

`Dated .....

2015

- (1) DARLINGTON BOROUGH COUNCIL
  - (2) HARTLEPOOL BOROUGH COUNCIL
  - (3) MIDDLESBROUGH BOROUGH COUNCIL
  - (4) REDCAR AND CLEVELAND BOROUGH COUNCIL
- and
- (5) STOCKTON-ON-TEES BOROUGH COUNCIL

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JOINT RISK SHARING AGREEMENT  
FOR THE YEI YOUTH EMPLOYMENT INITIATIVE

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This is a draft document and is subject to review on sight of  
the Department for Work and Pensions contract and Schedule 1 and 2 will be revised  
dependent on match funding secured and confirmation of Delivery Partners

**1. RISK SHARING AGREEMENT**

1.1 between the Parties who are

**Hartlepool Borough Council of  
Civic Centre, Victoria Road, Hartlepool TS24 8AY**

**Darlington Borough Council of  
Town Hall, Feethams, Darlington, DL1 5QT**

**Middlesbrough Borough Council of  
PO Box 99A, Town Hall, Middlesbrough TS1 2QQ**

**Redcar & Cleveland Borough Council of  
Redcar & Cleveland House, Kirkleatham Street, Redcar, Yorkshire, TS10  
1RT**

**Stockton on Tees Borough Council of  
Regeneration & Economic Development, Municipal Buildings, PO Box  
34, Church Road, Stockton on Tees TS18 1LE**

**PARTICULARS**

Accountable Body	Hartlepool Borough Council being the lead Local Authority
Agreement or Joint Agreement	This Agreement
1972 Act	The Local Government Act 1972
1970 Act	The Local Authorities (Goods and Services) Act 1970
2011 Act	The Localism Act 2011
Clause	A clause of this Agreement
Clawback	The DWP funding that is reclaimed back by the DWP should the DWP funding be unused by the Parties in the Youth Employment Initiative
Commencement Date	The ....., 2015

Consortium Agreement	The Agreement between the Consortium Partners
Consortium Partners	The organisations listed at Schedule 2
Date	The date the Parties have delivered this Agreement as a deed as specified at the head of this Agreement
Delivery Partners:	Those organisations listed at Schedule 2
DWP	Department of Work and Pensions
DWP Contract	The contract dated 2015 and made between the DWP and
ESF	European Social Fund
ESIFS	European Structural and Investment Fund Strategy attached at Schedule [ ]
FOIA	The Freedom of Information Act 2000
FOIA Exemption	Any applicable exemption to FOIA including, but not limited to, confidentiality (Section 41 FOIA), trade secrets (Section 43 FOIA) and prejudice to commercial interests (Section 43 FOIA)
Local Authority or Local Authorities	The Parties who are the Councils of the Boroughs of Darlington, Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees, or any of them
LEP	Tees Valley Local Enterprise Partnership (operating through Tees Valley Unlimited) or that body that succeeds or otherwise replaces the LEP body, such as a Tees Valley Combined Authority
Participant	A participant is a young person aged 15 to 29 years who is eligible to register onto the YEI project.

Party or Parties	The Parties to this Agreement or any one of them
Priority Axis 1	forms part of the European Operational Plan
Regulations	The Environmental Information Regulations 1992
Tees Valley	The combined areas of the five Local Authorities within the Tees Valley
TVU	Tees Valley Unlimited being an unincorporated partnership of Local Authorities, business and other sectors acting in concert to support the economic development of the Tees Valley by facilitating the realisation of the Statement of Ambition and its supporting Investment Plan, which on 28 October, 2010 was confirmed by the Secretary of State for Communities and Local Government as a Local Enterprise Partnership.
YEI	Youth Employment Initiative

## 1. COMMENCEMENT

This agreement shall commence on DATE (**Commencement Date**).and shall continue, unless terminated earlier in accordance with the terms of this Agreement.

