

## South East LEP

### Risk Register - All Risks

Ref	Risk Title and overview	Risk Type	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/ Deadlines
9	Change in Policy Direction	Team/Service Delivery	3	3	9	Med	The confirmation that LEPs will not receive any further Government funding from April 2024 has decreased morale within the team, and staff retention may be challenging over the next year. The implications of a reduced team have been communicated to the Board and workload planning for next year is on the basis of available resource.	Planning for 2023/24 continues to be made on the basis of the resource available and known. Future resourcing (for Local Authorities) is part of the transition work involving all 6 Upper Tier Local Authorities to plan for a smooth transition of functions and resource from the LEP. Consultation with the SELEP team has commenced, with new roles being offered by Essex and Kent County Councils as part of the process.	All Man Team	31st March 2024
10	Integration of SELEP Functions into Upper Tier Local Authorities	Team/Service Delivery	4	5	20	High	There are many risk associated to the successful integration of LEP functions into Local Authorities by 31st March 2024. These are set out in the SELEP Integrated Plan (link).	The risks associated with LEP integration are set out in the Risk Register of the SELEP Integration Plan - <a href="https://www.southeastlep.com/app/uploads/2024/02/SELEP-Final_Integration_Plan-December-2023.pdf">https://www.southeastlep.com/app/uploads/2024/02/SELEP-Final_Integration_Plan-December-2023.pdf</a> - and they are monitored through monthly meetings between SELEP, the Accountable Body and 6 partner UTLAs and through the transition activity that is taking place. Internal risks are reviewed and revised and external risks are monitored and mitigated where possible.  Any delays in the process or inability for DLUHC to release Essex County Council from its obligations as the Accountable Body will impact on costs incurred by the Accountable Body into 2024/25	CEO	31st March 2024
11	Recruitment and Retention of Board Members	Team/Service Delivery	4	5	20	High	The Chair has been appointed for a two-year term and the Deputy Chair appointment was confirmed in May 2023. The risk around retaining Board members is high with confirmation that LEP funding will end from April 2024. Impact on ensuring quorate for decision-making at key meetings, in particular in-person meetings.	Clear communication and engagement with public and private stakeholders as to business continuity via future Local Authority arrangements, to improve retention. Workstreams seek to gain early (as possible) clarity on the future arrangements within Local Authorities to ensure continuity despite different and more local geographies. SELEP's federated model aligns well to this.	CEO	31st March 2024
13	GPF Project Repayments	Funding/Financial	3	4	12	Med	Any known risks to repayment of the existing GPF loans have been flagged to the Board and there are ongoing discussions between the Capital Programme Team and the loan recipients.	There are five further GPF loan repayments expected in 2023/24. An extension to the repayment schedule is being sought for one project, but it is expected that the others will repay as agreed by the Board. It is proposed that the remaining GPF funds (including any repayments due in 2023/24) are disaggregated to the 6 UTLAs as of the 1st April 2024, as part of the transition of LEP functions to UTLAs. This will be addressed through the Transition Agreement that is proposed to sit between Essex County Council (as Accountable Body) and the other local authority partners.	H Dyer	31st March 2024
15	Misadministration of grants	Funding/Financial	3	3	9	Med	Grants issued by HM Government can potentially be clawed-back by HM Government if SELEP cannot demonstrate that they have been used in line with the conditions and restrictions set at the time of award by the grant awarding body. Back to back agreements are in place but should HM Government claw back we would be required to pay immediately whilst legal action to claw back from the recipient of the grant could take some time. The number and value of grants is decreasing so the likelihood of this risk occurring has reduced.	The transition agreement that is being put in place between ECC (as Accountable Body) and the local authorities will transfer all funding agreement, including responsibility for monitoring and reporting, to the local authorities from 1st April 2024. Should any clawback requirements be incurred that are not covered by existing grant agreements, these will be met in the first instance by the Risk Reserve and in the event this is insufficient, reliance will be placed on the provisions of the Transition Agreement.	All Man Team	Ongoing

