



Report to the Education, Skills & Children's Services Select Committee

Title:	Bucks Youth – <i>an alternative delivery model for services for young people</i>
Committee date:	7 April 2015
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Cabinet Member sign-off:	Mike Appleyard, Cabinet Member for Education & Skills

Purpose of agenda item

1. This report is intended to update members of the select committee on progress and current status of the Buck Youth project to establish an alternative delivery model for young people. The new model proposes to align current services in order to improve the collective service offer for young people and make required efficiencies.

Background - *why is this an issue?*

2. Over recent years, services for young people across England have experienced a significant decrease in levels of funding resulting from local authority and government funding reductions. At Buckinghamshire County Council (BCC), estimates based on reducing finances highlight that to continue to provide current services for young people 'as is' will result in financial unsustainability and damage the front-line offer of each of these services. Nationally, services for young people are an area of service change, for example Kensington & Chelsea and Knowsley Councils have established forms of mutuals, and Gloucestershire CC have packaged-up a number of their services for young people and commissioned this to a single provider.
3. Services for young people can include a wide range of services and provide support for young people with needs listed in paragraph 7. For the purposes of this paper, BCC Youth Services refers to: participation youth work, Mobile & Detached youth work, Duke of Edinburgh's Award, Targeted Youth Work, open access VCS development work, and informal educational group work. These services form the

combined offer of the BCC Youth Service team. Other teams also provide support to young people, for example the BCC After Care team, which provides advice and financial support to young people leaving BCC care arrangements. BCC also commissions information, advice and guidance support to young people via the Connexions Buckinghamshire contract; and a young people's counselling service (Time to Talk) provided by Adviza. There are other services for young people that are not in scope for this project for example the Youth Offending Service. The services in-scope for this project are detailed in paragraph 9.

4. At BCC, proposals are being developed to form a new delivery model (working title of Bucks Youth) to meet the twin objectives of improving outcomes for young people, and making efficiencies through improved coordination of service planning and delivery. The outcome sought from Bucks Youth is to establish an integrated service that supports the young person as an individual, reduces duplication, and provides a coordinated and needs-led service. Financially, the aim of Bucks Youth is to realise Medium Term Plan savings targets, become less dependent on core funding, and attract revenue where appropriate. Bucks Youth will also contribute to the Ofsted Improvement Plan by supporting systems to reduce unnecessary social work referrals.
5. The project need was developed in Spring 2014, and commenced in September 2014. In October 2014 BCC was successful in securing funding support from the Cabinet Office's Delivering Differently for Young People (DDYP) programme to receive expert advice on forming alternative delivery models. This support was provided through appointment of an external agency with relevant expertise. This organisation supported BCC in the development of an Assessment Criteria in order to inform an Options Appraisal process to identify suitable alternative delivery models for BCC services for young people. Short-listed options progressed into a business case development stage (project status as at March 2015).
6. Throughout the project to date, BCC Cabinet Members have been consulted and provided steer and approval on project direction. The project is governed by a Project Board with Cabinet Member and business partner representation. The project team have also undertaken a number of workshops and engagement events with young people to input their ideas and concerns into project design. In addition, relevant BCC business partners, senior service officers, and providers and partners have been engaged and consulted.

Current arrangements

7. The in-scope services provide support to young people via a variety of approaches, with the aim of helping them to reach their full potential, make a successful transition into adult life and prevent them from escalating into statutory/specialist services that can result in compromised outcomes and substantial costs. Universal, open access youth activities are primarily provided by the voluntary and community sector (VCS)

and this is not proposed to change, however young people from at risk groups, or with early signs of needs, are provided with additional support funded by the Council. These groups (not exhaustive) include young people who are:

- At risk of or currently not in employment training or education;
- Leaving care;
- At risk of offending;
- Provide care for a family member;
- Experiencing bereavement;
- Experimenting with drugs/alcohol;
- Who have witnessed/experienced domestic violence;
- At risk of sexual exploitation;
- Disadvantaged or/and with significant life issues;
- Disabled or with a special educational need;
- Members of other vulnerable groups.

