

**Enterprise M3 Board**  
**28 March 2017**  
**Enterprise M3 Risk Register – Item 11**

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 updated the risk register in September 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 also further simplified the register.
- 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  
19 March 2017

## Annex 1 – Enterprise M3 Risk Register

Updated March 2017

	Risk	Likelihood	Impact	Change (↑/↓/↔/NEW)	Controls in place	Planned actions	Review Date	Owner
1.	<p>Strategy</p> <ul style="list-style-type: none"> <li>➤ Uncertainties surrounding devolution, Brexit implications on economy and government priorities such as industrial strategy may mean Strategic Economic Plan and priorities do not reflect current landscape</li> <li>➤ Loss of EU funding impacts revenue funding available to companies</li> </ul>	Medium	High	↔	<ul style="list-style-type: none"> <li>➤ Comprehensive Business Plan prepared</li> <li>➤ Regular communications with Board, Action Groups and other stakeholders</li> <li>➤ Strong links into government departments</li> <li>➤ Clear links between activity and the Strategic Economic Plan</li> <li>➤ Bi-weekly teleconference to discuss implications of Brexit</li> </ul>	<ul style="list-style-type: none"> <li>➤ Review Business Plan quarterly</li> <li>➤ Continue sending regular updates to all stakeholder groups</li> <li>➤ Review Strategic Economic Plan</li> <li>➤ Work with ministers, MPs and government officials</li> <li>➤ Continue to work closely with devolution partners</li> </ul>	Sept 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> <li>➤ Uncertainty over continued core funding impacts staff retention</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 revenue funding to support LEP operations</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 performance and discuss future funding have taken place.</li> </ul>	Sept 2017	Director

	<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Change</b> (↑/↓/↔/NEW)	<b>Controls in place</b>	<b>Planned actions</b>	<b>Review Date</b>	<b>Owner</b>
3.	<p>Large projects</p> <ul style="list-style-type: none"> <li>➤ delayed deliver or non-delivery of large flagship projects has negative impact on spending and reputation</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</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular programme management meetings to monitor projects</li> <li>➤ Project managers focus on key projects</li> <li>➤ Highlight successes in media</li> <li>➤ Implement actions identified by Local Partnerships</li> <li>➤ Work closely with Government on 2017/18 funding.</li> </ul>	Sept 2017	Head of Programmes
4.	<p>Accountable Body (AB)</p> <ul style="list-style-type: none"> <li>➤ Lack of prioritisation from AB, resulting in delays and damage to reputation</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	High	↔	<ul style="list-style-type: none"> <li>➤ SLAs in place for legal, finance 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>➤ Monitor performance of accountable body</li> <li>➤ Benchmark accountable bodies through the LEP network to improve consistency of approach</li> <li>➤ Work with AB to review SLAs</li> </ul>	Sept 2017	Director
5.	<p>Devolution</p> <ul style="list-style-type: none"> <li>➤ Devolution boundaries impact ways of working</li> </ul>	Medium	High	NEW	<ul style="list-style-type: none"> <li>➤ Attend devolution meetings for both Hampshire and Surrey</li> <li>➤ Appoint key point of contact for devolution work</li> </ul>	<ul style="list-style-type: none"> <li>➤ Ensure attendance at devolution meetings</li> <li>➤ Respond to requests for information promptly</li> <li>➤ Contribute business views to process</li> <li>➤ Highlight role of LEP through Leader's Board</li> </ul>	Sept 2017	Director

	<b>Risk</b>	<b>Likelihood</b>	<b>Impact</b>	<b>Change</b> (↑/↓/↔/NEW)	<b>Controls in place</b>	<b>Planned actions</b>	<b>Review Date</b>	<b>Owner</b>
6.	<p>Communications</p> <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>➤ Effective use of website</li> <li>➤ Increase business engagement</li> </ul>	Sept 2017	Director
7.	<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 to review staff needs</li> </ul>	<ul style="list-style-type: none"> <li>➤ Boost resources through secondments</li> <li>➤ Lobby government and stakeholders for increased revenue funding</li> <li>➤ Establish clear back-up arrangements to ensure knowledge transfer</li> </ul>	Sept 2017	Director
8.	<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> </ul>	Low	High	NEW	<ul style="list-style-type: none"> <li>➤ Review of Growth Hub September 2017.</li> <li>➤ Regular contact with BEIS contacts</li> <li>➤ Importance of Growth Hubs relayed through Industrial strategy response</li> </ul>	<ul style="list-style-type: none"> <li>➤ Close engagement with the Enterprise M3 Board</li> <li>➤ Development of future business plan including sustainability developments.</li> <li>➤ Development of contingency plans</li> </ul>	Sept 2017	Director
9.	<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	NEW	<ul style="list-style-type: none"> <li>➤ Implementation plan developed and owned by partners</li> <li>➤ PSG managing programme</li> </ul>	<ul style="list-style-type: none"> <li>➤ Marketing plan developed</li> <li>➤ £10m investment plan of LGF</li> </ul>	Sept 2017	Director

