

Audit and Standards Committee

Tuesday 19 September 2023 at 10.00 am

Meeting to be held: Armstrong/Stephenson Room, Civic Centre, Newcastle upon Tyne, NE1 8QH

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SUPPLEMENTAL AGENDA

	Page No
6. Strategic Risk Review	1 - 42

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Subject: Strategic Risk and Opportunities Register
Report of: Risk Advisor to North of Tyne Combined Authority
(NTCA)

Report Summary

The aim of the report is to provide assurance to Audit and Standards Committee that the most significant risks and opportunities have been identified, are being monitored and measures are being taken to mitigate them.

Each risk and opportunity action plan has been revisited by the responsible officers to ensure they remain on track for delivery and continue to support NTCA plans and priorities.

The potential impact of the transition into a new North East Mayoral Combined Authority (NEMCA) has also been considered during the risk review – all activity relating to the transitional period has been highlighted within each risk. A detailed assessment of each risk and future activity to reduce the overall risk exposure is attached at Appendix B.

At the request of the Committee at its previous meeting on 4 July, a high level summary of the key risks and mitigation strategies NTCA have put in place to manage the transitional period before the creation of the new NEMCA has been provided by the NTCA Strategic Economic Regional Advisor and is included within this report at Appendix C.

To support today's strategic risk agenda item there will also be a presentation which will provide a further update on the transition into the new NEMCA.

Recommendations

The Audit and Standards Committee is recommended to:

1. Review, challenge and accept the outcomes of the strategic risk review
2. Note a summary of the strategic risks identified by the North East LEP are included for information (Appendix D)
3. Note a summary of the strategic risks identified by the North East Joint Transport Committee (North East JTC) (Appendix E) are also included for information

1. **Background Information, Proposals and Timetable for Implementation**

The aim of the report is to provide assurance to Audit and Standards Committee that the most significant risks and opportunities have been identified, are being monitored and measures are being taken to mitigate them.

2. **Strategic Risk and Opportunities Update**

- 2.1 Each risk and opportunity action plan has been revisited by the responsible officers to ensure they remain on track for delivery and continue to support NTCA plans and priorities.

The potential impact of the transition into a new North East Mayoral Combined Authority (NEMCA) has also been considered during the risk review – all activity relating to the transitional period has been highlighted within each risk (blue font). A detailed assessment of each risk and future activity to reduce the overall risk exposure is attached at Appendix B.

At the request of the Committee at its previous meeting on 4 July, a high level summary of the key risks and mitigation strategies NTCA have put in place to manage the transitional period before the creation of the new NEMCA, is included within this report at Appendix C.

To support today's strategic risk agenda item there will also be a presentation which will provide a further update on the transition into the new NEMCA.

3. Additional Risk Information

- 3.1 The NTCA risks are strategic risk areas which will be monitored by this Committee and presented at each meeting. Lower level operational and project risks will continue to be managed at a project level. However, there are communication plans and escalation processes developed to ensure the biggest risks to individual programmes/projects are communicated and/or escalated to the strategic risk register.

4. North East Local Enterprise Partnership (North East LEP)

- 4.1 The strategic risks identified by the North East LEP are also included at Appendix D for information. This provides NTCA visibility of the North East LEP strategic risk areas to consider if the risks identified by the North East LEP have any impact upon the delivery of NTCA's plans and priorities or the Strategic Risk Register.

5. North East Joint Transport Committee (North East JTC)

- 5.1 The North East JTC Strategic Risk Register is reported for information only and records the biggest threats to the achievement of the strategic objectives of the North East JTC and its organisational risks. It was updated by the North East Combined Authority's (NECA) risk management service and last presented to the JTC Audit Committee at its meeting on 13 July 2022. A summary of the strategic risks as reported in July 2022 is provided at Appendix E for information only. A full copy of the JTC strategic risk register and mitigation plans can be found on the JTC Audit and Standards Committee Agenda [here](#).

The Risk Adviser for NECA has advised that due to the strategic nature of the risks and delivery of the mitigation plans taking place over a longer period of time the risk register will not be revisited until the end of the year. Therefore, a summary of the updated risks will be shared with the Committee at its January 2024 meeting.

6. Potential Impact on Objectives

- 6.1 The development of the strategic risk and opportunities register will not impact directly on the objectives of NTCA, however the approach to strategic risk management will support delivery of its aims and ambitions by acknowledging the biggest threats and putting plans in place to manage them.

7. Key Risks

- 7.1 There are no direct risk management implications from this report. The approach to risk management is documented within the NTCA's risk management policy and strategy, which will be updated over the coming months to reflect the activity underway to reframe the Combined Authority's approach to the management of risk. The key risks will continue to be reported regularly to the Audit and Standards Committee.

8. Financial and Other Resources Implications

- 8.1 There are no direct financial implications arising from this report. Risk Management work is supplied to NTCA (and the North East LEP) during 2023/24 through a Service Level Agreement with Newcastle City Council.

9. Legal Implications

9.1 There are no legal implications arising specifically from this report.

10. Equalities Implications

10.1 There are no direct equality and diversity implications arising from this report.

11. Inclusive Economy Implications

11.1 There are no direct inclusive economy implications arising out of the recommendations in this report

12. Climate Change Implications

12.1 There are no direct climate change implications arising from this report.

13. Consultation and Engagement

13.1 The Chief Executive, Monitoring Officer, Chief Finance Officer and NTCA Senior Management Team have been consulted on the strategic risk register.

14. Appendices

14.1 Appendix A – ‘Risk at a glance’ shows the strategic risks and opportunities, including the risk priorities and direction of travel assessments

Appendix B – Provides a detailed assessment of the NTCA strategic risks and opportunities and future activity to reduce the overall risk exposure

Appendix C – Provides a summary of the transition risks and mitigation strategies associated with the creation of the new NEMCA

Appendix D – Provides an ‘at a glance’ view of the North East LEP strategic risks, including the risk priorities and direction of travel assessments

Appendix E – Provides a detailed assessment of the North East LEP strategic risks and future activity to reduce the overall risk exposure.

Appendix F – A summary of the strategic risks, risk priorities and direction of travel assessments identified by the North East Joint Transport Committee

Appendix G – Risk Analysis Toolkit to determine the risk priority

15. Background Papers

15.1 The North East Joint Transport Committee (JTC) strategic risks can be found on the NECA website as part of the July 2022 North East JTC Audit Committee agenda [here](#).

16. Contact Officers

16.1 Philip Slater – Chief Internal Auditor – Newcastle City Council. (Acting as Risk Advisor to NTCA)

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17. Glossary

17.1 North East LEP – North East Local Enterprise Partnership

North East JTC – North East Joint Transport Committee

'Risk at a glance'

Appendix A

	Risk Priority	Direction of Travel
Strategic Risks & Opportunities		
External Risks		
A1 – Net Zero Transition Failure to address climate change and environmental implications through North of Tyne investment in line with Local Authority and national net zero targets. Failure to take advantage of and seize the opportunities for green and inclusive growth.	Amber 8	Static
A2 – Inclusive Economy Failure to achieve the planned outcomes to reduce inequality and remove barriers to ensure 'good work' and jobs are available to traditionally underserved groups. To meet current and future employer demand and grow a more resilient local economy in the North of Tyne.	Amber 9	Static
A3 – Innovation in Recovery Failure to achieve the planned outcomes, demonstrate impact or be agile and responsive to dynamic circumstances.	Amber 8	Static
External Opportunity		
B1 – Promote Trust and Confidence Continuing to develop trust, cohesion and credibility with our partners, engaging effectively with all our stakeholders provides us with the opportunity to strengthen our relationships to ensure the collective understanding and co-production of our delivery plans and meet the objectives of our social, economic and green agenda.	Green 4	Static
Organisational Risks		
C1 – Business Continuity Failure to maintain business continuity in the event of a major disruption to the Combined Authority and its business.	Amber 8	Static
C2 – Operational Capacity and Resources NTCA is unable to demonstrate to Government, partners and stakeholders, that it has the necessary operational capacity, skills and expertise to successfully deliver its objectives, plans and responsibilities.	Amber 8	Static

