



Children and Education Select Committee
26 March 2015

**Creating opportunities for Young People: Commissioning for 2015
– 2020 and implications of budget reductions**

Purpose of the report: Policy development

To inform the Committee of the budget reductions for the commissioning model for Creating Opportunities for Young People in Surrey, and seek views on the implementation of changes, including a proposed Resource Allocation System and a 'Hub and Spoke' approach for Community Youth Work in Districts & Boroughs.

Introduction:

1. This paper comprises four parts:
 - a) Context for the report.
 - b) The commissions in Services for Young People for 2015-20.
 - c) The impact on service provision within the 2015-16 budget.
 - d) The proposed Resource Allocation System and 'Hub & Spoke' approach for Community Youth Work in Districts and Boroughs.

Context

2. Services for Young People developed a commissioning approach to improving outcomes for young people through a series of commissions launched in 2012. These achieved a budget saving of over 25% and improved outcomes for young people as confirmed by external evaluation by the Institute of Local Government (Birmingham University).
3. On 23 September 2014, Cabinet agreed the revised commissions for Services for Young People. The proposed changes were considered by Children and Education Select Committee on 10 July 2014 and developed with the Project

Board, which includes member representation from Children & Education Select Committee and Local Committees and young people from a range of settings and backgrounds across Surrey.

4. Since the approval of the commissioning model, Cabinet and Council have agreed the Medium Term Financial Plan and budget for 2015-16. The Council will have to make savings from service realignment of £62m. Of this, £12m of savings are being managed by Children, Schools & Families Directorate. For Services for Young People, the service realignment savings are £1.9 million on the next budget of £17m (11.1%) as set out in Annexe A, to be implemented in 2015-16. A further £640K of reductions have impacted on Services for Young People in 2015-16. These are outlined in Annex A.
5. Savings on this scale and with limited time to implement to achieve the full year savings have necessitated difficult decisions as part of the budget setting process. A full Equalities Impact Assessment (EIA) was completed to inform the budget decision and this is attached at Annexe B. In summary, as stated in the EIA, despite the desire to minimise the impact of the proposed savings and outcomes, it will not be possible to fully mitigate the negative impact on young people, their families and staff.
6. The EIA summarises the potential negative impacts that cannot be mitigated and these are set out below (also see section 10 of Annexe B).
 - A reduction of grants to the Voluntary, Community and Faith Sector (VCFS) will reduce the range of activities available to young people unless alternative sources are identified;
 - A reduction in posts will reduce the amount of provision available to young people and increase the workloads of the workforce; and
 - Young people will continue to experience barriers to participation as the result of the withdrawal of the Individual Prevention Grants, unless alternative sources are identified.
7. Budget reductions are not being applied evenly to all services, but have been applied to ensure outcomes for vulnerable young people are as good as can be achieved even with the resource reduction.
8. When the Select Committee considered the new commissioning model in July 2014, support was given but the Select Committee also noted 'the need to ensure continuity and employment security for the high quality staff that deliver these services'. The scale and pace of the budget reductions now make compulsory redundancies a real possibility. This risk will be minimised wherever possible and any staff made redundant will be supported to find alternative employment through redeployment in the Council or elsewhere.
9. The Select Committee also noted its support for social enterprise and timebanks in July 2014. These developments continue as part of the new model and business expertise and experience is being drawn upon to support their development. The work on time banking is being taken forward jointly

