

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	Changes in Policy Direction	Team/Service Delivery	5	5	25	High	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 is being made on the basis of the resource available and known. SELEP remains involved in devolution discussions where applicable.	All Man Team	Ongoing
10	Recruitment and Retention of Board Members Risk	Team/Service Delivery	5	5	25	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 as it has been confirmed that LEP funding will end from April 2024.	Clear communication and engagement with public and private stakeholders to improve retention.	CEO	Ongoing
12	GPF Project Repayments	Funding/Financial	4	4	16	Med	Any 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'. Whilst these risks have been taken into account when planning, there is an increasing risk with regards to repayment due to one project having defaulted on their agreed loan repayment, with an extended alternative repayment schedule provided for Board consideration.	The Capital Programme Team are working with project leads to understand where GPF repayments are at risk. A new round of the GPF is planned for 2023/24 and assumptions about future repayments will be downgraded to take into account additional risks to avoid over-profiling of the GPF.	H Dyer	Ongoing
15	Misadministration of grants	Funding/Financial	3	4	12	Med	Grants issued by HMG can potentially be clawed-back by HMG 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 HMG 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.	Back to back agreements are in place and the Accountable Body provides advice on the correct application of grants by SELEP. A full review of the capital programme and assessment of the application of grant funding, including site visits to completed projects, is planned for 2023/24. Consideration will be given as to how oversight of the application of grants can be structured and in a virtual manner if necessary. Each Management Team member who has grant funded activity takes responsibility for ensuring that grant conditions are understood and met.	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 and Brexit 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 closely monitored and the team work closely with delivery partners. The team is also providing regular updates to HMG. Award of available GBF funding to existing GBF projects will help to mitigate the risk to realisation of expected project outputs. All known changes to GBF outcomes and outputs have been approved by CLGU. An exercise to rebase the outcomes of the programme needs to be 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 will need to improve.	H Dyer	Ongoing
22	Growth Hub Service delivery	Team/Service Delivery	3	3	9	Med	SELEP has received notification of a notional allocation of £475,000 for Growth Hub service delivery in 2023/24 and a grant funding agreement with DBT is expected to be in place by July 23. Southend Council has withdrawn from hosting the BEST Growth Hub from 1st April 23, ECC has agreed to host and is in the process of procuring a new provider to reinstate BEST in early July. There is a risk that procurement will be unsuccessful, which will delay BEST provision and either require reallocation of budget to BES and K&M area hubs or hand-back to DBT. New expectations of core funding for 23/24 (monthly reporting, data sharing and alignment with Govt depts) need to be embedded into service delivery in-year, which poses a risk to compliance. Ongoing risk to service continuity and retention of experienced staff due to annual funding cycle and uncertainty around future GH funding. Risk to the hub-and-spoke delivery model due to integration of LEP functions into Local Authorities.	SELEP is working through the grant offer process with DBT to secure 2023/24 core GH funding, and is working closely with ECC to run a realistic and targeted procurement exercise with established and known providers to reinstate the BEST service. SELEP has also raised the risks to continuous delivery and staff retention with DBT via the Growth Hub Network and the LEP integration questionnaire. SELEP will work closely with GH lead authorities and steering groups through 2023/24 to follow and react to the direction of travel for GH funding and delivery as it emerges. This will be considered in the context of the LEP integration work.	J Simmons	Ongoing
29	Uncertainty in application of LGF grant awarded to Hadlow College	Outcomes/Outputs of programmes	5	4	20	High	£11m of LGF funding across 4 projects has been awarded to Hadlow College which entered into Education Administration in 2019. It is currently unclear whether the outputs and outcomes related to this funding will be delivered. Whilst the educational activities have resumed at the college, the grant agreements have not transferred to the new providers and therefore SELEP may be unable to recoup any monies that were not applied in line with the agreement. The Secretariat and the Accountable Body have responded to queries from the Education Administrators, BDO. There is a potential risk that monies weren't utilised in line with the grant agreement in place between the Accountable Body, on behalf of SELEP, and the college. If grant monies weren't correctly utilised, the outputs and outcomes in the Business Case will not be delivered or not delivered in full.	The Secretariat and the Accountable Body supported the administration process which has now concluded. We have made the then MHCLG (LGF awarding body) aware of the position and responded to their queries in this respect. Consideration has been given, and an update provided to the Board, as to what protections can be put into place to prevent this situation occurring in future, recognising that any action needs to be proportionate and balance the risk against the resource impact.	CEO	Ongoing

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35	COVID-19- Board Risk	Team/Service Delivery	3	4	12	Med	Risk that business cannot be conducted at Board meetings because insufficient Board Members are available to meet quorate requirements. Whilst Strategic Board can meet virtually and virtual meetings are now well established, Accountability Board must meet in person to be able to take decisions. A hybrid approach has been set up but the quorum for Accountability Board is small as a result of the limited numbers of voting members. If Accountability Board voting members do have to self isolate, there is limited resilience on the quorum.	The Secretariat will work with Accountability Board members and their supporting officers to identify potential deputies for the meetings and ensure that DoI etc are in place and up to date for short notice replacements.	CEO	Ongoing
38	Future viability of the operational budget	Funding/Financial	5	5	25	High	The SELEP secretariat is aware of the financial circumstances and budget pressure and will continue to be appraised formally. At the appropriate point in the 2023/24 financial year, steps will be taken to ensure that SELEP can operate within budget from 1st April 2024. Conversations with partners in respect of new arrangements will continue and will be reflected to staff as appropriate.	A further consultation with staff will be required early in the new financial year. It is hoped that by this time there will be greater clarity on the future of the LEPs, both nationally and regionally. This will then allow for a longer term resolution to the ongoing financial risks associated with the Secretariat. The risk of not receiving specific funding notifications until late is being underwritten through deferred redundancies funded via the general budget and carried forward grant funding.	CEO	Ongoing
40	Getting Building Fund Risk - 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 now 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 into Q1 2023/24.	Programme slippage is being managed by both Accountability and Strategic Board. An agreed process has been introduced to manage delays to GBF projects, similar to that used on the LGF. The programme is being 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 for ensuring that all GBF funding is spent by 30 June 2023 at the latest.	H Dyer	30/06/2023
43	Insufficient future funding to support operations and/or interventions	Funding/Financial	5	5	25	High	HMG has made clear that no further capital investment monies will be awarded to LEPs. This will severely impact not only our ability to deliver interventions as set out in our Recovery and Renewal Plan but also will restrict the level of influence we can have in the region. This also further restricts our ability to support the operations of the Secretariat as no interest can be earned and there is no opportunity to charge administration fees for the management of existing capital programmes.		CEO	31/03/2023

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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 increasing number 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. Linking to risk 19, improvements to the quality of output and outcome data reporting are required and will be worked on. 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. 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
47	Risk to service delivery from lack of engagement by stakeholders	Team/Service Delivery	5	4	20	High	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, inc its 10 working groups, where engagement remains strong.	CEO	Ongoing