## 2. BACKGROUND

2.1 In January 2013, the European Commission created the Youth Employment Initiative (YEI) in order to tackle the high levels of youth unemployment across Member States. The YEI initiative (€6 billion total funding) is directed at young people who are unemployed or inactive. The YEI will particularly support young people aged 15 to 29 years old who are not in education, employment or training (NEET) in regions with a youth unemployment rate of 25% or above.

2.2 The operations under YEI will be expected to achieve the following outcomes:

- Participants completing a supported intervention;

- Participants receiving an offer of employment, education, apprenticeship or traineeship upon leaving;
  - Participants in education/training, gaining a qualification, or in employment, including self-employment upon leaving, and;
  - Participants in continued education, training programmes leading to a qualification, apprenticeship, traineeship, employment, self-employment six months after leaving.
- 2.3 The Tees Valley qualifies for additional funding under the YEI and has a notional approximate allocation of £10.9m which has been equally matched by £10.9m from the Tees Valley European Social Fund (ESF) allocation. The ESF element of the funding needs to be locally matched and, due to the Tees Valley's Transition Region Status the requirement is to match the ESF element at 40% which equates to £7.2m. The total programme amount for the Tees Valley will be approximately £29m.
- 2.4 All of the activities delivered through the YEI have to respond to the priorities of the Tees Valley Local Enterprise Partnership (LEP) and the Tees Valley European Structural & Investment Funds Strategy (ESIFS) for 2014 – 2020 which outline the high level activity areas required for the YEI. Projects were due to commence on 1<sup>st</sup> October 2015 with all delivery needing to be completed by 31<sup>st</sup> July 2018.
- 2.5 On 22<sup>nd</sup> April 2015, DWP, as the Managing Authority for YEI, issued three Open Calls to commission ESF/YEI projects which will support Priority Axis 1 of the Operational Plan: Inclusive Labour Markets and Investment Priority: 1.3 Sustainable Integration into the Labour Market of Young People (YEI).
- 2.6 On (INSERT DATE), The DWP confirmed that Hartlepool Borough Council had been successful in securing YEI funding with a total contract value (including local match) of £22,140,535.
- 2.7 A brief description on each of the Open Calls as well as the indicative budgetary allocations are attached at Schedule 1
- 2.8 There are a total of 48 Delivery Partners from the public, private and third sector with a number of organisations delivering in both Open Call 2 and 3. The submitted applications showed that there will be:
- 42 Delivery Partners within Open Call 2.
  - 18 Delivery Partners within Open Call 3.

### **3. PURPOSE OF AGREEMENT**

- 3.1 The purpose of this agreement is to define and regulate how the Parties share any potential financial risk that arises through the DWP exercising their right of clawback pursuant to the DWP Contract.

*(Drafting Note: All Parties will need to review DWP Contract to confirm what constitutes 'clawback'.)*

- 3.2 Hartlepool Borough Council through the agreement of the other Parties will act as the Accountable Body on behalf of the other Parties.

#### **4. MITIGATION OF RISKS**

- 4.1 The main risks associated with the delivery of the YEI projects are shown in Schedule 3

#### **5. OBLIGATIONS ON PARTIES**

- 5.1 The Parties agree that they will at all times comply with all relevant and applicable European Union and/or any other domestic rules and regulations

- 5.2 The Parties shall employ suitably qualified and experienced Contract Officers and Administrative Assistants based within each Local Authority area to closely monitor, record and audit the performance and spend of Delivery Partners in accordance with DWP and ESF requirements

- 5.3 The Parties agree to work with Delivery Partners to identify and refer eligible Participants to their YEI programmes in accordance with the Data Protection Act 1998.

- 5.4 The Parties shall recruit suitably skilled and qualified staff to the YEI Project Team who have experience of either managing and/or delivering youth initiatives.

- 5.5 The Parties shall establish robust internal and external financial and administrative systems to effectively monitor and manage project delivery so that all spend is confirmed as eligible and to track the performance of Delivery Partners against their SLAs.

- 5.6 The Parties shall ensure that any future procurement process is in accordance with and compliant with EU regulations and all other applicable procurement rules and regulations and the Parties must inform Hartlepool Borough Council before any procurement exercise commences.

