



Cabinet Member Report

City of Westminster

Meeting or Decision Maker:	Cllr D Chalkley Cabinet Member for Children and Young People
Date:	10 June 2016
Classification:	General Release
Title:	Establishment of a Young Westminster Foundation
Wards Affected:	ALL
City for All:	This decision relates to a <i>City for All</i> pledge
Key Decision:	Yes
Financial Summary:	A £200,000 corporate reserve is available to release a saving of £767,000 pa from 2017/18 financial year.
Report of:	Rachel Wright-Turner, Director of Children's Commissioning

1. Executive Summary

- 1.1 The City Council is working with the John Lyons Charity (JLC) and representatives of the youth sector to establish an innovative charitable vehicle to maximise financial support from business and other sources for preventive and non-statutory services for 0-25 year olds.
- 1.2 The new charity, the Young Westminster Foundation, will work closely with the Council's Economy Team to identify opportunities for local businesses, through their corporate social responsibility plans, to support vulnerable children and young people.
- 1.3 The development and infrastructure costs for the new charity will be supported by a grant of £100,000 per year in 2016/17 and 2017/18 respectively from the City Council, and by applications for matched funding to JLC and the City Bridge Trust.

2. Recommendations

That the Cabinet Member:

- a) Notes that existing contracts for youth club provision will end in September 2016 and that these services will not be recommissioned.
- b) Notes the availability of a one-off reserve of £200,000 to support the initial costs of establishing a new charitable foundation.
- c) Approves support for the establishment of the proposed *Young Westminster Foundation*.
- d) Delegates authority to the Executive Director of Children's Services to make, in consultation with the Cabinet Member for Children and Young People, any further decisions required to give effect to the above.

3. REASONS FOR DECISION

- 3.1. A Cabinet Member decision is required to provide the policy context within which the City Council can contribute to infrastructure funding for the establishment of the 'Young Westminster Foundation'.

4. Background, including Policy Context

- 4.1 The funding the Council receives from the Government is reducing and the Council needs to save c£100m over the next five years. To meet this challenge, the Council is refocusing its services on those who need support most, including by identifying opportunities to work more closely with partners to deliver joint services and by enabling communities to become more self-sufficient.
- 4.2. In order to continue its commitment to high quality, effective services for those families in most need of support, the City Council needs to make changes to services for children and young people. These changes were outlined in the Early Help Strategy which was approved by Cabinet in February 2015.
- 4.3. In this context, existing arrangements for council funding of youth club provision are no longer sustainable. An ambitious and enterprising solution is required. Officers have consulted with commissioners, youth providers and stakeholders on how best to support the continuation of a strong youth offer in these changed circumstances.
- 4.4. A public consultation on changes to Youth Services opened on the 4th January 2016 and ran until the 31st January. A report on the consultation is included as Appendix 1 to this report. The proposals see the establishment of

a new Partnership for Young People with the council using its unique position at the heart of London to bring together a range of partners, including trusts, charities, service providers and the private sector to create a sustainable approach to services for young people.

The council considers that a Partnership for Young People would;

- bring together a traditionally fragmented and diverse sector, giving youth providers a greater voice and more sustainable future;
- act as a strong centralised fundraising vehicle to attract resources for young people in Westminster;
- offer young people a more diverse range of support and activities - from a wider range of providers - that better meet their interests and needs;
- capitalise on the unparalleled opportunities available in central London;
- offer a hub for best practice sharing in the sector.

The aims of the public consultation were to;

- present the proposed scheme for consultation;
- encourage and gather a broad range views on the proposed scheme;
- gauge overall views on the proposal;
- understand any issues or concerns for young people, parents, local residents and youth workers.

There were 21 responses to the online survey questionnaire, from a range of people including parents, young people, residents and youth workers.

