

Cabinet Meeting Resolution

**Executive
Forward Plan
Reference**

E3105

Youth Connect Public Service Mutual

Date of Meeting	31-Oct-18
The Issue	<i>Youth Connect is seeking approval to establish itself as a Public Service Mutual, to safeguard and extend Youth Services in Bath and North East Somerset.</i>
The decision	<p>RESOLVED (unanimously) that the Cabinet agreed to:</p> <ol style="list-style-type: none"> 1) Confirm in principle its support for Youth Connect becoming an independent Public Service Mutual, subject to further due diligence/assurance; 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; 3) Note that a further report may come forward for approval for funding when the “due diligence” process has been completed.
Rationale for decision	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.
Other options considered	<p>Retain an in-house service</p> <p>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.</p> <p>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.</p> <p>Council creating a small charity</p>

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	<p>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.</p> <p>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.</p> <p>Procure Youth Services from an external provider</p> <p>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.</p> <p>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.</p>
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The Decision is subject to Call-In within 5 working days of publication of the decision

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FIELD_TITLE

Date of Meeting	FIELD_DATE_MADE
The Issue	FIELD_ISSUE_SUMMARY
The decision	FIELD_DECISION_SUMMARY
Rationale for decision	FIELD_DECISION_REASON
Other options considered	FIELD_DECISION_OPTIONS

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**FIELD_BA
CKGROUN
D1**

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