



Cabinet
19 October 2015

**Report from Strategic Director,
Children and Young People**

For Decision

Wards affected: ALL

A New Delivery Model for Youth Services in Brent

1.0 Summary

- 1.1 This report details the outcomes of consultation with young people and other stakeholders on a proposed new model for youth services in Brent. Following consideration of consultation outcomes, the report recommends priorities for future investment and a preferred delivery model. It seeks Cabinet's approval to invite tenders for the management and operation of the Roundwood myplace Centre and the delivery of a wider youth services offer, as required by contract standing orders 88 and 89.

2.0 Recommendations

That Cabinet:

- 2.1 Note the outcomes of consultation on potential changes to the Council's current Youth Services provision as detailed in section four of this report and Appendix One.
- 2.2 Approve the future service priorities for Brent Council's Youth Services set out in section five of the report.
- 2.3 Approve officers inviting tenders for the management and operation of the Roundwood myplace Centre and delivery of a wider youth offer in line with the approach detailed in section six of this report and on the basis of the pre-tender considerations set out in paragraph 6.6 of the report.
- 2.4 Approve officers evaluating tenders referred to in paragraph 2.3 above on the basis of the evaluation criteria set out in paragraph 6.6 of the report.
- 2.5 Authorise officers to include a draft lease in the invitation to tender documents on terms to be agreed by the Strategic Director of Regeneration and Growth in consultation with the Chief Legal Officer and Head of Procurement.

- 2.6 Note that the Strategic Director, Children and Young People will approve the final specification for the service in consultation with the Lead Member.
- 2.7 Note that revised management arrangements for the Roundwood myplace Centre will require formal approval from the Cabinet Office and Education Funding Agency for the reasons detailed in paragraph 7.8.
- 2.8 Note that staff consultation on changes to the Youth Service will commence in November 2015 in order to deliver achieve agreed savings.
- 2.9 Note that organisations tendering will be expected to demonstrate that they will collaborate with local voluntary and community (VCS) sector youth service providers and the Young Brent Foundation to strengthen the borough's overall youth offer.

3.0 Background

- 3.1 In June 2015, Cabinet agreed to consult on proposals to support the development of a new service model for the Council's current Youth Services which included:
- Establishing a new cross sector partnership body, the Young Brent Foundation, to take a strategic lead for youth provision in the borough, support bidding activity, and build the capacity of the Brent's VCS youth providers.
 - Developing the Roundwood myplace Centre as a youth hub, potentially by passing its running and management over to another organisation through a community asset transfer.
 - Investing in a small team of qualified youth workers who would work directly with other service providers across the borough to identify new and emerging needs; build the capacity of existing youth providers; and project manage new services and projects, including targeted work.
 - Investment to support the delivery of statutory duties, including resources to maintain the database of youth service provisions and to promote access to youth services, and to support prevention and reparation work within the Council's Youth Offending Service.
 - Maintaining the Brent Youth Parliament in recognition of its role in ensuring that young people's voices are heard in council decision-making.
- 3.2 The proposed changes aimed to support the development of youth services in the borough with considerably less overall investment, reflecting wider pressures on the Council's budget. On current plans, the Council's budget for Youth Services will reduce from £1.314 million in 2015/16 to £414,394 in 2016/17. This level of reduction reflects wider budget pressures facing the Council, with overall savings of £54 million required to meet reductions in central Government funding.
- 3.3 In designing the new service model, it was recognised that certain provisions which currently sit within the Council's Youth Service, including the Duke of Edinburgh Award Programme and the Right Track Programme for children temporarily excluded from school, could potentially continue without direct funding from the Council. However, the costs currently

associated with the running of the four youth centres (around £650k per annum) could not be met without new partnership arrangements.

- 3.4 Since the June Cabinet report, voluntary sector partners decided to establish the Young Brent Foundation (YBF) as an independent voluntary sector body. The founding Trustees¹ have now submitted an application to establish the YBF as a charity. This will allow them to bid for up to £200k per annum over three years through the John Lyon's Charity, negating the need for Council funding to cover the new organisation's core costs. As established, the YBF will now be a membership organisation for youth providers in Brent. It will focus on building the capacity of the 100 plus VCS youth providers in the borough, particularly through sharing resources, training, and coordinating bidding activity. It will also offer a small grants programme with a total value of £40,000.
- 3.5 Officers recognise the valuable role that the YBF can play in championing and driving the youth agenda in Brent and levering in new funding and are currently working to embed close working arrangements with the Council. This is likely to include Member and/or officer representation on YBF's board. As founding Trustees of the YBF have also indicated that they would be interested in taking on assets such as the Roundwood myplace Centre and/or bidding for contract opportunities which may arise through the redesign of the Council's youth services, officers have also helped its founding trustees to access support through the Government's Community Ownership and Management of Asset (COMA) Programme. This will enable them to access specialist asset management and pre-feasibility planning support before any opportunities are opened up to a competitive process.

