

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					
<b>TOP 5 RISKS</b>																	
3.18	The Integrated Construction Wetlands project is unable to negotiate the purchasing of land from owners, impacting on the projects ability to spend their full Getting Building Fund allocation by 31 March 2022.	The total funding amount of £1,000,000 is not spent in the 2021/22 financial year, potentially losing funds to the Marches region.	The LEP continues to work with Herefordshire Council on this Strategically Important project. Please see Risk Response.	High	High	4	6	The residual risk rating has been changed to high to reflect the risk to programme spend.	The information to be provided by Herefordshire Council as set out on 12 May 2021 remains outstanding. The LEP's records show that claims/monitoring forms have not been submitted since 12 April 2021 and to date no funds have been claimed by the project. At a meeting held with Herefordshire Council on the 9th August, the LEP requested an updated claim/progress report covering the periods missed as well as the outstanding information as set out on 12 May 2021 - including updated project finances, milestones (progress on land acquisitions, planning permissions etc) and outputs, enabling a revised funding agreement to be drafted. The LEP are keen to work with the Council to understand the current position and gain assurances on their ability to spend £1,000,000 by 31st March 2022. Following the meeting the LEP requested all outstanding information be provided by COP on 17th August - at the time of writing (19/08/2021) this has not been provided. Following discussions with the LEP Chair, Vice-Chair and Pre-PRMC members it has been agreed that an agreed solution would need to be found by 17 September 2021, in preparation for the 28 September LEP Board Meeting - mitigating risk to the LEP and the GBF Programme. At the meeting on 28 September 2021 the LEP Board agreed to set a deadline of 23 November 2021 for Herefordshire Council to provide a final position to the LEP enabling a contract variation to be signed-off by the deadline. Delegated authority was given to the LEP Chief Executive, LEP Programme Manager and Section 151 Officer (in consultation with the LEP Chair and Vice Chair) to agree and vary the existing Funding Agreement in line with the objectives and scope of their original agreement. Herefordshire Council has provided information setting out a revised delivery proposal in relation to land purchases and associated risks, with 2 options for the LEP to consider which were presented to PRMC at the meeting on 28 October 2021. Following the 28 October PRMC meeting, on 10 November 2021 the project provided the LEP with updated spend figures confirming the 2021/22 FY GBF spend profile would be significantly lower (£377k) than the Option 1 spend profile (GBF spend deadline of 31 March 2022) presented to PRMC (E670K). Following discussions on 19 November 2021 between Rachel Laver (Marches LEP, Chief Executive) and Andrew Lovegrove (Herefordshire Council, Section 151 Officer), it was agreed the revised spend position would be accepted. Based on the information provided by the project a draft Funding Agreement variation was issued on 2 December 2021 for review. [Addendum - Following review of the draft funding agreement variation, Herefordshire Council put forward an updated delivery proposal which was presented to PRMC on 16 December 21. On 23 December a written resolution paper was circulated to LEP Board members in relation to the revised proposal. The LEP Board approved the recommendation not to approve the revised proposal. The LEP Board approved the recommendation that the project proceeds with the delegated approval decision reflected in the draft funding agreement variation as circulated on 2 December 21.]	Low	Medium	2	LEP CEO/Finance/ senior project sponsor	01.04.22	Live		↔
3.20	Proposed merger of the Oxon Link Road with the Shrewsbury North West Relief Road (SNWRR) may impact on milestones and delivery of outputs.	Timelines are uncertain and milestones may slip meaning match funding and outputs are not delivered, exposing the LEP to the risk of not meeting its commitment to Government.	The LEP continues to monitor the project through the quarterly monitoring process and also request updates.	Medium	High	4	6	At the 7th November 2019 Emergency LEP Board meeting a decision was taken to approve the proposal put forward by Shropshire Council to merge the existing Oxon Link Road scheme with the Shrewsbury North West Relief Road (SNWRR). Following meetings with Legal Services (Accountable Body) it was deemed fulfilling the request to merge the projects into one LEP Funding Agreement would not be in the best interests of either party, exposing both to unnecessary risk. It has been formally agreed (set out in monitoring visits) that the Project Officer would provide the LEP with the latest updates to the Board on the approach being taken to deliver the OLR and its links to the SNWRR, including revised milestones. The LEP have attempted to obtain the requested information, which has not been provided to date. The lack of clarity around the delivery of this project (milestones, outputs, match funding) presents a risk to the LEP Programme. The OLR project team were invited to provide an update at the PRMC meeting on 28th October 2021 for PRMC to consider risk. Following PRMC, the LEP emailed the project lead on 10 November 2021 requesting specific information to enable the Funding Agreement to be varied and confirmation of the governance position in preparation for the January LEP Board. A response has been received confirming the actions are being worked through. [Addendum - the LEP emailed the project lead on 5 January with a request to meet to discuss the formal position paper required for the January board meeting on the 25th and an update on the actions from the email sent on the 10 November. To date no response has been received.]	