

5 April 2017		ITEM: 13 (Decision 01104418)
Cabinet		
Transforming and Securing the Council's Youth and Skills offering – Inspire		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor James Halden, Cabinet Member for Education and Health		
Accountable Head of Service: Michele Lucas, Strategic Lead, Learning and Skills		
Accountable Director: Rory Patterson, Corporate Director, Children's Services		
This report is Public		

Executive Summary

The Cabinet is determined to ensure that we have a robust youth and skills offer, so we can show leadership to ensure we work with education partners to enable our young people to raise their expectations and reach their potential. This paper seeks to end the ongoing uncertainty with the structure of the youth offer and position of Grangewaters, while putting both on a firm commercial footing to meet its objectives while becoming self-sufficient.

The purpose of this report is to update the Council on the most appropriate delivery vehicle for Inspire Youth Offer that incorporates consideration of Inspire being spun out.

During this review, the Inspire youth offer has continued to broaden its scope and increase its impact as an in-house managed service, developing new income streams, recovering costs and raising standards. In addition, the council has secured a £2.4m grant in European funding and taken on the management of the Council's Grangewaters Outdoor Education Centre recovering a further £330k in the current year to leave the site cost neutral. With Grangewaters and a number of other elements of the service now recovering a significant amount of its current operating costs, over and above its core funding of £1.3m in 2016/17.

Based on the continuing improved efficiency and growing effectiveness of the service the review identified that there would be no immediate financial or service benefit for externalising the service further, the costs incurred in setting up the mutual whether as a charity or a community interest company, are estimated at over £100k.

Working closely with the Commercial Director, under the transformational and preventative agendas, the Inspire youth offer is looking to further incubate its trading activities over the next three years, setting a model of good practice for other departments delivering continued savings of 15% over three years across a broader range of preventative young people's services designed to reduce the demand on the high cost social care services as identified the work undertaken by iMPower in 2016.

The Cabinet is invited to note the report and approve the principle that the Inspire service, including the operation of Grangewaters outdoor education centre, remain an in-house service and is supported in incubating and growing its commercial approach as part of an ongoing service review over the next three years. Subject to a sound business plan, continued improvements will be made to the Grangewaters site. This approach also ensures that the strengths of the Inspire youth hub team remain within the Council and the Council's commitment to young people's services is maintained

1. Recommendations that the Cabinet:

- 1.1 Approve the principle that the service, including the operation of Grangewaters outdoor education centre, remain an in-house service and is supported in incubating its commercial principles.**
- 2.2 Approve more autonomy for Inspire to meet its objective to form a cost neutral and self-sustaining service, while meeting our goals and principles to improve outcomes for young people.**

2. Background

- 2.1 The purpose of Inspire youth offer is to provide a range of services to all 13-19 young people (up to 25 for those with disabilities) in Thurrock and surrounding areas so as to improve their opportunities for education employment and training. The service has a successful track record of securing good outcomes for young people. For example, the level of young people not in education employment and training has been reduced to 2.3% from 3.1% with the ambition for 2017/18 being a further reduction to 2%.
- 2.2 The Inspire youth offer is a key strand in the council's ambition to: link high quality education to good employment and training opportunities; raise student expectations and ambition; and tackle the inter-generational family issues of low expectation and aspiration.
- 2.3 In August 2014 the Council undertook consultation to seek views from staff and service users ahead of the proposed spin out of the Inspire youth offer to a mutual.
- 2.4 In February 2015 the outcome of the consultation was presented to the Children's Overview and Scrutiny Committee confirming that service users and staff alike were in favour of the proposal to spin out the youth offer although no

detailed business case analysis of the consequences for its employees had been undertaken at the time.

- 2.5 The Children's Overview and Scrutiny Committee in September 2015, supported the principle that it was open to the delivery of the youth and community related activities via a mutual. However, this was subject to the necessary due diligence being undertaken. In February 2016, Officers reported on a number of risks it felt required further consideration prior to the execution of any mutual and these have been taken into account in this assessment.
- 2.6 In August 2016, a further thorough review including financial implications as to whether the service should operate as a mutual and the most appropriate legal structure for that mutual was undertaken.
- 2.7 Officers appointed independent consultants Benesse (UK) Ltd in December 2016 to provide an independent assessment of the mutual option as part of the Council's Service Review Process into how the service is provided.
- 2.8 The Service Review Principles that have been implemented as part of the Council's transformation programme provides a methodology against which Council officers can look to deliver significant improvements in the commercial, financial and operational performance of the services offered.

