

Manchester City Council Report for Resolution

Report to: Executive – 17 March 2021

Subject: Young Manchester Review

Report of: Strategic Director of Neighbourhoods

Summary

This report provides a summary of the Young Manchester review which was undertaken during December 2020 to February 2021. The report sets out the findings from the review, considers the response and proposes several actions to build stronger and more effective arrangements going forward to improve the outcomes for Children and Young People. An alternative delivery model is proposed to be designed and developed, which seeks to:

- Build on the strengths and progress made by Young Manchester.
- Accelerate the achievement of the outcomes set out in the Youth Strategy.
- Reduce operational overheads and remove duplication to ensure more funding reaches grassroot organisations who are working directly with children & young people.
- Ensure a citywide youth advisory board works alongside the current Neighbourhood based youth partnerships to provide the sector with a stronger voice which advises the Council and informs commissioning practices, therefore increasing engagement from across the sector.
- Place data and insight at the centre of decision making.
- Provide more direct control to the Council over the deployment of its own resources.

It is proposed that the coming months will be utilised as a transitional period so that full consideration can be given to the development of the alternative model of delivery. Once the proposed new arrangements have been fully considered, it is proposed that the detail and full implications are presented back to the Executive in September for determination. During the transitional period it is proposed that sufficient resources continue to be made available to Young Manchester to ensure existing commitments to youth organisations can be met. Whilst significant changes are proposed in order to move away from the existing arrangement, the Council is seeking to take this opportunity to strengthen its direct engagement with all youth organisations going forward to ensure that the best outcomes for children and young people are realised.

Recommendations

The Executive is recommended to:

1. To note the findings from the review and endorse the proposal to move towards an alternative delivery model, noting that a detailed proposal on the

revised model will be presented back to Executive in September 2021 for determination.

2. To note that the Deputy Chief Executive & City Treasurer and the Strategic Director of Neighbourhoods in consultation with the relevant Executive Member for Youth, will seek to agree the details of the grant agreement payment for 2021/22, following engagement with Young Manchester and that a Key Decision will be sought separately in this regard in the coming weeks. The interim grant agreement will be for the purposes of a) fulfilling the obligations of the current youth and play fund to providers; and b) the management and monitoring of the arrangements across the youth and play sector.

Wards Affected: All

Environmental Impact Assessment - the impact of the issues addressed in this report on achieving the zero-carbon target for the city

Our Manchester Strategy outcomes	Contribution to the Strategy
A thriving and sustainable city: supporting a diverse and distinctive economy that creates jobs and opportunities	Through the city's varied youth offer, young people have opportunities and access to activities which contribute towards their personal, social and economic wellbeing. Developing and strengthening local partnerships to create opportunities for our young people to learn, be active and have fun in their free time.
A highly skilled city: world class and home grown talent sustaining the city's economic success	Through the city's varied youth offer young people have opportunities to develop their life skills to succeed in education and employment, and have opportunities to increase aspirations, achieve and gain economic independence. Young people have opportunities to develop key skills for life which include communication, problem solving, teamwork, self-belief, and self-management
A progressive and equitable city: making a positive contribution by unlocking the potential of our communities	Young people have opportunities which enable them to think progressively and build resilience underpinned by the principles of equality and acceptance. Young people have access to good quality youth and play provision within their

	neighbourhoods which encourages a sense of belonging, develops their identity and ensure their voices are heard.
A liveable and low carbon city: a destination of choice to live, visit, work	<p>Young people have opportunities to live, lead and enjoy safe, active, and healthy lives.</p> <p>Young people understand the impact they can make within their neighbourhoods, and the wider community</p>
A connected city: world class infrastructure and connectivity to drive growth	<p>Young people are listened to, valued and connected across their neighbourhoods and city.</p> <p>Young people inform continuous improvement and are involved in service design, delivery, and governance.</p> <p>Young people receive the support they need to participate, ensuring representation of the full diversity of local people, and those who may not otherwise have a voice</p>

Full details are in the body of the report, along with any implications for

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

Financial Consequences – Revenue

The Council's 2020/21 budget for commissioned youth and play activity via Young Manchester is £1.44m per annum, and it is proposed that there is no overall budget reduction for commissioned youth and play activity in 2021/22, although this may require a change to how the activities are delivered and this will be reported back to Executive in September following the ongoing work to review the model. In the interim officers will work with Young Manchester to identify the level of resources required during the transition period to ensure existing commitments are able to be met.

