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# Commissioning Youth Services

## Introduction

This paper has been prepared for Children's Services commissioners as a briefing note to inform discussions locally about the future direction of travel for youth services. It is not an in-depth research paper – just two consultant days were used to prepare it. We were asked to focus on the identification of both pre and post-election examples of commissioning in this area including in particular some examples of 'outsourcing'. We would be very pleased to facilitate a local discussion about how to take this forward or to provide more information about some of the examples outlined in the paper as appropriate.

## Context

A recent history of commissioning youth services includes:

- The growth and development of provision over the last few years including from universal to more targeted, and a diversification of what is considered to be youth services to include traditional 'youth work' in 'youth centres' to positive activities delivered in a variety of settings; advisory services; opportunities to volunteer; opportunities to participate; drugs and alcohol services; sexual health services; and services to prevent young people from being NEET (not in education, employment or training).
- Shifts in delivery settings – which now include schools, youth clubs, other for purpose settings including 'hubs' or new for purpose youth centres such 'My Place' centres; and outreach.
- Services are being delivered by a range of people including: local authority staff; voluntary sector organisations and staff; police; school staff; volunteers; and some for profit organisations, for example those delivering sport clubs after school.
- A recent emphasis on integrated youth support resulting in some, but not wholesale reorganisation of services for young people targeting those at most risk – including a number of examples of actual integration of for example sexual health, substance misuse, information advice and guidance, NEET services, and targeted outreach youth support around local delivery 'hubs' (for example Blackpool). With the 'transfer' of responsibility for 16-17 year olds at risk of homelessness from Housing to Children's



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Services, many areas are also considering how to make best use of their total resource to support these vulnerable young people including through housing advice and support and family mediation.

Post May 2010, commissioning activity in this area has been influenced by a range of national policy issues including:

- The loss of ring fencing around what was the Area Based Grant and other central funding streams.
- Pressures on councils to save money – including within children’s services – and to focus remaining resources on more vulnerable children and young people.
- The likelihood of changes to funding channels and delivery models for some relevant services, for example: teenage pregnancy and sexual health services (because of the Health White Paper and Transforming Community Services agenda).
- The Coalition Government plans to stimulate local solutions, including community based innovations through:
  - The Big Society approach (co-production with the community) – including the Big Society Bank to be earmarked but not guaranteed for youth work and youth services.
  - An increase in youth volunteering, in particular through the proposed National Citizen Service to be piloted by 12 areas through 2011 via a lead provider, ‘The Challenge Network’, working with a range of other voluntary sector organisations including ‘Young Devon’ in the South West.
- The Coalition Government’s commitment to the encouragement of non-state providers delivering range of services – outlined in the Comprehensive Spending Review and reiterated in a number of different ways and contexts since. Pre-election, Tim Loughton was reported to have said: "We need to have local authorities contracting out far more to outside organisations. Why would the world fall in if a local authority contracted out the whole youth services department?" Apart from existing providers, newer entrants into the delivery market as a direct alternative to ‘council-own’ services are:

### **Social Enterprises**

For example, social enterprise ‘solutions’ are being actively explored in a number of areas in response to the Transforming Community Services agenda by which PCT health provision must separate from commissioning. Some of these social enterprise proposals include joint health and council provision, for example Swindon and BathNES.

## Mutuals

At the same time, council employees are being encouraged nationally to set up employee owned 'Mutuals' to bid for and deliver public services. Mutuals are employee-led organisations that put profits back into the organisation for the benefit of staff, customers or the wider community (John Lewis is the 'flagship' example often referred to here). In August 2010, the Government announced the first 12 Pathfinder Mutuals within public services including Kensington and Chelsea's integrated youth support (Connexions and youth centres). These areas will receive expert help sponsored by the Government to get up and running.

Whilst in the Health sector, the Government has brought in its 'right to request' initiative that lays out a clear process for staff looking to set up on their own, there is as yet no such process for local government staff. However, the Government has pledged to go further and give all public sector workers the right to form Mutuals. Details of how this will be achieved will be unveiled in a white paper published early next year.

Public sector training firm FPM, with support from the Confederation of Heads of Young People's Services (Chyps), is developing a model called Youth First for local authority youth services looking to make the move. "Young people would become members of the mutual under this model and have a far greater say in running services than under public sector management" (Kevin Ford, director of FPM). So far, 12 teams of youth workers and young people nationwide are reported by FPM to be looking to set up a Youth First mutual, with "one or two" reported to be near to submitting a business plan to their councils.