4.0 Consultation – approach and outcomes

Stakeholder consultation

- 4.1 Formal consultation with staff, youth service providers, young people, service users, and other stakeholders on the potential changes to the Council's Youth Services took place in July/August 2015.
- 4.2 An independent community engagement organisation was commissioned to carry out the consultation, both to ensure some independent overview of the process and to maximise active involvement and participation of young people and other stakeholders. Key elements of the approach included three participatory commissioning sessions attended by 116 stakeholders, including 59 service providers and 57 young people, and an on-line questionnaire which attracted 119 responses, of which 64 were from young people aged 24 and under.
- 4.3 The approach to consultation included payment of a financial incentive to encourage young people to attend; this was introduced at the request of voluntary and community youth service providers who felt this approach would encourage young people in touch with their services, and /or those who hard are to reach, to attend². Voluntary groups working with young people who were known to Brent CVS and the Council were also provided with information about the participatory sessions and the online questionnaire; all were asked to encourage young people to attend and to put forward services that could be provided by the voluntary sector in a new delivery model.

¹ Founding Trustees are drawn from: CVS Brent; Bang Edutainment; Hyde Housing Association; London Youth; QPR in the Community; and Creative Performance.

² MutualGain attended Brent's Youth Services Providers' Forum on 30 June 2015.

- 4.4 Unlike more traditional methods, the participatory sessions actively involved participants in making choices about the range of services to include in a new service model and aimed to build understanding of the challenges the Council faces in reshaping its service offer. This was considered more important than quantitative approaches which could generate a higher level of responses but fail to provide information that could usefully inform the design of a new service model.
- 4.5 Details of the approach to the consultation and initial findings are reported at **Appendix One**. In terms of headline messages, both the survey and the sessions found that there is no overall consensus on priorities for future investment; instead, stakeholders had a range of preferences, often based on the benefits they gained from their own involvement in a particular service or project. There was nonetheless some consistent messages about future priorities:
- There is strong support among providers and young people for targeted services which support the most vulnerable young people, including outreach and detached services, mental health services, services for disabled young people and those wanting to express their sexuality more confidently.
 - Young people were keen to see support for vulnerable groups more integrated into mainstream provision
 - Young people support youth centre based activities, particularly if programmes can deliver other interventions, such as entrepreneurial, employability and mental health support.
 - Survey respondents identified after school and youth clubs, advice and support services, and education support and tuition as the most important priorities for young people.
- 4.6 The consultation found that existing Youth Centres are highly valued by those that use them, though each was felt to offer different strengths and weaknesses. Poplar Grove and Roundwood emerged as the more popular centres at the commissioning sessions, with Poplar Grove in particular felt to offer young people a high quality building, with good sports facilities and space for socialising. While Roundwood was recognised as a flagship facility, there was agreement among both providers and young people that better use needed to be made of its facilities, with providers feeling that delivery costs could be reduced by a non-Council / VCS provider(s) running youth activities.
- 4.7 There were mixed views about the Brent Youth Parliament (BYP). Both providers and young people at the participatory sessions recognised the importance of embedding the youth voice in democratic participation. However, there was a view among some participants that BYP was not representative of the wider population of Brent's young people (though the equality analysis for the service shows this is a misconception). It was also felt to be a high cost service by providers, with some suggesting that holding reviews and meetings on line could help to reduce costs. While young people supported BYP, some questioned the impact it had on overall decision-making.
- 4.8 The consultation identified mental health services for young people as a gap in terms of quality and access, leading to support for commissioning VCS projects which offered mental health support.
- 4.9 The need to ensure that a new service model did not replicate provision offered by schools (such as health education and work placements) emerged as a key issue for young people, who rejected several VCS projects on this basis at the commissioning sessions. There was also a strong view that, with the Council's resources stretched, other bodies, such as schools, health or business partners should fund some provisions. For example, young

people felt that schools, rather than the Youth Service, should fund the Duke of Edinburgh Award Programme and that the costs of the Eton Project should be directly funded by Eton College.

- 4.10 A number of other important commissioning principles were consistently voiced at the participatory sessions, most in line with those set out in the earlier report to Cabinet:
- Make young people's need and preferences central to any new commissioning model.
 - Make sure that commissioning is based on an understanding of what exists already, including an accurate map of VCS provision
 - Ensure that investment can demonstrate impact and positive outcomes for young people
 - Develop a stronger 'ask' from private sector partners, linked to their corporate social responsibility (CSR) commitments
 - Ensure that any youth service offer is well-publicised to increase take-up
- 4.11 In terms of delivery models, providers at the participatory sessions were generally of the view that smaller, local organisations were often better placed to deliver services more cheaply and effectively than the Council, with more focus and experience of entrepreneurial approaches. In contrast, survey respondents had mixed views: some expressed concern about the uncertainty of relying on external, rather than Council, funding, while others supported a small grants programme to fund local services.
- 4.12 There were mixed views among survey respondents on the Young Brent Foundation. Around half of respondents (49 per cent) agreed with the Council supporting this sort of partnership, while 30 per cent disagreed. Similarly, there were mixed views about whether this sort of partnership was better placed to raise more money from other services and strengthen the capacity of youth service providers than the Council. While responses may reflect an incomplete understanding of YBP's potential benefits and its very recent establishment, it shows that more work is required to demonstrate its value. The Council can play a role in supporting this, both by helping to build the profile of the YBF and linking it to existing borough partnerships that can support its work.