Financial Consequences – Capital

There are no immediate capital financial consequences arising as a result of these proposals.

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Background documents (available for public inspection)

The following documents disclose important facts on which the report is based and have been relied upon in preparing the report. Copies of the background documents are available up to 4 years after the date of the meeting. If you would like a copy please contact one of the contact officers above.

- Children's Scrutiny Committee Report – January 8th 2019
- Children's Scrutiny Committee Report- November 6th 2019
- Valuing Young People's Strategy 2016-2019
- Our Manchester Youth Strategy 2019-2023

1.0 Introduction

- 1.1 At the very core of Manchester's development, its continued success, and long-term prosperity are its young people. Manchester recognises that to be in the topflight of cities by 2025, young people are, and have to be, at the heart of this ambitious vision.
- 1.2 Our Manchester Youth Offer Strategy 2019-2023 is the City's multi-sector strategic framework jointly owned by Manchester City Council, its partners and stakeholders, all of whom are responsible for ensuring young people have access to a high-quality driven youth offer which addresses both universal and targeted needs, directly contributing to and enabling our children and young people to grow into responsible, independent and successful adults.
- 1.3 As a result of Manchester's participation in the Cabinet Office's Delivering Differently for Young People in 2014/2015, Manchester City Council agreed to support the development of an independent Youth and Play Trust that could enter into a financial agreement which would see them develop, coordinate, and manage the commissioning of youth and play services across Manchester on behalf of the Local Authority.
- 1.4 One of the main drivers for supporting the establishment of an independent Youth and Play trust (Young Manchester) was that, as an independent charity it could potentially attract additional investment into the City for young people's services in a way that the Local Authority could not. It was envisaged that this funding would be utilised to grow commissioned activity and enhance the statutory offer, which it should be noted is retained by the Council under duty 507B.
- 1.5 The City Council entered into a grant agreement with Young Manchester for the period of 2017-2020. This was extended for a further year in March 2020, however, following the initial three-year period, it was agreed that the Council would review the work of Young Manchester, in the context of the Council's agreement with the Charity. The review commenced in December 2020 and has focused on how Young Manchester has:
 - leveraged additional funding to add value to the investment the Council is making.
 - progressed capacity building across the City.
 - championed the sector.
 - commissioned effectively against the Council's priorities.
- 1.6 The review involved extensive remote meetings, focus groups, a survey (which received 77 responses from the sector) and detailed scrutiny of budgets and relevant documentation. This work was facilitated by independent sector specialists.

2.0 Young Manchester

- 2.1 Young Manchester is a charity that is striving to improve opportunities for all

children and young people across Manchester. Young Manchester aims to provide children and young people across the city with increased opportunities in all aspects of their life by commissioning projects that respond to their ever-changing needs.

2.2 Manchester City Council's grant agreement with Young Manchester has been live for the period; 1 July 2017 - 31 March 2021. The Council has worked as a strategic investment partner to shape the development of Young Manchester from its inception. The Council currently has 2 seats on the Board and there are regular meetings between the Head of Youth Strategy & the Director of Young Manchester to monitor progress.

2.3 As a result of Manchester City Council's investment into Young Manchester the Council expected to realise the following outcomes as a minimum:

- Young Manchester will sustain a Youth and Play commissioning programme across the city which ensures all young people have sufficient access to services that contribute to them leading Safe; Happy; Healthy and Successful lives.
- Young People have sufficient access to high quality universal Youth and Play services with funding being prioritised for areas of most need, identified through a robust needs' analysis using weighted funding formulas.
- The Council's investment is used as leverage to secure additional third-party investment which supports the sustainability of youth and play services across the City.
- Service users feel they have an active role in decision making processes to ensure services meet children and young people's needs.
- Robust monitoring processes are established to capture and provide quantitative and qualitative data and measure impact.
- Service users', parents/carers and professionals working with young people know what services are available to them in their local area and across the City or how and where to find this information.

