


Cabinet Decision 10 th January 2017	 TOWER HAMLETS
Report of: Corporate Director of Children's Services - Debbie Jones	Classification: Unrestricted
The Youth Service Review	

Lead Member	Councillor Rachael Saunders, Deputy Mayor and Cabinet Member for Education and Children's Services
Originating Officer(s)	Ronke Martins-Taylor and Claire Belgard
Wards affected	All
Key Decision?	Yes
Community Plan Themes	<ul style="list-style-type: none"> • A Great Place to Live • A Safe and Supportive Community • A Healthy Community

Executive Summary

- 1.1 This report sets out a proposal to transform the Council's youth service with a bold ambition that a transformed youth service will become the recognised leader in providing diverse communities, across Tower Hamlets, with inspiring, positive activities and programmes for young people to use, so that, as they transition into adulthood, they are able to realise their full potential and create better futures. The youth service believes that:
- The safety of young people is its first priority
 - Every young person has worth, value and potential
 - The diversity of youth contributes to its success.
- 1.2. Cabinet is asked to agree the proposal to commence a restructure of the youth service, from January 2017. The restructure will see the creation of a new, partly internally delivered and partly externally commissioned, youth service which will improve user participation and service outcomes, by empowering the workforce to take responsibility for service delivery and, at the same time, resolving longstanding issues associated with service values and culture.
- 1.3. The restructure will maintain the level of delivery provided through the current interim model; and it will also provide a new vision and direction for the youth service which will form the basis of a three year strategic and operational plan.

- 1.4. The restructure will follow all due processes in relation to the Council's organisational change procedures.
- 1.5. Three reasons are given for why a restructure is being considered for the youth service:
 - Service wide performance issues have highlighted the need to deliver a better quality of service through workforce reform;
 - The current delivery model which is interim;
 - The need to ensure that long term changes are made to address the significant issues that have emerged through investigations into the service.
- 1.6. A transformed youth service will benefit the Council by enabling the delivery of statutory duties; by enabling the delivery of strategic priorities; by enabling the youth service to deliver its priorities; and by enabling the youth service to deliver core areas of its work.
- 1.7. The restructure is a critical stage in moving the service towards a three year vision to be the best youth service in London - providing young people with spaces to enjoy, support to achieve their best, and opportunities to make a difference in their community.
- 1.8. Two delivery options are presented which will enable the youth service to be transformed. The youth centre hub based delivery model provides for reduced layers of management with youth workers located in youth centre hubs and other key youth service activity, such as support for vulnerable young people and commissioning being centralised. Whilst the locality based delivery model sees all youth workers and other professionals located in youth centres enabling them work in a much more integrated fashion a local level. This latter delivery model adopts a decentralised commissioning arrangement.
- 1.9. Both delivery options will enable the youth service to deliver a proposed saving, articulated in the Medium Term Financial Strategy, of £1.8m in 2017/2018.

2. ALTERNATIVE OPTIONS

- 2.1. A number of alternative restructure options were considered to transform the youth service these are set out below:

- 2.1.1 **Statutory minimum service delivery:** With this option the local authority would deliver the minimum required by law. This could be as little as signposting young people through a website. Tower Hamlets has a long tradition of providing support for the welfare of vulnerable young people who would benefit from positive activities including those involved in, or at risk of involvement in, youth crime and antisocial behaviour. As a result this option was not chosen.

- 2.1.2 **Maintaining the status quo:** This option would have seen the continued provision of youth services under the current interim delivery arrangements which commenced in July 2016.

The interim model has delivered an agreed level of service from 8 youth centres (at Eastside, Haileybury, Collingwood, the Linc, Columbia, Limehouse, Wapping and St Andrew's Wharf youth centres) run by youth service staff; a further 8 commissioned youth centres are offered through 5 local providers (Society Links, Newark Youth London, Poplar HARCA, the Osmani Trust, and Ocean Youth Connexions) delivered at ward level in Shadwell, Stepney Green, Poplar, Lansbury, Spitalfields and Banglatown, Mile End, Bromley North, Bow West; a £120,000 commissioned youth programme that young people were able to access for free during summer 2016; and a number of service level agreements with providers for the delivery of specialist youth activity.

The level of commissioning using the community and voluntary sector is in the region of £1,000,000 and is in line with the objective for the youth service to have a mixed economy of in-house and commissioned delivery. As a result, of the interim model there is now a network of 16 youth service run youth centres and commissioned youth providers delivering universal youth activity across the borough; in addition to the service level agreements for those young people who need of specialist youth activities.

The interim model provides a basis for the permanent model that will be implemented following restructure, with some tweaking between direct and commissioned delivery.

- 2.1.3. **The creation of a public sector mutual:** This option would have seen the creation of a youth public sector mutual or cooperative to deliver youth services on behalf of the Council. However, given the uncertain economic climate setting up a new business to deliver youth service was deemed to be a significant risk.

Ruling out a public sector mutual reduces the opportunities for access to independent income or grant funding for the youth service in the future. Some funding streams such as the National Lottery are targeted at the community and voluntary sector and local authorities are excluded from applying. This could warrant revisiting at a later date.

- 2.2. Having considered all of the above options it was felt that the proposal to restructure the youth service in order to create a mixed economy of internally delivered service and externally commissioned service was the most effective way forward.

Recommendations:

The Mayor in Cabinet is recommended to:

- Endorse the recommendations of the Youth Service Review; subject to the decision of the Councils budget proposals.

DETAILS OF THE REPORT

3. THE CASE FOR CHANGE

3.1 This report sets out a proposal to transform the Council's youth service with a bold ambition that a transformed youth service will become the recognised leader in providing diverse communities, across Tower Hamlets, with inspiring, positive activities and programmes for young people to use, so that, as they transition into adulthood, they are able to realise their full potential and create better futures. The youth service believes that:

- The safety of young people is its first priority
- Every young person has worth, value and potential
- The diversity of youth contributes to its success.

3.2. Since April 2016 the Integrated Youth and Community Service ("the youth service") has been part of the Children's Services. The youth service provides informal education opportunities and positive activities to young people aged 13 – 19 and up to age 25 if they have a disability.

3.3. As at October 2016 there were circa 171 staff, by head count, employed in the youth service which is equivalent to 93.2 full-time equivalent staff. Appendix 1 shows the structure of the service.

3.4. There are three key reasons why a restructure is being considered for the youth service and these are as follows:

- Service wide performance issues highlighted the need to deliver a better quality of service through workforce reform;
- The current delivery model which is interim;
- The need to ensure that long term changes are made to address the significant issues that have emerged through investigations into the service.

3.5. The restructure of the service also delivers a saving which will contribute to achieving budget cuts across the Council.

