

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETING	31 October 2018	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3105
TITLE:	Youth Connect Public Service Mutual	
WARD:	All	
AN OPEN PUBLIC ITEM		
List of attachments to this report: None		

1 THE ISSUE

Consideration of whether a Public Service Mutual should be established for the future delivery of youth services.

2 RECOMMENDATION

The Cabinet is asked to:

- 1.1 Confirm in principle its support for Youth Connect becoming an independent Public Service Mutual, subject to further due diligence/assurance;
- 1.2 Delegate to the Corporate Director, in consultation with Cabinet Member for Children and Young People, and the Section 151 Officer the final approval to establish the Public Service Mutual and the allocation of transitional funding to support its establishment;
- 1.3 Note that a further report may come forward for approval for funding when the “due diligence” process has been completed.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 The Council budget approved in February 2017 included a saving of £500,000 from the Youth Connect Service and exploration of asset transfer of its three Youth Hubs. The budget saving has been achieved through re-structuring. A business plan for establishing a Public Service Mutual in 2019-20 was completed in September 2018. The Council and

Youth Connect are now exploring the full financial impact on both the Council and the potential Youth Connect Public Service Mutual of putting this into operation.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 The services under consideration are set out in a detailed Specification and include key components of the Council's Early Help Strategy to provide support to young people who need it at the earliest opportunity, together with fulfilment of statutory responsibilities for reporting young people not in education, training and employment.
- 4.2 Government is supporting the development of Public Service Mutual as an increasingly important strand of the public service reform agenda.
- 4.3 Staff have exercised a 'right to request' consideration of a Public Service Mutual to deliver youth services, which the Council is bound to consider.

5 THE REPORT

The request is to establish a Public Service Mutual which would operate as an independent organisation and registered charity, owned by a Board of Trustees and aligned to a number of stakeholder groups, including a young people's group. It would intend to gain the core Council contract for delivery of youth services.

6 RATIONALE

The business plan sets out how the Public Service Mutual would have the opportunity to secure additional funding and grow services for young people into the future, thereby gradually becoming less dependent on core Council funding. It would enable greater flexibility in how services are delivered and a faster response to young people's emerging needs. This would strengthen the early help offer to young people in Bath and North East Somerset and reduce the likelihood of them needing to access more expensive and intrusive statutory services.

7 OTHER OPTIONS CONSIDERED

Retain an in-house service

- 7.1 The main alternative to the proposed Public Service Mutual would be for Youth Connect to continue to operate as an in-house Council service, fulfilling its internal contract to undertake statutory tracking and reporting of young people's educational, training and employment status, providing a targeted service for young people who require additional support and enabling the development of youth work within the community, including in Peasedown St John and Riverside Youth Hubs if requested. As an in-house service, it would be able to undertake some traded work with local partners, including some of the Parish Councils. The organisational

restructuring undertaken has created an organisation that could operate in this way.

- 7.2 An in house service would have more limited scope for traded work (i.e. at the margins) and much less opportunity to access other sources of funding, such as lottery grants or charitable funds, representing a lost opportunity to enhance the service offer and create a substantial body of youth service provision independent of Council funding.

Council creating a small charity

- 7.3 The risks attendant on the establishment of an independent Public Service Mutual could be mitigated by retaining an in-house Council Service for delivery of the commissioned services and creating a small charity to enable open access youth work and other services not included in the core contract to be delivered.
- 7.4 Councils establishing charities in this way need to take care to ensure their independence as the Charity Commission has previously refused to register Council-controlled organisations. A 'separated' model such as this may not enjoy the synergies possible within an integrated service, with its ready ability to support young people as their needs change and may not have sufficient infrastructure to bid for significant funding and build reserves to 'future proof' services. This option would need a full feasibility study before it could be proposed.

Procure Youth Services from an external provider

- 7.5 The Council could take the option of 'externalising' the service by commissioning an existing alternative provider to deliver it on behalf of the Council under contract. The current staff would benefit from the protections of TUPE and this route would potentially avoid any duplication of organisational infrastructure costs and might ensure that the contract sits with a more resilient provider from day 1.
- 7.6 This would require a full commissioning process, which would introduce a significant delay in seizing the opportunities described above. This route would also be likely to result in a loss of some of the commitment and goodwill of staff who have been encouraged to explore the development of the Mutual. The marginal benefits in terms of costs and risk reductions under this option should be tested as part of the assurance work proposed in this paper.

8 CONSULTATION

- 8.1 There has been extensive consultation with staff and managers over an eighteen month period about the proposals to restructure Youth Connect. For most of this period, staff and managers have also been engaged in work towards the establishment of a Public Service Mutual.

8.2 The plans build on consultation with young people that confirms the value they place on an organisation that can be more flexible to address their needs. Commissioners and Youth Connect have consulted with young people about the support they would like to be able to access and what they value in the services offered. There has also been specific public consultation about their use of and access to Southside Youth Hub. This highlighted a welcome for increased access for young people and communities with a range of positive ideas being put forward.

8.3 Community groups, included all those regularly using the three Youth Hubs, have been consulted about the future management arrangements for these buildings and have had opportunity to express and explore their interest in becoming leaseholders.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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Background papers	
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