3.0 Observations and Findings from the Review

3.1 A number of observations from the review have been made and a summary of the key points are set out below. These inform the learning set out in section 4.

3.2 The policy decision by the Council to establish a youth and play trust was viewed as bold and an example of an 'enabling' Local Authority. Whilst the model attracts much support from Central Government, it is far from universally implemented in localities across the UK. In many respects Manchester has been a testbed for this relatively new way of working and therefore limited learning can be extracted from progress made on this agenda by other local authorities.

3.3 There is evidence to show that Young Manchester has helped to build capacity through networks and partnerships.

- 3.4 Young Manchester performed well in its first year to secure additional funding of £2.4m for play and youth work. However, it has not sustained this level of charitable funding and has struggled to attract new funding from local businesses. The Council has not seen the sustained financial returns it had envisaged through the creation of a Charitable Incorporated Organisation.
- 3.5 The charity has promoted the benefits of Young Manchester operating largely independently. They have not been sufficiently cognisant of the need to acknowledge the Council as their key funding and strategic partner nor fully aligned their activities with the needs of the Council as their commissioner.
- 3.6 The administration and operation of the commissioning processes across the various programmes have worked well. Young Manchester has become an effective model to distribute funds to the VCSE. Commissioning has, however, primarily, supported well-established organisations in the city.
- 3.7 Given its high level of investment, the Council has not been able to influence sufficiently Young Manchester's work and priorities in the way this was anticipated. The desire to see direct support to grassroots play and youth organisations, for example, has not been fulfilled.
- 3.8 There has been insufficient analysis by Young Manchester of impact and of where commissioning patterns need to change to meet Council priorities.
- 3.9 Young Manchester's capacity-building arrangements have impacted well on 'strategic and lead' organisations but not sufficiently on nurturing smaller organisations in the city or improving the quality of youth and play work.
- 3.10 The agreement between the Council and Young Manchester is too broad and performance management needs to be more robust. The grant agreement also does not provide the mechanism to enable the Council to take robust action if targets are not met.
- 3.11 Outdated data-capture systems have mitigated against effective joint monitoring.

4.0 Learning from the Review

- 4.1 The learning from the review is set out below. It is proposed that this is utilised to strengthen the Council's approach going forward.
 - (i) Any revised arrangements should maintain and improve the progress Young Manchester has made. However, it is appropriate for the Council to consider whether the external funding imperative is an appropriate means of creating sustainability.
 - (ii) Contracting procedures should be strengthened to ensure the Council has measurable strength based KPIs in place which articulate the outputs and outcomes to be achieved. Performance measures must be accompanied by a consistent process for scrutiny, challenge and service

development. Any revised agreement should establish income generation targets and make clear how under-performance will be managed.

- (iii) Improved data and monitoring system should be developed. Through robust contractual arrangements, the Council should ensure that data analysis is used effectively to influence commissioning priorities and to direct capacity-building work to achieve its priorities.
- (iv) The Council should take forward plans to establish a Youth Board to oversee the implementation of the Youth Strategy, to fulfil the statutory duties for children and young people and to assert the Council as the lead for youth work and play work in the city.
- (v) The Council should deploy the skills and expertise of the Council's own Youth Strategy & Engagement team to progress important priorities such as youth and play work practice development.
- (vi) More regular and routine communication should be established between the Council and contractors to ensure that any concerns with performance or strategic direction are dealt with in a timely manner.
- (vii) Whilst any Board representatives charged with having oversight of youth activity should be drawn from individuals who have appropriate skills and knowledge, the Council should consider an independent chair for these arrangements where appropriate.

