

SWLEP Local Growth Fund - Programme Risk Register (as at 17/11/15)

Version 2

LGF Programme Level Risks									
Date Identified	Project	Risk	Impact	Risk Owner	Likelihood (L) 1-4	Impact (I) 1-4	Gross Score (L x I)	Mitigation	Mitigating Action Person
16.10.14	All	Non Delivery of robust OBC, or OBC not suitably developed.	Project is not properly scoped and costed and associated risks include slippage, scope creep and cost escalation.	CG	4	3	12	Projects <b>will be</b> developed to DfT and HM Treasury approved standards as a gateway prior to submission for funding as stipulated by Assurance Framework.	DPT
16.10.14	All	Gap or Match Funding not available or is not committed	Project is not affordable and not deliverable.	CG	3	4	12	Full Business Cases to include funding commitment, or at least intent, before legal agreement signed for project.	DPT
16.10.14	NEV	Lack of capacity within the council to deliver the programme of work	Project will be impaired in terms of time, cost and quality of delivery	PB	2	4	8	Recruitment and resourcing to consolidated by capacity funding and SBC resource allocation. Strategic Transport Commissioner in place (John Seddon)	PB/SM
16.10.14	All	External third party organisations delivering LGF capital projects.	Increased risk of reputational damage through association.	CG	3	3	9	Ensure Governance and PM process is adhered to with third party. Ensure predelivery work including PID is satisfactory. Enforce through legal agreement.	DPT
16.10.14	All	Lead organisation has insufficient resources to suitably manage projects	Project slippage, scope creep and cost escalation	CG	3	3	9	Forward planning of workload is pre-requisite of funding submission. Project management capability and capacity is recorded in OBC and PID. Enforce through legal agreement	DPT
16.10.14	All	SWLEP has insufficient staff resources to suitably manage programme	Missed opportunity to secure funding for SWLEP area and process communication not sufficiently delivered	SWLEP Board	3	3	9	SWLEP increases staff capacity and utilises LA resource and support efficiently. Communication to be improved through Programme Manager.	Chair
08.10.14	Swindon LGF schemes	Change in national economic picture delaying delivery of housing coming forward	Delay to delivery of programme	PB	2	4	8	Management of change process if significant delays caused.	GL/PV
08.10.14	NEV	Business Case not approved by DfT	Basis of whole scheme funding undermined and scheme/programme stalls	PB	2	4	8	Maintain close dialogue with DfT/BIS to ensure process and product fit requirements. Business Cases to be reviewed by ITAs.	GL/CC

16.10.14	All	Lack of skills capacity in the market place (contractor capacity capability)	increased market cost and contractor procurement difficulties	CG	2	3	6	Ensure early engagement with prospective contractors	DPT
08.10.14	Swindon LGF schemes	Procurement Strategy not being in place to achieve efficient and VFM procurement of works and services	Poor value for money and inefficient use of resources potentially having time and cost impact	LJ	2	3	6	Work with consultants, delivery and procurement teams to develop fit-for purpose strategy. Strong programme management. Soft market testing for NEV being progressed.	PV/TM
08.10.14	Swindon LGF schemes	Objections arising from any Statutory Process (Side Road Orders, PP, & CPO processes )	Delay to delivery of programme	PB	2	3	6	Management of change process if significant delays caused	GL/PV
08.10.14	All LGF schemes	Cost escalation given current level of design, despite the optimism bias allowances. This could be triggered by either unforeseen costs in the ground or utilities, or inflation in the construction sector.	Pressure upon tightly allocated resources necessitating further borrowing or alteration of schemes	PB	3	4	12	Manage by early escalation TO COMMISSIONING GROUP of any unforeseen cost variations through change management process in order to identify resource	GL/PV
08.10.14	Swindon LGF schemes	Business continuity ACCOUNTABLE BODY SYSTEMS IN PLACE (= MITIGATION)	Scheme and programme progress impaired by changes in personnel and business environment	SWLEP	3	2	6	Ensure robust governance and clearly defined business process	LEP
08.10.14	NEV	Timing of CPOs (needed to secure the third party land) also in terms of risk of failure to be confirmed by the SOS	Schemes may stall due to delays in land acquisition	IP	3	3	9	Timely identification (in OBCs and EOIs) of need and resulting deployment of CPOs	IP
08.10.14	Swindon LGF schemes	Local political change	Appetite to work with LEP, BIS and partners may vary on change of administration	PB	2	2	4	Continue to brief Cabinet on benefits of LGF and delivery of SEP. Engage Members as part of wider stakeholder information management around the LEP.	PB
28.07.15	All	Challenge by external parties.	Schemes may stall whilst challenge process takes place.	SWLEP	2	4	8	Ensure projects follow Assurance Framework Process	DPT
17.11.15	All	Projects not spending LGF monies to agreed profile - underspend.	Potential to lose LGF funding in future years	ID	3	4	12	Close review of actuals and project process. Finance personnel to attend DPT.	DPT
19.01.16	All	Grant Agreements not in place	Unable to draw down LGF funds	ID	4	4	16	Working closely with Steve Slater to get in place ASAP.	ID
19.01.16	Porton Science Park	ESIF Funding not approved.	Insufficient project funds	RW	2	4	8	Responses being prepared to ERDF conditions.	RW