3.6. Each of the three key reasons will be discussed in more detail below:

A) SERVICE WIDE PERFORMANCE ISSUES

3.6.1. In recent years the youth service has suffered from poor performance according to targets for contact, participation, recorded and accredited outcomes (see appendix 2 for target definitions) which are based on the population of 13 to 19 year olds in the borough. Table 1 below shows the local performance of Tower Hamlet's youth service:

	2013/14		2014/2015			2015/2016			
	Target	Achieved		Target	Achieved		Target	Achieved	
		No.	%		No.	%		No.	%
Contacts	12,393	9,479	76.5%	13,446	8,992	66.9%	13,782	6,790	49.3%
Participants	6,866	6,167	89.8%	7,695	5,844	76.0%	7,868	4,172	53.0%
Recorded Outcome	4,120	3,998	97.0%	4,158	3,282	78.9%	5,027	2,460	49.9%
Certified Outcome	1,426	1,744	122.3%	1,595	1,716	107.6%	1,631	1,083	66.4%
Accredited Outcome	715	1,349	188.7%	851	845	99.3%	868	665	76.6%

3.6.2. Over the last 3 years the youth service has struggled to achieve its performance targets particularly for contact and participation. It can be seen that in 2015/2016 the youth service delivered considerably below targets across all target areas. It should also be noted that there was a 27.2% decline in the number of contacts by the youth service with young people between 2013/2014 and 2015/2016. Taking into account the annual budget in 2015/2016 the young service spent £1,031 per young person that it had contact with; compared to £890 per young person in 2014/2015.

3.6.3. The decline in contact numbers highlights the struggle that the service has in attracting young people to attend youth activities which indicates a poor programme offer or poor local youth work practice.

3.6.4. The need to improve performance and to implement an improved youth offer that attracts young people to use youth services is a key reason for transformation.

3.6.5. Workforce reform offers both an opportunity to deliver a better quality of service and to attract staff into newly created full-time roles. It also offers the opportunity to address long standing workforce equality issues which are believed to be directly linked to the lack of diversity in young people that the service attracts.

B) THE CURRENT DELIVERY MODEL WHICH IS INTERIM

3.6.6. The youth service has had a complex history of investigations into serious matters which have resulted in operational pressures that have impacted on service delivery from youth centres. These operational pressures resulted in the service needing to change the way activity was delivered from youth centres as young people were faced with ad hoc youth centre closures and poor programme delivery. As a result, in July 2016 the youth service began delivering a temporary interim delivery model which provided:

- 3.6.6.1. **Universal services:** Delivered from eight local authority run youth centres;
 - 3.6.6.2. **Commissioned youth activity:** Delivered by voluntary sector organisations on behalf of the youth service. In October 2016 five month contracts were awarded to five community and voluntary sector organisations. The initial contract will end on 31st March 2017 with the possibility of one further 6 month extension to 30th September 2017;
 - 3.6.6.3. **Targeted Youth Support:** This provides information and advice to vulnerable young people;
 - 3.6.6.4. **Peer Education:** This provides sexual relationship education in schools; and supports the Young Mayor and the Youth Council.
 - 3.6.6.5. **Core business support:** Including administration, apprentice/volunteer co-ordination, quality assurance, service development, training and senior management;
 - 3.6.6.6. **Service Level Agreements:** Which are maintained with organisations for the delivery of specialist youth activity in sailing, the arts, volunteering and for the provision of youth activity for young people who have special educational needs and disabilities (SEND,) or who are Lesbian, Gay, Bisexual or Transgendered (LGBT).
- 3.6.7. There is now a network of 16 youth service run youth centres and commissioned youth activity providers offering universal youth programmes across the borough; and service level agreements in place for those in need of specialist youth activities. However, the temporary nature of the current delivery model means that the youth service needs to be restructured so that newly identified service priorities can be implemented that will provide a foundation for better practice.

C) THE NEED TO ENSURE LONG TERM CHANGES ARE MADE TO ADDRESS THE SIGNIFICANT ISSUES THAT HAVE EMERGED THROUGH INVESTIGATIONS INTO THE SERVICE

- 3.6.8. The Council has made a strong commitment to take action (including legal action where necessary) against individuals who have, or are believed to have, contributed to wide scale malpractice within the youth service.
- 3.6.9. It should be noted that there is no evidence that all staff members in the youth service have been involved in this malpractice and it is clear that in some cases malpractice has been facilitated by

weak management controls and ineffective corporate processes which are a wider corporate issue.

3.6.10. Whilst individuals are being dealt with there is a fundamental issue with the underlying culture within the youth service which cannot be eradicated by removing a few individuals.

3.7. The need to resolve the issues articulated by the case for change, set out above, is pressing. The youth service now needs to undertake a complete transformative overhaul which will deliver a new service that is young people focussed, creative, partnership centred and supportive of the work of other services for children and young people in the borough.

4. THE BENEFITS OF YOUTH SERVICE TRANSFORMATION

4.2. There are four ways in which a transformed youth service will benefit the Council by:

- Facilitating the delivery of the Council's statutory duties
- Delivering the Council's strategic priorities
- Delivering youth service priorities
- Delivering core areas of youth service work

4.3. Each of the above will be discussed in more detail below:

A) DELIVERY OF STATUTORY DUTIES

4.3.1. The work of the youth service is underpinned by statutory duties set out in the Education Act 1996 and the Education and Skills Act 2008. A revised youth service structure will enable the Council to continue to fulfil its statutory duties to ensure the provision of positive activities for vulnerable young people and the provision of support to vulnerable young people whilst enabling required savings to be achieved.

B) DELIVERING THE COUNCIL'S STRATEGIC PRIORITIES

4.3.2. The delivery of a restructured and transformed youth service will enable the Council to provide the highest quality services for young people that enable it to deliver on its broader ambitions for children and young people as articulated in its strategic plans:

4.3.2.1. **Strategic Plan (2016-2019):** Priority 1 of the plan is *to create opportunity by supporting aspiration and tackling poverty thus enabling young people to realise their potential.*

4.3.2.2. **Children and Families Plan (2016 – 2018):** Has the following youth related priorities:

- 4.3.2.2.1. To provide support to vulnerable children and young people and those that have extra caring responsibilities, e.g. for a parent or relative, so that they can engage in positive activities;
- 4.3.2.2.2. To provide enjoyable, engaging, positive activities which children and young people can access after school in an informal education setting in order to support their achievement and aspirations;
- 4.3.2.2.3. To ensure that as part of the youth service review the views of children and young people are taken into account and acted upon;
- 4.3.2.2.4. To ensure that information is available on the range of positive activities, “the youth offer”, that children and young people can participate in.

C) DELIVERY OF YOUTH SERVICE PRIORITIES

- 4.3.3. In January 2016 the Council began a review of the youth service so that it could better understand user priorities. As a result consultation events were held in order to identify a clear set of priorities for the service to underpin future service delivery and transformation.
- 4.3.4. Two separate consultation exercises were conducted via surveys during March/April 2016 and October/November 2016; and a number of consultation events were held specifically for young people; and youth activity providers.
- 4.3.5. In total surveys were completed by 679 stakeholders, including 535 young people, 113 organisations and 31 parents who told us what services they wanted the youth services to deliver.
- 4.3.6. The service priorities identified through consultation are set out below :
 - 4.3.6.1. **Priority 1 - Youth participation and engagement:** The youth service will support and promote the involvement of young people, with an equal focus on vulnerable young people, in decision making, programme development and programme implementation. It will use and develop mechanisms to enhance youth voice through regular consultation; and it will promote youth inclusion, youth leadership and volunteering.
 - 4.3.6.2. **Priority 2 - Youth programmes:** The youth service will ensure the delivery of high quality universal and targeted

youth programmes that include core activities (such as sporting, leisure and outreach activities; courses/training or workshops, funding of youth led projects, and innovative projects) that young people have told us, through surveys, that they are interested in doing; and which meet and address their needs.

