

Finance	Paper 0		
Date and Venue:	d Time: 9 <sup>th</sup> February 2022 (starting at 2pm) Via MS Teams		
ltem No	Item and Brief Description	Lead	Additional Information
1 5mins	<ul> <li>Welcome and Introductions</li> <li>Apologies for Absence and Declarations of Interest</li> <li>Matters arising</li> <li>Actions update</li> </ul>	Chair	Paper 0.1
<b>2</b> 5mins	<ul> <li>Draft F&amp;A Minutes</li> <li>October 2021 - For approval and publication</li> </ul>	Chair	Paper 1
<b>3</b> 20mins	<ul> <li>Financial Report</li> <li>Overview of the Q3 finances for 21/22</li> </ul>	Linsay Hill Pritchard, Accountable Body	Paper 2
<b>4</b> 15mins	<ul> <li>Governance</li> <li>Risk Management Plan - for approval</li> <li>Risk Register - for approval</li> <li>Local Assurance Framework - update</li> </ul>	Caroline Illingworth - LEP	Paper 3
<b>5</b> 15mins	<ul> <li>LEP Forward Plan 22/23</li> <li>Outline Overview</li> </ul>	Ruth Carver - LEP	Verbal
<b>6</b> 10mins	F&A Committee• New members for F&A Committee	Ruth Carver - LEP	Verbal
<b>7</b> 20mins	<ul> <li>Freeports</li> <li>Presentation from Halina Davies</li> </ul>	Halina Davies - LEP	Verbal
<b>8</b> 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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## Greater Lincolnshire LEP Finance & Audit Committee

12<sup>th</sup> October 2021

**MS Teams** 

Welcome and Apologies

<u>Present</u> Ian Knowles (IK) Acting Chair Robert Griffiths (RG)

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

<u>Guests</u> - 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 - 30<sup>th</sup> 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.

#### <u>Martin</u>

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.

### <u>Risk Review</u>

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

9<sup>th</sup> February 2022

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

## 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 1<sup>st</sup> April 2021 - 31<sup>st</sup> December 2021.

#### 1.2 <u>Recommendations: The F and A committee is asked to:</u>

- 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 2<sup>nd</sup> tranche of £12.9 million of Getting Building Fund. The table below shows the income and expenditure from the period to January 2021.

LEP

AreaIncome to December 2021Expenditure to December 2021	er
---	----

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	£O	£117,127
Invest to Grow Loan Fund	£95,554	£0
Single Local Growth Fund	£O	£183,097
Getting Building Fund	£12,900,000	£4,594,011
TOTAL	£13,717,615	£5,418,200

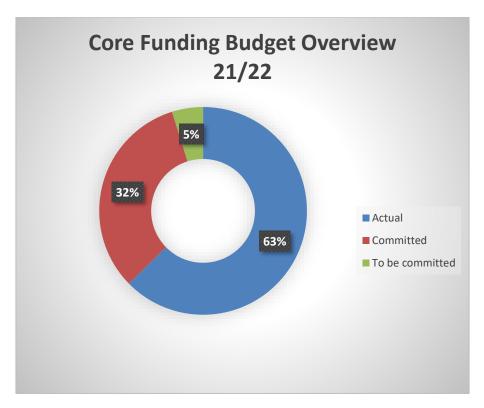
LCC Partnership

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  $\pounds 5.714m$ . The budget has been recently scrutinised, and the revised core budget and expected outturn is  $\pounds 1.318m$ . On the capital programme side, the budget has reduced to  $\pounds 25.3m$ .

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:

Core Operational Budget	<ul> <li>£533k has been received to Dec 21. This included the 2<sup>nd</sup> tranche of 250K of core funding and 33k of repayment following resolution of the judicial review on Northern Junction Roundabout has also been received.</li> <li>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</li> </ul>
	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:
	<ol> <li>Strengthening the local and national evidence base</li> <li>Skills Innovation</li> <li>Championing the local coastal community</li> </ol>
	There is currently a huge media campaign in operation to engage sign up and all the courses, champions and details are on the <u>Coastal Communities Fund   Coastal Communities</u> <u>Alliance</u> website.
Feasibility Fund	This fund concluded in 20/21
	No further projects have been contracted and the programme is closed to new applications.
Greater Lincolnshire Business Investment Fund	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.		
Invest and Grow Loan	We received £95.5K in interest p quarter 2 and no further intere along with the first loan repayn £700K.	oston Quadrant Bomber Command Memorial. Dayments from both projects in st is expected until Quarter 4 ment from Boston Quadrant of ber that Boston Quadrant of ber that Boston Quadrant t changed terms on the loan I at the November Investment o: inue to be invoiced each year eed until the loan is fully	

