

TVCA Corporate Risk 2019/20 - Q1

Ref	Risk description/ Category	Consequences	Owner	Current Controls	Net Risk Score			Change since last Q	Further Controls Required	Deadline	Comments	Review Date
					Impact (1-5)	Probability (1-5)	Score (1-25)					
C01	Failure to secure agreement on new future investment priorities. (DELIVERY)	<ul style="list-style-type: none"> • Delay in agreeing and approving projects to go into Investment Programme, potentially affecting spend • Impacts TVCA's reporting on progress to Government • Adverse effect on 5 year Government funding conversation and ability to bid successfully for other funding for projects • Failure to achieve SEP targets and outcomes • Reputational damage 	Investment Director/ Chief Executive	<ul style="list-style-type: none"> • TVCA Cabinet has overall responsibility for developing & delivery of SEP, investment decisions and allocation of resources. • Proposals developed at early stage with Leaders & Mayor, LEP members, chief officers, partners and Government departments • Agreement to Investment Plan • Investment report on every Cabinet agenda as standing item • Additional EOIs reviewed as received • Oversight by TV Management Group • Quarterly performance reporting being developed • Ten Year Investment Plan 2019-29 agreed by Cabinet Jan19 • Assurance Framework agreed by Cabinet and submitted to Government - now adopted • New processes and delegations agreed and implemented 	5	2	10	↑5			<ul style="list-style-type: none"> • New Assurance Framework sets out process for dealing with potential new projects. 	Oct-19
C02	Impact of Brexit including financial uncertainty and economic instability that affects national policy in relation to devolution and impact on ability to progress TVCA devolution strategy; in particular uncertainty on UK successor regime to ESIF funding (UKSPF) and the loss of Local Growth Funding. (FINANCIAL)	<ul style="list-style-type: none"> • Loss of funding for Tees Valley compared to previous ESIF position • Failure to maximise opportunities for funding for Tees Valley under replacement arrangements 	Strategy Director/ Investment Director	<ul style="list-style-type: none"> • Ongoing engagement with Leaders & Mayor, Chief Officers and Government departments • Continuation of focus on TVCA delivery of objectives and SEP • Secured ESIF guarantee from Government • Engagement with Government on future funding plans post Brexit, including tracking progress with development of proposed UK Shared Prosperity Fund • Action plan agreed for utilising remainder of ESIF funding • Working with partners on proposals for current open call (closing Aug19) 	4	3	12	-	<ul style="list-style-type: none"> • Liaison with other CAs/LEPs 	Ongoing	Regular liaison with Government on progress with UK Shared Prosperity Fund.	Oct-19

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C03	Failure to secure sufficient additional resources to fund proposed activity. (FINANCIAL)	<ul style="list-style-type: none"> Impacts ability to deliver SEP targets and outcomes Reputational damage 	Investment Director/ Chief Executive	<ul style="list-style-type: none"> Robust Medium Term Financial Plan, Treasury Management Strategy and Investment Plan agreed by TVCA Cabinet Submission of high calibre bids for external funding Identifying opportunities for efficiency and greater impact Ongoing review of EZ income potential Ongoing review of commercial potential of individual projects and TVCA borrowing potential/limits Ten Year Investment Plan 2019-29 agreed (including funding plan) Regular meetings between Mayor and Government Ministers Progress with external funding bids reported quarterly to TVMG 	4	3	12	↑4	<ul style="list-style-type: none"> Investments identified in Local Industrial Strategy need to feed into Investment Plan and other external sources Tightening up bidding process - approval to bid and actual bid sign off 			Oct-19
C04	Transport specific funding secured from government is not sufficient to meet TVCA programme aspirations eg significant local contributions sought that are not affordable and/or TCF not awarded on ongoing annual basis. (FINANCIAL)	<ul style="list-style-type: none"> Not all planned transport projects can be delivered Harder to leverage other funding Reputational damage 	Investment Director/ Head of Transport	<ul style="list-style-type: none"> Transport programme going to Cabinet July19 Programme shared with DfT Reporting to DfT on progress with TCF spending/delivery Ongoing liaison with DfT re specific projects eg New Tees Crossing, Darlington Northern Link Road, Darlington Station, Middlesbrough Station Ongoing discussions with key partners eg Northern Rail, Train Operators, TfN Annual conversation with government 	4	3	12	-				Oct-19