- 4.3.6.3. **Priority 3 - Youth centre building standards:** The youth service will maximise the use of Tower Hamlets' capital assets so that youth work is delivered in high quality buildings that contain the features that young people told us they want to see in their local youth centres.
- 4.3.6.4. **Priority 4 – Communication:** The youth service will ensure that information about the local youth offer is widely publicised through a variety of different media so that young people and their parents know about local activities that they can participate in.
- 4.3.6.5. **Priority 5 – Partnership forum:** The youth service will set up a stakeholder partnership forum so that it can work with local youth activity providers to ensure that there is a coherent approach to local service delivery for young people.
- 4.3.6.6. **Priority 6 - Commissioning:** The youth service will commission community and voluntary sector youth activity providers to deliver youth activity in situations where that sector is best placed to provide activity. The focus for commissioning will be to ensure that gaps are filled and that specialist youth activity such the provision of positive activities for lesbian, gay, bisexual and transgendered young people; or young people with special educational needs and/or a disability is catered for.

Work is also being undertaken to look at co-producing all future youth commissioning specifications and the community and voluntary sector are actively working with the Council to reflect the joint working being undertaken.

- 4.3.7. It is intended that any restructure of the youth service will give priority to the delivery of frontline youth work as it is recognised, that this is valued by young people, parents and residents.

D) DELIVERY OF CORE AREAS OF YOUTH SERVICE WORK

- 4.3.8. The proposed transformation of the youth service will be based on a functional unit model in which key elements of the youth service's work are identified as areas of activity that function both independently and co-dependently in order to create an overall

service purpose and function which is fully aligned to an agreed set of service priorities.

4.3.9. The key functional areas of work associated with the youth service are set out below:

5.2.9.1. **Integrated working:** Through an integrated approach to working a core team of workers are able to engage with young people in community based settings in places that young people are familiar with. Professionals work together with the sole aim of engaging with young people to ensure that they are able to access services that interest them and, in cases where there are vulnerabilities, to support those young people to actively address their behaviours in order to achieve improved outcomes. Implicit within the concept of integrated working is the offer of:

- **An open access universal youth offer:** which is aimed at those young people that do not need additional support but who want to access enjoyable, engaging, positive activities including informal education in order to support their achievements and aspirations.
- **Additional. targeted, support:** which is aimed at more vulnerable young people who have specific risk factors such as those who are not in education, employment or training, who are at risk of involvement in crime or antisocial behaviour or who are at risk of exclusion etc. These more vulnerable young people will benefit from additional professional support to help them to access positive activities including informal education and specialist programmes in order to support their achievements and aspiration.

5.2.9.2. For workers in the youth service the integrated way of working provides for improved information sharing between youth workers and different agencies. Integration provides for quicker access to a range of professionals from different disciplines. It will also provide access to a wider range of resources; focusing on assessment and multi-agency planning as the best tools to resolve a young person's short-term needs in a timely fashion.

4.3.10. **Commissioning third sector providers:** For 2016/2017 the youth service commissions, as part of the interim model, third sector providers to deliver specialist and universal youth activities and programmes. The commissioning relationship enables the youth service to work with providers in the youth

sector to ensure that quality provision is delivered. In addition to this consultation of the third sector has highlighted that they are keen to continue the commissioning based relationship with the Council and work is currently being undertaken to co-produce, with the third sector future commissioning specifications for youth activity.

4.3.11. **Targeted work with vulnerable young people:** The youth service has a statutory duty to provide support to vulnerable young people. As a result, any options for a potential new youth service structure must include both early intervention and targeted work.

4.3.12. **Integration with Children's Services and other agencies priorities:** The youth service is keen to work in partnership with other teams in Children's Services including the Early Help Hub and the Youth Offending Service to name but two services. In addition to this the service will work in partnership with external organisations in the police and local community groups to resolve local issues where youth is a factor.

4.4. It can be seen that significant benefits will accrue to the Council once the youth service is transformed. Benefits will also accrue to young people, key stakeholders and organisations that have an interest in working with young people.

5. THE VISION FOR A TRANSFORMED YOUTH SERVICE

5.2. The ambition and vision for the newly transformed youth service is that it should be the best youth service in London - providing young people with spaces to enjoy, support to achieve their best, and opportunities to make a difference in their community. It is intended that this vision will deliver enhanced outcomes for young people and that it will take account of the full set of priorities that have been identified through user consultation and from past operational learning.

5.3. More broadly the youth service must focus on ensuring that it has in place a clear vision for its ambition to be the best youth service in London by incorporating delivery of the following:

- A young people centred, high quality, youth offer that benefits the young people of Tower Hamlets; and promotes citizenship whilst valuing diversity, inclusion and community cohesion;
- Quality spaces and structured activities with opportunities for young people to participate, lead, achieve and progress;
- Additional support for young people who are vulnerable or excluded;
- Embedded youth leadership so that young people can influence service delivery, governance and community;

- Regular consultation with young people and other key stakeholders so that the service can respond to changing needs;
- Commissioning of local youth activity and programme providers, who know local young people best, to deliver those youth activities not directly delivered by the youth service;
- A regular assessment to enable an understanding of the impact of the youth offer on the lives of young people;
- Embedded partnership working with key external stakeholders; and integrated working with services in the Council so that resources are maximised;
- A diverse and professional workforce that is committed, young people focussed and that is able to develop and deliver high quality interventions, youth activity and programmes that put young people at the centre.

5.4. The work undertaken so far to identify youth service priorities has highlighted the need for the service to develop a strong operational platform in order to deliver better performance and improved outcomes. That strong operational platform will include:

- *Universal and a targeted services* that young people can access freely;
- *Embedded youth leadership* to influence service delivery and governance;
- *Regular consultation* with young people and other key stakeholders;
- *Commissioning* of those youth activities not directly delivered by the youth service;
- *High quality youth work practice* to support *high levels of performance*;
- A regular assessment of *the impact of the youth work* on the lives of young people;
- *Partnership* working;
- Youth activity delivered from *high quality buildings*;
- *Integrated working* with other services in the Council.

5.5. A transformed youth service will need a workforce that can ensure a robust operational delivery. The workforce will need to:

- Develop, plan and deliver quality interventions and programmes to high standards of youth work practice;
- Perform as part of teams that work together to deliver shared goals and to achieve meaningful outcomes for young people;
- Incorporate a management team and structure that fosters creativity and an outward focus that drives performance;

- Have in place a workforce strategy that embeds a culture of learning and reflection and that promotes personal development, supported by structure that offer opportunities for progression;
- Support structures that ensure activities are well planned, quality assured and evaluated and that operate to high levels of integrity and probity.

