

Strategic Risk: Brexit

DATE: Oct-19

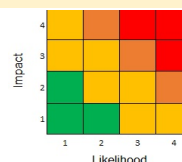
Risk Owner: Dave Smith

Risk Description

Cause: There is a risk that the MCA/LEP is not sufficiently resourced, organised effectively and undertakes the right activities

Event: to respond to the threats and opportunities presented by Brexit

Consequence: which may result in the organisation being unable to fulfil its purpose.



Current Risk Assessment		
Likelihood	Impact	Risk Rating
2	3	Yellow

Current Controls (Controls that are confidently in place and relied upon)	Adequacy concerns
Intelligence - participation on the SCR Local Resilience Forum, engagement with key local stakeholders, supporting businesses to collaborate on business intelligence.	Business and market intelligence remains in development and therefore is evolving to inform plans for an economic resilience / rapid response taskforce.
Intelligence - Lessons learned document from economic shock experienced with TATA in 2016 was produced, identifying a number of steps which could be taken to respond at pace in the event of further shocks. A virtual network across the MCA Local Authorities is established to support areas where shocks are experienced, promoting vacancies that may be suitable for those displaced by the process. JobCentre Plus and National Careers Service, which form the core of the Rapid Response to Redundancy service, have strong relationships with the LAs and SCR Exec through Local Integration Boards which are active across the City Region.	The Lessons Learnt exercise was conducted in 2016. Some, but not all, recommendations have been implemented, which may reduce the impact of responses in some areas.
Intelligence - Regular meetings with Chambers, DIT and local authorities to ensure activities and future actions do not duplicate activity.	Government is constantly shifting its priorities around Brexit preparation and delivering via DIT Brexit-related support (e.g. events) at short notice. This makes it difficult to plan activity, but a range of options are being explored.
Intelligence - Garnering intelligence via Key Account Management Programme regarding post-EU exit plans of foreign-owned companies that are more at 'flight-risk' i.e. the parent company is overseas and are more likely to be concerned with the impact of Brexit on their business. An action plan to explore the support required to retain and support expansion of foreign-owned companies is in place.	Resource to work with relevant companies will be focussed on key areas.
Intelligence - SCR's relationship with DWP/JCP provides a forum for ongoing dialogue regarding any planned response to an increase in the volume of employable people looking for work. SCR are also actively engaged in each of the Local Integration Boards (LIBs) - a forum of key stakeholders (health, he, fe, 3rd sector, public sector all sit around the table) - which are well placed to agree strategies alongside the LEP and local economic boards, where economic shocks appear. With a voice on LIBs, SCR contribute to working to better align pathways of support for vulnerable community members.	JCP are waiting to implement any significant plans until there is clarity sign posting as appropriate to gov.uk published information. Budgets restraints may also restrict their ability to respond to any increase in the volume of employable people looking for work.
Practical support - Brexit Toolkit for businesses to consider and evaluate their preparedness and seek additional support available since January 2019.	Intelligence shows that the uncertainty around the Brexit deal means that businesses are unable to access their preparedness confidently until more is known. Business support needs to be more targeted once there is more certainty on the impact of Brexit.
Practical support - Providing support for City Region companies looking to non-EU markets for export opportunities through SCR's developing China and India Programmes. SCR's approved Trade and Investment Plan reflects this.	Intelligence is required regarding which companies export solely to the EU.
Practical support - Provision of relevant wrap-around support to foreign-owned companies through the Key Account Management Programme.	Key Account Management Programme for foreign-owned companies in the City Region will be targeted.
Practical support - ESF programmes provide a pipeline of skills labour to employers that are more vulnerable to the loss of migrant workers.	Whilst these programmes support individuals and will be able to link into employers, they do not support employers on human resource planning.
Practical support - 'Skills Support for the Workforce and Redundancy' and 'Skills for the Unemployed' Programme are established and available for individuals at risk of redundancy or requiring 'upskilling'. The next wave of ESF projects in appraisal will add value providing further employment and skills support for unemployed participants.	The EU programmes are only able to support people once they are unemployed providing skills training up to a level 4. The forthcoming ESF programme may be able to support this cohort, however there are concerns about the length of the appraisal process of bids for the delivery of this programme meaning that support may not be available for everyone at the point of need.
Practical support - Skills Bank provision is contracted through to DATE and is available to support businesses who need to invest in training in order to meet the needs of diversification. There is also support under Skills Support for the Workforce for organisations with lower level skill requirements.	Businesses are less likely to invest in training in a period of economic downturn or expected economic downturn.
Lobbying - SCR continues to lobby civil servants and politicians on the importance of replacing European funding.	Current political environment and Government priorities may mean lobbying activity does not have the desired impact.
Lobbying - Lobbying regarding Shared Prosperity Fund has taken place through a number of channels including a written submission to an APPG, Mayoral meeting with the former Chancellor and leading a Westminster Parliamentary debate.	Current political environment and Government priorities may mean lobbying activity does not have the desired impact.
Action Plan (Identified risk mitigations to reduce the impact and/or likelihood)	Update
Once there is more certainty around the impact of Brexit explore the options for establishing a economic resilience/rapid response taskforce.	PJ 31/12/19 Red
Explore options for developing a campaign to highlight the importance of skills and investment in training in an economic downturn.	KW 31/12/19 Red
Explore the possibilities around refocusing Skills Bank activity and funding to subsidise businesses who need to develop employee skills to meet the needs of diversification.	KW 31/12/19 Red
Take forward a change request to increase the capacity of Key Account Management resources to increase the number of foreign-owned companies who can be supported via the programme.	DCM 31/10/19 Yellow