

Appendix No 2: Youth Promise Plus Project Extension Risk Analysis

No	Item of Risk	Inherent Risk		Control Measures	Control Measure Managed by	Residual Risk	
		Impact	Likelihood			Impact	Likelihood
1.0	Funding and Compliance						
1.1	Potential financial loss for BCC acting as Accountable Body through clawback for non-compliance or non-performance	High	Med	<p>Funding and Legal Agreements are put in place with Delivery Partners and contracted providers to ensure that all DWP contract responsibilities, terms and conditions are mirrored with partners and financial risks to BCC are minimised. Project delivery is closely monitored on a monthly basis. Every result and supporting evidence is individually checked for compliance before being claimed. Every cost is checked for eligibility and that it has been paid (defrayed) and this is double checked by BCC Finance colleagues, and then spot-checked by DWP. DWP has carried out a finance and eligibility compliance spot check on the project in November 2017, the results were positive.</p> <p>The project manager works with Birmingham Audit on regular and specific compliance investigations. Learning from Phase 1 of the project showed that records management is stronger when contract levels are lower, and this learning has been applied to the plan for the second phase of the project. DWP has required increased targets in Phase 2 of the project to recover overall performance, this will be the subject of specific action plans and monitoring throughout Phase 2.</p>	Interim Head of Employment Service	Med	Med
1.2	DWP invokes a break clause if the national ESF funding target 'N+3' is not reached at December 2018	High	Med	We are seeking further information, but the worst case is that the project funding will cease. This would mean significant financial impact on BCC services if the change is with immediate effect and staffing cost recovery ceases in 2018/19. Contracts will not be let until this risk is clarified/removed.	YPP Project Manager	High	Med
2.0	Delivery Scale and targeting						
2.1	Lack of demand – difficulty accessing and engaging eligible young people	High	Low	Although this was a risk at the start of Phase 1 of the project when the strict interpretation of the EU eligibility criteria was not fully anticipated, since then the project now has established referral relationships with job centres, locally embedded third sector orgs, and services such as Youth Offending Service, Children In Care and Care Leavers, and health care providers. Our monitoring statsitice show that we are reaching some target groups (BAME and disabled) but not sufficiently reaching women and 'inactive' (as opposed to unemployed) young people, the project plan for the second phase seeks to address this. The Delivery Partners have excellent track records for engaging the most vulnerable and 'hard to reach' young people.	YPP Project Manager	Med	Low

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2.2	Wide partnership structures making consistent management more difficult	Med	Low	The project has been refined following the first phase of delivery and will now involve more delivery from the Delivery Partners, and less from contracted providers, simplifying the delivery model which will further improve internal project communications and joint working.	YPP Project Manager	Med	Low
2.3	Over demand – too many eligible young people	Low	Med	As the budget moving forward is tighter, and performance targets have to be reached, numbers of potential young people have been carefully calculated using current data and the revised delivery plan is designed accordingly. Strict criteria and processes for ensuring only eligible young people are in place. There is potential to commission some limited additional support as required through a spot purchasing fund to provide additional capacity if needed.	YPP Project Manager	Low	Low
2.4	Difficulty progressing young people into employment and other positive outcomes	High	Med	Risk exists due to the changing economic climate- although currently levels of youth unemployment in the City are reducing slightly (although still higher than in other UK core cities).The design of the project has been based on evidence of good practice and selecting what has worked best so far. The combination of increased one to one support, specialist mentoring for those with greater needs, and improved employer/training links will enable the programme to support at least 44% of young people (including those more disadvantaged) into a positive outcome.	YPP Project Manager	Med	Med
3.0	Commissioning						
3.1	Difficulty commissioning contracted providers with sufficient capacity and understanding of the delivery model to employ the Intervention Workers staff effectively.	High	Med	The value of delivery capacity to be externally commissioned is reduced to less than a quarter of the Phase 1 levels. Building on knowledge gained through commissioning of the first phase and the lessons learned, we have revised the project procurement plan to balance use of incentives and payment by results terms to optimise performance. More time for delivery per person will also support improved compliance and performance.	YPP Project Manager	Med	Med
4.0	Recruitment and Delivery to Plan						
4.1	Difficulty in recruiting and retaining appropriately skilled workers	Med	Low	This has proved a challenge in the Phase 1 Delivery model which required over 200 staff in the contracted provision, all to be recruited within 6 - 8 months, which strained supply levels. For phase 2 all delivery partners have existing skills and capacities within their current work force, excepting that The Prince's Trust will be recruiting to a small new team, but the scale will be under 10 staff so much more manageable.	YPP Project Manager	Med	Low

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4.2	Delay in approval or start up	Med	Med	Approval delay has the potential to erode available staff match funding and affect timescale for deliverability. However, DWP terms allow for retrospection back to the proposed start date of the extension (01/08/2018) around claiming existing eligible match funded activity. Work is therefore ongoing with delivery partners to ensure existing delivery conducted at risk is EU compliant and can be recorded and claimed from the 1st of August. However if this period is prolonged then delivery and match funding may be negatively affected causing early project underperformance levels and increasing clawback risk.	Interim Head of Employment Service	Med	Med