

Finance & Audit Committee			Paper 0
Date and Time: 9 th February 2022 (starting at 2pm)			
Venue: Via MS Teams			
<i>Item No</i>	<i>Item and Brief Description</i>	<i>Lead</i>	<i>Additional Information</i>
1 5mins	Welcome and Introductions <ul style="list-style-type: none"> • Apologies for Absence and Declarations of Interest • Matters arising • Actions update 	Chair	Paper 0.1
2 5mins	Draft F&A Minutes <ul style="list-style-type: none"> • October 2021 - For approval and publication 	Chair	Paper 1
3 20mins	Financial Report <ul style="list-style-type: none"> • Overview of the Q3 finances for 21/22 	Linsay Hill Pritchard, Accountable Body	Paper 2
4 15mins	Governance <ul style="list-style-type: none"> • Risk Management Plan - for approval • Risk Register - for approval • Local Assurance Framework - update 	Caroline Illingworth - LEP	Paper 3
5 15mins	LEP Forward Plan 22/23 <ul style="list-style-type: none"> • Outline Overview 	Ruth Carver - LEP	Verbal
6 10mins	F&A Committee <ul style="list-style-type: none"> • New members for F&A Committee 	Ruth Carver - LEP	Verbal
7 20mins	Freeports <ul style="list-style-type: none"> • Presentation from Halina Davies 	Halina Davies - LEP	Verbal
8 5mins	AOB	Chair	Verbal

Confirmed: Ian Knowles, Rob Griffiths,
Ruth Carver, Linsay HillPritchard, Laura Spittles, Caroline Illingworth

Apologies: Stephen Deville

Additional Papers:

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Welcome and Apologies

Present

Ian Knowles (IK) Acting Chair
Robert Griffiths (RG)

Officers - Ruth Carver (RC), Laura Spittles (LS), Louise Higham (LH), Caroline Illingworth (CI)

Guests - Martin Collison - Agri-food Specialist (MC)

Apologies:

Stephen Deville (SD); Linsay Hill Pritchard (LHP)

No declarations of interest were declared.

The minutes from the previous minutes were agreed and signed off by the Committee.

RC stated that a campaign will be actioned to recruit further members of the Finance and Audit Committee. Ideally there should be about 5/6 members to cover the meetings. Then to be quorate there must be at least 1 public and 1 private member present at each meeting. CI/LS to take this further.

A new Chair also needs to be recruited for the Committee as the previous Chair has now stepped down from the role. CI/LS to take this forward.

Matters Arising - the discrepancy, highlighted through the recent audit, has now been clarified and the additional money owed to the LEP will be transferred imminently. This money will be added to the LEP Balance Sheet. The Committee will need to sign off this discrepancy after seeing the revised accounts summary from the Auditors - RC to circulate.

The Auditors for next year will need procuring soon. IK stated that he would like to see this done ASAP. LS/CI/LHP to take this forward and procure for the LEP. Details will be emailed to the Committee in written procedures and will then be discussed at the meeting held early next year. RG stated he is happy to be involved in this process and review the submissions.

Financial Report

RC presented the Committee with an overview of the financial position of the LEP and summarised the financial income and expenditure for the period 1st April 2021 - 30th September 2021.

The LEP are currently showing a spend of roughly 1/3 of the allocated budget. This is slightly behind where it should be, but a piece of work is currently being undertaken to identify areas in the delivery plan that haven't yet been actioned. A revised core operating budget for 2021/22 will be proposed to the LEP board in October identifying expenditure to amount of £1,538m. This will be funded by a combination of Core funding, earmarked reserves, grant income, fee income, interest and partner contributions.

Most of the projects under the SLGF programme are completed or are near completion. The outputs achieved are also extremely positive. Further Project claims have been submitted for the April to June period and these have now been processed by the team. £393k was released in this quarter.

£2.3 million has been released to projects on the GBF programme following the first claim submissions. The claims process took slightly longer as many of the projects were new to the reporting structure. Full support has been given and we are confident that all projects have been fully trained in preparation for the next claim cycle expected 11th October. The GBF programme is now fully contracted and must be delivered by March 2022 with all grant funding having been drawn down by the 31 March 2022. LH to provide the Committee with a further update once the Q2 claims have been processed.

The Committee approved the contents of the report and recommended that the information is taken to the next Directors Board Meeting.

LEP Reserves

RC updated the Committee on the reserves held by the LEP and the latest ask from the Directors Board. With the current issues facing the economy the LEP were tasked by the Board with undertaking a piece of work that involved highlighting any available resources in the reserves that could be used to fund projects that use innovative solutions to the labour market shortages. These would need to be new solutions, not something that is already currently available. The second part of this project would be a Net Zero Accelerator Fund to take these proposed solutions forward in our sector areas.

The LEP Core Reserve has been slightly increased due to the recent expansion of the LEP Core Team. A provision needs to be made for redundancy and pension strains.

Another provision has also been made for a Hardship Fund for any projects that may struggle due to the recent issues with the economy.

Martin

Martin Collison works alongside the GLLEP as an Agri-Food Sector Consultant and presented the Committee with an update on the UK Food Valley.

