

# 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
<b>Risks Related to the Team/Service Delivery</b>									
9	<b>Workload Risk:</b> 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 exacerbated by extended working from home arrangements and potential isolation impacting on the mental health of the team. Workloads continue to be high but sickness levels are still low	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
17	<b>Workload due to end of EU Transition Risk</b> Increased expectations from Govt dept for information on impact of Brexit/end of EU Transition	3	4	12	Med	As the ned of EU Transition comes closer it is clear there is a huge requirement to ready businesses for evitable changes. National campaigns are being run but likely to see a big uptick in intelligence/insight requests and potentially additional funding released at short notice which will require administration resource	Work is being done on the Growth Hub CRM to improve functionality and reliability so that information flow can be further automated. Business Support team are working with BEIS to understand what might needed. Resource may need to be redirected from other parts of the Secretariat	AB/SB	Ongoing
34	<b>COVID-19 - Secretariat Risk</b> 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	Coronavirus 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 but as the UK enters into the second wave of infections, mitigations have been increased	Remote working for the Secretariat will continue as the default and risk assessments undertaken where in-person contact is required. Given the increasing numbers of cases and the introduction of stricter restrictions in some parts of the LEP region, members of the Secretariat have been instructed to move back to remote meetings only and no face to face meetings.	All Man Team	Ongoing
<b>Risks Related to Outcomes/Outputs of Programmes</b>									
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. There may also be fundamental changes to the ways in which we live and work which would not form part of the assumptions of businesses cases and therefore estimates of outputs and outcomes	The capital programme continues to be closely monitored and updates provided by project deliverers. The long term impact of the Covid-19 crisis on the economy is not known, to a large extent we are still in the respond phase of the emergency rather than recovery. The ongoing work on the economic impact will be useful to understand what potential impacts on outputs and outcomes there may be. Continued dialogue with HMG to manage their expectations.	RM	Ongoing

40	<b>Getting Building Fund Risk</b> - 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 occurring 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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<b>Risks Related to Funding/Financial Position</b>									
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 LGF programme ends on 31 March 2021 and the GBF programme finishes one year later. Currently there is no funding for LEPs beyond 31 March 2022. The Spending Review this year is now single year, not multiple year and so is unlikely to contain any details on UKSPF or other fund. This now presents an existential threat to the future of LEPs, with access to no investment funds the LEP will be unable to deliver any strategy agreed	The LEP Network continues to work together to make the case for LEPs to play a pivotal role in the economic recovery from lockdown. Further action is expected following the details of the SR being issued.	AB/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

38	Future viability of the operational budget	5	5	25	High	Whilst a balanced budget for 2021/22 has been constructed it is not possible to do so for future years with the current cost base and assumed income levels. If additional funding for LEPs beyond next financial year is not announced, it will be necessary to begin a cost cutting exercise beginning in the middle part of 2021/22. This risk links closely with the wider LEP funding risk at number 20	Senior management in the Secretariat are working with Board members to raise awareness of this issue. The LEP Network is already lobbying strongly for multi-year funding packages for LEPs, including operational income however it is now known that the Spending Review in November 2020 will be single year	SB	Ongoing
<b>Risks Related to Service Design and Reputation</b>									
22	<b>Growth Hubs</b> - 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 preferred model. BEIS are currently carrying out a Business Support Reform and the outputs of that will give a better indication of direction of travel	Continued conversations on Growth Hub between the sub-hubs are ensuring more of a joint approach on areas of work where that is appropriate. Some funding has been earmarked to resource a review of the Growth Hub model.  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	<b>COVID-19 - HMG Expectations Risk</b> 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 creditability with our business base. HMG may also require strategies to align with a national policy that has not yet been communicated.	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 Secretariat are working on intelligence gathering and understanding the new economy and what role the LEP can play during the recovery and renewal phase	All Man Team	Ongoing