5.6. It can be seen that with a strong, young person centred, and operational vision the youth service will be well placed to provide a vibrant and sustainable offer for young people that also supports the effective engagement of key stakeholders and partners within the Council to deliver improved outcomes enabling it to become the best youth service in London.

6. THE YOUTH SERVICE BUDGET

6.2. The youth service's profiled budget spend for 2016/2017 is set out below:

Table 2	
Integrated Youth and Community Service.	Original Budget 2016/2017
	£'000
Expenditure	
Employees	3,939
Premises-Related Expenditure	78
Transport-Related Expenditure	35
Supplies & Services	413
Commissioning	942
Support Services	541
Depreciation and Impairment Losses	99
GROSS EXPENDITURE	6,047
Income	
Other Grants/Reimbursements and Contributions	(63)
Recharges	(192)
GROSS INCOME	(255)
NET EXPENDITURE/(INCOME)	5,792

6.3. The youth service was underspent at the end of the financial year 2015/2016 by £972,000. This was in line with the figure reported to Cabinet at quarter 3 of the reporting cycle. The underspend was achieved as result of management in the youth service placing restrictions on overtime, staff additional hours,

recruitment and the introduction of other financial controls. It can be seen that the youth service has the capacity to deliver savings within the context of its 2016/2017 budget which have not significantly impinged upon service delivery.

7. BENCHMARKING THE YOUTH SERVICE'S BUDGET

7.2. For 2016/2017 the youth service has a budget of £5,792,000. A benchmarking exercise was undertaken of other local authority youth services' funding and the information collected is contained in the table below:

Local authority	2015 13 to 19 year old estimated population¹	Full service budget 2014/2015	Full service budget 2015/2016	Full service budget 2016/2017	Cost per head of 13 to 19 estimated population
Barking & Dagenham	18,269	No information	£900,000	Not available	Not available
Camden	17,056	£5,000,000	£4,800,000	£3,400,000	£199.34
Greenwich	21,268	£2,400,000	£1,200,000	£1,200,000	£56.42
Hackney	19,240	£8,300,000	£7,600,000	£6,600,000	£343.04
Lambeth	20,338	£3,000,000	£3,000,000	£3,000,000	£147.51
Southwark	20,847	£2,900,000m	£2,500,000	£1,700,000	£81.55
Tower Hamlets	21,537	£8,000,000	£7,000,000	£6,000,000	£278.59

7.3. The funding arrangements highlight that for 2016/2017 Tower Hamlets was the second best funded youth services, after the London Borough of Hackney, in London. Whilst a number of the local authorities are reducing their youth service budgets the bench marking exercise revealed that some local authorities have already outsourced their youth services or are considering introducing youth mutual arrangements. In particular:

7.3.1. **Camden:** In April 2016 Camden Council agreed to explore the option of setting up a Youth Foundation.

7.3.2. **Royal Borough of Greenwich:** Since April 2012 the Royal Borough of Greenwich's Youth Service has been run by Charlton Athletic Community Trust (CACT). £1.1M is spent on a universal youth programme and £90k on a summer programme.

¹Source: Population Estimates Unit, ONS, Crown Copyright. ONS Mid-year Population Estimates - revised current datasets and 2011 Census-based (Jun-2016)

7.3.3. **Lambeth:** The youth service in Lambeth is commissioned on behalf of the local authority by the Young Lambeth Co-operative.

7.4. Despite the need to make savings it is anticipated that in 2017/2018 the youth service will still be well funded relative to other local authority youth services as it is anticipated that they will be making similar savings due to their own local financial challenges.

7.5. It is anticipated that a transformed youth service will offer to demonstrate best value through the restructure leading to better levels of young people's participation and improved outcomes.

8. THE OPTIONS FOR A RESTRUCTURED YOUTH SERVICE

8.1. The charts in Appendix 2 show the two structure options that, subject to Cabinet agreement, staff in the youth service will be consulted on. Each structure is described in detail below:

A) THE YOUTH CENTRE HUB BASED MODEL - OPTION 1

8.1.1 This is a youth centre hub based model which is predicated on reduced layers of management with a prioritisation of professional, frontline, youth workers who are all located in youth centre hub buildings. There is focus on supporting vulnerable young people but this resource is offered from a central location rather than being based in the youth centre hub and as a resource it is controlled from the centre. Commissioned youth activity is a fundamental feature that is embedded in the model but priorities are set centrally. Central support functions underpin commissioning and quality assurance processes to ensure high quality delivery in all youth centres be they directly delivered or commissioned. The principle of integrated working is embedded in this option with some centralised functions.

8.1.2 Youth centre hubs could be organised according to specialisms with, for example, a youth centre having a specialist arts/culture, technological or sports offer; and this specialist youth centre hub based approach could incorporate the existing expertise of other youth activity providers who also have a specialist youth offer. Thus, a young person would be supported to use the resources of a particular youth centre hub if that hub delivered the specialism required. Alternatively, the youth centre hub based model could adopt a more generalist approach with all hubs having a broad universal youth offer. There are pros and cons associated with each of these youth centre hub variants and further local discussion would be needed before an agreed approach was adopted.

8.1.3 It is anticipated that the youth service restructure option 1 model would have the following employee costs, as set out below, subject to all posts being formally evaluated:

Central support (admin and management):	£481,349
Youth Centre Hubs:	£1,210,882
Partnership/Commissioning Hub:	£617,481
Total annual employee cost:	£2,309,712

B) THE LOCALITY BASED MODEL – OPTION 2:

8.1.4 The priority in this model is for *all* professional frontline workers (youth workers and other specialists who provide targeted youth support) to be based in the locality youth centre setting. There is focus on supporting vulnerable young people but this is decentralised to the locality youth centre where youth workers and other professionals would be based. Commissioned youth activity is a fundamental feature that is embedded in the model; however, the priorities around commissioning are identified at the locality level with an apportioned budget. Central support functions support commissioning and quality assurance processes to ensure high quality programme delivery from locality youth centres. The principle of integrated working is embedded in this option.

8.1.5 It is anticipated that the youth service restructure option 2 model would have the following employee costs, as set out below, subject to all posts being formally evaluated:

Central support (admin and management):	£523,913
Locality model:	£1,469,241
Partnership/Commissioning Hub:	£304,158
Total annual employee costs:	£2,297,312

8.1.6. It can be seen that the two options provide a clear opportunity for the youth service to deliver its vision for both operational delivery and a youth focused service whilst ensuring that an effective structure is in place to sustain ambition and priorities.

