

Committee: OVERVIEW AND SCRUTINY	Date: 3rd April 2012	Classification: Unrestricted	Report No.	Agenda Item No.
Report of: Service Head, Democratic Services		Title:		
Originating Officer(s): Simone Scott-Sawyer, Democratic Services		Cabinet Decision Called-in: Youth Service Delivery		
		Wards: All		

1. SUMMARY

- 1.1 The attached report of the Corporate Director (Children, Schools and Families) was considered by the Cabinet on 14th March 2012 and has been “called-in” by Councillors Khaled Ahmed, Helal Uddin Abbas, Anwar Khan, Bill Turner and Denise Jones in accordance with the provisions of Part Four, Sections 16 and 17 of the Council’s Constitution.

2. RECOMMENDATION

- 2.1 That the Committee consider the contents of the attached Cabinet report, review the provisional decisions arising; and
- 2.2 Decide whether to accept them or refer the matter back to Cabinet with proposals, together with reasons.

Local Government Act, 1972 Section 100D (As amended)

List of “Background Papers” used in the preparation of this report

Brief description of “background papers”

**Cabinet Report CAB 080/112 –
14th March 2012**

Name and telephone number of holder and address
where open to inspection

Simone Scott-Sawyer

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3. BACKGROUND

- 3.1** The request to call-in the Cabinet's decision dated 23rd March 2012 was submitted under Overview and Scrutiny (O and S) Procedure Rules Sections 16 and 17. It was considered by the Assistant Chief Executive, Legal Services who has responsibility under the constitution for calling in Cabinet decisions in accordance with agreed criteria. The call-in request fulfilled the required criteria and the decision is referred to Overview and Scrutiny Committee in order to consider whether or not to refer the item back to the Cabinet, at its meeting on 4th April 2012, for further consideration. Implementation of the Cabinet decision is suspended whilst the call-in is considered.

4. THE CABINET'S PROVISIONAL DECISION

- 4.1** The Cabinet after considering the report attached, at Appendix 1, provisionally decided:-

- “1. That the youth service be brought back in-house, and the location of both the Youth Service and Community Languages Service be considered;
2. That the opportunity offered by an in-house system to align the service more closely to community safety, health and leisure services within the council be taken, strengthening the ties to the partnership and push for localisation;
3. That the service's compliance with the national MI system is retained;
and
4. That the management of the service is transferred to CLC.”

4.2 Reasons for Decisions

These were detailed in paragraph 3 of the report (080/112) and stated that:

- Central management should offer flexibility. There are increasing demands on the youth service, as indicated below. An in-house service would be able to adapt to new imperatives without seeking time-consuming contract variations.
- The service has learnt valuable lessons from the contracts, in particular with regard to target setting and monitoring and budgeting. These lessons can be transferred to the in-house service.
- There is scope for a reduction in management cost if the service were taken in-house. Currently we have six contractors, each with senior contract managers/directors. Were the services to be returned in-house

managed by a more streamlined, central management team, savings could be realised and re-invested into the provision of youth services.

- The New Partnership Structure emphasises a need for more citizen-centric services to be delivered at a local level. The Youth Service has been a pioneer of localism within the Council, delivering services on a LAP basis. The Youth Service has worked closely with CLC in developing the local hubs, and, as CLC takes responsibility for the partnership, we can help to strengthen localism and the partnership work of the Youth Service by transferring it to CLC.
- Transferring the service to CLC will also bring economies of scale in delivering the targeted work, on community safety, drugs and alcohol, sport and leisure. It may offer further management savings.
- There may be an increase in rents if the service were brought in-house. RSLs and schools currently holding the contract offer premises at nil cost to the authority, but may choose to charge if the contracts are brought back in-house. It is difficult to quantify the charges at this stage, but any assumed savings must be set against this.
- Use of buildings other than those owned by the authority will have to be re-negotiated with the various owners. Buildings currently used by service and not owned by the authority are listed in appendix three.
- Bringing the Youth Services in-house presents a real opportunity to establish Tower Hamlets as a pioneer in terms of delivery of first class services to local youth and demonstrate 'localism'.