Low	Medium	2	LEP CEO/Finance/ senior project sponsor	01.04.22	Live		↔	
3.21	The Hereford City Centre Improvements project may not spend their Freedoms and Flexibilities or Overall GBF Grant allocation by 31 March 2022.	The project becomes undeliverable within the timescale resulting in clawback of GBF funding.	A variation to the Funding Agreement was put in place on 31 March 2021 enabling the project to utilise £1,389,000 of Freedoms & Flexibilities in 2021/22 Financial Year (FY) to meet its spend commitments. At the request of Herefordshire Council a second variation has been developed to enable the use of further Freedoms & Flexibilities (allowing the project to be extended in to 2021/22 FY), mitigating risk around spend. This was sent to project on the 17th June 2021 with a request for information by the 24th June 2021. To date this has not been received.	High	High	4	6	In order to mitigate risk a variation was prepared in March 21 for the project to utilise £1,389,000 of freedoms and flexibilities for allocated spend in 2020/21 Financial Year (FY). A further request was made by the project for the utilisation of freedoms and flexibilities for their 2021/22 FY allocation - extending the project into 2022/23 FY. A Funding Variation was prepared and sent to the project on the 17th June 2021, with a deadline for comments and associated information to be provided by 24th June 2021. This was not received. A meeting between the LEP and Herefordshire Council was held on the 9th August 2021 to determine a way forward, the LEP requested all outstanding information would be provided by 17th August - at the time of writing (19/08/2021) this has not been provided. Following discussions with the LEP Chair, Vice-Chair and Pre-PRMC members it has been agreed that a solution would need to be found by 17th September 2021, in preparation for the 28 September LEP Board Meeting - mitigating risk to the LEP and the GBF Programme. At the meeting on 28 September 2021 the LEP Board agreed to set a deadline of 23 November 2021 for Herefordshire Council to provide a final position to the LEP enabling a contract variation to be signed by the deadline. Delegated authority was given to the LEP Chief Executive, LEP Programme Manager and Section 151 Officer (in consultation with the LEP Chair and Vice Chair) to agree and vary the existing Funding Agreement in line with the objectives and scope of their original agreement. Herefordshire Council has provided information setting out a revised delivery proposal in relation to the HCC1 project which was presented to PRMC at the meeting on 28 October 2021. A Funding Agreement reflecting the delivery proposal presented at the 28 October 2021 PRMC meeting was drafted by the LEP. On 2 December 2021 the LEP were informed Herefordshire Council had sealed the document, posting it to the Accountable Body for sign-off. [Addendum - the variation was fully signed off on 20 December 2021.]	Low	Medium	2	LEP CEO/Finance/ senior project sponsor	01.04.22	Live		↔	
3.22	The delivery of the Pride Hill Remodelling GBF project may be impacted following a decision by Shropshire Council on 23 September 2021 to pause the project while a review of the Pride Hill, Civic Accommodation and Riverside Development and further market testing is carried out.	The project, as set out in the funding agreement, is not delivered, impacting on GBF spend and delivery of match funding and outputs.	Delivery of the project is monitored through the monthly claims and reporting process and quarterly monitoring visits. Interim meetings are held for the project to keep the LEP updated on the re-scoping process and any associated risks to delivery.	Medium	High	3	6	A decision was taken at the 23 September 2021 Council meeting to pause work on the current proposal in relation to the repurposing of the Pride Hill Centre. Assurances have been given that the decision taken would not impact on the projects ability to spend GBF Grant by 31 March 2022 (due it relating to vacant possession), but could delay the achievement of Outputs and Match Funding values. An update was provided to the LEP at the Q2 monitoring meeting on 8th October 2021. An interim update meeting is being planned for November with a view to the project sharing proposals with the LEP in January 2022 enabling the funding agreement to be varied. A meeting has been scheduled for 15 December 2021 to review the current position of the project. [Addendum - an update was provided to the LEP on 15 December 2021. A further update has been arranged for 17 January 2022.]	Low	Medium	2	LEP CEO/Finance/ senior project sponsor	01.04.22	Live		↔	