The UK Food Valley is a key part of the GLLEP Covid Recovery Plan. The aim is to position this cluster as a global top 10 food cluster. The County has the largest fresh produce cluster.

In the recent years there has been a lot of development and investment in this sector in our area. There is a wide breadth and scale with poultry and meat processing, plant proteins and Agri-Robotics. There are new centres and facilities opening in various locations to expand this work even further.

Recently the Lincoln Institute for Agri-Food Technology was created and is already the largest one of its kind in Europe.

Risk Review

The Risk Register has recently been presented to the Directors Board. Overall the Board were happy but did highlight a couple of ratings that they felt could now be lowered with reference to the Covid situation.

CI will be taking an in-depth look at the register going forward.

Date of Next Meeting

9th February 2022

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Paper 2 - 2021/22 Financial Update - Quarter 3

Publication	Public Paper (published)					
Meeting date:	9th February 2022					
Agenda Item:	3					
Item Subject:	2021/22 Financial Update Quarter 3					
Author:	Linsay Hill Pritchard					
For:	Discussion	X	Decision		Information	X

1 Summary

1.1 This report provides an overview of the financial position of the Greater Lincolnshire LEP and summarises the financial income and expenditure covering the period 1st April 2021 - 31st December 2021.

1.2 Recommendations: The F and A committee is asked to:

- Note the expected outturn for 21/22
- Note the position in relation to Income and expenditure
- Note the progress on the appointment of Auditors as recommended at the previous Finance and Audit committee to cover the 21/22 accounting period.

2 Summary Budget for Financial Year 2021/2022

2.1 An Interim budget for 2021/22 was proposed to the LEP board in March 21. The overall core budget was estimated at £1.171million. This was to be funded by a combination of core funding, earmarked reserves, re-purposed funds, grant income, fee income and interest.

2.2 Following continued reviews by the LEP team the estimated budget use for the year raised to 1.5Million and this was advised to Board. The budget took account of the proposed increases in the Career Hub model and other activities to support the delivery of the LEP business plan.

2.3 At the December 21 period the expected outturn for 21/22 is £1.316Million.

3 LEP Finances - Spend overview April - December 2021

3.1 The LEP have received £32.597million of funding within the year including its core funding allocation of £500k and the 2nd tranche of £12.9 million of Getting Building Fund. The table below shows the income and expenditure from the period to January 2021.

LEP

Area	Income to December 2021	Expenditure to December 2021
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Paper 2 - 2021/22 Financial Update - Quarter 3

LEP Operation Core	£533,000	£207,114
LEP Core Repurpose	£0	£24,219
Enterprise Co-ordinator	£33,171	£58,041
Career Hub	£64,700	£51,021
Kickstart/capacity	£2,940	£16,549
Skills and Employment Manager	£0	£30,532
Skills Advisory Panel	£75,000	£36,611
EM Ambassador Network	£13,250	£11,119
Future Proofing Coastal Tourism	£0	£88,758
Business Investment Fund	£0	£117,127
Invest to Grow Loan Fund	£95,554	£0
Single Local Growth Fund	£0	£183,097
Getting Building Fund	£12,900,000	£4,594,011
TOTAL	£13,717,615	£5,418,200

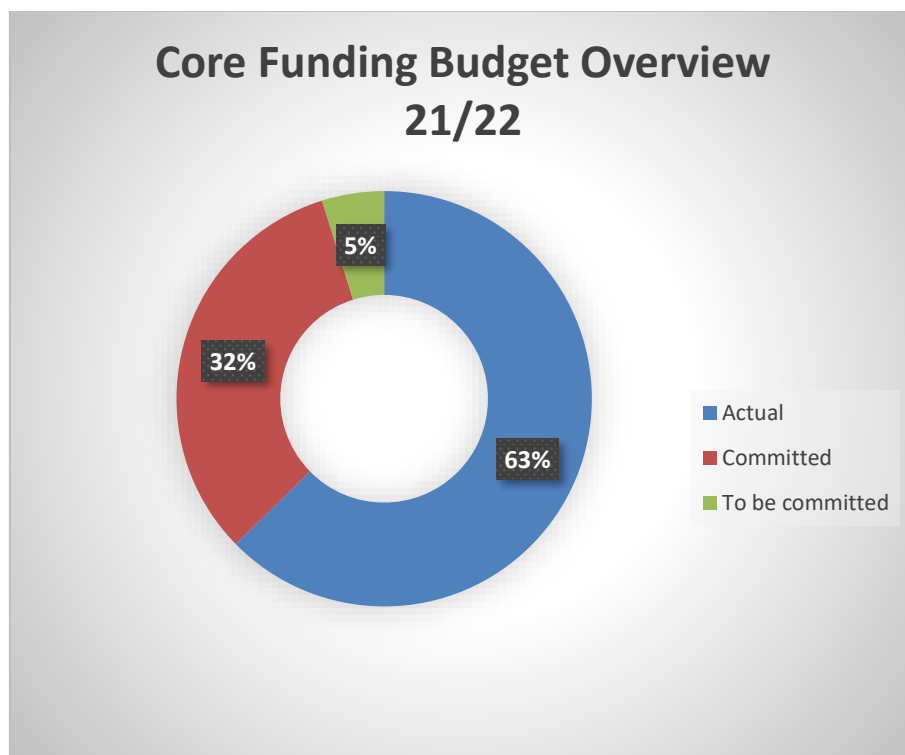
LCC Partnership

Area	Budget as at December 2021	Expenditure to December 2021
LCC Commissioning	£309,105	£280,389
Research	£25,000	£7,800
Employment and Skills	£10,000	£8,536
TOTAL	£344,105	£296,725

Expenditure for the period to December amounts to £5.714m. The budget has been recently scrutinised, and the revised core budget and expected outturn is £1.318m. On the capital programme side, the budget has reduced to £25.3m.

