

South East LEP

Risk Register - medium and high risks only

Ref	Risk Title and overview	Likelihood	Impact	Score	Rank	Description	Mitigation	Risk Owner	Dates/ Deadlines
Risks Related to the Team/Service Delivery									
9	Workload Risk: Increase in scope of work overwhelm team. Stress increases and with a consequent increase in staff turnover and sickness. Further impacting the ability to achieve deadlines	4	5	20	High	Workloads were already high but have now increased as the response to COVID-19 drives additional work. Pressures are exacterbated by extended working from home arrangements and potential isolation impacting on the mental health of the team	Management Team (MT) is meeting on a weekly basis to discuss how resources can be redeployed to address, additional 1:1s with line managers to be added. Daily 'All Hands' meeting instigated. Team members will be referred to ECC support and resources for the lockdown and following period. Additional business continuity risk from Covid-19 has been added.	All Man Team	Ongoing
34	COVID-19 - Secretariat Risk significant numbers of Secretariat fall ill and are unable to work, reducing resource availability and capacity. Social distancing measures may prevent or delay day to day operations of the team.	3	5	15	Med	Cornonavirus has been classed a global pandemic by the WHO. There is a risk that the Secretariat could be infected and unable to work. Remote working is now the norm and further public health measures are in place to manage the infection risk and therefore risk has been reduced	Remote working for the Secretariat will continue as the default and risk assessments undertaken where in-person contact is required. Mitigation of the risk of meeting in person will be managed in line with national guidance - i.e. social distancing, wearing of masks and following good hygiene protocols	All Man Team	Ongoing
36	COVID-19 - Work Plan Risk The impact of social distancing and the lockdown on the economy is not yet known and at time of writing it is unclear what the national exit from lockdown strategy is or the recovery plan. With such high levels of uncertainty it is very difficult to be able to plan for next steps	4	4	16	Med	HMG is now working on the development of policy in this area and the White Paper is expected shortly. On this basis the risk liklihood has been reduced to a 4	Through the Chair's role on the LEP Network we will remain close to HMG developing Exit Strategy. Intelligence from the Growth Hubs and wider networks will be assessed and analysed. We will work closely with neighbouring LEPs to develop thinking on what the 'new normal' will look like	All Man Team	Ongoing
Risks Related to Outcomes/Outputs of Programmes									
19	Non achievement of Outcomes/Outputs of the Capital Programme	5	5	25	High	Given the impact of lockdown on the economy, there is now a very high risk that not all of the outcomes and outputs that were stated in the business cases for both GPF and LGF projects will be achieved. These outcomes were calculated on the assumptions of a pre Covid-19 economy. The extent to which the economy bounces back will impact the likelihood of this risk and different sectors are likely to be impacted to varying degrees.	A review of all projects is underway to understand the impact on the projects. A working group has been set up to analyse and gather intelligence on the impact of the lockdown on the SELEP economy which will be able to be used to assess whether outcomes/outputs are deliverable. Continued dialogue with HMG to manage their expectations.	RM	Ongoing
40	Getting Building Fund Risk - given the very short timelines for the application of the fund it may not be possible to deliver a full programme in the time available	5	4	20	High	The GBF programme requires all funding to be spent by 31 March 2022 and all projects to be substantially delivered. This is a very tight deadline to work to and there is a significant reputational risk should SELEP not be able to deliver the full programme. The likelihood of this risk occuring is increased by the delay to HMG providing full details on what conditions will be associated with the grant	Additional staffing resource is being appointed to oversee the 34 projects that make this programme. Additional resource has also been allocated to ensuring that projects can come forward to Accountability Board for investment approval as soon as possible. A reserve list process is being put into place so any projects that can't come forward can be replaced as quickly as possible.	RM	31/03/2022