A External Risks							
1. Net Zero Transition							
Aim	Ensuring our whole programme supports carbon reduction, clean growth and a new generation of jobs.						
Risk	Failure to address climate change and environmental implications through North of Tyne investment in line with Local Authority and national net zero targets. Failure to take advantage of and seize the opportunities for green and inclusive growth.						
Risk Owner	Chief Economist	Risk Priority	Static	Previous RAG	Amber 8	Current RAG	Amber 8
Reason for change/current RAG rating: N/A							
Issues to be aware of & potential impact	Existing Controls & Mitigation Plans			Additional Mitigation Plans		Review date	
a) The UK Climate Change Act sets a legally binding target to achieve net zero greenhouse gas emissions across the UK economy by 2050 and reduce emissions by 78% by 2035 compared to 1990 levels. The constituent LAs have their carbon reduction targets. The scale of the challenge is enormous, and leadership is key to enabling everyone to play their part in the fight against climate change.	<ul style="list-style-type: none"> • Full political commitment and leadership from the Mayor and Cabinet to recognise the climate emergency and NTCA's role in reducing emissions and seizing the opportunities of the green economy. • NTCA's approach learns from and builds on the work already being done in the region. Our work is developed collaboratively with the three constituent Local Authorities and wider regional stakeholders including developing a joint Net Zero/energy team with the North East LEP. • NTCA Corporate Environment Policy and annual report on organisational carbon emissions. • Newcastle City Council, North Tyneside Council and Northumberland County Council all have ambitious carbon reduction targets for their local areas, and all have approved climate emergency plans. 			<ul style="list-style-type: none"> • Development of proposals for the 2023-2028 investment programme will provide an opportunity to continue to focus on green and inclusive economic growth. • Regular reviews of delivery programme to ensure alignment with delivery of targets. • Over £20m of investment by NTCA in low carbon economy, including the Green New Deal Fund and SME decarbonisation programme. • NTCA co-funds the North East Energy Accelerator to support 		March 2024	

	<ul style="list-style-type: none"> • NTCA Energy, Green Growth and Climate Change Blueprint - £28m package of investment up to 2023. • NTCA meets regularly with both North of Tyne LA officers and south of Tyne officers to discuss net zero issues through the Net Zero North East England officers' group and the quarterly operations meeting for the Energy Accelerator • Net Zero North East England (NZNE) is a new collaboration between local government, business, education, the public sector and civil society to drive a comprehensive regional approach to tackling the climate emergency. • NTCA is working with the North East and Yorkshire Net Zero Hub and is hosting the Regional Project Manager which supports LAs to achieve their net zero goals. NTCA also sits on the Hub Board. 	the development of low carbon projects	
<p>b) The impacts of climate change and the green economy covers a wide range of areas including but not limited to energy policy, climate change and biodiversity. National policy related to climate change can change and be updated regularly. Mayoral Combined Authorities are not currently required to develop climate adaptation plans</p>	<ul style="list-style-type: none"> • In addition to drawing on the expertise of the regular members of the Low Carbon Working Group (LCWG), NTCA will reach out to experts from other policy areas and attend regional and national events/conferences/webinars. • NZNE has published a regional evidence base, including decarbonisation, clean growth, environmental protection and a just transition and will continue to develop this regional North East Evidence base. • Building on the Local Nature Recovery Pilot in Northumberland, NTCA will work with Local Authorities to build out the approach regionally 	Existing controls sufficient at time of report.	March 2024

<p>c) Climate change is a complex problem and solutions are likely to require significant social as well as technical transformations. This has direct implication for a more inclusive economy. Citizens, businesses and wider stakeholders need to be engaged, supported and at the centre of our response to the climate emergency.</p>	<ul style="list-style-type: none"> • The North of Tyne Citizens Assembly on Climate Change provided representative citizen engagement and their findings will help shape the development of the NTCA programme. • The NTCA programme also covers a broad range of thematic areas, as described further in the September 2021 report to Cabinet. 	<p>Cabinet has agreed to receive regular reports detailing how NTCA intends to work with the three constituent Local Authorities and wider regional stakeholders including the joint team with the North East LEP and Transport North East to respond to the recommendations of the Citizens' Assembly.</p> <p>NTCA has an officer in post to support the development of Net Zero North East</p>	<p>March 2024</p>
<p>d) The scale of the challenge and the resources required to deliver local and national long-term carbon reduction targets and green growth ambitions is large, not fully known and requires a national as well as local approach. Attracting investment is essential to enable the North of Tyne to realise the potential and be a world leader in green growth.</p>	<ul style="list-style-type: none"> • Collaborative working across the North of Tyne, North East, with other Mayoral Combined Authority's, the Net Zero Hub and Government to develop knowledge, share best practice and to collaborate on projects/funding bids. • Develop pipelines of projects which are investment ready via programmes such as the Offshore Wind Programme and Energy Accelerator. • Work with academic institutions, VCSE sector and businesses to promote opportunities and share best practice e.g., Green Economy Summit. • NTCA leveraged £9m of investment to its Green New Deal Fund 	<p>Existing controls sufficient at time of report.</p>	<p>March 2024</p>
<p>e) New jobs and new green skills are likely to be increasingly required in all sectors. Therefore, NTCA must understand the projected skills requirements and ensure the necessary provision is in place.</p>	<ul style="list-style-type: none"> • Regular reviews of National and Local research to assess skills demand in the Green Economy – and input into the annual update of NTCA Strategic Skills Plan 	<p>In 2022 NTCA allocated £2m of its Skills for Growth funding to support the development of Green Growth Skills. The fund is supporting 4 projects providing insight into skills demand as well as a training</p>	<p>March 2024</p>

	<ul style="list-style-type: none"> • Collaborative working with LAs, and the North East LEP and the Net Zero Hub to share research and insight into green skills requirements 	<p>offer which meets skills demand in areas such as offshore wind, retrofit and green construction.</p> <p>In FY 2022-23 NTCA secured over £14m £5.4m of funding for the delivery of Skills Bootcamps across our region. £1m will support residents to access the growing demand for skills in the Green Economy. A further £9m was secured for FY 2023-24, providing an additional £1.5m of funding to support skills demand for a low carbon economy.</p> <p>A growing proportion of AEB delivery supports Green Skills with provider incentives to develop sector-based Work Academy Programmes to enhance opportunities for the unemployed to take advantage of the job opportunities that will be created in the transition to a green economy.</p>	
f) Many of the measures required to reduce carbon emissions and adapt to climate change are not within the Combined Authority's remit.	<ul style="list-style-type: none"> • Work with partners to help make the changes required. • Influence decision makers at all levels. 	Work with business, constituent LAs, North East LEP and Net Zero Hub to develop key messages and policy positions/asks, including through Net Zero North East	March 2024

A	External Risks						
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2. Inclusive Economy

Aim	Ensuring our work is underpinned by people, communities and inclusive economic growth, as well as ensuring inclusive economy thinking and practice is fully embedded across NTCA and our partnerships.						
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Risk	Failure to achieve the planned outcomes to reduce inequality and remove barriers to ensure ‘good work’ and jobs are available to traditionally underserved groups. To meet current and future employer demand and grow a more resilient local economy in the North of Tyne.						
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Risk Owner	Head of Inclusive Growth	Risk Priority	Static	Previous RAG	Amber 9	Current RAG	Amber 9
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Reason for change/current RAG rating: N/A

