

## **Audit and Standards Committee**

Tuesday 15 November 2022 at 10.00am

Meeting to be held: Collingwood/Stephenson Room, Civic Centre, Newcastle

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## **AGENDA**

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	<b>Page No</b>
1. <b>Welcome and Apologies</b>	
2. <b>Declarations of Interest</b>	
Please remember to declare any personal interest where appropriate both verbally and by recording it on the relevant form (to be handed to the Democratic Services Officer). Please also remember to leave the meeting where any personal interest requires this.	
3. <b>Appointment of Vice Chair for the municipal year 2022-23</b>	
4. <b>Agreement of the minutes of the meeting held on 5 July 2022</b>	<b>1 - 6</b>
5. <b>Internal Audit - Quarterly Update Report</b>	<b>7 - 12</b>
6. <b>Strategic Risk and Opportunities Register</b>	<b>13 - 48</b>
7. <b>External Auditors Verbal Update: Final Statement of Accounts 2021/22</b>	
8. <b>Date and Time of Next Meeting</b>	

Tuesday 24 January 2023

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## Audit and Standards Committee

5 July 2022

(10.05 - 11.00 am)

Meeting held: Banqueting Hall, Civic Centre, Newcastle upon Tyne, NE1 8QH

### Minutes

#### Present:

Chair: Doug Ross

Councillors: L Bowman, G Castle, C Ferguson, C Hardy, T Mulvenna and S Sheraton

The Chair welcomed everyone to the meeting, noting that the committee was not quorate at that point.

*[During discussion of item 9 (Draft Statement of Accounts) the meeting became quorate and the Chair then revisited agenda items previously discussed and matters were agreed where required]*

#### 1 WELCOME AND APOLOGIES

Apologies for absence were received from Cllr Shaw. Cllr Mulvenna and Cllr Bowman were attending as substitute members.

#### 2 DECLARATIONS OF INTEREST

None.

#### 3 APPOINTMENT OF VICE-CHAIR FOR THE MUNICIPAL YEAR 2022-2023

Returning to this item once the meeting was quorate, there being no nominations, it was **RESOLVED** that the matter be deferred to the next meeting.

4 **AGREEMENT OF THE MINUTES OF THE MEETING HELD ON 26 APRIL 2022**

Returning to this item once the meeting was quorate, it was **RESOLVED** that the minutes of the meeting held on 26 April 2022 be agreed as an accurate record, subject to the inclusion of Cllr C Seymour who was present at the meeting.

5 **2021/22 OPINION ON THE ADEQUACY AND EFFECTIVENESS OF THE FRAMEWORK OF GOVERNANCE, RISK MANAGEMENT AND CONTROL**

Submitted: Report of the Interim Chief Internal Auditor (previously circulated and a copy attached to the official records), which outlined the Internal Audit 2021/22 opinion on the adequacy and effectiveness of the framework of governance, risk management and control.

R Dunlop, Interim Chief Internal Auditor, presented the report drawing committee attention to work carried out during 2021/22 to confirm that adequate controls were in place.

Returning to this item once the meeting was quorate, it was **RESOLVED** that the report be noted.

6 **INTERNAL AUDIT - QUARTERLY UPDATE REPORT**

Submitted: Report of the Interim Chief Internal Auditor (previously circulated and a copy attached to the official records), which provided a progress update on the 2021/22 Internal Audit Plan and other recent work undertaken.

R Dunlop, Interim Chief Internal Auditor, presented the report highlighting work completed during 2021/22 and audits that had been rescheduled into 2022/23.

The Chair welcomed the work that had been carried out, noting the change in focus from the introduction of new controls, to a focus on controls that underpinned ongoing delivery.

Returning to this item once the meeting was quorate, it was **RESOLVED** that the report, be noted.

7 **STRATEGIC RISK AND OPPORTUNITIES REGISTER**

Submitted: Report of the Risk Advisor to the North of Tyne Combined Authority (previously circulated and a copy attached to the official records), which provided assurance to the committee that the most significant risks had been identified, were monitored and measures were in place to mitigate them.

P Slater, Risk Advisor, presented the report noting that there had been no changes to the risk register following the last meeting, with actions due to be reviewed and updated in September 2022. Reference was made to risk A3, innovation in recovery, where an update had been provided by the Chief Economist. In due course the LEP risk register would also be updated into a similar format.

Responding to a query, the Risk Advisor confirmed that work would take place to consider the impact of the increase in the cost of living. Commenting further, J

Gillespie confirmed that the impact of inflationary cost pressures on programmes would be a challenge and would be closely monitored.

The Chair welcomed the format and level of detail provided in the risk register.

Returning to this item once the meeting was quorate, it was **RESOLVED** that the outcomes of the strategic risk review be accepted.

## 8 **DRAFT ANNUAL GOVERNANCE STATEMENT (2021/22)**

Submitted: Report of the Risk Advisor to the North of Tyne Combined Authority (previously circulated and a copy attached to the official records), which presented the outcome of the annual review of the authority's governance and internal control arrangements.

P Slater, Risk Advisor, presented the report noting that since the draft statement had been presented to committee at the last meeting, no significant weaknesses had been identified and only minor amendments to the narrative in section 7 were proposed for the benefit of the reader.

It was noted that the final content of the statement would be subject to the outcome of the external audit and may be amended further prior to signature.

Returning to this item once the meeting was quorate, it was **RESOLVED** that:

- i. The draft NTCA 2021/22 AGS be approved for consideration as part of the audit of the authority's financial statements.
- ii. Committee acknowledged that the 2021/22 AGS would be kept under review and amended as necessary should any weakness come to light before the committee received a final version at its next meeting together with the Statement of Accounts.

## 9 **DRAFT STATEMENT OF ACCOUNTS (2021/22)**

Submitted: Report of the Chief Finance Officer (previously circulated and a copy attached to the official records), which presented the Draft Statement of Accounts for the year ended 31 March 2022, including the Draft Narrative Report and the Draft Annual Governance Statement.

J Gillespie, Chief Finance Officer, presented the report highlighting the complexity of the accounts due to the authority's share of revenue, expenditure, assets and liabilities that related to the joint transport arrangements and Nexus. Narrative would be finalised in respect of achievements during the year, in line with the corporate plan.

*[Cllr Bowman joined the meeting and committee was then quorate]*

K Laing, Strategic Finance Manager, provided a presentation to committee on the key points within the draft Statement of Accounts (copy attached to the official records).

Responding to a query on how useable reserves would be determined, J Gillespie confirmed that a substantial element of reserves related to unspent Investment Fund resources. In line with good practice, the authority also held a small amount of earmarked risk based reserve. The remaining earmarked reserves related to grant funding and sources of income pertaining to NECA and Nexus and were ringfenced for a specific purpose. It was agreed that additional information would be circulated on the distinction between ringfenced and un-ringfenced reserves.

In respect of the increase in surplus to £55m, K Laing confirmed that the increase related to Covid related grant funding for transport that had been received by the joint transport committee.

Assurance was sought on the confidence that officers had in the job creation forecast by 2023/24. In response, J Gillespie indicated that the forecast was based on agreements that were in place on a number of projects and programmes that had included job creation targets. The significant increase in later years reflected that the organisation had started from a stand-still position.

Noting that the job creation graph provided to committee the previous year had included a forecast over a longer period, J Gillespie undertook to provide a further report in respect of the forecast of jobs created to the next meeting.

K Laing confirmed that the graph mirrored that provided in the Corporate Plan and presented to Cabinet.

**RESOLVED** that –

- i. The NTCA Draft Statement of Accounts be noted.
- ii. Additional information be circulated on the distinction between ringfenced and un-ringfenced reserves.
- iii. A report be provided to the next meeting on the forecast of jobs created.

## 10 **EXTERNAL AUDIT PROGRESS REPORT**

Submitted: Audit Strategy Memorandum by Mazars (previously circulated and a copy attached to the official records).

