



Meeting: Council

Date: 26 February 2015

Wards Affected: All

Report Title: Torbay Youth Services – The Way Forward

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1. Purpose and Introduction

1.1 The purpose and introduction are drawn from the report that was presented to Council on the 26th September 2013, as follows:-

- Our vision for Torbay young people is, like theirs, ambitious. Our support services for young people are based on the principles that young people feel part of their community, are welcomed and involved in services, have access to quality provision relevant to their needs and with demonstrable benefits, and find the solutions they need and positive ways forward.
- Sustaining services for young people within the current financial environment is increasingly challenging. The Local Authority needs to think and act differently in order to meet its statutory responsibilities and achieve best value.
- This report, endorsed by Officers from the council and representatives from the voluntary and community sector across Torbay, sets out a proposal to deliver sustainable change in the way services for young people are delivered.
- The proposal will shift the current thinking and delivery model away from the local authority by investing in the Voluntary and Community Sector with Young People being at heart of shaping the future of services. This builds on the success that has been achieved with the Neighbourhood Youth Grant scheme.
- The new delivery model will enable alternative funding solutions to be used that are inaccessible by the Local Authority.

1.2 The decision of Council in September 2013 was to support the creation of a Torbay Youth Trust and the development of a full business plan. This report outlines the business plan.

2. Proposed Decision

- 2.1 That the creation of a Torbay Youth Trust and TUPE of existing youth service staff to the Trust from 1 June 2015 be approved.
- 2.2 That the Executive Head of Commercial Services be given delegated authority to agree the terms of the lease and/or procurement arrangements for the transfer of the Parkfield site (the new build), BMX and Skateboard Park to the Torbay Youth Trust.
- 2.3 That up to £70,000 be allocated from the Comprehensive Spending Review Reserve to support the set up costs of the Torbay Youth Trust.

3 Reason for Decision

- 3.1 Following the decision by Council to support the formation of a Youth Trust in September 2013 and further consultation with local organisations, a submission was made to the Cabinet Office, Mutual Support Programme in May 2014. Following deliberation and an exhaustive evaluation process by Cabinet Office, this was surveyed and a team of consultants were allocated to assess the proposals and recommend the way forward. The final business plan was delivered on the 16th January 2015 and the recommendations and financial model are incorporated in this report.
- 3.2 The business plan was formulated by a group of consultants called Metavalue who were engaged through Cabinet Office (this is set out at Appendix 2 to this report). Their work to develop the plan is included:-
 - Workshops with all staff, including question and answers.
 - Workshop to define services, customers, costs and income.
 - Stakeholder engagement workshop that included Sanctuary Housing, Sky Blue, Play Torbay, Youth Genesis, Careers South West, Totally Teenagers and ROC. The aim of the workshop was to engage all voluntary sector agencies in the area in developing ideas for the Youth Trust and services for young people in the area.
 - Review of property options
 - Engagement with the Local Authority Pensions Lead.
 - Engagement with the Local Authority Procurement Lead
 - Introduction with HR Lead. Workstream will commence following the approval of the business case.
 - Market research to understand what does success look like in the Youth Services sector. This has involved interviews with Onside (Charity behind six successful Youth Zones including Bolton Lads & Girls and Wigan Youth Zone among others, visited by over 350,000 young people every year) as well as award-winning Youth Charities such as IntoUniversity and The Clement James Centre.
 - Visit to Onside's Wigan Youth Zone and interview with Jerry Glover, founder and recognised sector leader with 40 years' experience and Kathryn Morley, Onside Chief Executive.
 - Market research into approaches taken by other youth mutuals including Knowsley and EPIC CIC.

The key elements of the business plan are included within the report.