8. The following statutory requirements relating to the services area above need to be observed in any new model:

- Section 507B of the Education and Inspections Act 2006 – local authority duty to secure services and activities for young people 13-19 and those with learning difficulties to 24.
- Section 68 of the Education and Skills Act 2008 specifies that a local education authority in England must make available to young people for whom is responsible services appropriate to encourage or assist effective participate in education or training.
- Education Act 2011 and Section 42A of Part VII Education Act 1997 - a duty to secure Independent and Impartial Careers Guidance for young people in schools.
- Section 72 of the Education and Skills Act 2008 requires schools to provide relevant information about pupils to local authority support services. Schools are under a duty to notify local authorities whenever a 16 or 17 year old leaves education.
- After Care is covered by a number of legislative documents including the leaving care provisions of the Children Act 1989 and the Care Leavers (England) Regulations 2010.

Services in-scope for Bucks Youth

9. There are 5 services in-scope for service transformation under Bucks Youth proposals, including BCC in-house and externally commissioned services. In total, the services represent 130 FTE staff. Services:

- I. BCC Youth Service (consisting of the following teams/functions: Participation, Mobile & Detached, Duke of Edinburgh's Award, Targeted Youth Work, Open Access VCS Development and informal educational group work)
- II. BCC After Care (services for young people leaving local authority care arrangements)

- III. Connexions (Information, Advice & Support service 13-25yrs, provided by Adviza. Contract due to expire end of March 2016)
- IV. Young People's Counselling Services (provided by Time to Talk/Adviza)
- V. Contract to support management committees of community run youth clubs (Action4Youth. Contract due to expire end of March 2016)

Reasons for change and outcomes sought

10. The main drivers for change associated with BCC in-house and commissioned services for young people are summarised below:

- A. Desire to improve outcomes for young people in need
- B. Requirement to ensure long-term sustainability of services in-scope
- C. Requirement to support recommendations of the Ofsted improvement plan
- D. Requirement to operate within objectives of Future Shape (BCC organisational change programme)

11. Further details on each of the drivers are provided below:

A. *Improving outcomes* - BCC has investigated options for alternative delivery models for its offer of services for young people in order to meet financial efficiencies but also to fulfil a belief that improved coordination of planning/delivery would result in improved outcomes. The delivery of, and budgets for, services for young people are planned and delivered by a variety of partners and are often focused on one specific issue/need rather than on the young person as a whole. This can lead to a substantial overlap, duplication and silo working. Young people rarely have issues in isolation, for example care leavers may be teenage mothers and those at risk of offending may be experimenting with drugs, excluded from school and end up not in education employment or training. The following outcome areas are sought and will be developed as part of business planning, in line with the business unit plan:

- Reduction in numbers of not in employment, education or training (NEET)
- Reduction in antisocial behaviour, attachment to gangs and youth offending
- Decrease in school exclusions
- Improved school attendance
- Improved educational outcomes ('narrowing the gap')
- Greater numbers of young people with disabilities able to make successful transitions into adult life
- Reduction in sexual exploitation
- Fewer young people going into care
- Great numbers of young people leaving care able to make successful transitions into adult life
- Improved health and wellbeing of young people
- Decrease in the number of young people escalating into statutory services

B. *Sustainability* - Over recent years, services for young people across England have experienced a significant reduction in levels of public funding. BCC estimates

that based on reducing finances highlight to continue to provide the range services for young people 'as is' will result in financial unsustainability and damage the front-line offer. Two of the contracts within the services in-scope are due to expire at the end of March 2016 and would require procurement regardless of Bucks Youth proposals.

C. Ofsted inspection - The most recent Ofsted inspection report (August 2014) of BCC services for children in need of help and protection, children looked after and care leavers, returned an overall inadequate judgement. The report's feedback did however identify several positives; it highlighted that the Council's Youth Service was targeted effectively and that it commissioned a good range of early help services. Nevertheless, the report emphasised the need for greater coordination of early help to stop unnecessary social work referrals, and that care leavers must have up-to-date pathway plans to support them into employment, education and training and work-based learning such as apprenticeships.

D. Organisational change programme - Corporately, the BCC Future Shape Business Case identifies the considerable budgetary pressures that BCC is under and predicts an age of public spending austerity to continue to at least 2020.. As a response, BCC is restructuring how it will plan and deliver services, focusing on delivering cross-cutting outcomes through identifying alternative delivery approaches.