3. Service Objectives

- 3.1 Over the next three years Inspire will be working to develop services that aim to achieve the following:-
 - NEETs to go below 1.5%
 - Care Leavers into EET 75%
 - Every 16 year old has access to impartial careers advice
 - Grangewaters – a 5% increase in bookings for the site
 - Youth Employment Initiative to deliver to the contract specification
 - To continue to seek commercial opportunities to increase our market
 - share of youth related activities across the Opportunity South Essex College
 - High Achieving students have access to programmes that can support them into Russell Group Universities and grammar schools
 - Unknowns re continue to remain in the top 5% of the country
 - To support schools and other partners shape their working based on the demands we see in the employment market
 - To lead on the work with partners to support pathways into employment e.g. work undertaken with the Local Enterprise Partnership
 - Raising the aspiration of students to not just settle for easily accessed employment opportunities, but stretch to fulfil their potential
 - To work with our alternative provision market to ensure we support the reintegration of young people into the mainstream education / employment system

4. Youth Services in Thurrock

- 4.1 Over the past three years the Council's Inspire youth offer has worked hard to implement commercial systems and processes to reduce costs. In parallel, the service has continued to reduce the number of young people not in education, employment or training
- 4.2 The current cost to Thurrock Council for the provision of the Inspire youth offer was £1.5m for 2015/16 and is budgeted to cost Thurrock £1.324m in 2016/17. This is despite an increase in the level of service increasing to a forecast value of £2.583m with the difference in revenue found from commercial and grant funded activities.
- 4.3 Through this combination of changing the way things are done, reducing costs and introducing new programmes funded externally, the Inspire youth offer has continued to improve its financial position in recent years saving £600k since 2013/14 and a further £300k in 2016/17 from running Grangewaters.
- 4.4 Looking ahead the youth offer needs to identify ways to generate a further 15-20% income to become financially cost neutral. Further to this review it is looking to achieve this by continuing its current process of challenging methods of delivery and packaging of services.
- 4.5 The Inspire youth offer team includes over 45 employees across the five aspects of service with the majority based at the Inspire Hub building in Grays and Grangewaters, South Ockendon. Its services impacts on every 13 to 19 year-old in Thurrock and anyone with special educational needs up to the age of 25. As a way of generating additional income they have also been commissioned to deliver a number of services for neighboring council's (e.g. Basildon) and attracted funding to deliver national programmes (Youth employment Initiative).
- 4.6 In 2016 the Inspire Youth Service provided a range of services for young people including the following:
- Accommodated 336 enrolments on the Duke of Edinburgh course delivering 2,416 hours of Volunteering
 - The Careers team supported over 4,000 young people to find employment, training or education opportunities
 - The Princess Trust Team supported 45 young people with 90% completing level 1 or 2 Certificate in Employment, Teamwork and Community Skills (ECT).
 - 85% of the young people who complete moved on to a positive outcome within 3 month. The programme also delivered 540 hours of volunteering and social action programmes
 - The team's Youth Work supported the 35 young members of the Thurrock Youth Cabinet, 4,331 young people who voted in Make Your Mark, 100 young people attending Youth Con (an event run by our youth cabinet members), 220 young members of Tilbury Youth Club, the 90 young people who took part in the Thurrock street football project, 13 young people who achieved the FA Junior Football Leaders Course, over 5,000

young people viewing ‘Only Human’ (film raising awareness about mental health), set up a music recording studio and provided over 1,300 hours of Face to Face Youth Work;

- The Youth and Outdoor Education team worked with 5,280 young people;
- Grangewaters accommodated over 3,000 Young people, providing the opportunity for 293 hours of volunteer support work.
- Finally, the Employability and Skills team hosted 2,600 visitors to its Opportunity Thurrock exhibition, supported 4,500 young people with over 1400 work placements, 40 Apprenticeships supported and 1,782 Voluntary hours delivered.

4.7 By retaining the service in house and supporting or incubating the business using the Service Review Principles below it is anticipated that the Council can preserve the strengths of the service including key personnel.

5. Assessment of the youth offer using Thurrock’s Service Review Principles (SRP)

5.1 In May 2016 a Transformation Board was implanted with. The aim to use a set of Key Design Principles (below) that each service area is to consider when designing or reviewing its service offer.