- 5.7 The Parties shall maintain through the Accountable Body ongoing consultation with partners and organisations across the Tees Valley to ensure the YEI Project adds value to current mainstream and/or other externally funded delivery projects.

- 5.8 The Parties agree to have appropriate representation from each of the Local Authorities on the YEI Steering Group and will be responsible for:

- (i) Attending all Steering Group meetings
- (ii) Reviewing the progress of YEI performance against profiled finance and targets
- (iii) Reporting to the Steering Group on the progress of the YEI projects delivered in their relevant Local Authority areas.
- (iv) Improving the quality of the YEI provisions

## **6. FINANCE**

- 6.1 All Parties agree to implement robust financial and administrative systems and procedures that fully comply with the requirements of EU regulations and the DWP Contract and the Parties own financial and administrative systems.

## **7. PROCUREMENT**

- 7.1 The Parties acknowledge that Hartlepool Borough Council has carried out all procurement activity to date in accordance with its own and European Union Contract Procedure Rules and this procurement process is thereby accepted by the Parties

## **8. STATE AID**

- 8.1 The Parties acknowledge and confirm that the procedure adopted in the procurement of the YEI initiative is State Aid compliant and does not infringe the provisions of s107(1) of The Treaty on the Functioning of The European Union. Should it ever be determined during the term of this Agreement that State Aid is engaged then the Parties shall bear any resultant liability in the risk share apportionment provided at para 8.2 of this Agreement

## **9. RISK SHARING AGREEMENT**

- 9.1 The Parties agree that in the event of the DWP exercising their right of clawback (pursuant to the DWP contract dated 2015) and provided no recovery of clawback has been recovered from the Delivery Partners pursuant to clause 9.3 then the Parties shall pay the clawback claimed by the DWP according to the percentages stated in the table at 9.2. and the liability division spread across all five authorities as provided for in table 9.2 will apply regardless of which local Authority area the clawback has arisen in.
- 9.2 The liability of the Parties will be based on the percentage split as shown in the table below:-

<b>Local Authority</b>	<b>% of the Project</b>	<b>Value of the Project £'000</b>
Darlington	12.85%	2,845
Hartlepool	14.51%	3,213
Middlesbrough	25.67%	5,684
Redcar	19.83%	4,390
Stockton	27.14%	6,009
<b>Total for the Tees Valley</b>	<b>100%</b>	<b>22,141</b>

9.3 In circumstances where clawback is claimed by the DWP, then, Hartlepool Borough Council will with assistance from the Parties take reasonable steps to recover the grant funding from the relevant Delivery Partner(s).

9.4 If Hartlepool Borough Council with the assistance of the Parties is, after reasonable endeavours unable to clawback funding from the relevant Delivery Partner then the Parties agree to share the liability for the payment of the clawback amount claimed based on the apportioned liability figures shown in paragraph 8.2

## **10. DISPUTE RESOLUTION**

10.1 Any dispute or question arising between the Parties in relation to the provisions of this Agreement is to be referred for determination of an Independent expert in accordance with the remaining provisions of this Clause 10.

10.2 The expert is to have had at least ten years' experience appropriate to the general subject matter of the dispute and is to be appointed by the Parties jointly or if they cannot or do not agree on the appointment appointed by which of the following is agreed to be appropriate having regard to the nature of the dispute in question:-

11.2.1 the president from time to time of the Royal Institution of Chartered Surveyors;

11.2.2 the present of the Royal Institution of British Architects;

11.2.3 the president for the time being of the Institution of Civil Engineers;

11.2.4 the chairman for the time being of the Bar Council

or in any case the duly appointed deputy of the president or other person authorized by him to make appointments on his behalf

10.3 If within 15 working days after a dispute has arisen the Parties in dispute have been unable to agree which of the persons referred to in clause 10.2 is appropriate to appoint the expert then the expert shall be appointed on the application of either or one party to the President for the time being of the Law Society or his duly appointed deputy or other person authorized by him to make appointments.