Progress against the expected outturn is:

AREA	Expected Outturn	Actual to date	% Spent
Core Revenue Budget	£1,167,783	£720,812	61.72%
Revenue Programme Budget	£149,877	£99,877	66.64%
Capital Programme Budget	£25,314,058	£4,894,235	19.33%
Total	£26,631,718	£5,714,924	21.46%



The revenue budget aligns with previous years in that there are often larger items of spend in the last quarter of the financial year. The capital budget looks low however we are in the process of releasing just over £4.5 million on the SLGF and GBF programmes following the submission of claims for Quarter 3 in January.

3.2 The table below provides a summary on the main LEP finances:

£533k has been received to Dec 21. This included the 2nd tranche of 250K of core funding and 33k of repayment following resolution of the judicial review on Northern Junction Roundabout has also been received.

Core Operational Budget

LEP specific spend to December 2021 is £207K with a further £297k expended from partner contributions. Given the nervousness around whether LEPs would receive the full amount of core funding offered in previous years, partner contributions have been maximised first to ensure staff costs were covered.

Core Other

Enterprise co-ordinator activity ceased under the existing contract in August 21. Final costs are being agreed and to December 21 expenditure has amounted to £58.4k. This has been covered by some additional grant income and earmarked reserve.

A new Career Hub contract has been taken forward delivering

the same activity with additional enterprise co-ordinators. The career hub is now fully staffed following a successful recruitment exercise. £67.5 has been spent to Dec 21 with 67.6 having been received from the first claim and partner contributions to run the service.

This work is overseen by the skills manager who has been paid 30.5K to date from an identified LEP reserve under Cash balance 1.

The Future Proofing Coastal Tourism work has struggled to deliver fully during the pandemic and only £88.7 has been released this year. The project sought and been granted an extension from central government into 2022 to incorporate three key elements:

1. Strengthening the local and national evidence base
2. Skills Innovation
3. Championing the local coastal community

There is currently a huge media campaign in operation to engage sign up and all the courses, champions and details are on the [Coastal Communities Fund | Coastal Communities Alliance](#) website.

Feasibility Fund

This fund concluded in 20/21

Greater Lincolnshire Business Investment Fund

No further projects have been contracted and the programme is closed to new applications.

A management fee of 25K (Greenborough) and project payments to the value of £33,376 have been made in the 21/22 FY to 2 projects - ParcAcre and Genfrost. No claims have been received at the Q3 period.

Further project spend of just under 200K is expected by year end - £40,342 to Genfrost and £187,194 to PackAcre.

SLGF/GBF

Most of the projects under the SLGF programme are financially complete. Further Project claims have been submitted for the October to December period and these have now been processed by the team. We expect make payments of £717K All SLGF has been paid out and we are now using the freedom and flexibilities created in previous years to complete the remaining projects. £8.5million of freedom and flexibility budget remains to be spent with a revised figure of £6.8 million expected in 21/22. £1.7 will be paid in 22/23 and this includes £0.8m underspend which will be included as part of the Growth Accelerator fund.

£7.072 million has been released to projects to date on the GBF programme following the first 2 claim submissions. A further £4.057million will be released following completion of the Q3 claims.

See section 5 for a full GBF update.

Long term investment Loans are currently £4,085,228 as follows:

- £3.5m - Chestnut Homes - Boston Quadrant
- £585,228k - The Lincolnshire Bomber Command Memorial.

We received £95.5K in interest payments from both projects in quarter 2 and no further interest is expected until Quarter 4 along with the first loan repayment from Boston Quadrant of £700K.

The committee will remember that Boston Quadrant approached the LEP to request changed terms on the loan agreement. This was discussed at the November Investment Board. The decision was made to:

Invest and Grow Loan

1. Interest Payments to continue to be invoiced each year at the rates originally agreed until the loan is fully repaid.
2. Repayment of the £3.5m loan to be postponed and repaid as follows:

By 31 March 2022	£700,000 repayment
By 31 March 2023	£1,400,000 repayment
By 31 March 2024	£1,400,000 repayment

4 Reserves

4.1 The LEP holds several reserves to allow a response to operational pressures and deliver their agreed business plan priorities - a few which are required to be accessed in this financial year. The table below shows the amounts of reserve that are currently held in each of the 3 identified classifications:

Name of Fund	Balance on 31 st December 2022
Cash Balance 1 - Core Funding, Reserves, and other cash balances (committed)	£1,864,274

Cash Balance 2 - Growing Places Fund (Invest to Grow)	£4,889,825
Cash Balance 3 - Single Local Growth Fund (committed)	£8,305,989
Total	£15,715,163

4.2 Funds in Cash balance 1 and 3 are committed. Cash balance 2 has a combination of committed funds and uncommitted but as identified above these will change when the next phase of re-purposing is undertaken.