Provider consultation

- 4.13 In view of the challenges of delivering an effective service within the reduced funding envelope, officers have also undertaken consultation with potential alternative providers, including both locally based VCS organisation and larger providers with experience of delivering Council-funded youth services and/or running myplace centres. This included discussions with providers and a soft market testing event at the Roundwood myplace Centre in September 2015, including a mix of national, regional and local youth service provider organisations. Consultation with providers focussed on options for future delivery at the Roundwood myplace Centre; the wider funding environment; and any other ideas/options for delivery of the Council's youth offer.
- 4.14 Two options were put forward by officers for consideration by providers:
- A community asset transfer, where the Roundwood myplace Centre would be passed to a successful bidder under the Council's Community Asset Transfer (CAT) policy i.e. generally for a period of up to seven years. Under this option, a provider would take on the running and management of the building, with costs potentially offset by a social value assessment. In this case, there may be a separate contract process to deliver some aspects of the Council's wider youth service offer.

- A fully commissioned service, where a successful bidder would both deliver a youth service offer under a contract and manage the centre under a lease arrangement attached to the contract. Under this model, the Council could offer a maximum contract sum for the life of the contract (e.g. up to £350,000 per annum over four years), or possibly on a sliding scale, with an expectation that additional funds would be levered in by the successful provider over time.

4.15 Of these options, the majority of providers favoured the commissioned service, with a contract and lease arrangement. This was a model familiar to most providers and they felt it helped to minimise financial exposure and delivery risks, particularly in the in the start-up phase. Although the potential contract envelope would be small, there was a feeling that this option would be the most financially viable and attract most market interest.

4.16 Most providers were concerned about the financial risks attached to the CAT model; in particular the need to deliver a service from day one i.e. possibly before there is an opportunity to raise additional funding. A separate contract for wider service delivery was also felt to raise risks. For example, if different providers were awarded the CAT and the contract, there could be different priorities, leading to a fragmented approach. Equally, there was concern that a dual approach could lead to a successful contract provider being required to pay the CAT provider to access the centre, and consequently reduce investment in direct delivery. Some providers did however recognise the flexibility the CAT model could offer, in terms of freedom to shape and deliver the service offer.

4.17 VCS providers had mixed views on the CAT option. Some VCS providers felt that the CAT approach was too 'daunting' with too many risks attached to taking on such a large asset. In contrast, some felt the CAT approach offered the best opportunity to develop a stronger partnership arrangement with the Council and local community providers, though there was a view that the lease on the building should be for a significantly longer period (possibly up to 100 years) and that the process should not be competitive³, with a focus on using the model to support local providers.

4.18 The Transfer of Undertaking (Protection of Employment) Regulations 2006 (TUPE), were recognised to be an issue for providers under both options, with concerns about potential staffing and pensions liabilities. Providers indicated that, in view of the small size of the contract, they would expect the Council to share some of the costs and liabilities.

4.19 All providers felt that there was significant opportunities for an external provider to lever in additional funds (for example, through EU, National Lottery, Children in Need, the Cabinet Office, and John Lyon's Charity funding) and /or generate additional rental income. However, it was recognised that the need to raise funding could promote competition between groups as well as collaboration.

4.20 Most providers felt that the timescales for getting a new delivery model up and running by April 2016 were tight, with larger providers more confident of meeting them. However, all providers felt there would be difficulties developing consortia arrangements and meaningful relationships with/within the VCS sector to this timeline. This could potentially limit opportunities to promote work which would draw in local providers and reflect the diversity of provision in the borough.

³ Under the Council's community asset transfer (CAT) policy there is a requirement to openly advertise all CAT opportunities, both to promote value for money and transparency, and to ensure equality of access to different groups/interested parties.

4.21 In terms of alternative options, some VCS providers were keen to see approaches which would see continued Council involvement in youth service provision – for example, some participants proposed that the Council should continue to be responsible for managing the Roundwood myplace Centre, but with more focus on VCS groups delivering services from the space, possibly linked to a Council grants scheme.