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Risks Related to Funding/Financial Position									
12	GPF projects do not repay in line with original repayment schedules	5	4	20	High	GPF Projects are already requesting changes to repayment schedules due to the lockdown impact on the economy. There is a high risk that some of the projects won't be able to make repayments if the economy does not bounce back or does not bounce back in all sectors	Capital Programme Team are working with project leads to understand where projects are impacted. Future rounds of GPF allocations are currently held and assumptions about future repayments will be downgraded to take into account additional risks	RM	Ongoing
15	Grants aren't properly administered/applied and are clawed back by Government	4	4	16	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.	Back to back agreements are in place and the Accountable Body provides advice on the correct application of grants by SELEP. A further review of the capital programme and assessment of application of grant funding was planned for 2020/21 but this has been put on hold due to social-distancing. 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
20	Uncertainty of future capital funding	5	5	25	High	The final payments of Local Growth Fund are due within the current financial year. At time of writing there is no clarity on what funding, if any, will replace this. There has been a further round of LGF announced but no information on which LEPs will receive this funding and on what basis. Without access to capital funding the ability of SELEP to implement and deliver against strategies will be very restricted and SELEP would have very little agency in the agenda	The LEP Network continues to work together to make the case for LEPs to play a pivotal role in the economic recovery from lockdown. A consultation paper on UK Devolution and Economic Recovery is due in the autumn and a strong position will be taken that LEPs have a role and need funding to be able to drive economic growth post Covid19	AB/SB	Ongoing
38	Future viability of the operational budget	5	5	25	High	The operational budget is 40% funded through the receipts earned on capital balances. The uncertainty of what capital balances will be run through the SELEP in future puts the future viability of the operational budget at risk. Additionally the cut to interest rates made at the start of the Covid-19 crisis has impacted adversely on the interest earned on capital balances already held. The intention of HMG to pay LGF capital grant in two tranches further impacts this revenue stream	A working group of senior Board Members is supporting the Secretariat to explore other funding models for the team and scenario planning has been undertaken by the Secretariat and Accountable Body. Issues regarding the viability of LEPs has been raised with the LEP Network and is being raised with CLGU. Strategic Board approved the creation of a £1m revenue reserve funded from repurposed GPF monies as a fund of last resort to support Secretariat costs in 21/22 and 22/23	SB	Ongoing
29	Incorrect application of LGF grant awarded to Hadlow College	4	4	16	Med	£11m of LGF funding across 4 projects has been awarded to Hadlow College which has entered into Education Administration. There is a risk that some of this funding has not been correctly applied by the College. There is a further risk that the benefits related to the projects may not be realised. Although the grant has been correctly applied by the Accountable Body, there may be a view from HMG that not all conditions have been met by the college. In these circumstances there may be a requirement from HMG for the repayment of the grant	Communication with the Administrators continues but a clear view on whether the grant has been incorrectly applied has still not been reached. Discussions will be held with MHCLG to raise awareness of the issue and to agree any mitigations required. Provision may need to be made in the SELEP budget for any potential cost of clawback of funding. Further work is being undertaken to assess proportionate measures that could be implemented to protect investments in future as set out for risk 15	LA	Ongoing
Risks Related to Service Design and Reputation									
22	Growth Hubs - the current model may hinder progress in changing the service shape of Growth Hubs to comply with Government policy requirements and to assist with the Recovery phase of the Covid-19 Crisis and beyond	3	4	12	Med	During the preparation for Brexit period HMG used the Growth Hub infrastructure to push out messaging and provided additional funding to support this work. This messaging has increased exponentially following the release of various packages of support for business during the lockdown period. However the sub-contracted nature of the SELEP Growth Hubs mean that there is a risk that it is not possible to meet HMG expectations in a timely manner or that the model that HMG prefers does not fit the Board's preferred model	Continued conversations on Growth Hub between the sub-hubs are ensuring more of a joint approach on areas of work where that is appropriate. No large scale changes to the Growth Hub model have been communicated from C Govt. Evidence on what business support will be needed as we move into to Recovery is being collated. Secretariat is working closely with Growth Hub Cluster (SELEP, Herts and London) to understand the emerging requirements from both business and HMG.	JS	Ongoing
37	COVID-19 - HMG Expectations Risk HMG anticipating a growing role for LEPs, expectations may exceed what can delivered by SELEP within the resources available and impact on the reputation of the partnership within Whitehall	4	5	20	High	HMG has increased requirements for Growth Hubs to report on impacts of COVID-19 on local businesses. HMG may also expect LEPs to take on an additional role during the recovery period that we do not have the capacity or capabilities to undertake creating a large reputational risk and potentially undermining the future of LEPs. HMG may seriously raise local businesses expectations of what support LEPs can provide, undermining our credibility with our business base. HMG may require a rapid refocus of strategies esp. LIS away from productivity which would require a substantial recrafting of the evidence base	Using the Chair's role on the LEP Network, officials and ministers will be informed as to what LEPs are able to do. Any additional asks from HMG should be countered with an ask for the appropriate level of funding to allow it to be undertaken. The future of the Growth Hub model should be discussed by Board members to ensure that it can both provide the support to local businesses and be reactive to HMG requirements. The Secretariat are working on intelligence gathering - collating information on the impact of Covid-19 on businesses during the Respond phase and into the Recovery phase. This intelligence can form part of an evidence base for any revised strategies	All Man Team	Ongoing