

MARCHES LEP CORPORATE RISK REGISTER
Last updated: 1/11/ 2022

Risk No.	Risk Description	Description of Potential IMPACT (quantified wherever possible)	Current controls	Residual Risk Ratings			Rationale for Risk Changes	Risk Mitigation	Direction of Travel
				LIKELIHOOD Rating (Very Low 1, Low 2, Medium 3, High 4, Very High 5)	IMPACT Rating (Minimal 1, Minor 2, Significant 3, Major 4, Critical 5)	RISK Rating			
TOP 5 RISKS - In order of Risk Rating (High to Low)									
2.4	Lack of clarity over funding for the LEP and Growth Hub in 22/23. Short term funding in places for other services the LEP delivered.	1) Loss of members of staff, impacting on the LEP's ability to deliver its core business as set out within its delivery plan i.e. economic growth, delivering business support, skills and employment support, physical and infrastructure development, transport and energy strategy. 2) The Central Growth Hub would close and there would be a loss of funding for local authority GH teams, impacting on the ability to support businesses. □ 3) The LEP's ability to trade. 3) The LEP being unable to 'Bankroll' and therefore deliver important projects such as the Careers and Growth Hub. Impacting on the delivery of projects and associated services to the Marches Region	Regular communication with the LEP's Area Lead from Government in relation to the future of LEPs and impact on future funding of the organisation. Close working relationships with the 3 Local Authorities within the Marches region - including regular meetings through the Operations Group.	5	4	20	N/a	The LEP through the LEP network and monthly meeting with the BEIS representative has emphasised the need for an early funding decision this year. This has been understood by government and a funding decision is expected by Christmas. The LEP carries a budget to wind up the company in an orderly manner should it need to and has carried out a planning exercise in conjunction with Shropshire Council staff to look at every aspect of the business that would need to be managed in the event of the LEP having to wind up. The LEP also has a level of reserves which can be used to meet the operating costs of the company for a period of time should core funding not be available moving forward.	↔
2.7	Due to potential funding issues (as set out in Risk 2.4) the LEP may not have the capacity or resources to meet its contractual obligations in managing the Local Growth Fund (LGF), Getting Building Fund (GBF) and Marches Investment Fund (MIF) programmes. The LGF & GBF Programmes have deliverables forecasted up to 31 March 2025.	The LEP may not have the staffing resources to fulfil its obligations with Government in monitoring and managing contracted deliverables as a consequence of the considerable investment made through the LGF (£105m), GBF (£14m) and MIF (£7m) programmes. Exposure to underperformance across all programmes and risk of clawback.	Ongoing discussions with DLUHC to ensure LEP's contractual obligations will continue to be met should this risk materialise. The Head of Programmes will be leaving the LEP at the end of June 2022 and the LEP Project Officer will be leaving the LEP in July 2022. The LEP CEO will confirm arrangements to ensure continuity of service in terms of monitoring and reporting.	5	4	20	N/A	The LEP to consider ring fencing funds, ensuring the organisation has capacity for this function moving forward. Since 2020 the LEP Team have been proactive in capitalising eligible Programme Management costs for work undertaken on developing new projects. At the 9 March PRMC Meeting a discussion was held around utilising MIF to cover the LEP's core operating costs. It was explained other LEPs have set the precedence in using their Growing Place Fund for this purpose. Due to a lack of clarity on the long term funding of LEPs it was agreed the LEP CEO would work with the LEP's S151 Officer in exploring this. As set out in risk 2.4 an indicative allocation of £375k per LEP for the 22/23 FY has been confirmed by Government.	↔
5.5	Lack of clear mandate from government along with the winding up of 2/6 West Midlands LEPs means that the voice of West Midlands businesses is diminished and that LEPs are prematurely written off by partners.	Reputational damage for LEPs and damage to stakeholder relationships. Hard to gain traction when messaging around LEPs is so unclear. Makes it more difficult to engage in new activity and partnership working if no-one is clear what LEPs are here to do or if they will remain/	Promotion of LEP activity. Formation of working groups with LEPs across the country, focussing on different priorities e.g. Rural, Net Zero.	4	4	16	N/A	Continue to deliver all our programmes well and look to proactively use the limited resources we have to move work along while we can e.g. the Energy Fund, Land study etc. Continue to feed into the LEP network and BEIS to highlight issues.	↔
2.9	The LEP are unable to recruit and retain Board Members (including Chair) due to a lack of clarity around the future role of LEP's and having a meaningful role.	The LEP would not be able to recruit to vital positions within its Board. These provide: • Specific areas of expertise • Geographic representation for the Marches Region • Key governance roles relating to quoracy and decision making - posing potential disruption to the LEP's core business moving forward.	Successfully completed recruitment in the summer but have vacancies coming up in the spring. Need to have a clear role and objectives to attract the right candidates.	3	4	12	N/A	Continue to position the LEP as the voice of business and look at new opportunities to ensure the LEP remain relevant and interesting for people to give up their own time to the board. Start the recruitment campaign early next spring and look to use a recruitment firm if required to raise awareness of the opportunities.	↔
6.4	Projects do not deliver on contracted outputs due to perceived diminished role of LEPs.	Value for money for schemes managed by the LEPs looks poor	Continue to monitor projects and contracts. Underperforming projects to present to PRMC as required. Look to use clawback if absolutely required.	3	3	9	On 31 March 22 the LEP Chairs and CEO's received a letter from Neil O'Brian MP and Paul Scully MP in relation to integrating LEPs into Local Democratic Institutions.	Previous risk mitigation archived. On 31 March 22 the LEP Chairs and CEO's received a letter from Neil O'Brian MP and Paul Scully MP in relation to integrating LEPs into Local Democratic Institutions, signalling a conclusion to the ongoing LEP Review and confirmed an indicative allocation of £375k per LEP for the 22/23 FY. This reflects their revised roles and functions subject to business case approvals.	↔