

04a WLEP RISK REGISTER UPDATE

WLEP BOARD RECOMMENDATION

The WLEP Board is asked to:

- Note the changes to the WLEP risk profile following FAR Committee review at their meeting on 13 September 2023; and
- Note the escalation of one risk which is now assessed as a 'net red' risk within the WLEP Risk Register and identify any further actions required to support risk mitigation strategies.

4.1 Context

- 4.1.1 As outlined in the WLEP Local Assurance Framework (LAF), the Finance, Audit and Risk (FAR) Committee operate as a sub-group to the WLEP Board and meet on a quarterly basis. One of the FAR Committee's key roles is in ensuring that the necessary risk management systems are in place for WLEP operations.
- 4.1.2 This brief report provides an update on the risk profile for WLEP, following a review of the risk register undertaken at the FAR Committee meeting held on 13 September 2023.

4.2 WLEP Risk Management Principles

- 4.2.1 As way of reminder, WLEP risks are assessed on a 5 x 5 matrix, which measures the probability and impact of a risk, to generate a score that is assigned one of four coloured ratings – Red, Amber-Red, Amber-Green, or Green.
- 4.2.2 As agreed at previous WLEP Board meetings, the Board is prepared to accept risk and has delegated responsibility for risk management to the FAR Committee to manage on its behalf. It was also agreed that any risk that is assessed as a 'net red' risk must be a priority for immediate management action and should be escalated to WLEP Board for information and decision as appropriate.
- 4.2.3 A decision would then need to be taken by WLEP Board whether to avoid, transfer or reduce the risk (recognising a 'net red' risk cannot be accepted).

4.3 WLEP Risk Register

- 4.3.1 Following FAR Committee review, there are currently 8 risks identified on the WLEP Risk Register. Mitigation strategies have been considered, along with an assessment of their post-mitigation values, which resulted in the following changes to the overall risk profile:
- 1 risk was 'down-graded' i.e. a reduction in their probability and/or impact values
 - 3 risks had no change to their overall scores
 - 4 risks were 'up-graded' i.e. an increase in their probability and/or impact values
 - 2 risks were closed
 - In addition, 1 new risk was added
- 4.3.2 It is important to note that the risk values assessed and recorded on the Risk Register are post-mitigation. As a result of the changes made, the risk profile of the WLEP Risk Register is now:

- Green – 0 risks
- Amber/Green – 2 risks
- Amber/Red – 5 risks
- Red – 1 risk

4.3.3 In accordance with the WLEP Risk Management Strategy, the FAR Committee are escalating to WLEP Board the fact that one risk is now categorised as a net red risk, as follows:

- **(Score of 20/25)** – A political change in national LEP responsibilities results in a risk of the LEP failing to adapt to, or deliver on priorities, and potentially exacerbates existing risks.

4.3.4 The FAR Committee increased the impact rating of this risk considering the national context / messaging around LEPs. Mitigation strategy is to develop an integration plan in partnership with partners once the upper tier guidance has been published by Government. This is anticipated very soon, as there is a 30 November indicative deadline being mooted by Govt for submission of these plans by local areas.

4.3.5 Other increases in risk ratings were linked to the National LEP Review announcement from Govt and the associated impact on strategic economic planning functions and business/partner representation requirements post-transition.

4.3.6 For more detail on the risks and the current mitigating actions in place, the full Risk Register is included as **Appendix 04b**.

4.4 Mitigation Strategy and Next Steps

4.4.1 Mitigation strategies are in place for all risks.

4.4.2 We have been advised by DBT and the LEP Network to expect the LEP transition guidance for upper tier authorities to be published by Government ‘imminently’ whilst future funding decisions around LEP transition support and Growth Hubs will not be provided until January 2024, at the earliest. The Executive Team continue to hold regular dialogue with DBT at a local level on a fortnightly basis, as a minimum, to update on latest developments and share insights and local intel in a timely manner.

4.4.3 Open dialogue continues between the WLEP/WGH and Local Authorities around UKSPF, with most funding agreements now in place and money flowing in line with agreed payment schedules for our two UKSPF-supported initiatives and services (Growth Hub and BetaDen). Plans are in place to provide our first reports to Local Authorities in mid-October on UKSPF performance.

4.4.4 In the meantime, the WLEP Executive Team with the support of the Accountable Body continue to monitor the operating budget to identify any potential opportunities for rationalisation and operational efficiencies.

4.4.5 WLEP Board is invited to comment on existing risk profile and to advise on any additional mitigation strategies we should consider.

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