G Baker, External Auditor, provided an update on completion of the 2020/21 external audit, noting outstanding work in relation to: a resolution from CIPFA to national issue on the accounting of infrastructure; the value for money exercise; and work necessary to conclude the Whole of Government Accounts consolidation pack.

It was noted that external audit capacity was in place for the 2021/22 audit and work on Nexus accounts would take place in July/August prior to NECA and then NTCA, with a view to completing the external audit by the end of November 2022.

J Dafter, External Auditor, presented the Audit Strategy Memorandum and drew members attention to: the summary of engagement and responsibilities; team capacity and the appointment of new team leader; the scope and approach of the audit, which would be similar to the previous year; significant risks and key judgement areas, which included accounting for Tyne Tunnel income and the pension fund defined benefit liability valuation; value for money work that would be

completed; fees; independence and materiality, which was different to the previous year, but not unexpected.

Responding to a query, G Baker confirmed that certificates to close the 2020/21 external audit could only be issued once a national position had been reached on accounting for infrastructure as this would need to be considered first. The position impacted on all authorities with material infrastructure.

**RESOLVED** that the report be noted.

## 11 **DATE AND TIME OF NEXT MEETING**

Noted as Tuesday 15 November 2022 at 10am.

The Chair advised that, due to other commitments, this would be his last meeting as Chair of the committee, subject to an appointment being made before the next meeting and he thanked members and officers for their support and contribution to the work of the committee.

On behalf of the committee and the combined authority, R Redfern thanked the Chair for his commitment and the outstanding contribution that he had made to the work of the committee, and she wished him well for the future.

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## Audit and Standards Committee 15 November 2022

**Subject: Internal Audit Quarterly Update Report**

**Report of: Richard Dunlop, Interim Chief Internal Auditor**

### Report Summary

A quarterly update from Internal Audit is included within the Work Programme for the Audit and Standards Committee at each of the four scheduled meetings during the year. This report provides Audit and Standards Committee with progress against the 2022/23 Internal Audit Plan to end October 2022 and any other recent work undertaken. This Plan was agreed by the Audit and Standards Committee at its meeting on 26 April 2022.

### Recommendations

The Audit and Standards Committee is recommended to consider and note Internal Audit's progress report.

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

- 1.1 The Internal Audit Plan approved by Audit and Standards Committee on 26 April 2022 set out a number of assignments and included contingency for advice and guidance as well as programme assurance work. A summary of each of these areas, and any other work included in internal audit's work programme is provided below.
- 1.2 Internal Audit has worked with the NTCA to plan and spread the internal audit work over the financial year to minimize any possible disruption to NTCA staffing resources.
- 1.3 The NTCA internal audit service is provided by North Tyneside Council's internal audit service. Until April 2022 this was a shared service with Northumberland County Council. Following the dissolution of the shared service arrangements in April 2022 the internal audit service began the year with a number of vacancies. These have now been broadly filled. This has meant that work will be slightly weighted to the second half of the year, but it is expected that the plan will be delivered in full.

### Work Completed Since Previous Meeting

Area of Review	Description of Assignment and Current Status
Business Continuity Arrangements (Governance Review)	<p>The objective of the audit was to assess and evaluate the business continuity arrangements in place to determine whether they would provide effective support to the organisation in the event of a major disruption.</p> <p>The report provided a limited assurance audit opinion. Five medium and four low priority recommendations were made. The key issues identified included:</p> <ul style="list-style-type: none"> <li>• A planned lessons learned review following the pandemic had not been completed although one had been planned for summer 2022. The audit did note that the functions of the organisation had been maintained throughout the pandemic.</li> </ul>

	<ul style="list-style-type: none"> <li>• a lack of a business impact analysis and exercising of plans, to ensure business continuity plans were robust and covered all critical activities.</li> <li>• There was no established training in place for officers with business continuity roles and responsibilities.</li> </ul> <p>Although a number of issues were identified during the audit, internal audit acknowledged that the Business Continuity Arrangements were under development and making good progress.</p>
<p>Governance arrangements and Service Level Agreements (Governance Review)</p>	<p>The objective was to examine the arrangements for key governance functions in monitoring the effectiveness of, and compliance with, the SLAs in place. A number of SLAs received coverage through other internal audit work, such as the Key Finance Systems. As agreed with the Director of Policy and Performance the scope of this audit is to review the following remaining key SLAs</p> <ul style="list-style-type: none"> <li>• Finance <ul style="list-style-type: none"> <li>- Finance including Treasury Management</li> <li>- Transactional Services Support</li> </ul> </li> <li>• Legal <ul style="list-style-type: none"> <li>- LEP Legal Services</li> <li>- NTCA Monitoring Officer</li> <li>- NTCA Legal Services</li> </ul> </li> <li>• Democratic Services</li> <li>• Health and Safety</li> <li>• Data Protection Officer and Information Governance</li> </ul> <p>The report provided a limited assurance audit opinion. Four medium and three low priority recommendations were made. The key issues identified included:</p> <ul style="list-style-type: none"> <li>• SLAs were not formally agreed and signed in advance of the financial year they applied to. Payments were made for some 2021/22 SLAs when some were still under discussion with the provider</li> <li>• SLAs did not include data sharing / processing clauses where required</li> <li>• The standard SLA template does not include Key Performance Indicators, and some SLAs were found to lack quantitative and / or qualitative measures to enable performance management</li> <li>• In one example, there was a lack of recording of detail relating to additional service provisions requested.</li> </ul> <p>At the time of the audit, it was noted that the SLA management process was in the midst of an internal review in order to enhance the control network with a completion date of March 2023.</p>
<p>National Fraud Initiative (NFI) Data Matching Exercise (Financial Systems and Probity)</p>	<p>The NFI is the Cabinet Office’s data matching exercise to aid the prevention and detection of fraud. NTCA are required to submit data sets relating to employees and trade creditors.</p> <p>On behalf of NTCA, Internal Audit coordinated and uploaded the required data sets in accordance with the Cabinet Office’s requirements and timescales. It is anticipated that any matches</p>

	from the exercise will be returned in January 2023. Internal Audit will undertake an analysis of any results and liaise with NTCA staff to ensure appropriate follow-up action is undertaken should it be required.
Audit and Standards Committee Annual Report 2021/22 (Corporate and cross Cutting)	In conjunction with the Chair of the Audit and Standards Committee, an Annual Report was presented to, and well received by, Cabinet in September 2022. This report set out the work of the committee during 2021/22, and is provided to Cabinet and complies with Chartered Institute of Public Finance and Accountancy (CIPFA) best practice.

### Current Work

Area of Review	Description of Assignment and Current Status
Governance Arrangements in relation to the North East Local Enterprise Partnership (NELEP) (Governance Review)	<p>This audit is underway and involves a review of the financial management, decision-making and reporting arrangements established between the Combined Authority and NELEP. The purpose of the audit is to ensure these arrangements adequately serve the Combined Authority's role as the accountable body for the NELEP.</p> <p>A draft internal audit report has been issued and discussions are ongoing with the relevant officers to finalise the report.</p>
Adult Education Budget (AEB) Steering Group (Advice and Programme Assurance)	One aspect of Internal Audit's work is to attend the AEB steering group approximately once a month in a 'programme assurance' capacity.
Evidence Checking of Recommendations (Corporate and cross Cutting)	<p>In accordance with Internal Audit's established processes, evidence checking is undertaken in relation to the implementation of medium priority recommendations that have passed their agreed implementation date.</p> <p>It is anticipated that these follow ups will be undertaken during quarter 3, and subsequently reported to the next meeting of Audit and Standards Committee.</p>

### Upcoming Work

Area of Review	Description of Assignment and Current Status
Monitoring of grant conditions (in respect of grant funding both received by NTCA and issued by NTCA) (Governance Review)	<p>This audit will examine and evaluate the NTCA arrangements to monitor both:</p> <ul style="list-style-type: none"> <li>its own grant conditions as a grant funding recipient and ensuring that the specified outcomes are delivered; and</li> <li>its arrangements as a grant funding body to set appropriate grant conditions when issuing funding to other organisations and monitor and evidence compliance with those grant conditions.</li> </ul>