#### 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 <sup>st</sup> 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

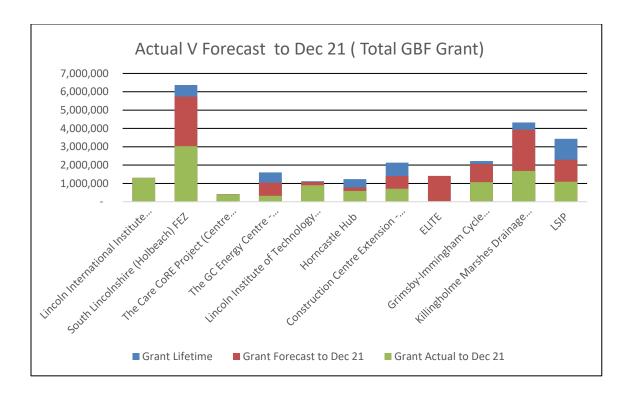
5.1 The LEP were awarded £25.8 million for six schemes under the Getting Building fund with government expectation that £12.9 million will be spent by March 2021 and a further £12.9 spent by March 22. The programme has progressed well and is fully contracted however many of the projects have suffered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

#### <u>GBF</u> - 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 8<sup>th of</sup> 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.

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 (pu	olished)									
Meeting date:	9 <sup>th</sup> February 202	9 <sup>th</sup> February 2022									
Agenda Item:	4	4									
Item Subject:	New Risk Manage	New Risk Management Plan and revised Risk Register									
Author:	Caroline Illingwo	Caroline Illingworth									
For:	Discussion	Decision	Х	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.

**<u>Recommendation</u>**: 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

Please note th		<b>Control</b> until formally revoked or replaced									
Version Date Changes											
0.1	December 2021	Initial draft									

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#### 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 <u>Section 7</u>.

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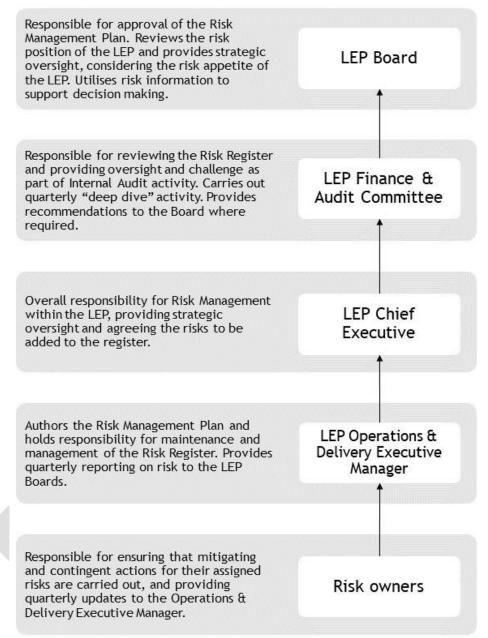


Figure 2: Risk reporting structure, roles, and responsibilities

#### 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.

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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 <u>section 7</u>.

#### 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.

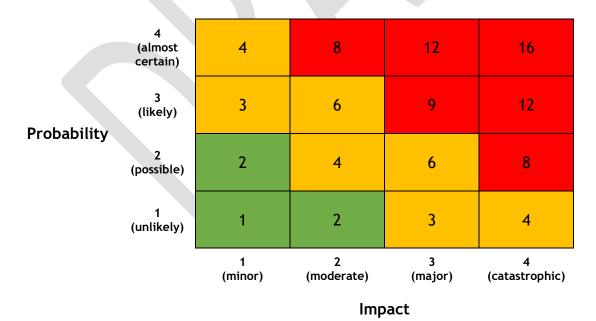


Figure 3: Risk scoring matrix

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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	f annual LEP core operating with key activities unable to be a		Long term impact on more than half of stakeholders, resulting in permanent loss of relationship <i>and/or</i> removal of funding access by funding bodies <i>and</i> 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 <i>and/or</i> delay in key milestones passing from one FY into the next	Long term impact on some stakeholders, resulting in permanent loss of relationship <i>or</i> negative national press coverage <i>or</i> 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 budgetTemporary external impact on delivery with/to LEP partners. Key operations can continue with workarounds in placeOverspend or loss equivalent to <10% of annual LEP core operating budgetNo 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 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 <i>or</i> negative local press coverage <i>or</i> negative feedback from funding bodies				
Minor			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

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- 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 f 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

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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.

