

# SHEFFIELD CITY COUNCIL

## EXECUTIVE FUNCTIONS DECISION RECORD

The following decisions were taken on Wednesday 17 June 2020 by the Cabinet.

Date notified to all Members: Thursday 18<sup>th</sup> June 2020

The end of the call-in period is 4:00 pm on Wednesday 24<sup>th</sup> June 2020

The decision can be implemented from Thursday 25<sup>th</sup> June 2020

### **Item No**

#### **11. THE FUTURE DELIVERY OF YOUTH SERVICES**

11.1 The Executive Director, People Services, submitted a report outlining the recommended next steps for delivery of youth services beyond September 2020.

11.2 **RESOLVED:** That Cabinet:-

- (a) notes the appraisal of delivery options and approves the future delivery model for youth services, as set out in the report;
- (b) approves the establishment of a cross-portfolio Project Board and Project Group to manage the end of the current contract and transfer relevant staff and services to the Council;
- (c) to the extent not covered by existing delegations, delegates authority to the Executive Director of People Services to make the appropriate arrangements to bring the relevant services in-house on 1<sup>st</sup> October 2020; and
- (d) notes that this decision will be subject to the Leader taking into consideration any recommendations from the Children, Young People and Family Support Scrutiny and Policy Development Committee.

#### **11.3 Reasons for Decision**

The approach set out in the report will provide a more coordinated set of provision and support for the young people of Sheffield and enable them to fulfil their potential. Taking back the direct management and delivery of a range of youth services will enable the Council to take a flexible and integrated approach in future provision for young people. A wider strategic citywide approach will enable the Council to engage with a range of other partners, including the NHS, police, schools, communities and the voluntary sector, to coordinate resources and approaches across the city, and enable us to deliver our ambitions and aspirations for young people in Sheffield.

## 11.4 **Alternatives Considered and Rejected**

11.4.1 Since 2015 a number of exercises have been undertaken by Council officers to consider the potential future delivery options for youth services, in preparation for the end of the long term contract with Sheffield Futures. In 2015, for example, work investigating the potential to develop a youth mutual type organisation was undertaken with support from the Cabinet Office through its Delivering Differently for Young People programme. Alternative approaches to the proposal set out in the recommendations in the report are outlined below.

11.4.2 Alternative Option 1 – Retender the current services contracted to Sheffield Futures

- Delivery partnerships with charities or other independent organisations can provide opportunity to secure other resources (for example from charitable sources) to add value to the funding from Council contracts. These opportunities will not be as available to Council-run services. However, there are also a number of disadvantages of this option.
- There exist a number of organisations nationally who might be in a position to bid to deliver our youth services. However, there is a risk that the market might not be able to deliver services at a competitive price that meets the Council's stringent pay and output requirements.
- Some of the complexities of the TUPE and in particular pension costs of the existing staff are likely to be a barrier to new providers having an interest in the contract. This might limit realistic bids and reduce competition or innovation.
- External contracts do not always provide sufficient flexibility in delivery and resources to respond to emerging and changing needs and requirements. This is a particular concern given that the intention is to develop more integrated and more flexible services that can adapt quickly.
- If Sheffield Futures were not successful in securing this retendered contract then this would mean introducing a new provider to our local landscape of youth services as set out in the report. This would create a more complex picture of services in contradiction of our ambition to integrate and simplify service provision for young people.

On balance we believe the positive benefits of this option are outweighed by the disadvantages compared to the preferred option of taking core services in-house.

11.4.3 Option 2 – Integrate and outsource a wider range of youth support services through an external commission

- By expanding the number of additional functions included in an external contracted service, there are potential advantages through integration, and ability to attract alternative external resources through new funding models like social investment/impact bonds.
- However, having explored a number of possible options, we have concluded that social investment models can be very complex, and are costly to commission and monitor. The outcomes for young people we

are seeking to achieve are often long term and influenced by a wide range of factors out of the control of the services we directly deliver. This makes them unsuitable for a narrowly defined 'payment by results' approach overall, although this might be suitable for some individual defined projects.

