

Enterprise M3 Board
29 July 2021
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 4.19 of our Assurance Framework states that “*The Enterprise M3 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.
- 1.2 The Risk Register is reviewed thoroughly at each meeting of the Resources, Finance and Audit Committee (RFAC) and is a standing item on each agenda of the group.
- 1.3 It was last reviewed by the RFAC on the 13 May 2021. Their feedback was incorporated into the updated Risk Register attached as Item 8(a) alongside this paper however it should be noted that further changes made in this iteration have not been reviewed by the RFAC due to the schedule of meetings.
- 1.4 We have sought to keep the register at a high level to give an indication of key risks and mitigating actions for the Board, Sub-groups and Chief Executive. This risk register is supplemented by detailed risk registers for our key projects and programmes.
- 1.5 Coronavirus and the quarantine restrictions have been noted throughout the Risk Register to reflect the risk that it continues to pose although at a much lower risk than previous iterations.
- 1.6 We also regularly review the Risk Register internally by the Governance and Assurance Manager, Director – Operations, Finance and HR Manager and the Chief Executive in addition to the detailed reviews undertaken by the RFAC.

2 Overview

2.1. Table 1 below summarises the overall risk levels currently on the risk register:

Table 1: Enterprise M3 Risk Register levels			
Red	Amber	Green	TOTAL
2	6	17	25

2.2. Out of the 25 risks reflected within the Risk Register, a total of 6 risks have been updated in this iteration to reflect ongoing mitigation by Enterprise M3 as well as developments outside of the LEP’s control, specifically in relation to Covid-19.

- 2.3. Several mitigations have been updated within the Risk Register to reflect ongoing work; however, where the risk level has not changed, these changes to the mitigations have not been highlighted as a change.
- 2.4. The Risk Register shows where risk levels have increased or decreased (column F) as well as the reasoning for the change in level (column K).
- 2.5. **The Board is asked to DISCUSS and APPROVE the updated Risk Register.**