Issues to be aware of & potential impact	Existing Controls & Mitigation Plans	Additional Mitigation Plans	Review date
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<p>a. External factors, primarily COVID-19 recovery, cost of living crisis and Brexit counteract the impacts of the investment NTCA is able to make to reduce inequality and deliver good jobs.</p>	<p>NTCA’s new portfolio structure covers Education, Inclusion and Skills, as well as Social Economy and Communities.</p> <p>Inclusive economy is a cross-cutting theme within the Corporate Plan and is supported by the advisory NTCA Inclusive Economy Board (IEB).</p> <p>Significant breadth and depth of IE projects and programmes now into delivery mode.</p>	<p>Wider promotion of the concepts of economic inclusion via:</p> <ul style="list-style-type: none"> • National networks and influencing e.g., M10 (the 10 directly elected Mayors in England), • Locally good relationships with our provider base to enable agility in reaction to further economic shocks. • Roll out of a new NTCA Post-16 Skills flexible procurement framework to provide additional join-up and agility to respond to labour market skills needs. • Peer-learning and support e.g., national, Independent Inclusive Growth Network • New NEMCA devolution deal commits to a significant investment to reduce inequality and create good jobs. 	<p>November 2023</p>
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		<ul style="list-style-type: none"> The UKSPF investment has been co-developed in partnership with a wide range of stakeholders to ensure the funding is targeted where it is needed most. 	
b. Reducing inequality is a key commitment made by the NTCA. However, many challenges around poverty and inequality are structural and have national or international drivers. These are beyond the scope of NTCA to influence.	<p>NTCA's Inclusive Economy Policy Statement and Equalities Objectives provide a clear statement of our organisational commitment to be a more inclusive economy with an emphasis on reducing poverty and inequality and promoting equity and cohesion.</p> <p>Inclusive economy is a cross-cutting theme in the Corporate Plan driven forward by the Inclusive Economy Board.</p>	<p>Working up proposals to extend the Inclusive Economy Innovation Fund beyond 2023</p> <p>The traction of the Good Work Pledge, which now has over 100 business sign ups who employ over 46,000 NoT residents is championing and driving the movement of reducing poverty (particularly in-work poverty), beyond the scope of what NTCA can do alone.</p>	November 2023
c. To support NTCA's corporate plan we require a skills infrastructure that is fully aware of, and responsive to the sectors that have labour and skills shortages. The need to ensure our residents have the right skills to get a good job and progress in work, and employers have access to an adaptable, resilient and skilled local workforce, has never been greater.	<p>NTCA Strategic Skills Plan reflects the area's skills needs for an inclusive and productive economy.</p> <p>Working with the devolved Adult Education Budget (AEB) provider base, to ensure delivery plans are aligned to labour market demand and skills shortages.</p> <p>Monitoring devolved AEB participation data to ensure provision is accessible to a broader range of under-represented groups.</p> <p>Monitoring the volume of provision and funding utilised by providers to address barriers to employment, including improving attainment in basic English, Maths and Digital.</p>	<p>Ongoing dialogue with Government, NTCA adult education providers and employers to ensure delivery continues to meet area skills needs.</p> <p>Utilising in year funding flexibilities to ensure AEB funding is flexible and responsive to labour market changes.</p> <p>In addition to the devolved Adult Education Budget, NTCA have secured further funding from the NTCA Investment Fund and DfE to ensure our residents have the right skills to get a good job and progress in work, and employers have access to an adaptable, resilient and skilled local workforce e.g. Level 3 Free Courses for Jobs, Skills Bootcamps, Skills for Growth, UKSPF and Multiply.</p>	November 2023

		DfE have also routed additional funding through the devolved AEB for programmes such as Traineeships and Sector Based Work Academy programmes (SWAPS).	
d. In addition to the existing NTCA AEB programme, the NTCA Skills team are progressing the devolution of the AEB to the North East Mayoral Combined Authority in anticipation of its creation in May 2024. The North East Devolution deal includes a fully devolved Adult Education Budget across the LA7 geography. Subject to the readiness conditions which the NTCA Skills team have prepared and submitted to DfE on behalf of NEMCA, and successful passage through Parliament AEB funding (circa £68m per annum) will be transferred to the North East Mayoral Combined Authority (NEMCA) from the academic year 2024-25. As the NTCA Skills team is leading on the implementation of the NEMCA AEB alongside managing the NTCA AEB and other skills programmes, this is impacting on the capacity of the Skills team.	NTCA have created an LA7-wide Implementation task group to support with the implementation of the NEMCA AEB. NTCA submitted an application to DfE requesting Implementation Funding for NEMCAs AEB which was approved in August 2023. This funding includes provision for additional roles in the skills team, finance team, legal team and procurement team.	Additional roles have been advertised in line with the roles approved by DfE in the NEMCA AEB Implementation Funding proposal. Corporate Services are exploring opportunities through NTCAs SLAs to increase capacity of the finance, legal and procurement teams, utilising the funding secured for the NEMCA AEB Implementation funding.	November 2023
e. Continuity of funded provision for NTCA residents is at risk if providers and grant-recipients across skills, employability and wider interventions become financially unstable.	Adult Education Budget - The launch of the 2021-2023 Strategic Skills Plan will ensure updates can be implemented quickly to ensure its ongoing relevance during the pandemic and into recovery. Employability and Wider Skills Interventions - Inclusive growth team's strategic framing	Continued engagement with NTCA AEB providers, via provider roundtables and quarterly one to one performance monitoring meetings which inform the direction, priorities, flexibilities and allocations for the NTCA AEB providers.	November 2023

	<p>includes DWP Employment Support Framework, Inclusive Economy Policy Statement, Inclusive Economy Board (governance) which work together to manage, mitigate, and react to risks.</p>	<p>Continued engagement with recipients of funding and wider stakeholders such as sector representative organisations, central government departments and local authority partners.</p> <p>Key priorities set out in the Strategic Skills Plan include supporting residents of all ages, including those in work to develop their skills to progress into better jobs. We also aim to extend the reach of learning opportunities to a broader range of underrepresented groups.</p> <p>Launch of Post 16 Skills Flexible Procurement Framework to secure continuity of funding for providers from AY2023-2024, bringing all Skills funding together, and providing longer term contracts where possible, to increase the stability of the provider base.</p> <p>Co-developing UKSPF Skills and Employability interventions to reduce the 'cliff edge' of European Social Fund funding ceasing.</p>	
<p>f. National and local conditions e.g., economic instability limit NTCA's ability to promote and drive good jobs and local economic resilience.</p>	<p>The Investment Fund Business case includes a strengthened inclusive economy case, co-designed by the Programme Management Office and Inclusive Economy Team, to monitor, measure and assess Inclusive Economy impacts.</p>	<p>NTCA has developed an anchor network proposition to encourage large institutions across all sectors to support local economic resilience. First meeting of key stakeholders was held, and next steps agreed.</p>	<p>November 2023</p>

	<p>Our Good Work Pledge promotes the value of good work, which is well-paid and secure, and drives positive change across the area's employers at all sizes and scales – 100 organisations accredited as of March 2023 who represent over 46,000 NoT residents.</p>	<p>Leadership on key priorities is distributed across partners improving resilience and reducing reliance on one lead organisation to deliver.</p>	
<p>g. NTCA does not sufficiently fulfil its commitment to co-production and co-design by creating projects and programmes which are effective for local communities and residents.</p>	<p>NTCA co-design and co-production strategy includes activities and mechanisms to make sure residents can contribute directly to our work and plans This is supported by our VCSE Accord with the voluntary sector, and our Mayoral VCSE Ambassador.</p>	<p>Organisation-wide commitment to co-design and co-production with active investment in tools and platforms to get direct input and views from residents and businesses. Eg Commonplace, Crowdfund NoT, NextDoor, Poverty Truth Commission, Equalities Assembly, Wellbeing Framework, plus programme specific surveys, workshops etc.</p> <p>Co-production and co-design targets are embedded within NTCA's Equalities Objectives.</p>	<p>November 2023</p>