5 Getting Building fund

5.1 The LEP were awarded £25.8 million for six schemes under the Getting Building fund with government expectation that £12.9million will be spent by March 2021 and a further £12.9 spent by March 22. The programme has progressed well and is fully contracted however many of the projects have suffered delays due to the impact of the pandemic.

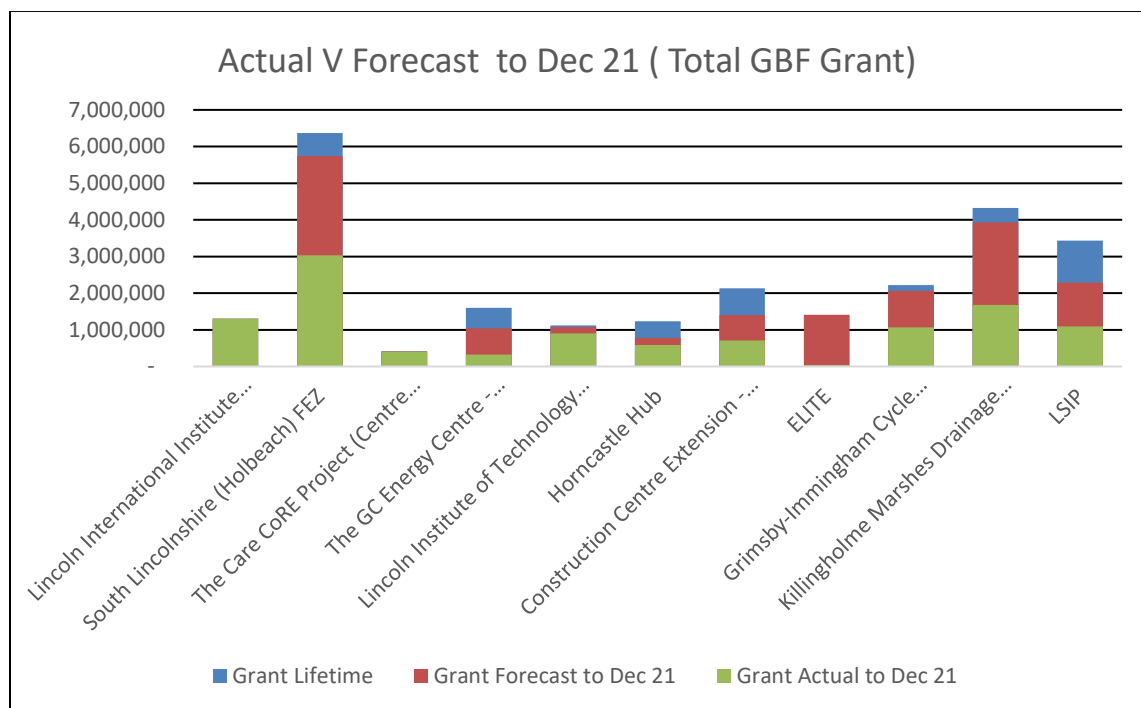
GBF -Table 1 - Quarter 3 Summary Position

	Expected	Actual	Variance
Spend to Sept 21	£38.532	£22.336	£16.196
Grant to Sept 21	£21.442	£11.130	£10.312
Match to Sept 21	£17.090	£11.206	£5.884

5.2 Since the programme's inception there is a 47.25% underspend on grant forecasts as of the end of Quarter 3. Many projects have been experiencing delays/shortages in supplies and COVID safe working practices are also causing time pressures. Procurement for some schemes has become difficult as projects fight to get fixed prices on contracts.

5.3 The full £25.8m allocation from government has been received. As per the grant determination letter we were able to secure £10m in Freedom and flexibility (Offset)in 21/22. No other freedoms and flexibilities have been utilised as projects have been paid on agreed in year intervention rates.

5.4 The table below gives a view of how individual projects are operating against their grant forecasts



5.5 We are continuing to work on a plan for spend moving forward and this will form a major part of our discussions at the Annual conversation on the 8th of February. Q4 sees a forecast of £9million grant however I suspect there to be more slippage in this period, and we have gone back to those projects that we are most concerned about. £5million is expected to be released in 22/23. Given the most recent forecasts the bulk of this will be spent in the first quarter of 22/23 and can be covered (if agreed with government) by freedom and flexibility already achieved. Given we have created the £10Million offset pot we are in a good position to cover any further slippage up to this value.

5.6 The committee should note that this was always going to be a very challenging period for any capital programmes, and we understand that GBF underspend is a national issue. Given experience on previous programmes I would argue that the projects have done incredibly well to spend as much as they have to the quarter 3 period and have been keeping us updated throughout on problems that they have been facing. To achieve the programme grant, spend by June 22 would feel a huge achievement.

5.7 As previously highlighted in reports to the committee and board most of the projects have experienced delays due to supply issues, new working practice limitations and the difficulty in securing fixed costing for certain pieces of work.

6 2021/22 External Audit

6.1 The External Audit will look at the financial report that is produced on all funds held by the Accountable body on behalf of the LEP. This report will be agreed in draft by the F and A committee and is recommended to board following the audit.