- Integrating externally would involve outsourcing a number of other existing Council-run services, including youth justice, care leaver support etc. Our conclusion is that these services would be unsuitable for outsourced delivery as they are high risk and part of the Council's core delivery of children's social care services.
- An external model reduces the Council direct control and influence, and flexibility of service delivery and resources.

#### 11.4.4 Option 3 - Seek to create a new Sheffield Youth Mutual Organisation

- A number of local authority areas have, in the last 10 years, moved to create new independent youth mutual organisations, effectively 'spinning out' their existing youth services into a new employee-led charitable organisation.
- However, this option is not available to the Council, because our Youth Services are already delivered through a contract with an independent charity, and the staff are not employed by the Council.

#### 11.4.5 Option 4 - Create an alternative type of new organisation (for example a Sheffield 'Youth Trust').

- Under this option, a new organisation could be established, if possible in partnership with other organisations, in order to pool resources and funding.
- The new organisation could take just a commissioning role (acting on behalf of all statutory organisations, for example, and contracting services on their behalf) OR directly employ staff and direct delivery.
- This approach has some potential advantages in terms of collaboration and aligning of resources. However, it would involve establishing a number of complex legal and organisational structures, including financial and contractual arrangements that would involve considerable costs to set up and maintain. There was concern when looking at this option that funds better used for frontline youth services would be used in managing the organisational arrangements and potential sub-contracting arrangements.
- One option in this category that was investigated was creating what is called a 'teckal' organisation – this is a company operating at arm's length from a council, but which is owned and directed by the Council. This model has potential advantages in that it can be more directly controlled and resources can be shared without competitive tender processes. However, a teckal company has limited scope to trade externally and draw in other resources, meaning ultimately it has been rejected as no more advantageous than the Council directly running the services and employing the staff itself.

#### 11.4.6 Option 5 - Stop or significantly reduce youth services

- This is not considered a viable option because the Council is committed to positive outcomes for young people and to community based youth work and support.
- A number of statutory duties still exist which we need to continue to deliver.

**11.5 Any Interest Declared or Dispensation Granted**

None

**11.6 Reason for Exemption if Public/Press Excluded During Consideration**

None

**11.7 Respective Director Responsible for Implementation**

John Macilwraith, Executive Director, People Services.

**11.8 Relevant Scrutiny and Policy Development Committee If Decision Called In**

Children, Young People and Family Support.

(Please note that the above decision on The Future Delivery of Youth Services is not subject to call-in, in accordance with the Fast Track process set out in Scrutiny Procedure Rule 17 of the Constitution.)

**12. MONTH 1 CAPITAL APPROVALS 2020-21**

12.1 The Executive Director, Resources, submitted a report providing details of proposed changes to the Capital Programme 2020/21, as brought forward in Month 1.

12.2 **RESOLVED:** That Cabinet approves the proposed additions and variations to the Capital Programme listed in Appendix 1 of the report, including the procurement strategies and delegates authority to the Director of Finance and Commercial Services or nominated Officer, as appropriate, to award the necessary contract.

**12.3 Reasons for Decision**

The proposed changes to the Capital Programme will improve the services to the people of Sheffield.

To formally record changes to the Capital Programme and gain Member approval for changes in line with Financial Regulations and to reset the Capital Programme in line with latest information.

To obtain the relevant delegations to allow projects to proceed.

**12.4 Alternatives Considered and Rejected**

A number of alternative courses of action are considered as part of the process undertaken by Officers before decisions are recommended to Members. The recommendations made to Members represent what Officers believe to be the best options available to the Council, in line with Council priorities, given the constraints on funding and the use to which funding is put within the Revenue Budget and the Capital Programme.

**12.5 Any Interest Declared or Dispensation Granted**

None

**12.6 Reason for Exemption if Public/Press Excluded During Consideration**

None

**12.7 Respective Director Responsible for Implementation**

Eugene Walker, Executive Director, Resources.

**12.8 Relevant Scrutiny and Policy Development Committee If Decision Called In**

Overview and Scrutiny Management Committee.