	<p>In this respect the audit will build upon the Investment Fund audit undertaken in 2019/20 when the Combined Authority was at an embryonic stage in establishing its Investment Fund arrangements.</p> <p>This audit was scheduled to commence in quarter 2, however has been rescheduled to quarter 3 at the request of NTCA management.</p>
Performance Management (Governance Review)	<p>This audit will determine the extent to which NTCA's performance management arrangements are aligned to the organisation's corporate plan objectives, including Inclusive Economy and Innovation in Recovery, and whether performance management arrangements cascaded through the Authority are likely to support delivery of achievement of planned outcomes.</p> <p>The audit will include a review of the OPS Project and Grant Management System.</p> <p>It is anticipated that this audit will commence at the end of quarter 3.</p>
Operational Capacity and Resources (Governance Review)	<p>This audit will examine the arrangements in place to ensure that as the NTCA continues to develop, it has the necessary operational capacity, skills and expertise available in order to successfully deliver agreed objectives, plans and responsibilities.</p> <p>It is envisaged that this audit will include a review of the workforce planning framework, recruitment and retention and flexibility of resource, in conjunction with planned objectives.</p> <p>This audit will be undertaken in quarter 4.</p>
Net Zero Transition (Governance Review)	<p>This audit will review the plans in place to deliver the Authority's Net Zero Transition priorities. It will assess the extent to which planned actions will support achievement of the organisation's objectives in this area.</p> <p>This audit will be undertaken in quarter 4.</p>

## 2. Potential Impact on Objectives

- 2.1 The North of Tyne Combined Authority Corporate Plan sets out the strategic objectives and priorities of the Combined Authority. The work of Internal Audit and Audit and Standards Committee contributes to the overall achievement of the Authority's objectives and priorities.

## 3. Key Risks

- 3.1 Internal Audit coverage is based on an assessment of audit risk, both that inherent in organisational service delivery and also those risks and opportunities associated with the North of Tyne Combined Authority's main aims. As such, Internal Audit is a key strand in the governance arrangements of the North of Tyne Combined Authority and an integral tool in managing risk.

#### **4. Financial and Other Resources Implications**

- 4.1 There are no direct financial or other resource implications arising from the recommendations set out in this report. Through its review of a range of audit, accounting and governance related items, the Audit and Standards Committee assesses the Authority's use of financial resources and value for money.

#### **5. Legal Implications**

- 5.1 The Cities and Local Government Devolution Act 2016 established that Combined Authorities must arrange for the appointment of an Audit Committee and sets out the functions of the Audit Committee. This includes reviewing and assessing the authority's risk management, internal control and corporate governance arrangements.
- 5.2 The Accounts and Audit Regulations 2015 are a statutory instrument and require the Authority to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.
- 5.3 The Public Sector Internal Audit Standards and related Local Government Application Note establish the professional standards Internal Audit must apply when planning the use of its resources. This report and the Internal Audit Strategic Plan 2022/23 have been prepared in accordance with both the Accounts and Audit Regulations 2015 and the Public Sector Internal Audit Standards.

#### **6. Equalities and Implications**

- 6.1 There are no direct equalities implications arising out of the recommendations in this report. The Audit and Standards Committee is mindful of its duty under the Public Sector Equality Duty and will always consider whether what is before them eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it. The Committee also considers the implications for people from different socio-economic backgrounds/low pay as a protected characteristic.

#### **7. Inclusive Economy Implications**

- 7.1 There are no direct inclusive economy implications arising out of the recommendations in this report. The Audit and Standards Committee is mindful of the NTCA's inclusive economy ambitions.

#### **8. Climate Change Implications**

- 8.1 There are no direct climate change implications arising out of the recommendations in this report. The Audit and Standards Committee is aware of NTCA's net zero transition ambitions and that the three constituent Local Authorities have declared a Climate Emergency.

#### **9. Consultation and Engagement**

- 9.1 The Managing Director, Chief Finance Officer and Director of Policy and Performance were consulted in preparation of Internal Audit's 2021/22 and 2022/23 audit coverage.

#### **10. Appendices**

None

## 11. Background Papers

- (a) [Internal Audit Strategic Audit Plan 2021/22](#)
- (b) [Internal Audit Strategic Audit Plan 2022/23](#)
- (c) [Cities and Local Government Devolution Act 2016](#)
- (d) [Accounts and Audit Regulations 2015](#)
- (e) [Public Sector Internal Audit Standards, Chartered Institute of Public Finance & Accountancy / Institute of Internal Auditors, April 2017](#)
- (f) Local Government Application Note for the UK Public Sector Internal Audit Standards, Chartered Institute of Public Finance & Accountancy / Institute of Internal Auditors, February 2019

## 12. Contact Officers

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## 13. Glossary

Abbreviation	Description
NFI	National Fraud Initiative - The Cabinet Office's data matching exercise
NELEP	North East Local Enterprise Partnership

## 14. Sign-off

1) Head of Paid Service: Yes	2) Chief Finance Officer: Yes	3) Monitoring Officer: Yes
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**Subject:** Strategic Risk and Opportunities Register  
**Report of:** Philip Slater, Risk Advisor to North of Tyne Combined Authority

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### **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.

The risk register has been reviewed and updated by the responsible officers. Mitigation plans are on track for delivery with new reviewed dates being noted against them to ensure regular monitoring. At this review point there has been no change in the risk assessments (RAG), however there is continued confidence in the actions being taken to mitigate the risks identified in the risk register.

The organisational risk which monitors the Authority's business continuity arrangements is moving in a positive direction of travel with all existing controls and mitigation plans delivering as expected, however the RAG rating has remained Amber 8 due to NTCA's Business Continuity Plan being reviewed by Internal Audit with recommendations for improvement made. The risk will continue to be closely monitored to ensure all recommendations are actioned and progress will be reported to the April 2023 Committee meeting - a detailed assessment of the risk can be found at Appendix B.

Since the last Audit and Standards Committee meeting in July 2022 the North East Local Enterprise Partnership (North East LEP) have undertaken an exercise with the Chief Executive and Board Members to fully review and update the strategic risk register to ensure it accurately reflects the current risk landscape. Officers also took the opportunity to align the LEP strategic risks to the new NTCA risk register format.

The outcome of the LEP strategic risk review is included at Appendix D with a summary 'Risk at a glance' at Appendix C.

The NTCA's strategic risk register is attached at Appendix B.

### **Recommendations**

The Audit and Standards Committee is recommended to:

1. Review, challenge and accept the outcomes of the strategic risk review
2. Acknowledge the risk review exercise undertaken by the North East LEP and receive the updated risk register for information
3. Note a summary of the strategic risks identified by the North East Joint Transport Committee (North East JTC) (Appendix E) are 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**

**C1 Business Continuity** - Failure to maintain business continuity in the event of a major disruption to the Combined Authority and its business

This risk is moving in a positive direction of travel with all existing controls and mitigation plans delivering as expected, however the RAG rating has remained Amber 8 due to NTCA's Business Continuity Plan being reviewed by Internal Audit with recommendations for improvement made. The risk will continue to be closely monitored to ensure all recommendations are actioned and progress will be reported to the April 2023 Committee meeting.

An 'at a glance' view of the strategic risk register can be found at Appendix A.

There has been no change in the risk assessments for the strategic risks since the risk register was reported to the Committee in July 2022. There is however continued confidence in the actions being taken to mitigate those risks and a detailed assessment of each risk and future activity to reduce the overall risk exposure can be found at Appendix B.

### **3. Additional Risk Information**

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**

Since the last Audit and Standards Committee meeting in July 2022 the North East LEP have undertaken an extensive exercise with the Chief Executive and Board Members to fully review and update the strategic risk register to ensure it accurately reflects the current risk landscape. Officers also took the opportunity to align the LEP strategic risks to the new NTCA risk register format.

The review focussed on the North East LEP's relationships with key partners and stakeholders and the biggest threats to the delivery outcomes of the North East Strategic Economic Plan.