Paper 2 - 2021/22 Financial Update - Quarter 3

- 6.2 The LEP asked 4 local companies to quote for the Audit for the next 2-3 years. Of these 4 only 2 have sent in quotes. Rob Griffiths will review the quotes and send a recommendation to the rest of the F&A Committee.

Publication	Public Paper (published)				
Meeting date:	9 th February 2022				
Agenda Item:	4				
Item Subject:	New Risk Management Plan and revised Risk Register				
Author:	Caroline Illingworth				
For:	Discussion		Decision	X	Information

As part of an internal review of LEP governance and assurance processes, a new Risk Management Plan has been created, clarifying risk definitions and scoring, and setting out reporting and escalation procedures.

The LEP Risk Register has been revised to comply with these new definitions, with the addition of inherent and residual risk scoring to enable better targeting of mitigation actions.

Annex A - Risk Management Plan (following pages)

Annex B - Risk Register Q3 FY21/22

Recommendation: The Committee is asked to recommend that the LEP Board approve the new Risk Management Plan.

Recommendation: The Committee is asked to recommend that the LEP Board approve the new revised Risk Register.

GREATER LINCOLNSHIRE LEP

Reference 21: Risk Management Plan

Name of Document	Risk Management Plan
Purpose	To provide a framework for assessing and managing strategic risks and risks associated with the Annual Delivery Plan
Author	Operations & Delivery Executive Manager
Version	0.1
Review date	December 2021
Date approved by Board	
Date of next review	December 2023
Location	Document can be located within Greater Lincolnshire LEP Management system
Policy lead officer	LEP Chief Executive

Version Control		
<i>Please note this document is valid until formally revoked or replaced</i>		
Version	Date	Changes
0.1	December 2021	Initial draft

1. PURPOSE

- 1.1. This plan describes the framework for identifying, assessing, and managing risk within the Greater Lincolnshire LEP, covering both strategic risks, and risks associated with the Annual Delivery Plan Key Performance Indicators (KPIs).

2. RISK MANAGEMENT PROCESS

- 2.1.1. The risk management process follows a cyclical approach as defined in Figure 1. This cycle ensures that continual improvement can take place by enabling risks to be regularly reviewed to ensure their definitions, assessment, and associated actions remain relevant and appropriate. The risk management plan will be reviewed every two years to enable lessons learnt to be incorporated as part of the continual improvement process.



Figure 1: The Risk Management Cycle
Source: The Orange Book: Management of Risk - Principles & Concepts, HM Government; 2021

3. REPORTING STRUCTURE, ROLES AND RESPONSIBILITIES

- 3.1. Figure 2 describes the reporting structure, and the roles and responsibilities of each person or group within that structure. The upward reporting chain also provides the escalation route, as described in more detail in [Section 7](#).