9 SAVINGS

9.1 Savings in 2017/2018 will be achieved through a whole service restructure and additional efficiencies. The two options for the youth service restructure are based on the following assumptions:

9.1.1 Proposed staffing levels for targeted youth support are reduced to reflect the numbers of cases that the youth service are statutorily required to provide support to with some additional capacity to support other statutory services;

- 9.1.2 Proposed staffing levels for universal services are mapped to the level required to provide safe levels across 8 directly delivered youth centres;
 - 9.1.3 Proposed staffing levels for universal services are based on a full-time workforce;
 - 9.1.4 Proposed support staff and management staffing levels are reduced in line with the overall reductions in staff levels across the youth service.
- 9.2 The structures proposed, option 1 and option 2, set out the costs associated with full year employee salaries including on-costs. However, the timetable for restructure runs into April 2017 and does not allow for any slippage to accommodate redundancy appeals or failures to agree with the Trade unions on the proposals and this is a risk to the savings being achieved.
- 9.3 Savings attributed to efficiencies are projected to be achieved through the proportionate reduction in some budgets for supplies, services, travel and activity budgets for centres. The amount reflects the underspend currently being achieved through tighter spending controls being introduced in the service.
- 9.4 Both structure options, 1 and 2, allow the youth service to offer a broadly similar delivery to the combined interim model including commissioned youth activity (with the addition of earlier opening hours facilitated by the change to a full-time universal workforce). Both structure options will offer:
- 9.4.1 Direct delivery from 8 youth hubs open from 3.30pm to 9pm six days per week, including outreach but not detached teams. It is envisaged that detached work could be commissioned or covered by the Rapid Response Team;
 - 9.4.2 A targeted service for the most vulnerable young people who are, for example, NEET, young offenders or care leavers;
 - 9.4.3 Provision of youth participation and engagement including the Youth Council and Young Mayor;
 - 9.4.4 An annual commissioning budget of £1m and dedicated commissioning and contract management staff;
 - 9.4.5 Sufficient budget to continue to provide 8 hubs with delegated budgets for activities, resources and trips;
 - 9.4.6 Sufficient budget to cover corporate recharges for support service and property;
 - 9.4.7 Flexibility of around £0.5m to cover all other contingencies.

- 9.5 The achievement of this savings target will necessitate a review of commissioning arrangements, youth centre locations and the youth offer.
- 9.6 The youth service's profiled budget spend for 2016/2017 and indicative restructure budgets which set out the savings that can be achieved are set out below:

Table 4			
Integrated Youth and Community Service.	Current Budget 2016/2017	Proposed budget for 2017/18 restructure option 1	Proposed budget for 2017/2018 restructure option 2
	£'000	£'000	£'000
Expenditure			
Employees	3,939	2,310	2,297
Premises-Related Expenditure	78	78	78
Transport-Related Expenditure	35	35	35
Supplies & Services	413	337	341
Commissioning	942	1,000	1,000
Support Services	541	388	397
Depreciation and Impairment Losses	99	99	99
GROSS EXPENDITURE	6,047	4,247	4,247
Income			
Other Grants/ Reimbursements and Contributions	(63)	(63)	(63)
Recharges	(192)	(192)	(192)
GROSS INCOME	(255)	(255)	(255)
NET EXPENDITURE/(INCOME)	5,792	3,992	3,992

- 9.7 The implementation of the option 1 or option 2 restructure models will deliver savings of £1.8 million in 2017/2018.

10 THE OPTIONS FOR ADDITIONAL SAVINGS

- 10.1 The youth service has also considered additional restructure measures that would need to be put in place if the Council were to consider further savings from the service in 2018/2019 and 2019/2020. The restructure issues that would need to be considered include the following:

- 10.1.1 **Further reductions in staffing:** The staffing levels outlined in the restructure options presented in this report represent a significant reduction in overall headcount, albeit with an increasingly full time youth work team in place. To achieve a further reduction of, for example, £300,000 would equate to a reduction of 1.5 youth centre teams. Resulting in youth centre closures. So, to deliver an additional £600,000 savings over two years would reduce the number of youth centres from 8 to 5.
- 10.1.2 **Reductions in commissioning budgets:** Reducing commissioning budgets by £600,000 over two years would significantly impact on the ability to fill gaps in direct delivery which would be compounded by that direct delivery reducing as well. Recent commissioning rounds have shown that there are fewer organisations able to deliver youth activity in some parts of the borough. It is therefore likely that a combination of reduced deliver and reduced commissioning would result in youth services being clustered in the west of the borough with very little available to the east.
- 10.1.3 **Commissioning out:** The recent commissioning round has successfully appointed organisations who are able to deliver universal youth activity broadly comparable to that run by the directly managed youth centres. This for a budget of £50,000 for part of the year or £100,000 for a full year. Although it is difficult to draw comparisons, and the commissioned services are as yet untested for quality, it would appear, on paper, that commissioned services are cheaper than direct delivery.
- 10.1.4 **Adjusting the delivery mix:** One option to achieve additional savings would be to commission out more or all of the universal delivery to the community and voluntary sector over a two year period. This option would protect the remaining youth centres and the directly employed staff but might require some transfer of buildings or staff.
- 10.1.5 **Rental income:** There is some potential for the youth service to raise revenue from renting out facilities in some buildings during the day; but again this is unlikely to be significant.

11 CONCLUSION

- 11.1 If agreed the restructure of the youth service will commence in January 2017 and will conclude in June 2017.
- 11.2 It is intended that youth service staff will be fully consulted on the restructure options and that the full priorities identified through the April and October 2016 consultation exercises will inform the new structure.

- 11.3 As part of the restructure process all youth service staff will be offered the opportunity to apply for Voluntary Redundancy/ Early Retirement
- 11.4 A full equality impact assessment will be undertaken as part of the restructure process.

12 COMMENTS OF THE CHIEF FINANCE OFFICER

- 12.1 In 2015/16 Youth Services was underspent by nearly £900k against a budget of £6.7m. For 2016/17, as part of the transformation savings, the service's budget was reduced to £5.792m. The service is expected to achieve an underspend of circa £200k for 2016/17.
- 12.2 The two restructure options in youth services lead to broadly similar savings of £1.8m against the original 2016/17 budget of £5.792m. The main element of the savings, relate to employee costs (£1.629m saving for Option 1 and £1.642m saving for Option 2).
- 12.3 The suggested savings for Option 1 and 2 represent a full year saving amount, they are therefore predicated on the chosen option being activated from 1st April 2017. Any delays will result in a corresponding slippage/reduction in the savings amounts being reported.
- 12.4 A staff restructure will result in one off redundancy costs. The structures proposed for Options 1 and 2 result in a completely new set of posts and therefore any associated one-off redundancy costs will be met corporately.
- 12.5 If either of the Options detailed in this report are actioned, there are likely to be associated security costs incurred if the 3 youth centres are closed unless they are sold or have new occupiers. These associated costs are expected to be covered by the Asset Management Team in Development & Renewal, as part of the Corporate Landlord Model.

