

LEP Risk Register v.11	Reported to: LEP Board Date: 30th September 2020 - Appendix 'A'
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Details of Risk				Inherent Risk Score	Existing Controls	Residual Risk Score	Actions			Target Score	Action Status
Ref	Risk Description	Result	Owner				Proposed Action Plans	Action Owner	Target Date		

Strategic Risks

ENVIRONMENT											
1	<p>Covid-19 A new contagious virus with no vaccine or drugs to control</p>	<p>Stay at home policies, furlough and redundancies reduce consumer spending; retraction in output creates job losses and reduced GDP and taxation income; limited new investment Disproportionate impact on the North, and sectors of manufacturing, tourism & hospitality sectors</p>	BOARD	20	<p>Sector Lead Proposals development and feedback to HMG Recovery strategy setting Widespread communication of Business Support Offer Getting Building Fund Various skills and employment initiatives via Boost and Skills Hub Track and Trace promotion Aerospace Task Force plan</p>	16	<p>Complete Local Industrial and Recovery Strategy Implementation of the Sector Group proposals Monitor situation with regards to government advice, plan for a phased return to work when the workplace is Covid secure and be aware of any residual (mental)health issues as a result of the pandemic. Re-alignm of eisting programmes to respond to impact of Covid Re-develop the economic forecast models and respond to new challenges and opportunities; monitor cganges ferquently and adjust plans accordingly</p>	BOARD/C EX	Jan-21	12	ongoing
2	<p>Brexit Uncertainty about the future UK relationship with the EU/ROW creates a volatile operating environment for the county. Impacts may include economic, financial, social and policy developments to which the LEP must adapt. Lancashire is vulnerable to immediate impacts when Britain leaves the EU in addition to attrition impacts emerging from any economic turbulence.</p>	<p>Potential short, medium and long term impacts on the economy resultng in job losses and administration Reduction in outputs and impacts of LEP delivered and influenced programmes Pre-Covid planning and prep for Brexit, now dissipated</p>	Board	20	<p>NP11 strategic agenda, initiatives and lobbying Engagement with key government departments and ministers and local MPs Transport for the North, DIT, LEP Network Initiatives New emphasis on sector group work from Covid to Brexit</p>	15	<p>BREXIT Monitor (to be implemented) Economic Resilience Task Force (to be implemented) Engagement between Economic Resilience Forum and LEP Sector leads Northern Powerhouse Trade and Investment Group engagement to ensure Lancashire participation in programmes. Completion of Local Industrial Strategy with priorities set by teh sector group</p>	BOARD/C EX	Dec-21	10	ongoing
3	<p>Climate Change Failure to deliver on climate change initiatives</p>	<p>Non-achievement of long-termcarbon reduction targets Increasing turbulence in weather patterns affecting agriculture sector Major flooding disrupting all business Impact on population health and wellbeing as air quality deteriorates</p>	Board	20	<p>Local Industrial Strategy Clean Growth and Clean Energy Technology Park Propositions Boost Business Lancashire Low Carbon programmes encouraging take up of Low Carbon technologies in the Lancashire business community supported e.g. REDCAT & other major initiatives Local IndustrialStrategy interventions NP11 Clean Energy Proposals</p>	6	<p>LEP net zero 2050 policy Review Lep Carbon footprint and take action to reduce Clean Energy White Paper actions</p>	Board/CEX	Dec-21	8	ongoing