The Principle	The objective
Customer (Demand Management)	<ul style="list-style-type: none"> • What is current customer demand • How much can we/should we reduce it by through change in behaviour/partnership engagement etc • Investigates how customers feel about and interact with the service and how might this data be used to improve service delivery
Commercial (incorporating associated delivery vehicles)	<ul style="list-style-type: none"> • How can services grow external income and reduce cost to serve • What alternatives delivery vehicles might be in place for better outcomes
ICT/Digital	<ul style="list-style-type: none"> • How can we reduce cost to serve through creating channel shift to self serve options • Stimulate and enable innovation and new ways of working • Make smarter use of data and improve comms and partnership working across public services (share & re-use)
People	<ul style="list-style-type: none"> • Exploration of skills/capacity/cultural/leadership development that need to be addressed now to ensure success for the future
Procurement	<ul style="list-style-type: none"> • Considers contracts that a service has in place • Explores possible efficiencies from re-procurement, joint, PAN procurement
Property & Assets	<ul style="list-style-type: none"> • How can we use the public realm asset portfolio to maximum effect • Rather than simply selling assets is there an opportunity to act as developes (thus creating an on-going revenue stream)

5.2 The first Principle of “demand and customer experience” within Thurrock and in surrounding areas has been well documented here and in previous reports to the Council. The Inspire Team has shown its application to this by delivering improved impact, managing customer forums and a youth council as a means to identifying and meeting demand and maintaining relevant services.

- 5.3 Under the second, Commercial Principle, over the past three years, the Council has developed within the Inspire youth service, a commercially focused leadership team that has successfully identified and explored a number of commercial opportunities to reduce council costs whilst continuing to improve and expand on the youth offer.
- 5.4 The investment in ICT and digital platforms, as the third Principle, requires further attention as highlighted in the Council's recent digital strategy. The introduction of virtual learning programmes and a wifi service at Grangewaters shows how the service is starting to align with the needs of the young people using the service.
- 5.5 The ongoing review of people and processes within the Inspire youth offer has successfully generated enough income to offset budget reductions over the past three years and has managed to retain the knowledge base, and a highly skilled, flexible and motivated workforce. A fact recognised through the Council's recent employee awards, which highlighted their involvement across services and their willingness to take on new challenges.
- 5.6 Under the (fifth) Procurement Principle this report confirms that the service and contracts in place cannot be provided more efficiently or effectively under different forms of procurement within the next budget period (Appendix 1).
- 5.7 A review of the Grangewaters outdoor education centre (Appendix 2) similarly confirmed that this facility would also be better retained within the Inspire youth offer over the next three years whilst the site is properly reviewed and where appropriate, services developed and capital deployed to deliver a return to the Council.
- 5.8 In summary, the Inspire youth offer remains focused on delivering services on commercial principles and growing a sustainable high quality service for young people.

6. Alternative Delivery Vehicles issues, Options and Analysis of Options

- 6.1 As part of this report, significant work has been undertaken in considering the different options available to the Council for the Inspire youth offering via a mutual and this is set out in appendix 1. This included a review of other externalised providers such as the charities CXK (youth services, Kent), Advizor (Berkshire), Careers Connect (Liverpool), Catch 22 (young person charity) and the community interest companies Epic (Kensington and Chelsea), Achieving for Children (Richmond and Kingston) and Thurrock Lifestyle Solutions (Disabled services, Thurrock).
- 6.2 The decision to retain in its current form revolves around the fact that the service is currently demonstrating significant improvements year on year to its financial performance, the service has continued to realise new sources of revenue, the Council retains title on key assets, the Council would be disadvantaged through a loss in skilled and competent employees who are able to support

improvements in this service as well as assisting more widely across the Council and that the costs (approx. £100-150k) and legal processes that would be required in delivering a mutual could be both significant and complex requiring significant time from senior officers without demonstrating the return on investment the Council might require at this time.

6.3 Continuing to support and nurture this service under the service review principles continues to support the Council's core ethos for delivering award winning child centric youth services

6.4 To ensure that the council does not become complacent as to this situation it is felt that a similar review be undertaken in three years' time when the service can be re-benchmarked and the service delivery model challenged once more.

7. Consultation (including Overview and Scrutiny, if applicable)

7.1 There has been ongoing consultation with:

- Young people
- Staff
- Elected members

These have been reported on in a number of earlier reports to Cabinet and Children's Overview and Scrutiny

8. Impact on corporate policies, priorities, performance and community impact

8.1 None

9. Implications

9.1 Financial

Implications verified by: **Shaj Sivadasan**
Management Accountant

Over the past three years youth related activities have seen a significant budget reduction. Looking ahead as part of the current budget review process, the youth offer will need to deliver a further 15-20% saving.

9.2 Legal

Implications verified by: **David Lawson**
Monitoring Officer

No legal implications

9.3 Diversity and Equality

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

Although there are no direct implications as a result of this report, the ongoing work to strengthen the youth offer has a positive impact on equalities as explained at section 4.

10. Commercial

- The proposal is in line with the Council's Service Review Principles

11. Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

- None

12. Background papers used in preparing the report

Connected Thurrock – A Digital Strategy for Thurrock (21/2/17)
Making prevention work report – Thurrock's Prevention Model iMPower (Jan 2017)

13. Appendices to the report

- Appendix 1 Evaluation of delivery models for the Council's youth offer
- Appendix 2 Grangewaters options analysis

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