The outcome of the strategic risk review is included at Appendix D with a summary 'Risk at a glance' at Appendix C. 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.

The new risk, which will monitor the North East LEP's transition into a local democratic institution – *B2 LEP transition following national LEP review* – is jointly owned by the Chief Executive of the NTCA and Chief Executive of the LEP. Both organisations will be responsible for the management of this risk, with the LEP monitoring delivery of the mitigation plans and reporting on their progress.

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

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 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](#).

### **6. Potential Impact on Objectives**

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**

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**

There are no direct financial implications arising from this report. Risk Management work is supplied to NTCA (and the North East LEP) during 2022/23 through a Service Level Agreement with Newcastle City Council.

## **9. Legal Implications**

There are no legal implications arising specifically from this report.

## **10. Equalities Implications**

There are no equality and diversity implications arising from this report

## **11. Inclusive Economy Implications**

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

## **12. Climate Change Implications**

There are no climate change implications arising from this report.

## **13. Consultation and Engagement**

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

## **14. Appendices**

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 an 'at a glance' view of the North East LEP strategic risks, including the risk priorities and direction of travel assessments

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

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

Appendix F – Risk Analysis Toolkit to determine the risk priority

## 15. Background Papers

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

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

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## 17. Glossary

North East LEP – North East Local Enterprise Partnership

North East JTC – North East Joint Transport Committee

NTCA – North of Tyne Combined Authority

## 18. Sign-off

1) Head of Paid Service: Yes	2) Chief Finance Officer: Yes	3) Monitoring Officer: Yes
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**'Risk at a glance'**

**Appendix A**

	<b>Risk Priority</b>	<b>Direction of Travel</b>
<b>Strategic Risks &amp; Opportunities</b>		
<b>External Risks</b>		
<b>A1 – Net Zero Transition</b> 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.	<b>Amber 8</b>	Static
<b>A2 – Inclusive Economy</b> 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.	<b>Amber 9</b>	Static
<b>A3 – Innovation in Recovery</b> Failure to achieve the planned outcomes, demonstrate impact or be agile and responsive to dynamic circumstances.	<b>Amber 8</b>	Static
<b>External Opportunity</b>		
<b>B1 – Promote Trust and Confidence</b> 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.	<b>Green 4</b>	Static
<b>Organisational Risks</b>		
<b>C1 – Business Continuity</b> Failure to maintain business continuity in the event of a major disruption to the Combined Authority and its business.	<b>Amber 8</b>	Improving
<b>C2 – Operational Capacity and Resources</b> 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.	<b>Amber 8</b>	Static

A		External Risks					
<b>1. Net Zero Transition</b>							
<b>Aim</b>	Ensuring our whole programme supports carbon reduction, clean growth and a new generation of jobs.						
<b>Risk</b>	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.						
<b>Risk Owner</b>	Chief Economist	<b>Risk Priority</b>	Static	<b>Previous RAG</b>	Amber 8	<b>Current RAG</b>	Amber 8
<b>Reason for change/current RAG rating:</b> 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 LA's 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"> <li>• 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.</li> <li>• 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 the North East LEP.</li> <li>• NTCA Corporate Environment Policy and annual report on organisational carbon emissions.</li> <li>• 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.</li> <li>• NTCA Energy, Green Growth and Climate Change Blueprint - £28m package of investment up to 2023.</li> <li>• The Low Carbon Working Group (LCWG) is made up of officers from NTCA, the three constituent LAs and the North East LEP and</li> </ul>		<ul style="list-style-type: none"> <li>• Development of proposals for the 2023-2028 investment programme will provide an opportunity to continue to focus on green and inclusive economic growth</li> <li>• Regular reviews of delivery programme to ensure alignment with delivery of targets.</li> <li>• Over £20m of investment by NTCA in low carbon economy, including the recent launch of the Green New Deal Fund.</li> <li>• Launched Call for proposals SME decarbonisation support programme with highest scoring EOI</li> </ul>		March 2023	

	meets monthly to discuss climate change and low carbon issues.	progressing to Full Business Case	
b) The impacts of climate change and the green economy covers a wide range of areas. National policy related to climate change can change and be updated regularly.	<ul style="list-style-type: none"> <li>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.</li> </ul>	Existing controls sufficient at time of report.	March 2023
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.	<ul style="list-style-type: none"> <li>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.</li> <li>The NTCA programme also covers a broad range of thematic areas, as described further in the September 2021 report to Cabinet.</li> </ul>	<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 North East LEP and Transport North East to respond to the recommendations of the Citizens' Assembly.</p> <p>NTCA supporting the development of the Net Zero North East proposal</p>	March 2023
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.	<ul style="list-style-type: none"> <li>Collaborative working across the North of Tyne, North East, with other Mayoral Combined Authority's and Government to develop knowledge, share best practice and to collaborate on projects/funding bids.</li> <li>Develop pipelines of projects which are investment ready via programmes such as the Offshore Wind Programme and Energy Accelerator.</li> <li>Work with academic institutions, VCSE sector and businesses to promote opportunities and share best practice e.g., Green Economy Summit.</li> <li>NTCA attracted £9m of investment to its Green New Deal Fund</li> </ul>	Existing controls sufficient at time of report.	March 2023

<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"> <li>• 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</li> <li>• Collaborative working with LA's, North East LEP to share research and insight into green skills requirements</li> </ul>	<p>NTCA allocated £2m of its Skills for Growth funding to support the development of Green Growth Skills. An open call for projects was launched in October 2021 with an opportunity for a range of organisations and partnerships to come forward with ideas for projects, collaborations and proposals for co-investment in skills interventions that recognise the economic growth opportunity arising from transitioning away from carbon intensive processes, the need for a just transition, and the focus needed on skills to support green and decent jobs. Following the Call four projects were selected to deliver a skills and training offer which meets skills demand in areas such as offshore wind, retrofit and green construction.</p> <p>NTCA secured £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 growing proportion of AEB delivery supports Green Skills with provider incentives to develop sector-based Work Academy Programmes to enhance opportunities for the</p>	<p>March 2023</p>
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		unemployed to take advantage of the job opportunities that will be created in the transition to a green economy.	
f) Many of the measures required to reduce carbon are not within the Combined Authority's remit.	<ul style="list-style-type: none"> <li>• Work with partners to help make the changes required.</li> <li>• Influence decision makers at all levels.</li> </ul>	Work with business, constituent LAs and North East LEP to develop key messages and policy positions/asks, including through the emerging Net Zero North East proposition	March 2023

A		External Risks					
<b>2. Inclusive Economy</b>							
<b>Aim</b>	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.						
<b>Risk</b>	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.						
<b>Risk Owner</b>	Head of Inclusive Growth	<b>Risk Priority</b>	Static	<b>Previous RAG</b>	Amber 9	<b>Current RAG</b>	Amber 9
<b>Reason for change/current RAG rating:</b> N/A							
<b>Issues to be aware of &amp; potential impact</b>		<b>Existing Controls &amp; Mitigation Plans</b>		<b>Additional Mitigation Plans</b>		<b>Review date</b>	
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>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 2021 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"> <li>National networks and influencing e.g., M10 (the 10 directly elected Mayors in England), Comprehensive Spending Review (CSR) Submission</li> <li>Locally good relationships with our provider base to enable agility in reaction to further economic shocks</li> <li>Peer-learning and support e.g., national, Independent Inclusive Growth Network</li> </ul>		March 2023	
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 a more inclusive economy with an emphasis on reducing poverty and inequality and promoting equity and cohesion.</p>		Extension of the Inclusive Economy Innovation Fund beyond 2023		March 2023	