- 4.5 The ambition is to create an innovative, vibrant and sustainable offer for children and young people in Westminster in a period when public funding will reduce. Similar work is already on-going in other boroughs and the council will play a leading role in these new arrangements. The offer should not be limited to the current model of predominantly local, estate-based youth clubs, but also consider what a wider landscape of providers, funders and commissioners can achieve by working in collaboration. It will make best use of the unique opportunities presented by Westminster's location in the heart of central London.
- 4.6 Contracts with youth service providers have been extended until 30 September 2016, allowing them time to plan ahead and develop sustainable business models that reflect the current funding environment. In line with the need to achieve savings and the ambition to create a new sustainable offer, existing services will be decommissioned when current contracts end.

City for All Pledge

- 4.7 The Leader has included the establishment of a Partnership for Youth as a pledge within the *City for All* programme (Aspiration) for 2016-17:

'We will create a Young Westminster Foundation to allow businesses and individuals to play a part in providing services for young people in the borough, starting with youth services and clubs'.

Progress in Westminster

- 4.8 Officers have worked closely with the John Lyons Charity (JLC) to develop proposals consistent with the 'Youth Foundation' model that has been promoted by the trustees of JLC. The key elements of this are:
- a new member led charity comprising the Local Authority (LA), the Voluntary and Charitable sector (VCS), providers and business partners;
 - the new charity would not deliver services directly; rather it will act as a conduit between business Corporate Social Responsibility (CSR) plans (in cash or kind) and non-statutory provision;
 - the charity is also the means by which funding bids to other funding bodies and programmes can be made on behalf of smaller VCS providers who may not be eligible or have the infrastructure to undertake an independent bid to the programme;
 - to support the new charity, initial infrastructure funding is made available through a grant from JLC (in association with City Bridge Trust) and the council for up to 2 years, after which the charity will be required to absorb its costs within its fundraising work;
- 4.9 Following the consultation, officers have held meetings with a range of youth service providers and stakeholders, in conjunction with JLC, to explore the Youth Foundation model. Meetings were also held with the Youth MP and the Youth Council. As a result, a Reference Group was established, supported by officers, to develop the idea further. There is broad sector support for the establishment of a charitable Foundation in Westminster.
- 4.10 The Reference Group has developed a number of proposals for the establishment of the charity together with a timeline (included as Appendix 2 to this report). The proposals are:
- the charity is established as a Charitable Incorporated Organisation (CIO);
 - the charity will have a maximum of 12 trustees, one of whom will be a nominated Director from the City Council;
 - the Youth Council should act as a formal advisory group to the trustees;
 - the charity will be called the Young Westminster Foundation (YWF) and will seek to raise funds from businesses and ESF for non-statutory organisations supporting children and young people aged 0-25 years of age.
- 4.11 To establish the charity on a successful footing it will be essential that sufficient infrastructure funding is available initially to enable the recruitment of high quality staff. Two sources of funding have been identified. The first is funding from the Local Authority of £100,000 per year for two years: subject to

the submission of successful applications, this will be matched by funding from JLC and City Bridge Trust. The charity will need to cover its own infrastructure costs by the end of its first two years.

- 4.12 The new charity will prepare at an early stage a statement of its vision for services for children and young people, and a forward strategy setting out its initial priorities and business plan.
- 4.13 A key focus for the new foundation will be the potential for resources in cash or kind from business engagement and CSR programmes. Discussions have been held with the Economy Team to agree how these opportunities can be maximised. The charity will be a potential CSR beneficiary within the council's business engagement strategy. Officers will provide a briefing on the Foundation for the Economy Team so that all staff are able to promote its work through their day to day contacts with business.
- 4.14 Targets for business engagement will be agreed with the Economy team and targets for other fundraising will be agreed with the trustees and CEO at an early stage as part of the business planning process.

