

NORTH WALES GROWTH DEAL PORTFOLIO RISK REGISTER

| Risk ID | Date Raised | Risk Category                  | Risk Name                             | Risk Owner                  | Description of the Risk  | Current Gross Risk Rating |   |       | Trend | Mitigating Actions   | Action Due Dates  | Action owner         | Residual Risk Rating |   |       | Trend | Status (Open / Closed) | Commentary  | Date of last update |
|---------|-------------|--------------------------------|---------------------------------------|-----------------------------|--|---------------------------|---|-------|-------|--|---|----------------------|----------------------|---|-------|-------|------------------------|---|---------------------|
|         |             |                                |                                       |                             |  | P                         | I | Score |       |  |   |                      | P                    | I | Score |       |                        |   |                     |
| R001    | 21/10/2020  | Programme and Project Delivery | Capacity                              | Portfolio Director          | If sufficient resources are not in place at portfolio, programme and project level, there is a risk that this could impact on the successful delivery of the deal  | 3                         | 4 | 12    | ▼     | <p>Recruitment to PMO vacancies for all but two of the posts, which are currently being recruited</p> <p>PMO have secured additional technical capacity to support procurement activity</p> <p>PMO to utilise external technical support when necessary</p> <p>PMO supporting partners to ensure capacity for delivery and support recruitment activity</p>  | <p>In place</p> <p>In place</p> <p>Reviewed monthly</p> <p>Reviewed monthly</p> | PMO                  | 3                    | 3 | 9     | ▼     | Open                   | Risk reviewed. Current and residual risk score decreased due to completion of PMO recruitment. Full team now in place. Capacity within the wider NWEAB partnership is an area of concern which is being kept under review and addressed by Programme Boards. As proposals for the CJC develop, the possible impact upon PMO capacity will be reviewed.  | 07.01.21            |
| R002    | 21/10/2020  | Programme and Project Delivery | Delay                                 | Portfolio Management Office | If there are delays to project delivery, there is a risk this could have an impact on the realisation of benefits or could result in projects not progressing.   | 4                         | 4 | 16    | ↔     | <p>Monthly highlight reports to Programme Board with escalation routes to NWEAB</p> <p>Programme and project RAID logs in place to record risks and manage issues</p> <p>Project business cases and implementation plans to clearly set out risks to project delivery and mitigations</p> <p>Quarterly reports to the NWEAB and Portfolio Board</p> <p>Project timetables reviewed as part of Portfolio business Case Update</p>   | <p>Monthly</p> <p>Monthly</p> <p>N/A</p> <p>Quarterly</p> <p>In place</p>       | PMO, Project Sponsor | 3                    | 4 | 12    | ↔     | Open                   | Risk reviewed. No changes to gross or residual risk scores. The new delivery timetable adopted as part of the 2021 Portfolio Business Case update remains ambitious and challenging.  | 07.01.21            |
| R003    | 21/10/2020  | Financial                      | Affordability                         | Portfolio Management Office | If projects increase in cost, there is a risk they may not go ahead or project scope may need to be scaled down  | 5                         | 4 | 20    | ↔     | <p>Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage costs</p> <p>Robust performance, risk and financial reporting arrangements will be established for all projects</p> <p>Once Project Business Cases are approved, any additional costs incurred will be the responsibility of the Project Sponsor.</p>   | <p>N/A</p> <p>Monthly</p> <p>N/A</p>  | PMO, Project Sponsor | 4                    | 4 | 16    | ↔     | Open                   | Risk reviewed. Gross and residual risk scores remain high as construction costs have increased significantly during 2021. This risk is being kept under review as current mitigation measures may not be sufficient. This is an issue impacting on all City and Growth Deals and we are engaging with colleagues in other City and Growth Deals on potential mitigation strategies. The risk has been raised with Government on behalf of all City and Growth Deals.                                  | 07.01.21            |