A								External Risks											
3. Innovation in Recovery																			
Aim		To ensure that our businesses, people and places can adapt, recover and thrive post coronavirus pandemic and that outcomes of NTCA investment are seen to clearly and directly contribute to this success. Overall, ensuring the NTCA area is attractive to residents, businesses and visitors as a result of a thriving economy, green credentials, exceptional quality of life and improved opportunities for all.																	
Risk		Failure to achieve the planned outcomes, demonstrate impact or be agile and responsive to dynamic circumstances.																	
Risk Owner		Chief Economist				Risk Priority		Static				Previous RAG		Amber 8		Current RAG		Amber 8	
Reason for current RAG rating: N/A																			
Issues to be aware of & potential impact				Existing Controls & Mitigation Plans				Additional Mitigation Plans				Review date							
a) NTCA must respond to major economic shocks – and the pace of change externally.				<p>Regular updates are provided to NTCA Cabinet on the current economic context and implications for the NTCA’s activities.</p> <p>Significant stakeholder networks ensure NTCA is tuned in to the external environment and the major economic trends.</p> <p>Clear processes and delegations provide opportunities to bring forward activity at pace – should the context demand it.</p> <p>Good relationships with NTCA grant recipients allow for activity to be refocussed and re-prioritised to meet external demands – if required</p>				NTCA business and assurance framework processes are reviewed regularly to ensure maximum agility and fitness for purpose.				September 2023							

<p>b) NTCA must be able to clearly articulate policy priorities and how they deliver improved Innovation and recovery: this is included as a part of the 5-year Gateway Review.</p>	<p>NTCA policy priorities are drawn from NTCA's Devolution Deal, the Mayor's Manifesto, and the subsequent strategic direction agreed by our Cabinet through its decisions. The evaluation framework provides a systematic way that the investments made by NTCA are assessed in terms of effectiveness and value for money, but also that we can learn, adapt and improve the way that we work in a changing environment.</p> <p>Through the strategic and economic cases within the Green Book process all projects are required to clearly articulate their rationale which includes fit with NTCA objectives, contribution to headline devolution deal targets and the relevant NTCA output indicators that will be used to monitor this through the QMR process.</p>	<p>The Programme Management Office (PMO) monitor all projects on a quarterly basis – following Standard Operating Procedures and NTCA's agreed output indicators.</p> <p>NTCAs investment plan and individual projects are aligned to the delivery of the corporate plan – giving a clear line of sight from priorities, investment decisions and impact.</p> <p>An evaluation framework to capture our achievements and learning has been approved and is supported by the introduction of a programme management system which will improve programme management and monitoring, streamlining the interface with delivery organisations for claims and output reporting. This evaluation framework is being shared with Government, as part of the process leading up to the Investment Fund Gateway Review.</p> <p>A review of NTCAs evaluation approach in relation to projects is being undertaken in 2023 which will result in improved guidance and conventions relating to proportionate evaluation of projects.</p> <p>An 'Insights' platform is being commissioned which will provide an</p>	<p>September 2023</p>
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		online channel for NTCA to communicate its views and impact to semi-technical audiences.	
c) The level of funding required may be beyond NTCA resources, and there is uncertainty associated with bidding for additional resources – which has both internal capacity risks and a need to be able to clearly demonstrate a track record in delivery and impact.	Senior Management Team (SMT) regularly review organisational capacity requirements and upcoming activity through the situation reporting process. NTCA collaborations with key officers within its constituent authorities ensures expertise is available when required. External consultancy budgets can be utilised to provide short term capacity for specific pieces of work.	NTCA is making good progress in mobilising recent additional funding streams to come into the organisation including UK Shared Prosperity Fund and other funding announced in the Budget 2023. Project management capacity has been increased significantly to ensure existing funding is delivered on and proposals for future funding can be resourced.	September 2023
d) Ability of NTCA to demonstrate clear targets and outcomes at all levels (organisational, theme, programme, project) and to have the ability and capacity to monitor them.	NTCAs Monitoring and Evaluation Framework demonstrates: <ul style="list-style-type: none"> • How our priorities, mission and values translate into mechanisms for delivery • How these mechanisms create value; and • How we understand, measure and learn from the impact that we are making. NTCAs Assurance Framework and Green Book Business case process ensures projects are robustly developed and well-articulated and appraised in line with accepted conventions and best practice.	Monthly SitReps (situation reports) provide regular updates to managers and directors on all of the NTCAs key workstreams – which are reviewed, and areas of concern are picked up directly with lead officers. Project evaluations are undertaken where there is an identified need. The findings of these feed into overall programme design. A new post has been recruited into the Data and Insight function to lead on an organisation wide assessment of data and IT systems and to develop and implement a plan for ongoing	September 2023

	<p>Officer and Cabinet member scrutiny through the Technical Officer Group (TOG) and Investment Panel provides robust challenge and assurance. Projects are monitored through standard operating procedures by the PMO with agreed thresholds for escalation of performance issues to Investment Panel.</p>	development in consultation with the Chief Finance Officer.	
e) National or international economic downturns or the medium-longer term impact of Covid-19 on businesses and employment could have significant implications for the perceivable impact of NTCA innovation and growth investments, using official data sources.	<p>Investment Fund Programme has been re-orientated to support recovery in the NTCA area, including through the Innovation Recovery Fund and measures to support the Kickstart programme of Youth unemployment – which provides a direct relevance to the specific needs of the economy during lockdown and recovery.</p> <p>Real life case studies are collected across a range of NTCA projects which provide a library of contemporary accounts of how the interventions have added value.</p> <p>Impact can be evidenced through a number of metrics for which NTCA collects its own data and evidence – e.g., investment made, jobs created, and outputs achieved.</p>	Existing controls sufficient at time of report.	September 2023
f) It is important that all communities benefit from economic growth; Inclusive Economy thinking, and practice has an important role in	Inclusive economy is a cross-cutting theme within the Corporate Plan and is supported by NTCA Inclusive Economy Advisory Board.	Portfolio structure brings together Education, Inclusion and Skills. Social Economy and Communities bridges	September 2023

<p>shaping innovation in recovery from pandemic and other economic challenges e.g. cost of living crisis</p>	<p>The PMO is leading work to ensure inclusive economy outcomes and impacts are captured throughout the investment life cycle (business case, delivery, reporting and insight, Investment Fund evaluation)</p>	<p>economic growth and inclusive economy work.</p> <p>NTCA equality objectives for 2021-25 shape policy, practice and learning.</p> <p>NTCA's investment has a prominent 'place based' dimension including investment in Culture and Creative Zones and High Street Recovery ensuring targeted impact on the most deprived communities.</p>	
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B		External Opportunity					
1. Promote Trust and Confidence							
Aim	Supporting a system response to complex challenges and collaborating strongly in everything we do with our local, national and cross-sector partners.						
Opportunity	Continuing to develop trust, cohesion and credibility with our partners, engaging effectively with all our stakeholders provides us with the opportunity to strengthen our relationships to ensure the collective understanding and co-production of our delivery plans and meet the objectives of our social, economic and green agenda.						
Opportunity Owner(s)	Chief Executive/ Consultant Director	Opportunity Priority	Static	Previous RAG	Green 4	Current RAG	Green 4
Reason for change/current RAG rating:							
This opportunity is moving in a positive direction of travel. Partners and stakeholders have been key to the development of the Authority's values. The launch of the Customer Relationship Management system will further strengthen relationships with partners and stakeholders – ensuring the successful delivery of the Authority's aims and objectives. The proposed North East Mayoral Combined Authority (NEMCA) demonstrates our strength in this area – the October review date will allow a better understanding of what the new NEMCA will look like to enable a more informed entry.							
Benefits							
a) Collective understanding of the Authority's aims and ambitions to encourage the co-production of our delivery plans. b) Encourage a more participatory approach to risk which is built on trust and transparency which encourages everyone to share their uncertainties and challenges and work together to resolve them							
Barriers							
<ul style="list-style-type: none"> Failure to maintain trust, cohesion and credibility with and between local NTCA system and partners Failure to develop trust, cohesion and credibility with those organisations who contribute to the achievement of our objectives who we don't currently engage with 							
Strategies to enhance the opportunity			Action Taken			Review date	
a) Encourage inclusive dialogue with our partners and stakeholders.			We have worked with Cabinet and wider partners and stakeholders to develop a clear set of values by which we work: <ul style="list-style-type: none"> Driven by our mission Collaborative by design Innovative and agile in delivery Inclusive and aware Showing leadership 			October 2023	