13 LEGAL COMMENTS

- 13.1 The strategy set out in this report is consistent with a number of general duties of the Council. The Council has a duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness by virtue of section 3 of the Local Government Act 1999. This is known as its Best Value Duty
- 13.2 Pursuant to section 507B of the Education Act 2006 the Council has a duty to provide facilities for education and recreational leisure time activities for all 13 to 19 year olds and some 20 to 24 year olds. This duty can be achieved either by in-house provision or under contract. The Council also has a duty under section 10 of the Education and Skills Act 2008 to exercise its

functions so as to promote the effective participation of young people in its area who are under a duty to be in employment, education or training. The Council must ensure that when undertaking a restructure of Youth Services, it continues to comply with these duties.

- 13.3 Any consultation carried out for the purposes of assessing the impact of service changes should comply with the following criteria: (1) it should be at a time when proposals are still at a formative stage; (2) the Council must give sufficient reasons for any proposal to permit intelligent consideration and response; (3) adequate time must be given for consideration and response; and (4) the product of consultation must be conscientiously taken into account. The duty to act fairly applies and this may require a greater deal of specificity when consulting people who are economically disadvantaged. It may require inviting and considering views about possible alternatives.
- 13.4 Changes to the staffing structure will require consultation and compliance with the Council's Handling Organisational Change procedure. Any variation of an employment contract can only be made with the employee's consent. The Council will need to consult with staff before applying any proposed changes to contracts. Agreed variation of contract usually requires some kind of incentive for the employees to accept the new terms; either a buyout payment; payment protection or more favourable contract terms. Employers may, as a last resort, terminate a contract and re-employ someone on new terms and conditions if the contract variation cannot be agreed. If the employee refuses the new terms then a redundancy situation may arise and the employee may be entitled to a redundancy payment. Redeployment may also need to be considered for employees in such circumstances
- 13.5 An employee is dismissed if the contract under which he or she is employed is terminated with or without notice (Employment Rights Act (ERA) 1996, section 95). Dismissal by reason of redundancy occurs where the requirements of the business for employees to carry out work of a particular kind has ceased or diminished (ERA 1996, section 139(b)(i)).
- 13.6 Redundancy is a potentially fair reason for dismissal under section 98(2)(c) of the ERA 1996. However, an employee can bring a claim for unfair dismissal in circumstances where suitable alternative employment is available and is not offered by the employer.
- 13.7 The use of settlement agreements for employees whose employment is brought to an end will limit the risk to the Council of any legal proceedings being commenced by the employees. Agreements can also be used to bring to an end any internal process such as grievances by the employee. The Council will have to have regard to the suitability of such payments in circumstances where there are ongoing disciplinary/misconduct concerns and where there is the possibility of legal action being taken against the employee. Advice will need to be sought in respect of individual proposals as and when redundancy is requested or the employee's post is deleted as part of any restructure.

- 13.8 When deciding whether or not to proceed with these decisions Cabinet must also have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristics and those who do not (the public sector duty). Although an equality analysis has been undertaken which considers the impact on service users, consideration also needs to be given to the impact on staff

14 . ONE TOWER HAMLETS CONSIDERATIONS

- 14.1. The continued delivery of youth services ensures that the Council has had due regard to the need to advance equality of opportunity and foster good relations between young people who share the protected characteristic associated with age.
- 14.2. A full equality impact assessment will be undertaken as part of the restructure process.

15 BEST VALUE (BV) IMPLICATIONS

- 15.1 A restructured youth service will ensure that the Council achieves best value for the provision of future services.

16 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 16.1 N/a

17 RISK MANAGEMENT IMPLICATIONS

Not applicable

18 CRIME AND DISORDER REDUCTION IMPLICATIONS

- 18.1 The provision of a high quality youth service will ensure that young people at risk of involvement in anti-social behaviour or crime are provided with additional support. This will support the Council's efforts to resolve such behaviours where they occur in the community.

19 SAFEGUARDING IMPLICATIONS

- 19.1 The provision of a high quality youth offer for vulnerable young people will support the Councils efforts to ensure that young people at risk are appropriately safeguarded.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

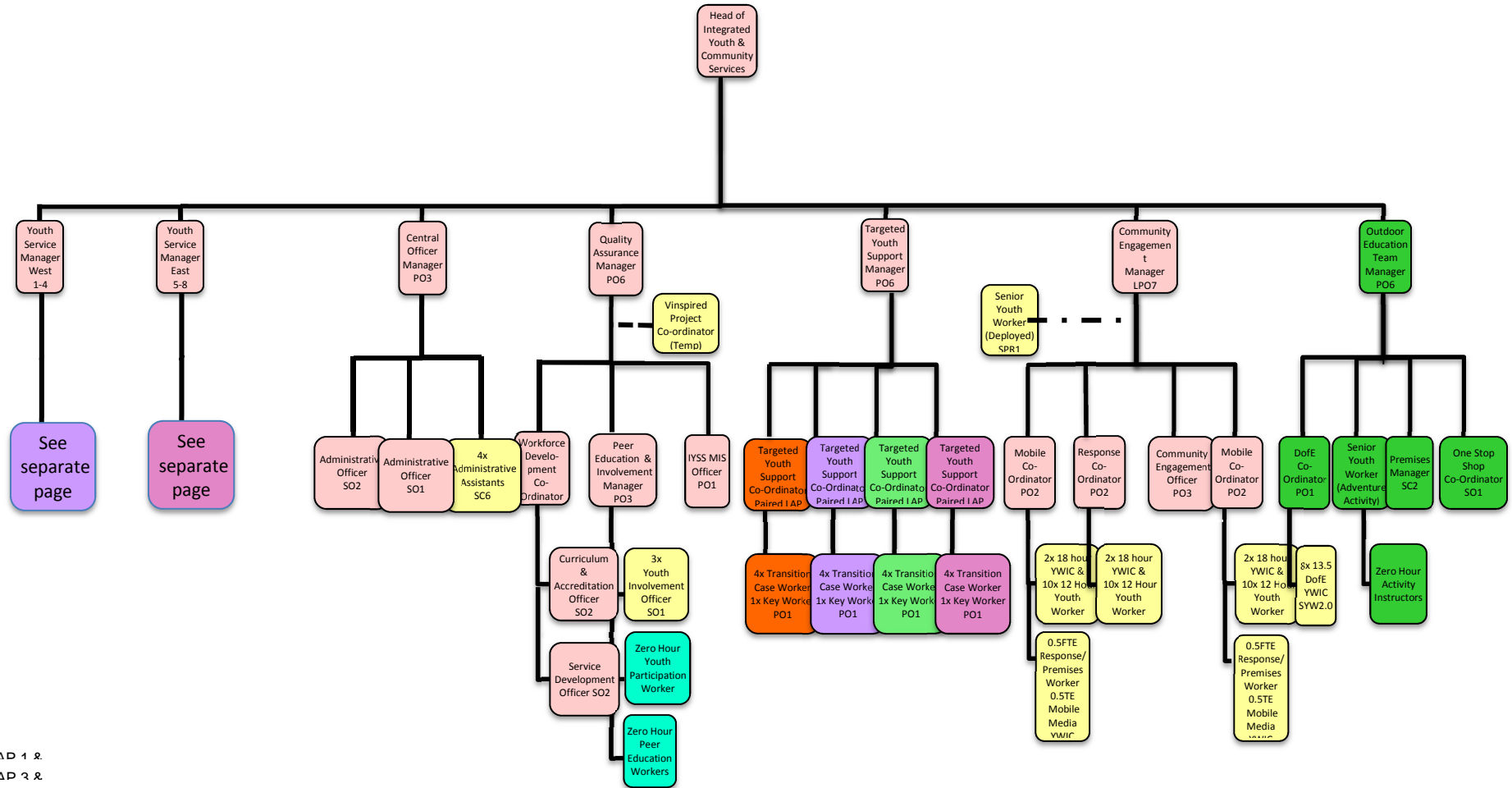
- One – Existing structure
- Two – Proposed structures
- Three - Youth services target definitions