Jordan Tame
Governance and Assurance Manager
14th July 2021

ENTERPRISE M3 RISK REGISTER - July 2021

no.	Risk	Likelihood	Impact	Level	change	Response Avoid; Transfer; Mitigate; Accept	Controls in place	Stakeholders	Action Owner	Date reviewed and comments
		1 to 5	1 to 5							
1 STRATEGIC										
1.1	Major economic impact following Covid 19 lockdown impacting the LEP's ability to deliver against its Strategic Economic Plan, Local Industrial Strategy and Delivery Plan.	3	3	9	=	Mitigate	- Staff can be re-deployed internally to focus on economic recovery activity - Consultants can be engaged in research in order for Enterprise M3 to formulate its response - Enterprise M3 is continuing with its Revive and Renew strategy and working with partners to take forward response. - Short-term Board sub groups can be created to allow Enterprise M3 to operate rapidly and flexibly in responding to economic shocks	Board Chief Executive	Chief Executive	Jul-21
1.2	Covid 19 leads to an uncertain operating environment for LEPs in which the role of a LEP is not clear.	2	3	6	=	Accept/mitigate	- Work with partners and stakeholders to ensure clarity of role and avoid duplication. Continue to lobby government on certainty of funding - Ensure capital funds and projects are managed and can continue to be funded - Enterprise M3 are publishing regular news stories and newsletters to keep the public informed on Enterprise M3's role in Economic Recovery Activity as well as affirming its role in other areas of activity	Board PMG Chief Executive	Chief Executive	Jul-21
1.3	The Levelling Up white paper leading to change of structure, remit and/or focus of LEPs and negative impact on LEP projects and other activities	3	5	15	=	Accept/mitigate	- Enterprise M3 will continue to operate closely with its local authorities through its JLB and other points of contact, including working closely with local authorities on potential county deals - Members of LEP staff are preparing for the publishing of the paper and will advise the Chief Executive and Board of any actionable elements that come out of it - The capital programmes team will continue to work with project sponsors to reduce the risk of any impact on LGF/GEF/GBF projects	Board JLB Chief Executive	Chief Executive	Jul-21
1.4	Transition from the EU leading to capacity issues due to reallocation of staff to support the transition.	1	3	3	DOWN	Mitigate	- Enterprise M3 have an experienced team in place who have worked on EU transition projects and programmes in the last 12 months and are able to be reallocated to support pieces of work related to transition - The LEP will continue to engage with Government where appropriate to keep up to date with progress and information as it is published - The LEP can recruit further staff on a temporary basis to support specific pieces of work to ease capacity issues	Chief Executive Board	Chief Executive	Jul-21 - The risk has been downgraded as the specific pieces of work relating to EU transition has been completed
1.5	Failure to implement proposals to address economic recovery activity, or to demonstrate their impact, could lead to a lack of faith in LEPs	2	5	10	=	Mitigate	- Enterprise M3 continue to demonstrate its impact and engage with its funding partners including Local Authorities, FE and HE through regular set meetings (JLB, FE Principals and meetings with University Vice Chancellors) - EM3 continue to convene other business support partners and Local Authorities to ensure joint working and collaboration, including engagement through the Local Resilience Forums.	Board	Board Chair	Jul-21
1.6	Lack of strategic direction due to changes in priorities leading to projects no longer delivering added value	2	2	4	=	Mitigate	- Enterprise M3 have reviewed activity in light of Covid-19 and the impact on the economy and will continue to do so. - The Local Industrial Strategy is a long term strategic document demonstrating principle areas within which Enterprise M3 can flexibly operate within as strategic priorities change - Enterprise M3 keeps in regular contact with all of its Projects and partners. It has the ability to engage with partners to potentially pivot Projects to ensure alignment with strategic priorities	Board	Board Chair	Jul-21
1.7	Failure to engage Enterprise M3 Board Directors in work of the LEP, particularly in an environment on online meetings due to Covid 19 leading to an inability of the Board to properly Govern	1	3	3	=	Avoid	- Board Directors are kept informed of Enterprise M3's work via bi-monthly Board meetings and Enterprise M3's regular newsletter. Strategic workshops have taken place and more are planned for the future - Individual Board Directors are chosen as leads on work streams e.g. Local Industrial Strategy, Communications, Annual Report/AGM - Virtual meetings chaired in an inclusive manner, with opportunities to engage both in the meeting and via 'chat function and polls. Board sub-group established to ensure strong engagement of Board Directors whilst change is happening at pace. - Enterprise M3 continues to operate in line with its governance procedures and papers and minutes of formal meetings continue to be published. - Enterprise M3 recruited a new Chair who is undergoing an induction programme meeting with members of the Board, EM3 team as well as partners and stakeholders.	Chief Executive	Chief Executive	Jul-21
1.8	Changes in government policy could lead to a potential reduction in funding, capacity and re-organisation of LEPs.	3	4	12	=	Mitigate	- Enterprise M3 will continue to deliver against its Strategic Economic Plan, Delivery Plan and future Local Industrial Strategy/Recovery and Renewal Plan - Enterprise M3 conduct Evaluation work which once completed is published to demonstrate Enterprise M3's impact - Cross-LEP working will continue to be a priority for Enterprise M3 and will keep working with local LEPs as part of cluster activity - Continue to engage with the LEP Network who lobby government on behalf of all LEPs - Enterprise M3 have recruited a Communications Manager to communicate our impact as well as continuing to operate with an external communications agency - News stories, case studies and project details are uploaded to our website (www.enterprisem3.org.uk) to demonstrate our impact	Board Chief Executive	Chief Executive	Jul-21
1.9	The upcoming LEP review leads to uncertainty of the direction of LEPs and in the medium-long term could lead to a reduction on funding, capacity and re-organisation of LEPs.	3	4	12	=	Accept/mitigate	- Work with partners and stakeholders to ensure clarity of role and avoid duplication. - Continue to work closely with the LEP Network (and other LEPs) to influence government - Ensure capital funds and projects are managed and can continue to be funded - Enterprise M3 shall continue to demonstrate its impact and engage with its funding partners including LAs, FE and HE through regular set meetings - An internal working group has been pulled together to respond to the LEP review, and to ensure that EM3's future vision is aligned with the review, working with the Board, RFAC and Chief Executive	Board Chief Executive RFAC	Chief Executive	Jul-21
2 GOVERNANCE AND FINANCE										
2.1	Comprehensive spending review could lead to a reduction in funding for LEPs thus impacting on all levels of LEP activity	3	5	15	=	Accept/mitigate	- Enterprise M3 have adequate reserves to continue the running of the LEP in the medium term and the Finance Manager with RFAC and the Board will continue to monitor spending and controls - The LEP operates with transparency and aligns itself with the principals of best value spending thus having existing justifications for its use of funds.	Chief Executive RFAC Board Finance Manager	Chief Executive	Jul-21