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4	<p>Devolution Capacity for and commitment to devolution from Central Government wanes</p> <p>Inability of County to agree a way forward on governance and devolution</p>	<p>Access to local control of funds at scale are not made available to Lancashire</p> <p>Widening economic gap between Mayoral Combined Authority Areas & Lancs</p> <p>Lack of certainty diminishes industry confidence and investment</p> <p>Lack of investment fails to leverage as much private sector investment</p>	Board	16	<p>Local Industrial Strategy agreed with Government and published although it does not give complete clarity re national devolution work programmes.</p> <p>Ongoing input into Government departments on key areas of policy – Business support, skills, employment, investment, transport etc</p> <p>LEP review to ensure effective and efficient local partnership arrangements</p> <p>LEP Stakeholder Engagement Plan</p>	12	<p>LEP leading the voice of business highlighting the economic benefits of devolution</p> <p>Establish unity around common purpose of economic recovery and growth agenda</p> <p>Positive influence on UK Shared Prosperity Funds to advantage Lancashire</p>	Board/CEX	Mar-21	8	ongoing
5	<p>Role of LEPs Change in government policy in relation to LEPs (possibly as part of the White Paper)</p>	<p>The LEP will have an opportunity to respond to either the consultation or time to implement the policy change; LEPS may be disbanded possible wind-up scenarios may need to be considered</p>	Board	10	<p>Contingency planning for wind-up of operations meeting all the organisations liabilities</p>	4	<p>Good relations with government through local BEIS contact and regular meetings with BEIS through Annual Conversation, mid term reviews, deep dives and Peer to Peer reviews.</p> <p>Improved performance as judged by LEP reviews by BEIS strategic impact, delivery and governance</p>	CEX		5	ongoing
6	<p>Northern Powerhouse Role of NPH is diminished by scale, pace, resourcing, political priorities</p>	<p>The LEP will not have the collective voice of the Northern LEPs in terms of Trade & Investment, Northern Transport, Covid Recovery, Brexit and the Levelling Up agenda. Impact of pan-region initiatives lost - Clean Energy, Innovation, Trade and Investment</p>	Board/Chair	9	<p>NP11 strategic agenda and initiatives and lobbying</p> <p>Engagement with key government departments and ministers, Transport for the North, DIT, DEFRA</p> <p>Support to Minister for the North and influence over policy and decision-making</p> <p>Demonstration of NPH Proposition and aggregated benefits</p>	6	<p>MP and key stakeholder engagement to highlight lost opportunities and challenges</p> <p>Influence over shaping of a new pan-regional body for the North</p>	Chair/ CEX		4	ongoing
STRATEGY & POLICY											
	<p>Strategic Impact - failure to achieve strategic impact in Lancashire</p>	<p>The county does not realise its full economic potential, improve productivity, create jobs, attract new investment and grow the economy</p> <p>Poverty and deprivation gaps increase</p>	Board/CEX	12	<p>Development of the Strategic Economic Framework</p> <p>Development and implementation of the Delivery Plan</p> <p>Sector Groups established and setting the priorities for intervention and leading the Covid response</p> <p>Production of the Local Industrial Strategy</p> <p>New funds secured for Lancashire - Getting Building Funds</p> <p>Form and Function Review</p> <p>NP11 work on Clean Energy, Innovation and Trade and Investment</p> <p>BEIS annual and mid-term reviews</p>	6	<p>Influence and shaping of the UK Shared Prosperity Funds</p> <p>Updating of the Local Industrial Strategy post-Covid</p> <p>Lobbying to BEIS and HMCLG to increase LEP capacity funding</p> <p>Implement recommendations of the Form & Function Review</p> <p>Identification of cross LEP shared collaborations for greater impact</p> <p>Internationalisation Strategy for Lancashire</p>				
FINANCE & RESOURCES											

