

WANDSWORTH BOROUGH COUNCIL

FINANCE AND CORPORATE RESOURCES OVERVIEW AND SCRUTINY  
COMMITTEE – 3RD OCTOBER 2013

EXECUTIVE – 7TH OCTOBER 2013

Report by the Director of Children's Services on the competitive tendering of the  
Youth Work Service

SUMMARY

In recent years, the Youth Work Service has undergone many changes with both budget reductions and service reconfigurations in line with the Council's strategy for improvement. Paper No. 13-244 identified the Service for market testing. The idea of a staff mutual has been tentatively explored but it is now considered that a competitive tendering exercise is the most effective way forward for the Youth Work Service. An indicative timetable is set out below with any new arrangements coming into place from April 2015.

The Director of Finance comments that, in line with the Council's requirement to make further savings, the Youth Work Service has been identified as a priority service to market test. A developing market for youth work already exists with a variety of different providers, and therefore it is proposed that the Youth Work Service is competitively tendered as described in this paper to maximise the potential level of savings against an agreed service specification. The savings cannot be wholly quantified until tenders are returned.

The Transfer of Undertakings (Protection of Employment) Regulations 2006 are very likely to apply to some staff. In that event, the provisions of the Best Value Authorities Staff Transfers (Pensions) Direction 2007 would also apply. The Direction requires that the Council must ensure that any new employer provides equivalence of pension provision for staff after the transfer. The option of allowing a contractor to join the Local Government Pension Scheme (LGPS) on a pass-through basis will be agreed in consultation with the Borough Solicitor and Assistant Director of Administration as necessary and the details of any such proposal will be outlined in a future report.

GLOSSARY

BEIT	-	Borough Early Intervention Team
EIA	-	Equality Impact Assessment

LGBT -	Lesbian, Gay, Bisexual and Transgender
OSC -	Overview and Scrutiny Committee
PAG -	Procurement Advisory Group
PQQ -	Pre-Qualification Questionnaire
TRC -	Training and Resource Centre
TUPE -	Transfer of Undertakings (Protection of Employment)
VCS -	Voluntary and Community Sector
YOF -	Youth Opportunity Fund
YOT -	Youth Offending Team
YST -	Youth Support Team

## **RECOMMENDATIONS**

1. The Finance and Corporate Resources Overview and Scrutiny Committee are recommended to support the proposal in paragraph 2. If they approve any views, comments or additional recommendations on the report, these will be reported to Executive for their consideration.
2. The Executive are recommended to approve the competitive tendering of the Youth Work Service incorporating youth crime prevention.

## **BACKGROUND**

3. The Council's Youth Work Service in the Children's Services Department has been subject to a number of reviews in recent years. A major strategic review, undertaken in 2007 (Paper No. 07-76), led to the closure of clubs with low attendance and the establishment of a number of 'bigger, brighter centres' with some, more local provision through satellite facilities.
4. In February 2011, further, phased re-organisation was approved (Paper No. 11-209) involving closure of several Council-run youth facilities, the development of more detached and outreach work on estates and parks and more support to the Voluntary Sector. At that time, the Executive also considered options for the future management of the Service, including commissioning out all or part of the Service; it was agreed to retain the Service in-house whilst the re-configuration took place.
5. In November 2011, further changes were approved (Paper No. 11-796) including the withdrawal, from April 2013, of Council staffing from Ashburton Youth Club (Council-owned), from three clubs run by the Voluntary Sector (Providence, Islamic, and Generate) and from a number of smaller projects. The Executive also agreed to explore options for commissioning the Service in 2013.

6. In April 2013, the Executive approved a Paper about Council-wide departmental changes and service reviews (Paper No. 13-244). This Paper identified the Youth Work Service for market testing with the assumption that any new arrangements would be in place by April 2015. It was noted that a scoping report about the Youth Work Service would come to committee and the Executive in September 2013. Elsewhere on this agenda, Paper 13-620 sets out the findings of recent consultation on the Council's best value duty and policy of market testing. Members must pay proper regard to the results of this consultation in considering the proposals in this Paper. In particular, attention is drawn to the fact that a large majority in the consultation supported the principle of a mix of service providers.