	<p>The evidence for this is in our policies and supported by our team values and behaviours - demonstrating collaboration, taking ownership, being curious, empathetic, respectful, and in the strong focus on inclusion within our programme.</p> <p>NTCA priorities, projects and performance are regularly communicated externally – including through Cabinet reports and the Corporate Plan.</p>	
b) Internal Communications – ensuring the family of organisations (e.g., NTCA, NELEP etc) are kept well informed during the transitional integration period for the organisations as we move towards the new NEMCA	<p>Work continues on the shared intranet site to make information centrally available in one place.</p> <p>Clear and consistent messages communicated to existing employees about the process of the transition to the new NEMCA.</p> <p>Recruitment of a lead communications role to support the communications channels for the NEMCA transition.</p>	September 2023
c) External Communications – balancing clear communications about NEMCA and the new devolution deal while being sensitive to ongoing regional politics regarding NTCA's role as we move towards the new Mayoral Combined Authority	<p>We continue to work closely with communication leads from the LA7 to work together on messaging and communications.</p> <p>Communicating with the public and partners in relevant ways that help them to feel included in the work as it develops.</p> <p>Navigating political sensitivities as the formation of the new organisation progresses and as the election for the Mayor approaches.</p>	September 2023
d) Identify those organisations who we don't currently engage with to communicate our vision and purpose – offering support	<p>NTCA officers are undertaking significant and deep engagement with a range of stakeholders and in many cases engaging in active co-design processes with stakeholders. Several strategic partners (e.g. Power to change have been engaged for their reach into audiences NTCA is less well known.</p>	September 2023
e) Continued engagement with AEB providers, employers and stakeholders in the North of Tyne area to ensure a collaborative approach to aligning adult skills to deliver the Authority's vision.	<p>Published documents which enable the alignment:</p> <p>NTCA Strategic Skills Plan</p> <p>NTCA Corporate Plan</p> <p>NTCA Inclusive Economy Policy Statement</p>	Complete

f) VCSE Ambassador appointed to engage with the VCS (Voluntary and Community Sector).	<p>VCSE (Voluntary, Community and Social Enterprise) Accord - how the NTCA can add value to the work of our local government partners with the VCSE to build capacity, sustainability and be a catalyst for an inclusive economy.</p> <p>The VCSE Stakeholder Engagement Group Annual Report 2022/23 outlines the achievements and progress over the past twelve months.</p>	September 2023
g) Continued engagement with regular meetings and consultation with the business community	<p>Frequent engagement with individual businesses and business representative organisations by officers and the Mayor.</p> <p>NTCA Inclusive Economy Board with member representation from the public, private and voluntary sector, including constituent LA's and North East LEP.</p> <p>The Inclusive Economy Board Annual Report 2022/23 outlines its achievements and progress over the past 12 months. The first meeting of 2023/24 will provide an opportunity for the Board to explore how NTCA's UKSPF investment is helping deliver a more inclusive economy that works for all our people and places across the North of Tyne.</p> <p>NTCA Housing and Land Board membership. The Housing and Land Board Annual Report 2022/23 outlines its achievements over the past 12 months. Over the next year the Board will focus on delivery; ensuring that priorities identified are progressing toward development and that working relationships continue to add value.</p> <p>NTCA collaborates strongly in everything it does with local, national and cross-sector partners. The evidence for this is in the number of partnerships that have grown and been curated within the region and beyond.</p>	September 2023
h) Use of an agreed Assurance Process to ensure that the NTCA only funds high quality projects and through the development of the Investment Fund Evaluation Framework to improve our learning and understanding.	Assurance Process includes internal project analysis, full appraisal (external for largest projects) and technical and political scrutiny.	September 2023

	An evaluation framework to capture NTCA's achievements has been approved and is supported by the introduction of a programme management system which will improve programme management and monitoring, streamlining the interface with delivery organisations for claims and output reporting. This evaluation framework has been shared with Government, as part of the Investment Fund Gateway Review. No material concerns with NTCA processes were raised at the Gateway Review Challenge Sessions with Government – final outcome report is still awaited.	
i) Customer Relationship Management (CRM) system	A CRM system was piloted in 3 key areas of the organisation the Good Work Pledge, Kickstart and Mayor's Office. Learning from this pilot will be taken forward in a wider workstream around ongoing development of organisational IT systems and data handling/analysis capability.	Complete
p) We continue to utilise existing expertise in our constituent authorities	Extensive engagement and involvement of LA colleagues, at all levels, across the organisation	September 2023

C Organisational Risks							
1. Business Continuity							
Aim	To ensure the corporate core of NTCA provides the necessary policies, procedures and plans to enable the Authority to carry out its work efficiently and effectively in all circumstances.						
Risk	Failure to maintain business continuity in the event of a major disruption to the Combined Authority and its business.						
Risk Owner	Consultant Director	Risk Priority	Static	Previous RAG	Amber 8	Current RAG	Amber 8
Reason for change/current RAG rating:							
Issues to be aware of & potential impact		Existing Controls & Mitigation Plans		Additional Mitigation Plans		Review date	
a. Organisational arrangements are insufficient to deter, detect and prevent unauthorised access to ICT systems and to respond effectively as and when breaches do occur.		Compulsory IT and data protection training modules for new starters and regular refreshers for existing staff. ICT SLA with Newcastle City Council. Monitoring is undertaken of training completion with escalation to senior management where not completed. Good compliance to date. All SLAs reflect business need and Newcastle ICT policy and procedures for BCP purposes.		Existing controls sufficient at time of report.		October 2023	
b. Organisational arrangements need to be flexible enough to enable NTCA to adjust from usual office working to home working quickly and efficiently without causing delays to decisions and delivery.		Delegations and urgent decisions procedures robust and understood. All NTCA staff can work from home for a sustained period of time if necessary		Constituent authorities can provide ad hoc space for individuals if required.		October 2023	
c. There should be no single point of failure in the organisation in case of unexpected leave or resignation.		No working files stored only on individuals' computers; all are saved in a folder accessible to at least the team if not the whole organisation.		Existing controls sufficient at time of report.		October 2023	

	<p>Induction and leaving processes to reiterate this policy.</p> <p>Regular team meetings (small work teams, service team and full staff meetings) to update each other on work and progress.</p> <p>SMT Delivery meetings allow Heads of Service to update each other on work and progress.</p> <p>Organisational Development Strategy in place to develop existing staff and encourage internal progression.</p>		
d. In the event of a major incident does NTCA have an agreed senior management protocol and incident command structure?	<p>Business Continuity Plan (BCP) in place. Internal Audit reviewed the BCP in August 2022 and recommended that a formal business impact analysis process needed to be developed further and the BCP itself strengthened including processes for testing and staff training. These recommendations have all been accepted and are being actioned with good progress being made.</p>	<p>Discussions will need to take place about a wider BCP for the new mayoral combined authority with a draft plan ready for its creation.</p>	<p>October 2023</p>
Do Service Level Agreements (SLAs) have sufficient controls/reference to BCP to ensure NTCA is kept informed/aware of action to be taken should something happen to a provider.	<p>SLAs (e.g., HR, Democratic Services, Procurement, ICT) reflect expectations of the local authority and NTCA, should a service be unable to deliver.</p>	<p>Existing controls sufficient at time of report.</p>	<p>October 2023</p>

