

<b>15 September 2015</b>		<b>ITEM: 5</b>
<b>Children's Services Overview and Scrutiny Committee</b>		
<b>Inspire – Alternative models of delivery for Youth Related Activities</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of: Michele Lucas: Interim Strategic Lead Learning &amp; Skills &amp; The Thurrock Youth Cabinet</b>		
<b>Accountable Manager:</b> Michele Lucas, Interim Strategic Lead Learning & Skills		
<b>Accountable Director:</b> Carmel Littleton, Director of Children's Services		
<b>This report is Public</b>		

### **Executive summary**

This report introduces the council to an exciting opportunity to both protect and provide a range of youth & community based opportunities for young people by removing the current services from Local Authority control and placing them into a staff mutual (charitable trust).

The report recognises need to make further savings in council expenditure and provides opportunities for sustaining and developing the current provision to ensure that Thurrock young people can access the regeneration opportunities that are planned over the next ten years as we move from implementation into delivery, meeting one of the Council's core principles in ensuring the skills set of young people matches the employees need for an adaptable flexible work force of the future.

### **Recommendations:**

- 1.1 To support the development of a staff mutual (charitable trust) to deliver youth & community related activities across Thurrock Council.**
- 1.2 To recommend to full Cabinet the 'spinning out' of youth & community related services from April 2016 or as soon after as due diligence is undertaken**
- 1.3 To support the recommendation of a four year contract with a break clause in year three for renegotiation.**

**1.4 To recommend the funding model which will see a 5% reduction from year two of the contract until the fifth year recognising the need to reduce the overall budget by 20%, subject to budget constraints**

**1.5 To support the inclusion of Grangewaters Outdoor Education Centre into the staff mutual.**

## **2. Introduction and Background:**

### **Local Policy Context**

The outline proposals within this report link with the Council's corporate priorities:-

1. Create a great place for learning and opportunity
2. Encourage and promote job creation and economic prosperity
3. Build pride, responsibility and respect
4. Improve health and well-being
5. Promote and protect our clean and green environment

However the proposal will also recognise the need to identify significant savings over the next five years as the overall budget for the council reduces. It also forms part of the Shaping Council priorities which has identified that services need to be delivered in alternative ways looking to enhance the current offer and keep highly qualified and motivated staff working locally.

### **National Policy**

The launch of Positive for Youth in December 2011 outlined a broad based strategy detailing the Government's approach to youth related activities. The key message in the strategy is around 'a new partnership approach' in local areas – between young people, educational institutions, charities, businesses and local communities to support the development of more youth related opportunities.

Over the last three years, the areas delivering youth related activities have implemented a significant organisational restructure. The restructure released savings of in excess of £600,000. These savings have been achieved by reducing staff headcount and the move towards trading a range of the activities to schools and other partners.

The restructure and refocussing of work has created a leaner, more efficient service which is more capable of responding to the needs of young people across the Council. Over the three year period the service has been focussing on income generation and contract management capabilities.

In August 2014 Full Cabinet received a report identifying the need for further reductions in youth related activities - to ensure young people and staff remained at the centre of any decision making process, Cabinet agreed for the following work to be undertaken by the Youth Cabinet and staff members.

The Youth Cabinet were asked to undertake a consultation with young people in relation to delivering youth related activities in an alternative way and staff were asked to research and identify ways in which we could ensure that services to young people were sustained and enhanced in an time of extreme budget pressures on the back of the desire to ensure that young people can engage with the regeneration opportunities across Thurrock.

To support this ambition staff researched what other authorities were considering – this led to Thurrock participating in a programme that the Cabinet Office were sponsoring around public sector staff removing a range of services from the council and running them as an independent organisation. Thurrock were allocated a place on the Cabinet Office's 'Staff Mutual' programme to gain a greater understanding of how this could be achieved.

The Cabinet Office were particularly interested in the range of services that Thurrock Council were considering recognising the synergy around the services and particularly referenced the engagement that had taken place with young people across Thurrock around the development of a staff mutual.

*Mutualisation, or the development of an employee-led mutual (ELM), refers to a council or state entity that spins-out from its parent statutory body, it has the potential to develop enhanced autonomy concerning governance and provision, whilst delivering vital public services and reinvesting any financial surpluses back into the organisation.*

Outlined below are some of the key benefits of mutualising youth related activities:-

- Opting out of the Council would reduce longer term liabilities to the Council, and see a 20% reduction in the budget over five years.
- The new organisation a 'charitable trust' will have opportunities to secure funding that is not available to local authorities, thus creating a range of funding streams that are only available to charitable trusts.
- A sustained level of youth related activities would remain in the authority long-term with a reducing contract year on year from the local authority.
- The new organisation will have more flexibility to develop strategic and innovative services to meet local need, ensuring that the voice of the community is sought when considering how best to deliver services.
- The new organisation could provide greater opportunities for young people to be involved via the establishment of a governance model that would have a young person's advisory board.

- The new organisation could provide greater opportunities for staff to be involved via the establishment of a governance model that would have a staff advisory board.
- Research has identified that staff feeling an ownership of the organisation can reduce sickness absence and create a better delivery and working environment.
- The Council would retain a relationship with the organisation as these are already developed.