Stakeholder engagement

12. Significant stakeholder engagement has taken place throughout project development (for example to inform the Assessment Criteria process) and is summarised below. Further detail on stakeholder engagement and consultation will be captured in Consultation and Communication Plans once a final business option is determined.

Young people

13. Workshops with young people have already been held to inform the Assessment Criteria and business case development. Examples include focus groups with service area groups, and agenda items at Youth Voice events. Further workshops with young people are planned as the project progresses. As far as possible, young people will be supported to co-design the eventual model (for example in governance arrangements). Services in scope already design delivery in consultation with young people and would undertake further consultation before moving the proposal into a detailed design stage.

Elected Members

14. The relevant three Cabinet Members for the services in scope are members of the Bucks Youth Project Board and have been involved in project development including attending stakeholder workshops and having 1-1s with consultants to inform the

Assessment Criteria. Member engagement will continue via the Project Board and other means, and will particularly inform design of governance and oversight arrangements for any new delivery model.

Providers and commissioners

15. In-scope providers and commissioners have been involved in stakeholder workshops and will continue to be consulted as part of business case planning.

Employees

16. Staff of services in scope will be a key area of consultation. Due to the large number of staff involved, a Staff Reference Group has been established to represent staff views. This group has been in operation since January 2015.

Partners

17. Wider partners will be consulted as appropriate once a delivery model is defined.

Options Appraisal process and findings

18. As mentioned above, in October 2014 BCC won support from the Cabinet Office's *Delivering Differently for Young People* programme. Over November, a number of information collection workshops and 1-1s with stakeholders were held to construct an Assessment Criteria to deliver an Options Appraisal. The following paragraphs summarise the Options Appraisal process and findings of the Options Appraisal.

19. The following three categories were used to undertake the Options Appraisal:

1. Desirability – is there a preferred alternative delivery approach that would allow BCC to meet statutory requirements, address strategic priorities and promote the voice of young people?
2. Viability – how economically viable is each of the identified options, and what are the anticipated benefits/costs associated with each option?
3. Feasibility – can any of the options be implemented?

20. The above categories were detailed further in the Assessment Criteria and a weighted scoring methodology was used to place emphasis on BCC priorities. Prior to the Options Appraisal being undertaken, a stakeholder shortlisting workshop was held to rationalise the number of potential delivery models to assess. The final four delivery options selected were:

1. Re-engineering of in-house services while maintaining outsourcing arrangement with external VCS providers (Option 1)
2. All services procured from VCS providers via separate contract lots (Option 2)
3. Fully Integrated Youth Support Service – all in-scope services delivered by a single external VCS provider (Option 3)
4. Establishment of a Community Joint Venture (Option 4)

21. Following application of the Assessment Criteria, an Options Appraisal was completed and delivered to BCC in January 2015. The overall scores presented in the Options Appraisal for the four shortlisted options were:

	Option 1	Option 2	Option 3	Option 4
Desirability	81.1	60.6	84.8	96.2
Viability	49.2	59.2	75.0	71.7
Feasibility	88.5	74.1	79.9	83.3
Score (out of 300)	218.7	193.9	239.7	251.2
%	72.9%	64.6%	79.9%	83.7%
	3 rd	4 th	2 nd	1 st

22. Based on these rankings, the Options Appraisal recommended further detailed examination of a Community Joint Venture (Option 4) as the preferred option for Bucks Youth.

Community Joint Venture

23. A Community Joint Venture (CJV) would involve BCC procuring a third party that would assume some level of ownership and control within the newly established CJV. The third party (the joint venture partner) would be procured to provide Bucks Youth with both senior management/commercial acumen via the Board and Senior Management Team, while also (potentially) providing shared support services and acting in partnership with staff and young people to ensure the co-production of future services.

24. The CJV's Board and Senior Management Team will be required to ensure close co-ordination of services (in line with the required characteristics of Bucks Youth), allowing for the delivery of needs-led and young people focussed services. While staff expertise and specialisms will be respected, the delivery of services should be fluid and consist of staff from different areas of the CJV working together to address the needs of the young people, under the supervision of a keyworker who has an existing relationship with the young person in question.

