



West Midlands Combined Authority

The Risk & Investment Appraisal has been completed to support better and more informed spending and investment decisions at the WMCA

RISK & INVESTMENT APPRAISAL BOARD REPORT

SANDWELL AQUATICS ENERGY

The purpose of this report is to:

- Provide a high-level summary of the outcome of the independent Assurance and Appraisal activity including any notable risks (project and strategic), commercial viability and Value for Money (VfM) of the investment and the opportunities it brings forward,
 - Put forward approval conditions assigned at both Programme and Project level which will form the basis of agreements post the approval decision. These have been summarised in Appendix I which is available upon request,
 - and act as an informative tool for decision-makers that accompanies the business case through to an approval decision.
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BUSINESS JUSTIFICATION CASE, SANDWELL AQUATICS ENERGY

ASK OF £1,395,754 FROM COMMONWEALTH GAMES LEGACY ENHANCEMENT FUND (CWGLEF)

Appraisal Recommendation

This project is recommended to be approved for an investment of £1,395,754 to facilitate the procurement of a suitable energy supply contract for SAC and therefore safeguard leisure operations until March 2025.

The project is also seeking approval for the release of the £604k underspend from the original £2m allocation via an impending change control.

Key Risks

- **Governance Risk:** Strategic Case 1.4, Economic Case 3.4 & Management Case 5.6 - The risks within the risk register should be specific to the context of this BJC submission where possible. The risks within the risk register alongside those mentioned within the risk apportionment and risk & issue management sections should also be reviewed at more regular intervals to ensure risks are being proactively managed.
- **Economic Risk:** Strategic Case 1.6 External dependencies – Due to its nature the project is susceptible to a range of external dependencies, namely the actual level of energy consumption as well as current and future energy prices.
- **Governance Risk:** Management case 5.2 Project Schedule for Delivery – Indicative project milestones related to SAC energy procurement, monitoring and reporting could also be included where possible.
- **Governance Risk:** Management Case 5.10 – Monitoring and evaluation tasks should be linked to SAC Energy project.

Key Opportunities

- The Sandwell Aquatic Energy project proposes a financial intervention to facilitate the procurement of a suitable energy supply contract.
- Leisure operations at the newly opened SAC will be safeguarded which will support the legacy of inclusion and growth created by the 2022 Commonwealth Games.

Inclusive Growth Alignment

By safeguarding leisure operations at the newly opened SAC this project will contribute towards Inclusive Growth within the West Midlands by:

- Providing accessible jobs for those looking to get into the leisure industry.
- Providing apprenticeship roles with a dedicated training budget to local people.
- Creating opportunities to lower barriers to accessing health and care services.
- Improving access to green space and opportunities for physical activity.

#WM2041 Net Zero Contribution

Due to the specific nature of this project, there were no significant benefits in the business case that would directly contribute to #WM2041. This is accepted due to the nature of the project.

However, it is noted that Sandwell Leisure Trust have installed Combined Heat and Power units (CHP) at some leisure facilities to enable energy to be used more efficiently by converting excess heat into power to support the running of the facility. Using CHPs and other innovative technology, SLT and SMBC will seek to continue to benchmark within the leisure industry to develop new ways of working and adopt best practice, which may help to reduce costs in the future operation of SAC.

WMCA Appraisal RAG rating

Strategic Case	
Economic Case	

Risk & Investment Appraisal

Single Assurance Framework

Commercial Case	
Financial Case	
Management Case	

Resolved	Resolved Risk : Project have responded to and/or mitigated the risks raised by updating the business case or the project response within this report has answered the query raised
High Risk	Project must resolve / update the business case ahead of delivery. Any unresolved, red-rated risks will be highlighted to the decision maker when the business case is submitted for approval. If ignored, successful delivery will not be possible.
Medium Risk	Project should resolve business case ahead of next submission or delivery. If ignored, they may impact chances of successful delivery.
Low Risk	Project could resolve the business case ahead of next submission or delivery. If responded to, they will improve chances of successful delivery.

WMCA Assurance - **note this score was derived from a review of the draft business case*

WMCA Assurance rated the overall maturity of this business case as 87% which is defined as:

Green 80 – 100% Successful delivery of the project / programme to time, cost and benefits realisation appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery.

There were no high rated observations for this project.

Risk & Investment Appraisal

Single Assurance Framework