At the same time, the National Council for Voluntary Youth Services has launched a community interest company (November 2010) to help its 180 members bid for contracts and broker relationships with other organisations.

## New Commissioning 'Brokers'

The National Youth Agency (NYA) and partners have established a partnership to support councils commission youth services effectively from the voluntary and community sector by providing them with a local 'agent' or broker who will develop a supply chain of charities and social enterprises to deliver local services. Fiona Blacke, Chief Executive of the NYA, has said: "Essentially you'll have an agent who will commission on your behalf, will manage the delivery partnership and will then report back in terms of the outcomes that have been achieved .... Part of the innovation will be a much greater local ownership of issues and solutions through social action. You end up with a more financially stable, less grant-reliant third sector because, in many respects, the managing agent carries the risks."

The model will be piloted in four or five councils, before being rolled out across England. The Office of the Civil Society has backed the model, but will not be providing funding to take the work forward.

- The Education Select Committee is currently seeking views on the provision of services for young people aged 13 to 25, focusing on after school and after college services – including both universal and targeted provision, and the role that young people can themselves play in delivery. Consultation is until 15 December with final recommendations expected next Spring.
- An announcement from the Government that it plans to establish an ‘all-age’ careers guidance service from September 2011.

## Pre-Election Service Re-design Examples

Prior to the general election, a number of areas have engaged in major service review and re-design activities, some of which have resulted in partial or wholesale outsourcing. Questions have included what services to think about redesigning and/or outsourcing, and how best to conduct the service re-design and re-commissioning activity? Some examples are outlined below:

### Hammersmith and Fulham

Hammersmith and Fulham has already outsourced most of its youth service provision, and is also a pathfinder for Mutuels (in areas other than youth services). However, the authority is currently in negotiations with two other London boroughs to merge their services, including for youth.

The latest CAA Rating for Hammersmith and Fulham (2009) was ‘3’ – showing that the overall effectiveness of the large majority of inspected services and settings was good or better, including good achievement and increasing numbers of young people remaining in education, employment and training.

### Tower Hamlets

The decision to outsource most of Tower Hamlets’ youth services was made in the early 2000’s after a review of provision described then as ‘out-dated’ and of poor quality, insufficiently engaged with the young people in the area. A specification and tendering process was undertaken, with support given to build the capacity of the voluntary and community sector. The ‘impressive turnaround’ in education standards in Tower Hamlets over the last decade has been attributed, in part, to what has been described as a much improved, much prized youth service.

### Cheshire

Cheshire outsourced its youth services provision to a separate Council-owned company, and at the same time merged it with Connexions for Cheshire and Warrington in 2007. The merger was described as ‘controversial’ at the time, with existing Council staff and unions in opposition. The Chief Executive of Connexions was appointed to lead the area’s integrated youth support service – with a budget of £15 million and a staff group of

around 500. In August 2010 and following reductions to the Area Based Grant, the Council immediately announced severe cuts to the service and compulsory redundancies to advisory staff in particular of around 80. It is also reported to be asking all remaining staff to agree a 10% reduction in hours until next April. In addition, there will be a major restructuring of the service, with a number of Youth Centre Hubs facing closure, and Connexions shops ceasing to open on Saturdays.

The total cuts will amount to £1.7 million in the remaining 7 months of the financial year, comprising £650,000 from West Cheshire Council, £600,000 from East Cheshire Council and £530,000 from Warrington Borough.

## Sunderland

Approximately 5 years ago, Sunderland reviewed its youth provision and identified outdated, inefficient provision that wasn't engaging with the local population. A decision was made to put all youth services out to tender, with the voluntary and community sector 'winning' most of the contracts.

Youth provision was re-commissioned by ward for neighbourhoods across the city, but with the Council retaining some city-wide delivery, such as youth information, youth participation, city wide events, youth villages and mobile services. Existing Council employed youth workers weren't TUPE transferred to the voluntary sector organisations that had 'won' the contracts (as these organisations weren't in a position to match terms and conditions) but were seconded initially. Over time, with a proportion of staff moving on to other employment, the Council increased funding to the relevant voluntary organisations in order for them to recruit themselves. The youth services commissioning lead accepts that this might not be the best approach to staff transfer in today's climate.

