

AGENDA ITEM 7

PAPER FOR FINANCE AND AUDIT COMMITTEE 14/9/2021

Review of Corporate Risk Register

The table highlights the key corporate risks, scored by the highest residual risk rating. Risks are reviewed by senior management monthly and an indication is given on whether the level of risk is changing from earlier assessment.

RISK SCENARIO		CURRENT CONTROLS / MITIGATION MEASURES	PLANNED ACTIONS	Controlled risk rating			Direction of travel
As a result of....there is a risk that...	the impact of which could result in....			IMPACT (1-5)	LIKELIHOOD (1-5)	TOTAL	
EZ receipts received not in line with forecasts	Unable to undertake the necessary EZ investments, repay loans and develop other areas of LEP activity.	continue to liaise with business rate function staff to improve forecast accuracy and determine contingencies. Establish a reserve within EZ funds. Manage expectations about availability of finance and reduce investment programme accordingly if need be.	Improve forecasting and understanding of cashflow and monitoring of income. Ensuring that we have sufficient levels of reserves to manage short-term variances in EZ income. Ensure sufficient flexibilities to turn on and off commitments.	4	3	12	→
Uncertain economic conditions make it difficult for the LEP to support economic development.	It's hard to identify how the LEP can tackle all the issues that are likely to crystallise as a result of the pandemic. The LEP may not have the means to adequately and comprehensively respond. Could impact the reputation of the LEP.	Recovery plan being developed in conjunction with stakeholders which will convey the scope of what the LEP intends to do to aid recovery	Investment in developing business cases and "Place" marketing has been approved by the board and further use of EZ retained business rates is expected to continue creating opportunities and awareness. Committees are tasked with redirecting funding for failing projects in order to prevent loss of funding. Continue Horizon scanning to drive pipeline of appropriate projects.	4	3	12	→
Risk of criticism of COVID response and then subsequent recovery response and resources available for it.	Reduces the scope for the LEP to be able to respond meaningfully to changing economic conditions. Prevents stakeholder meaningfully engaging with recovery plans.	Keep in touch with th business community to ensure we understand any issues still outstanding and we can support them moving forward to develop and prosper. Keep feeding intelligence back into BEIS.	Recovery plan being implemented, looking at developing longer term one.	3	4	12	→
LEP review, spending review and Pm Speech on devolution could and will create change, ambiguity and need to change LEPs objectives and internal structure.	LEP review may mean that staffing structure of the LEP needs to change to meet new priorities to ensure LEP has the right skills and expertise. May cause staff motivation and uncertainty. issues Board and committee members might become disengaged, not seeing the value in committing their time to the LEP given revised priorities.	Work with ministers and officials to help reduce ambiguity to help better inform LEP structures and objectives. Work with LAs and LEP network to help shape those discussions and understand what ministers really want to achieve. Make sure that the views of C&W LEP are heard. Ensure mgt of internal structure and finances maintain max flexibility to respond to changing priorities. Work to reassure staff and that the LEP is expected to grow. Budget setting will need to account of budget uncertainty.	Continue to review position and align response accordingly. Continue to brief staff and board as the position evolves and a positive view of what the future role of the LEP will be. Work to actively keep board and committee members committed to supporting the LEP. Working on review of LEP within C&W. Develop comms plan which promotes the achievements of all the different funding initiatives so that while the capital funded programmes may be coming to an end, the LEP is involved in far more activity which adds value.	4	3	12	→
The resources of the LEP severely constrain the amount of intelligence the LEP can gather and the ability to respond to business closures or opportunities.	Criticism of LEP response and weak local response to opportunities and threats and damage to the reputation of the LEP	Co-ordinated response from the LEP in conjunction with the LAs. Ensure network across the region is joined up to achieve maximum impact.		5	2	10	→

The five top risks by residual score remain the same as when last reviewed in June. However, the corporate risk register was also reviewed by the Board at its' July meeting and an action taken to review the register. TB indicated that the register had an operational focus and did not fully address the strategic risks of the LEP. He proposed a that the executive review the register, overlay the major challenges we face and from which risks can be identified. IB agreed to hold some individual discussions with board directors including TB and LJ to develop the register further. Over the holiday period it has not been possible to schedule a date with TB and LJ, but this action will be taken forward. The committee is invited to comment and make suggestions on how the risk register can be improved.

In the meantime, there is a general air of uncertainty created by the LEP review, the development of the Levelling Up White Paper, discussions regarding local government models, and the Comprehensive Spending Review all of which are expected to conclude in the late Autumn. It may then take additional time for the specifics to emerge.

Rachel Laver has been the primary custodian of risk registers within the LEP for the past few years and will be leaving at the end of the month. A replacement programme manager is currently being sought but there will be a "gap", during which time the focus will be on refreshing and developing the register.