3.3 The key benefits of the creation of a Youth Trust in Torbay, as identified by the consultants are:

- Provide a model to continue and significantly improve Youth Services provision whilst simultaneously realising savings for the Council.
- Create a more sustainable financial model with less reliance on council funding.
- Access new funding streams e.g. trusts, foundations, public sector contracts, fundraising from individuals, the local community and businesses.
- Foster collaboration and brings the whole community together to play their part in Youth Services – young people, partner organisations, employees, the local community, businesses as well as the Council can all play their part.
- Realise value and opportunity of Parkfield site – Opportunity to significantly expand range of services provided to young people and at Parkfield site.
- Opportunity for co-delivery with partner organisations.
- Marry core strength of existing team – service delivery – with expertise around fundraising and income growth.

3.4 The Business Plan sets out the opportunity to create a charitable Trust to deliver non-statutory Youth Services across Torbay in line with leading successful models within the Youth sector. Youth Services and the Young Carers Services are currently delivered in-house by Torbay Council with Youth Services delivered at Parkfield. There is considerable expertise within the teams with highly-trained and competent staff however there are also significant financial challenges. In addition Parkfield, whilst an important asset, is not currently realising its potential.

The proposal is to create a Youth Trust, incorporated as a Charity, to deliver the current services back to the Council under a 5 year agreement. In addition the Trust will take on the lease (or a peppercorn rent) of Parkfield. Key to success will be the establishment of an operational and legal and governance structure which is effectively a “funding engine” to drive growth. This will allow the Trust to move the best practise model of £1m income for the centre with 40% reliance on Council funding. This will both deliver savings to the Council and provide significant room and scope for increasing service provision.

3.5 Key to success will be establishing a new operational and legal and governance structure which will drive growth, develop new services, foster collaboration across the bay and raise funds. This will include:-

- A Board of Trustees - responsible for the strategic oversight and development of the Youth Trust. To include the CEO, a Council representative, an elected employee representative, a Treasurer and private sector expertise.
- A Development Board solely focused on bringing in the funds and income through opening doors, networks and providing their specialist expertise in their respective fields to support specific functions of the Trust e.g. Marketing, Fundraising, Finance, Public Sector bids etc.
- A Stakeholder Board made up of key delivery partners for the Trust, including the partners supporting the development of MyPlace Centre as the focal point of

service delivery for young people. It will also include customer representation including a young people representative and a schools representative.

- A new management team comprising a CEO, to set the strategic vision, a Head of Service Delivery and a dedicated Fundraiser.

3.6 From the Council perspective this model will deliver immediate savings i.e. in Years 1 and 2 as laid out in the current financial plans as well as savings in the longer term, estimated in the business plan to be 5% in year one and 10% in the subsequent four years (10% in all five years for the grants scheme), down to £330,000 from a starting of £526,000 this financial year. Moreover, pulling together partners in the Voluntary and Community Sector it will help **improve the youth offer** for Torbay and deliver **better services and outcomes for young people** in the area. The figures below are in £,000.

Scenario 2 - Upper Case		As Is	Year 1	Year 2	Year 3	Year 4	Year 5	Total
1	Income							
2	Council	Option 2 £ 526	£ 476	£ 452	£ 407	£ 366	£ 330	£ 2,031
3	Transfer of Capital Funding		£ 50					£ 50
4	Donations/Funding		£ 50	£ 100	£ 150	£ 200	£ 250	£ 750
5	Trading/Other	£ 39	£ 50	£ 55	£ 60	£ 65	£ 75	£ 305
6	Total Income	£ 565	£ 626	£ 607	£ 617	£ 631	£ 655	£ 3,136
7	Costs							
8	As Is Costs:-							
9	People Costs	£ 342	£ 266	£ 280	£ 300	£ 320	£ 342	£ 1,508
10	Building	£ 108	£ 76	£ 76	£ 76	£ 76	£ 76	£ 380
11	Grant Pot	£ 110	£ 100	£ 90	£ 81	£ 73	£ 66	£ 410
12	Other External	£ 42	£ 42	£ 42	£ 42	£ 42	£ 42	£ 210
13	Internal Infrastructure	£ -	£ -	£ -	£ -	£ -	£ -	£ -
14	Subtotal As Is Costs	£ 601	£ 484	£ 488	£ 499	£ 511	£ 526	£ 2,508
15	Incremental Costs:-							
16	Infrastructure Services Bought In	£ -	£ -	£ -	£ -	£ -	£ -	£ -
17	Building Set Up	£ 50						£ 50
18	Insurance	£ 20	20	20	20	20	20	£ 100
19	Management Team	Option 2 £ 72	£ 96	£ 96	£ 96	£ 96	£ 96	£ 456
20	Subtotal Incremental Costs:-	£ -	£ 142	£ 116	£ 116	£ 116	£ 116	£ 606
21	Total Costs	£ 601	£ 626	£ 604	£ 615	£ 627	£ 642	£ 3,114
22	Surplus/(Funding Gap)	£ 36	£ -	£ 3	£ 2	£ 4	£ 13	£ -

