

<b>MEETING:</b>	<b>CABINET</b>
<b>DATE:</b>	<b>14 JUNE 2012</b>
<b>TITLE OF REPORT:</b>	<b>RECOMMENDATION FOR THE ESTABLISHMENT OF A SINGLE YOUTH OFFENDING SERVICE FOR WEST MERCIA</b>
<b>PORTFOLIO AREA:</b>	<b>HEALTH AND WELLBEING</b>

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

The purpose of this report is to seek agreement on the establishment of a single Youth Offending Service for the authorities within the West Mercia police area.

### **Key Decision**

This is not a Key Decision.

### **Recommendation(s)**

**THAT:**

- (a) work should progress to establish a distinct core model for a West Mercia Youth Offending Service, and to consider the optimum delivery mechanisms for non core services using a commissioning approach;**
- (b) West Mercia Probation Trust is contracted to deliver a core Youth Offending Service, as part of the transition process, as the preferred way forward, and that, subject to the Director for Peoples Services being satisfied that effective linkages are being maintained between the core Youth Offending Service and local youth and family services in Herefordshire, implementation should proceed to achieve this; and**
- (c) this arrangement be reviewed after 18 months to allow exploration by the Local Authorities, jointly and severally, through the Youth Offending Service Management Board of commissioning the Single Core Youth Offending Service through a competitive process to secure a third party provider from year three, if that is the conclusion of the review.**

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Further information on the subject of this report is available from  
Deborah McMillan Head of Locality Services on (01432) 260978

## Key Points Summary

- There is a common theme running through the Children's Centre Review, the Youth Service Review and the Youth Offending Service Review. These three Cabinet Reports reflect the Local Authority's approach to delivery that seeks to support disadvantaged or vulnerable children, young people and families by identifying those who need additional and early help to overcome the challenges they face. A focus on prevention and intervening early is a key feature of all of the recommendations.
- A Youth Offending Service is a multi-agency team that is coordinated by a local authority, which is overseen by the Youth Justice Board. It deals with young offenders, sets up community services and reparation plans, and attempts to prevent youth crime and re-offending rates. They were established following the 1998 Crime and Disorder Act with the intention of reducing the risk of young people offending and re-offending, and to provide counsel and rehabilitation to those who do offend. Youth Offending Services engage in a wide variety of work with young offenders under 18 years.
- Youth Offending Services in Herefordshire are delivered by the Herefordshire and Worcestershire Youth Offending Service as a joint service. The service is performing well.
- The Youth Offending Service is a statutory service which must be established by the Local Authority in co-operation with other statutory partners.
- A review of Youth Offending Services across the West Mercia area is timely due to changes in youth justice funding, the appointment of Police and Crime Commissioners and budget changes, and the reduction of first time entrants changing the nature of the demands on the service.
- As the co-ordinating body we should be considering the elements of Youth Offending Service delivery that we want to continue to deliver directly, and the elements that may be more effectively commissioned.
- Herefordshire Council understands the need to focus on early help, intervening early and preventing young people entering the youth justice system. There are clear linkages between the service being delivered and supporting improvement of wider corporate plan objectives such as increasing educational achievement. The new arrangements will not only provide value for money but will facilitate improved outcomes for young people.
- The recommendation is to establish a single Youth Offending Service covering Herefordshire, Worcestershire, Shropshire and Telford and Wrekin.
- The recommendations will provide a viable single and efficient Youth Offending Service for West Mercia, and will provide Herefordshire with financial savings of at least 20% over a two year period to April 2015.
- The Local Authority will require the merged service to commit to maintaining the link between the Youth Offending Service and local services including children's social care and targeted youth support.

## Alternative Options

1. Maintaining the status quo is not an option as Worcestershire County Council is not supportive of continuing to deliver a joint Youth Offending Service with Herefordshire and they are in favour of the recommendation for a West Mercia Youth Offending Service. Herefordshire

cannot deliver the Youth Offending Service alone as it would not be financially viable to do so especially with challenges on our financial position as a council. There are funding changes with the youth justice grant which will further impact on the funding available to deliver the Youth Offending Service.