C Organisational Risks							
2. Operational Capacity and Resources							
Aim	Innovative and agile in delivery - proactively looking for new ways of working, delivering, and ensuring we add value, learn and adapt in a constantly changing context.						
Risk	NTCA is unable to demonstrate to Government, partners and stakeholders, that it has the necessary operational capacity, skills and expertise to successfully deliver its objectives, plans and responsibilities.						
Risk Owner(s)	NTCA Senior Management Team	Risk Priority	Static	Previous RAG	Amber 8	Current RAG	Amber 8
Reason for change/current RAG rating: The proposed North East Devolution Deal and the creation of a North East Mayoral Combined Authority (NEMCA) in May 2024 is progressing which - subject to continued political endorsement - means NTCA will cease to exist and a new organisation bringing together NTCA and NECA will be created. This transition period has the potential to impact on the capacity of NTCA to deliver its existing commitments and plan for the future and this has the potential to impact on recruitment and retention as people respond to change and uncertainty in different ways.							
Issues to be aware of & potential impact	Existing Controls & Mitigation Plans		Additional Mitigation Plans			Review date	
<p>Existing resources do not fully align with NTCA's policy intentions which may impact upon delivery of the Authority's strategic priorities.</p>	<p>The Corporate Plan sets out the work programme to be achieved across the organisation providing visibility and clarity of expectations to all staff and is referenced in all appraisals.</p> <p>Weekly SMT meetings and monthly SMT Strategy meetings provide a regular touchpoint for SMT to raise and discuss resource issues.</p> <p>A resource planning exercise was undertaken in February 2023 and recruitment to new roles commenced.</p> <p>The North East LEP operational capacity and resourcing risk is a significant risk to the LEP</p>		<p>SitReps and work programmes are updated by all teams monthly, approved by Heads of Service and submitted to Chief Executive/Director, enabling an assessment of progress and the ability to flag issues/areas of concern.</p> <p>In summer 2023 a review of services and teams' posts was undertaken against NTCA delivery needs and funding to ensure the right capacity was in place to secure delivery of NTCA commitments.</p>			<p>October 2023</p>	

	but will not impact upon the Authority's capacity and resources risk.		
b. NTCA is a prototyping, learning organisation in which there will be 'failures' but the team will learn from them.	Regular anonymous pulse surveys to gauge feeling and experiences among the whole team followed up by drop-in sessions to allow for discussion of issues. SMT and Managers' meetings share learning and experiences and receive reminders of best practice and procedure.	Review of business processes extended to ensure it can accommodate the implications of a larger mayoral combined authority and work on developing a Corporate Plan for 2023/24 has been agreed.	October 2023
c. CIPFA Financial Management Code – Non-compliance with the Code could lead to ill-informed decision making which could adversely impact on the Authority's financial sustainability.	In preparation for the first full year of compliance with the Code (2021/22) the Authority carried out a self-assessment in line with guidance issued by CIPFA	Action plans have been implemented, to address the improvement areas, resulting in the Authority being fully compliant with the CIPFA Financial Management Code.	Complete
d. NTCA is a very lean organisation with staff operating to a very high level. There is a nationwide recruitment shortage and NTCA may be unable to undertake new funding opportunities if unable to recruit officers to undertake the work as employee well-being is important to the Authority. Uncertainty over the larger MCA may impact on NTCA's ability to recruit.	The Authority has a good retention rate and low sickness. Implementation of learning and development programme after all staff completed individual assessments. Agile Working Policy in place to support employees maintain a good work/life balance.	Internal promotion of benefits (e.g. salary sacrifice schemes for purchase of bikes, cars and electronic goods, agile working) available to NTCA employees and implementation of exit interviews to identify any issues. Learning and development offer live for every member of staff.	October 2023
e. As with any organisation going through a period of significant change there is a risk to employee morale and engagement resulting in a risk of increasing turnover rates.		To ensure staff are kept up to date on the plans for change and feel included in the change as this evolves - Regular staff briefing sessions will continue - including team meetings/121 - face to face meetings with all proposed NEMCA colleagues. Change management sessions will be delivered to mitigate uncertainty over larger MCA.	October 2023

		<p>The website will be kept up to date to ensure staff see the same information.</p> <p>Good employee relations and consultation processes developed with our recognised trade unions and inclusive, fair and consistent change management processes as each organisation moves towards the TUPE transfer.</p> <p>Additional HR and OD resources have been created to support the NEMCA people management transition work.</p>	
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A summary of the transition risks and mitigation strategies

Key Risks and Mitigation: *Provided by NTCA's Strategic Economic Regional Adviser*

Inclusive Economy – *Failure to achieve the planned outcomes to reduce inequality and remove barriers to ensure 'good work'; and jobs are available.*

Work to establish the NEMCA draws on significant resources and capacity within NTCA and impacts on the delivery of existing programmes and initiatives. Mitigated by:

- Additional capacity has been brought in to support the NTCA core team on a secondment basis to lead on the development of the Portfolio Plans (supported by LA7 Economic Directors and LA7 Directors of Finance acting as Portfolio Sponsors) and the development of a draft NEMCA Corporate Plan.
- A number of programmes set out in the minded to Devolution Deal involve the scaling up of existing NTCA programmes (e.g. devolved adult education budgets) and as such the requirement for additional capacity is marginal and supported by officers in the constituent local authorities.
- Existing robust governance and assurance arrangements remain in place for NTCA that monitors performance, impact, and risk of ongoing interventions. This provides an “early warning system” for highlighting any adverse impacts during transition and a framework for addressing these impacts.

Innovation in Recovery – *Failure to achieve the planned outcomes, demonstrate impact or be agile and responsive.*

Early investment opportunities set out in the minded to Devolution Deal such as the Investment Zone Pilot, additional brownfield land grant and one-off capital investment grants introduce new financial, governance and reputational risks on NTCA during the transitional period. Mitigated by:

- Reports to Investment Panel setting out proposals for investment pipelines, both for the additional brownfield land grant and one-off capital grants, include a detailed section on risk management. This establishes the principle that no funding will be issued to constituent local authorities without appropriate indemnities being in place to the satisfaction of the NTCA Director of Finance.
- All financial allocations from the additional brownfield land programme will be subject to the production of a full business case that provides assurances around deliverability and costs and demonstrate value for money.
- The programmes will be compliant with the existing NTCA adopted Assurance Framework.

Promote Trust & Confidence – *Continuing to develop trust, cohesion and credibility with our partners, engaging effectively with our stakeholders.*

Businesses and key stakeholders disengage with NTCA during the transition period as they “wait and see” how the NEMCA shapes up and what priorities emerge. Mitigated by:

- NTCA continues very much in business-as-usual mode and remains completely focused on existing priorities and outcomes as set out in the published Corporate Plan.
- NTCA business and stakeholder engagement continues, existing contracts, commissioned services and investment programmes remain in place up to May 2024.

North East Local Enterprise Partnership – Strategic Risks

'Risks at a glance'

	Risk Priority	Direction of Travel
Strategic Risks	RAG	
A1 – Inability to deliver the North East Strategic Economic Plan	Red 12	Static
<p>The North East Strategic Economic Plan has been the economic plan for the region since 2014 and is due to conclude in 2024.</p> <p>The region is rightly now focused on the establishment of the new Mayoral Combined Authority and the resource and capacity required to deliver the devolution deal. As a consequence, focus and commitment to deliver the final stages of the SEP has reduced.</p> <p>The LEP remains accountable to government and the region for its delivery and therefore we need to manage messaging and reporting as part of the transition.</p>		
A2 – The ‘business voice’ not having a meaningful platform to influence decision making	Red 12	Static
<p>The Devolution Deal outlines the requirement of a Business Board and there is agreement in principle that the LEP board will transition into this role. It is important that this is formalised and agreed with a clear progression pathway.</p> <p>The Business Board is only one component to the regional business voice and it is important to keep the wider business community engaged as the transition progresses. A business community briefing session took place in July 2023 with a second session scheduled for October 2023, which was well received.</p> <p>Wider business engagement to help shape the development of the portfolio plans needs further clarification, as well as how the Business Board engages with the business community to ensure deep understanding of and input into the devolution delivery and investment decisions.</p>		
A3 – Loss of regional knowledge and expertise as the regional governance and delivery model changes	Red 12	Static
<p>The loss of the LEP executive team and developed partnerships’ regional knowledge and expertise during the governance and delivery model changes is a significant risk that needs to be addressed and invested in during the transition year. The LEP further developed the previous Regional Development Agency (RDA) work, and it is important the nationally recognised work of the LEP, developed over the past 12 years is not lost but built upon. Effective knowledge transfer is important to ensure the new Mayoral Combined Authority (MCA) is the strongest it can be and can better from early portfolio wins.</p>		
Operational Risks		
B1 – Inability to meet contractual commitments and timelines due to reduced team capacity	Amber 9	Improving
<p>Uncertainty around future governance and team structures inevitably brings about changes within the team. Some people choose to seek more secure, stable</p>		

