

Appendix C - GBF Programme Risks (High Risks only)

Risk	Description	Risk Impact	Risk Probability	Overall Risk	Mitigation
SELEP Ltd GBF funding for FY21/22	Of the £85m GBF allocation secured by SELEP, £42.5m has been transferred to the Accountable Body in 2020/21. The second tranche of £42.5m funding due to be received in April 2021 has, at this stage, only been provisionally allocated to SELEP and remains subject to confirmation from Central Government that the funding will be transferred in 2021/22. There is therefore a risk that the second tranche of funding will not be received. This presents a risk to the delivery of GBF projects	5	2	10	Regular updates will be provided to Central Government on progress in delivering LGF projects. Mitigation options are being considered to enable the spend of the 2020/21 GBF allocation by the end of the financial year, to make a strong case for the second tranche of funding.
Affordability of GBF projects	There may be delays to the delivery of GBF projects due to COVID-19, with an impact on the total cost of GBF projects. In addition, the second national lockdown may place greater financial strain on those partners due to providing contributions to the delivery of the projects. This could create a funding gap. The impact of Covid-19 on project costs and availability of local funding sources may impact the affordability of GBF projects.	3	5	15	The risk of project cost increases sits with the local authority partners and as such, SELEP encourages all partner authorities to review the financial position of all GBF projects. GBF projects have been identified to support the
Resource to deliver GBF projects	There is a risk to the availability of resource to deliver GBF projects, as a result of remote working, sickness and as a result of resources being redeployed to support critical services within local authorities. This is likely to result in project delays but also creates a risk to the oversight of projects.	4	4	16	As part of the business case, SELEP asks scheme promoters to confirm they have the resources available to deliver the project. SELEP Ltd have also made this a requirement within the SLA and so risks to delivery of the projects would be monitored and reported to the Board. Projects are also still allowed to continue project delivery past the March 2022 deadline as long as the GBF allocation to projects has been spent.
Supply Chain Risk	Private sector companies within the supply chain may be vulnerable to the current economic situation, particularly as the furlough scheme ends. If companies go into financial difficulty or liquidation, this will impact project delivery timescales and costs.	4	3	12	SELEP encourages local authorities to complete additional financial checks for contractors and sub-contractors prior to entering into any new contracts and reviewing the financial position as part of the contract management for existing contracts.
Failure of third-party organisations to deliver GBF projects	Local authorities are entering into contract with third party organisations, such as district authorities, private sector companies, further education and higher education providers to deliver GBF projects. If the external organisations experience financial difficulty and are unable to deliver GBF projects, it may not be possible to recover the GBF from these organisations should they enter administration. This would result in local authorities being responsible for repaying abortive costs to SELEP.	5	3	15	SELEP encourages local authorities to complete additional financial checks prior to entering into contract or transferring GBF to third party organisations and to ensure clear processes are in place for the oversight of GBF projects delivered by third party organisations.
Operational budgets	Given the current financial climate, there may be financial challenges to the future operation of GBF projects by the private sector, including Higher Education Institutions and Further Education providers. As well as impacting the delivery stage of the projects, this is also likely to impact the operation of the projects once delivered and impact the scale/pace to benefits realisation through the project.	4	4	16	As part of the business case assessment, scheme promoters are required to provide information about the commercial operation of the project post delivery. Any changes to the feasibility of projects to proceed will be monitored and reported to the Board.

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Delivery of GBF project benefits	The economic impact of COVID-19 is likely to reduce the benefits achieved through GBF investment, or at least slow the pace of benefit realisation. This could reduce the value for money achieved through the delivery of the GBF programme.	3	5	15	Any changes to benefits achieved through GBF investment will be monitored and reported to the Board and decisions will need to be made on an as needed one whether projects still offer high value for money. Any changes will also need to be agreed with Central Government.
Central Government fail to agree to the new baseline outcomes	Through the development of the Business Cases, there have been changes to some of the project outputs/outcomes as more detailed assessment has been carried out to consider the project's expected benefits since the original Government submission. If Central Government do not agree to accept those changes, those projects are then at risk of being unable to deliver the full benefits or will need to be withdrawn.	4	2	8	A baseline report is presented as appendix D which will provides a revised position for the expected outputs/outcomes relative to the original submission to Centra Government. Central Governmet will be asked to agree the revised baseline information. If agreement isn't obtained, a further decision will be sought from the Board, to confirm that revisions will be made to the project to ensure that the original project outputs/outcomes can be delivered or to agree how the funding should be reallocated, based on the advice from Central Government.