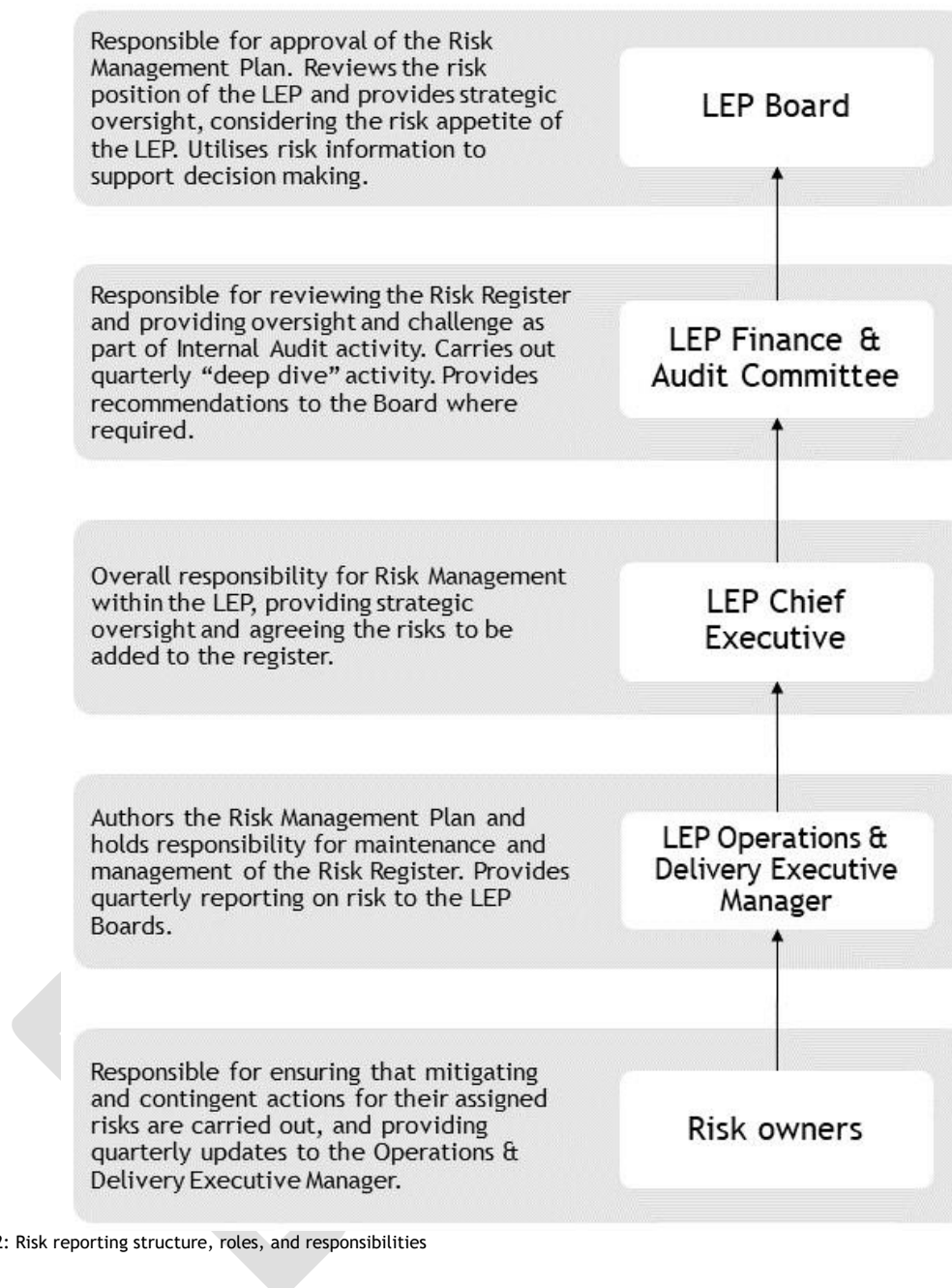


Figure 2: Risk reporting structure, roles, and responsibilities

4. RISK IDENTIFICATION AND DEFINITION

- 4.1. A combination of horizon scanning, SWOT and PESTLE analysis, and a determination of the risk appetite of the LEP will be utilised to help identify and prioritise relevant risks. Risks may be identified by any member of the LEP Secretariat, any member of the LEP Boards, or any appropriate representative of the Accountable Body.

4.2. Risks will be defined using the format “If...then...which...”. This will ensure that risks are captured consistently, and the impact of each risk is identified. For example:

“If our risk management is not robust...then we will fail to identify or mitigate for risks...which will put the delivery and reputation of the LEP at risk.”

4.3. Each risk will have Early Warning Indicators (EWIs) identified. These are occurrences which may indicate that the probability of the risk becoming an issue is increasing, enabling additional mitigation actions to be implemented before the issue arises, or escalation procedures to be initiated. For escalation procedures, see [section 7](#).

5. RISK ASSESSMENT

5.1. For each risk, two scores will be assessed. Firstly, the **inherent risk**, defined as the current risk score. Secondly, the **residual risk**, defined as the target risk score once all mitigation and/or contingent actions have been carried out. The residual risk score should be set at a level at which the LEP is comfortable to accept as part of Business-As-Usual activity.

5.2. Figure 3 defines the scoring matrix which will be used to determine the inherent and residual risk scores. Figure 4 defines the probability levels used in the risk scoring system, whilst figure 5 provides guidance on the impact level definitions.

Probability	4 (almost certain)	4	8	12	16
	3 (likely)	3	6	9	12
	2 (possible)	2	4	6	8
	1 (unlikely)	1	2	3	4
		1 (minor)	2 (moderate)	3 (major)	4 (catastrophic)
		Impact			

Figure 3: Risk scoring matrix

Probability	Definition
Almost Certain	76-100% probability
Likely	51-75% probability
Possible	26-50% probability
Unlikely	1-25% probability

Figure 4: Risk probability definitions

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Impact rating	Financial impact	Operational / Delivery impact	Scheduling impact	Reputational impact
Catastrophic	Overspend or loss equivalent to >40% of annual LEP core operating budget	Severe disruption to operations, with key activities unable to be carried out	Delay in key milestones of >9 months and delay in key milestones passing from one FY into the next	Long term impact on more than half of stakeholders, resulting in permanent loss of relationship and/or removal of funding access by funding bodies and negative national press coverage
Major	Overspend or loss equivalent to 25-39% of annual LEP core operating budget	External impacts occur which may adversely affect some LEP partners. Key operations are disrupted.	Delay in key milestones of 7-9 months and/or delay in key milestones passing from one FY into the next	Long term impact on some stakeholders, resulting in permanent loss of relationship or negative national press coverage or formal criticism from funding bodies with sanctions imposed or mitigating actions required
Moderate	Overspend or loss equivalent to 10-24% of annual LEP core operating budget	Temporary external impact on delivery with/to LEP partners. Key operations can continue with workarounds in place	Delay in key milestones of 4-6 months, not passing the end of the FY	Temporary impact on up to half of stakeholders, recovery requires targeted effort in relationship rebuilding or negative local press coverage or negative feedback from funding bodies
Minor	Overspend or loss equivalent to <10% of annual LEP core operating budget	No external impact discernible to LEP partners. Some internal impacts may be experienced, but key operations are able to continue uninterrupted	Delay in key milestones of 3 months or less, not passing the end of the FY	Temporary impact on a limited number of stakeholders, easily recovered using standard stakeholder management procedures