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C05	Failure to secure appropriate funding from Government for the operation of the South Tees Development Corporation. (FINANCIAL)	<ul style="list-style-type: none"> • Delay to delivery of STDC planned development • Potential effect on TVCA's other funding priorities • TVCA cannot itself meet funding requirements • Loss of potential inward investment into Tees Valley, and other opportunities to meet SEP objectives • Reputational damage 	Chief Executive/ Director of Finance & Resources	<ul style="list-style-type: none"> • STDC established as legal entity 1st Aug 2017 • Official launch 23rd August 2017 • STDC Constitution requires significant financial matters to be referred to TVCA Cabinet • TVCA FD is also FD of STDC • STDC Board meeting regularly • Continued dialogue with Government • £123m funding secured in 2017 Budget • £14m in 2018 budget • CSR Business Case to HMG 2019 • New Chief Exec of STDC recruited 	4	4	16	↑4			No Comprehensive Spending Review this financial year	Oct-19
C06	Obligations undertaken by STDC have potential financial impact on TVCA	<ul style="list-style-type: none"> • Strain on TVCA funding availability • Potential effect on other TVCA funding programmes • Reputational damage 	Director of Finance & Resources	<ul style="list-style-type: none"> • STDC Constitution requires significant financial matters to be referred to TVCA Cabinet • TVCA FD is also FD of STDC 	4	2	8	-				Oct-19
C07	Failure to provide sufficient capacity to deliver TVCA functions. (DELIVERY)	<ul style="list-style-type: none"> • Delays in terms of TVCA business being transacted, decisions being made and funding being defrayed • Potential loss of investment into Tees Valley • Delays in achieving SEP and Investment Plan outputs and outcomes • Potential effect on ability to bid credibly for additional funding • Key staff may decide to leave organisation • Reputational damage 	Chief Executive	<ul style="list-style-type: none"> • Oversight by Senior Management Team • Reviews being implemented • Recruitment under way in key areas (eg AEB devolution) • Review as part of budget work 2019/20 	4	3	12	-	<ul style="list-style-type: none"> • Review current core costs and capacity within the context of the new 10 year Investment Plan 	Sep-19		Oct-19

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C09	Failure to build and maintain relationships with key partners. (REPUTATIONAL)	<ul style="list-style-type: none"> • Potential impact on LEP and its operation • More difficult to maximise opportunities to access significant external funding which requires a partnering approach • Delays to agreement and delivery of Investment Programme • Risk to achievement of SEP targets and outcomes • Reputational damage 	Chief Executive/ Senior Leadership Team	<ul style="list-style-type: none"> • Regular Cabinet meetings (including LEP Board members) • Regular portfolio holders meetings and briefings • Directors/Heads meeting LA officers regularly • MOU agreed with Teesside University • Regular liaison with other key partners eg. CPI, MPI, TWI, Digital City • Regular liaison with other key government agencies (and others) eg. Homes England, Highways England, HLF, Arts Council, BLF, TfN etc • Perception study undertaken • Revised Assurance Framework sets out role for Management Group - consultee in Chief Exec's delegation 	4	2	8	-			MOU being developed with Durham University.	Oct-19
C10	Uncertainty within the economy and/or the political environment (DELIVERY)	<ul style="list-style-type: none"> • Potential delay to agreement of TVCA priorities and approval of any additional funding • Potential delay in delivering SEP targets and outcomes • Reputational damage 	Chief Executive	<ul style="list-style-type: none"> • Engagement with local MPs • Engagement with local authorities 	4	3	12	-	• Engagement with national parties	Ongoing		Oct-19