19.01.16	City Deal (Higher Futures)	Profile of learners unable to be met	Outputs agreed with Central Government unachievable	SB/AC	4	3	12	Review profiling and discuss with BIS	SB/AC
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Net L	Net I	Net Score (LxI)	Notes
1	3	3	
2	4	8	No projects currently have letter of agreement from AB.
1	4	4	
1	3	3	HoT Legal Agreement complete. Grant Agreements for each project being progressed as a matter of urgency.
2	2	4	
3	2	6	Prog management processes and responsibilities being developed by new LEP Programme Manager. New LEP Director being recruited.
1	3	3	Change Form to be included in Programme Management Pack.
1	4	4	OBC mature. Costs currently being reviewed. FBC can not be done before procurement sorted.

2	2	4	Linked to increased costs as well. Currently 8% 2016 Q1, 12% on some services. Big threat of cost escalation - linked to Change Process and monitoring and tolerances.
1	2	2	
2	3	6	Also, need to articulate public acceptability and planning progress in EOI and OBC.
2	2	4	Change Management Tolerances have been reviewed. Need to ensure captured in the Legal Agreement.
1	2	2	Action ID - Shared resource space online.
1	3	3	
1	2	2	
1	4	4	
2	4	8	Need to raise at Ccommissioning Group.
3	4	12	
1	4	4	

3	2	6	
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17.11.15	All	Future years LGF funding at risk form Comprehensive Spending Review	Projects may need to stop	ID	2	4	8	Review alternative funding sources	PV/TM

Net L	Net I	Net Score (L-I)	Notes
1	4	4	



# RISK PROC

		Risk Profile Current Actions			
		Rare (1)	Unlikely (2)	Possible (3)	Probable (4)
Impact on Business Objectives	Insignificant (1)				
	Minor (2)				
	Moderate (3)				
	Significant (4)				
		Likelihood of Occurrence			



<b>High Risk</b>	Significant management action/control evaluation and improvement
<b>Medium Risk</b>	Seek cost effective management action/control improvements and
<b>Low Risk</b>	Seek control improvements if possible and/or monitor and review



# PROFILE

		Risk Profile Mitigation Actions			
Impact on Business Objectives	Significant (4)				
	Moderate (3)				
	Minor (2)				
	Insignificant (1)				
		Rare(1)	Unlikely (2)	Possible (3)	Probable (4)
<b>Likelihood of Occurrence</b>					



ent required and/or continued proactive monitoring
d/or continued proactive monitoring
regularly















## Risk Prompts

Areas of potential risk to be considered when carrying out a risk identification

<b>Area of Risk</b>	<b>Description</b>
<b>Political</b>	Related to local or central government policy and the delivery of such
<b>Economic</b>	Relating to the external, national or local economic position
<b>Social</b>	Associated with the socio-economic and demographic nature of the area and the effects this may have
<b>Technological</b>	Associated with the capacity to deal with the pace/scale of technological change, or the ability to use technology to address changing demands
<b>Legislative</b>	Associated with current or potential changes in national or European law or related to possible breaches of legislation
<b>Environmental</b>	Relating to the fulfilment of environmental duties and policies or the impact of future environmental changes on services
<b>Stakeholders</b>	Associated with meeting the current and changing needs and expectations of key stakeholders (notably residents and local business community)
<b>Professional / Managerial</b>	Associated with the professional and managerial capacity and capability of the organisation
<b>Financial</b>	Associated with financial planning and internal controls
<b>Partnership / Contractual</b>	Associated with contractual and partnership arrangements
<b>Competitive</b>	Affecting the competitiveness of services (in terms of cost or quality) and/or their ability to demonstrate value for money
<b>Physical</b>	Related to security of, damage to or loss of physical assets or to health and safety of staff, contractors, partners, public

1 exercise.