10.4 The person so appointed is to act as an expert and not as an arbitrator and is to be required to use his reasonable endeavours to deliver his determination within 21 days from his appointment.



- 10.5 The expert so appointed must afford the Parties the opportunity within such a reasonable and proper time limit as he may stipulate to make representations to him (accompanied by such professional reports or other appropriate evidence in the relevant circumstances) and permit each Party to make submissions on the representations of the other.
- 10.6 The fees and expenses of the expert including the cost of his nomination are to be borne as the expert may direct (but in the absence of such a direction by the Parties in equal shares) but (unless otherwise agree) the Parties will bear their own costs with respect to the determination of the issue by the expert.
- 10.7 One Party may pay the costs required to be borne by another Party if they remain unpaid for more than 21 days after they become due and then recover these and any incidental expenses incurred from the other Party on demand.
- 10.8 If the expert refuses to act becomes incapable of acting or dies the Parties in dispute may request the appointment of another expert in his stead.
- 10.9 The determination of the independent expert except in case of manifest error is to be binding on the Parties in dispute.

## **11. NOTICES**

- 11.1 Any written notice required to be served under this Agreement will be served:-

11.1.1 as regards notice to be served on Darlington Borough Council, by personal delivery or by sending it by recorded postal delivery to Darlington Borough Council, Town Hall, Feethams, DL1 5QT (marked for the attention of Head of Legal Services).

11.1.2 as regards notice to be served on Hartlepool Borough Council, by personal delivery or by sending it by recorded postal delivery to Hartlepool Borough Council, Civic Centre, Victoria Road, Hartlepool, TS24 8AY (marked for the attention of Head of Legal Services).

11.1.3 as regards notice to be served on Middlesbrough Borough Council, by personal delivery or by sending it by recorded postal delivery to Legal and Democratic Services, PO Box 503, Town Hall, Middlebrough, TS1 9FX (marked for the attention of Head of Legal Services ).

11.1.4 as regards notice to be served on Redcar and Cleveland Borough Council, by personal delivery or by sending it by recorded postal delivery to Corporate Resources, Town Hall, Fabian Road, South Bank, TS6 9AR (marked for the attention of Head of Legal Services ).

11.1.5 as regards notice to be served on SBC, by personal delivery or by sending it by recorded postal delivery to Law and Democracy, PO Box 11, Municipal Buildings, Church road, Stockton-on-Tees, TS18 1LD (marked for the attention of Head of Legal Services ).

## **12. ENTIRE AGREEMENT**

12.1 This agreement constitutes the entire agreement between the parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

12.2 Each party acknowledges that in entering into this agreement it does not rely on, and shall have no remedies in respect of, any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement.

12.3 Each party agrees that it shall have no claim for innocent or negligent misrepresentation based on any statement in this agreement.

12.4 Nothing in this clause shall limit or exclude any liability for fraud.

## **13. CONFIDENTIALITY**

13.1 Each party undertakes that it shall not at any time disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party.

13.2 Each party may disclose the other party's confidential information: to its employees, officers, representatives or advisers who need to know such information for the purposes of exercising the party's rights or carrying out its obligations under or in connection with this agreement. Each party shall ensure that its employees, officers, representatives or advisers to whom it discloses the other party's confidential information comply with this clause and as may be required by law, a court of competent jurisdiction or any governmental or regulatory authority.

13.3 No party shall use any other party's confidential information for any purpose other than to exercise its rights and perform its obligations under or in connection with this agreement.

## **14. JURISDICTION**

14.1 This Agreement will be governed by and construed in accordance with the Law of England and the Parties submit to the jurisdiction of the English Courts.

## **15. SEVERANCE**

15.1 If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any

modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this agreement. If one party gives notice to the other of the possibility that any provision or part-provision of this agreement is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

## **16. GOOD FAITH**

- 16.1 The Parties shall in all matters act loyally and faithfully and obey orders and instructions and in any case where it is not possible to obtain such orders or instructions in relation to any particular matter act in such manner as they reasonably consider to be most beneficial to the Parties interests

## **17. WAIVER**

- 17.1 No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

## **18. THIRD PARTY RIGHTS (EXCLUDING ALL THIRD PARTY RIGHTS)**

- 18.1 No one other than a party to this agreement, their successors and permitted assignees, shall have any right to enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999.

