

Business Growth Programme ERDF FBC : Risk Register Report

No	Description	Likelihood	Impact	Grade	Action	Managed by:
1	Failure of LEP partners to raise awareness of the programme in their area and to identify suitable businesses for assistance.	Medium	High	Material	Ensure comprehensive programme briefings to partners and adequate understanding before commencement. Put in place agreed detailed marketing arrangements, literature design and individual marketing strategies for each area together with good levels of support from City Council project team to implement local actions for awareness raising and programme promotion to suitable businesses.	Head of Business Enterprise & Innovation and programme lead officers
2	Unwillingness of sufficient number of eligible businesses coming forward to the application process for financial assistance and able to meet scheme criteria including match funding and job creation required.	Low	High	Material	The programme of assistance has been designed based upon previous programme delivery activity to meet the demand from SME for similar support in the past and with the support from LEP partners who welcome the type of support the programme offers for local SME's. The good induction of partners, strong programme marketing and targeting the right type of businesses, clear and straight forward application form and process for approval with good programme management and monitoring should attract sufficient businesses. Job creation and match funding will be measured and monitored on a quarterly basis as per funding agreement.	Programme lead officers and LEP partner authorities
3	Programme is too rigid and inflexible in meeting the needs of the businesses.	Low	Medium	Material	Monitoring and reviewing service provided to ensure its meets businesses needs and the result applications are up to standard required.	Programme lead officers
4	Poor quality of applications for financial assistance from businesses and or businesses failing to complete project expenditure in order to fully access financial assistance scheme funds allocated resulting in potential under spend.	Low	Medium	Material	Robust application procedure being established together with clear guidance and application process to assist businesses with the completion of applications that meet the standard required. With the correct development work and submission of sound applications the likely hood of none completion and under spend is less likely. Ability to award further grants until the funding has been fully utilised over the life of the programme should ensure any under spend is kept to a minimum.	Programme lead officers
5	ERDF regulations are not complied with leading to exclusion of eligible costs from claims.	Low	High	Material	The costs have been analysed and only eligible costs have been identified and included in the grant application. The offer of assistance to SMEs will include ERDF terms to be passed on to Grantees (including a period of claw back), to help ensure understanding and compliance, and enable the City Council to recover funds in the event of a default against the terms or a claw back relating to a particular SME. Expenditure will only be paid in arrears on provision of evidence and when the works have been completed.	Business Enterprise Manager and programme lead officers
6	Compliance with ERDF grant conditions so as to avoid clawback	Low	Medium	Material	Robust governance, operational management and programme delivery processes, systems and procedures will be embedded, implemented, monitored and evaluated. Any specific issues arising from compliance will be mitigated against checks and balances contained within the programme. DCLG will have an observer on the appraisal panel. The risk to the City Council is therefore minimised as long as it seeks recovery from businesses who default on grant conditions	Head of Business Enterprise & Innovation and programme lead officers

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7	Operational management of Programme difficulties such as delays in processing necessary documentation	Low	Medium	Material	Use Steering Group to monitor, review and tackle any issues	Head of Business Enterprise & Innovation and programme lead officers
8	Delivery of costs so as to avoid overrun beyond 2018	Low	Medium	Material	Budget targets are negotiated with DCLG and have some flexibility of being carried forward or brought forward depending on actual performance of the programme. Grants can only be claimed quarterly in advance subject to a satisfactory submission of progress report. A regular pipeline of applications generating through marketing activities will ensure delivery remains on	Business Enterprise Manager and programme lead officers
9	Failure of businesses to complete investment plan and achieve outputs leading to a lack of drawdown of funding approved.	Medium	Low	Material	Maximum delivery period for project spend will be 3 months. Effective monitoring and client management to maximise spend to meet budgetary forecasts. Where appropriate	Business Enterprise Manager, programme lead officers and SME's
10	Applicant in breach of terms and conditions of funding offer letter	Medium	Low	Material	BCC will review the breach of terms, conditions and suggest a course of action. If considered to be material breach, the funding offer will be withdrawn or seek claw back. Reallocate funding to other applicants.	Business Enterprise Manager
11	SME fraudulent activity throughout the application and claims process	Medium	Medium	Material	Develop robust intelligence and monitoring systems with support from Legal Services and Audit to eliminate potential fraudulent activity. If fraud is detected then engage City Council Legal Services and Birmingham Audit to investigate and if required issue legal proceedings.	Business Enterprise Manager
12	Attempted bribery of BCC officers for financial or non-financial gain	Low	Low	Material	Awareness of BCC's bribery and corruption policy. Be vigilant against attempted bribery. Refer to senior management and seek advice from Legal Services and Audit.	Business Enterprise Manager
13	The role of consultants and third party advisors involved in the grant application and project delivery	Medium	Low	Material	BCC will only deal with the applicant who is the owner/director of the company.	Business Enterprise Manager
14	Lack of take up or lack of quality projects means contracted ERDF outputs and spend targets are not being achieved leading to underperformance and potentially leading to clawback	Medium	High	Material	Contracted output and spend targets are annualised on a calendar year basis. The quarterly claim cycle includes output reporting which enables continual monitoring. As well as the project performance being overseen by the BGP Programme Management Team, annual reviews will be set out to ensure that the programmes are on track and to review all projects progress. Should forecast progress against annualised spend or output targets be cause for concern (more than 10% variance forecast), actions will be set, and if needed, DCLG will be asked to reappraised the project based on the re-forecast measures, and a new agreement will be sought	Business Enterprise Manager