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#### 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"

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Risk ID	Risk category	Risk Title	Date risk raised	Owner	et.	Rick definition	which will.	Sarly Warning Indicators	Treatment type	inh (Current le Probability			Re (Acceptable o actions Frobability	idual Rick repocure le are comple impact	velance te) Score	Mitigating and/or contingent actions (To reduce the probability and/or impact)	Target date	Progress on actions	Risk appetite	Risk status
STRA	TEGIC RIS	iks .				then the continued		Lack of updates from								1. Provide staff updates whenever possible to ensure continued buy-in				
58-1	People	LEP Review timescales	Dec-21	LIP Chief Executive	If the outcome of the LEP is delayed	uncertainty could negatively impact staff morale and increase reluctance of stakeholders to engage with us	which will impact the reputation and influence of the LEP and our ability to deliver activities.	Government Information via LEP network or other sources about delayed timescales	Reduce	2	1	2	1	1	1	potentin of mater continuing days and reduce impacts on more through regular comms and politike engagement - promotion of LEP highlights/showcases			Minimal	Active
58-2	Financial	GLLEP Core Funding	Dec-21	LIP Chief Executive	If the LEP review results in reductions in LEP funding	then programmes and projects could be jeopartised and our ability to deliver activity compromited	-which will lead to a reduction in our ability to influence and impact the leveling up agends for Greater Lincolnshire.	Information from Government, or via the LGP naturek or other sources that LGP funding will induce Request for additional information from Government that would imply a reduced role for the LGP	Reduce	2	а	4	2	2	4	Carry out scenario planning for different funding scenarios     Carry out prioritization exercise to determine activites that could potentially be haited if funding reduced			Averse	Active
58-3	Financial	Growing Places Fund - Learn Repayments	Dec-31	Projects & Programmes Esecutive Manager	If Growing Places loan or interest repayments are not made	then this will impact on our ability to fund other projects	-which will have a knock-as effect on project delivery and reduce the impact of the fund.	Notification from project/programme managers that payments may be delayed Project/programme managers highlight difficulties with cash flow/miletone achievement or other issues listentia doctore doctor	Reduce	i	2	2	i	2	2	Implement processes to mitgate the impact of late or non-repayment by relationing responsibilities or priorities.     2. Conside accounting additional specialist support			Averse	Accept and Monitor
584	Governance	Kisk Management	Dec-21	Operations & Delivery Executive Manager	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.	Negative feedback from Finance & Audit Committee Failure to update rick register regularly Lack of engagement from Executive Team on rick management	Avoid	2	2	4	1	2	2	Create risk management plan     Revice risk register in line with risk management plan     Inplement regular "deep dive"     activity association fick with Finance &     Audit Committee			Averse	Active
58-5	People	Paodemic	Dec-21	LIP Chief Executive	If the Covid pandemic results in higher levels of absence, or restrictions in working practices	then this will result in additional workload for LEP ttaff, potentially in areas outide their usual sphere of espertise	-which will impact our shilly to deliver activities and provide our usual levels of expertise.	Increased Covid case numbers in local area Government announcements negarding implementation of Covid neutricitions increased number of positive cases within the team and/or their families	Reduce	2	2	4	2	1	2	Ensure deputy system is in place for absence cover     Implement Could guidelines where required     Utilise priority assignents within activity tracker to determine which activities can be paused during periods of greater absence levels			Minimal	Adive
584	Technalogical	if falue	Dec-21	Operations & Delivery EastCutive Manager	If there is an IT failure or reduction of service	then LEP staff will be unable to access systems	- which will prevent work from being carried out.	Warning from LCC (T team that an outage is expected increased incidences of (T incues reported by LBP team	Reduce	1	2	2	1	1	1	<ol> <li>Prepare and maintain feasions: Continuity Plan detailing actions to be taken in case of If outage</li> <li>Drouwe escential work is stored within the cloud for easier remote access</li> <li>Encourage storage within shared areas in the cloud (bhave/bair) to provide access for multiple users</li> </ol>			Averse	Atlive
58-7	People	Stakeholder and partner relationships	0sc-31	Projects & Programmes Executive Manager	If there is a breakdown is partner or velakholder relationships	this will result in lessenad engagement and support	- which will mass the SP will become less effective in achieving its objectives.	Negative feedback and/or compliants from partners or compliants from partners or takeholders because in signment of LD and partner/takeholder goals	Reduce	1	2	2	1	1	1	A new orders note to Bendry big and one of a partner of tradecidents and big and one level inductions 2. Matrices negative context with lawy partners of the second second second 2. Sources resources of 2. Sources resources of 1. Sou			Averse	Athe