## **19. MISCELLANEOUS**

- 19.1 If at any time any of the provisions of this Agreement become illegal, invalid or unenforceable in any respect under any law or regulation of any jurisdiction, the legality, validity or enforceability of the remaining provisions of the Agreement will not be in any way affected as a result.
- 19.2 Nothing contained in or done under this Agreement and no consents given by any Party pursuant to this Agreement, shall prejudice such Party's rights, powers, duties and/or obligations in the exercise of its functions or under any statutes, by-laws, instruments, orders or regulations.
- 19.3 Each party acknowledges that in entering into this agreement it does not rely on any statement, representation, warranty or understanding other than those expressly set out in this agreement

**20. NON-ASSIGNMENT AND SUB-CONTRACTING**

20.1 None of the Parties shall, without the prior written consent of the Accountable Body (such consent not to be unreasonably withheld or delayed), assign or transfer, or deal in any other way with this Agreement, or its rights or obligations under it, or purport to do any of the same.

20.2 This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it

Executed as a deed by affixing THE  
COMMON SEAL OF THE COUNCIL  
OF THE BOROUGH OF HARTLEPOOL  
In the presence of :-

Executed as a deed by affixing THE  
COMMON SEAL OF THE COUNCIL  
OF THE BOROUGH OF MIDDLESBOROUGH  
In the presence of :-

Executed as a deed by affixing THE  
COMMON SEAL OF THE COUNCIL  
OF THE BOROUGH OF REDCAR AND  
CLEVELAND

In the presence of :-

Executed as a deed by affixing THE  
COMMON SEAL OF THE COUNCIL  
OF THE BOROUGH OF STOCKTON ON  
TEES

In the presence of :-

DRAFT

**SCHEDULE 1  
OPEN CALLS AND BUDGETARY ALLOCATIONS**

Open Call	Project Description	YEI Amount	ESF Amount	Local Match	Total Allocation
2	<b>Personalised Education, Employment and Enterprise Pathways:</b> This will deliver innovative solutions for young people who are struggling to achieve or progress into a positive destination. It will also support young people furthest away from the labour market by providing them with the skills they need to get into work as well as offering a flexible learning and skills fund.	£7,436,934	£7,436,934	£4,957,956	£19,831,824
3	<b>Tailored routeways for young people not in employment, education or training:</b> This will provide tailored routeways for young people to enter into priority growth sectors including Advanced Manufacturing, Digital, Logistics, Low Carbon and Health & Social Care through a range of activities such as volunteering, internships, traineeships and apprenticeships.	£865,766	£865,766	£577,178	£2,308,711
<b>TOTAL</b>		£8,302,700	£78,302,700	£5,535,134	£22,140,535

Total funding split based on need as shown in the table below.

Local Authority	% of the Project	Value of the Project £'000
Darlington	12.85%	2,845
Hartlepool	14.51%	3,213
Middlesbrough	25.67%	5,684
Redcar	19.83%	4,390
Stockton	27.14%	6,009
<b>Total for the Tees Valley</b>	<b>100%</b>	<b>22,141</b>

Both projects will support 5,332 young people aged 15 to 29 years who are NEET over the lifetime of the programme across the Tees Valley with progression into education, employment, self-employment and/or training.