4.3 Alternative Options Considered

These were detailed fully in paragraph 4 of the report (CAB 079/112); in summary the options were:

- Members can re-tender the contracts, or bring them back in house, according to the timetables appended.
- Members can move the service to CLC, to strengthen the localism work, or leave it in CSF.

5. REASONS / ALTERNATIVE COURSE OF ACTION PROPOSED FOR THE 'CALL IN'

5.1 The Call-in requisition signed by the five named Councillors gives the following reasons for the Call-in:

A core part of effective localism is working with locally based partners, and the current youth service contracts have been effective in achieving local buy-in and joint partnership working. Effective localism will not be achieved through pulling delivery services out of our local communities into Mulberry Place;

The success of the current youth services has been substantially based on partnership working. Effective partnership working is based on good relationships and trust. This trust has been undermined by the way the issue has been handled, with one current provider being surprised to learn about the proposal to bring the service in-house, as they had no warning that their contract might not be renewed. Goodwill has helped existing resources go further so far – i.e. OFHA has its own IT, HR, Legal and Finance services which support the youth service at no cost to the borough;

Outcomes have significantly improved since the youth service was contracted out, with greater variety, more structured and accredited provision reaching a far greater cross section of the community, than it did previously when it was run in-house;

We recognise the need to save money, and believe that it would be better to work in partnership with current providers to achieve savings rather than disrupt a currently successful model;

We are concerned that the original Cabinet decision did not include in writing, any commitments on how an in-house service would be operate in the borough. We believe that a good in-house service would run services in local settings across the whole of the borough, with greater concentration of resources in areas of greater economic need;

We believe that local partners with strong community credibility and existing successful democratic and involvement structures, are well placed to deliver excellent services, especially as they already integrate leadership of young people in delivering and shaping services. Then is not as effective when done borough-wide;

There has been no consultation with some current providers on these proposals;

The paper states that this model is intended to improve localism, but gives no specifics on how this will be achieved. The current providers are already doing excellent work in localised partnerships, i.e. Poplar HARCA working with the NHS and St Paul's Way School; and OFHA achieving excellent outcomes working with public health i.e. obesity.

We are concerned that despite the need to make savings, the financial outcome of the Cabinet report remains unclear, with no stated savings targets and significant unknown variables such as the cost of hiring venues if current relationships are disrupted.

5.2 The requisition also proposed the following alternative course of action:

“It is proposed that the Mayor and his advisory Cabinet Member seek a dialogue with the current service providers and with other interested partners,

such as RSLs who already deliver youth services and to seek to develop a model of youth service delivery in partnership with local organisations continuing in their roles as contractual providers. This will require transparency around savings targets and allocation of resources. This dialogue should be time limited. We are confident that an outcome which achieves reasonable savings targets and maintains the added value, that partners and the young people who are currently taking leadership in the delivery of services and contribute to service provision, can be achieved.

We suggest that young people who use local services are consulted as part of this process, and that their views are analysed according to gender, ethnicity and geography.”

6. CONSIDERATION OF THE “CALL IN”

6.1 Having fulfilled the call-in request criteria, the matter is referred to the Overview and Scrutiny Committee in order to determine the call-in and decide whether or not to refer the item back to the Cabinet at its next meeting.

6.2 The following procedure is to be followed for consideration of the “Call In”:

- (a) Presentation of the “Call In” by one of the “Call In” Members followed by questions.
- (b) Response from the Lead Member/officers followed by questions.
- (c) General debate followed by decision.

N.B. – In accordance with the Overview and Scrutiny Committee Protocols and Guidance adopted by the Committee at its meeting on 5 June, 2007, any Member(s) who presents the “Call In” is not eligible to participate in the general debate.

6.3 It is open to the Committee to either:

- resolve to take no action which would have the effect of endorsing the original Cabinet decision(s), or
- the Committee could refer the matter back to the Cabinet for further consideration setting out the nature of its concerns and possibly recommending an alternative course of action.