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None

Officer contact details for documents: N/a

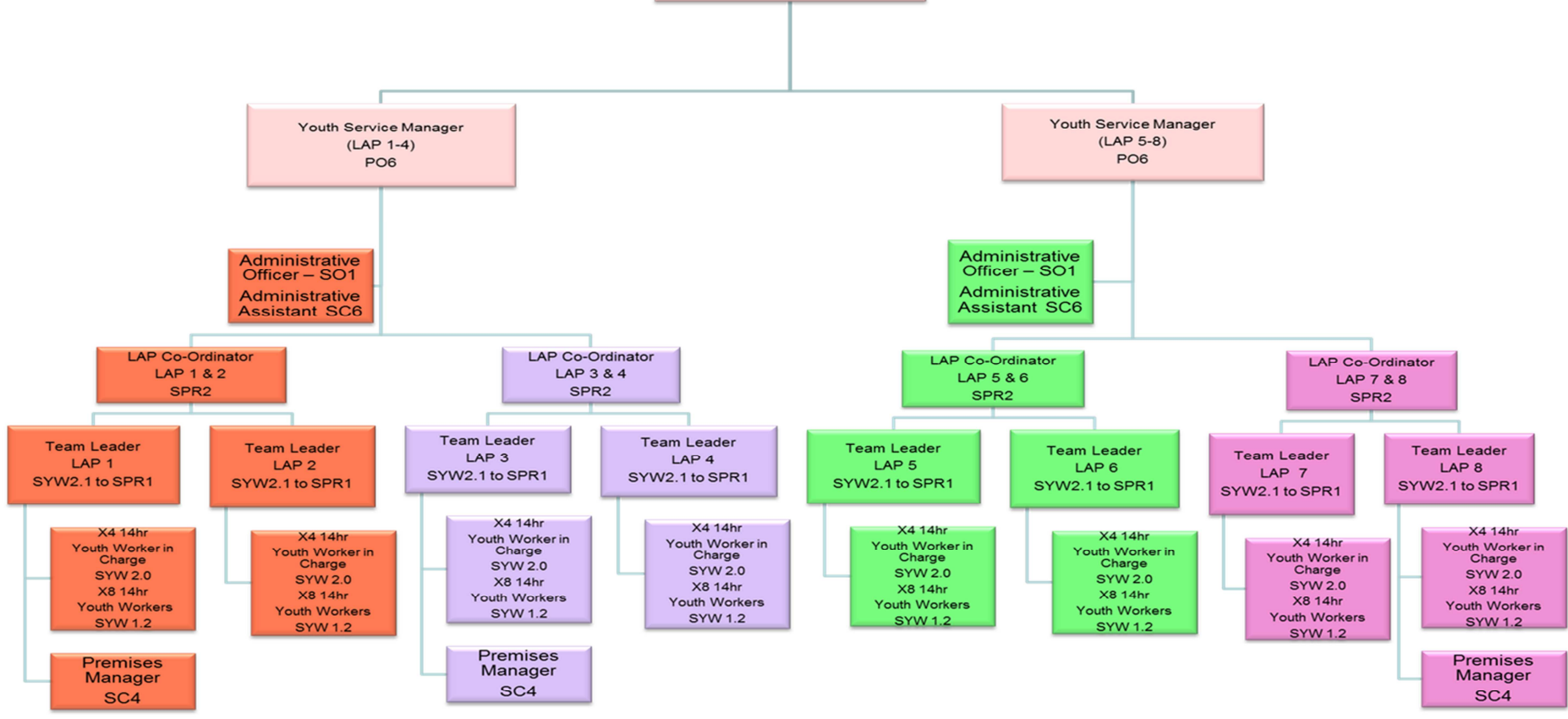
Appendix 1: Integrated Youth and Community Current Structure



- I AD 1 &
- I AD 3 &
- I AD 5 &
- I AD 7 &
- Mulberry
- Urban
- Borough
- Zero Hour

Appendix 1: Integrated Youth and Community Current

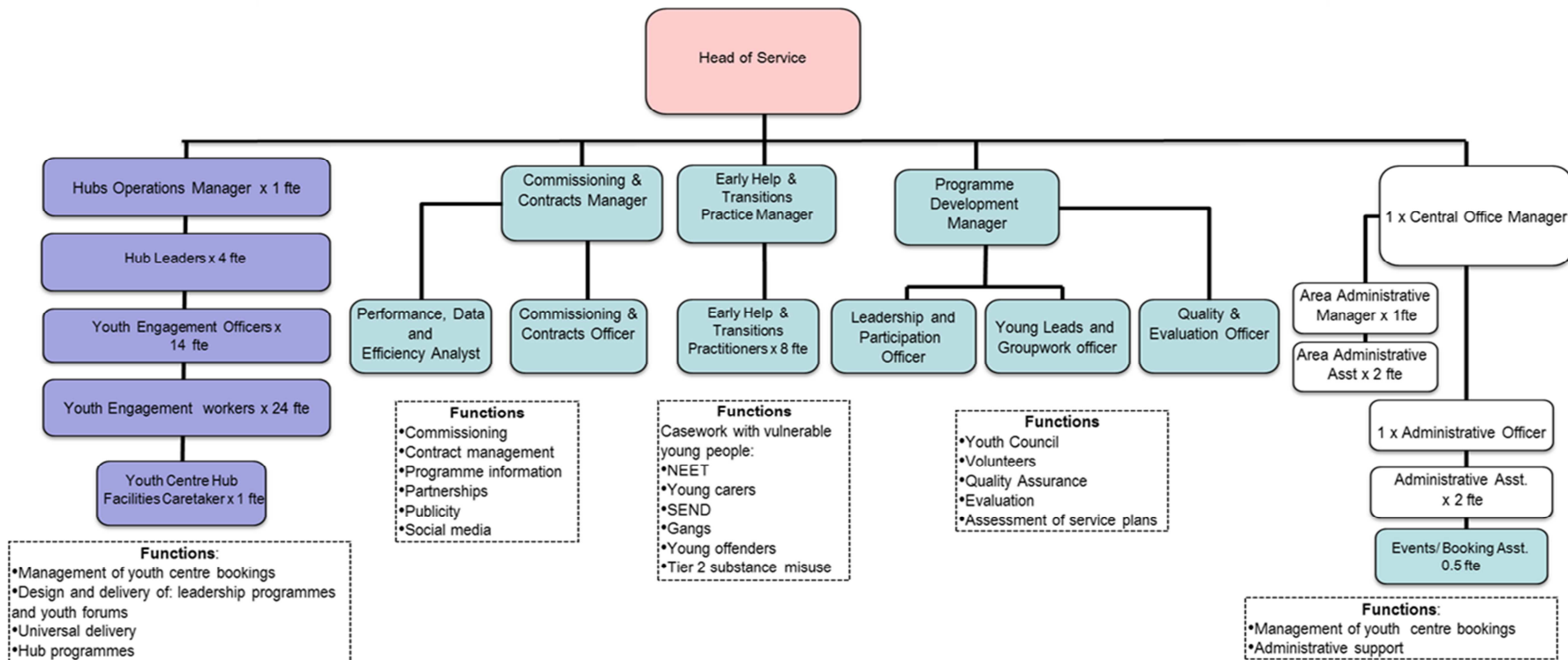
Head of Integrated Youth & Community Services Structure