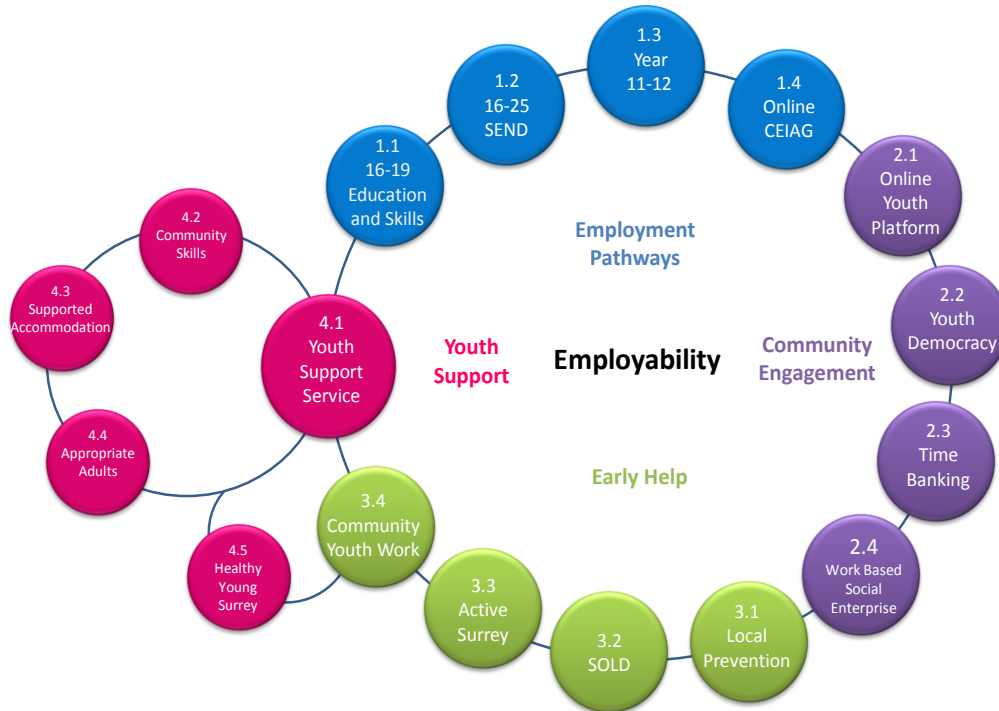
with Adult Social Care linked to Family, Friends and Communities, as sought by the Select Committee in July 2014.

10. The Select Committee also requested a future report on the benefit in improved outcomes through engagement with Health & Wellbeing partners. This will be considered a future report after the new model has been implemented.
11. The new commissioning model for 2015-2020 includes several areas where new ways of working are being developed to deliver improved outcomes for the same or less resource, and to increase opportunities to raise income from other sources. These include the exploration of potential new models for the Community Youth Work Service, such as a mutual or a charitable trust; exploration of potential new models for SOLD; and the development of work based social enterprises. These developments are being supported by the New Model Delivery Programme, which reported to Select Committee on 4th March 2015.

Revised commissions in Services for Young People

12. The model for commissioning for 2015-2020 has been modified to reflect budget change but remains largely the same as it has been able to respond flexibly to the new requirements. The changes are:
 - Removal of community grants with two remaining grants in commissioning.
 - Firstly to Surrey Youth Focus for capacity and capability building in the sector and secondly the final year of a legacy (3 year grant) grant to Surrey Care Trust.
 - Removal of Individual Prevention Grants as remaining 'emergency' grants will be included under Youth Support Service and offer sources of small grant funding will be sought on a case by case basis e.g. from local charities.

13. The revised commissions are set out in the commissioning model below and described in outline in the following table.



14. The following table describes each of the commissions in outline.

Commission	Rationale for the Commission
1: Employment Pathways	
1.1 16-19 Education and Skills	Delivers statutory duty to commission provision for education and training for young people aged 16-19 and secure participation in line with raising of participation age. Delivers innovative approaches to skills development e.g. University Technical College. The commission includes the drive for increased apprenticeship opportunities through the Leader's Ready for Work programme.
1.2 SEND 16-25	Delivers statutory duty to commission education and training opportunities for young people aged 16 to 25 with Special Educational Needs and Disabilities (SEND) as part of integrated approach to Education, Health and Care planning for children and young people from birth to age 25.
1.3 Year 11-12	Delivers on statutory duty for raising participation through targeted support for young people identified as at risk of becoming NEET (Not in Education, Employment or Training) to support progression from

	Year 11 to Year 12.
1.4 On-line Careers Education, Information, Advice and Guidance (CEIAG)	Supports young people’s progression and links between employers’ needs and the courses young people take. Where young people make well informed choices, this supports their progression and achievement post-16 and supports their progression to employment. Young people have expressed the importance of CEIAG through focus group discussions.
2: Community engagement	
2.1 On-line youth platform	This commission provides a forum for information produced by young people to stimulate interest in current issues and opportunities and to inform decision making by young people. For example, this would support informed decision making in relation to drugs and alcohol, which would improve outcomes for young people and reduce demand on statutory services.
2.2 Youth democracy	This commission promotes young people’s engagement in local democracy and specifically supports young people to develop a Surrey youth parliament.
2.3 Time banking	This commission removes young people’s barriers to employability by mobilising young people to give and receive support from each other and encourages their support for other members of the community. The reciprocal sharing of resources would be facilitated through a system of time credits. An example would be young people giving their time to befriend older people, which could reduce care needs and costs for Surrey County Council. This could earn time credits for exchange for transport, support for course fees or mentoring in education and employment opportunities.
2.4 Work based social enterprise	Social enterprises to be developed to employ, train and develop young people who would otherwise be NEET. Young people develop employability and enterprise skills whilst the enterprises have the potential to become self financing and income generating.
3: Early help	
3.1 Local prevention	This commission builds young people’s resilience through local prevention, linked to the Early Help Strategy. Early Help addresses young people’s needs to prevent the needs increasing and reduces demand on statutory services. This can range from prevention of a young person becoming NEET to prevention of a young person becoming Looked After. 50% of the commission would support targeted early help for individual young people identified through Surrey’s Early Help process and 50% would support neighbourhood prevention work with groups of young people. The decisions on award of contracts and grants are proposed to be delegated to Local Committees, advised by Youth Task Groups.