	Inclusive economy is a cross-cutting theme in the Corporate Plan driven forward by the Inclusive Economy Board.		
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 has been updated in 2021 reflecting the area's skills needs for an inclusive economic recovery.</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>Launching the employer led Skills for Growth funding to enable employers to upskill and reskill their employees for the jobs and roles of the future.</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>An additional £5.2m has been secured for Skills Bootcamps to deliver employment related training in Key Sectors across NTCA – Funding will be procured during April 2022 with delivery expected by June 2022. Delivery of Skills Bootcamps is underway from July 2022 and is being monitored to ensure that provision is responsive to sectors that have labour and skills shortages.</p>	March 2023
d) Continuity of funded provision for NTCA residents is at risk if providers and grant-recipients across skills, employability and wider interventions become financially unstable.	<p>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.</p> <p>Employability and Wider Skills Interventions - Inclusive growth team's strategic framing includes DWP Employment Support Framework,</p>	Continued engagement with NTCA AEB providers, via provider roundtables and quarterly one to one performance monitoring meetings identifying the impacts of Covid-19 and informing the direction, priorities and allocations for the NTCA AEB providers	March 2023

	<p>Inclusive Economy Policy Statement, Inclusive Economy Board (governance) which work together to manage, mitigate, and react to risks.</p>	<p>Informing the plan for the immediate impact of Covid-19 and medium/long term mitigation planning.</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 to AY 2026-2027.</p> <p>Supporting CRF applications for Skills and Employability interventions to prevent the 'cliff edge' of European Social Fund funding ceasing.</p>	
<p>e) 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 held and next steps agreed.</p>	<p>March 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 – 50 organisations accredited as at March 2022 with an expected 150 by March 2023.</p>	<p>Leadership on key priorities is distributed across partners improving resilience and reducing reliance on one lead organisation to deliver.</p>	
<p>f) 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 e.g., through our Poverty Truth Commission and forthcoming equalities assembly. This is supported by our VCSE Accord with the voluntary sector, and our Mayoral 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 (commonplace; power to change social economy call for evidence)</p>	<p>March 2023</p>

A		External Risks					
<b>3. Innovation in Recovery</b>							
<b>Aim</b>	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.						
<b>Risk</b>	Failure to achieve the planned outcomes, demonstrate impact or be agile and responsive to dynamic circumstances.						
<b>Risk Owner</b>	Chief Economist	<b>Risk Priority</b>	Static	<b>Previous RAG</b>	Amber 8	<b>Current RAG</b>	Amber 8
<b>Reason for current RAG rating:</b> While there remain significant uncertainties in the external environment that are impacting on the pace and shape of the economic recovery, the NTCA's ability to demonstrate meaningful impact on recovery and innovation is steadily maturing. Recent developments in this respect are progress made on the stakeholder surveys and gateway review process, implementation of the NTCA's investment plan priorities, and the steady increase in reporting of outputs and outcomes from early investments and projects which are now fully implemented. Overall, our judgement is that despite the organisation's progress in delivery and mitigation, on balance this risk remains Amber due to wider external factors – including the cost-of-living crisis and concerns about forthcoming economic slowdown.							
<b>Issues to be aware of &amp; potential impact</b>		<b>Existing Controls &amp; Mitigation Plans</b>		<b>Additional Mitigation Plans</b>		<b>Review date</b>	
a) NTCA must respond to major economic shocks – and the pace of change externally.		Regular updates are provided to NTCA Cabinet on the current economic context and implications for the NTCA's activities.  Significant stakeholder networks ensure NTCA is tuned in to the external environment and the major economic trends.  Clear processes and delegations provide opportunities to bring forward activity at pace – should the context demand it.  Good relationships with NTCA grant recipients allow for activity to be refocussed and re-prioritised to meet external demands – if required		NTCA business and assurance framework processes are reviewed regularly to ensure maximum agility and fitness for purpose.		March 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 subsequent 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 NTCAs 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>March 2023</p>
<p>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.</p>	<p>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.</p>	<p>NTCA is leading early engagement with stakeholders to understand changes in the European Structural Investment Funds (ESIF) funding landscape in advance of UK Shared Prosperity Fund and changes to other key government funding streams as a result of the Comprehensive Spending Review. This will inform the future capacity requirements and ways of working once government direction of travel becomes clear.</p>	<p>March 2023</p>

<p>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.</p>	<p>NTCAs Monitoring and Evaluation Framework demonstrates:</p> <ul style="list-style-type: none"> <li>• How our priorities, mission and values translate into mechanisms for delivery</li> <li>• How these mechanisms create value; and</li> <li>• How we understand, measure and learn from the impact that we are making.</li> </ul> <p>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.</p> <p>Officer and Cabinet member scrutiny through the Technical Officer Group (TOG) and Investment Panel provides robust challenge and assurance.</p> <p>Projects are monitored through standard operating procedures by the PMO with agreed thresholds for escalation of performance issues to Investment Panel.</p>	<p>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.</p> <p>Project evaluations are undertaken where there is an identified need. The findings of these feed into overall programme design.</p>	<p>March 2023</p>
<p>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>	<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>Existing controls sufficient at time of report.</p>	<p>March 2023</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.		
f) It is important that all communities benefit from economic growth; Inclusive Economy thinking, and practice has an important role in shaping innovation in recovery from pandemic and other economic challenges e.g. cost of living crisis	<p>Inclusive economy is a cross-cutting theme within the Corporate Plan 2021 and is supported by NTCA Inclusive Economy Advisory Board.</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>New portfolio structure brings together Education, Inclusion and Skills. Social Economy and Communities bridges economic growth and inclusive economy work.</p> <p>NTCA equality objectives for 2021-25 shape policy, practice and learning.</p>	March 2023

<b>B</b>		<b>External Opportunity</b>					
<b>1. Promote Trust and Confidence</b>							
<b>Aim</b>	Supporting a system response to complex challenges and collaborating strongly in everything we do with our local, national and cross-sector partners.						
<b>Opportunity</b>	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.						
<b>Opportunity Owner(s)</b>	Chief Executive/ Director of Policy and Performance	<b>Opportunity Priority</b>	<b>Static</b>	<b>Previous RAG</b>	<b>Amber 9</b>	<b>Current RAG</b>	<b>Green 4</b>
<b>Reason for change/current RAG rating:</b> 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.							
<b>Benefits</b>							
<ul style="list-style-type: none"> <li>Collective understanding of the Authority's aims and ambitions to encourage the co-production of our delivery plans.</li> <li>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</li> </ul>							
<b>Barriers</b>							
<ul style="list-style-type: none"> <li>Failure to maintain trust, cohesion and credibility with and between local NTCA system and partners</li> <li>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</li> </ul>							
<b>Strategies to enhance the opportunity</b>				<b>Action Taken</b>			<b>Review date</b>
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"> <li>Driven by our mission</li> <li>Collaborative by design</li> <li>Innovative and agile in delivery</li> <li>Inclusive and aware</li> <li>Showing leadership</li> </ul> The evidence for this is in our policies and supported by our team values and behaviours - demonstrating collaboration,			March 2023

	<p>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) Identify those organisations who we don't currently engage with to communicate our vision and purpose – offering support	Customer Relationship Management System (CRM) is now being implemented in 3 key areas of the organisation by April 2022 which will streamline our communications and enable better targeting.	March 2023
c) 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.	Published documents which enable the alignment: NTCA Strategic Skills Plan NTCA Corporate Plan NTCA Inclusive Economy Policy Statement	Complete
d) 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 2021/22 outlines the achievements and progress over the past twelve months. The Group will use its first meeting in March 2022 to take stock and build on the achievements and effective collaborations of 2021</p>	March 2023
e) 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 2021/22 outlines its achievements and progress over the past 12 months. The Board will focus on the implications of the Levelling Up White Paper and what it means for the North of Tyne.</p>	March 2023

	<p>NTCA Housing and Land Board membership. The Housing and Land Board Annual Report 2021/22 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>	
f) 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.	<p>Assurance Process includes internal project analysis, full appraisal (external for largest projects) and technical and political scrutiny.</p> <p>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 is being shared with Government, as part of the process leading up to the Investment Fund Gateway Review.</p>	March 2023
g) Customer Relationship Management (CRM) system	A CRM system is now implements in 3 key areas of the organisation the Good Work Pledge, Kickstart and Mayor's Office. The system will streamline our communications and enable better targeting.	March 2023
h) We continue to utilise existing expertise in our constituent authorities	Extensive engagement and involvement of LA colleagues, at all levels, across the organisation	March 2023

