

MARCHES LEP CORPORATE RISK REGISTER
Last updated: 30/01/2023

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 23/24.	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. 4) 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 5) No 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 this exposes the programmes to underperformance and risk of clawback	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. Ongoing discussions with DLUHC to ensure LEP's contractual obligations will continue to be met should this risk materialise.	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 however as of the 1/02/23 no decision had been made. 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 and it was agreed at LEP Board meeting on 24/01/23 that these reserves should be used to support core functions in 23/24	↔
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: 1) Specific areas of expertise 2) Geographic representation for the Marches Region 3) Key governance roles relating to quoracy and decision making - posing potential disruption to the LEP's core business moving forward.	The LEP continues to work with the board and its business networks to identify appropriate 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 spring 2023 and look to use a recruitment firm if required to raise awareness of the opportunities.	↔
NEW RISKS - In order of Risk Rating									
5.6	Financial risk to directors if the LEP closes	Current Government policy requires that if the LEP is wound up its functions are integrated into the Accountable Body (SCC). The process followed by the LEP if this occurs will be a statutory declaration of solvency, - the directors will follow a member's voluntary liquidation route (the directors declare that the LEP is able to pay its debts within a period of no more than 12 months. A director making a declaration without having reasonable grounds for doing so can be liable to severe penalties of up to two years' imprisonment, an unlimited fine, or both. Another factor for the directors to consider is that of their potential disqualification and potential finance loss suffered by directors	Directors & Officers' liability insurance policies operate to indemnify directors and officers (usually individuals with a senior management role) for loss suffered as a result of wrongful acts carried out in the scope of their regular duties. "Loss" usually includes defence costs, legal representation costs, awards of damages, claimant's costs (if the insured party is liable to pay them) and any settlement amounts. The period of cover does not always end upon the cessation of a director's or officer's appointment.	2	4	8	N/A	It has become common market practice for there to be a period of "run-off" cover, which means that individuals are protected against any claims made after the termination of their appointment which relate to actions or omissions during their period of appointment. The length of run-off cover varies however, in its guidance note on D&O insurance, the Chartered Governance Institute (formerly ICASA) recommends that a period of six years' run-off cover is adopted. The D&O Insurance provided by the LEP will extend the run off period to 6 years	*

Direction of Travel 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.	

Marches LEP - Risk Matrix					
Likelihood	Impact				
	Minimal - 1	Minor - 2	Significant - 3	Major - 4	Critical - 5
Very High - 5	5	10	15	20	25
High - 4	4	8	12	16	20
Medium - 3	3	6	9	12	15
Low - 2	2	4	6	8	10
Very Low - 1	1	2	3	4	5