| R004    | 21/10/2020  | Programme and Project Delivery | COVID-19 and Economic Recovery        | Portfolio Director          | As the Covid-19 pandemic continues to impact the economy and/or the economic recovery is delayed, there could be a risk to the delivery of the Growth Deal portfolio and the viability of certain projects.          | 4                         | 4 | 16    | ↔     | <p>Programme Director is the regional lead for economic recovery alongside the Welsh Government's Chief Regional Officer. Both sit on the Regional Recovery Coordination Group, representing Economy Recovery</p> <p>Project Business Cases will consider the implications of COVID-19</p> <p>Where COVID-19 could have a clear impact upon the viability / need for a project, the project will be subject to full review ahead of business case development.</p> <p>Recovery prospectus for North Wales submitted to Government setting out key asks from Government to address areas of economic need in the immediate and short term. This includes revenue support for skills and employment activity</p> | <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>In place</p>                                | PMO, SROs            | 4                    | 4 | 16    | ↔     | Open                   | Risk reviewed. No changes to gross or residual risk scores. It is clear from economic evidence gathered throughout the pandemic that attention is required on skills, employment and training to ensure that North Wales are prepared to respond to the new jobs created by the Growth Deal but also and more immediately the changing labour market conditions driven by Covid. There is a requirement to access revenue funding to support the mitigation, as addressed in the recovery prospectus. | 07.01.21            |
| R005    | 21/10/2020  | Programme and Project Delivery | EU-UK Trade and Cooperation Agreement | Portfolio Director          | If the new UK-EU trading relationship impacts on certain sectors of the economy there is a risk that the viability of certain Growth Deal projects may change.   | 3                         | 3 | 9     | ↔     | <p>Project Business Cases will consider the implications of the new UK-EU trading relationship.</p> <p>Where the new UK-EU trading relationship could have a clear impact upon the viability / need for a project, the project will be subject to full review ahead of business case development</p>   | <p>N/A</p> <p>N/A</p>   | PMO, Project SROs    | 2                    | 3 | 6     | ↔     | Open                   | Risk reviewed. No changes to gross or residual risk scores.   | 07.01.21            |
| R006    | 21/10/2020  | Environmental                  | Climate Change and Biodiversity       | Portfolio Director          | If projects do not take account of carbon emissions or biodiversity loss within project level assessments, there is a risk the portfolio could contribute towards the issues of climate change and biodiversity loss | 3                         | 3 | 9     | ↔     | <p>Position statement on Climate Change and Biodiversity adopted by the NWEAB.</p> <p>Project business cases to demonstrate delivery against the adopted NWEAB position.</p> <p>Arup procured and developing advice on how to take account of carbon emissions and biodiversity loss within project business cases.</p>  | <p>N/A</p> <p>N/A</p> <p>Feb 2022</p>   | NWEAB                | 2                    | 3 | 6     | ↔     | Open                   | Risk reviewed. No changes to gross or residual risk scores.   | 07.01.21            |
| R007    | 21/10/2020  | Financial                      | Private Sector Investment             | Portfolio Management Office | If the private sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.  | 4                         | 5 | 20    | ↔     | <p>Continued engagement with Project Sponsors and private sector partners</p> <p>Development of robust project business cases and contractual agreements for Growth Deal funding</p> <p>Agreed process for consideration of new projects if required</p> <p>Following PAR recommendation, investment strategy being developed for Portfolio</p>  | <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>In place</p>                                | PMO, Project SROs    | 4                    | 4 | 16    | ↔     | Open                   | Risk reviewed. No changes to gross or residual risk scores. Investment Strategy currently being finalised for consideration by the NWEAB.   | 07.01.21            |

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|         |             |                                |                                 |                             |   | P                         | I | Score |       |  |                                   |  | P                    | I | Score |       |                        |  |                     |