58-8	Governance	Compliance	0ac-21	Operations & Delivery Executive Manager	If our formal documentation and policies are not managed roburtly	then we risk being non-compliant with governance requirements	-which will put the reputation of the LEP at risk.	Negative feedback from government dispattments, cantraided partners or accountable body Dafut documentation nat approved by laurit when submitted	Avoid	2	2	4	ĩ	1	1	11. Down stress complexes packness min all straticitistis in sublete and hang to find and in a sublete and how the might and and how the might and			Averse	Adive
58-9	Financial	Relationship with Accountable Body	Dec-21	Operations & Delivery Executive Manager	If the relationship between the LSP and Accountable Body becomes difficult.	then management of UP finances could become more difficult	which could result in a failure to release funds for LEP operations.	Disagneements during budget setting and monitoring Decrease in frequency of communications between LEP and Accountable Body	Reduce	1	2	2	1	2	2	Annohmenter such wit CNLL I. Mahritan fingung contact with the Accountable Body to review financial info 2. Ensure financial procedures are followed 3. Ensure staff have sufficient time allotted to complete required work at the values in the financial year			Averse	Accept and Monitor
SR-10	Operational	Data and Evidence Rase	Dec-21	Policy & Research Executive Manager	If our evidence base is not of the right quality or scope, or not current	then our ability to carry out meaningful analysis will be compromised	which could result in incorrect focus or decision making and/or lack of compliance with regulatory requirements.	Lack of clustry in data sources mability to access data when nequired Noticeadle gaps in data, or aut-of-date data required for decision making or strategy setting	Reduce	1	1	1	1	1	1	I. Identify data requirement, mapped against delivery plan actions and targets     Map data sources and confirm currency     I. Identify data gaps and actions required to fill them			Cautious	Accept and Monitor
58-11	Security	Data Protection	Dec-21	Operations & Delivery Saecutive Manager	If tilP data is lost or compromised	then we could be in breach of Data Protection laws	- which could result in sactions or prosection from the ECD and legal challenges of malpractice.	"Near misses" highlighted	Reduce	2	a	٤	1	2	2	<ol> <li>Carry out review of data capture and management and map the processes into a formal data management procedure</li> <li>Fourse all staff are aware of their relies in data management processor</li> <li>Fourse data sharing agreements are in piace where required</li> <li>Forume data sharing agreements are in piace where required</li> <li>Forumation piace for documentation and data</li> </ol>			Averse	Ative
58-12	Operational	LD Review outcome	Dec-21	LP Chaf Executive	If the outcome of the LEP review significantly reduces the size, scope, reach or responsibilities of LEPs	then this will reduce our level of local and national influence and funding	- which will result in reduced ability of the LIP to deliver the investing up agenda for Greater Lincolnshire.	Information from Government, or via the LSP network or other sources that LSP structure will significantly charge or induce Request for additional information from Government that would imply a reduced noie for the LSP	Reduce	2	а	ć	1	2	2	Provide feedback to Government as requested     Alarctain engagement levels with appropriate Government contacts     Conry out contacts     Conry out contacts     different LSP review outcomes			Averse	Atlive
58-13	Governance	Director's & Officer's Liability insurance	Dec-21	LP Chief Executive	If a claim is made that is not covered by our insurance	then we may be fable for payments	-which may impact the financial viability of the LEP and demage our reputation.	Diffoully in precuring suitable insurance Gage in insurance cover	Reduce	1	3	а	1	a	2	<ol> <li>Acuss level of cover to determine whether LIP meanes could cover any claim not covered by the pairs;</li> <li>Make setty enquiries when cover is due to meane all not a policy that best wats our needs.</li> </ol>		Much shown not currently affining the type dimension of UCA and those that are new related the scope of terms that are convert, strummeric to row inplace, but does not loak once the following: Company distances of the scope (and the scope of the scope) (and of the scope of the scope (and the scope) of the scope (and the scope) (and the scope (and the scope) of the scope (and the scope) (and the scope) of the scope (and the scope) (and the scope (and the scope) of the scope (and the scope) (and the scope (and the scope) of the scope (and the scope) (and the scope (and the scope) of the scope (and the scope) (and the scope (and the scope) of the scope (and the scope) (and the scope (and the scope) of the scope (and the scope) (and the scope (and the scope) of the scope (and the scope) of the scope (and	Avecu	Accept and Monitor