## **CONSIDERATION OF COMMISSIONING MODELS**

7. In Autumn 2012, the Council commissioned a scoping review of possible models for future delivery of the Youth Work Service including out-sourcing and staff mutuals. This was reported to the Executive in March 2013 (Paper No. 13-101).
8. The possibility of developing a staff mutual has been explored and this has included consultation with staff. Whilst there are some benefits to this option and some interest from staff, the overall conclusion is that there are too many disadvantages. The Youth Work Service has many skilled staff with a broad range of expertise acquired in and out of the Service but, for most staff, their key skill (and interest) is youth work. It is therefore considered that the Service would need to bring in a partner to supply the necessary expertise and capacity to take forward a mutual and this would be both complex and time-consuming. There would also be difficulties in communicating effectively and developing the ownership which are essential to setting up a staff mutual among such a disparate staff team, many of whom are part time, evening workers. Despite many changes, the Service has succeeded in maintaining and, in some cases, improving performance (see Appendix 1). To divert efforts at this stage into a staff mutual would inevitably mean less time and energy could be devoted to service delivery and continued improvements.
9. By contrast, a competitive tendering exercise would be a relatively straight forward process. There would be less disruption to service delivery and so staff would be able to get on with shaping and improving the service and remain focused on front-line needs. The service specification would be tailored to ensure preservation of partnerships and other key aspects of the current service (see paragraph 16 below). Both staff and young people can be involved in forming the specification giving scope for greater creativity and more enterprising use of buildings and staff skills and expertise.
10. If the exercise were to result in an external provider taking over the Service, there would be a number of advantages:
  - (a) potentially fresh perspective and injection of ideas from an outside agency;
  - (b) release from Council processes with increased flexibility and speed to respond to the changing needs of the service and young people;
  - (c) potential for providers to lever in additional funding;

- (d) efficiency savings including on back-office functions where appropriate, and, possibly, building maintenance.

## **CURRENT MARKET POSITION**

- 11. The market for out-sourcing is considered to be mature and growing with services recently tendered in a number of other boroughs. The approaches taken in other authorities typically vary between large outsourced contracts covering a diverse range of services or smaller lots designed to encourage bids from the voluntary and community sectors, consortia or subcontracting.
- 12. Councils which have recently tendered youth work include Gloucestershire County Council (out-sourced to Prospects), Greenwich London Borough Council (out-sourced to Charlton Athletic Football Club and sub-contracted to local providers), Surrey County Council (delivered by a joint venture of 10 local Voluntary and Community Sector (VCS) organisations). Bristol City Council recently awarded area based lots along with a more specialist City-wide service to a number of consortia comprising local providers alongside national charities. Kent County Council used a 'Dynamic Purchasing System' to commission youth work services in 47 small lots across the county with the aim of developing the local supply market for youth services. The majority of successful organisations were small, local groups. Cheshire West and Chester Council decided in July 2013 to out-source their youth service in four area-based lots.

## **FINANCES AND SAVINGS**

- 13. The budget for the Youth Work Service for 2013-14 is currently £3.638 million. However, certain core costs and elements of the Service would remain with the Council and therefore fall outside the scope of the tendered specification.
- 14. The Service has undergone savings of nearly 32% in recent years. Nevertheless, there is considered to be scope for further savings to be made whilst minimising impact on existing levels of front line service.

## **ELEMENTS OF THE YOUTH WORK SERVICE TO BE TENDERED**

- 15. The Youth Work Service (which includes youth crime and gang prevention) consists of the following service areas which would also form the basis of the Service specification:
  - a) **Five bigger, brighter centres**, open a minimum of five days a week, offering a core programme with short and often accredited courses and workshops, designed to appeal to a broad range of young people aged 11-19:-
    - o Training and Resource Centre (TRC) ((Fairfield) (also the licensed centre for the Borough's Duke of Edinburgh Award Scheme and home to the Youth Council and other cross-borough work – see f), g) and h) below);