| R008    | 21/10/2020  | Financial                      | Public Sector Investment        | Portfolio Management Office | If the public sector investment is not secured, there is a risk that projects will not be delivered or delivered at reduced scale impacting on the benefits to the region.            | 4                         | 4 | 16    | ↔     | All NWEAB partners have signed up to the Growth Deal and Governance Agreement 2.<br>Development of robust project business cases and contractual agreements for Growth Deal funding<br>Agreed process for consideration of new projects or changes to public sector investment projections   | Complete<br>N/A<br>N/A            | NWEAB<br>PMO, Project SROs<br>NWEAB, PMO             | 4                    | 4 | 16    | ▲     | Open                   | Risk reviewed. Residual risk score has increased due to project level funding issues (e.g. Morlais) and ongoing project change requests proposing amendments to capital investment projections.                                      | 07.01.21            |
| R009    | 21/10/2020  | Regulatory                     | Planning and Statutory Consents | Portfolio Management Office | If projects do not receive the necessary statutory consents and planning approval, there is a risk that projects will not be delivered and the benefits would not be realised.        | 4                         | 5 | 20    | ↔     | Project business cases will set out the consenting requirements for each project and the risks to project delivery<br>Continued engagement with project sponsors to understand consenting process and risks with support provided where appropriate  | N/A<br>N/A                        | PMO, Project SROs<br>PMO                             | 3                    | 5 | 15    | ↔     | Open                   | Risk reviewed. No changes to gross or residual risk scores. Welsh Government planning policy on coastal erosion and flood risk updated (TAN 15)  | 07.01.21            |
| R010    | 21/10/2020  | Reputational and Social Impact | Spending Objectives             | Portfolio Director          | If projects fail to deliver against the portfolio spending objectives, there is a risk that the Growth Deal may not meet its targets in relation to job creation, GVA and investment. | 4                         | 4 | 16    | ▲     | Robust business cases will be developed for each programme and project in line with 5 Case Business Model and will need to set out contribution to portfolio spending objective targets<br>Project review and change control process in place.<br>Agreed process for consideration of new projects or changes to public sector investment projections<br>Following PAR recommendation, investment strategy being developed for Portfolio | N/A<br>N/A<br>N/A<br>In place     | PMO, Project SROs<br>PMO<br>NWEAB, PMO<br>PMO        | 4                    | 4 | 16    | ▲     | Open                   | Risk reviewed. Residual risk increased due to possible reductions in public sector investment projections as a result of project level change requests. Changes could impact upon the Portfolio Investment spending objective target | 07.01.21            |
| R013    | 21/10/2020  | Reputational and Social Impact | Political Change                | Portfolio Director          | If stakeholders are not managed effectively, there is a risk that political change could impact support for the portfolio, programme and projects.                                    | 4                         | 4 | 16    | ↔     | Frequent engagement with UK, Welsh Government and local government politicians and officials.<br>GA2 and Final Deal agreement to confirm commitments of all parties.   | N/A<br>Complete                   | NWEAB, PMO<br>NWEAB                                  | 4                    | 2 | 8     | ↔     | Open                   | Risk reviewed. No changes to gross or residual risk scores.  | 07.01.21            |
| R014    | 22/10/2020  | Financial                      | Fraud                           | Portfolio Director          | If appropriate processes are not put in place and managed, there is a risk that the portfolio could be subject to fraudulent claims resulting in misuse of public funds               | 4                         | 4 | 16    | ↔     | Projects to have robust financial monitoring processes in place<br>PMO to review claims submitted before passing them onto accountable body for payment<br>Code of conduct and conflicts of interest policy incorporated as part of Governance Agreement 2<br>Conflict of Interest Register maintained for all programmes, projects and advisory groups.   | N/A<br>N/A<br>Complete<br>N/A     | PMO<br>PMO<br>Monitoring Officer<br>PMO              | 2                    | 4 | 8     | ↔     | Open                   | Risk reviewed. No changes to gross or residual risk scores.  | 07.01.21            |
| R015    | 22/10/2020  | Reputational and Social Impact | Benefits Realisation            | Portfolio Management Office | If project benefits are not realised, there is a risk that the overall Growth Deal could fail to deliver the benefits set out within business case.                                   | 4                         | 4 | 16    | ↔     | Each programme and project will be responsible for benefits management through a Benefits Realisation Plan.<br>Monthly highlight reports to Programme Board to monitor benefits realisation<br>Procurement Principles to be adopted with focus on community benefits and social value<br>Benefits Realisation guidance developed and being disseminated to project sponsors for use in project business cases                            | N/A<br>Monthly<br>Complete<br>N/A | PMO, Programme and Project SROs<br>PMO<br>PMO<br>PMO | 3                    | 3 | 9     | ↔     | Open                   | Risk reviewed. No changes to gross or residual risk scores. Mitigating actions have been updated   | 07.01.21            |