The tables below show the split of starts against each project:

(i) **Open Call 2 – Personalised Education, Employment and Enterprise Pathways (PEEEPs)**

<b>PEEEPs</b>				
<b>Local Authority</b>	<b>Inactive</b>	<b>Long Term</b>	<b>Unemployed</b>	<b>Total</b>
Darlington	139	172	303	614
Hartlepool	158	194	341	693
Middlesbrough	279	344	603	1,226
Redcar	215	266	466	947
Stockton	294	364	638	1,296
<b>Tees Valley</b>	<b>1,085</b>	<b>1,340</b>	<b>2,351</b>	<b>4,776</b>

(ii) **Open Call 3 – Routeways**

<b>Routeways</b>				
<b>Local Authority</b>	<b>Inactive</b>	<b>Long Term</b>	<b>Unemployed</b>	<b>Total</b>
Darlington	16	20	35	71
Hartlepool	18	23	40	81
Middlesbrough	32	40	71	143
Redcar	25	31	54	110
Stockton	35	42	74	151
<b>Tees Valley</b>	<b>126</b>	<b>156</b>	<b>274</b>	<b>556</b>

The key outputs to be delivered against both Open Calls are shown below:

<b>Output</b>	<b>Rate</b>	<b>PEEEPs</b>	<b>Routeways</b>
Unemployed including Long Term Unemployed Clients in Education, Training or Employment on Leaving	51%	1,881	219
Long Term Unemployed Clients in Education, Training or Employment on Leaving	70%	938	109
Inactive Clients in Education, Training or Employment on Leaving	80%	868	101
Sustainment in Education, Apprenticeship or Traineeship Six Months after Completing	20%	699	79
Sustainment in Paid Employment Six Months after Completing	34%	1,158	138
Sustainment in Self Employment Six Months after Completing	3	102	12

Schedule 2

**List of YEI Delivery Partners**

<b>NAME</b>	<b>PEEEPS</b>	<b>ROUTEWAYS</b>
Beyond Doubt CIC	X	
Business in the Community – High Tide		X
Catcote Academy	X	
Centepoint	X	
Cleveland College of Art & Design	X	
Cleveland Fire Authority	X	
Cleveland Fire Support Network	X	
Community Campus 87 Limited	X	X
Dame Kelly Holmes Trust	X	
Darlington Borough Council	X	
Darlington Citizens Advice Bureau	X	
Enterprise Revolution	X	X
Five Lamps	X	
Future Regeneration of Grangetown	X	
Group Horizon		X
Groundwork NE & Cumbria	X	
Hartlepool Borough Council	X	X
Hartlepool NDC Trust		X
Middlesbrough College	X	
Middlesbrough Council	X	
Middlesbrough Football Club Foundation	X	
NETA Training Trust		X
Owton Fens Community Association	X	
Pertemps People Development Group	X	
Prior Pursglove College		X
Redcar & Cleveland College	X	X
Redcar & Cleveland Council	X	X
Safe in Tees Valley Partnership	X	
Springboard Sunderland Trust	X	
Stockton Borough Council	X	
Stockton Riverside College	X	X
Tees Valley Sport	X	
The Hope Foundation	X	
The Junction	X	
The Prince's Trust	X	
Wm Morrison Darlington Enterprise Trust	X	



Schedule 3  
Mitigation of Risk

The main risks associated with the delivery of the YEI projects are failure to:

- Comply with EU rules;
- Establish effective management structures;
- Achieve contract outcomes and results;
- Secure the required match funding;
- Establish a suitable referral process, and;
- Secure full support and endorsement by Jobcentre Plus (JCP).

A risk description is shown within the table below.

<b>Risk Description</b>	<b>Owner</b>	<b>Probability</b>	<b>Impact</b>	<b>Mitigation</b>
Failure to establish effective management structures	Hartlepool Borough Council	Low	Medium	The Steering Group has already been established and the Project Team will be made up of both existing and new staff that are experienced in delivering European funding to ensure the project commences.
Failure to achieve contract outcomes and results	Hartlepool Borough Council	Low	High	The Delivery Partners have identified the activities they are able to provide and how many participants they can support. This will form part of their Service Level Agreements (SLAs). The Project Team will undertake monthly contract reviews on providers to ensure quality, compliance and achievement of results.
Failure to establish a suitable referral process for the programme	Hartlepool Borough Council	Low	Medium	The Local Authorities manage the 16 to 19 year old CCIS system which will be used to identify participants. The Partnership will also work closely with Jobcentre Plus to identify and refer 18 to 29 year olds onto the programme.
Failure to secure all of the required match funding	Hartlepool Borough Council	Low	High	The Deliver Partners have informed Hartlepool Borough Council of the amount of match funding they can provide through in-kind staffing and cash. This has been confirmed through