5.0 Response to the Review

- 5.1 Following full consideration of the learning in section 4 and in parallel with the completion of the review, officers have examined whether the external funding expectations of Young Manchester were realistic and achievable. Officers have also considered whether leveraging external funding will be an appropriate means of growing the commissioning fund and creating sustainability. This work has identified that there are limited examples throughout the UK of a local authority who has transferred its commissioning responsibilities to a Charity for youth activity and leveraged substantial additional resources to increase the support on offer for a sustained period. Whilst there are examples of funding being leveraged, much of this funding could have been achieved without the establishment of a charitable delivery vehicle, which it should be noted is expected to act independently in its decision making.
- 5.2 It is clear from the review and the work undertaken on reviewing other delivery models that leveraging additional external funding is unlikely to be substantially enhanced in the short to medium term by continuing to direct resources through a charitable arrangement. It is also apparent that this is not a strong or effective means of creating sustainability to grow the commissioning activity in order to build the sector. It is unlikely that this position will change over the next few years without a fundamental shift in policy and investment from Central Government or without stronger alignment to business / sponsorship investment. The availability of investment funds from businesses for charitable purposes will of course be impacted by the economic recovery from COVID-19, further challenging the ability to leverage.

5.3 The establishment of charitable vehicles for the delivery of some of the Council's priorities can be an effective means of leveraging additional funding beyond that which the Council could otherwise achieve. However, inevitably the Council can lose some level of influence and control over decision making, given the need for charities to act independently and follow its own Strategic Plan as determined by the trustees. This is further exacerbated if the Council's only other mechanism of influence over Council resources is through a grant funding arrangement, rather than a contract for the delivery of services.

5.4 Based on the expected outcomes identified in 2.3 and the links to the Our Manchester Youth Strategy, the information provided by the review has identified a disconnect between the Council and Young Manchester in the following areas:

- Alignment with the Our Manchester Youth Strategy - this is a City-wide strategy where the success depends on the participation and engagement of all partners. Whilst the strategy themes are referenced in the service specification there is no promotion of the strategy within the YM publication, website or documentation.
- The availability of high-quality provision in all areas of the City – a robust impact measurement system, aligned with a strong qualification-based workforce development plan would ensure an increase in quality. Over this grant period Young Manchester have developed a programme focused on leaders in the sector, however, there has been a lack of level 2 & 3 qualifications, this opportunity was provided through the City Council's agreement with the Regional Youth Work Unit (Youth Focus NW). The review cites that there is insufficient focus on nurturing locally based universal provision in neighbourhoods.
- Capacity Building – Funding is distributed using a weighted funding formula based on the Income Deprivation Affecting Children Index. The review cites that there are too few examples of support to neighbourhood projects to help develop core provision or essential youth and play work skills. In addition, grassroots and black-led organisations report that they feel disenfranchised from Young Manchester, with development grants issued without any support.
- Youth voice – there is a need for more collaboration and a widening of engagement to ensure this area of work is representative of children and young people across the City. Youth Voice has been part of the agreement with Young Manchester since its formation, with Manchester Youth Council involved in the initial consultation of the development of the Trust. There has been a lack of alignment to Manchester Youth Council. The main focus has been its Young Ambassadors programme which the consultants cite as being “limited in scope and reach”. Focus group attendees commented several times that insufficient attention has been given to the voice of the most vulnerable. The consultants cite that “given its city-wide function, Young Manchester has not ‘set the bar’ high enough, nor is it providing examples of best practice for others to emulate”.
- Promotion of the offer – this is a requirement of the Statutory Youth Duty and is a piece of work which needs to be strengthened and progressed.

The development of the website in partnership with Mcr Active has not been fully realised due to a lack of financial resource to continue the investment year on year. The City Council will now need to look at how this element of the Statutory Duty is fulfilled.