3.7 The above costings are built upon the performance of similar projects elsewhere in the Country and scaled to reflect the situation within the Youth Service and Parkfield in Torbay. They include the existing Youth Service and Young Carers staff with the addition of a new Chief Executive of the Trust (full time), an operational manager and a fund raiser (both on a part time basis). The Consultants who have undertaken the review of Torbay Youth Services and provided the Business Plan recommended that the Local Authority continue to provide a base level of funding for the Trust. However given the current financial situation and the future direction of funding this should be kept under review based upon the success of the Trust in attracting alternative funding options.

3.8 Discussions are currently ongoing regarding the costs of transferring staff pensions and the disaggregation of Parkfield from the Council insurance in year one. It is estimated this would be a one-off payment and be no more than £70,000. There would also need to be a clear line drawn to delineate responsibility between the old Parkfield site and that

covering the new Parkfield. It is proposed that the old building and the full grounds remain with the Council and the skateboard area, BMX track and the new building transfer to the Trust.

Supporting Information

4 Possibilities and Options

- 4.1 Through the development of this proposal a wide range of options have been considered by the Consultants before arriving at the conclusions presented in this report. The proposal is based upon best practice within the provision of a Youth Service on a national basis in the current financial climate. It marries this to the local expertise of Torbay, opportunities in Torbay and the aspirations of Young People.
- 4.2 Consideration of other alternatives have failed to provide one or the other of these, maybe working towards a viable alternative use for the Parkfield site but being unable to demonstrate how this would cater for the aspirations of young people in Torbay.
- 4.3 The proposal works in parallel with the Community Development Trust that remains the infrastructure organisation for the community and voluntary sector. The proposed Youth Trust for Torbay is a service provider and the two will need close links in future years as they grow and evolve.

5 Fair Decision Making

- 5.1 The previous report to Council in September 2013 demonstrated extensive consultation and this report highlights the continuation of this process.

6 Public Services (Social Value) Act 2012

- 6.1 The report endorses the principles of the Public Services (Social Value) Act by building on the value of working in partnership with the community and voluntary sector and feeling the additional benefits.

7 Risks

- 7.1 The risk if this proposal is not adopted is that potential opportunities to bring money in to youth services through currently unavailable funding streams will be missed. In addition, the opportunity to collaborate more effectively and adopt a more diverse model of governance and delivery may fall by the way, losing much of the momentum that has been gained to date.
- 7.2 If the Trust does not receive the anticipated donations and grants the Council will need to re-consider its position and explore the possibility of a potential lease of the Parkfield site to a private provider.

7.3 An Equality Impact Assessment is included at Appendix 1.

Appendice

Appendix 1 Equality Impact Assessment

Appendix 2 Business Plan

Additional Information

Family Information website listing funding allocations

<http://www.torbay.gov.uk/index/yourservices/fis/torbayyouthservice/youthactivities/youthactivities1314.htm>