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19	Non achievement of Outcomes/Outputs of the Capital Programme	Outcomes/Outputs of programmes	4	5	20	High	Given the ongoing impacts of the COVID-19 pandemic, Brexit and the Russia Ukraine conflict on the economy, there is a risk that the outputs, outcomes and impacts stated in the approved Business Cases for the LGF, GBF and GPF projects may not be fully realised. Economic recovery will not be uniform across all sectors and therefore some projects may be more significantly impacted than others and this will be managed within the normal risk management of the relevant funding streams. The delivery of outputs from projects which are still in the delivery phase are most likely to be impacted due to increasing materials and labour costs and high inflation levels. This risk is further exacerbated by a lack of robust post-scheme completion monitoring and evaluation, which may mean that non-delivery of expected outcomes and impacts is occurring without being identified.	The Capital Programme continues to be monitored and the team work closely with delivery partners. The team is also providing regular updates to HM Government. Award of available GBF funding to existing GBF projects helped to mitigate the risk to realisation of expected project outputs and outcomes. All reported changes to GBF outcomes and outputs have been approved by DLUHC. An exercise to rebase the outcomes of the LGF programme has been undertaken. Further work on the robustness of monitoring and evaluation data, particularly in relation to the LGF, is required. Quality of information provided from delivery organisations still requires improvement.	H Dyer	Ongoing
22	Growth Hub Service delivery	Team/Service Delivery	2	2	4	Low	<p>SELEP has received a notional allocation of £475,000 for Growth Hub service delivery in 2023/24 and a grant funding agreement with DBT is now in place.</p> <p>New expectations of core funding for 2023/24 (monthly reporting, data sharing and alignment with Govt depts) are now embedded into service delivery.</p> <p>Ongoing risk to service continuity and retention of experienced staff due to uncertainty around future Growth Hub funding and transition of Growth Hub as a LEP function to Local Authorities.</p>	<p>SELEP is leading the process of GH funding claims with lead Local Authorities to draw down quarterly Growth Hub funding from DBT. SELEP has raised the risks to continuous delivery and staff retention, caused by the annual funding cycle, with DBT via the Growth Hub Network, the LEP integration questionnaire and the LEP Network.</p> <p>Growth Hub and Business Support is a workstream in the SELEP Integration Plan. The transition will result in three independent GHs that mirror the BES, BEST and KMGH geography, with three individual Accountable Bodies from 1st April 2024.</p> <p>A letter is being sent to DBT from SELEP and the GH UTLAs outlining the significant risk to service continuity posed by late notification of 2024/25 Growth Hub funding allocations.</p> <p>The stringent conditions attached to this grant include a risk of required repayment to DBT should funds not be defrayed in accordance with the terms of the grant.</p>	J Simmons	Ongoing
24	Level of reserves held is insufficient to cover any potential severance costs.	Funding/Financial	2	3	6	Low	The level of reserves will be held under review by the Accountable Body in light of recent and proposed future changes to the Secretariat; where required a revised position will be presented to the Accountability Board for approval.	The Secretariat has been decreasing for some time. The redundancy reserve is being reviewed and updated and will be finalised once outcomes of the staff consultation are known mid March, to ensure that sufficient funds are held to cover severance costs. Given that the Secretariat has been decreasing for some time, the existing reserve is likely to be more than the required amount.	CEO/ Accountable Body	Ongoing
29	Issue in application of LGF grant awarded to Hadlow College	Outcomes/Outputs of programmes	5	4	20	High	<p>Following Hadlow College going into administration in 2019 and the subsequent disaggregation of assets to other colleges, there remains uncertainty with respect to the realisation of all expected outputs and outcomes associated with the SELEP investments made in the Hadlow College Group across 2015/16 and 2016/17. The subsequent administration process was not able to provide SELEP with any assurances in this respect.</p> <p>Creditors were raised with the administrators in respect of the investments made in the College group, but the Accountable Body has been advised that these are likely to be unsuccessful.</p>	Due to the planned closure of the LEP, Essex County Council (as Acct Body for SELEP) is currently engaging with DLUHC to secure the release of any and all obligations in respect of its role as the Accountable Body for SELEP, as this means that the Council is unable to continue to work with the Board to undertake the role as set out in the SELEP Assurance Framework (which will also no longer be enforceable). It is proposed that Essex County Council continues to hold the risk reserve, inc that held for Hadlow, until the Authority's Section 151 Officer is satisfied that any risks are fully mitigated, following confirmation from DLUHC that the County Council has been released in respect of it's obligations as the Accountable Body for SELEP.	CEO	Ongoing
36	Delivery of Work Plan	Team/Service Delivery	3	2	6	Low	Previous uncertainty relating to external economic impacts and the policy response from HM Government impacted on the planning and delivery of SELEP strategies. In July 2023, the SELEP Strategic Board approved a Delivery Plan for 2023/24 which reflected the impact of transition work and the need for a more focused approach in 2023/24. The future focus for SELEP has therefore moved towards transition planning rather than strategy development.	The SELEP Economic Recovery and Renewal Strategy remains in place and we continue to deliver against this in 2023/24. Increasingly the SELEPs Secretariat is working on the transition of functions to UTLAs by 31st March, and as such, less delivery activity is taking place.	All Man Team	31st March 2024