	This commission also includes renaming grants to Surrey Youth Focus to develop capacity of the sector for preventative work with young people.
3.2 SOLD (Surrey Outdoor Learning and Development)	SOLD builds young people's resilience through outdoor learning and development. This includes managing a comprehensive programme through the three outdoor learning centres at High Ashurst, Thames Young Mariners and Henley Fort as well as local programmes. SOLD also provides local prevention work to support young people who are NEET or at risk of becoming NEET.
3.3 Active Surrey	Active Surrey builds young people's resilience through sport and is fully funded by grants from central government.
3.4 Community Youth Work	This commission builds young people's resilience and provides Early Help through local quality youth work primarily delivered from youth centres. This would be provided through one county-wide service, managed within Surrey County Council, with local decisions on resourcing of centres. The commission opens up flexibility to focus staffing on areas of greater need, moving away from the current fixed two full time equivalents of staff per centre). The commission also includes a shift to a needs based approach to allocation of resources and a 'hub and spoke approach', where staff time would be more focused on centres in areas of high need whilst voluntary, community or faith sector staff and volunteers would offer provision at other centres or in other community based locations. This is detailed further later in this report.
4: Youth Support	
4.1 Youth Support Service	This commission provides support to teenagers with high needs, including every young person who is NEET or has offended, developing their resilience, preventing needs escalating and securing provision in education, training or employment. The service works through individual case management, developing effective relationships at a 1:1 level with vulnerable teenagers in a restorative, holistic, co-produced and family centred approach. The service deploys a scaled approach, with the highest level of support geared to young people in the greatest need.
4.2 Community Skills	This commission brings together opportunities for skills development through more informal and work based settings. This brings together the Leader's Ready for Work programmes, Skills Centres, Gypsy Skills, Duke of Edinburgh's Award and Alternative Learning Provision (ALPs).
4.3	Provides accommodation for young people who would

Supported accommodation	otherwise be homeless.
4.4 Appropriate Adults	This service fulfils a statutory responsibility to provide an adult for young people who are arrested in Surrey where a parent/carer is not able to attend. The adult will be present when the young person is informed of their rights, during interviews relating to the alleged offence, at identification procedures and intimate/ strip searches and when at the time of being charged with the offence.
4.5 Healthy Young Surrey	Provides health services in youth centres and other venues in areas of highest need building on current No Labels work. The offer would include sexual health clinics, drop in services, counselling services and named public health nurses to develop healthy behaviour programmes. The commission includes a framework for mental health and emotional wellbeing for individual young people. Health and wellbeing, particularly mental health was identified as a key issue through the needs analysis and by young people themselves.

Impact on 2015-16 service provision

13. This section sets out an overview of each area of budget reduction in Services for Young People.
14. Community grants will be reduced by £285K (83% reduction) through ceasing the youth small grants programme, administered by Surrey Youth Focus in partnership with local committees and retaining only two grants. Firstly a grant to Surrey Youth Focus of £40K for capacity and capability building in the sector and secondly the final year of the (3 year) legacy grant of maximum £24K to Surrey Care Trust respectively.
15. Community Youth Work will be reduced by £300K (11% reduction) through changes to training, setting of income targets and loss of five full time equivalent posts. This also proposes a change in the model of funding away from a model based mainly on the number of centres in each borough and district, to a needs-based 'Resource Allocation System' (RAS) whereby Community Youth Work resources would be allocated to Districts and Boroughs based on need, which is the approach for Local Prevention funding. Where possible, the reduction in staffing will be achieved through voluntary severance but given the number required and tight timescale, there may be compulsory redundancies. Redeployment within the Council would be secured wherever possible.
16. In order to manage the change and mitigate the impact on Community Youth Work, particularly on high need areas, a hub and spoke approach will also be developed. This is described in more detail later in the paper.