- Tooting Hub (Tooting) - (also home for Tooting Youth Support Team (YST) which provides targeted and specialist services for young people);
  - Roehampton Youth Centre with Roehampton Base (Roehampton) (also home for Roehampton YST providing targeted and specialist services for young people);
  - Caius House – run by Caius House Trustees with some Council staffing, currently based at The Wand (St Mary's Park) but due to move to a new multi-million pound building in 2014;
  - Devas (Shaftesbury) – run by the Devas Trustees but the youth club is staffed by the Council, which has also just completed a half-million pound refurbishment to the ground floor of the building.
- b) George Shearing** (Latchmere) is a specialist centre for disabled young people, sometimes referred to as the sixth bigger, brighter centre.
- c) Support to voluntary sector youth groups.** The Youth Work Service offers registration to voluntary and community youth clubs which then entitles them to: free training, advice and support on policies and curriculum, access to equipment and other resources and staff to run short courses. The recently launched **Community Grant Scheme**, worth £175,000 per year, is open to registered youth clubs and uniformed groups (cadets, guides etc.). If the Service is out-sourced, the actual grant would remain with the Council but the provider would be asked to undertake the administration. The Service has also been supporting voluntary and community groups to take on leases to run youth clubs in Council buildings: Storm is now operating a youth club and other facilities for young people from Base D (Queenstown), Robinson Association and Elays Network have signed leases to take over Heathbrook (Queenstown); negotiations continue in relation to Lennox (Roehampton and Putney Heath) and Ashburton (West Putney).
- d) Detached work.** Each locality has a small team of youth workers who work outside clubs, on estates and in parks and town centres and are able to respond to reports of anti social behaviour but also simply work with young people who do not use youth clubs, setting up positive alternatives to main youth club provision where needed.
- e) Crime Prevention.** This work includes: the Borough Early Intervention Team (BEIT) who undertake one-to-one and group work in schools and other settings with young people at risk of crime and also manage the **Specialist Gangs Team**; Kicks (football engagement and diversion project run with Chelsea Football Club); and triage (one-to-one work with low level first time offenders, run in conjunction with the Youth Offending Team (YOT) and Police).
- f) Participation/Youth Voice.** Fortnightly meetings of Wandsworth Youth Council are held at the TRC. The Youth Council also oversee the **Youth Opportunity Fund (YOF)** (budget of £100,000 per annum), Police Youth Think Tank, Young Inspectors programme and other specific projects. If the

Service is out-sourced, the YOF grant would remain with the Council but the provider would be asked to undertake its administration.

- g) Duke of Edinburgh Award Scheme.** The TRC is the accredited centre for the Duke of Edinburgh Award which runs in schools and youth clubs. Wandsworth has had the highest number of enrolments of any London borough (as at February 2013).
- h) Other cross-Borough youth work.** This currently includes a number of services such as substance misuse education, co-ordination of work with disabled young people, co-ordination of holiday programmes, and youth projects for young people who are lesbian, gay or bisexual.

## **PARTNERSHIP AND INTEGRATED WORKING**

- 16. Alongside changes to the Youth Work Service, there have been changes to the way that targeted and specialist ('youth support') services are delivered in Wandsworth. In each of the three geographical localities, there are now integrated Youth Work and YST with co-located staff, based, in two of the three localities, in a bigger, brighter centre. Together the teams are able to offer: swift and co-ordinated targeted and specialist social work support to young people who need it in non-stigmatising settings; in-depth knowledge of the local young people and their communities, schools, Police and other local services; good and fast information sharing based on trust and knowledge of partners. It is vital that future arrangements for the delivery of Youth Work preserve what these teams have built up over the past three years.
- 17. It is equally important to preserve the partnerships that have been put in place with the Voluntary Sector and, particularly, with Devas and Caius House.

## **PROCUREMENT ROUTE, SPECIFICATION AND TIMETABLE**

- 18. If a decision is made to go out to tender, the Council's Procurement Advisory Group (PAG) will advise on the most appropriate procurement process and timetable. These services are defined as Part B Service and therefore a contract notice in the Official Journal of the European Union is not required. It is important to ensure that the specification allows for innovation and so should focus on the desired outcomes as well as experience and understanding of the evidence base and good practice in youth work and youth crime prevention which will be assessed and validated at the Pre-Qualification stage.
- 19. A prospective bidders' forum could be held in April for those organisations who pass the initial Pre-Qualification phase at which the Service specification, procurement process and required outcomes would be explained to the shortlisted bidders. Details of the exact process will be discussed with the Council's PAG and the Market Testing team.
- 20. The specification would be based around the key service elements described in paragraph 15 above with a focus on the required outcomes in order to facilitate

innovation in service delivery. The Service will either be tendered as a 'whole service' or in lots.

21. The indicative timetable is as follows:-

Using the Restricted (two stage) procedure whereby organisations expressing an interest will need to pass the Pre-Qualification Questionnaire (PQQ) due diligence phase prior to invitation to tender.

<b>Date</b>	<b>Action</b>
December 2013	PAG paper (agree general approach and PQQ requirements)
January 2014	OSC and Executive for approval (specification and evaluation criteria complete and invitation to tender placed in Members room)
January 2014	Place contract notice
March 2014	Closing date for receipt of completed PQQs
March 2014	Evaluate PQQ submissions including financial viability and, possibly, mini method statements.
March 2014	Shortlist down to five
April 2014	Invitation to tender issued
April 2014	Possible bidders forum to outline the range and scope of the outcomes the Council will expect to be delivered (one week after issue of Invitation to Tender docs to enable bidders to consider the specification /commercial terms and to raise questions)
July 2014	Closing date for receipt of tenders
July 2014	Evaluation of submissions
Sept 2014	Contract Award Report to PAG, OSC and Executive for approval
September 2014	Contract formalities signed/sealed
October 2014 – March 2015	Develop and implement mobilisation plan
1 <sup>st</sup> April 2015	New out-sourced contract goes live

## **CONSULTATION AND EQUALITY IMPACT ASSESSMENT**

22. The Equality Act 2010 requires that the Council, when exercising its functions, must have "due regard" to the need to eliminate discrimination, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. As such an Equality Impact Assessment (EIA) has been

undertaken on this proposal to market test the Youth Work Service. This EIA is attached as Appendix 2 to this report. This EIA has found that, as there is no fundamental change proposed for the Service, no adverse impact is anticipated.