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38	Future viability of the operational budget	Funding/Financial	5	2	10	Med		Following Board decision to disband SELEP from April 2024, the budget has been revised to reflect the operating position until April 2024, including residual activities that may need to be undertaken, either by the Secretariat and/or the Accountable Body. The revised 2023/24 budget reflect both Business as Usual and transition costs. Risk reserves remain in place and will be reviewed. Decisions have now been taken to disaggregate uncommitted residual reserves to UTLAs from April 2024 to support the delivery of LEP functions, including the redeployment of the team, within UTLAs.	CEO	31st March 2024
40	Getting Building Fund - programme delivery	Outcomes/Outputs of programmes	4	3	12	Med	At the outset of the GBF programme, Government indicated that all funding had to be spent by 31 March 2022 and that all projects had to be substantially delivered by that date. In reality, this couldn't be achieved and a process was agreed by the Board to allow projects to retain their GBF funding beyond March 2022 for a limited period of time. This still required projects to work to tight timescales for both project delivery and spend of funding. A number of projects have sought approval for retention of their GBF funding for a longer time period. Whilst noting that there is a significant reputational risk for both SELEP and local partners if full GBF spend is not achieved in a timely manner, following cancellation of approved projects and receipt of updated advice from Government, the Board agreed that in exceptional circumstances GBF spend could extend beyond 31 March 2023.	Programme slippage is being managed by both the Board and Strategic Board. An agreed process has been introduced to manage delays to GBF projects, similar to that used on the LGF programme. The programme has been actively managed with funding being reallocated to other projects if existing projects are unable to deliver in accordance with the required timescales. Retention of GBF funding beyond March 2022 has been agreed in relation to a number of projects and there is a mechanism in place to ensure that all GBF funding is spent in a timely manner.  Following award of funding to 5 new projects in January 2024, full spend of the GBF funding is expected to be achieved by 31 January 2025.	H Dyer	31 January 2025
46	Risk of damage to SELEP reputation from delays or non-delivery of projects or perception thereof	Service Design/Reputation	3	4	12	Med	There has been an ongoing series of requests for information and assurances concerning a number of projects which are being or have been delivered in East Sussex. Whilst responses to these requests are being provided in accordance with statutory requirements or internal policy (as applicable), there is a risk that the reputation of the LEP will be impacted if continued requests are received against a background of perceived lack of transparency.	Responses to requests for information and public questions will continue to be answered fully and in compliance with statutory and internal policy. An internal review is underway to ensure that SELEP policies and procedures have been fully complied with, and opportunities to improve the management of the Capital Programme and the presentation of the information to the Board and the public are being sought. Consideration will be given to any recommendations made by Government following the completion of the deep dive into projects in East Sussex which are being delivered by Sea Change Sussex. Most importantly, compliance with the National Assurance Framework, Local Assurance Framework, local policy and other applicable regulations must continue, not just by SELEP but by all delivery partners. All delivery partners and third party recipients of funding will be referred to their contractual obligations in responding to requests for information in a timely, open and transparent manner. SELEP and the Accountable Body will take action where it can be evidenced that requirements of the SLA are not being met.	CEO	Ongoing
48	Delays to transition process from lack of Government guidance/clarity impacting integration arrangements	Team/Service Delivery	3	4	12	Med	Long-awaited Government guidance has limited technical detail, and is focused on a case-by-case localised agreement on integration of LEP core functions. Lack of clarity with respect to Government expectations of Local Authorities potentially hinders future planning particularly with respect to expectations of the role of the Accountable Body.	Clarity has been sought from Government with respect to the role of the Accountable Body post transition, ongoing monitoring arrangements for both GBF and LGF programmes, s151 return, compliance with the future Assurance arrangements. Whilst swift clarity is not necessarily expected centrally, local partners continue to work on the basis of local solutions and, if need be, will seek to gain Government agreement to these.	CEO	Ongoing

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47	Risk to service delivery from lack of engagement by stakeholders	Team/Service Delivery	4	4	16	Med	As a result of changes to policy, there has been an appreciable move away from the LEP by some key stakeholders.	Through its convening role, SELEP continues to have strategic engagement with stakeholders through its Strategy Network, including its 10 working groups, where engagement remains strong. Through the transition workstreams, SELEP is working closely with Local Authorities and other partners to try and ensure a smooth transition of work that keeps stakeholders engaged in the work for the remaining time that SELEP leads it, and hopefully beyond.	All Man Team	31st March 2024