3.23	The completion of the Hereford City Centre Transport Package (HCCTP) impacting on the achievement of contracted LGF deliverables.	The project is unable to deliver its deliverables including housing outputs and Match Funding values set out within the project's LGF Funding Agreement, impacting on the Growth Deal programme.	The LEP undertakes quarterly monitoring visits with all LGF projects assessing delivery against contracted activity and managing risk to the overall Programme.	Medium	Medium	2	4	The HCCTP project consists of 3 elements: construction of a new City Link Road; a new Transport Hub; Public Realm improvements on key routes into the city. Through its monitoring process the LEP was notified the City Link Road had been completed but increased costs mean there were insufficient funds to deliver the remaining elements of the project. On 22 July 2021 Herefordshire Council's Cabinet agreed to disaggregate the elements of the project, allocating the remaining funds to deliver the transport hub and to consider the public realm element as part of a wider assessment of public realm and sustainable connectivity. On 2 December 2021 the LEP Team met with Herefordshire Council representatives. It was explained a new Interim Capital Delivery team has been put in place by Herefordshire Council to deliver the HCCTP project. In addition to the regular quarterly monitoring process, it has been agreed that interim meetings will be convened between the LEP and Herefordshire Council to review the implementation of the Cabinet decision, the trajectory of outputs and any associated risks to delivery. Once delivery elements of the project have been finalised a varied Funding Agreement will be drafted, reflecting the revised project.	Low	Medium	2	LEP CEO/Finance/ senior project sponsor	01.04.22	Live		*	

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	01.04.22	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	01.04.22	Live		↔
<b>Resources</b>																	
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 be working with the LEP Team.	Low	High	3	LEP CEO/ S151 Officer	01.04.22	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. See Risk 2.4 and Risk 2.7 of the Strategic Risk Register.	Medium	Medium	4	LEP CEO, Chairman & PRMC	01.04.22	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	01.04.22	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	01.04.22	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	01.04.22	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	01.04.22	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	01.04.22	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	01.04.22	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	01.04.22	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	01.04.22	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. LGF projects which have completed their grant spend are required to submit quarterly status reports and to have quarterly monitoring meetings with the LEP assessing progress against delivery of match and outputs.	Medium	High	3	6		The LEP has developed a Project Tracker to monitor reporting and associated actions. In anticipation of the March 31 <sup>st</sup> 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	01.04.22	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	01.04.22	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 monthly cial 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. On 7th September 2021 the LEP Board agreed additional funding for five existing LGF projects (Oswestry, HEZ, Stronger Communities, Bishops Castle and Advanced Manufacturing) to complete spend by 31 March 2022. The projects will submit monthly claims and progress reports and have quarterly monitoring meetings with the LEP to monitor grant spend. Interim monthly finance meetings are being held through Q4 of 2021/22 to monitor the newly contracted LGF spend as well as any outstanding Freedoms & Flexibilities ahead of the spend deadline of 31 March 2022.	Medium	Medium	4	PRMC/LEP Board	01.04.22	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.	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	High	3	6		Previous risk responses have been archived Please see current controls	Medium	Medium	4	LEP Board, LEP CEO, NMITE	01.04.22	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	01.04.22	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.	Please refer to current controls in 3.10	High	High	3	9		Please refer to Risk Response in 3.10	Medium	Medium	4	LEP Board, LEP CEO, project managers	01.04.22	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.	Delivery will be monitored by the LEP team through the regular monitoring process.	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. The second Deed of Variation was fully sealed on 31 March 2021. Delivery will be monitored by the LEP team through the regular monitoring process.	Medium	Medium	4	LEP Board, LEP CEO, project managers	01.04.22	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 and an Emergency LEP Board was convened for 24 <sup>th</sup> 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. Freedoms & Flexibilities have been utilised by the following projects - ensuring LGF spend by 31 March 2021: Connecting Shropshire £319,011.06, Tannery £11,501.73 and Hereford Enterprise Zone £500,000	Low	Medium	2	LEP Board, LEP CEO, project managers	01.04.22	Live	↓