23. Going out to tender would not entail a marked change in delivery of the Service and therefore no formal and general public consultation is required. However, young people will be involved in devising the final Service specification.

## **CONCLUSION AND RECOMMENDATION**

24. Despite the climate of efficiency savings, the Council's Youth Work Service has been steadily moving towards the new Service vision and has continued to make performance improvements. The Council's need to make further savings must be balanced against the need to preserve the Service and minimise disruption. Market testing is considered to be the best way of maintaining this balance. It is therefore recommended that the Council move to a competitive tendering exercise for the Youth Work Service. A further Paper outlining the precise process and timetable for the tendering exercise together with the draft specification would be submitted to the January Committee cycle.

## **COMMENTS OF HEAD OF HUMAN RESOURCES**

25. The service model chosen for future delivery of the Youth Service indicates that the Transfer of Undertakings (Protection of Employment) Regulations 2006 are very likely to apply. If TUPE applies the staff employed in the undertaking will transfer to the new provider(s) from the commencement of the contract. It is expected that the TUPE regulations will change in the near future and the Council will need to ensure that any changes to the regulation are acting on accordingly.

## **COMMENTS OF DIRECTOR OF FINANCE**

The Director of Finance comments that:

26. In line with the Council's requirement to make further savings, the Youth Work Service has been identified as a priority service to market test. A developing market for youth work already exists with a variety of different providers, and therefore it is proposed that the Youth Work Service is competitively tendered as described in this paper to maximise the potential level of savings against an agreed service specification. The savings cannot be wholly quantified until tenders are returned.
27. The Transfer of Undertakings (Protection of Employment) Regulations 2006 are very likely to apply to some staff. In that event, the provisions of the Best Value Authorities Staff Transfers (Pensions) Direction 2007 would also apply. The Direction requires that the Council must ensure that any new employer provides equivalence of pension provision for staff after the transfer. The option of allowing a contractor to join the Local Government Pension Scheme (LGPS) on a pass-through basis will be agreed in consultation with the Borough Solicitor and Assistant Director of Administration as necessary and the details of any such proposal will be outlined in a future report.



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Director of Children's Services

25<sup>th</sup> September 2013

Background papers

There are no background papers to this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website ([www.wandsworth.gov.uk/moderngov](http://www.wandsworth.gov.uk/moderngov)) unless the report was published before May 2001, in which case the Committee Secretary (Graham Collins – 020 8871 6021; email [gcollins@wandsworth.gov.uk](mailto:gcollins@wandsworth.gov.uk) ) can supply it if required.

## APPENDIX 1: PERFORMANCE OF THE YOUTH WORK SERVICE

Changes to the Service structures including club closures and reconfigurations make comparisons of performance over time difficult but key indicators for the past three years are set out below. In particular, Ashburton, Providence, Islamic and Generate youth clubs were affected by a reduction of one third in staffing resources in April 2012. Also, refurbishment at Devas has affected attendance levels there in 2012-13. Given the position, the attendance figures would suggest that the investment in the 'bigger, brighter centres' is paying off.

Moreover, those young people who are attending are achieving: there has been a significant increase in numbers of young people obtaining recorded and accredited outcomes. It should also be noted that the increase in the estimated size of the 13-19 population (from 13,947 to 17,106 in 2012-13) has an impact on those targets which are about reaching a certain percentage of the population.