Figure 5: Risk impact definition guidelines

- 5.3. A treatment type will be assigned to each risk, taking into consideration the actions that need to be assigned, as follows:
- 5.3.1. Avoid - actions will be assigned to avoid the risk completely
 - 5.3.2. Reduce - actions will be taken to reduce the probability of the risk occurring and/or the impact of the risk
 - 5.3.3. Transfer - actions will be taken to transfer the risk to another responsible partner or body, for example by use of insurance or outsourcing
 - 5.3.4. Share - actions will be taken to share the risk with partners or other responsible bodies
 - 5.3.5. Accept - the impact of taking action is the same or greater than the impact of the risk itself, therefore the risk is accepted without action being taken
- 5.4. Risks will also be assigned a risk appetite, appropriate to the context of the risk, and the strategic aims and direction of the LEP. Figure 6 provides guidance on typical definitions to be considered when assigning risk appetite.

Risk appetite rating	Definition
Averse	Avoidance of any action which could cause financial loss, reputational harm, loss of data or other negative operational impact. Defensive actions only to be taken.
Minimal	Willing to accept minimal operational, reputational or financial impact from the actions, if it will not affect the overall delivery of the LEP.
Cautious	Willing to consider actions where the benefits outweigh the risks. Innovation avoided unless necessary. Limited risks accepted with checks and balances in place.
Open	Innovation is supported with a clear demonstration of the benefits. Prepared to invest for benefit, but with controls in place.
Eager	Innovation pursued. High risk actions may be taken but exceptional benefits could be realised as a result. Prepared to invest for best possible benefit with the acceptance of the possibility of financial loss (controls must be in place).

Figure 6: Risk appetite guidance definitions

- 5.5. Each risk will be assigned an overall status of either active, accept and monitor, closed, or become an issue. Risk status will be reviewed at each review point. Risk status definitions can be found in figure 7 below.

Risk status	Definition
Active	Risk is active and regularly reviewed. Mitigation and contingency actions are underway
Accept and Monitor	Residual risk score has been reached. No active management of the risk is taking place, but monitoring is being carried out. Risk can be moved back to active if inherent risk score rises again, risk can be closed if no changes to accept and monitor status after 6 months
Closed	Risk is no longer relevant and has been closed
Become an Issue	Risk is now occurring and is being dealt with as an issue. Can be moved to one of the other risk status categories once it has been dealt with

Figure 7: Risk status definitions

6. RISK MANAGEMENT AND REPORTING

- 6.1. The Risk Register will be reviewed and updated each quarter by the Operations & Delivery Executive Manager. Risk owners will provide updates as to actions carried out and effectiveness.
- 6.2. The updated register will be submitted to the Finance & Audit Committee each quarter for scrutiny. As part of this process, the LEP Secretariat may identify one or more individual risks and request that the committee carry out “deep dive” activity on those risks. The Committee will provide their recommendations to the LEP Board following this scrutiny and may request additional actions to be implemented by the LEP Secretariat.
- 6.3. Each quarter, the LEP Board will be provided with a summary of overall risk status of the LEP as part of the quarterly reporting dashboard, along with details of any risks which are scored as “red”, or which have significantly increased in risk score in the last quarter, or which have become an issue and require immediate attention.

7. ESCALATION PROCEDURES

- 7.1. There may be occasions when risks require escalation outside of the usual reporting timetable. The escalation route is via the Operations and Delivery Executive Manager to the LEP Chief Executive in the first instance. Escalated risks may then go to Finance & Audit Committee members directly via email to request their input. If the Committee deem it necessary, the escalated risk may then be passed directly to LEP Directors via email for their views.
- 7.2. The thresholds for triggering the escalation procedure will be as follows:
- 7.2.1. A risk already included in the Risk Register becomes an issue
 - 7.2.2. A risk already included in the Risk Register changes to be assessed as a level 4 for either probability (almost certain), or impact (catastrophic)
 - 7.2.3. A new risk not already on the Risk Register comes to light and is assessed as “red” or as “become an issue”