C Organisational Risks							
<b>1. Business Continuity</b>							
<b>Aim</b>	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.						
<b>Risk</b>	Failure to maintain business continuity in the event of a major disruption to the Combined Authority and its business.						
<b>Risk Owner</b>	Director of Policy and Performance	<b>Risk Priority</b>	Improving	<b>Previous RAG</b>	<b>Amber 8</b>	<b>Current RAG</b>	<b>Amber 8</b>
<b>Reason for change/current RAG rating:</b> Risk was moving towards green as all existing controls and mitigation plans were delivering as expected however RAG retained at Amber 8 due to NTCA's BCP being reviewed by Internal Audit with recommendations for improvement made.							
<b>Issues to be aware of &amp; potential impact</b>		<b>Existing Controls &amp; Mitigation Plans</b>		<b>Additional Mitigation Plans</b>		<b>Review date</b>	
Page 33	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.		SLAs reviewed to understand expectations of business and those of ICT Newcastle.		March 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.		A COVID-19 Contingency Plan has been in place since March 2020 and worked well. 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.		March 2023
	c) There should be no single point of failure in the organisation in case of unexpected leave or resignation.		Organisational Development Strategy in place to develop existing staff and encourage internal progression. No working files stored only on individuals' computers, all are saved in a folder		Existing controls sufficient at time of report.		March 2023

	<p>accessible to at least the team if not the whole organisation.</p> <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>		
d) In the event of a major incident does NTCA have an agreed senior management protocol and incident command structure?	Business Continuity Plan (BCP) – the formulation of a full BCP to reflect the new office location at the Lumen and hybrid working is underway.	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.	March 2023
e) 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.	SLAs (e.g., HR, Democratic Services, Procurement, ICT) reflect expectations of the local authority and NTCA, should a service be unable to deliver.		December 2022

C Organisational Risks							
<b>2. Operational Capacity and Resources</b>							
<b>Aim</b>	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.						
<b>Risk</b>	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.						
<b>Risk Owner(s)</b>	NTCA Senior Management Team	<b>Risk Priority</b>	Static	<b>Previous RAG</b>	<b>Amber 8</b>	<b>Current RAG</b>	<b>Amber 8</b>
<b>Reason for change/current RAG rating:</b> Remaining at Amber as there are some challenges nationally in the recruitment market and NTCA may have to sit with some vacancies to new positions which could impact on delivery and review of business processing ongoing.							
<b>Issues to be aware of &amp; potential impact</b>		<b>Existing Controls &amp; Mitigation Plans</b>		<b>Additional Mitigation Plans</b>		<b>Review date</b>	
a) Existing resources do not fully align with NTCA's policy intentions which may impact upon delivery of the Authority's strategic priorities.		<p>The Corporate Plan sets out the work programme to be achieved across the organisation providing visibility and clarity of expectations to all staff.</p> <p>A structured exercise has been undertaken to develop resource plans, gauge capacity and clarity with assigned roles and responsibilities to facilitate the effective operation of the Authority. A work programme has been developed for officer use 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>The North East LEP operational capacity and resourcing risk is a significant risk to the LEP but will not impact upon the Authority's capacity and resources risk.</p>		<p>A resource planning exercise was undertaken and recruitment to new roles commenced. Wider/paid for recruitment campaigns considered for certain positions.</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>		January 2023	

<p>b) NTCA is a prototyping, learning organisation in which there will be 'failures' but the team will learn from them.</p>	<p>Covid planning is an example of how well the organisation worked during a crisis situation and learning from this will be built into future Business Continuity Planning.</p>	<p>Review of business processes still ongoing as now includes a review of the Assurance Framework. New process expected to be in place in new year.</p>	<p>January 2023</p>
<p>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.</p>	<p>In preparation for the first full year of compliance with the Code (2021/22) the Authority has undertaken a self-assessment to measure its compliance with the FM Code.</p>	<p>Monitoring of the Authority's compliance with the Code is included in the 2021/22 AGS as an area requiring improvement. Implementation of the actions to ensure full compliance with the Code will be monitored by SMT and regularly by Audit and Standards Committee as part of the AGS review process.</p>	<p>December 2022</p>
<p>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.</p>	<p>The Authority has a good retention rate and provides employees with a range of development opportunities.</p> <p>Agile Working Policy in place to support employees maintain a good work/life balance.</p>	<p>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.</p> <p>A resource planning exercise was undertaken and recruitment to new roles commenced. Wider/paid for recruitment campaigns considered for certain positions.</p>	<p>January 2023</p>

## North East Local Enterprise Partnership – Strategic Risks

## 'Risks at a glance'

	Risk Priority	Direction of Travel
<b>Strategic Risks</b>	<b>RAG</b>	
<b>External Risks</b>		
<b>A1 – Macro pressures</b> Residents, businesses and organisations continue to navigate their way through an uncertain time caused by significant macro pressures which are having an impact across the North East. The impact of and planning for the cost-of-living crisis, rising energy cost, inflation, supply chain pressures and government policies are having a major impact on some businesses' being able to start, survive and / or scale. In addition, the regional economic legacy from the impact of the pandemic on our businesses and workforce remains as we gradually make the journey back to pre-pandemic levels of employment. All of which risks regional economic recovery and impacts on the region's ability to optimise its assets and key sectors.	<b>Red 16</b>	New risk
<b>A2 – Funding</b> Without a clear picture of the UK's funding landscape for economic development and regeneration, the development and delivery of strategic projects to boost economic growth outlined in the North East's Strategic Economic Plan are at risk of not being funded.	<b>Red 12</b>	New risk
<b>A3 – Policy impact</b> There is not clarity from government on how the levelling up commitment will be achieved and delivered in the North East to support the economic equity agenda with the rest of the UK, as well as within the diverse neighbourhoods in the region.	<b>Red 12</b>	New risk
<b>Operational Risks</b>		
<b>B1 – Funding</b> All funding sources relating to staff resourcing, the core operational budget, Growth Hub budget and project delivery are time limited and are not sufficient to allow the Local Enterprise Partnership (LEP) to effectively plan for the medium term. In addition, the allocation of funding by central government for regional economic development activity is through five different decision makers rather than a single region-wide allocating source, which risks the continuation of consistent region-wide programme delivery leading to uncoordinated and postcode style delivery.	<b>Red 16</b>	New risk
<b>B2 – LEP transition following national LEP Review</b> Following the national LEP Review the government has stipulated that all LEPs will move into a local democratic institution. The North East LEP will transition into a new mayoral combined authority alongside other regional organisations. This is creating an uncertain period over next 2 years for employees, There is a risk that we lose regional expertise and capacity resulting in an inability to delivering elements of the LEP service and effectively coordinating the delivery of the Strategic Economic Plan and other region-wide programmes and strategies.	<b>Amber 9</b>	New risk

A		External Risks					
<b>1. Macro pressures</b>							
<b>Aim</b>	To provide support along with our partners during significant macro pressures currently facing businesses at a time of uncertainty.						
<b>Risk</b>	Residents, businesses and organisations continue to navigate their way through an uncertain time caused by significant macro pressures which are having an impact across the North East. The impact of and planning for the cost-of-living crisis, rising energy cost, inflation, supply chain pressures and government policies are having a major impact on some businesses' being able to start, survive and / or scale. In addition, the regional economic legacy from the impact of the pandemic on our businesses and workforce remains as we gradually make the journey back to pre-pandemic levels of employment. All of which risks regional economic recovery and impacts on the region's ability to optimise its assets and key sectors.						
<b>Risk Owner</b>	Chief Executive	<b>Risk Priority</b>	New risk	<b>Previous RAG</b>	N/A	<b>Current RAG</b>	<b>Red 16</b>
<b>Reason for change/current RAG rating:</b>							
<b>Issues to be aware of &amp; potential impact</b>	<b>Existing Controls &amp; Mitigation Plans</b>			<b>Additional Mitigation Plans</b>		<b>Review date</b>	
Business start-up, survival and scale ups being stalled due to rising energy costs, cost of living and inflation.	<ul style="list-style-type: none"> <li>A cost of living toolkit has been developed on the North East Growth Hub which brings together the latest information on reducing costs within a business – from cutting energy bills to accessing government support.</li> <li>The Growth Hub Connectors provide a role to offer free, impartial advice to help organisations succeed, including the offer of a match with a business mentor and be able to connect organisations with other North East Business owners to provider support</li> </ul>			Our Economy 2022 will be held on 15 November 2022 which will focus on economic prosperity and the cost of living. The event will be an opportunity to debate with partners what we can do in the region to help drive forward at this time of uncertainty.		September 2023	