17. Commissioning & Development will be reduced by £200K (26% reduction) through reorganisation, reducing capacity for development in future. Where possible, reductions will be achieved through voluntary severance, but given the scale and tight timescales, there may be compulsory redundancies. Redeployment within the Council would be secured wherever possible.
18. Local Prevention (Neighbourhood) will be reduced by £110K (20% reduction) through reduced commissions let through local committees. The budget reduction along with other changes was discussed with local committee chairman on 20th January 2015 and commissions are in the process of being let on this basis.
19. Year 11 – 12 contract will be reduced by £105K, reducing the scope of this successful commission to be extended to additional high need groups.
20. Individual Prevention Grants will be reduced by £130K (72%), reducing the scope of grants to support routes to participation for young people in need. A significantly reduced programme will provide support to emergency cases through the Youth Support Service, and other sources may be identified.
21. The Youth Support Service, including provision for Community Skills, will be reduced by £770K (7.5% reduction). Provision for young people on Gypsy Skills, Alternative Learning and Ready 4 Work will be reduced unless other funding sources can be secured e.g. Education Funding Agency, European Social Fund, Schools, etc. There are also significant reductions in Youth Support Service income streams. Savings will be achieved in the Youth Support Service through freezing and deleting vacant posts where possible to avoid redundancies.
22. The Leader's Ready 4 Work funding has been reduced by £250K (33% reduction). The impact of this has reduced the employers' grants for apprenticeships and support for young people's progression to education, employment and training. This has resulted in a reduction in the target number of apprenticeships from 500 to 333.
23. The service realignment savings, funding reductions and loss of external income total £2.5m and are outlined in Annex A.

Proposed Resource Allocation System and Hub & Spoke Approach

24. The report to Cabinet in September 2014 outlined exploration of a Hub and Spoke approach for youth work and allocating resources with greater reference to need. The budget reduction has brought these changes forward for earlier implementation to avoid two sets of changes following soon after each other.
25. The purpose of implementing the Resource Allocation System (RAS) is to re-align the reduced resources as effectively as possible in support of the strategic goal of ensuring all Surrey young people are employable. It represents a strategic commissioning response to the budget reductions, rather than simply 'salami-slicing' across existing provision.

26. The RAS draws together the key data about the needs of young people in Surrey and uses this as an objective basis for allocating funding to districts and boroughs. The RAS uses data about young people who are not in education, employment or training (NEET); young people who are at risk of becoming NEET (RONI); young people involved in offending behaviour; young people involved with Children's Services; the level of deprivation in each area; and the overall 10-19 population. This mirrors closely the approach that has been used previously in allocating resources between Districts and Boroughs in relation to the Local Prevention commissions.
27. A range of options to implement the RAS have been developed and were presented to the Services for Young People Re-commissioning Project Board on 10 February and 11 March 2015. Between these meetings a sub-group met to scrutinise the options and the views of Youth Collective (Surrey's Youth Council) were sought. The Project Board is chaired by Clare Curran, Cabinet Associate for Children, Schools and Families. The options presented were:
- Option 1 – Implement the full RAS
 - Option 2 – RAS limited to 30% change in any area
 - Option 3 – RAS limited to 20% change in any area
 - Option 4 – Phased transition between 1, 2 and/or 3
 - Option 5 – 11% reduction across the board (No RAS)
 - Option 6 – 18% reduction across the board (No RAS)

28. Following full consideration of the options, the Board's decision was for Option 1, which means implementing the full RAS at the outset. This model takes a commissioning approach which aligns resources to need. This does mean some significant shifts in resources between Districts and Boroughs, alongside the 11% reduction in overall funding. The impact of implementing the full RAS is summarised in the table below.

