

**Enterprise M3 Board**

**28 September 2017**

**Enterprise M3 Risk Register – Item 8**

Enterprise M3 Board is asked to:

**DISCUSS and APPROVE** the updated Enterprise M3 Risk Register.

**1. Enterprise M3 Risk Register**

- 1.1 Article 4.2 paragraph e) of our Assurance Framework states that “*The Enterprise M3 will retain a Risk Register, which will be reviewed on a regular basis.*”. The Assurance Framework also requires that the Risk Register be published on our website, the previous version is available at [www.enterprisem3.org.uk/how-we-operate/](http://www.enterprisem3.org.uk/how-we-operate/)
- 1.2 We last presented the risk register to the Enterprise M3 Board in March 2016, as several major developments have taken place in the last six months we considered it necessary to reflect this in the risk register.
- 1.3 An updated risk register is shown in Annex 1. We have taken out some activities where we consider the risk so low it does not need to be in the register anymore and have added some new risks. We have sought to keep the register at a high level but do intend to further revise this version so that an assessment of impact following mitigation is also included in future versions of the document.
- 1.4 We regularly review the risk register at internal management meetings and will continue to bring it to the Board for approval every six months.
- 1.5 **The Board is asked to DISCUSS and APPROVE the updated risk register.**

Annex 1 – Enterprise M3 Risk Register

Rachel Barker  
20 September 2017

## Annex 1 – Enterprise M3 Risk Register

Updated September 2017

|    | Risk   | Likelihood | Impact | Change<br>(↑/↓/↔/NEW) | Controls in place   | Planned actions   | Review Date | Owner    |
|----|--|------------|--------|-----------------------|---|---|-------------|----------|
| 1. | <p>Economy</p> <ul style="list-style-type: none"> <li>➤ Economic downturn/major economic shocks, man-made or natural events with economic implications, and Enterprise M3 is unable to respond.</li> <li>➤ Risk exacerbated by lack of long term funding certainty for LEPs and their activities.</li> </ul> | Medium     | High   | NEW                   | <ul style="list-style-type: none"> <li>➤ Comprehensive Business Plan prepared which includes flexibility to respond to major economic shocks.</li> <li>➤ Strong links with government departments and national and local partners to quickly react to help support businesses recover following economic shocks, aligning activity and coordinating intelligence.</li> <li>➤ Clear links between activity and the Strategic Economic Plan</li> <li>➤ Growth Hub/LEP proactively working in partnership, including with adjoining LEPs, LA's and Local Resilience Forums, to plan and deliver solutions to prevent businesses affected suffering long-term harm</li> </ul> | <ul style="list-style-type: none"> <li>➤ Review Business Plan quarterly</li> <li>➤ SEP refresh to consider this issue</li> <li>➤ Continue to engage in discussions on future funding.</li> <li>➤ Maintaining flexibility in funding programmes where possible</li> <li>➤ Continue to further develop business engagement activity</li> <li>➤</li> <li>➤ Processes in place for Growth Hub to help facilitate quick and easily access to any support grants and other sources of support.</li> </ul> | Dec 2017    | Director |
| 2. | <p>Funding</p> <ul style="list-style-type: none"> <li>➤ Failure to secure revenue funding from local authorities and other partners to support Enterprise M3 activity</li> </ul>   | Medium     | High   | ↔                     | <ul style="list-style-type: none"> <li>➤ Commitment from LA's, colleges and universities to provide funding</li> <li>➤ Explore ways of generating revenue funding</li> <li>➤ Regular contact with Government on the need for</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Continue to identify ways of generating revenue</li> <li>➤ Establish commitment from partners as early as possible</li> <li>➤ Meetings with Leaders board, HE and FE to review</li> </ul>  | Nov 2017    | Director |

|    | Risk  | Likelihood | Impact | Change<br>(↑/↓/↔/NEW) | Controls in place  | Planned actions   | Review Date | Owner    |
|----|---|------------|--------|-----------------------|--|---|-------------|----------|
|    | <ul style="list-style-type: none"> <li>➤ Uncertainty over continued core funding impacts staff retention</li> </ul>   |            |        |                       | revenue funding to support LEP operations  | <ul style="list-style-type: none"> <li>performance and discuss future funding have taken place.</li> <li>➤ Further work on long term income streams for the LEP to increase financial sustainability.</li> </ul>  |             |          |
| 3. | <p>Staffing and resources</p> <ul style="list-style-type: none"> <li>➤ Losing key staff due to short contracts</li> <li>➤ Insufficient resources due to funding constraints</li> <li>➤ Loss of knowledge on staff departure</li> </ul>  | Medium     | High   | ↔                     | <ul style="list-style-type: none"> <li>➤ Regular management meetings, team meetings and communication with staff.</li> <li>➤ Boost resources through secondments</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Lobby government and stakeholders for increased and long term revenue funding to allow for staff to be put on permanent contracts</li> <li>➤ Establish clear back-up arrangements to ensure knowledge transfer</li> <li>➤</li> </ul> | Nov 2017    | Director |
| 4. | <p>Growth Hub</p> <ul style="list-style-type: none"> <li>➤ Delay in notification on future funding for Growth Hub 18/19</li> <li>➤ Future business plan for Growth Hub fails to be signed off by Board</li> <li>➤ Negative conclusions from Growth Hub evaluation.</li> </ul> | Medium     | High   | ↔                     | <ul style="list-style-type: none"> <li>➤ Review of Growth Hub September 2017</li> <li>➤ Regular contact with BEIS contacts on funding</li> <li>➤ Importance of Growth Hubs relayed through Industrial strategy response</li> <li>➤ Close engagement with the Enterprise M3 Board</li> <li>➤ Development of contingency plans, including funding</li> </ul> | <ul style="list-style-type: none"> <li>➤ Development of future business plan including sustainability developments.</li> <li>➤ Options analysis to identify contingencies</li> </ul>  | Sept 2017   | Director |
| 5. | <p>Impact</p> <ul style="list-style-type: none"> <li>➤ Failure to adequately measure and communicate</li> </ul>   | Medium     | High   | NEW                   | <ul style="list-style-type: none"> <li>➤ Monitoring and evaluation a key priority of the Programme Management Office.</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Independent evaluation of key parts of Enterprise M3 activity (e.g Growth</li> </ul>   | Dec 2017    | Director |