5.0 Proposed youth offer service priorities and delivery arrangements

Future youth service priorities

5.1 The findings from the consultation exercise resonate with the principles and aspirations for a new Youth Service model as set out in the previous report to Cabinet in June 2015. These supported a model which was predicated on:

- A focus on young people's needs and preferences;
- The development of more innovative approaches;
- Building the capacity and capability of local youth service providers;
- Drawing in additional funding via grants and sponsorship;
- Developing a joint commissioning strategy to shape future priorities;
- Promoting effective links with key partnerships to promote collaboration;
- Ensuring that a new model can help to tackle the challenges faced by as significant minority of young people, including substance misuse, gang activity and low educational attainment.

5.2 The feedback also broadly supports the service model set out in the consultation proposals i.e. a model largely focussed on some continued support for centre based youth activities and a youth work approach that provides targeted programmes and activities to support more vulnerable young people. Equally, there was a strong support for better partnership working with voluntary and community sector providers and other stakeholders, including housing and health providers.

5.3 While there was no clear consensus on a preferred youth centre, the Roundwood myplace Centre emerged as a popular option and it is recommended that this is developed as youth 'hub' as initially proposed. This reflects a number of considerations, including the overall quality of the building; the financial conditions attached to the original myplace grant⁴; and the possibility of leveraging in additional income to offset its running costs and potentially increasing its community use/benefits. Importantly, the centre is based in close proximity to high numbers of young people in two of the borough's most deprived wards (Stonebridge and Harlesden), with 15 per cent of the Borough's population aged 13 -19 living in these wards. The equality analysis for the service redesign also shows that the centre currently attracts a relatively high number of services users in contact with other targeted provisions, including Council social care services, the Troubled Families Programme and Youth Offending Service (see section 5.10 of the equality impact assessment at **Appendix Two**).

5.4 The net costs associated with running and delivering the Roundwood myplace Centre⁵ mean that there will be a reduced funding envelope for delivery of a wider youth service offer. It is therefore proposed to focus resources to support more targeted delivery to vulnerable

⁴ The original conditions attached to the National Lottery grant used to build the centre apply until 2029 and mean that Council would be required to return the funding if a new provider does not comply with myplace grant terms and conditions.

⁵ The net costs of running the Roundwood myplace Centre, including staff associated with the running of the building are estimated to be in the region of £150k. There will however be scope to reduce these costs through more commercial approaches, potential rate reliefs and other efficiencies.

groups, including disabled young people, lesbian, gay, bisexual and transgender young people and those at risk and/or within areas of deprivation. This will include group work activity and programmes at the Roundwood myplace Centre, as well as delivery in other community settings, including housing providers' premises, community centres and Poplar Grove.

- 5.5 The consultation recognised the importance of ensuring that young people have a voice in both democratic processes and in shaping the youth offer on an ongoing basis. However, while it is therefore recommended to retain the Brent Youth Parliament, it is proposed to review its working arrangements, both to reduce its operating costs, possibly through sponsorship, and to increase the wider population of Brent's young people in its work. The Brent Youth Parliament will be asked to lead this review, working in conjunction with the Head of Youth Support Services.
- 5.6 Certain provisions within the current youth service offer will be able to continue without revenue support from the Council. This will include the Right Track Programme for temporarily excluded schools pupils, which is fully funded by Brent schools, though management of the programme will pass to the Council's Alternative Education and Inclusion Team.
- 5.7 The Duke of Edinburgh (DoE) Award Programme will in future be funded directly by Brent secondary schools, directly licensed by the DoE London region. However, the DOE open access centre, currently run by the Council, will close unless additional funding can be secured. In 2014/15, 97 young people who were resident in Brent accessed the DoE award centre programme through the centre (with 34 attending from outside Brent). Sixty-six pupils attending the centre were drawn from Claremont High School which currently does not offer a DoE programme for their pupils. Following a report to the Brent Schools' Forum, officers are now working with schools to consider whether arrangements could be developed to secure the open access provision for all Brent schools and avoid its closure. The possibility of identifying a lead school to support continuation of the Eton Project is also being explored.
- 5.8 The level of funding available means that it will not be possible to directly fund youth provisions at the Granville Arts Youth Centre and Wembley Youth Centre from April 2016 onwards. However, pending agreement of a new service level agreement with the Brent River College⁶, this venue will offer preserved rights for evening /weekend sessions with young people. Officers will therefore explore opportunities to make use of these facilities within the new service model. Other provisions within the current Youth Service, such as support for LGTB young people and the outreach and detached service, will also be reduced in scale within the revised youth service offer.

Delivery arrangements

- 5.9 In view of feedback from providers, it is clear that a community asset transfer model proposed in the earlier Cabinet report would present some risks to providers and to the authority. For providers, the lack of a service contract would mean that there could potentially be difficulties in developing and sustaining a wider youth offer, particularly if the CAT provider was unsuccessful in securing any wider contract to fund youth service provisions offered by the Council. For the Council, there would be risks that the approach would not attract a wide field of potential providers and /or could lead to a weak or fragmented service offer for young people. Under a CAT there would also be less opportunity for the Council to shape and monitor the service offer at the centre, increasing

⁶ The service level agreement is subject to agreement with the college's management board.

the possibility that myplace grants and terms conditions could not be met. This could in turn lead to significant financial risks i.e. if the original myplace grant needed to be repaid (£4.977m).