25. In addition to supporting the delivery of services, the JV partner would be required to provide senior management capacity and expertise to assure the commercial development of the CJV. Experience in developing new service/income streams, accessing external funding and developing collaborative/consortia bids will bring added value to the CJV and will help to ensure that future funding reductions to core contracts are offset by revenue generation.

26. Under this proposal, BCC staff from the Youth Service and After Care service would transfer via TUPE to the new organisation, while 'in-scope' staff from the currently procured services would transfer from their existing employers to the new

organisation (with the exception of Action4Youth staff associated with the contract to support community run youth clubs).

Fully Integrated Youth Support Service (commissioned)

27. The Options Appraisal considered a Fully Integrated Youth Support Service (Option 3) as the second best option. This would involve BCC undertaking a single procurement exercise for all the in-scope services and would result in externalising the current in-house Youth Service and the After Care service. Under this proposal, a single provider would manage the combined services in-line with a commissioning arrangement determined by BCC.

The above in mind, the recommendation of the Options Appraisal process was:

28. *The Options Appraisal recommends that BCC consider undertaking two business cases to inform the next stage of decision-making. The business cases would develop Option 3 (Fully Integrated Youth Support Service) and Option 4 (Community Joint Venture).*

29. This recommendation was supported by the Project Board and senior BCC member and officer advisory groups with steer given to the project team to undertake business case development for the two options.

Business case stage

30. From February 2015, work has been undertaken on business cases for the two options agreed by the Project Board. The final business cases will be compared and presented to Cabinet in Summer 2015 for a decision over which option to progress to a business planning stage.

31. There are a number of areas of commonality between the two options (enhanced coordination, improved outcomes, realising efficiencies, potential to secure additional income, etc) however there are differences that will inform eventual recommendations to Cabinet. The following areas outline the differences and wider considerations being examined as part of the business case stage and will feature in relevant business case sections on benefits, risks, etc:

- Option 3 (commissioned Fully Integrated Youth Support Service) would offer benefits in terms of a single organisation providing all the services in scope and a single strategic direction for these services (contracted managed by BCC), however this model would see externalisation of current in-house services, including TUPE transfer arrangements, which would need to be managed.
- Option 4 (Community Joint Venture) would offer benefits in terms of allowing elements of staff involvement, and greater scope for young people to take part in co-production and governance, however at this stage it is unclear whether a joint

venture model would deliver the level of coordination sought. In addition, establishing a new organisation would entail greater set-up costs over and above the cost of a commissioning option.

- Like other alternative delivery models, this project will have implications for corporate services. For example, any 'spin-out' of current BCC services into a new organisation or provider could result in these services no longer choosing to procure BCC support services (HR, finance, ICT). This presents challenges to BCC support services and requires costings to ascertain financial and timescale impacts.
- At this stage, exact financial estimates are difficult to determine but each option presents differing opportunities and risks for realising savings, set-up and operating costs, but these are being developed as far as possible in the business case stage. Similarly, commercial strategies for each option will be developed as part of a business plan stage.
- Both the options will require a tendering process but for different providers. Option 3, will require a single provider. Option 4 will require a joint venture partner to provide management/commercial leadership function. At present, it is unknown whether the market contains required providers. This is currently being assessment via a soft market testing request for information. Similarly, both options will require procurement process but these will differ in terms of method and timescales.
- Both options present opportunities, if taken forward, to add other services for young people currently not in-scope. There are a number of wider services for young people to consider, and how these could be included as appropriate.
- Staff – As mentioned above, staff of services in scope are being engaged via a Staff Reference Group with proportional representatives from each service area. A number of staffing areas are being explored in the business case stage including appetite for levels of staff involvement, terms and conditions, and TUPE options.

Next steps and timescales

Milestone	Date
Develop business cases for internal consideration and steer	February – April 2015
Continued engagement with relevant stakeholders	March – May 2015
Business cases to Cabinet for decision on final option to develop into Business Plan	June 2015
Business Plan stage and transition stage (procurement)	June onwards
Scheduled 'go live'	April 2016