|    | Risk  | Likelihood | Impact | Change<br>(↑/↓/↔/NEW) | Controls in place  | Planned actions  | Review Date | Owner              |
|----|---|------------|--------|-----------------------|--|--|-------------|--------------------|
|    | the impact of Enterprise M3's work  |            |        |                       | <ul style="list-style-type: none"> <li>➤ Outputs dashboard helps monitor impact of LGF programmes</li> <li>➤ Regular monitoring requirements for all EM3 projects</li> <li>➤ Regular communication with Action Groups, PMG and Board.</li> </ul>   | <ul style="list-style-type: none"> <li>➤ Hub and Funding Escalator)</li> </ul>   |             |                    |
| 6. | <p>Enterprise Zone</p> <ul style="list-style-type: none"> <li>➤ Inability to draw in new business to the EZ</li> <li>➤ Investment in interventions delayed resulting in low take up by companies and reduction in business rate increase income.</li> </ul>   | Medium     | Medium | ↔                     | <ul style="list-style-type: none"> <li>➤ Implementation plan developed and owned by partners</li> <li>➤ Programme Management through Programme Steering Group.</li> <li>➤ Marketing plan developed</li> <li>➤ £10m investment from LGF to support early delivery</li> </ul>  | <ul style="list-style-type: none"> <li>➤ Recruit additional EM3 resource to support Enterprise Zone</li> </ul>   | Dec 2017    | Director           |
| 7. | <p>Projects</p> <ul style="list-style-type: none"> <li>➤ delayed delivery or non-delivery of projects has negative impact</li> <li>➤ Non-receipt of loan repayments has negative impact on both capital and revenue funding</li> <li>➤ An increase in 2017/18 funding following LGF3 announcement may create an underspend that year</li> </ul> | Medium     | Medium | ↑                     | <ul style="list-style-type: none"> <li>➤ Clear governance procedures</li> <li>➤ Clear assessment process and audit trail</li> <li>➤ External due diligence</li> <li>➤ Appropriate security over loans</li> <li>➤ Close monitoring of scheme progress and named contacts for Enterprise M3 and applicant for each project.</li> </ul> | <ul style="list-style-type: none"> <li>➤ Continue to work closely with Government on 2017/18 funding.</li> <li>➤ Communications strategy to consider large projects and mitigating actions required in event of non-delivery or other unforeseen circumstances.</li> </ul> | Monthly     | Head of Programmes |

|    | <b>Risk</b>  | <b>Likelihood</b> | <b>Impact</b> | <b>Change</b><br>(↑/↓/↔/NEW) | <b>Controls in place</b>  | <b>Planned actions</b>   | <b>Review Date</b> | <b>Owner</b> |
|----|--|-------------------|---------------|------------------------------|---|--|--------------------|--------------|
| 8. | Accountable Body (AB) <ul style="list-style-type: none"> <li>➤ Potential delays to key pieces of EM3 work</li> <li>➤ Reputational risk if EM3 decisions are not approved by AB</li> <li>➤ Risk of non-compliance if assurance framework is not followed</li> </ul> | Low               | Medium        | ↔                            | <ul style="list-style-type: none"> <li>➤ SLAs in place for legal, finance, procurement and human resource functions</li> <li>➤ Regular meetings with relevant contacts</li> <li>➤ Annual review of the Assurance Framework, working with AB</li> </ul>                      | <ul style="list-style-type: none"> <li>➤ Benchmark accountable bodies through the LEP network to improve consistency of approach</li> <li>➤ Work with AB to review SLAs</li> </ul> | Dec 2017           | Director     |
| 9. | Communications <ul style="list-style-type: none"> <li>➤ Loss of stakeholder confidence due to lack of communication</li> </ul>   | Low               | Medium        | ↔                            | <ul style="list-style-type: none"> <li>➤ Communications strategy</li> <li>➤ Annual report circulated widely</li> <li>➤ Annual General Meeting</li> <li>➤ Feedback from events</li> <li>➤ Consultation events on themes</li> <li>➤ Action Groups input to process</li> </ul> | <ul style="list-style-type: none"> <li>➤ Send regular newsletters to subscribers</li> <li>➤ Increase business engagement through communications activity</li> </ul>                | Dec 2017           | Director     |