<p>employment, as well as the transition arrangements is seeing some employees accelerate into new interim team structures more quickly. Recruitment into vacant posts at a time of change may also experience reduced interest from applicants. Collectively, this could lead to reduced capacity within the team and our ability to deliver contractual arrangements.</p>		
<p>B2 – Maintaining staff morale and commitment during a period of uncertainty and change</p> <p>Change, particularly when it is accompanied by uncertainty, can create feelings of insecurity, stress, and anxiety among staff members. This can have a negative impact on their morale and commitment to their work, leading to decreased productivity, increased absenteeism, and turnover. It can also impact team dynamics, collaboration, and overall organisational performance.</p>	<p>Amber 9</p>	<p>Static</p>
<p>B3 - Having a meaningful route into developing the new MCA portfolios as the LEP functions transfer into the new organisation.</p> <p>The North East Local Enterprise Partnership has over a decade of experience of working with businesses and developing an executive team that hosts nationally recognised expertise in their areas of responsibility. Effective collaboration and partnership working with the local authorities as they develop their portfolios is essential to avoid the expertise not being utilised and delivery on the ground to continue to ensure the portfolio content is maximised and the region’s reputation is not damaged.</p>	<p>Amber 9</p>	<p>Static</p>

Appendix E

A		Strategic Risks			
A1 - Inability to deliver the North East Strategic Economic Plan					
Aim	To continue to deliver and evaluate the North East Strategic Plan in its final year and to ensure that knowledge exchange is implicit in the transition development				
Risk	<p>The North East Strategic Economic Plan has been the economic plan for the region since 2014 and is due to conclude in 2024.</p> <p>The region is rightly now focused on the establishment of the new Mayoral Combined Authority and the resource and capacity required to deliver the devolution deal. As a consequence, focus and commitment to deliver the final stages of the SEP has reduced.</p> <p>The LEP remains accountable to government and the region for its delivery and therefore we need to manage messaging and reporting as part of the transition.</p>				
Risk Owner	LEP Chief Executive	Risk Priority	Static	Current RAG	Red 12
Issues to be aware of & potential impact			Mitigation Plans		Review date
Funding allocated by other partners. Delivery priorities agreed by other partners. Loss of regional mandate to develop the successor plan to the SEP.			A coordinated approach to ensure transition arrangements is taking place. Updates to the LEP Board.		30 September 2023

A		Strategic Risks			
A2 – The ‘business voice’ not having a meaningful influencing route to influence decision making.					
Aim	To position the business board and the voice of business centrally within the new mayoral Combined Authority governance structure.				
Risk	<p>The Devolution Deal outlines the requirement of a Business Board and there is agreement in principle that the LEP board will transition into this role. It is important that this is formalised and agreed with a clear progression pathway.</p> <p>The Business Board is only one component to the regional business voice and it is important to keep the wider business community engaged as the transition progresses. A business community briefing session took place in July 2023 with a second session scheduled for October 2023, which was well received.</p> <p>Wider business engagement to help shape the development of the portfolio plans needs further clarification, as well as how the Business Board engages with the business community to ensure deep understanding of and input into the devolution delivery and investment decisions.</p>				
Risk Owner	LEP Chief Executive	Risk Priority	Static	Current RAG	Red 12
Issues to be aware of & potential impact			Mitigation Plans		Review date
<p>Change in the regional governance from a private sector led economic development board (LEP Board) to the new MCA model.</p> <p>To ensure the MCA business board is fit for purpose and maintains the strong private sector leaders on the current LEP Board.</p> <p>To ensure the business community have a meaningful pathway to input and influence the MCA decision making.</p>			<p>The LEP continues the role of ensuring a robust evidence base is available to inform economic strategy development and investment decisions across the region, and key to this is ensuring the business voice is heard.</p> <p>Maintaining the business voice through effective LEP governance to the time of transition.</p> <p>New MCA governance to ensure the business voice and influence is built in a meaningful way into the governance model.</p> <p>Recent LEP Board recruitment was completed to ensure a strong private sector leadership to represent the ‘business voice’ across the North East.</p> <p>An event was held for the business community on 18 July to update on devolution.</p>		30 September 2023

A	Strategic Risks				
A3 - Loss of regional knowledge and expertise as the regional governance and delivery model changes					
Aim	To build upon the regional knowledge and expertise and ensure effective knowledge transfer into the new Mayoral Combined Authority				
Risk	The loss of the LEP executive team and developed partnerships' regional knowledge and expertise during the governance and delivery model changes is a significant risk that needs to be addressed and invested in during the transition year. The LEP further developed the previous Regional Development Agency (RDA) work, and it is important the nationally recognised work of the LEP, developed over the past 12 years is not lost but built upon. Effective knowledge transfer is important to ensure the new Mayoral Combined Authority (MCA) is the strongest it can be and can better from early portfolio wins.				
Risk Owner	LEP Chief Executive	Risk Priority	Static	Current RAG	Red 12
Issues to be aware of & potential impact			Mitigation Plans		Review date
<p>Loss of regional expertise and capacity during time of change and uncertainty as staff leave for more secure opportunities.</p> <p>Degree of LEP executive and board member involvement in the development of the new portfolio plans yet to be determined, risking loss of knowledge and expertise transfer, and risk of impacting on current delivery performance.</p>			<p>Operational Transition Board established to ensure a coordinated approach.</p> <p>Regular LA7 Economic Directors' meetings.</p> <p>Regular one-two-one meetings between LEP CEO and interim NEMCA CEO.</p>		30 September 2023

B	Operational risk				
B1 – Inability to deliver on contractual commitments, spend funding on time and achieve outputs due to reduced capacity in the team due to uncertainty about the future and funding constraints					
Aim	Proactive management of these challenges through clear communication, resource prioritisation, and support to team members can help mitigate the risks and ensure effective delivery of regional economic development initiatives.				
Risk	<p>Uncertainty around future governance and team structures inevitably brings about changes within the team. Some people choose to seek more secure, stable employment, as well as the transition arrangements is seeing some employees accelerate into new interim team structures more quickly.</p> <p>Recruitment into vacant posts at a time of change may also experience reduced interest from applicants.</p> <p>Collectively, this could lead to reduced capacity within the team and our ability to deliver contractual arrangements.</p>				
Risk Owner	LEP Chief Executive	Risk Priority	Improving	Current RAG	Amber 9
Issues to be aware of & potential impact			Mitigation Plans		Review date
Funding not being spent on time if there are further staff losses, leading to reduced outputs being delivered and potential clawback.			<p>Monitoring throughout 2023-2024 will be undertaken at a programme and project level to ensure commitments are on target.</p> <p>Funds will be monitored through Senior Management Team, Technical Officer Group, Investment Board, LEP Board, with reporting to the Board to review performance.</p>		30 September 2023

B	Operational risk				
B2 – Maintaining staff morale and commitment during a period of uncertainty and change					
Aim	Supporting the team during transition.				
Risk	Change, particularly when it is accompanied by uncertainty, can create feelings of insecurity, stress, and anxiety among staff members. This can have a negative impact on their morale and commitment to their work, leading to decreased productivity, increased absenteeism, and turnover. It can also impact team dynamics, collaboration, and overall organisational performance.				
Risk Owners	LEP Chief Executive	Risk Priority	Static	Current RAG	Amber 9
Issues to be aware of & potential impact			Mitigation Plans		Review date
Decrease in productivity and organisational performance.			Through 1:1s with line managers and reviews the team will be supported to ensure that priorities are being met but that the individual also feels supported.		30 September 2023
Increased absenteeism, morale and commitment.			Supporting the team with 1:1 support, advice and guidance.		30 September 2023
Supporting change management and understanding the transition.			Training and support with change management offered across the team and sessions undertaken. Regular communication sessions including Team Huddles are held with the team to ensure they are aware of changes.		30 September 2023

