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**Cambridge**  
**5<sup>th</sup> October 2010**

**Every Contribution Matters:  
Rising to the challenge**

**Delivering the Youth Service provision for Local  
Authorities**

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Charities working for  
children and families

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Aim of this session:

To explore the issues emerging and action steps required for the VCS to potentially deliver Youth Services provision

Objectives:

- Identify changes in policy and frameworks within the Coalition Government
- Explore why local authorities may contract out all or part of their Youth Services
- Discuss advantages and disadvantages of different delivery models
- Help participants identify actions they can take to prepare

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# Labour Youth Policies

- Increased funding – from £450 Million in 1996 to £1.5 Billion in 2009
- Raised profile of youth work
- Centralisation – top down, central control, increasing regulations and policy drivers
- Project based focus rather than open work
- Output related funding heavy monitoring burden
- Lack of flexibility, stifling of innovation
- Stated importance of Third Sector but lack of a level playing field

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# Coalition Priorities and Statements

- Deficit reduction cuts of £30 Billion
- Schools a priority but Youth Policy vacuum so far
- Localism – locally devised creative solutions
- Smaller Government – devolution of power to LA's
- Big Society –Volunteering, National Citizens Service
- Stated Importance of Voluntary Sector
- Voluntary Sector to get bigger slice of a much smaller funding cake – (Nick Hurd)
- Reduction in bureaucracy and target led culture, end of local area agreements and national indicators

# Tim Loughton on Youth Services

- Many local authority youth service departments leave a lot to be desired" and "are rather set in their ways". He wants more youth programmes contracted out to the third sector. **January 2010**
- "We need to have local authorities contracting out far more to outside organisations. Why would the world fall in if a local authority contracted out the whole youth services department?"
- "I want to see a far greater role for third sector organisations
- "Youth services are not a luxury add-on, I think some local authorities need to be more adventurous in finding new partners".
- "I don't think the monopoly that local authorities have over the delivery and commissioning of youth services is the way to go,"
- "I want to see more imaginative partnerships between local authorities and the voluntary sector and others. I don't just mean picking off odd bits of activity that are going to be contracted out, I mean thinking about the way the whole offer of youth services is constructed with local authorities." **September 2010**

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# Contracted out Youth Services

- Northamptonshire
- Gloucestershire
- Halton
- Cumbria
- Cheshire

## Mixed Provision

- Bolton
- Lancashire
- Liverpool

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# Why would Local Authorities Contract all or part of their Youth Service

- Reduce costs
- Reduce pension liabilities
- Reduce risks
- Reduce duplication
- Concentrate on delivering parts of the service – Targeted Youth Support
- Recognition of the quality and cost effectiveness of the VCS

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# Styles of contracting out in NW

- One Lead organisation – Halton
- Sub contracting model – Cumbria
- Supply chain consortia – Lancashire

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# Lead organisation model

## Advantages

- Large national voluntary organisation – profile. PR
- Staff capacity, HR skills and financial skills
- Ability to cope with TUPE, VAT, pension issues
- One contract for commissioner to manage
- Quality delivery and policy framework, manage risks
- Match funding and voluntary funding
- Economies of scale, delivery across areas, regions

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# Lead organisation model

## Disadvantages

- Large national voluntary organisation
- High risk for the large organisation, on their own
- Little opportunity for sub contracting to smaller VCS organisations, lack of trust
- Does not build the capacity of the VCS locally
- Not as cost effective, as more expensive than smaller VCS organisations, similar delivery model to Local Authority Youth Services i.e. full time, qualified staff

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# Sub contracting model

## Advantages

- Some sharing of risk
- Builds capacity of smaller VCS organisations
- Acknowledges and utilises specialist organisations
- Enables mixed delivery model, full time, part time, volunteer and sessional workers

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# Sub contracting model

## Disadvantages

- Large organisation often only sub contracts what it cant do itself
- Lead organisation liable for non performance
- TUPE issues for lead organisation if they cancel sub contractors
- Duplication of processes, management, monitoring
- Cash flow issues for smaller organisations
- Conflict between roles of lead organisation provider, commissioner, quality assurer, capacity builder

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# Supply chain consortium model

## Advantages

- Clarity of role for lead of supply chain, reduced conflict of interest, funding for development of consortium
- Development of trust with providers
- Develops capacity of smaller VCS organisation
- Leaves smaller providers to focus on what they want to do
- Minimises policy and monitoring burden for providers
- Agreed quality standards
- Less risk for lead as consortium often has over supply
- Ability to sell the consortium to multiple funders

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# Supply chain consortium model

## Disadvantages

- Changes the relationship between consortium lead and providers
- Major burden on consortium lead for bid writing, policy development, monitoring and quality assurance
- Less attractive for larger VCS organisations

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# Action steps to prepare for possible Youth Service delivery

1. Build relationship with commissioners be proactive and solution focused
2. Identify possible consortium leads, infrastructure ?
3. Identify consortium partners, quality, effective and cost effective, specialist and generalist
4. Identify potential match funding, added value
5. Develop clear quality standards frameworks
6. Develop and agree fair and equitable unit costs for delivery

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**Any questions, feedback or  
suggestions?**

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