We sought further support from the Cabinet Office in November 2014 and were awarded funding to enable the development of a five year business plan that would test some of the assumptions relating to potential income generation and opportunities to ensure staff and young people remain at the heart of decision making processes, for the services provided by the new organisation.

Outlined below are the services that are currently within the scope of the proposed staff mutual, in the Children's Services Overview and Scrutiny Committee meeting held on the 10<sup>th</sup> March 2015, a report was presented in relation to Grangewaters Outdoor Education Centre, a range of proposals have been considered with regard to this outdoor activity centre.

The Children's Overview & Scrutiny Committee recognised the synergies around the work that had already begun in the development of a Staff Mutual and as such gave permission for this to be integrated into the work already being undertaken for 'spinning out' youth related activities, to support this activity a business plan has been developed for Grangewaters which outlines the need to ensure it remains a community asset, building on the comments of elected members in March 2015.

### **Services to be included in the Staff Mutual**

- Thurrock Careers, providing impartial information advice & guidance
- Employability & Skills – providing links with employers & young people enabling them to access apprenticeships and other learning opportunities
- Youth work, Positive Activities & Youth Participation – includes Thurrock Youth Cabinet, & a range of programmes to support engagement
- Grangewaters – providing outdoor education activities
- Targeted Access – providing Duke of Edinburgh, Prince's Trust and a range of programmes for vulnerable groups of young people

### **Youth Cabinet – Inspire Delivering Differently**

Following the proposal for a reduction in the Youth Offer across Thurrock, the full Council meeting in August 2014 requested that the Youth Cabinet develop a questionnaire to seek young people's views, around the possibilities of

taking all youth related activities and placing them in a staff mutual to sustain and develop provision for young people across Thurrock, with a clear focus on ensuring young people have a voice in service design and delivery.

A small task and finish group was set up with the questionnaire being approved by the full Youth Cabinet in September. The consultation went live from 8<sup>th</sup> Oct to 14<sup>th</sup> Nov with 383 young people completing the questionnaire; the outcome of this consultation was presented to the Children's Overview & Scrutiny Committee in February 2015.

The questionnaire findings supported the development of services and activities being provided for young people in Thurrock.

One of the key areas of development is a Youth Hub in Grays the building formerly known as the Connexions One Stop Shop has had some refiguration on the ground floor young people were asked to identify a name for the New Youth Hub.

The new name chosen was Inspire, Achieve came in second as a young person stated '*you need to be inspired first, before you achieve*' (quote from young person) (Full report available in Appendix Two)

## **5. Consultation (including Overview and Scrutiny, if applicable)**

Consultations have taken place with young people (see Appendix Two) and with the staff who would be TUPED into the new organisation (Appendix Three)

## **6. Impact on Corporate Policies, Priorities, Performance And Community Impact.**

- 6.1 This report contributes to the following corporate priorities:
- create a great place for learning and opportunity
  - encourage and promote job promotion and economic prosperity

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Kay Goodacre**  
**Finance Manager**

Over the past three years youth related activities have seen a significant budget reduction in excess of £600,000, as have many other non- statutory services provided by the council, however the reduction in such services can have long term implications on many other areas of the Councils budget. The proposal to 'spin out' youth related activities on a five year contract, with a Reduction from year 2 onwards will require a detailed risk assessment around the Council's ability to award the contract value outlined in the business plan.

A realignment of service areas will be taking place prior to the proposed 'spin out' which may potentially incur some additional costs.

The youth team have applied for a European Social Fund Youth Unemployment programme and have recently heard that the application has been approved at the outline stage, this will now involve a full application a percentage of the 1.4 million outlined in the business plan has been identified as match funding in relation to the bid the outcome of which will be known in the Autumn. The match funding would not be new money but would ensure enhanced use of existing resources

### **7.2 Legal**

Implications verified by: **Lindsey Marks**  
**Principal Solicitor Children's**  
**Safeguarding.**

Section 507(B) Education Act 1996 introduced through section 6 Education and Inspections Act 2006 creates legal requirements that place young people at the heart of decision making regarding positive activity provision available to them. The legislation requires Local Authorities to consider whether positive activity provision may be improved by delivering the service or elements of it through an alternative provider.

**7.3 Diversity and Equality** – Include representation of groups and ability to self nominate

Implications verified by: **Natalie Warren  
Community Development &  
Equalities Manager**

Equality of opportunity is a key principle of many voluntary sector organisations who often pursue improved cohesion and diversity through their objectives and practice, involving communities in decisions and governance.

Recent government policy such as the Localism Act encourages the devolution of services to communities and staff mutuals in recognition of the benefits that community involvement can bring to local areas. An equality impact assessment will be completed to inform the transfer of services into the staff mutual, with ongoing involvement by young people and the wider community to help ensure services improve cohesion and diversity through their deliver. The council is seeking to develop a Community Asset Transfer Policy and this will provide guidance on ensuring that potential transfer of asset opportunities are informed by best practice as well as consideration through an equality impact assessment.

**7.4 Other implications (where significant) – i.e. Section 17, Risk Assessment, Health Impact Assessment, Sustainability, IT, Environmental**

None

**Appendices to this Report:**

Inspire – Business Plan  
Young People's Consultation  
Staff Consultation Report

**Report Author**

Michele Lucas  
Interim Strategic Lead Learning & Skills