B	Operational risk				
B3 - Having a meaningful route into developing the new MCA portfolios as the LEP functions transfer into the new organisation.					
Aim	To ensure effective collaboration and partnership working as the LEP functions transfer.				
Risk	The North East Local Enterprise Partnership has over a decade of experience of working with businesses and developing an executive team that hosts nationally recognised expertise in their areas of responsibility. Effective collaboration and partnership working with the local authorities as they develop their portfolios is essential to avoid the expertise not being utilised and delivery on the ground to continue to ensure the portfolio content is maximised and the region's reputation is not damaged.				
Risk Owners	LEP Chief Executive	Risk Priority	Static	Current RAG	Amber 9
Issues to be aware of & potential impact			Mitigation Plans		Review date
Reduced respect for political leaders from the business community			LEP to input into governance arrangements of new NEMCA business board		30 September 2023
Reputational damage to the region			A coordinated approach and partnership working with the local authorities to ensure that portfolio development can be maximised, through regular meetings and expertise/knowledge transfer.		30 September 2023
Loss of nationally recognised expertise and knowledge			There have been a number of staff who have secured opportunities elsewhere. This is being discussed and gaps in delivery being identified by the Senior Management Team.		30 September 2023

North East Joint Transport Committee Strategic Risks (as of June 2022 - for information only)

*The North East JTC Strategic Risk Register has been prepared by NECA's risk management service
The register is presented regularly to the North East JTC Audit Committee.*

JTC Risks to Achievement of Strategic Objectives	Risk Priority	Direction of Travel
<p>Carbon Neutral Transport Failure to achieve the aspiration of carbon neutral transport network within the JTC area by 2035.</p>	Red 12	<p>Static <i>Due to possible negative impact of Covid-19/Cost of Living Crisis on future funding and need for behavioural change</i></p>
<p>Inequality and Growth of the Economy Failure to achieve the planned outcomes to overcome inequality and support the growth of the economy in the JTC area.</p>	Red 12	<p>Static <i>Due to possible negative impact of Covid-19/Cost of Living Crisis on future funding and cost and service availability users of public transport</i></p>
<p>Health Failure of the transport system to achieve the planned outcomes to contribute the improvements in health of the population in the JTC area.</p>	Amber 8	<p>Static <i>Positive impact of Covid-19 on active travel counter balanced by possible negative impact of Covid-19 /Cost of Living Crisis on future funding and need for behavioural change</i></p>
<p>Appealing Sustainable Transport The transport network within the JTC area fails to achieve the planned outcomes regarding the offer of appealing sustainable transport choices to people living or working in the area or visiting or travelling through the area.</p>	Red 12	<p>Static <i>Due to possible negative impact of Covid-19/Cost of Living Crisis on future funding and cost and service availability to users of public transport</i></p>
<p>Safety and Security The transport system within the JTC area fails to achieve the planned outcomes regarding its safety and security.</p>	Amber 8	<p>Static <i>Arrangements in place but possible negative impact of Covid-19/Cost of Living Crisis on future funding</i></p>
<p>JTC Organisation Risks</p>		
<p>Future Availability of Funding</p>	Red 12	<p>Static</p>

Sources and levels of funding available to the JTC to develop the North East regions transport infrastructure within the region may reduce.		<i>Reduced opportunities for Non-mayoral Authorities and impact of Cost of Living Crisis</i>
Funding Opportunities Failure of the JTC to secure the maximum amount of transport funding available to progress transport infrastructure in the North East region.	Amber 8	Static
Use of Funding and Resources Funding secured for transport initiatives within the North East region by the JTC and its partners may not be able to be used on a timely basis or be sufficient to complete intended projects.	Amber 8	Static
Governance Arrangements The governance arrangements of the JTC are not appropriate to allow effective and timely decision making and the achievement of its objectives.	Green 4	Static
Operational Capacity and Resourcing The JTC does not have the necessary operational capacity, skills and budget, to successfully deliver the JTC's objectives and plans.	Amber 8	Static
Delivery of Transport Improvement Projects/Programmes Projects which are funded through the JTC are delayed, are significantly overspent or do not deliver the intended product to meet the identified transport need.	Green 4	Improving <i>Positive Internal Audit Opinion</i>
Transport Infrastructure Assets Transport assets, which are the responsibility of the JTC, are inadequately managed and maintained.	Green 6	Static
Service Delivery Inadequate arrangements are in place to ensure that adequate levels of public transport services, for which the JTC has oversight, are maintained by the JTC's transport delivery partners.	Green 6	Static
'Catastrophic Event' Inadequate arrangements are in place should a 'catastrophic' event occur which seriously impacts the transport system in the North East. e.g. public health emergency, security incident, infrastructure collapse (e.g. power, fuel)	Amber 8	Static

Risk Management Toolkit – Criteria to assess the likelihood of a risk occurring and its impact i.e. High (4) x Critical (4) = Red (16)

Determine the risk priority					
Impact					
Likelihood		Insignificant	Minor	Significant	Critical
	High (4)	4	8	12	16
	Medium (3)	3	6	9	12
	Low (2)	2	4	6	8
	Negligible (1)	1	2	3	4

Assess the likelihood of the risk occurring	
High (4)	Risk will almost certainly occur or is occurring at present
Medium (3)	Risk is likely to occur in most circumstances
Low (2)	Risk may occur
Negligible (1)	Risk is unlikely to occur

Assess the impact should the risk occur

	Objective	Service Delivery	Financial	Reputational
Critical/Showstopper Page 39	<ul style="list-style-type: none"> Over half the objectives/programmes affected More than one critical objective affected Partners do not commit to the Shared vision 	<ul style="list-style-type: none"> Significant change in partner services Relationship breakdown between major partners and stakeholders Serious impact on delivery of objectives Unplanned major re-prioritisation of resources and/or services in partner organisations Failure of a delivery programme/major project 	<ul style="list-style-type: none"> Inability to secure or loss of significant funding opportunity (£5m) Significant financial loss in one or more partners (£2m) Significant adverse impact on budgets (£3m – Transport; £0.2m Central Budget) 	<ul style="list-style-type: none"> Adverse national media attention External criticism (press) Significant change in confidence or satisfaction of stakeholders Significant loss of community confidence
Significant	<ul style="list-style-type: none"> One or more objectives/programmes affected One or more partners do not commit to shared vision Significant environmental impact 	<ul style="list-style-type: none"> Partner unable to commit to joint arrangements Recoverable impact on delivery of objectives Major project failure 	<ul style="list-style-type: none"> Prosecution Change in notable funding or loss of major funding opportunity (£2m) Notable change in a Partners contribution Notable adverse impact on budget (£0.5m-£1.5m Transport budgets) 	<ul style="list-style-type: none"> Notable external criticism Notable change in confidence or satisfaction Internal dispute between partners Adverse national/regional media attention Lack of partner consultation Significant change in community confidence

Minor	<ul style="list-style-type: none"> • Less than 2 priority outcomes adversely affected • Isolated serious injury/ill health • Minor environmental impact 	<ul style="list-style-type: none"> • Threatened loss of partner's commitment 	<ul style="list-style-type: none"> • Minor financial loss in more than one partner • Some/loss of funding or funding opportunity threatened 	<ul style="list-style-type: none"> • Failure to reach agreement with individual partner • Change in confidence or satisfaction • Minor change in community confidence
Insignificant	<ul style="list-style-type: none"> • Minor effect on priorities/service objectives • Isolated minor injury/ill health • No environmental impact 		<ul style="list-style-type: none"> • Isolated/minor financial impact in a partner organisation <p>(Financial limits are under review)</p>	

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