

Major risks for the Combined Authority

Risk	Impact	Mitigation actions	Residual risks
1. Risk of reduced EIB payments at the 18mths (see para 2.13)	Programme stalls	1) Effective programme management 2) Project appraisal to include a preference for projects with the greatest leverage factors 3) Over –programme the pipeline. 4) Include clauses within advisor contracts to meet interim targets 5) Staged payments to advisors 6) Inclusion of claw back clause in advisor and project sponsor contracts and option to suspend or terminate contract. 7) Prioritise high leverage factor projects	Less likelihood but still a risk the EIB delay payment of the second payment (EUR 1.054m)
2. Risk of clawback from the EIB	Combined Authority has to fund programme costs	As above in 1 1)All detailed advice provided beyond the fixed advisors (i.e. technical, financial and legal support value EUR 1.405m) will only be made on a scheme by scheme basis and subject to meeting at least 1:20 target. 2)As the final payment is in arrears the investment achieved must be continually monitored to ensure we can meet 1:20 target.	Less likelihood of clawback. Maximum is still EUR 1.405m (this is the fixed costs that the CA would incur over the duration of the programme). All other costs associated to the EA would not be incurred due to our project

			appraisal processes and any addition funding drawn down and unused would be repaid to the EIB.
3. Loss of EIB funding by failing to contract within an acceptable timescale	No programme	<p>1) Fast-tracking CA approvals - some were granted in October 2017, including a number of outstanding approvals delegated to the Managing Director of the CA.</p> <p>2) Sign the contract in April 2018 but defer contract start date until July/August 2018 (subject to approval by the EIB)</p>	The risk remains
4. Out of date pipeline of projects due to EIB delays in awarding the funding	Programme delays and funding is reduced	<p>1) Effective programme management</p> <p>2) Continuously monitor pipeline projects</p>	Less likelihood of delays. The pipeline of projects will be up to date post-review (currently underway)
5. Project Sponsors fail to use the EA	Limited programme Reputational damage	1) Effective Project Sponsor engagement supported by CA staff and external advisors	Less likelihood of delays. The pipeline of projects will be up to date post-review (currently underway)
6. Limited Project Sponsor sign up due to requirement to progress project	Limited programme	1) Effective Project Sponsor engagement	Less likelihood of delays. The residual risk depends on Project Sponsor appetite. This

if feasible or face clawback		2) Refresh pipeline of potential low carbon projects continuously to ensure the pipeline is over-programmed	<p>will be gauged as the pipeline of projects is refreshed.</p> <p>Project Sponsor capacity to support programme may be further reduced due to new BEIS funded energy hub</p>
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