- 5.10 On balance, it is therefore recommended that the Council should invite competitive tenders for the delivery of a revised youth service offer which includes:
- The management and operation of the Roundwood myplace as a 'youth hub', offering a range of cultural, sports and employment related opportunities, under a lease arrangement within the contract;
 - A programme of youth work and outreach support, with a strong focus on working with vulnerable groups, including young people with disabilities, lesbian, gay, transgender and bisexual (LGTB) young people and those at risk due to their behaviours e.g. gang involvement, offending, low educational attainment; and
 - Delivery of integrated partnership working with national, regional and local service providers designed to enhance the borough's overall service offer for young people.
- 5.11 There are several advantages to a tendered approach. In particular, it offers an opportunity to:
- Include an expectation that any successful bidder would lever in additional funding to extend the offer and /or reduce the Council's revenue contribution over time;
 - Ensure best value within the reduced funding envelope, in terms of both service quality and cost;
 - Promote a strong focus on positive outcomes for young people and myplace grant terms and conditions, linked to contract monitoring requirements;
 - Positively encourage consortia bids, including those from Brent's local voluntary and community sector;
 - Promote innovation and good practice in service delivery;
 - Draw on a successful provider's wider partnership network to expand service delivery opportunities; and
 - Co-produce the specification for the revised service offer with young people and involve them in future contract monitoring arrangements.
- 5.12 Based on provider feedback, it also seems clear that this approach would attract more provider interest, giving the Council the best possible opportunity to secure a high quality and cost effective service for Brent's young people in challenging financial circumstances.
- 5.13 While an in-house model was considered as an alternative, it was recognised at an early stage that the amount of Council funding available could only deliver a limited service. In contrast, the proposed approach offers the best way of delivering a service with potential for growth, both through investment and more efficient delivery.
- 5.14 Hybrid models for delivery suggested through the consultation with providers have also been considered e.g. where the Council retains responsibility for running and management of the Roundwood myplace Centre but with more focus on VCS groups delivering services from the space, possibly linked to a Council grants scheme. However, in practice this sort of approach has similar weaknesses to an in-house model, in so far as it would not result in efficiencies in premise running costs due to the tie in to existing Council contracts. Council resources would also be tied up in monitoring and administering multiple grants, with resources deflected from investment in front-line services.
- 5.15 It is, however, proposed, to retain management and delivery of the Brent Youth Parliament in-house, in view of its strong relationship with the Council's consultation and decision-

making processes. Maintenance of a database of youth service provisions across the borough, both to support delivery and promote access to youth provisions in line with statutory guidance, will continue to be managed within the Council, with responsibility passed to the Council's Children and Families Information Service.

6.0 Proposed tender arrangements

- 6.1 The proposed tender procedure would be an Open or one stage process, helping to limit the time and cost for both bidders and the authority and reducing risks to the authority. In order to attract bids which are affordable to the Council within the revised budget envelope, organisations would be asked to tender at or below a maximum contract price of £350k per annum. Organisations would also be asked how they could deliver a youth service within this budget and reduce the level of dependency on Council resources over the life of the contract.
- 6.2 Evaluation of the tenders would be based on a 70:30 quality to price ratio. In order to assess quality criteria, organisations will be required to provide a range of method statements indicating how they will address certain issues to include:
- approach to delivery of service outcomes for young people
 - approach to partnership working and co-production with young people
 - approach to the delivery of services which demonstrates and understanding of the diversity of communities and service users in Brent
 - approach to the delivery of services which builds the capacity of local of youth service providers
 - approach to the delivery of services to achieve a positive impact on the local economy and social and environmental well-being in Brent
 - quality and performance management
 - approach to financial sustainability and service development
 - approach to property and asset management
 - health and safety
 - safeguarding
 - approach to contract mobilisation
- 6.3 An important advantage of the proposed approach is that third parties will be better able to attract or identify additional revenue streams not open to the Council, including National Lottery Funding and other grants. Bidders will therefore be expected to spell out how they will generate additional revenues through better utilisation of buildings, use of volunteers, and business sponsorship. The proposed contract term of 4 years with the option to extend for a further 12 months in part reflects the need to allow providers sufficient time to develop a strong service offer based on multiple funding streams and effective partnership working, all of which can take time to establish.
- 6.4 In line with good practice and legal requirements to involve young people in service design, the service specification will be developed in consultation with young people through the Brent Youth Parliament before being approved by the Strategic Director, Children and Young People in consultation with the Lead Member. Young people, including service users, will also be directly involved in arrangements to evaluate tender proposals and to monitor the contract, helping to ensure that the service offer meets their needs and aspirations. Management responsibility and oversight of the contract will be managed within the Council's Youth Support Services.