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C11	Failure to pass the first Gateway Review. (FINANCIAL) See sub risks A & B below	<ul style="list-style-type: none"> Inability to deliver Ten Year Investment Plan and strategic investments and achieve SEP outcomes Increased workload/resources required to address issues Risk to future funding of organisation Significant reputational damage 	Investment Director/ Strategy Director	<ul style="list-style-type: none"> Bi-monthly meeting with Government officials and on-going dialogue Assurance framework (monthly conversation with BEIS) Internal Audit arrangements Annual conversations with Government Mayor meets with Government Ministers Funding cannot progress to final approval unless it meets the Assurance Framework process. Staff trained on the Assurance Framework to ensure it is being adhered to Tees Valley baseline prepared by SQW Evaluation plan agreed between SQW, Tees Valley & government 	5	3	15	↑5	<ul style="list-style-type: none"> Quarterly reporting to Cabinet on Investment outputs and outcomes to be introduced Annual Review to be undertaken 	Oct-19 Mar-20		Oct-19
C11-A	Failure to deliver the existing pipeline of funding commitments and achieve targeted spend. (DELIVERY)	<ul style="list-style-type: none"> Impacts TVCA's reporting on progress to Government Adverse effect on 5 year Government conversation & ability to bid successfully for other funding Failure to achieve SEP targets and outcomes Reputational damage 	Investment Director	<ul style="list-style-type: none"> Creation and utilisation of Advanced Funding to provide upfront investment in feasibility work Programme monitoring and review Assurance Process in place Investment Plan Risk Register operational Regular Investment Panel meetings Regular liaison with BEIS Monthly spend reviews in place Ten Year Investment Plan 2019-29 agreed by Cabinet Jan19 Revised Assurance Framework in place Quarterly review of progress against internal business plan targets Investment Plan delivery progress reported to Cabinet quarterly 	5	2	10	-				Oct-19

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C11-B	<ul style="list-style-type: none"> Failure to manage funding in order to deliver maximum value for money. (FINANCIAL) 		Investment Director/ Director of Finance & Resources	<ul style="list-style-type: none"> Revised Assurance Framework approved by Cabinet on 15th March and submitted to Government 	4	2	8	-	<ul style="list-style-type: none"> Review to ensure appropriate development, appraisal and assurance processes are operating effectively and efficiently 	Sep-19		Oct-19
C12	<ul style="list-style-type: none"> Failure to detect fraud. (FINANCIAL) 	<ul style="list-style-type: none"> Loss of funds that cannot be recovered and applied to required spend objectives Staff resources required to manage any instances Reputational damage 	Head of Finance, Resources & Housing	<ul style="list-style-type: none"> Internal audit arrangements External audit arrangements Internal expenditure approvals process Assurance Framework for Investment Review of internal expenditure process undertaken Staff induction process 	5	2	10	-	<ul style="list-style-type: none"> Review need for particular controls on specific new funding programmes 	Ongoing		Oct-19
C13	<ul style="list-style-type: none"> Failure to deliver commitments entered into in the Tees Valley devolution deal (See C07 for delivery of projects which were part of devo deal) (DELIVERY) 	<ul style="list-style-type: none"> Impacts TVCA's reporting on progress to Government Adverse effect on 5 year Government conversation & ability to bid successfully for other funding Reputational damage 	Chief Executive	<ul style="list-style-type: none"> Implementation Plan agreed with Government Annual Conversation with Government Bi-monthly meeting with Government officials and on-going dialogue/reporting Management of Business Plan Most activities from the devolution deal now form part of TVCA's day to day work eg transport priorities Ten Year Investment Plan 2019-29 agreed by Cabinet Jan19 Revised EOI and business case process/documentation Revised Assurance Framework in place 	5	2	10	-				Oct-19