				signed letters from partners.
Failure to secure the support of JCP required to ensure referrals and to authorise attendance on YEI	Hartlepool Borough Council	Medium	High	Discussions required with JCP to ensure there is buy-in from the District JCP Manager to support the YEI programme. JCP staff will need to be briefed on the YEI programme to ensure all staff have a clear understanding of the programme and the responsibilities of JCP, so that no JCP clients referred to the YEI project are mandated to leave prior to completing their YEI programme.

To mitigate these risks all parties agree that significant work has been undertaken by Hartlepool Borough Council to reduce risk by:

- Discussions that have already taken place between project representatives and experts to ensure all EU legal obligations are met, particularly in relation to procurement and state aid.
- Recruiting suitably qualified staff to the YEI Project Team who are qualified and experienced in managing and delivering large scale ESF youth initiatives across the Tees Valley.
- The YEI Project Team have established robust internal and external financial and administrative systems to effectively manage project delivery by the partners so that all spend is confirmed as eligible and to track progress of participants.
- The employment of Contract Officers and Admin Assistants within each Local Authority area to closely monitor and audit the performance and spend of partners in line with ESF requirements.
- Ensuring the procurement process implemented was in line with EU regulations through an open and transparent Expression of Interest process where partners were selected by the five Tees Valley Local Authorities based on their expertise, track record and match.
- The Delivery Partners who have guaranteed through their Expressions of Interest and further consultation that they can collectively deliver all activities as per the tender spec and the contractual targets.
- The match funding being formally confirmed by all Deliver Partners who have provided signed letters to confirm their in-kind and cash match.
- Building on existing referral processes with JCP and the Local Authorities Youth Support Services to ensure systems are in place to refer young people to the project. The Local Authorities CCIS system will be used to identify 15 to 19 year old participants and the partnership with Jobcentre

Plus will ensure participants 18 to 29 year olds are identified and referred onto the programme.

- A comprehensive marketing strategy being implemented to engage with all priority groups, which will lead to isolated young people accessing provision, such as young offenders and an increase in female participation.
- Ongoing consultation taking place with partners and organisations across the Tees Valley to ensure the YEI Project adds value to current mainstream funded delivery.

To further mitigate clawback to Hartlepool Borough Council it has:

- Established a Steering Group consisting of representatives from the five Local Authorities to monitor performance and financial spend.
- Delivered YEI/ESF Workshops with Delivery Partners to advise them on establishing systems and processes to ensure compliance of the terms and conditions of the Offer Letter.
- Developed an SLA for each Delivery Partner to pass on the risk of clawback to their relevant organisation.
- Before an SLA is made to an organisation, credit agency checks are made to satisfy the Accountable Body that the company has a good credit rating and the value of potential grant is in line with this credit rating.
- A full appraisal of all Delivery Partner's project applications has been made before an offer of contract is made to an organisation.
- Evidence of defrayed expenditure by the company/organisation will be requested by Hartlepool Borough Council before any ESF/YEI funding is paid to them.
- Hartlepool Borough Council will verify claimed expenditure before grant funding is released to the Delivery Partner and will carry out audits of a reasonable sample of partner's claims.
- DWP will be updated on progress every quarter to ensure they are fully aware of the current position and progress against targets.

The YEI is a 'payment on actual expenditure incurred', with the Managing Authority providing funding in arrears on a quarterly basis. This payment method will be mirrored to Delivery Partners and outlined within their SLA which reduces the financial risk on the five Local Authorities. Evidence will be required for all expenditure incurred before it is claimed and payments will only be made to partners when the funding is received by Hartlepool Borough Council.

DWP will also retain 10% of the grant funding until the project closes and all evidence is verified which will reduce the risk of future claw-back.

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