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7	People As a result of the potential imbalance between demands on the organisation and organisation's capacity and capability to respond to it - staffing structures, resource, capability and capacity are not sufficient or suitably aligned to support delivery of core objectives and ongoing areas of development in agreed or emerging priority areas.	Loss of strategic impact in Lancashire, reduced resources for Lancashire Reduced influence on policy and decision-making at national and local level Impact Unable to respond to changing priorities and new initiatives. Increased demands and pressures on staff could impact upon wellbeing and attendance / absence levels. Devolution considerations affected by lack of efficiency and effectiveness in local Partner arrangements	CEX	12	Business Planning Process Strategic Framework Delivery Plan Organisation Development Strategy BEIS Mid-term Review Company Member Review of Governance arrangements	6	Governance Review recommendations implemented Organisational core capability and capacity to be agreed Succession planning at Board and staff level to be implemented Accelerated recruitment process	CEX	Dec-20	4	ongoing
8	Sustainability Total LEP funding is insufficient and/or unaligned to support and deliver on minimum LEP requirements/ benchmark LEP/Strategic Framework and Programmes	Potential imbalance between funding and priorities may mean existing initiatives and future plans and ambitions are not delivered in full. LEP is exposed to potential changes in government policy that affect planning and finance assumptions. LEP loses its contribution of matched funds	Board/ CEX	8	Annual Budget Setting and Financial Processes Lobbying of Government by political and business leaders Comprehensive Spending Review Income Generation Strategy Annual negotiation with MHCLG	6	Agree core capacity with Board and members and associated costs Work with the BEIS/HMG/LEP Network to ensure that LEP's are resourced properly to achieve minimum functionality and deliver strategic impact Resolution on interest payments on ring-fenced LEP funds 7 costs of support to LEPS Negotiate for management fees on programme delivery	CEO	Mar-21	4	ongoing
ORGANISATION & GOVERNANCE											
9	LEP Governance Failure to meet minimum requirements of government in respect to LEPs - accountabilities	Dininished strategic economic impact Loss of funds for Lancashire through bidding and allocation Challenge to the Devolution journey in relation to effectiveness of local partners arrangements Failure to achieve transparency on arrangements leads to loss of trust and confidence in the LEP Failure to capitalise on opportunity or respond effectively to challenge Reputational damage Will not achieve ambition to be	Board/ CEX	16	Annual and mid-term BEIS Reviews National and Local Assurance Framework Programme management, evaluation and assessment Annual Audit Annual General Meeting Annual Business Plan Strategic Economic Framework Review of LEP Board Sub-committees	8	Function and form review to ensure the right organisational capacity and capability In-year baseline of programme activity for additional assurance Company Member Review of Governance Strategic Framework Delivery Plan	BOARD/ CEX	Mar-21	6	ongoing

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10	Programme Compliance As a result of the failure to provide appropriate governance and compliance around LEP delivered programmes	Failure to deliver the programme or delays to delivery Desired outputs and impacts not achieved Clawback of funds may be claimed from the LEP Loss of future allocations to invest in the Inability to secure Value for Money Reputational Damage - loss of confidence from partners and business	BOARD/C EX	8	Review of LEP Board Sub-Committees Programme Management Leadership capability in core LEP structure Robust Contract Monitoring Procedures LEP Assurance Framework National Assurance Framework Independent state aid and procurement advice Independent appraisals Gateway approvals processes Mid-term evaluation of Programme	4	Implement a Performance Monitoring Framework and reporting mechanism to the Board Joint Scrutiny Committee to be established Sector expertise though LEP Board recruitment and co-opted Board Members Baselining of Programme	BOARD/C EX	Mar-21	2	ongoing
11	Marketing of Place As a result of failing to effectively market the place of Lancashire, to businesses and people, there is lack of new investment and skills and capability to support growth in the economy	Reduced government investment in large schemes, Reduced investment from foreign owned and indigenous companies reduced investment in R & D as a result of no profile/identity No pride in Lancashire.	BOARD	9	Marketing and Communications Strategy and Plan Stakeholder Engagement Plan Sector groups to help define the propositions Engagement with NPH Trade & Investment and Innovation pan-regional programmes Commission activity via Marketing Lancashire and other partners	6	Recruit to core capability of staff Produce Internationalisation Strategy Produce Set of investment propositions Create the Lancashire narrative for business investment	BOARD/C EX	Mar-21	4	ongoing
12	Business Interruption Incident (fire/flood/explosion/IT failure/terrorist activity/natural disaster) creates long-term disruption to the business of the LEP	LEP is unable to provide services to businesses, stakeholders reducing economic impact	CEX	4	Business Continuity Plan IT Back-up policy and plan Working from home policy Communications Strategy	2		CEX	Dec-20	3	In Place
13	Behaviours and Culture The culture of the LEP fails to adapt to changing organisational demands which in turn impairs efficiency and delivery.	Lack of stakeholder engagement High turnover in staff and LEP directors Poor Partner relationships Diminished operational and strategic performance	BOARD/ CEX	8	Board and CEX modelling desired behaviours Regular 360 Communication and feedback from CEX and Chair/Board Staff Engagement Survey? Staff Personal appraisals - measures that determine behaviours Staff Personal Development Plans Board Bi-Weekly Informal Briefings Board Awaydays	3	Board appraisals Mentoring for new board members	Chair/ CEO	Mar-21	4	ongoing