- 6.5 To address provider concerns, particularly among local VSE providers, about tight bidding deadlines reducing opportunities for smaller organisations to bid and/or to develop meaningful consultation with larger provider, it is proposed to extend the amount of time allowed to prepare bids to over two months (rather than the usual 30 day window). Equally, there will be a reasonable amount of time allocated for contract mobilisation, giving the successful provider more opportunity to involve the wider body of VCS providers in new delivery arrangements from the outset.
- 6.6 The lease for the Roundwood myplace Centre would run for the period of the service contract. It would pass all repair and maintenance responsibility to the tenant and be at a rent of £1pa. The tenant would need to covenant to use the premises in accordance with myplace funding from the Big Lottery Fund. Any new tenant would need to demonstrate the property asset management capacity to manage the Roundwood myplace Centre or have access to these skills. The lease would be terminated in the event the service contract ended.
- 6.7 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations, including the proposed timelines for the tendering process, are set out below for Cabinet's approval.

Ref.	Requirement	Response	
(i)	The nature of the service	The management and operation of the Roundwood myplace Centre, plus delivery of a wider youth offer	
(ii)	The estimated value	Maximum £350k per annum (or £1.75m over 4 years and including the potential 12 month extension). The contract approach and funding range seeks to encourage bidders to demonstrate how they could lever in additional funds to offset the Council's contribution. It will also offer potential bidders the opportunity to propose a funding model which could offer year-on year reductions in the Council's overall financial contribution.	
(iii)	The Contract Term	Four years with an option to extend it by one further year.	
(iv)	Tender procedure	The tendered services are classed as Schedule 3 services under the Public Contract Regulations 2015. However, as the contract exceeds the EU threshold (£625,050), the opportunity has to be advertised in OJEU. To meet the timetable set by the service an Open or single stage approach is recommended.	
(v)	Procurement timetable	Indicative dates are:	
		16 November 2015	Adverts places /invite to tender
		23 January 2015	Deadline for tender submissions

		25 January 2015 – 19 February 2016	Panel evaluation
		22 February – 26 February 2016	Finalise evaluation and recommend contract award decision
		29- 5 March 2016	Circulate Cabinet award report for comments
		11 April 2016	Cabinet meeting
		12-22 April 2015	Call in / stand still phase
		25 April – 30 June 2016	Contract mobilisation
		1 July 2016	Contract start date
(vi)	The evaluation criteria and process	<p>There are 2 elements of an Open or single stage tender process, namely:</p> <ol style="list-style-type: none"> 1 A qualification questionnaire will be used to identify organisations meeting the Council's financial standing requirements, capacity and technical expertise. This will include asking questions on social benefits, including community engagement. 2 The tenders of organisations meeting the Council's minimum standards will be evaluated using the following high level quality criteria which will have a combined weighting of 70%: <ul style="list-style-type: none"> • Tenderer's proposed service delivery approach and proposed outcomes for young people • Tenderer's plans to ensure financial sustainability/self-sufficiency and promote income generation • Tenderers approach to working in partnership, including co-production with young people and with local VCS youth organisations • Tenderers approach to the delivery of services in order to achieve a positive impact on the local economy and social and environmental well-being in Brent • Tenderers approach to property management, including health and safety • Safeguarding proposals • Application of previous experience relevant to delivery of the contract <p>The tendered Price will be evaluated. This will have a weighting of 30%.</p>	
(vii)	Any business risk associated with	Financial, Legal and HR Services have been consulted about this contract and have identified the	

	entering the contract	associated issues and risks in sections 7, 8 and 11 below.
(viii)	The Council's best value duties	The adoption of a competitive tendering process will ensure the Council achieves best value for money from this tender. The contract price range will also encourage providers to consider how they can lever in additional resources and promote efficiencies to support their bid.
(ix)	Consideration of the Public Services (Social Value Act 2012)	See section 10 below
(x)	Any staffing implications including TUPE and pensions	See sections 7 and 11 below
(xi)	Relevant financial, legal and other considerations	See Sections 7 and 8 below

6.8 Cabinet is asked to give its approval to these proposals as set out in the recommendations and in accordance with Standing Order 89.

7.0 Financial Implications

7.1 The Council has committed to save £100k and £900k in 2015/16 and 2016/17 respectively from the Youth Service budget, which is a reduction of 71 per cent against the current budget envelope. This will require a new, lower cost delivery model to go live by April 2016.

7.2 The funding envelope for the proposed contract of up to £350,000 per annum is within the cash limit set for the service from 2016/17 (£414,000). The contract approach and funding range seeks to encourage bidders to demonstrate how they could lever in additional funds to offset the Council's contribution. It will also offer potential bidders the opportunity to propose a funding model which could offer year-on-year reductions in the Council's overall financial contribution. The extent to which the appointed providers have demonstrated progress towards self-sufficiency will form part of the contract evaluation.