3.23	The completion of the Hereford City Centre Transport Package (HCCTP) impacting on the achievement of contracted LGF deliverables.	The project is unable to deliver its deliverables including housing outputs and Match Funding values set out within the project's LGF Funding Agreement, impacting on the Growth Deal programme.	The LEP undertakes quarterly monitoring visits with all LGF projects assessing delivery against contracted activity and managing risk to the overall Programme.	Medium	Medium	2	4		The HCCTP project consists of 3 elements: construction of a new City Link Road; a new Transport Hub; Public Realm improvements on key routes into the city. Through its monitoring process the LEP was notified the City Link Road had been completed but increased costs mean there were insufficient funds to deliver the remaining elements of the project. On 22 July 2021 Herefordshire Council's Cabinet agreed to disaggregate the elements of the project, allocating the remaining funds to deliver the transport hub and to consider the public realm element as part of a wider assessment of public realm and sustainable connectivity. On 2 December 2021 the LEP Team met with Herefordshire Council representatives. It was explained a new Interim Capital Delivery team has been put in place by Herefordshire Council to deliver the HCCTP project. In addition to the regular quarterly monitoring process, it has been agreed that interim meetings will be convened between the LEP and Herefordshire Council to review the implementation of the Cabinet decision, the trajectory of outputs and any associated risks to delivery. Once delivery elements of the project have been finalised a varied Funding Agreement will be drafted, reflecting the revised project.	Low	Medium	2	LEP CEO/Finance/senior project sponsor	01.04.22	Live	*
3.24	External factors or changing market conditions create delays or constrain delivery of projects.	Project promoters are unable to spend LEP funding and deliver projects in accordance with their Funding Agreement.	Each project has a Funding Agreement which sets out an agreed position in relation to the delivery of the project - including outputs, milestones and expenditure. Through the LEP's Programme Management processes and procedures all projects claiming grant funds are required to submit monthly claim & progress reports and also undertake quarterly monitoring visits. This enables both the Project promoter to provide accurate information relating to delivery and the LEP to understand the risk to the overall grant programme.	Medium	Medium	2	4		See current controls.	Low	Medium	2	LEP CEO/Finance/senior project sponsor	01.04.22	Live	*
<b>Stakeholder, Reputational, Communications &amp; Marketing</b>																
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.	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 DIT requirements.	Low	Medium	2	2		Requests for information and Freedom of Information requests are answered quickly and accurately, with support sought from partners when required.	Low	Medium	2	LEP CEO/Finance/senior project sponsor	01.04.22	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.	A member of the LEP team will be trained on updating the websites so that updates are timely.	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. 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	01.04.22	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.	Due diligence is undertaken as part of the contracting process and match is monitored through the quarterly monitoring process.	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)	01.04.22	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.	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.	Medium	Medium	2	4		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	01.04.22	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	01.04.22	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.	Project Managers to obtain specialist advice on compliance as part of project development work.	Low	High	3	3		LEP sought advice from Pinsent Mason in August 2015. 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	01.04.22	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.	Project managers to seek/procure specialist advice on compliance.	Low	High	3	3		LEP contracts reflect the requirement for projects to meet EU legislation in respect of procurement procedures. The LEP will review controls in light of Brexit.	Low	High	3	Project Managers/ s151 Officer	01.04.22	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.	Regular finance meetings held and sufficient time is built into the reporting timetable.	Medium	Medium	2	4		Please see current controls	Low	Low	1	LEP CEO	01.04.22	Live		↔

**Key**

Low  
Medium  
High

 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.