

Title: Targeted Youth Services	
Ward: Citywide	Cabinet lead: Cllr. Helen Godwin and Cllr. Claire Hiscott
Author: Michele Farmer and Paul Jacobs	Job title: Service Directors for Early Intervention and Targeted Support and for Education

Revenue Cost: £ 3.25m	Source of Revenue Funding: Targeted Youth Service
Capital Cost: £0	Source of Capital Funding: N/A
One off <input type="checkbox"/>	Saving <input checked="" type="checkbox"/>
Ongoing <input checked="" type="checkbox"/>	Income generation <input type="checkbox"/>

Finance narrative:

The proposal is based on a reduced level of funding for the Targeted Youth Service from April 2018. Currently, these services have funding of £4.463m and this will reduce by £1.238m to £3.225m to meet the savings agreed by Council at its meeting in February 2017. The proposals will scale back and reprioritise commissioned services and the scale of the reductions will require existing providers, if they choose to bid, to manage changes to their operations. Until the procurement process is complete it will not be known whether there is a market locally to provide services at the indicated funding levels. The contract values for future years anticipate further reductions in funding in future years, but these have not yet been formally considered by Members.

Finance Officer: David Tully, Interim Finance Business Partner - People

Summary of issue / proposal: Following the formal 12 week consultation period the commissioning plan has been revised and updated to reflect the proposed new commissioning model. This report seeks Cabinet approval to proceed with procurement of the new targeted youth service using the model described and with the funding agreed as outlined in this report.

Summary of proposal & options appraisal

- The new model for delivering Targeted Youth Services seeks to retain elements that are considered positive in the current contract such as the online provision but proposes some significant changes to tackle the elements that have not worked as well, to better meet need and to operate within the new financial envelope.
- Throughout the consultation the need for all elements of the new Services to work together effectively and co-operate, not only with each other but also wider services such as early help support to families as well as wider youth services, has been stressed and collaborative bids have been encouraged.
- The new commissioning model proposes the following:
 - Online Play and Youth Services – to deliver Go Places to Play and youth provision. It will also include responsibility for the Findability website for children with disabilities to promote inclusive opportunities and Works, the website for 16-19 learning opportunities, to bring online resources together into one place where parent/carers, children and young people and professionals can go to find the information they need. There will be upfront investment funding to get the websites established which will taper in years 2 and 3 of the contract. This work could come in-house to further save on infrastructure costs.
 - Youth Sector Support – this is a new approach, providing a pot of funding with the expectation the provider will use it to secure further funding and will work with a panel of key representatives to issue funding in the form of small grants, seed funding to invest in the sector to meet need and tackle gaps in provision. The provider will be asked to work with the panel to co-ordinate the sector citywide. The investment and co-ordination aims to ensure a diverse universal offer for young people, build social capital and reduce dependency on Council funding to develop a sustainable and resilient sector.
 - Area Based Targeted Youth Support Services – there will be 3 contracts covering North, East Central and South of the city. Funding will be allocated through a formula that takes into account deprivation levels (using 10%-30% IMD weighting) and population levels. The main focus will be to work with vulnerable young people 1-to-1 or in groupwork, where a referral is received or a need is identified through self-referral or outreach, working to support young people to overcome barriers and build resilience. There will be an expectation that the workforce will be appropriately qualified and that providers will deliver a greater reach than the current contracts, working with young people who have

not previously engaged with youth services and supporting them to engage with wider local opportunities available. We are looking for collaboration between the providers involved in the contract delivery and out into the wider sector, to ensure duplication is minimised. Providers will need to consider innovative and sustainable delivery approaches, considering how they can maximise our investment; they could deliver more open access provision if they secure funding to do this e.g. crowdfunding, charging etc.

Funding: Targeted Youth Services proposed contract investment

Total investment for 3 year contract: **£8,924,316**

Total investment for 5 year contract (3 years plus option to extend for up to 2 yrs): **£13,824,945**

This is based on a funding model that reduces the funding for the online services from Yr2 of the contract, assuming this will be managing the websites set up in Yr1; tapering the Sector Support funding with investment up front that assumes other funding will be sourced to mitigate the reduction; and applying a 5% reduction annually to the area based contracts and the other provision out of scope of this contract.