Commissioning and contracting arrangements were judged to have addressed the unequal spread and access to youth work resources for young people, whilst the competitive tendering process 'ensured the best available service'. In addition, partnerships between the Council and the local voluntary sector have 'provided stability to projects that were able to use the money as leverage to draw down external funding'. Commissioning arrangements with contractors have enabled a change to delivering more weekend provision at no extra cost. New contracts to commence in 2010 are mostly ward-specific, including ward-based targets and flexible delivery based on local needs.

Commissioning activity is steered by a local 'Youth Development Group' comprising Council commissioners and representatives of the provider sector. A Youth Board comprising local young people has helped to administer a range of Government funds backing up the Youth Matters strategy, and increasingly leads on all bids for services. A young people's inspection team contributes significantly to the quality assurance arrangements.

Since the changes were implemented, commissioners are clear that youth services have improved significantly and represent very good value for money. They have used a Quality Assurance Framework including satisfaction indicators to measure and monitor impact – and there has been a continued improvement including in national targets year on year. The Council has picked up a number of awards since then for its innovative work and services, including its approach to participation and, more recently its ‘Youth Buses’ launched in August 2010. There is a sense that they are in a good position to maintain both its universal and targeted services going forward, in part because the voluntary sector is so vibrant and has prepared itself for a period of austerity and in part because the Council doesn’t have (expensive) buildings to maintain in order to sustain delivery.

### **Leicester**

Leicester reviewed their youth provision earlier this year. Instead of making a choice between outsourcing or keeping the services ‘in house’, they have concentrated on improving integration - making the youth services team up with drug action teams, teenage pregnancy teams and even supporting people services where they found young people who were living in hostels or sleeping rough. All these separate services were identified as having created more barriers for the very people they were trying to help. The City Council has based service development on the concept of multi-disciplinary team working including a specification for one stop shops for young people and their families.

### **Hackney**

Hackney’s approach to the commissioning of youth work services has included a strong market facilitation element, with the local authority playing a supporting role – in helping to build capacity within the voluntary and community sector, including the development of consortia. They have also developed effective monitoring and performance management of services against outcomes and targets – including with a strong emphasis on collecting the views of young people on a regular basis. They have developed specifications in collaboration with young people and assessed ‘bids’ against agreed (weighted) criteria.

### **Dorset**

Dorset has yet made no final decisions about the future shape of its youth provision. However, they are likely to focus on improvements to targeted youth support services, linking traditional youth services with others such as teenage pregnancy and substance misuse provision via their existing locality arrangements. There is a ‘My Place’ youth centre project underway, with governance in the hands of young people and a social enterprise model likely to take over the delivery of services in due course.

### **Post Election Service Re-design Examples:**

Post election examples of commissioning / outsourcing include a number of reviews and service re-design programmes – where the need to better integrate and reduce overall budgets are made explicit from the start.

The incentives for outsourcing now include: an opportunity to reduce costs and outsource the responsibility; opportunities to shift some of what in some areas is considered to be outdated Council-based services to the voluntary and community sector who are reported to be better placed to deliver particularly in deprived areas; and opportunities for the voluntary, community or private sectors to provide and/or attract alternative funds for other more universal provision alongside wholly council-commissioned targeted services; greater flexibility– the expectation is that non-council sectors will be able to expand or diversify more easily in the future as Government plans and the economy change. At a recent regional (SW) workshop on NEET services, delegates identified that the unique offer of the VCS includes:

- The ability to deliver services across age boundaries
- An 'inclusive' offer – rather than 'specialist' services, which can alienate some young people
- The ability to respond flexibly to meet the needs of individuals
- A high level of trust, because they are not perceived to be 'part of the system'.

The risks of outsourcing in the current climate include: running down the voluntary and community in the short term (as a result of cuts) will reduce their capacity to 'pick up' outsourced provision in the future; a loss of skill and expertise currently held within some council-provided services; and potential 'on costs' associated with TUPE requirements.

Examples include:

## Devon

Devon embarked on a review of youth provision over the Summer of this year. There were at least two separate strands to this review:

- A review of 'youth services'
- A review of services for vulnerable adolescents

The review of services for vulnerable adolescents was driven by the commissioning function, and the review of youth services by the Assistant Director managing this function within the Council.