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C14	Failure to adequately communicate and explain the TVCA and Mayor functions and role may mean expectations are not managed. (REPUTATIONAL)	<ul style="list-style-type: none"> Confusion is possible in terms of relations with partners, businesses and residents Reputational damage 	Head of Communication	<ul style="list-style-type: none"> Head of Communication & Marketing appointed Communications plan in place Regular liaison with Mayor's office on Comms issues & opportunities Communications Strategy agreed 	3	3	9	-				Oct-19
C15	Senior Officers leave the organisation. (DELIVERY)	<ul style="list-style-type: none"> Insufficient senior resource to lead and manage the workload over a critical period Delays to delivery of Investment Programme Risk of not delivering against SEP targets and outcomes Loss of confidence by Government funding departments Resource not available to lead on funding bids Reputational damage Reduction in TVCA team morale 	Chief Executive	<ul style="list-style-type: none"> Regular SLT meetings Regular management one to ones Director of Finance & Resources appointed Director Business & Skills to be appointed 	2	4	8	-				Oct-19
C16	Failure to agree a Local Industrial Strategy with Government. (REPUTATIONAL)	<ul style="list-style-type: none"> Failure or delay causes reputational damage Potential impact on ability to bid for national funding Potential impact on regeneration of STDC site Potential impact on SEP delivery as a consequence 	Strategy Director	<ul style="list-style-type: none"> Detailed timetable in place for the Local Industrial Strategy is being undertaken Partners to support development of Local Industrial Strategy identified Engagement events held with key sectors in Jan19 Thematic engagement events Feb19 Workshops with LEP and Leaders May19 	4	2	8	-	<ul style="list-style-type: none"> Comms engagement to be planned 	<ul style="list-style-type: none"> Deadline for locally agreed draft - Jul19. Sign off with Government currently end summer 19 but might come forward. 	Oct-19	

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C17	Failure to operate within TVCA constitution. (LEGAL)	<ul style="list-style-type: none"> • TVCA decisions are ultra vires • Risk of legal challenge, leading to delay to delivery of TVCA programme(s) and costs • Reputational damage 	Chief Executive/ Monitoring Officer	<ul style="list-style-type: none"> • Updates and reports to TVCA Cabinet • Briefing and engagement with Constituent Authorities' members • Public Consultation undertaken • A&G Committee in place and meeting regularly • O&S Committee in place and meeting regularly • Additional independent members recruited to A&G Committee • Involvement of Monitoring Officer at Cabinet and in review of papers/decisions • Legal & Commercial Manager in post 	5	1	5	-				Oct-19
C18	Failure to maximise influence at regional/national level. (REPUTATIONAL)	<ul style="list-style-type: none"> • Missed opportunities to influence national and regional agendas to benefit Tees Valley • Potential impact on ability to bid for and get additional funding • Potential impact on delivery of SEP 	Chief Executive/ Strategy Director	<ul style="list-style-type: none"> • LEP Meetings • LEP Network representation • Mayoral role • Membership of Transport for the North • Membership of NP11 • Maintaining key relationships (see C09 above) 	2	2	4	-				Oct-19
C19	Failure to operate DTVA successfully and turn around operation. (DELIVERY)	<ul style="list-style-type: none"> • Reputational damage • Increased financial liabilities (see C17) • Impact on economic growth potential 	Chief Executive/ Investment Director	<ul style="list-style-type: none"> • Strategic partnership joint venture with Stobart Aviation • 5 year Business Plan agreed annually • Agreed governance arrangements • Monitoring & reporting to DTVL & Goosepool Ltd Boards • TVCA oversight and Scrutiny via Cabinet and Overview & Scrutiny • Martin Waters overseeing TVCA investment 	4	2	8	-				Oct-19

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C20	More TVCA investment required for DTVL than is foreseen in Business Plan. (FINANCIAL)	<ul style="list-style-type: none"> Increased financial liabilities Impact on other projects/programmes 	Chief Executive/ Finance Director	<ul style="list-style-type: none"> Strategic partnership joint venture with Stobart Aviation 5 year Business Plan agreed annually Agreed governance arrangements Monitoring & reporting to DTVL & Goosepool Ltd Boards TVCA oversight and Scrutiny via Cabinet and Overview & Scrutiny Martin Waters overseeing TVCA investment 	4	2	8	-				Oct-19