			3 year contract			Options to extend	
ADDITIONAL REDUCTION BY YR3	% REDUCTION BY YR3 (in addition to the 28.6%)		Yr1 18/19	Yr2 19/20	Yr3 20/21	Yr4 21/22	Yr5 22/23
£523,761	16%	TOTAL VALUE	£3,225,238	£2,952,476	£2,746,602	£2,522,272	£2,378,356
		CONTRACT 1 ONLINE SERVICES	£120,000	£60,000	£60,000	£60,000	£60,000
		CONTRACT 2 SECTOR SUPPORT	£350,000	£275,000	£200,000	£100,000	£100,000
Yr1 funding allocation: Mental Health counselling £75K; Housing Pathway £50K; YOT diversionary £75K; NEET data management £200K		OUT OF SCOPE OF CONTRACT	£400,000	£380,000	£361,000	£342,950	£300,000
		CONTRACTS 3,4 & 5 AREA BASED TOTAL	£2,355,238	£2,237,476	£2,125,602	£2,019,322	£1,918,356
	N=24%; EC=33.7%; S=42.3%		N: £565,257 EC: £793,715 S: £996,266	N: £536,994 EC: £754,030 S: £946,452	N: £510,144 EC: £716,328 S: £899,130	N: £484,637 EC: £680,512 S: £854,173	N: £460,405 EC: £646,486 S: £811,465

It is proposed the contracts be commissioned for 3 years plus 2 year options to extend, as providers will need time to mitigate potential redundancy costs from the budget saving.

The further reduction in funding to the contracts was not specifically set out in the consultation documents. Consultation feedback included views that the sector support funding was both too great and not enough. This funding has now been increased in Yr1 and tapered over years 2 and 3 but is equivalent to the total 3 year investment consulted on. The area based contracts have been limited to a 5% reduction year on year which is in line with reductions we are making to other Council contracts and in-house services. Therefore it is our view that further consultation on these funding reductions is not required.

Procurement Process: We have encouraged providers to consider collaborative bids. The procurement process will be competitive tender; we are considering the use of a competitive procedure with negotiation for the Sector Support contract to ensure the right provider is secured.

Recommendation(s) / steer sought: Cabinet are asked to:

- Authorise the new commissioning model
- Authorise using this model to go to tender
- Authorise the Service Director, Early Intervention and Targeted Support to award the contracts to the successful tenderers

City Outcome: The re-commissioning of Targeted Youth Services will contribute to:

- A) The Children, Young People and Families Strategy Outcomes: Safe & Nurtured, Healthy & Active, Respected & Involved, Responsible & Achieving.
- B) Corporate plan - getting involved early to reduce risks later by working with young people with the aim of keeping them out of acute services. Promoting independence via 3 tier model. Leading and championing learning and skills by improving learning outcomes for vulnerable groups and providing targeted support for those most at risk of underachieving or exclusion.
- C) Increase in numbers of young people who are in Education, Employment or Training
- D) Reduction in ASB, street conflict and youth disorder; reduction in numbers of 1st time entrants to Youth Justice System; reduction of numbers of teenagers coming into care.

Health Outcome summary: Reducing demand and preventing substance misuse and improving sexual health and reducing the rate of pregnancy, improved mental health.

Sustainability Outcome summary: Seek to address the gap between rich and poor by targeting early intervention services to vulnerable groups, invest in young people living in deprived areas of the city

Equalities Outcome summary: Planned commissioned services will need to demonstrate how they will meet the needs of the children and young people especially those with protected characteristics.

Impact / Involvement of partners: Wide engagement with partners and stakeholders: current BYL providers, VCS organisations, Councillors, BCC council officers.

Engagement and Consultation carried out:
 Engagement phase September to December 2016. Formal Consultation phase 2nd February to 27th April. Proposals at Scrutiny on 17/7/17.

Legal Issues: TUPE
 Staff previously TUPE transferred from the Council to some of the current youth services. The Council must ensure that appropriate pension protection is in place for any of those staff still assigned to the services.

Procurement
 These contracts are schedule 3 services and therefore subject to the light touch regime under Public Contracts Regulations 2015. Due to the aggregated contract values it will therefore be necessary to publish an advert in the OJEU and to run a compliant procurement process.

Equalities and Consultation
 The Council will need throughout this process (including prior to any decisions being made) to

- a. comply with its public sector equality duty imposed by the Equality Act 2010
- b. comply with its duty to consult if such a duty is imposed by statute, or arises in public law either because of the duty to act fairly, or as a result of a legitimate expectation.

Provided these duties have been and continue to be complied with, the actions set out in this report will be lawful. Officers' view is that the further reduction in funding over the life of the contract is not a significant change, would not have altered the outcome of the consultation and therefore further consultation is not required. There is however a risk of challenge from service users who do consider this to be a significant change.

Legal Officer: Kate Fryer 6th July 2017

DLT sign-off	SLT sign-off	Cabinet Member sign-off
John Readman 14/6/17	SLT 20/07/17	Cllr Helen Godwin 19/6/17

Appendix A – Further essential background / detail on the proposal	YES
Appendix B – Details of consultation carried out - internal and external	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO

Appendix E – Equalities screening / impact assessment of proposal	YES
Appendix F – Eco-impact screening/ impact assessment of proposal	NO
Appendix G – Exempt Information	NO