

Enterprise M3 Board

24 May 2018

Enterprise M3 Risk Register – Item 10

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/
- 1.2 We last presented the risk register to the Enterprise M3 Board in September 2017, 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 to give an indication of key risks and mitigating actions for the Board. This risk register is supplemented by detailed risk registers for our key projects and programmes.
- 1.4 We regularly review the risk register at internal management meetings and will continue to bring it to the Board for approval at least twice a year.
- 1.5 **The Board is asked to DISCUSS and APPROVE the updated risk register.**

Annex 1 – Enterprise M3 Risk Register

Rachel Barker
17 May 2018

Annex 1 – Enterprise M3 Risk Register

Updated May 2018

	Risk	Likelihood	Impact	Change (↑/↓/↔/NEW)	Controls in place	Planned actions	Review Date	Owner
1.	<p>Economy</p> <ul style="list-style-type: none"> ➤ Economic downturn/major economic shocks, man-made or natural events with economic implications, and Enterprise M3 is unable to respond. ➤ Risk exacerbated by lack of long term funding certainty for LEPs and their activities. 	Medium	High	↔	<ul style="list-style-type: none"> ➤ Business Plan prepared and regularly reviewed which includes flexibility to respond to major economic shocks. ➤ 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. ➤ Clear links between activity and the Strategic Economic Plan ➤ 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 	<ul style="list-style-type: none"> ➤ SEP refresh considering this issue ➤ Continue to engage with Government and partners on discussions on future funding. ➤ Maintaining flexibility in funding programmes where possible ➤ Continue to further develop business engagement activity ➤ Processes in place for Growth Hub and other delivery partners to help facilitate quick and easily access to any support grants and other sources of support. 	July 2018	Director
2.	<p>Staffing and resources</p> <ul style="list-style-type: none"> ➤ Losing key staff due to short contracts and/or unforeseen circumstances ➤ Insufficient resources due to funding constraints 	Medium	High	↔	<ul style="list-style-type: none"> ➤ Regular management meetings, team meetings and communication with staff. ➤ Boost resources through secondments 	<ul style="list-style-type: none"> ➤ Lobby government and stakeholders for increased and long term revenue funding to allow for staff to be put on permanent contracts 	July 2018	Director

	Risk	Likelihood	Impact	Change (↑/↓/↔/NEW)	Controls in place	Planned actions	Review Date	Owner
	<ul style="list-style-type: none"> ➤ Difficulty in recruiting to new posts ➤ Loss of knowledge on staff departure 					<ul style="list-style-type: none"> ➤ Establish clear back-up arrangements to ensure knowledge transfer ➤ Review potential to move staff to permanent contracts. 		
3.	<p>Impact</p> <ul style="list-style-type: none"> ➤ Failure to adequately measure and communicate the impact of Enterprise M3's work 	Medium	High	↔	<ul style="list-style-type: none"> ➤ Monitoring and evaluation a key priority of the Programme Management Office. ➤ Outputs dashboard helps monitor impact of LGF/GEF programmes ➤ Regular monitoring requirements for all EM3 projects ➤ Business Plan sets clear measurable targets for delivery by Enterprise M3 in 2018/19. ➤ Regular communication with Action Groups, PMG and Board. 	<ul style="list-style-type: none"> ➤ Independent evaluation of key parts of Enterprise M3 activity (e.g Growth Hub and Funding Escalator) 	July 2018	Assistant Director – Operations
4.	<p>Enterprise Zone</p> <ul style="list-style-type: none"> ➤ Inability to draw in new business to the EZ ➤ Investment in interventions delayed resulting in low take up by companies and reduction in business rate increase income. 	Medium	Medium	↔	<ul style="list-style-type: none"> ➤ Implementation plan developed and owned by partners ➤ Cross -organisation programme management through Programme Steering Group. ➤ Marketing plan developed ➤ £13m investment from LGF to support early delivery 	<ul style="list-style-type: none"> ➤ Recruit additional EM3 resource to support Enterprise Zone 	July 2018	Assistant Director – Business Delivery

	Risk	Likelihood	Impact	Change (↑/↓/↔/NEW)	Controls in place	Planned actions	Review Date	Owner
5.	<p>Projects</p> <ul style="list-style-type: none"> ➤ delayed delivery or non-delivery of projects has negative impact on performance assessments ➤ Non-receipt of loan repayments has negative impact on both capital and revenue funding 	Medium	Medium	↔	<ul style="list-style-type: none"> ➤ Clear governance procedures, including regular reporting to ➤ Clear assessment process and audit trail ➤ External due diligence ➤ Appropriate security over loans ➤ Close monitoring of scheme progress and named contacts for Enterprise M3 and applicant for each project. ➤ Importance of delivery strongly emphasised in 2018/19 Business Plan. 	<ul style="list-style-type: none"> ➤ Continue to work closely with Government to update on progress. ➤ Communications strategy to consider large projects and mitigating actions required in event of non-delivery or other unforeseen circumstances. 	Monthly	Assistant Director – Operations
6.	<p>Changes in operating environment for LEPs</p> <p>Outcomes of LEP review could have significant implications for Enterprise M3</p>	Medium	Medium	NEW	<ul style="list-style-type: none"> ➤ Close working with Government to understand emerging conclusions from LEP Review. ➤ Advance work being undertaken through the Resources, Finance and Audit Committee and Nominations Committee. 	<ul style="list-style-type: none"> ➤ Additional senior level engagement with Ministers, officials and MPs. 	June 2018	Director

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7.	Funding ➤ Failure to secure revenue funding from partners to support Enterprise M3 activity	Low	Medium	↓	➤ Commitment from LA's, colleges and universities to provide funding for 2018/19 ➤ Explore ways of generating revenue funding (as presented to Board in May 2018) ➤ Regular contact with Government on the need for revenue funding to support LEP operations ➤ Meetings with Leaders Board, HE and FE to review performance and discuss future funding have taken place.	➤ Establish commitment from partners as early as possible for 2019/20 onwards ➤ Further work on long term income streams for the LEP to increase financial sustainability.	July 2018	Assistant Director – Operations
8.	Accountable Body (AB) ➤ Potential delays to key pieces of EM3 work ➤ Reputational risk if EM3 decisions are not approved by AB ➤ Risk of non-compliance if assurance framework is not followed	Low	Medium	↔	➤ SLAs in place for legal, finance, procurement and human resource functions ➤ Regular meetings with relevant contacts ➤ Annual review of the Assurance Framework, working with AB	➤ Benchmark accountable bodies through the LEP network to improve consistency of approach ➤ Work with AB to review SLAs	July 2018	Assistant Director – Operations

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9.	<p>Communications</p> <ul style="list-style-type: none"> ➤ Loss of stakeholder confidence due to lack of communication ➤ GDPR will impact on our mailing lists and ability to communicate with key partners. 	Low	Medium	↔	<ul style="list-style-type: none"> ➤ Annual report circulated widely and available on website ➤ Annual General Meeting to be held on 8 June 2018 ➤ Calendar of planned events in 2018/19 	<ul style="list-style-type: none"> ➤ Send regular newsletters to subscribers ➤ Increase business engagement through communications activity ➤ Options for Enterprise M3 CRM being explored. 	July 2018	Director