7.3 Additional funding of £64,000 will be retained within the Council's Youth Support Services budget to cover the running costs of the Brent Youth Parliament (BYP), including related staffing costs. As indicated in the body of the report, further efficiencies and sponsorship funding will be sought in the operation of BYP to reduce costs further.

7.4 As described in paragraph 6.2, the invitation to tender will ask how bidders will generate additional revenues through better utilisation of buildings, use of volunteers, and business sponsorship or other grants. The length of the contract will support the focus on revenue raising and may over the longer-term help the Council to reduce overall levels of investment in what remains a challenging budget context.

7.5 The procurement process could give rise to TUPE and any new provider will be required to allow former council staff to continue to access the Local Government Pension Scheme

(LGPS) and to become an admitted body under the LGPS or else offer broadly comparable pension provision. As the Council is setting a funding envelope for the contract, placing 100 per cent risks on the provider to meet future pensions' liabilities under the scheme could reduce the financial viability of the contract and /or lead to a lower quality service offer. Officers therefore intend to seek bids on the basis that a risk share agreement will be offered where the provider seeks access as an admitted body under the LGPS in line with model agreed by the Council's General Purposes Committee.

- 7.6 As part of the contract, the Roundwood myplace Centre will be withdrawn from the current facilities management contract with Europa. This will incur a one off exit fee of £9,975 which will be funded from the wider Youth Support Services budget.
- 7.7 There will additionally be financial implications related to the overall change management process, including redundancy and severance costs for Youth Service staff. In line with Council policy, these costs will be met centrally.
- 7.8 As indicated in the earlier report to Cabinet, there are some restrictions around future use of the Roundwood Centre, which was redeveloped through a National Lottery grant of £4.997m as part of the Government's myplace Programme. Under the terms of the grant agreement, the Council is required to notify the Cabinet Office of any planned changes of use and/or ownership and could be required to repay the grant in whole or in part. Officers have now formally raised the possibility of outsourcing the centre to a third party with the Cabinet Office. They have indicated that there would be no objection to this sort of arrangement, but both the Education Funding Agency (EFA) and Cabinet Office would wish to see a lease and business plan before giving approval. They will also need confirmation that there will be continuing compliance with the existing grant agreement. Officers will therefore need to ensure that any new contractual agreements are consistent with the grant agreement and support delivery of myplace outcomes for young people.
- 7.9 The proposals means that Youth Support Services will be withdrawing from Wembley Youth Centre and Granville from 1st April 2016 and will no longer be responsible for meeting or contributing to the running costs of those buildings. In the case of the Wembley Youth Centre and the Granville Centre, the building and /or the area occupied by the service will be handed back to the Council's Property and Asset Management Service. Under the proposed service level agreement between the Council's Youth Support Services and Brent River College, the running costs of the Poplar Grove building will in future be met by the college.

8.0 Legal Implications

- 8.1 Section 507b of the Education Act 1996 places a specific duty on the Council to secure '*as far as reasonably practicable*' sufficient educational and recreational activities for the improvement of young people's well-being, and sufficient facilities for such activities. Young people are defined as those aged 13-19, and those with learning difficulties to age 24. There is no requirement to directly fund or deliver services to a particular level (or at all).
- 8.2 Statutory guidance issued in support of the duty in June 2012, and the wording of the Act, makes clear that the Council must consult young people in the design of its services rather than simply on specific proposals emerging through reviews. A Court of Appeal ruling relating to North Somerset Council in 2013 underlines the need to actively engage young people, with the Council judged to have acted unlawfully in making significant reductions to its youth services, due to both a lack of adequate consultation with young people and

insufficient consideration of the protected characteristics of its service users under the Equality Act 2010.