A		External Risks					
<b>2. Funding</b>							
<b>Aim</b>	To support the region in achieving significant investment to work with partners on the delivery of strategic projects.						
<b>Risk</b>	Without a clear picture of the UK's funding landscape for economic development and regeneration, the development and delivery of strategic projects to boost economic growth outlined in the North East's Strategic Economic Plan are at risk of not being funded.						
<b>Risk Owner</b>	Chief Executive	<b>Risk Priority</b>	New Risk	<b>Previous RAG</b>	N/A	<b>Current RAG</b>	<b>Red 12</b>
<b>Reason for change/current RAG rating:</b>							
Issues to be aware of & potential impact		Existing Controls & Mitigation Plans		Additional Mitigation Plans		Review date	
Lack of funding to deliver the North East Strategic Economic Plan from public and private sources		<ul style="list-style-type: none"> <li>Working with partners including the LA7 to inform and support the delivery of regionally significant projects using funding we have available.</li> <li>The LEP is working with key government stakeholders and other partners to influence policy and funding thinking.</li> <li>To continue to lead the work with partners of the regional access to finance work to ensure future programmes meet the needs of North East Businesses.</li> </ul>		Continue to work with government and key partners to influence emerging policy thinking.		September 2023	
Increased borrowing costs impacting on current Enterprise Zone financial model raising a financial risk with the local authorities		<ul style="list-style-type: none"> <li>Monitoring increases in interest rate that have taken place since 16 December 2021</li> </ul>				September 2023	
The North East Fund Limited (NEF) ends the investment cycle in 2023 and the successor fund is being delayed, as the Northern Powerhouse Investment Fund (NPIF2) will not launch until 2024.		<ul style="list-style-type: none"> <li>Working with access to finance regional colleagues to extend the NEF and map and gap future needs.</li> <li>Awaiting engagement with the British Business Bank to inform the NPIF2</li> </ul>					

<b>A</b>	<b>External Risks</b>						
<b>3. Policy impact</b>							
<b>Aim</b>	To influence any emerging key thinking on policy changes and provide a collaborative approach with our partners to any emerging changes from government.						
<b>Risk</b>	There is not clarity from government on how the levelling up commitment will be achieved and delivered in the North East to support the economic equity agenda with the rest of the UK, as well as within the diverse neighbourhoods in the region.						
<b>Risk Owner</b>	Chief Executive	<b>Risk Priority</b>	New Risk	<b>Previous RAG</b>	N/A	<b>Current RAG</b>	<b>Red 12</b>
<b>Reason for change/current RAG rating:</b>							
<b>Issues to be aware of &amp; potential impact</b>		<b>Existing Controls &amp; Mitigation Plans</b>			<b>Additional Mitigation Plans</b>		<b>Review date</b>
Investment Zone policy impacting on current Enterprise Zone (EZ) financial model raising local authority financial risk		<ul style="list-style-type: none"> <li>Ongoing role regarding EZ funding. Supporting Local Authorities regarding risks to current and long term financial EZ model.</li> </ul>					September 2023
Some functions being centralised or undertaken at a larger geography eg SME funding, Net Zero Hub, business support - leading to lack of regional influence		<ul style="list-style-type: none"> <li>We continue to work with partners across the North East to ensure a clear transition of the Local Energy Hub to the Net Zero Hub, supporting the UK Net Zero Strategy</li> <li>We continue to work with partners to identify opportunities and funding. Including securing investment to continue to develop the North East Growth Hub and the businesses and sector growth ecosystem.</li> <li>We continue to lead the coordination of the regional access to finance work to ensure future programmes meet the needs of North East businesses.</li> </ul>					September 2023
Allocation of UK Shared Prosperity Fund through 5 decision makers complicates delivery and is less efficient		<ul style="list-style-type: none"> <li>We continue to work with government, local authorities, and regional stakeholders to help shape the UK Shared Prosperity Fund and national programmes so that they can collectively prioritise delivery to ensure this remains a cohesive and simplified approach that targets the business support ecosystem</li> </ul>			We continue to work with local and combined authorities to ensure there is a shared economic evidence base across the region, and highlighting the regional investment priorities		September 2023

<b>B</b>	<b>Operational risk</b>						
<b>1. Funding</b>							
<b>Aim</b>	To influence government policy and also flexibly and creatively, with current funds to ensure delivery is achieved. Also ensuring we can inform and support delivery of regionally significant projects.						
<b>Risk</b>	All funding sources relating to staff resourcing, the core operational budget, Growth Hub budget and project delivery are time limited and are not sufficient to allow the Local Enterprise Partnership (LEP) to effectively plan for the medium term. In addition, the allocation of funding by central government for regional economic development activity is through five different decision makers rather than a single region-wide allocating source, which risks the continuation of consistent region-wide programme delivery leading to uncoordinated and postcode style delivery.						
<b>Risk Owner</b>	Chief Executive	<b>Risk Priority</b>	New risk	<b>Previous RAG</b>	N/A	<b>Current RAG</b>	<b>Red 16</b>
<b>Reason for change/current RAG rating:</b>							
<b>Issues to be aware of &amp; potential impact</b>	<b>Existing Controls &amp; Mitigation Plans</b>			<b>Additional Mitigation Plans</b>		<b>Review date</b>	
Lack of operational funding from government in 2023/24 and beyond for core operational costs and continuation of the effective Growth Hub model	<ul style="list-style-type: none"> <li>The LEP holds some funding in reserves as a last resort if the decision to continue to support this work is taken</li> <li>On-going horizon scanning for funding opportunities to support the team and delivery.</li> <li>Budget management and forecasting on-going.</li> <li>Discussion with the new mayoral combined authority about the use of devolution operational funding</li> </ul>					September 2023	
Regional funds channelled through mayoral combined authorities and LAs is inefficient and uncoordinated	<ul style="list-style-type: none"> <li>We continue to work with partners to inform and support delivery of a number of regionally significant projects using the funding available to us, but this does not sustain the level of activity and interventions underway.</li> </ul>					September 2023	

