

Children and Young People Select Committee		
Title	Update on the youth service mutual	
Contributors	Executive Director for Children and Young People; Head of Targeted Resources and Joint Commissioning, CYP	Item 6
Class	Part 1 (open)	13 April 2016

1. Purpose

- 1.1. The purpose of this report is to provide an update on proposals for the mutualisation of the Youth Service, following the previous report presented to CYP Select Committee in November 2015.

2. Recommendations

- 2.1. It is recommended that Members agree:
- To note progress to date and next steps (as outlined in sections 4 and 5)
 - To note that a further update will be provided following the award of the contract in June 2016.

3. Background

- 3.1. A developed plan for a youth and employee-led mutual was initially presented to CYP Select Committee on 18 November 2015. A further paper responding to issues raised by Members at this stage, specifically in relation to lines of accountability, governance structures and how the mutual would work in partnership with existing providers or voluntary sector organisations, was then presented to Overview & Scrutiny Business Panel on 24 November 2015.
- 3.2. Following the presentation of the final report to Mayor & Cabinet in December 2015, the Mayor agreed the plan to run a 'mutuals only' tender process for the future delivery of the Youth Service under Regulation 77 of the Public Contracts Regulations 2015. It was also agreed that the Council's current Youth Service would bid for this contract and, if successful, would form a charitable Community Benefit Society (CBS) as its legal structure.
- 3.3. The following indicative project milestones were set out in the final report:
- Phase 1 (Jan-Feb 2016)
 - Procurement process planning
 - Phase 2 (Mar-Apr 2016)
 - Run 'mutuals only' tender process
 - Phase 3 (May-June 2016)

- Implementation planning
 - Phase 4 (July 2016)
 - 'Go live' for the new Youth Service mutual

4. Progress To Date

Procurement – Phases 1 & 2

- 4.1. Between January and March 2016, officers from Joint Commissioning and corporate services (Legal, Finance, HR, Property and ICT) worked to prepare the relevant tender documentation, including property valuations and condition surveys, lease agreements, TUPE and pension/redundancy arrangements. This process was undertaken in isolation from Youth Service staff in order to ensure the Council's probity on the matter.
- 4.2. Alongside this activity, the Youth Service has undertaken detailed work in order to prepare itself for the tender process. This has involved:
 - Development of a 'shadow' structure (including establishing formal governance arrangements and the legal entity for the new mutual)
 - Working with external consultants (Stepping Out) to ensure tender readiness (including business planning & finance, staff & stakeholder engagement and infrastructure/operational requirements)
- 4.3. Bids submitted by tenderers will be evaluated on a mix of cost (against a maximum budget set by the Council) and quality, such as the type and scope of provision they offer, their ability to work in partnership across the borough to deliver activities and support wider objectives around early intervention and how they will involve young people in the design of the service. Tenderers will also be expected to outline how they will achieve savings of at least £300k during the three year contract period.

Staff Consultation – TUPE

- 4.4. An initial meeting was held with union representatives on 22 March 2016 and formal consultation with affected staff is due to begin in early April 2016. This will involve regular communication updates, as well as several drop-in sessions and an opportunity for staff to raise any concerns privately via email.

5. Next Steps

- 5.1. The key milestones for the procurement process are outlined below:

Contract notice published in OJEU & tender documentation available	Wednesday 23 March 2016
Deadline for tender submissions	Friday 22 April 2016

Tender evaluation process & preparation of award report	Late April/May 2016
Award decision	1 June 2016
Standstill period & publication of award notice	By 15 June 2016

5.2. It is expected that the contract will commence in July 2016, assuming that a successful bidder is appointed. Work is currently underway to develop a detailed plan for the implementation and transition phase, which will include:

- Finalisation of contract details
- TUPE transfer of staff from the Council
- Infrastructure arrangements for the mutual organisation (including buy-back of any corporate services and 'disentangling' of Council functions)

6. Conclusion

6.1. The timescales for this project (particularly the procurement process) have always been challenging. However, given the rapid progress outlined above, it is anticipated that the Council will be in a position to successfully launch the new organisation in July 2016.

7. Legal Implications

7.1. The Council is required to tender a contract for the Youth Service, but can reserve the right to participate in the tender exercise to mutual organisations (as per Regulation 77 of the Public Contracts Regulations 2015). If it does so restrict the organisations which can tender, then the term of the contract can be no longer than three years. Thereafter, the contract (if the service is to continue) must be advertised on the open market.

8. Financial Implications

8.1. There are no new financial implications that have arisen since the last report was presented to CYP Select Committee in November 2015.

9. Equalities Implications

9.1. A full Equalities Analysis Assessment (EAA) was undertaken to ensure that proposals to mutualise the Youth Service did not discriminate or have an adverse effect on any protected characteristics within the local community.

9.2. This EAA found that, although there are risks involved in mutualisation, the impact of the proposals was likely to be largely positive as it will protect provision and increase opportunities for all young people and staff to participate in the decision-making process.

- 9.3. During the procurement process, bidders will be expected to outline how they will meet the needs of young people (including those requiring extra support) and provide equal access to provision. This will form part of the evaluation criteria.

10. Crime & Disorder Implications

- 10.1. There are no specific crime and disorder implications arising from this report.

11. Environmental Implications

- 11.2. There are no specific environmental implications arising from this report.

12. Background Documents & Originator

- 12.1. The Youth Service tender documentation can be accessed via the London Tenders Portal (<https://www.londontenders.org/>).
- 12.2. If there are any queries about this report, please contact Warwick Tomsett (Head of Targeted Services & Joint Commissioning) on extension 48362 or at warwick.tomsett@lewisham.gov.uk.