Current position

- 4.15 The Reference Group has now reached the position of identifying founding trustees in order to make an application to the Charity Commission to gain charitable status. A minimum of three founding trustees is required to sign the application. Trustees will need to demonstrate breadth of vision, provide leadership for the sector and have the authority to engage a range of partners. The suggested trustees include the Chief Executive of a prominent local youth charity, the Chief Executive of One Westminster and a Director-level nomination by the council. Once submitted the Charity Commission should make its decision within 45 working days. Following the application to the Charity Commission trustees will submit an application for infrastructure funding to JLC and City Bridge Trust.
- 4.16 A Cabinet Member Decision is now required to formalise the City Council's support for the proposed Foundation and enable the infrastructure grant of £100,000 pa in 2016/17 and 2017/18. The grant will be matched with funds as identified above from JLC and City Bridge Trust and will allow establishment of the charity and recruitment of staff. Until the charity is on a firmer structural footing it is envisaged that the funds will be retained by the LA but with expenditure identified against until a point in the future coinciding with the appointment of a Chief Executive Officer (CEO), anticipated by 1 October 2016.
- 4.17 In parallel with the establishment of the Foundation, officers will prepare a policy statement on the council's continuing commitment to positive outcomes for young people in the city. This should reflect the changed circumstances and underpin effectively the council's public commitment to young people in the period ahead. Young people will make an important contribution to this work.

- 4.18 Some organisations have said that their longstanding, formal link with the City Council has been valuable in reassuring other potential funders. Youth service providers will therefore be invited to associate themselves with the council's policy statement. This will provide a mechanism through which a formal association with the City Council can continue beyond the current contracts.

5. Financial Implications

- 5.1 The 2015/16 budget for commissioned Youth Services was £767,000. A £232,000 budget reduction has been taken from 1st April 2016 as part of the City Council's Medium Term Financial Plan and approved 2016/17 budget. The proposals contained within this report will deliver this saving and a full year effect saving of £767,000 from the 2017/18 financial year.
- 5.2 An additional £200,000 corporate reserve has been agreed with respect to facilitate the transition from the current model of service, subject to external partner match funding. This will be passed to Children's Services by way of a temporary virement of £100,000 for 2016/17 and 2017/18.

6 Equality Impact Assessment

- 6.1 An Equality Impact Assessment (EIA) was undertaken in January 2016 and submitted to the Cabinet meeting of 22 February 2016. The EIA concluded that the proposal to cease council funding for universal youth services from September 2016 will impact on services provided and set out the steps that the City Council will take to mitigate against this risk. A copy of the EIA is provided as Appendix 1.
- 6.2 A separate Children with Disabilities Review will consider how to ensure continuing provision for young people with LDD needs that might otherwise suffer a reduction in services as a result of these changes.

7. Legal Implications

- 7.1 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).
- 7.2 The legislation requires young people to be involved in the development of services. The local authority must obtain the views of young people and they must be fully involved in the development of the positive activity provision. The local authority must organise a consultation process to implement a change in the youth services. The Council has undertaken such a consultation process, which involved young people and the proposals takes into account their views.

(Legal implications verified by Andre Jaskowiak, Senior Solicitor, Shared Legal Services T:020 7361 2756)

8. Staffing Implications

None

9. Consultation

- 9.1 In January 2015 the council consulted on the future direction and funding of Early Help services as a result of significant budget reductions. Further budget reductions meant that additional public consultation on changes to Youth Services opened on the 4th January and ran until the 31st January 2016.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

Mike Potter, Head of Commissioning

Appendix 1: Youth Service Equality Impact Assessment

Appendix 2: Youth Services Consultation January 2016

Appendix 2: Draft Young Westminster Foundation Constitution

BACKGROUND PAPERS:

Report to Cabinet 23 February 2015: Early Years Strategy

For completion by the **Cabinet Member for Cabinet Member for Children and Young People**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: _____

State nature of interest if any

.....
.....

(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

Establishment of the Young Westminster Foundation and reject any alternative options which are referred to but not recommended.

Signed

Cabinet Member for Cabinet Member for Children and Young People

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:

.....
.....

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.