<b>B</b>	<b>Operational risk</b>						
<b>2. LEP transition following national LEP Review</b>							
<b>Aim</b>	To transition into a local institution in the future as detailed by the Government's letter outlining the national review of LEPs on the 31 March 2022.						
<b>Risk</b>	Following the national LEP Review the government has stipulated that all LEPs will move into a local democratic institution. The North East LEP will transition into a new mayoral combined authority alongside other regional organisations. This is creating an uncertain period over the next 2 years for employees - There is a risk that we lose regional expertise and capacity resulting in an inability to delivering elements of the LEP service and effectively coordinating the delivery of the Strategic Economic Plan and other region-wide programmes and strategies.						
<b>Risk Owners</b>	Chief Executive and Chief Executive - North of Tyne Combined Authority (NTCA)	<b>Risk Priority</b>	New risk	<b>Previous RAG</b>	N/A	<b>Current RAG</b>	<b>Amber 9</b>
<b>Reason for change/current RAG rating:</b>							
<b>Issues to be aware of &amp; potential impact</b>	<b>Existing Controls &amp; Mitigation Plans</b>			<b>Additional Mitigation Plans</b>		<b>Review date</b>	
Loss of regional expertise and capacity during time of change and uncertainty as staff leave for more secure opportunities	<ul style="list-style-type: none"> <li>A coordinated approach to ensure transition arrangements is taking place.</li> <li>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.</li> </ul>					September 2023	
Loss of regional mandate to progress key work areas e.g. SEP post 2024, Trade Strategy delivery etc – work is lost in vacuum of transition and uncertainty of roles to the detriment of the region	<ul style="list-style-type: none"> <li>A coordinated approach to ensure transition arrangements is taking place.</li> </ul>			Transition Steering Group to be established		September 2023	
Failure to recognise significant capacity required to form a new MCA and transfer 5 or 6 organisations into it (LEP, NTCA, NECA, INEE, TNE, PCC – tbc) and their people, data, systems, accommodation, assets etc. The success of which is essential for a smooth and effective transition, continuation of delivery and	<ul style="list-style-type: none"> <li>A coordinated approach to ensure transition arrangements is taking place.</li> </ul>			Transition Steering Group to be established		September 2023	

auditable systems and data. – success essential for future audits			
Programme delivery impacted through transition leading to sub optimum outcomes for the region	<ul style="list-style-type: none"> <li>• A coordinated approach to ensure transition arrangements is taking place.</li> </ul>	<p>LEP and NTCA shared senior management team meetings to be put in place</p> <p>Transition Steering Group to be established</p>	September 2023
Potential loss of national demonstrators from within the region e.g. Energy Hub, CRM, Careers Hubs, ONE Vision, Skills 4.0	<ul style="list-style-type: none"> <li>• Awareness of national exemplars to be highlighted to senior regional colleagues</li> </ul>		September 2023
Loss of coordinated business voice on new Mayor Combined Authority (MCA) governance to be meaningful and influential	<ul style="list-style-type: none"> <li>• The LEP continue the role of ensuring a robust evidence base is available to informing economic strategy development and investment decisions across the region, and key to this is ensuring the business voice is heard.</li> <li>• Maintaining the business voice through effective LEP governance to the time of transition</li> <li>• New MCA governance to ensure the business voice and influence is built in a meaningful way into the governance model</li> </ul>	<p>We recently filled the vacancies on the North East LEP Board to ensure we had a strong representation of the businesses and 'business voice' across the North East</p>	September 2023

### North East Joint Transport Committee Strategic Risks (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><b>Carbon Neutral Transport</b> Failure to achieve the aspiration of carbon neutral transport network within the JTC area by 2035.</p>	<b>Red 12</b>	<p style="text-align: center;"><b>Static</b></p> <p><i>Due to possible negative impact of Covid-19/Cost of Living Crisis on future funding and need for behavioural change</i></p>
<p><b>Inequality and Growth of the Economy</b> Failure to achieve the planned outcomes to overcome inequality and support the growth of the economy in the JTC area.</p>	<b>Red 12</b>	<p style="text-align: center;"><b>Static</b></p> <p><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><b>Health</b> Failure of the transport system to achieve the planned outcomes to contribute the improvements in health of the population in the JTC area.</p>	<b>Amber 8</b>	<p style="text-align: center;"><b>Static</b></p> <p><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><b>Appealing Sustainable Transport</b> 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>	<b>Red 12</b>	<p style="text-align: center;"><b>Static</b></p> <p><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><b>Safety and Security</b> The transport system within the JTC area fails to achieve the planned outcomes regarding its safety and security.</p>	<b>Amber 8</b>	<p style="text-align: center;"><b>Static</b></p> <p><i>Arrangements in place but possible negative impact of Covid-19/Cost of Living Crisis on future funding</i></p>

<b>JTC Organisation Risks</b>		
<b>Future Availability of Funding</b> Sources and levels of funding available to the JTC to develop the North East regions transport infrastructure within the region may reduce.	<b>Red 12</b>	<b>Static</b>
		<i>Reduced opportunities for Non-mayoral Authorities and impact of Cost of Living Crisis</i>
<b>Funding Opportunities</b> Failure of the JTC to secure the maximum amount of transport funding available to progress transport infrastructure in the North East region.	<b>Amber 8</b>	<b>Static</b>
<b>Use of Funding and Resources</b> 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.	<b>Amber 8</b>	<b>Static</b>
<b>Governance Arrangements</b> The governance arrangements of the JTC are not appropriate to allow effective and timely decision making and the achievement of its objectives.	<b>Green 4</b>	<b>Static</b>
<b>Operational Capacity and Resourcing</b> The JTC does not have the necessary operational capacity, skills and budget, to successfully deliver the JTC's objectives and plans.	<b>Amber 8</b>	<b>Static</b>
<b>Delivery of Transport Improvement Projects/Programmes</b> 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.	<b>Green 4</b>	<b>Improving</b>
		<i>Positive Internal Audit Opinion</i>
<b>Transport Infrastructure Assets</b> Transport assets, which are the responsibility of the JTC, are inadequately managed and maintained.	<b>Green 6</b>	<b>Static</b>
<b>Service Delivery</b> 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.	<b>Green 6</b>	<b>Static</b>
<b>'Catastrophic Event'</b> 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)	<b>Amber 8</b>	<b>Static</b>

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

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 16	<ul style="list-style-type: none"> <li>Over half the objectives/programmes affected</li> <li>More than one critical objective affected</li> <li>Partners do not commit to the Shared vision</li> </ul>	<ul style="list-style-type: none"> <li>Significant change in partner services</li> <li>Relationship breakdown between major partners and stakeholders</li> <li>Serious impact on delivery of objectives</li> <li>Unplanned major re-prioritisation of resources and/or services in partner organisations</li> <li>Failure of a delivery programme/major project</li> </ul>	<ul style="list-style-type: none"> <li>Inability to secure or loss of significant funding opportunity (£5m)</li> <li>Significant financial loss in one or more partners (£2m)</li> <li>Significant adverse impact on budgets (£3m – Transport; £0.2m Central Budget)</li> </ul>	<ul style="list-style-type: none"> <li>Adverse national media attention</li> <li>External criticism (press)</li> <li>Significant change in confidence or satisfaction of stakeholders</li> <li>Significant loss of community confidence</li> </ul>
Significant	<ul style="list-style-type: none"> <li>One or more objectives/programmes affected</li> <li>One or more partners do not commit to shared vision</li> <li>Significant environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Partner unable to commit to joint arrangements</li> <li>Recoverable impact on delivery of objectives</li> <li>Major project failure</li> </ul>	<ul style="list-style-type: none"> <li>Prosecution</li> <li>Change in notable funding or loss of major funding opportunity (£2m)</li> <li>Notable change in a Partners contribution</li> <li>Notable adverse impact on budget (£0.5m-£1.5m Transport budgets)</li> </ul>	<ul style="list-style-type: none"> <li>Notable external criticism</li> <li>Notable change in confidence or satisfaction</li> <li>Internal dispute between partners</li> <li>Adverse national/regional media attention</li> <li>Lack of partner consultation</li> <li>Significant change in community confidence</li> </ul>
Minor	<ul style="list-style-type: none"> <li>Less than 2 priority outcomes adversely affected</li> <li>Isolated serious injury/ill health</li> <li>Minor environmental impact</li> </ul>	<ul style="list-style-type: none"> <li>Threatened loss of partner's commitment</li> </ul>	<ul style="list-style-type: none"> <li>Minor financial loss in more than one partner</li> <li>Some/loss of funding or funding opportunity threatened</li> </ul>	<ul style="list-style-type: none"> <li>Failure to reach agreement with individual partner</li> <li>Change in confidence or satisfaction</li> <li>Minor change in community confidence</li> </ul>
Insignificant	<ul style="list-style-type: none"> <li>Minor effect on priorities/service objectives</li> <li>Isolated minor injury/ill health</li> <li>No environmental impact</li> </ul>		<ul style="list-style-type: none"> <li>Isolated/minor financial impact in a partner organisation</li> </ul> <p>(Financial limits are under review)</p>	



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