- 5.5 Officers have examined whether the benefits of the existing arrangements outweigh the loss of influence over the deployment of the Council's resources and the outcomes that result from the Council's investment. The outcome of this work has led officers to conclude the additional financial benefits of routing the Council's investment through a charitable vehicle will be limited over the next 2-3 years and that the lack of control and influence over the work of the Charity puts the Council at risk of not delivering the outcomes set out in the strategy and the requirement to build a meaningful youth offer. Given the contribution the Council is making to maintaining the existing arrangements, the lack of direct control and influence and the examples of not making enough meaningful progress against the outcomes, it is proposed that the delivery arrangements should be revisited.
- 5.6 Given the above conclusions, it is proposed that the Council should identify an alternative delivery model for this area of work. This should seek to:
- build on the strengths and progress made by Young Manchester.
 - accelerate the achievement of the outcomes set out in the Youth Strategy.
 - reduce operational overheads and remove any duplication to ensure more funding reaches grassroot organisations who are working directly with children & young people.
 - ensure a citywide youth advisory board works alongside the current Neighbourhood based youth partnerships to provide the sector with a stronger voice which advises the Council and informs commissioning practices, therefore increasing engagement from across the sector.
 - place data and insight at the centre of decision making; and
 - provide more direct control to the Council over the deployment of its own resources to ensure better outcomes are delivered.
- 5.7 In order to maintain progress, it is proposed that the Council enters into a transitional period to ensure no youth organisations are impacted by this decision other than the positive benefits, which will be derived from an alternative model of delivery. Therefore, subject to agreement with Young Manchester, it is proposed that the existing arrangements are extended to ensure a smooth transition to enable Young Manchester to continue to distribute funding to those organisations where commitments have already been made. This will ensure continuity of funding across the sector whilst the Council transitions to a new arrangement. The new arrangements will seek to build on the progress made in recent years, provide long term stability for the whole sector and to accelerate progress.
- 5.8 There will be an intensive focus over the next few months to consider the new model of delivery and the implications associated with implementing this. This will examine the advantages and disadvantages of the range of options from

In-house management to establishing a revised outsourced model, this will include examining the merits of a Non-Profit Distributing Organisation (NPDO), a Community Interest Company (CIC); a Local Authority Controlled Company (LACC); and a Joint Venture (JV) Company. This of course will be benchmarked against the Co-operative and Charitable Incorporated Organisation (CIO) model. In parallel, the Council will consider the advantages and disadvantages of any contracting method such as providing grant funding vis-a-vis entering into a contract for services.

- 5.9 The Council will engage with the National Youth Agency (NYA) and the Youth Focus North West (YFNW) to examine the key characteristics of a successful delivery model. This will consider best practice across the UK, which will be utilised to inform the development of the revised model. The Council will also involve and engage representatives from across the sector in Manchester, young people, elected members and Young Manchester to ensure the revised model takes account of the full spectrum of needs and expectations. Officers will consider the people, legal, financial and quality implications, which will inform the options appraisal before making a recommendation on the most appropriate management model. It is proposed that the detail and full implications are presented back to the Executive in September 2021 for determination.
- 5.10 The key milestones for the development of the alternative arrangements are as follows:
- Engagement with Young Manchester on the decision and development of transitional arrangements – March 31 2021.
 - Key Decision to award funding for 2021/22 financial year – March 31 2021.
 - Engagement with the whole sector on the plan in and to provide clear communication messages – March 31 2021.
 - Engagement with the NYA and YFNW to examine the key characteristics of a successful model – April 30 2021.
 - Engagement with Elected Members, Young Manchester, Young People to inform the design of the revised model - April 30 2021.
 - Development of the Options Appraisal and consideration of each option from a strategic, financial, legal, people and equality perspective – May – July 2021.
 - Conclude the preferred proposed model and progress relevant briefings to inform the development of the report for Scrutiny and Executive - August 2021.
 - Present findings and recommendations to Scrutiny and Executive for determination – September 2021.
- 5.11 In summary, the review has highlighted several areas of good progress, however, there has been significant learning for both the City Council and Young Manchester.
- 5.12 To ensure our ambition for children and young people is achieved and to fulfil the priorities set out in the Our Manchester Youth Strategy we are proposing

significant changes. In order to move away from the existing arrangement, the Council is seeking to take this opportunity to strengthen its direct engagement with all youth and play organisations moving forward to ensure that the best outcomes for children and young people are realised.

6.0 Key Policies and Considerations

(a) Equal Opportunities

Equality impact assessments will be carried out in relation to any changes and will be considered once an alternative delivery model is proposed for determination.

(b) Risk Management

Risks have been considered in relation to the recommendations set out in this report.

(c) Legal Considerations

These proposals will require a revised grant agreement to be drawn up between Manchester City Council and Young Manchester.