The scope of the 'vulnerable adolescents' review was as follows:

- Young people aged 11-19yrs, and up to 25 yrs in the case of young people with Learning Difficulties and Disabilities

- Specific areas of need:
  - Care for 16+ year-olds, housing and homelessness (with particular reference to care-leavers)
  - Youth crime and anti-social behaviour
  - Substance misuse
  - Teenage pregnancy and sexual health
  - Emotional and mental health
  - Young people not in education employment or training (NEETs)

Principles agreed in advance for the review were:

- There are no 'sacred cows'. Nothing should be done unless there is a clear and evidenced purpose to it.
- Statutory duties will be prioritised; it follows that activities for which there is no statutory basis will be under particular scrutiny.
- Young people's safety is paramount; nothing should be done which places young people at further or increased risk.
- More integrated approaches are inevitable as current service capacities shrink and the need for more efficient pathways is accepted.
- Personalised services should be delivered by appropriately skilled and supported staff.
- Cost savings *across the system* must be found – the current level of spend is not sustainable. At all points, it will be necessary to utilise the 'Osborne questions' and consider alternative and cheaper delivery mechanisms including volunteers and the third sector.
- Future activities will be based on evidence of effectiveness, rather than custom and practice. A Balanced Scorecard is being developed to monitor and report on future outcomes.
- And in addition to all of the above, young people's experiences and views must drive the re-design of the whole system; the Accelerated Commissioning process must result in a better experience and better outcomes for young people at risk.

Project activities included in-depth consultation with young people, Council staff, and other providers locally.

Key findings have been that vulnerable young people don't like having to go to different places to access support – a one stop shop model is by far and away the most attractive one to them; and that too often professionals including Council staff in particular have a negative attitude and poor skills in engagement.

Options for service re-design being considered currently include: a re-shaped in-house service; a partly out-sourced service; or a completely out-sourced service. All of these options would need to recognise the direction of travel with regard to the provision of other crucial services locally (particularly Health) including how to secure support for more integrated solutions; and how to deliver a newly developed integrated pathway for vulnerable young people. Social enterprise / mutual routes for delivery may well begin to surface over the next few months after the overall direction of travel is agreed by the senior leadership team.

## West Sussex

West Sussex has reviewed and consulted locally on its youth provision (incorporating a range of youth service, youth offending services, information and advice, sexual health, NEET services, and Connexions) in early 2010, with a view to developing more integrated and targeted provision and involving more young people in delivery, whilst reducing the overall budget by £2million (approximately 20%).

The implications explored over the summer included closing some centres in less deprived areas, and working with local communities and partners to explore alternative options (to closing 'at risk' centres). The new service, to be launched in Spring 2011, will target young offenders, looked after children, teenage parents, young people with drug and alcohol abuse issues, and those not in education employment or training. Youth clubs will be expected to be more self-funding. It is unclear as yet whether the new integrated services will be delivered by existing Council staff, or whether they will be outsourced.

## Suffolk

Suffolk made a decision in September 2010 to outsource its youth work including youth centres and integrated youth support as a 'pilot' for outsourcing services more generally across the Council. Plans have already been voted through by the Council – including a general agreement that it should become an 'enabling Council' which only commissions services, with the exception probably of child protection services.

Concerns have been raised nationally that these kinds of developments are 'just about saving money' – although there is also a wide acknowledgement that the voluntary and community sector are often better placed to respond creatively and efficiently to local need and demand, compared with local government employees.

By November, the Council had refined its plans for youth services – including to save approximately £850,000 by creating a more targeted youth service. Documents presented to the cabinet stated that just 0.9 per cent of the county's 53,000 young people used youth clubs and that the money could be better spent on targeted support. However, it is proposed that a "divestment fund" will be set up to help local communities carry on running youth projects in their area. The Council says that it hopes to launch the targeted service by April next year and will stop funding youth clubs over the next three years.

### **Bath and NE Somerset (BathNES)**

Following on from the reductions to the Area Based Grant and the Comprehensive Spending Review this summer, BathNES Council has estimated that the budget for youth services must be reduced by 40 per cent.

A Council-led consultation on how best to reshape youth provision is currently underway, with local residents being asked to suggest where the cuts should be made. Most of the existing services are open-access but also cater for young people not in education, employment or training (NEET). The number of local young people who are NEET is low at 4.2 per cent of the population, according to Connexions figures from 2009. But other issues affecting young people locally are reported to include homelessness and drug abuse.

The direction of travel in this area looks to be towards a move from open-access sessions to 'outsourced' targeted youth work, with a concern being expressed by unions that this will result in the 'ghetto-isation' of youth work. Local voluntary organisations are more welcoming of the proposals, believing that they are better placed to pick up this work than Council-based staff, and have already been able to adapt to a reduction in their funding for existing services.

**November 2010**