

Appendix H – Rutland and Melton LUF Programme Key Risks and Mitigations

Risk	Implications	Risk Assessment High – H; Medium – M; Low - L			Mitigation
		Probability	Impact	Overall Risk Rating	
Governance					
Discord amongst delivery partners	Partners fail to agree on the implementation approach	L	M	M	A clear delivery programme will structure the work and minimise the scope for misinterpretation. If there are ongoing issues mediation will be deployed.
Challenges to the management capacity of the programme delivery activities	Staff leave, get sick or fail to perform	M	M	M	The breadth of the partnership, comprising two authorities with associated other supporting third-party organisations should enable these challenges to be managed and provide resilience. Additional staff resources will be recruited to support programme management and the Accountable Body function. These will be funded through the LUF programme.
Delivery and Implementation					
Individual project failure	The implications will be determined to an extent by the reason for failure, this could involve: capacity, financial failure and fail to comply with conditions	L	H	M	The programme management structure will enable the development of issues of this gravity to be identified and corrective actions put in place to mitigate impact as it develops. In the eventuality of terminal issues arising detailed liaison with DLHUC will be put in place as a means of

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					mitigating impact
Individual project sponsor failure	There is scope for partners to change their status and focus. This could have a negative impact on the delivery of the projects in scope	L	H	M	The detailed liaison by accountable officers with individual projects will enable delivery failure to be identified and mitigated. The 'back to back' agreement with Melton Borough Council will apportion appropriate accountabilities and scope to identify alternative suppliers or ultimately close down projects if there are no alternative options
Failure to deliver agreed outputs	This could lead to changes to the Value for Money delivered by the project and in the most extreme case would cause reputational damage and ceasing of LUF grant payments	L	M	M	Governance structure and robust programme management will support early identification of any potential issues to enable their effective management. The 'back to back' grant agreement with Melton Borough Council will provide clarity on accountabilities for delivery outputs. A formative evaluation framework will be developed and implemented at the early stages of the programme to provide clarity on reporting and monitoring requirements and a focus on outputs.
Financial Risks					
Cost over-runs due to inflation	Inflation is currently running at 10%	H	M	H	A prudent contingency budget has been built in for each project ranging from 5-9%

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	unforeseen financial shocks and any delays to project delivery could cause costs to escalate out of control				<p>depending on the scale and nature of the project.</p> <p>Project costs are currently being reappraised given the Government delays to LUF Round 2 and the programme will be adjusted accordingly e.g. redesign/value engineering.</p> <p>The planned programme management approach and detailed monitoring of project delivery will enable a proactive and robust ability to manage this risk.</p>
Failure to meet spending profile	Over or underspend in an uncontrolled way runs the risk of unauthorised or cancelled expenditure and overall programme failure	M	H	H	The Accountable Body and programme management function backed by the ultimate sanction of clawback within the 'back-to-back' funding agreement with Melton Borough Council and agreements for the delivery of the individual aspects of each project provides the protection required for this risk to be managed effectively.
Revenue challenges impair the successful ongoing operation of the facilities funded	If the revenue planning for the take up of the services provided is less than anticipated value for money will be affected and potentially the ongoing viability of	M	H	H	A robust process of initial business planning has been undertaken. The cost assumptions and projects are currently being re-appraised given the impact of Government delays means the original plans are now over 8months old.

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	some of the projects will be challenged				There are rigorous quarterly monitoring arrangements which will identify the issues concerning operational viability as they arise and provide scope for escalation and problem solving within the wider project delivery structures and ultimately at the Executive Programme Board
Programme Risks					
One or other Council does not agree to accept the grant funding	Potential impact on the delivery of the entirety of the LUF programme and to meet the requirements of the Memorandum of Understanding	L	H	M	Discussion with Department of Levelling Up, Housing and Communities about whether elements of the Rutland and Melton LUF programme could continue. Ultimately the LUF award could be declined.
Rutland County Council does not agree to be the Accountable Body	Impact on meeting the requirements of the Memorandum of Understanding and delivery of the projects, particularly the transport element	M	H	H	Discussion with Department of Levelling Up, Housing and Communities (DLUHC) about whether alternative arrangements could be put in place. Ultimately the LUF award could be declined.
Memorandum of Understanding (MoU) is not contractually binding	There is no legal obligation for either Government or the Council's to fulfil the requirements of the MoU	L	H	L/M	LUF is expected to be released in 6-month tranches – 3 months in arrears and 3 months in advance. This should limit the risk of financial exposure/cashflow issues.

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					The 'back-to-back' grant agreement with Melton Borough Council will set out the accountabilities and limitations of financial risk for RCC.