## **Reasons for Recommendations**

2. The key strategic issues informing these recommendations are:
  - The challenging financial position and the need to use resources more effectively whilst continuing to secure effective services
  - Councils becoming commissioning bodies, rather than direct providers of service
  - The drive towards local service delivery across all sectors
  - The focus on early intervention and prevention to achieve better outcomes for children and adults
  - A renewed focus on work with troubled families
  - The reduction in numbers of young offenders, and use of custody

## **Introduction and Background**

3. West Mercia currently has two Youth Offending Services. One covers Shropshire, Telford and the Wrekin, the other covers Herefordshire and Worcestershire. Both services perform well according to inspection reports and they have been effectively managed as joint services across Local Authorities. However, the landscape is changing for Local Authorities and in criminal justice thinking and it is timely to review how the service is delivered. With the forthcoming appointment of a Police and Crime Commissioner, and with budgets for substance misuse and community safety passing to the Police Authority, it is important to ensure the Youth Offending Service is well positioned to both commission and deliver services.
4. It is also important to note that the number of first time entrants to the criminal justice system has reduced by 25% however the size of the Herefordshire and Worcestershire Youth Offending Service has not reduced to reflect this. This financial year Herefordshire has reduced the contribution made to the Youth Offending Service to reflect this. This is an opportunity to reshape Youth Offending Service for the future. There are twin agendas that we are seeking to deliver: achieving financial savings and ensuring improved outcomes for young people. There are clear linkages between the service being delivered and supporting improvement of wider corporate plan objectives such as increasing educational achievement. The new arrangements will not only provide value for money but will facilitate improved outcomes for young people.
5. The four Local Authorities, NHS, Police and Probation Trust in West Mercia have established a project to look at the options to do this, and to then support the implementation of a new service, in line with the preferred model chosen through the options appraisal. A project board comprising the Children's Services Directors from each Local Authority and a senior representative of the statutory partners for Youth Offending Services of Police, Probation, and NHS has been established to govern and direct the work of the project. Herefordshire employs 2.5 FTE staff who work for the Herefordshire and Worcestershire Youth Offending Service - 1 FTE Assistant Team Manager and 1.5 FTE Youth Offending Service Officers.

### **Vision, Outcomes and benefits:**

6. An approach which focuses on preventing youth crime, rather than simply responding to it is the aspiration of the project. This places the Youth Offending Service at the heart of a wider system explicitly focused on prevention, diversion, and educational achievement. This should lead to:

- A clear, joined up route for young offenders to obtain timely and appropriate services that integrate with other local services such as health, adult's services, children's' services, police, schools and third sector and voluntary providers.
- Improved outcomes for young offenders in terms of reduction in first time entrants to the justice system, reduction in reoffending and reduction in use of custody, as well as better life outcomes as set out in Every Child Matters ( to be safe, healthy, make a positive contribution, achieve economic wellbeing)
- A viable single and efficient Youth Offending Service for West Mercia
- Financial savings of at least 20% over a two year period to April 2015

7. **Principles for change** have been agreed, and options and decisions will be tested against these, which are set out below:

- Focus on outcomes - young offenders are children first, and although services are performing well, there is an aspiration to improve outcomes for young offenders
- Build on existing strengths of current services
- Collaborate to establish shared services across West Mercia where this needs to be consistent and requires specific expertise
- Make best use of scarce resources
- Apply intelligent, evidence based commissioning
- Maintain and develop local service delivery
- Develop strong leadership in regional criminal justice arrangements
- Ensure there is a strategic and operational fit with development of Prevention and Early Intervention services in Local Authority Services

8. There has been extensive discussion with Directors of Children's services, West Mercia Probation Trust (WMPT), West Mercia Police, NHS colleagues, staff and managers in the current Youth Offending Service and key stakeholders since January 2012 which have informed the recommendations in this report.

