to Growth Deal. The project call to utilise these funds is making good progress. The 18 expression of interest applications have now been appraised with 11 being invited to submit full business cases. An Independent Technical Evaluator has been procured to assess these submissions. The LEP are also looking to procure independent legal support to assist with the contracting of these projects once they have been approved by Board. Independent legal support has been procured in respect of developing funding agreements to utilise the balance of the South Wye funds. Out of the 11 business cases submitted, 6 projects were successful. These are now in the process of being contracted (see risk 3.4). Five projects have now been contracted to utilise the balance of the South Wye funding.	Low	Medium	2	LEP Board	01.04.21	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	3	6		Previous risk responses have been archived Work was undertaken with NMITE as part of their £400k top up variation to determine their progress against their match profile. This included an approach agreed by the Accountable Body S151 Officer and Marches LEP CEO to reprofile their match funding as part of the variation.	Medium	Medium	4	LEP Board, LEP CEO, NMITE	01.04.21	Live		↓
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.	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.	High	High	3	9		The LEP had its APR with Government on 9 February 2021 and was rated as 'Requires Improvement' due to the Q2 return being historically quiet in terms of spend and outputs. A report was provided to Government highlighting the risk mitigation measures the LEP has in place and the use of Freedoms and Flexibilities to ensure that the programme is not underspent. An Emergency LEP Board was convened for the 24 February 2021 to look at risk mitigation around potential underspend. At the Emergency LEP Board meeting on 24 February 2021 the Board received an update on spend and risk mitigation measures. The Board noted the potential LGF underspend in relation to the Tannery project and approved options for managing the risk of underspend, including allocating underspent LGF to a project on the LGF Approved Project Reserve List. On 3 March 2021 the LEP was notified by Shropshire Council that the Tannery would not be able to spend the full value of the grant and the underspend was awarded to the Bishops Castle workshop project under Delegated Authority as the highest scoring project on the LGF Approved Project Reserve List to maximise Growth Deal funds.	Medium	Medium	4	LEP Board, LEP CEO, project managers	01.04.21	Live		↔
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.	A quarterly monitoring process has been drafted by the LEP Team and now agreed with Shropshire Council Finance Team and S151 Officer.	Medium	Medium	2	4		Quarterly monitoring meetings are undertaken with all projects. Progress against match and delivery of outputs is reviewed at these meetings.	Low	Low	1	LEP Board, LEP CEO, project managers	01.04.21	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	2	4		The issue was raised at the Annual Conversation in Dec 2017, the LEP CEO 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 CEO	01.04.21	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	3	9		Please refer to Risk Response in 3.10	Medium	Medium	4	LEP Board, LEP CEO, project managers	01.04.21	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	2	6		Previous risk responses have been archived A draft agreement has now been drawn up for Phase 2. Ongoing discussions are taking place and a 'ginger group' has been formed, comprising of Board members to expediate the process. A delay attributed to the underwriting has meant that the request to conclude the GFA has not been fulfilled. There has been a request from NMITE to spend ahead of the GFA but this would be at risk. To mitigate against any further delays in contracting, two options were put to the Board and explored in relation to the contracting and management of NMITE Phase 2. The preferred option of Herefordshire Council becoming Accountable Body for the project is being taken forward. On 2nd March 2020 a letter was sent to Herefordshire Council S151 officer confirming the LEP's Accountable Body (Shropshire Council) would delegate responsibility for managing this grant and the relationship with the applicant (NMITE) to Herefordshire Council. This letter has now been signed by both Section 151 Officers. The funds will be transferred to Herefordshire Council on receipt of the 20/21 LEP allocation.	Medium	Medium	4	LEP Board, LEP CEO, project managers	01.04.21	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	2	6		Previous risk responses have been archived The Board agreed on the 27th January 2020 to terminate the South Wye funding agreement and that discussions would commence with Herefordshire Council in relation to the clawback of funds already paid to Herefordshire Council, supporting the development of the SWTP project. Legal advice is being sought around the clawback of £3.8m which includes the £1.6m. Legal discussions are ongoing.	Medium	Medium	4	LEP Board, LEP CEO, project managers	01.04.21	Live		↔

