

Paper for: The LEP Board

Title: Agenda Item 8 – Corporate Risk Update

Date: 15 November 2023

Strategic Purpose: Governance

Resource Implications: None

Board Committee: To review the key corporate risks and the risk management approach.

Introduction

With the ongoing discussions and activity surrounding LEP functions and activities to be delivered by local government, maintaining and monitoring of the corporate risk register remains an important activity for the organisation. The register is presented to the LEP board once or twice per year for full board oversight.

Summary of the Risk Management Process

Risk management and review is embedded as a routine activity of the LEP. The Programme Manager is responsible for the collation of identified risks and discusses with senior executives, on a monthly basis, the mitigating actions proposed to reduce the likelihood and or impact should those risks materialise. The resulting corporate risk register forms a standing agenda item for the Finance and Performance Committee of the LEP and Finance and Audit Committee and Board of Marketing Cheshire. At those meetings the focus is on new risks and those with the highest or rising risk scores, which are determined using detailed assessment criteria which provides a score between a range of 1 and 25 as tabled below:

	Likelihood				
Impact	1 Rare	2 Unlikely	3 Possible	4 Likely	5 Almost Certain
5 Severe	5	10	15	20	25
4 Major	4	8	12	16	20
3 Moderate	3	6	9	12	15
2 Minor	2	4	6	8	10
1 Negligible	1	2	3	4	5

Escalated Corporate Risk Summary

Management considers that the greatest risks and issues for this financial year are presented by the LEP transition. These are summarised below and are the areas being most closely monitored.

- Impact to meeting current obligations and fulfilling our delivery plan,

- Organisational resilience and multiple single points of failure within teams, programmes, projects
- Reduced access to sub-regional funding and opportunities
- The associated mitigations to manage the LEP transition, include:
 - ✓ Compliance with Government consultation
 - ✓ Increasingly close working relationship and alignment with local authorities regarding the consultation and transfer activities
 - ✓ Regular and transparent communication with staff, members and stakeholders
 - ✓ Preparation for robust HR and legal advice and associated procedures

The highest-ranking risks currently are included in the table below:

RISK REF	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	
Highest Rated Risks (after mitigation)								
12	As a result of the sub-regional wide funding being reduced, e.g., post EU funds, there is a risk to ongoing economic (joined-up) development and investment in C&W	The LEP receiving less funding in future, potentially jeopardising key economic projects necessary to deliver the economic targets for the sub-region. Impact of interventions diminished where not carried out at sub-regional level.	Maintain close links with funding departments, including DLUHC, BEIS, DfE, DiT, DCMS and be aware of funding programmes and opportunities. Prioritise investment in pipeline for EZ, GPF, Evergreen, Life Sciences Fund to maximise economic output for the sub-region.	Pursue and align to areas of economic development associated with new funding streams made available by Government, including skills bootcamps. LEP role/value to remain close to LAs, and maximise potential for alignment across the 3 LAs.	4	3	12	→
20	Due to a small workforce and team sizes, there is a risk in organisational resilience, particularly in the policy and management teams. There are therefore risks that programmes pause / processes and knowledge are lost.	Reputational damage for poor operational delivery and potential impact to compliance to regulatory and legal requirements.	Design and delivery of a corporate SharePoint, and establishment of improved ways of working that fully establish M365. Prioritisation of key deliverables, while workforce is covering for absences. New clear leaver procedure and is published on corporate SharePoint. MC to have strong links with freelancers, to cover any short-term urgent needs.	Knowledge transfer improvements through optimal utilisation of SharePoint and Teams. Roll out of Verto and CRM. Wider resilience planning to be considered and prioritised as part of wider LEP transfer. Identify deputies for key policies/programmes, to ensure there are identified people who are able to cover, particularly needing to be considered to service the portfolios i.e., policy/project support/cover.	4	3	12	↗

23	That suitable office and conference location in 23/24 is at jeopardy based on uncertainty of LEP beyond March 2024.	Benefits of face to face and collaborative working/meetings can't be maximised, and operational output is limited and potentially affecting morale and engagement of staff/board members. Perception of the credibility of the organisation could be challenged.	3-year lease with a 3 month break in the central wing of the ground floor of Wyvern House.	Will need to prioritise the refurbishment as soon as it is feasible with the status of the LEP transition, and available funds.	3	4	12	↗
24	As a result of potential poor handling of the LEP/MC transfer, there is a risk that it is received by officers and members, leading to an increased flight risk.	Loss of organisational knowledge. Not able to meet LEP obligations and fulfil the delivery plan.	Need for robust and legal processes/procedures to deal with the upcoming transfer activity of the LEP. Need a very robust process and communication plan to implement with officers and members, particularly with other partner organisations (i.e., Youth Fed).	Need to ensure clear role for non-local authority members of the LEP, and ensure clear approach to business advisory panel and any task & finish groups - to ensure voice of business is maintained.	4	3	12	↗
27	There is a risk that with the LEP transfer and its reduction in core funding this could impact the available funds for MC activity.	Direct impact on MC income, and associated LEP related MC activity.	LEP review considering MC team and resources, to ensure potential impacts are considered holistically.		3	4	12	→