DELI	VERY PLA			Rociector &	If Growth Deal and/or	then this would	which will result in	•								1. Maintain engagement with BES		•		
08-1	Operational	Growth Deal / Getting Building Fund Programme Support	Dec-21	Projects & Programmes Eascutive Manager	If Growth Deal and/or Getting Building Fund programme support is withdrawn or reduced by Government	then this would reduce the support available for contracted projects	-which will result in projects having to be revised, delayed or cancelled.	Information from 805 Indicating that support is likely to change	Reduce	1	2	2	1	2	2	2. Consider scenario planning esercise if inherent risk score rises to 6 or higher     1. Collate delivery tracker to monitor resource allocation and assess pinch points			Averse	Accept and Monitor
08-2	People	Staff Capacity	Dec-21	LP Chief Executive	if we do not have sufficient staff resource	then our productivity will be reduced	which will reduce our ability to meet delivery targets.	Staff highlight increased or unsustainable workloads Staff highlight risk of not meeting delivery deadlines increased levels of sidkness due to stress	Reduce	i	2	2	i	2	2	Allocate priorities to activities to add resource allocation at pinch points     Advances allocation at pinch points     Advances and a second at the s			Minimal	Accept and Monitor
08-3	Operational	Growth Deal / Getting Building Fund outcome and output delivery	Dec-21	Projects & Programmes Esocutive Manager	If there are SUGS/GBF project/programme concerns regarding delivery of projected outputs and outputs.	this will impact on our delivery of our economic recovery plan	-which could demage our reputation for output delivery and impact future grant/loan funding.	Project quarterly reporting highlights delays or other insues indications that outs/outcomes will not be delivered on time	Reduce	a	2	٤	a	1	з	<ol> <li>Continue robust moduloring of projects and muse projects are reporting consistently and in a timely manoar</li> <li>Consider readicating funding as required</li> <li>Consider use of freedom and freebilities where appropriate and uncount</li> </ol>			Minimal	Adive
084	Reputational	Reputation & Brand	Dec-21	Comms & Operations Manager	If we do not manage our brand and comms well	then our reputation and reach will be diminished	which could impact our ability to socure future funding and lead to loss of partner and trainholder confidence.	Poor engagement levels with social media posts / nevalettens ec inconsistent branding in use Low attendance at events	Reduce	1	2	2	1	2	2	<ol> <li>Review Commo strategy annually to ensure fit for purpose</li> <li>Maletain Comms plan, capturing the requirements from the whole LEP team</li> <li>Ensure all LEP team are aware of brand guidelines and where to find consert teamines</li> </ol>			Cautious	Accept and Monitor
08.5	Financial	DfE funding	Dec-21	Employment & Skills Executive Manager	If DIS do not renew our research and analysis funding	then our ability to undertake independent independent and reporting will be diminished	which could reduce our understanding of the skills requirements for Grouter LingsInshine and hence impact our ability to effect positive change.	Information received from OS or other partners indicating that funding is unlikely to be renewed	Reduce	2	2	4	1	2	2	Maintain good relationships with relevant DS stakeholders     Continue to promote the value and positive impact of the work already carried out				
084	Operational	Careers & Enterprise Company contract	Dec-21	Employment & Skills Executive Manager	If we lose the Careers & Enterprise Company contract	then this will put the staff posts funded by that contract at risk and reduce our ability to deliver the programme	-which will regatively affect the reputation of the LEP.	Negative feedback from the CEC Lack of engagement from the CEC regarding contract renewal	Reduce	2	а	c	1	2	2	Ensure CEC KPIs are met     Maintain good relationships with     CEC stakeholders to promote the     positive impact of the work carried     out     Inplement new quarterly				
08-7	Operational	Achievement of Annual Delivery Plan	Dec-21	LIP Chief Executive	If we do not fully deliver against the Annual Delivery Plan	then this could damage our reputation	and put future funding and partmenships at risk.	In-year performance monitoring shows AMB/RED status against multiple RPIs Freeport FBC bid proves	Avoid	1	2	2	1	1		In important link quarking performance maintaining system with defined metrics     Work with LEP teams and the Board to ensure Annual Delivery Plan is subditious har realistic				
08.8	Reputational	Dollwory of Game Chargest and other programmes	Dec-21	Projects & Programmes Executive Manager	If key GLEP led actions/bids relating to our Game Changers and other funding regrammes are not achieved	then this will affect GLEP reputation for leading on or contributing to key initiatives traccectfully	-which will result in reduced future equipment and potential reputational damage	Freeport RAC bid proves unsaccessful UK Food Valley brand does not attract lowedment or buy in fram the agri-food sector Clean Growth Accelerator Found and Labour Market Support Fund do not meet key milectones for delivery	Reduce	1	2	2	1	1	1					
												0			0 0 0					