<b>Examples</b>
Political agenda, political leadership and direction, local or central administration changes, policy changes
Cost of living, employment, inward investment, market fluctuations, high cost of capital
Deprivation and disadvantaged communities, demographic changes, life-long learning, crime and disorder
Obsolescence, information security and data protection, IT infrastructure, staff/client needs
Statutory duties, response to new legislation, intervention by regulators, legal challenge, compliance with legislation e.g. Health & Safety, Procurement, Equalities
Land use, recycling, pollution, energy use, transport policies, adaption to climate change
Managing expectations, extent and appropriateness of consultation, public relations, drivers for service improvement
Recruitment and retention, skills sets and capacity, leadership and corporate direction, culture, performance management
Budget management, external funding, fraud
Contract management skills, ambiguous contracts, failure of contractors to deliver service or objectives, business continuity arrangements
Failure to meet PI's, IIP, position in tables, benchmarking
Maintenance of property, fire, security, theft, attacks on personnel, accident prevention

## Guidance Notes for Prioritisation

People will have varying opinions on how to categorise the 'Likelihood' and 'Impact'. These tables set out the corporate guidance as to what is defined in terms of likelihood. Not all categories apply to each risk, the tables below are designed to help manage them. They are not prescriptive and can be adapted to suit individual needs. The impact of a risk may vary. You may need to consider what is appropriate for the particular exercise you are undertaking.

### **Likelihood**

<b>Description</b>	<b>Probability</b>	<b>Indicators</b>
Probable (4)	More than 75% chance of occurrence	Regular occurrence
Possible (3)	40% - 75% chance of occurrence	Circumstances occur
Unlikely (2)	10% - 40% chance of occurrence	Not expected to happen
Rare (1)	Less than 10% chance of occurrence	May only occur in exceptional circumstances

### **Impact**

	<b>Effect on Service Delivery</b>	<b>Reputation</b>	<b>Health and Safety</b>
<b>Significant (4)</b>	<p>Significant loss of service, including several important areas of service and/or protracted period.</p> <p>Service Disruption 5+ Days</p>	<p>Adverse and persistent national media coverage</p> <p>Adverse central government response, involving (threat of) removal of delegated powers</p> <p>Officer(s) and/or Members forced to resign</p>	<p>Death of an individual or several people</p>

<p><b>Moderate (3)</b></p>	<p>Complete loss of an important service area for a short period</p> <p>Moderate effect to services in one or more areas for a period of weeks</p> <p>Service Disruption 3-5 Days</p>	<p>Adverse publicity in professional/ municipal press, affecting perception/ standing in professional/ local government community</p> <p>Adverse local publicity of a major and persistent nature</p>	<p>Major injury to an individual or several people</p>
<p><b>Minor (2)</b></p>	<p>Minor effect to an important service area for a short period</p> <p>Adverse effect to services in one or more areas for a period of weeks</p> <p>Service Disruption 2-3 Days</p>	<p>Adverse local publicity/ local public opinion aware</p> <p>Statutory prosecution of a non-serious nature</p>	<p>Severe injury to an individual or several people</p>
<p><b>Insignificant (1)</b></p>	<p>Brief disruption of important service area</p> <p>Significant effect to non-crucial service area</p> <p>Service Disruption 1Day</p>	<p>Contained within section/Unit or Directorate</p> <p>Complaint from individual/small group, of arguable merit</p>	<p>Minor injury or discomfort to an individual or several people</p>

impact' ratings of identified risks.

likelihood and impact.

managers categorise risks appropriately and from a common perspective.

Important thing is to ensure consistency across the whole of the risk register.

are carrying out.

<p>essentially, encountered daily/weekly/          dependent on (if 2 years) only once in 3 or          exceptional circumstances          identified before</p>
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<b>Data protection</b>	<b>Failure to provide statutory duties/ meet legal obligations</b>	<b>Financial</b>	<b>Effect on Project Objectives/ Schedule/ Deadlines</b>
All personal details compromised/ revealed	Litigation/ claims/ fines from  Departmental £250k +  Corporate £500k +	Costing over £1m  Up to 75% of Budget	Complete failure of project/ extreme delay – 3 months or more

<p>Many individual personal details compromised/ revealed</p>	<p>Litigation/ claims/ fines from</p> <p>Departmental £50k to £125k</p> <p>Corporate £100k to £250k</p>	<p>Costing between £250,000 and £1m</p> <p>Up to 50% of Budget</p>	<p>Significant impact on project or most of expected benefits fail/ major delay – 2-3 months</p>
<p>Some individual personal details compromised/ revealed</p>	<p>Litigation/ claims/ fines from</p> <p>Departmental £25k to £50k</p> <p>Corporate £50k to £100k</p>	<p>Costing between 50,000 and £250,000</p> <p>Up to 25% of Budget</p>	<p>Adverse effect on project/ significant slippage – 1-2 months</p>
<p>Isolated individual personal detail compromised/ revealed</p>	<p>Litigation/ claims/ fines from</p> <p>Departmental £12k to £25k</p> <p>Corporate £25k to £50k</p>	<p>Costing less than Less than £50,000</p> <p>Up to 10% of Budget</p>	<p>Minimal impact to project/ slight delay - less than 1 month</p>