- 8.3 The report sets out the steps that officers have taken to engage and consult with key stakeholders, including young people and youth service providers in the borough. It also shows how the findings of the consultation have helped to shape the final proposals for the service, with a focus on supporting vulnerable young people, continued support for youth centre provision and outreach work, and further promoting the voice of young people in service development and decision-making.
- 8.4 The type of services to be procured falls within Schedule 3 of the Public Contract Regulations 2015. Contracts with a total value in excess of the EU threshold (£625,050) for this type of service need to be advertised in the Official Journal of The European Union (OJEU). The proposed for the tendering process and timelines as set out in paragraph 6.6 of this report are in line with those set out in the PCR 2015. Additionally, the procurement of the contract will be subject to the overriding EU procurement principles of equality of treatment, fairness and transparency in the award of contracts.
- 8.5 As the estimated value of the contract over the term of the contract (including the 12 month extension) will be between £1.25 and £1.75 million, it is classed as a High Value Contract under the Council's Contract Standing Orders and Financial Regulations. Cabinet must therefore approve the pre-tender considerations set out in paragraph 6.4 above and the invitation of tenders.
- 8.6 Once the tendering process is undertaken, Officers will report back to the Cabinet in accordance with Contract Standing Orders, explaining the process undertaken in tendering the contract and recommending award.
- 8.7 Ancillary to the contract arrangement there will be a lease in respect of Roundwood Centre. The form of lease will be contracted out of the Landlord and Tenant Act 1954 - that is it will not be a protected business tenancy .This is consistent with a service contract.
- 8.8 As mentioned in paragraph 7.8, the Roundwood Centre is subject to a Big Lottery Fund My Place grant agreement which is protected by a restriction on the Council title at the Land Registry and therefore the form of lease will be subject to the approval of the Education Funding Agency and the Cabinet Office.
- 8.9 Section 11 below outlines the position with regard to the proposed arrangements for Youth Service staffing and confirms the legal position with regards and to the employment rights of staff who may transfer to the new provider.

9.0 Diversity Implications

- 9.1 Young people within Brent and staff working within the Council's Youth Service have a range of protected characteristics under the Equalities Act 2010.
- 9.2 A detailed equalities impact assessment of the service redesign proposals proposed in this report is attached at **Appendix Two**. This outlines the implications of the changes for services users and the wider community of young people. It also explains the steps that will be taken to mitigate any potential negative impacts of the changes proposed.
- 9.3 A staff equality analysis is being completed separately for Youth Service staff affected by these proposals (23.05 FTE). This will assess the impact of changes to the service on the workforce profile and will be published with the staff consultation proposals. This will ensure

that nobody is treated less favourably than anyone else in the process because of their equality characteristics.

10.0 Public Services (Social Value) Act 2012

- 10.1 The nature of the services being procured align themselves to the requirements of the Public Services (Social Value) Act 2012 (the “2012 Act”) as they aim in part to support and improve the lives of more vulnerable young people in the community. Officers have sought to boost opportunities for potential suppliers from the local community by inviting them to the soft market testing event and involving them in the wider consultation work. As indicated in paragraph 3.5, officers have also helped the Young Brent Foundation founding trustees to access support through the Government’s Community Ownership and Management of Asset (COMA) Programme. This will enable them to access specialist asset management and pre-feasibility planning support before any opportunities are opened up to a competitive process.
- 10.2 Evaluation of bids will assess potential providers’ proposals for working with the local voluntary and community sector. Providers will be required to describe what arrangements they propose in order to deliver a positive impact on the local economy and social and environmental well-being for those in Brent to support the requirements of the 2012 Act as well as the Borough Plan. Providers will also be asked to demonstrate how they will help to build the capacity of local voluntary organisations working with young people and how they will deliver services based on a thorough understanding of the diversity of services users and communities within Brent.
- 10.3 In view of the importance of social value to this contract, social value considerations will attract a significant weighting in the evaluation criteria.

11.0 Staffing/Accommodation Implications

- 11.1 The budget reductions agreed for the Youth Service by Cabinet in March 2015 mean that there is an immediate need to reduce Youth Service staffing and related delivery costs by the end of the 2015/16 financial year. It is therefore planned to commence redundancy consultation with staff in November 2015 on a revised Youth Service model focussed on the continued delivery of the Roundwood myplace Centre and a targeted youth offer for more vulnerable groups. This approach will both help to realise the required savings and also provide continuity of service delivery if there are any delays in appointing a new provider and/or mobilising a new contract. All staffing changes will be managed under the Council’s Managing Organisational Change policy and procedures.
- 11.2 Any new provider will be required to meet obligations under the Transfer of Undertaking (Protection of Employment) Regulations 2006 (TUPE), and the related Brent TUPE processes, to protect the rights and benefits of Brent employees. Until a new provider sets out a new service model and confirms the relationship with roles in the Council’s service, it is not possible to state the applicability of TUPE as its application is contingent on the service which is provided remaining the same. However, as the staffing structure proposed by a new provider will be confirmed during the tender evaluation process, a position can be taken as to whether TUPE applies to any staff within the new Youth Service model and/or those on notice. Consultation based on the TUPE policy will broadly commence in parallel with the consultation under the Council’s managing organisational change policy, although it is appreciated that the Council has separate consultation obligations in respect of each process.
- 11.3 As indicated earlier, proposals within the report means that the Youth Service will be withdrawing from Wembley Youth Centre, Granville and Poplar Grove from 1st April 2016.

The service level agreement related to Poplar Grove means that it may be possible for a new provider to continue to run youth provisions from this centre. A new provider will also be encouraged to deliver services in a wider range of community premises, including housing association and VCS premises.

Background Papers

“Youth Services in Brent – A New Delivery Model”, Cabinet Report, 1 June 2015

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