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	2	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. KPMG was appointed as consultant. KPMG's report was presented at the Shareholders meeting on 4th March 2020. A meeting will be arranged by the LEP with shareholders and Shropshire Council to consider the options presented. On 27 April 2020 the LEP Chief Executive and Chair received a letter from MCMT outlining their intention to novate the LEP contract. Discussions are being held with In-Comm training around plans for the MCMT centre moving forward. A paper was presented at the Emergency LEP Board on 24 February 2021. At the Emergency LEP Board meeting on 24 February 2021 the Board approved the implementation of a contract variation with MCMT and an extension to the output delivery period to 31 March 2022. The variation is being developed.	Medium	Medium	4	LEP Board, LEP CEO, project managers	01.04.21	Live		↔
3.16	Limited time for the LEP to consider Grant Funding Agreement variation requests from Growth Deal 3 projects in line with the timescale for spend.	Projects are not able to spend to profile leading to an underspend on LGF by the end of the programme funding period of 31 March 2021.	The LEP has worked closely with Bevan Brittan solicitors to develop a Variation template to respond to LGF projects requesting variations.	Medium	Medium	2	4		The LEP has worked closely with Bevan Brittan solicitors to develop a Variation template in response to a number of LGF projects requesting variations. Requests have been received from the HEZ, Tannery, Oswestry IP and Allied healthcare projects. As variations may require LEP Board approval an Emergency LEP Board was convened for 24 th February to outline the position. Variations were signed-off by 31 March 2021 enabling LGF spend by the end of the funding period. A new funding agreement for the Bishops Castle workshop project was signed-off by 31 March 2021 to utilise underspend from the Tannery project by programme closure.	Low	Medium	2	LEP Board, LEP CEO, project managers	01.04.21	Live		↓
3.17	Limited time for the LEP to consider Grant Funding Agreement variation requests from Getting Building Fund projects in line with the timescale for spend.	Projects are unable to spend and the LEP is unable to meet its contractual commitments for the 20/21 financial year, risking the LEP not receiving its allocation for 21/22.	The LEP has worked closely with Bevan Brittan solicitors to develop a Variation template in response to a number of GBF projects requesting variations. At the Emergency LEP Board on 24th February the Board approved the utilisation of the Marches Investment Fund as a cashflow facility for the Getting Building Fund, ensuring the LEP was able to meet its contractual commitments during the 2020/21 Financial Year.	Medium	Medium		4		The LEP has worked closely with Bevan Brittan solicitors to develop a Variation template in response to a number of GBF projects requesting variations. Requests have been received from the Pride Hill Remodelling and Tackling Fuel Poverty projects. As variations may require LEP Board approval an Emergency LEP Board was convened for 24th February to outline the position. The variations were signed-off by 31 March 2021 enabling the LEP to meet spend commitments.	Medium	Medium	4	LEP Board, LEP CEO, project managers	01.04.21	Live		↔
Stakeholder, Reputational, Communications & Marketing																	
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	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 CEO/Finance/senior project sponsor	01.04.21	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	3	4		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. The LEP Programme Team has supplied completed Templates with the latest project overviews to Kensa to use on the new website. The LEP team are currently reviewing the proposed content and format of the new website. The new Marches LEP website was launched on 29 March 2021.	Low	Medium	2	LEP CEO	01.04.21	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	3	6		Previous risk responses have been archived. The Marches LEP team undertook a recent monitoring visit with NMITE as part of their Phase 1 contract. Assurances were sought from project on the source of match and their ability to bring it forward and achieve their spend profile. In relation to Phase 2 it has been agreed that Shropshire Council (LEP Accountable Body) would delegate responsibility for managing this grant and the relationship with the applicant (NMITE) to Herefordshire Council.	Low	Medium	2	LEP CEO/S151 Officers (Shropshire and Herefordshire Councils)	01.04.21	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	2	4		Publicity and planned publicity is reviewed as part of quarterly monitoring meetings with projects. LGF and GBF Branding Guidelines are provided to projects with examples of signage/asset tags. Projects are invited to send any upcoming design work or publicity material to the team to check for compliance with guidelines.	Low	Low	1	LEP CEO	01.04.21	Live		↔

Financial and 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.	A wholesale review of funding agreements has been carried out, incorporating lessons learnt from previous contracts. A standard funding agreement template has been developed with solicitors for future contracting.	Medium	High	3	6		All Growth Deal 1 and 2 projects have been contracted; all Growth Deal 3 projects will be contracted as soon as possible. External legal support is being procured to prepare funding agreements. Contracting of the Growth Deal 3 contracts has progressed supported by the LEP's procured legal advisors Bevan Brittan. The decision of MHCLG to withhold payment of 1/3 of the allocation has caused some slippage while contracts were amended to reflect the change. Further work to satisfy Due Diligence has also caused some delay but is necessary to ensure the contracts are robust. Spending will be closely monitored through monthly reporting. The £27m Growth Deal projects have now been contracted and the template funding agreement is being utilised to contract the Getting Building Fund projects. Please see 2.12 Risk Response in relation to capacity. The Getting Building Fund projects have all been contracted and LGF/GBF contract variations signed-off by 31 March 2021.	Low	High	3	s151 Officer	01.04.21	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	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. The LEP will review controls in light of Brexit.	Low	High	3	Project delivery partners / s151 Officer	01.04.21	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	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. The LEP will review controls in light of Brexit.	Low	High	3	Project Managers/ s151 Officer	01.04.21	Live		
5.4	Reports to LEP board 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	2	4		Sufficient time is built into the reporting timetable.	Low	Low	1	LEP CEO	01.04.21	Live		

Low
Medium
High

Key

-  The risk has increased since last review date
-  The risk has decreased since last review date
-  No change in the risk
-  New risk

Red text denotes text which has changed or been added since the Risk Register was last reviewed by the Board/PRMC.