| R016    | 22/10/2020  | Programme and Project Delivery | Assurance                       | Operations Manager          | If agreed assurance processes are not followed, there is a risk that project approval could be impacted and could result in suspension/postponement of government grant payments.     | 3                         | 5 | 15    | ↔     | Integrated Assurance and Approval Plan (IAAP) agreed with Welsh and UK Government as part of Final Deal.<br>Continued engagement with Welsh Government Assurance Hub to refine and update the Integrated Assurance and Approval Plan (IAAP)<br>PMO assurance lead to coordinate delivery of assurance in accordance with the IAAP  | Complete<br>Quarterly<br>N/A      | PMO<br>PMO<br>PMO                                    | 2                    | 4 | 8     | ↔     | Open                   | Risk reviewed. No changes to gross or residual risk scores.  | 07.01.21            |
| R017    | 22/10/2020  | Financial                      | Financial Management            | s151 Officer                | If appropriate financial arrangements are not put in place, there could be a risk to the delivery of the deal, draw-down of the funding grant and allocation of funds.                | 3                         | 4 | 12    | ↔     | NWEAB will utilise existing financial processes of Gwynedd Council as Host Authority<br>Project Business Cases will set out detailed project level financial, commercial and risk management measures to manage finances<br>Robust monthly performance, risk and financial reporting arrangements will be established for all projects<br>Robust financial claims process established for the drawdown of funding                        | N/A<br>N/A<br>Monthly<br>N/A      | PMO<br>PMO, Project SRO<br>PMO, Project SRO<br>PMO   | 2                    | 3 | 6     | ↔     | Open                   | Risk reviewed. No changes to gross or residual risk scores.  | 07.01.21            |

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|         |             |                                |                                |  |   | P                         | I | Score |       |   |  |  | P                           | I        | Score |   |                        |            |                     |
| R018    | 01/10/2020  | Financial                      | Revenue Funding                | Portfolio Management Office and Project Sponsors | If sufficient revenue funding is not in place to support the activities of the NWEAB and delivery of the Growth Deal, then project delivery and achievement of spending objectives and benefits may be impacted | 3                         | 4 | 12    | ↔     | <p>PMO working to identify funding opportunities once WEFO funding ceases in 2023</p> <p>Partners and project sponsors responsible for sourcing revenue funding to support non-NWEAB led projects</p> <p>PMO working to identify additional funding opportunities for NWEAB led projects</p> <p>Recovery prospectus includes proposals to support regional skills and employment activity</p> <p>PMO exploring the potential capitalisation of project salary costs</p> | <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>In place</p> <p>Mar 22</p> | <p>PMO</p> <p>PMO, Project SRO</p> <p>PMO, Project SRO</p> <p>PMO</p> <p>PMO</p> | <p>2</p> <p>4</p> <p>8</p>  | <p>↔</p> | Open  | Risk reviewed. No changes to gross or residual risk scores. The PMO are working with Gwynedd Finance to explore funding options for the 2023-24 financial year when the WEFO funding comes to an end. | 07.01.21               |            |                     |
| R019    | 01/10/2020  | Programme and Project Delivery | Supply Chain & Skills Capacity | Portfolio Management Office                      | If the regional supply chain does not have the capacity to deliver projects, then projects delivery could be impacted and regional benefits could be lower.   | 4                         | 4 | 16    | ↔     | <p>Project business cases and implementation plans to clearly set out risks to project delivery and mitigations, including supply chain risks.</p> <p>RSP working with PMO to identify regional supply chain / skills challenges and identify mitigations</p> <p>Recovery prospectus includes proposals to support regional skills and employment activity</p>  | <p>N/A</p> <p>N/A</p> <p>In place</p>                          | <p>PMO</p> <p>PMO</p> <p>PMO</p>   | <p>3</p> <p>4</p> <p>12</p> | <p>↔</p> | Open  | Risk reviewed. No changes to gross or residual risk scores.   | 07.01.21               |            |                     |