### Service Definition

9. The Youth Offending Service is a statutory service which must be established by the Local Authority in co-operation with other statutory partners. The purpose of the service is:
- To co-ordinate the provision of youth justice services for all those in the LA area who need them
  - To carry out those functions assigned in the Youth Justice Plan which is agreed annually by each Local Authority
10. To consider the options for creating a service across West Mercia, and determine what could be delivered at this level, and what could be delivered at more local level, the activities have been defined according to whether they are statutory functions, and whether they specifically have to be undertaken by the Youth Offending Service. The definitions are set out below:
11. **Core** - activities which are statutory youth justice services (involving assessment, case management, enforcement and court services) which have to be undertaken by a Youth Offending Service Member or a Youth Offending Service under statute.
12. **Non core statutory** - youth justice services which need to be available, but do not necessarily have to be delivered by the Youth Offending Service for example parenting orders.
13. **Non core non mandatory or discretionary** - services which are relevant and currently delivered or co-ordinated by the Youth Offending Service as the result of particular historical funding initiatives, national policy and guidance or local arrangements for example project such as the

Youth Inclusion and Support Panel (YISP) that works with children and young people who are identified as being at risk of being involved in crime or anti social behaviour.

#### **Service Pathway:**

14. Using the definition of the core service, the service pathway has been reviewed and a high level pathway has been designed for the single service. This will inform the operation of the core service.

#### **Option Appraisal - Strategic Management model:**

15. Two main delivery options were considered, each with variations. These are
  - An Integrated Youth Offending Service, incorporating all existing services, particularly statutory services.
  - A core Youth Offending Service across West Mercia, with commissioned non-core services.
16. It was concluded that the best fit with the principles for change suggest that work should progress to establish a distinct core model for a West Mercia Youth Offending Service, and to consider the optimum delivery mechanisms for non core services using a commissioning approach.

#### **Option Appraisal - Delivery of Core Service on a hosted basis:**

17. **Features of a Hosted Service:** The host agency manages the core services on behalf of the Local Authorities which have statutory responsibility for establishing the Youth Offending Service for their area. This would be done under a formal managing agent agreement, or under contract with each Local Authority if not hosted by a Local Authority, with appropriate governance through a new single Youth Offending Service Management Board to ensure that the Youth Offending Service is held to account for delivery at local level for each Local Authority, as well as at strategic level across West Mercia. Each Local Authority would need to produce a Youth Justice Plan for its area, which would underpin the contract or formal agreement with the host.
18. Employment options for staff are being explored, though there is a preference for staff to be seconded into the new service. The key element is to establish a flexible workforce committed to a service across West Mercia, but with local delivery and engagement with a wider range of services.
19. Although some of the current non-core services may be able to be directly commissioned by a Local Authority, or alternative arrangements made, it is likely that there will be some in-house provision remaining beyond the next six months. In the medium term it is most practical if the host agency also manages these as part of the Youth Offending Service, within an appropriate management structure. This provides the opportunity for them to be managed on a West Mercia basis and to prepare for the future as commissioned services.
20. The budget for the Core Youth Offending Service and the remaining non-core services would be set in line with the size of the new service, probably hosted by a Local Authority to allow maximum flexibility around use of resources, and drawn down by the host agency.
21. The host is likely to need to provide contracting and procurement support to the Youth Offending Service, as this function is not well developed, and the scale of commissioning does not warrant separate procurement services.
22. Establishing a hosted service on this basis is likely to be achievable by October 2012 in shadow format, with formal implementation from April 2013.

23. **Two options were considered:**

**Option One: Core Service hosted by a single Local Authority**

**Option Two: Core Service Hosted by West Mercia Probation Trust (WMPT)**

24. Both options fit with the principles for change and are achievable. However, there are synergies and additional benefits in option two, the core service hosted by WMPT, which are not present in option one. It is also likely that greater savings can be made through these synergies, and the potential for integrated management of some services over time. This option is compatible with a longer term direction of travel for the new Youth Offending Service Board to commission the core service from a third party following further review after two years.