Risk ID	Risk category	Risk title	Date risk raised	Owner	Risk definition	Early warning indicators	Treatment type	Inherent Risk (Current level of assessment)			Residual Risk (Assessable against business activities or strategies)			Mitigating and/or contingent actions (To reduce the inherent risk)	Target date	Progress on actions	Risk register	Risk status	
								Strategic	Operational	Financial	Strategic	Operational	Financial						
STRATEGIC RISKS																			
001	People	LP Review outcomes	Dec-21	LP Chair Executive	If the outcome of the LP is poor...	...then the continued presence could negatively impact the reputation and confidence of the LP and our ability to secure funding...	...which will lead to a reduction in the amount of funding available to the LP...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	2	3	4	5	6	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Medium	Active
002	Finance	SLIP Core Funding	Dec-21	LP Chair Executive	If the LP income results in higher than expected costs...	...then programmes and projects could be delayed or not funded at all...	...which will lead to a reduction in the amount of funding available to the LP...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	2	3	4	5	6	1. Carry out scenario planning for different funding scenarios 2. Carry out prioritisation exercise to determine activities that could potentially be halted/funding reduced			Amber	Active
003	Finance	Growing Pains Fund - Loan Repayment	Dec-21	Projects & Programme Executive Manager	...then this will impact our ability to repay the loan...	...which will lead to a reduction in the amount of funding available to the LP...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	1	2	3	4	5	6	1. Implement processes to mitigate the impact of late or non-payment by requesting repayments/interest on payments. 2. Consider increasing additional specialist support			Amber	Amber and Monitor
004	Governance	Risk Management	Dec-21	Operations & Delivery Executive Manager	...then risk management is not robust...	...which will lead to a reduction in the amount of funding available to the LP...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Amber	2	3	4	5	6	7	1. Create risk management plan 2. Review risk register in line with risk management plan 3. Implement regular "top down" reviews into risk with Finance & Audit Committee 4. Review early review in place for finance cover 5. Implement Covid guidelines where relevant 6. Utilise priority assignments within activity tracker to determine which activities can be paused during periods of greater resource levels 7. Review and monitor business continuity plan identifying actions to be taken in case of a change 8. Ensure essential work is covered when the essential review occurs 9. Discharge storage within shared areas in the cloud (Sharepoint) to provide access for multiple users 10. Review security policies 11. Identify high and low risk partners/ stakeholders and high and low trust influences 12. Monitor regular contact with key partners/stakeholders 13. Ensure awareness of partner/beneficiary needs is shared across the LP team where appropriate 14. Ensure robust compliance procedure in place and all staff are aware of their roles in implementing the procedure 15. Share best practice examples with other organisations			Amber	Active
005	People	Productivity	Dec-21	LP Chair Executive	If the Covid pandemic results in higher than expected costs...	...then this will impact our ability to repay the loan...	...which will lead to a reduction in the amount of funding available to the LP...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	2	3	4	5	6	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Medium	Active
006	Technological	IT Failure	Dec-21	Operations & Delivery Executive Manager	...then this will impact our ability to access systems...	...which will lead to a reduction in the amount of funding available to the LP...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	1	2	3	4	5	6	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Active
007	People	Stakeholder and partner relationships	Dec-21	Projects & Programme Executive Manager	...then a breakdown in partner relationships...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	1	2	3	4	5	6	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Active
008	Governance	Compliance	Dec-21	Operations & Delivery Executive Manager	...then our compliance and policies are not up to date...	...which will lead to a reduction in the amount of funding available to the LP...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Amber	2	3	4	5	6	7	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Active
009	Finance	Relationship with Accountancy body	Dec-21	Operations & Delivery Executive Manager	...then our relationship with the accountancy body becomes difficult...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	1	2	3	4	5	6	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Amber and Monitor
010	Operational	Data and Evidence Base	Dec-21	Policy & Research Executive Manager	...then our evidence base is not up to date...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	1	1	1	1	1	1	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Green	Amber and Monitor
011	Security	Data Protection	Dec-21	Operations & Delivery Executive Manager	...then we could be in breach of data protection...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	2	3	4	5	6	7	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Active
012	Operational	LP Review outcome	Dec-21	LP Chair Executive	If the outcome of the LP review is poor...	...then the continued presence could negatively impact the reputation and confidence of the LP and our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	2	3	4	5	6	7	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Active
013	Governance	Director's Office's liability insurance	Dec-21	LP Chair Executive	...then it is not covered by our insurance...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	1	3	1	1	1	1	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Amber and Monitor
DELIVERY PLAN RISKS																			
014	Operational	Growth Plan/ Getting Building Fund Programme Support	Dec-21	Projects & Programme Executive Manager	...then this will impact our ability to secure funding...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	1	2	3	4	5	6	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Amber and Monitor
015	People	Staff Capacity	Dec-21	LP Chair Executive	...then our capacity will be reduced...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	1	2	3	4	5	6	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Medium	Amber and Monitor
016	Operational	Growth Plan/ Getting Building Fund Programme Support	Dec-21	Projects & Programme Executive Manager	...then this will impact our ability to secure funding...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	3	3	3	3	3	3	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Medium	Active
017	Operational	Reputation & Brand	Dec-21	Comms & Engagement Executive Manager	...then our reputation and brand will be reduced...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	1	2	3	4	5	6	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Green	Amber and Monitor
018	Finance	DFI Funding	Dec-21	Operations & Delivery Executive Manager	...then our ability to secure funding will be reduced...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	2	3	4	5	6	7	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Active
019	Operational	Contract & Enterprise Company contract	Dec-21	Operations & Delivery Executive Manager	...then this will impact our ability to secure funding...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	2	3	4	5	6	7	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Active
020	Operational	Achievement of Annual Delivery Plan	Dec-21	LP Chair Executive	...then we do not fully meet our annual delivery plan...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Amber	1	2	3	4	5	6	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Active
021	Operational	Delivery of Core Programmes and other programmes	Dec-21	Projects & Programme Executive Manager	...then this will impact our ability to secure funding...	...which will impact our ability to secure funding...	Information from Government, or via the LP website or other external LP funding will reduce the amount of funding available to the LP...	Reduce	1	2	3	4	5	6	1. Monitor and evaluate progress possible to secure continued buy-in and other support from members 2. Maintain stakeholder relationships through regular updates and positive engagement - presentation of LP highlights/newsletter			Amber	Active