

Appendix 1 - Risks, Impacts, mitigating actions and residual risks associated to the Energy Accelerator – Combined Authority

Major risks for the Combined Authority

Risk	Impact	Mitigation actions	Residual risks
Risk of a reduced 2 nd EIB payment at the 18 month mid-point due to less than 70% of the first payment being spent	Programme stalls	1) Effective programme management (see para 2.20) 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 reduce payment of the second payment (EUR 1.054m)
Risk of reduced / clawback of the final payment from the EIB at the completion stage of the programme (after the 3 years) due to under performance	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 Combined Authority would incur over the duration of the programme). All other costs associated to the programme 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 approvals - some were granted in October 2017, including a number of outstanding approvals delegated to the Managing Director.</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 Out of date pipeline of projects due to EIB delays in awarding the funding	Programme delays, possible changes to the delivery model needed, funding is reduced	<p>1) Effective programme management</p> <p>2) Continuously monitor pipeline projects</p>	Less likelihood of delays as the pipeline of projects has been up dated.
5. Project Sponsors fail to use the Accelerator	Limited programme Reputational damage	1) Effective Project Sponsor engagement supported by the Combined Authority staff and external advisors	Less likelihood of delays. The pipeline of projects has been updated.
6. Limited Project Sponsor sign up due to requirement to progress project if feasible or	Limited programme	<p>1) Effective Project Sponsor engagement</p> <p>2) Refresh pipeline of potential low carbon projects continuously to ensure the pipeline is over-programmed</p>	Less likelihood of delays. The residual risk depends on Project Sponsor appetite. This will be gauged

face clawback			as the pipeline of projects is refreshed. Project Sponsor capacity to support programme may be further reduced due to new BEIS funded energy hub
------------------	--	--	---

Risks, impacts, mitigation action and residual risks - Project Sponsors

Major Risks for any Project Sponsor using the Energy Accelerator.

Risk	Impact	Mitigation action	Residual Risks remaining
Will be responsible for delivering ¹ the project within the 3 year duration of the EIB contract	Claw back from the Combined Authority	1) Only projects that are deemed deliverable will be granted access to the Accelerator 2) Effective project management 3) Project selection to closely assess likelihood of delivery within three years	Likelihood of claw back reduced. Value is dependant of the support agreed (estimate that support is likely to range from 10 – 100k).
A project fails to meet	Claw back from the	1) Preference for projects with strong leverage factors	Likelihood reduced. Value

-
- ¹ Investment occurred during the contract period which has been directly supported by the Accelerator; or
 - b) the estimated value of the contract for further investment which has been supported by the Accelerator, as published in the relevant notice relating to the procurement procedure for this investment and in accordance with applicable procurement rules and statutes.
 - c) to qualify for inclusion under b, the related budget must have been fully secured prior to publication and hence the award cannot be made conditional on the availability of budgetary resources.

the 1:20 leverage target	Combined Authority	<p>2) Only projects that are deemed deliverable will be granted access to the EA and assessed by the EA Delivery Team before the agreement stages.</p> <p>3) Effective project management</p> <p>4) The Sponsor can choose to apply for external funding to help meet the 1:20 target + other</p>	is dependant of the support agreed (estimate that support is likely to range from £10k – 600k).
--------------------------	--------------------	---	---