Table A: Implementing full RAS

Borough	Funding in 2014/15	Option 1 funding 2015/16	Funding difference	%
Elmbridge	£184,645	£194,336	£9,691	5
Epsom & Ewell	£123,730	£113,802	-£9,929	-8
Guildford	£194,854	£246,094	£51,240	26
Mole Valley	£191,325	£110,795	-£80,529	-42
Reigate & Banstead	£268,025	£255,629	-£12,396	-4
Runnymede	£247,461	£174,860	-£72,601	-29
Spelthorne	£309,326	£264,637	-£44,689	-14
Surrey Heath	£185,596	£127,708	-£57,887	-31
Tandridge	£123,730	£129,010	£5,280	4
Waverley	£140,261	£142,690	£2,430	1
Woking	£185,596	£197,247	£11,652	6
Total	£2,154,549	£1,956,809	-£197,740	-9

Table B: Indicative hours of delivery

Borough and District	Hours in 2014/15	Indicative Hours in 2015/16*
Elmbridge	935	984
Epsom & Ewell	1,061	976
Guildford	1,251	1,580
Mole Valley	2,011	1,165
Reigate & Banstead	2,784	2,655
Runnymede	2,133	1,507
Spelthorne	1,766	1,511
Surrey Heath	1,210	833
Tandridge	922	961
Waverley	1,180	1,200
Woking	1,524	1,620
Total	16,777	15,237

*Indicative hours are based on impact of RAS only. Actual hours may vary e.g. where a greater proportion of 1-2-1 Early Help is provided.

29. There are significant changes in implementing the full RAS. The combined effect of budget reductions and RAS implementation result in the following headline changes in resources for Community Youth Work across the county.

30. The Project Board took the following factors into account when reaching this decision:

- Implementing the full RAS enables reduced resources to have the best possible impact on the employability of vulnerable young people;
- It removes the need for a subsequent change in 2016/17 to ensure resources are aligned to need; and
- It gives clarity to managers and staff in the new Community Youth Work Service for its first year of operation and future years.

31. Alongside the RAS, a new 'hub and spoke' model for the Community Youth Work Service is being developed, again as part of the strategic response to the budget cuts being faced by the service. This approach will strengthen local accountability, through Youth Task Groups and Local Committees which will be taking decisions in the deployment of Community Youth Work hours across the District or Borough in question in partnership with the new Community Youth Work Service and in line with local needs assessments. It will also enable a better distribution of resources within each borough and district in response to need.

32. This model moves away from the current 'one size fits all' model of youth centres, where each of our main 31 centres has one full-time Youth and Community Worker, supported by a team of one full-time equivalent of part-time staff. The 'hub and spoke' model includes four different delivery approaches for youth work, which are:
- Youth Work Hub – Typically where the Senior Practitioner in each borough and district will be based, situated in the area of highest need in the borough and linked to all the spokes in the borough or district
 - SCC Spokes – Typically resourced by a full-time or part-time JNC qualified SCC youth worker, supported by a part-time staff team
 - Partnership Spokes – SCC staff working in partnership with, for example, the voluntary, community and faith sector (VCFS) to provide a quality youth offer
 - Community Spokes – SCC support for VCFS groups to run provision, for example through the use of SCC buildings. Generally, no SCC staff would be allocated to these spokes
33. Whilst the Community Youth Work service will need to manage the implementation and delivery of this new model of delivery, they will work in partnership with Youth Task Groups and Local Committees to establish an offer that best meets the needs of local young people within the resources available.
34. Whilst resources are reducing in the short term, this model does open up flexibility for work with Youth Task Groups and Local Committees to identify additional capacity within local communities, whether or not there is not currently an offer from the Community Youth Work Service and to develop a new or additional offer in that community.

What happens next

35. Partners are being engaged in the implementation of the changes to achieve the budget reductions.
36. Youth Task Groups and Local Committees will be further engaged on the local development of youth work provision through the local designation of Hubs and Spokes and with advice on allocation of staffing in the Community Youth Work Service.
37. Local communities, Voluntary, Community and Faith sector organisations and young people will be engaged in the development at District/ Borough level.
38. A decision is to be made by Cabinet on the Resource Allocation System (RAS) and associated Hub and Spoke approach on 26th May 2015.
39. A Youth Work Commission has been launched to review the future of youth work in Surrey. This held its first meeting on 25th February 2015 and will report findings to the Select Committee and Cabinet in early 2016.

40. A business development strategy is being finalised within Services for Young People to identify and secure a wider source of income for the future. This includes drawing more widely on community resources and volunteering.

Recommendations:

The Select Committee is asked to:

- a) Note the proposed changes and their implementation.
- b) Comment on the Resource Allocation System and Hub and Spoke Approach for Community Youth Work.

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Annexes:

Annexe A: Budget Reduction
Annexe B: Equalities Impact Assessment

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