■ LAP 1 & 2 Hub
 ■ LAP 3 & 4 Hub
 ■ LAP 5 & 6 Hub
 ■ LAP 7 & 8 Hub
 ■ Mulberry Place

Appendix 2 – proposed structure

Option 1: Draft Youth Service Structure – Hub based model



Third Sector Commissioning

Comments

1.Functions job descriptions define relative functional responsibilities between roles.

2.Assumptions:

Functions and services may be commissioned

A stable and flexible service is better delivered with a full-time frontline staff team where members have the time to attend training meeting and to complete recordings.

Salaries costs assume top of the scale and include on-costs

All posts are subject to evaluation

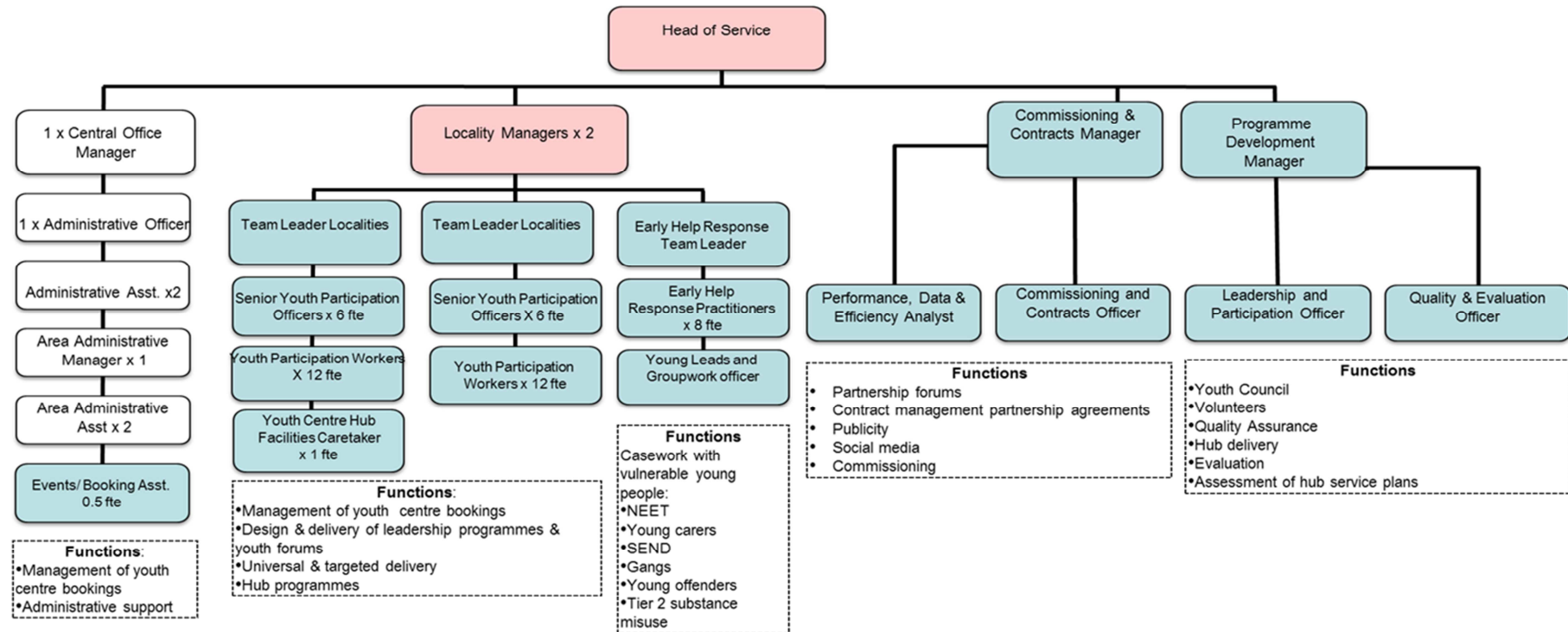
JNC green book terms and conditions for all staff

3.Premises Management: Confirm with Corporate Asset Management the integration that they would expect with the Premises Management staff

4.Admin Review: No changes are anticipated in 2017/18 to the service's administrative support structure due to the proposed Children's Services Support Service Review.

Appendix 2 – proposed structure

Option 2: Draft Youth Service Structure - Locality model



Third Sector Commissioning

Comments

1. Functions job descriptions define relative functional responsibilities between roles.

2. Assumptions:

•Functions and services may be commissioned

•A stable and flexible service is better delivered with a full-time frontline staff team where members have the time to attend training meeting and to complete recordings.

•Salaries costs assume top of the scale and include on-costs

•All posts are subject to evaluation

•JNC green book terms and conditions for all staff

3. Premises Management: Confirm with Corporate Asset Management the integration that they would expect with the Premises Management staff

4. Admin Review: No changes are anticipated in 2017/18 to the service's administrative support structure due to the proposed Children's Services Support Service Review.

Appendix 3: Youth Service target definitions:

- a) **Contact:** A Contact is made with any young person who is registered at a youth centre and attends an additional youth activity programme session for the first time. Contact is expected to be made with 60% of 13 – 19 year old population.

- b) **Participation:** A participant is a young person who attends five additional youth activity programme sessions. Participants are expected to account for 60% of contacts.

- c) **Recorded outcome:** A recorded outcome refers to the course or one off programme of training from which the young person obtains a certificate, from which the recorded outcome is measured, in a specific area of work e.g. Arts, sports, ICT, food hygiene, mentoring or personal development. Recorded outcomes are expected to apply to 60% of participants.

- d) **Accredited outcomes:** An accredited outcome refers to the programme or course of activity undertaken by a young person that is subject to either independent internal verification, the accredited outcome, by an organisation making an award; or that is externally assessed by an awarding body. Accredited outcomes are expected to apply to 10% of participants.