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		1 to 5	1 to 5							
2.2	Deferral or default of loan repayments and interest payments has negative impact on both capital and revenue funding and running of Enterprise M3 team	2	4	8	DOWN	Mitigate	- Ensure reserves are kept at an adequate level to ensure there is continuing revenue funding - Legal agreements are drafted and contracted to ensure repayments are made and recourse is available to the LEP (HCC) in the event of non-receipt of loan repayments. - Work is ongoing with partners to ensure repayment schedules are adhered to and ensuring that any issues are brought to the attention of the LEP as soon as the Recipient is aware. - The Capital Programme Team working with the Chief Executive are continuously reviewing cash flow and are taking steps through regular discussion and contracting to reduce the risk of defaults or deferrals affecting the overall capital programme	RFAC Chief Executive	Chief Executive	Jul-21 - This risk has been downgraded to reflect the mitigation put in place by the Enterprise M3 team.
2.3	Revenue income/funding uncertainty in the medium term which could impact on capacity of the organisation to take forward activity	3	4	12	=	Mitigate	- Ensure reserves are kept at an adequate level to ensure the running of Enterprise M3.Keep medium term financial strategy under close review with RFAC to ensure reserves policy is not breached in future years. - Early action to explore potential future new sources of income or savings and to identify action which we may no longer want to take forward.	RFAC	RFAC Chair	Jul-21
2.4	Difficulty in recruiting to new posts leading to an inability to deliver against the LEP's Strategic Economic Plan, Local Industrial Strategy and Economic Recovery activity	2	3	6	=	Mitigate	- Enterprise M3 will advertise its roles as widely as possible making use of its own and partner websites, social media. - Where roles do prove difficult to recruit to, Enterprise M3 will procure recruitment agencies to assist in the process. Staff have been re-assigned during Covid 19 and this has increased the resilience across the organisation and would help to provide support if key roles cannot be recruited to swiftly. - Enterprise M3 is almost fully staffed with two vacancies which are being reviewed internally	Chief Executive	Chief Executive	Jul-21
2.5	Unable to recruit new Board Directors and Chair for Enterprise M3	1	4	4	=	Mitigate	- Enterprise M3 have procured specialist recruitment agents for its Board positions to ensure that Board Directors are recruited - Chair recruitment was completed successfully as well as recent Director recruitment.	Nominations Committee Chief Executive	Chief Executive	Jul-21
2.6	Non compliance with the Assurance Framework leading to a negative Annual Performance Review which could mean a potential reduction in funding	1	5	5	=	Avoid	- Enterprise M3 have a Governance and Assurance Manager to ensure the organisation complies with the Assurance Framework - The Assurance Framework is regularly updated. - High quality induction of Board Directors and staff is being introduced to ensure that the Assurance Framework requirements are well understood. - Enterprise M3 received a positive result in its APR in relation to governance and were praised for its adherence to the Assurance Framework.	Board	Board Chair	Jul-21
2.7	Failure to meet the requirements in relation to Board make-up impacting on the LEPs reputation with government	2	3	6	=	Avoid	- Enterprise M3 have procured specialist recruitment agents for its Board positions to ensure that Board Directors are recruited. - Nominations Committee review position regularly to ensure that forward planning activity takes place and that potential Board changes over the next 12 months are well understood.	Nominations Committee	Nominations Committee Chair	Jul-21
3 OUR PEOPLE										
3.1	EM3 team's well-being and physical health is adversely impacted by a prolonged period of working from home	1	2	2	DOWN	Mitigate	- Line managers are in regular communication to discuss well-being during the quarantine restrictions - Equipment can be purchased by request to ensure safe working environments for staff at home. Exploring options to re-open Enterprise M3 office space from late September to offer an alternative workspace for staff who wish to use it. - Covid restrictions are to be repealed on the 19th July and staff will be able to begin utilising the EM3 office space	Chief Executive	Chief Executive	Jul-21 - This risk has been downgraded to reflect the covid restrictions being reduced on the 19th July. Staff will be able to utilise the EM3 office and will not have to work from home for prolonged periods
3.2	Continuing impact of coronavirus on working arrangements leading to loss of productivity	1	3	3	=	Mitigate	- Flexible working patterns and access to laptops allows for all Enterprise M3 staff to work remotely and access to Zoom and Microsoft Teams allow for meetings and staff interaction to continue - Key events can be amended to be digital platforms - Creation of internal COVID-19 response team to manage internal working arrangements and focus - Enterprise M3 are overseeing a return to work within the Enterprise M3 office and are undertaking staff surveys and consultation to reduce any potential loss of productivity as it moves to a hybrid working pattern.	Chief Executive COVID-19 Sub- Group	Chief Executive	Jul-21
3.3	Staff absence due to coronavirus and quarantine restrictions or staff departure leading to loss of knowledge and creating capacity issues within Enterprise M3	2	4	8	=	Mitigate	- Staff are required to complete handover notes passing the knowledge over to new members of staff - All staff use the central sharepoint for storing information, documents and interactions - Staff can be redeployed to cover internal workstreams - Temporary staff can be brought in to cover pieces of work - Enterprise M3 have put in place emergency delegation procedures for approvals - As standard, 2 months notice is required from Enterprise M3 staff members meaning that the LEP has appropriate time to fill staffing gaps if appropriate/required.	Chief Executive	Chief Executive	Jul-21
4 OUR PROJECTS AND PROGRAMMES										
4.1	The impacts of coronavirus and Brexit could negatively effect the performance of the Growth Hub and its ability to support business in the short-medium term	1	3	3	=	Mitigate	- Additional funding was awarded to the Growth Hub in March 2020 to ensure that they have the ability to support business and funding is expected to continue - Regular contact is kept with the Growth Hub and metrics of performance are provided to the LEP on a quarterly basis - The Growth Hub is now an in-house service and are able to draw on the resources of the LEP for support.	Chief Executive	Chief Executive	Jul-21
4.2	Enterprise Zone - Investment in interventions delayed resulting in low take up by companies and reduction in business rate income growth therefore negatively impacting the ability to invest in the Enterprise Zone	2	3	6	=	Accept	-Planning engagement with the PSG and partners to discuss funding and priorities to accelerate delivery during the recovery phase'	Board Chief Executive EZ PSG	Chief Executive	Jul-21