## **Key Considerations**

25. Having considered the most effective approach, it is proposed that the best way forward is for West Mercia Probation Trust to be contracted to deliver a core Youth Offending Service, as part of the transition process, and that implementation should proceed to achieve this.
26. The arrangement will be reviewed after 18 months to allow exploration of commissioning the Single Core Youth Offending Service through a competitive process to secure a third party provider from April 2015, if that is the conclusion of the review.
27. The effectiveness of the new service will be evaluated as part of implementing the commissioning cycle. Opportunities for formal, external evaluation of the new core Youth Offending Service for West Mercia will also be explored to support the review, given that there is no direct comparison, and it would be useful to ascertain what has been critical to success.
28. Non core services will be subject to a commissioning review to gather more information and determine the optimum range and delivery of these services, as well as the best commissioner for service. The review will be completed before October, and a clear implementation plan drawn up by that time. The interim position for non core services will be as part of the Youth Offending Service, and aligned to the core.
29. There is a commitment to establish a single IT and business systems approach. This will ensure consistency, and will generate efficiencies, though these are still to be determined. However, whilst this is proposed in principle, implementation will be subject to a robust business case.
30. A detailed review of property options will be undertaken when the detailed structure, size and design of the Core Youth Offending Service and non-core services is known. This will take account of the following principles:
- That the Youth Offending Service operates on a hub and spoke basis, with a central point for teams such as human resources, finance, business support systems. This could operate from existing premises, ideally near the host location.
  - That opportunities to develop local links, and for flexible working in a range of settings are pursued for the Youth Offending Service, and West Mercia Probation Trust and the Local Authorities.
31. A new governance structure is proposed and this will be further developed and tested to ensure that the Youth Offending Service is firmly connected to wider partnership working in each Local Authority area. Clear Terms of Reference for the new management board will be developed that include a statement of purpose to ensure that the Youth Offending Service is given effective

strategic direction, and is held to account by all the partners. A shadow board will be set up to oversee implementation and development of the new Youth Offending Service, whilst managing transition of the current two Youth Offending Services from May 2012.

32. A phased approach to implementation is proposed as a practical way forward, but it is the intention to operate the new West Mercia Youth Offending Service from October 2012 in shadow form, with formal start in April 2013.
33. The process will be managed to ensure that Herefordshire is not marginalised through the process and the council will require the merged service to commit to maintaining the link between the Youth Offending Service and local services including children's social care and targeted youth support.

## **Community Impact**

34. These recommendations to form a single West Mercia Youth Offending Service will have no impact on the service that service users in Herefordshire receive. Core services will continue to be delivered as they are now. Non – core services may be commissioned to other providers but this will not impact adversely on the nature or quality of that provision.

## **Equality and Human Rights**

35. This decision/proposal pays due regard to our public sector equality duty:-

Under Section 149, the "General Duty" on public authorities is set out thus:

"A public authority must, in the exercise of its functions, have due regard to the need to -

- eliminate discrimination, harassment, victimisation and any other conduct ... prohibited by or under this Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it."

36. The recommendations consider the needs and rights of different members of our community. We have considered how the recommendations will impact on particular equality groups in particular the impact on young people.

## **Financial Implications**

37. The council is facing significant challenges in financial terms and through the national settlement and reductions in funding. The council's five year financial strategy includes an estimated 29.7% reduction in government formula grant. Budget decisions have been based on a set of core principles that include Supporting the Vulnerable. The process also includes fundamentally challenging what the council does to ensure appropriate use of public funding and quality of service.
38. Savings will be achieved through:

- management and staffing efficiencies in creating a single service
  - Reduction in the overall size of the service to reflect reducing demand over recent years
  - better value from non core services which are commissioned
  - potential reduction in demand through more effective and targeted early intervention and prevention from Children's services
39. There is an expectation that efficiencies will be achieved through developing a single Youth Offending Service, as councils have to make savings and the level of grants will reduce. In addition, Home Office funding for substance misuse services has been allocated to the Police Authority, in anticipation of the Police and Crime Commissioner being appointed in November 2012.
40. The total West Mercia budget for the baseline year of 2011/12 was £4,523,043, and for 2012/13 it is £4,219,936. This shows a savings requirement for 2012/13 of £303,107, which is 6.7%. It is likely that additional savings will be required from 2013/14 though these are not yet quantified. Further work will be done to explore how savings can be made in 2012/13 and in future years, and to establish a shadow consolidated budget for the West Mercia Youth Offending Service for October 2012. This can only be done after the structure is clearer, and more work completed on the commissioning review.
41. The aim is to achieve financial savings of at least 20% over a two year period to April 2015.
42. In 2011/12 the total youth offending budget for Herefordshire and Worcestershire Youth Offending Service was £2,592,730. Herefordshire Council contributed £294,854. This figure includes staffing costs for the 2.5 FTE employed by Herefordshire Council.
43. In 2012/13 the total youth offending budget for Herefordshire and Worcestershire Youth Offending Service is £2,490,123. Herefordshire Council is contributing £258,695. This figure includes staffing costs for the 2.5 FTE employed by Herefordshire Council. The budget reduction from 11/12 to 12/13 reflects the reduction of £34.7k in the contribution; the balance of the costs relate to staff Herefordshire employs.

## **Legal Implications**

44. The Youth Offending Service is a statutory service which must be established by the council in co-operation with other statutory partners.
45. Each local authority is required to ensure that one or more youth offending teams is established to cover all of the area they serve. The most appropriate geographical boundaries for a youth offending team(s) in the area are ultimately be a matter for decision by local authority members, in consultation with the chief officer of police, police authority, probation committee and health authority.
46. The proposed recommendation for a West Mercia Youth Offending Service hosted under contract by West Mercia Probation Trust enables Herefordshire Council to comply with their legal obligations and appropriate consultation is taking place with statutory partners.

## **Risk Management**



47. There is a risk that a combined Youth Offending Service of the size proposed may result in more complex delivery arrangements leading to confusion and potentially overlapping services. This can be mitigated with a clear commissioning strategy and communication of that strategy.
48. Contracting the establishment of a Youth Offending Service with the Probation Trust or another provider is untested and whilst is an innovative approach supported by the Youth Justice Board, it is groundbreaking and that in itself brings risks. These are being mitigated with support from the YJB.
49. There is potential of reduced efficiency if arrangements not robust. There is a risk that if there is a sudden increase in youth crime that a 'slimmed down Youth Offending Service' may not have the capacity to meet demand. This will be mitigated through contractual arrangements with the West Mercia Probation Trust.
50. Starting from a position of relative good performance and inspection results, fragmentation of service delivery may negatively affect performance. This can be mitigated by West Mercia wide planning, strategy and joint commissioning arrangements.
51. Maintaining and developing local service delivery is a risk. As the smallest of the four Local Authorities in the proposed West Mercia Youth Offending Service there is a risk that we will lose the focus on local delivery. This will be mitigated through a clear commissioning arrangement. More robust commissioning will be required. The commissioning review led by the Youth Offending Service Board, which is underway, will address a range of issues that have a bearing on the management of the non core services. This will identify the criteria for commissioning of non-core services i.e. which services should be commissioned for local delivery by Local Authorities such as some discretionary services and services which are already provided locally but could extend their offer to young offenders, and which services should be commissioned by the Youth Offending Service such as specialist youth justice services.
52. WMPT experience of multi-agency working is not as extensive as the councils' however they do have experience and strength in case management of dangerous offenders, and there is scope for improved transition and rehabilitation of older young offenders into education, training, work, and accommodation.

## **Consultees**

53. A full structure has been developed for consultation with staff. This involves consultation with Youth Offending Service staff who are employed by Herefordshire Council. Formal consultation will include wider stakeholders as well as staff, and commences from 1 June 2012 for a period of 90 days. The wider consultation will include consideration of how the hosting arrangement can be achieved successfully and the operation of the core single Youth Offending Service.

## **Appendices**

Nil

## **Background Papers**

West Mercia Youth Offending Service Business Case and Options Appraisal Report –