<b>Indicator</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>Target</b>
Total attendances at Council-staffed youth clubs (13-19)	56,342	77,362	81,608	Increase year on year
Total attendances at Council-staffed youth clubs (11-19)	63,598	93,459	91,173	Increase year on year
No. of 13-19 year old young people using Council-staffed youth clubs	3,852	4,559	4,031	See below
Percentage of 13-19 year old population using Council-staffed youth clubs	28%	33%	24%*	25%
No. of participants i.e. young people aged 13-19 attending a Council-run youth club five or more times	1,827	2,096	1,897	See below
Percentage of 13-19 population who are participants	13%	15%	12%*	15%
No. of young people aged 13-19 obtaining a recorded outcome	984	1,151	1,633	See below
Percentage of 'participants' (see above) obtaining a recorded outcome	54%	55%	86%	60%
No. of young people aged 13-19 obtaining an accredited outcome	485	546	773	See below
Percentage of 'participants' (see above) obtaining an accredited outcome	27%	26%	41%	30%
<i>Office of National statistics - Population Estimate for 13-19 year olds.</i>	Mid- 2009	Mid- 2010	Mid-2011*	
	13,944	13,947	17,106	

**Appendix 2: Initial Equality Impact Assessment – Market testing the Youth Work Service.**

Department	Children's Services
Service	Youth Work Service
People involved	Virginia Wall, Clare O'Connor

**1. What are the aims of the service and what changes are being proposed?**

## Service Aims

1. To provide young people with fun but purposeful activities and opportunities in informal settings which will encourage their personal and social development. The Service works with young people aged 11-19 and up to 25 if they have disabilities.

2. To reduce incidence of crime including gang-related crime among young people.

No significant changes to the delivery of the Service are envisaged. However it is proposed to put the Service out to tender in order to 'test the market'.

**2. What is the rationale behind these changes?**

In April 2013, Executive approved a Paper about Council-wide departmental changes and service reviews (13-244). This Paper identified the Youth Work Service for market testing in order to secure overall efficiency savings.

**3. What information do you have on the service and the potential impact of your service change in relation to the following?**

	<i>(figures below based on data from April to June 2013)</i>
Race	66% of the young people using the Youth Service are from BME communities. This is above the borough average according to the latest Census data.
Gender	35% of users are female. This is below the borough average according to the latest Census data.
Disability	8% of users are known to have a learning difficulty or disability. This is above the borough average according to the latest Census data. These figures will include attendees at George Shearing which is a specialist centre for disabled young people.
Age	48% of users are aged 13-16; 36% aged 17-19; 16% below or above this age range.
Faith	This information is not collected.
Sexual Orientation	This information is not collected but the Service runs a youth project specifically for young people who are gay, bisexual, lesbian or questioning their sexuality. 24 young people attended this project between April and June 2013.

**4. Thinking about each group below please list the impact that the service change will have.**

*Youth Work Service tender proposal*

	<u>Positive</u> impacts	Possible <u>negative</u> impacts
Race	<p>Any contract that is awarded will include the Council's standard equality clauses, which require compliance with the Equality Act.</p> <p>Any procurement exercise would include a PQQ which checks for a tenderer's compliance with the Equality Act.</p> <p>We would expect any supplier(s) to monitor equality characteristics of Service users with the aim that the profile of users would tend to reflect the local community of young people. This might mean a decrease in BME users in some cases. This does not reflect a change in approach from currently where all Centres aim to engage the local population.</p>	None envisaged.
Gender	As above but we would expect suppliers to aim to increase the number of young women using the Service.	None envisaged.
Disability	As above. The Youth Service includes a specialist disability centre where usage would be monitored. We would also expect suppliers to aim for an increase in usage of mainstream services by young people with disabilities.	None envisaged.
Age	<p>As above. We would expect suppliers to aim for a balanced usage by the different age groups that the overall service is aimed at.</p> <p>Young people will also be involved in developing the specification, in order to ensure it reflects their needs.</p> <p>If the service was run by an external provider, they may be able to respond more quickly to the needs of young people, ensuring that the service continually reflects their needs.</p>	None envisaged. Young people should not see a change in the service they receive.
Faith and sexual orientation	As above. The supplier would be expected to continue to provide a special project for young people who are LGBT and to maintain equality policies which challenge discrimination and promote use of facilities by all young people.	None envisaged.

	The Community Grant Scheme will remain and faith and other voluntary sector organisations will still have an opportunity to bid for funding.	
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**5. Is a full EIA required?** No. However this EIA will be updated alongside the market testing process.

- Is the service a frontline service? Yes
- Is it clear what impact the service change will have on all the equality groups? Yes
- Overall will the change have a negative impact on any of the equality groups? No.

**Comments - Please give the rationale here for not undertaking a full EIA**

This EIA will be updated alongside the market testing process. As no major changes to the front line service delivery are envisaged, there is no need to undertake a fuller assessment. The contract will require adherence to the Equality Act 2010 and will require equality data to be collected and reported against to ensure that service users are representative of young people in Wandsworth.

**6. Through the initial EIA have you identified any actions that need to be implemented to improve access to the service or monitoring of the service? (please list)**

No.

Signed

Date; 24.09.13

Approved by: Clare O'Connor