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4.3	Projects are delayed, fail to deliver or are no longer a priority due to Covid 19	2	4	8	DOWN	Accept/mitigate	-Continued dialogue with partners to understand scale of this risk and impacted projects. - Pipeline of projects will continue being developed to respond to Covid 19 which can be delivered at pace. - Projects were allowed to move funding into the 2021/22 financial year	Board PMG	Board Chair	Jul-21 - This risk has been downgraded as project delays related to Covid 19 were mitigated however the risk has been considered as still relevant due to the unknown implications that covid 19 may have on projects over the longer term.
4.4	Delayed delivery or non-delivery of projects has negative impact on performance assessments and failure to deliver outcomes in a timely way	3	3	9	UP	Mitigate	- Enterprise M3 created a specific Project Risk Register which is presented to the RFAC and the PMG to identify any issues and assess any potential implications - It will continue to strengthen its processes and procedures internally for projects through its Programme Management Office - Regular dialogue is kept with project sponsors through update meetings, email and monitoring reports to ensure where possible projects can complete in a timely manner and deliver the outputs required	Board PMO	Board Chair	Jul-21 This risk has been upgraded as Enterprise M3 are unable to utilise freedoms and flexibilities for its Getting Building Fund projects and key projects (Gigabit EM3, Basing View Living Lab and Simpleworking) are in crucial stages of preparatory work.
4.5	Bringing the Growth Hub in-house could have a short term negative impact on the delivery on the Growth Hub due to changes in governance and operation	2	3	6	DOWN	Mitigate	- The Growth Hub Associates are now contracted with the LEP through Bloom - Integration of the Growth Hub staff took place with invitations to existing meetings, coffee catch-ups and similar introductory meetings.	Chief Executive Board	Chief Executive	Jul-21 - The risk has been downgraded due to the mitigation put in place by the Enterprise M3 team as well as the fact that the Growth Hub service has been operating well since the 1st April 2021.
4.6	Non-delivery or delayed delivery of KPIs against the Careers and Enterprise Company contract	2	4	8	=	Mitigate	- Enterprise M3 are working closely with the Careers and Enterprise Company and keeping open communication on capacity, delays or issues to minimise the risk - Careers and Enterprise staff can be re-allocated within the programme to minimise the risk of missing targets/KPIs	Chief Executive	Chief Executive	Jul-21