

Youth Justice Board

**Response to the consultation proposal
to reduce the Youth Justice Board's
expenditure in 2015/2016**

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Introduction to the consultation

On 4 June 2015, the Chancellor of the Exchequer announced a package of in-year savings to be made across government to reduce the public deficit. This translated into a requirement by the sponsor department, the Ministry of Justice, for the Youth Justice Board (YJB) to find £12m of savings from the current year's budget. When added to an existing shortfall of £1.5m in the YJB's budget allocation this amounted to a total of £13.5m of reductions to be found in 2015/2016.

The YJB has sought to identify all measures to reduce its expenditure in 2015/16 by £13.5m. Reductions totalling £4.5m have been identified, leaving a deficit of £9m. Having carefully considered all available options, the YJB proposed to find the remaining £9m from the Youth Justice Grant.

The YJB therefore undertook an exceptional consultation in August 2015 to:

- Seek views on the proposed reduction and identify any alternative saving options.
- Seek views on the proposed allocation of any reduction.
- Understand the impact that this proposed in-year reduction will have on youth offending team (YOT) delivery.
- Seek views on how we might best support its application and minimise risks.
- Understand the implications of the cut on protected characteristics under the Equality Act 2010.

The consultation responses highlighted a number of concerns about the impact of making reductions in-year. The YJB shares many of those concerns, and our Chair, Lord McNally, wrote to the Secretary of State for Justice to tell him of the strength of opposition from all parts of the youth justice system to in-year cuts and to ask that the magnitude of the overall ask to the YJB did not impact on the Youth Justice Grant.

However, in the current fiscal climate, and in light of the overall reductions that have been requested from the Ministry of Justice by HM Treasury, the requirement to make an in-year reduction remains unchanged.

Summary of responses

The consultation ran from 26 August 2015 to 16 September 2015 and was open to the general public. In addition the consultation was promoted on the YJB website and through Twitter. Views of interested parties were sought through a stakeholder letter, a press release on the YJB website and the YJ Bulletin.

In total 129 responses were received and analysed. The results of the consultation indicated that over three quarters (76%) of respondents either strongly disagreed (48%) or disagreed (28%) with the YJB's proposed means of reducing its budget (question 1a). This is compared to seven percent of respondents stating that they agreed with the proposal. Respondents from YOTs were more likely than non-YOTs to say that they disagreed with the

proposals, while non-YOT respondents were more likely to say that they neither agreed nor disagreed.

A large number of respondents set out the key reasons for their rejection of the proposal. Much of the explanation related to the principle of reducing investment in youth justice or to the timing of applying a reduction within this financial year, rather than responding specifically to the consultation question 1a which related to the YJB proposal for how to meet the requirement for savings.

Full analysis of the responses can be found in annex 1.

Consultation responses

The YJB has studied all the themes that emerged from the consultation responses (question 1b) concerning alternative means for the YJB to meet the savings required. Careful consideration has been given to all the suggestions, although the majority would not have resulted in a reduction to the YJB's budget this financial year and therefore have not been considered further as part of this exercise. They will, however, be considered as part of the ongoing work to reduce costs. As requested by some respondents, the YJB has also looked in detail at its own internal costs. In line with the expectations on all central departments, the YJB expects its internal costs to be cut significantly as a result of the comprehensive spending review. The YJB is already engaged in discussions with our sponsor department, the Ministry of Justice, on the probable depth and breadth of these cuts.

All suggestions which were potentially capable of reducing the YJB's budget this financial year, together with all of the savings proposals included in the consultation, have been reviewed by the Board and considered as part of this process.

In completing this analysis we have taken account of the impact that respondents advised a cut to the Youth Justice Grant would have.

Conclusions and next steps

The Board met on 28 October 2015 and discussed the proposals at length. They considered the following three options:

Option 1: to take the full saving from the Youth Justice Grant

The Board rejected this proposal. This would result in a reduction to children's services which is not consistent with the Board's vision and financial strategy; was not supported by the consultation; and would be detrimental to the achievement of the Board's corporate plan.

Option 2: to take nothing from the Youth Justice Grant and set a deficit budget for the remainder of the year

While this option would appear consistent with the views of many respondents; indeed, the Board would similarly not want to implement an in-year reduction, this would be inconsistent with the responsibilities of the Chief Executive as Accounting Officer in respect of managing public money. The Board rejected this proposal.

Option 3: to reduce the youth Justice Grant by the minimum necessary by identifying other areas for savings

The YJB's financial strategy, as outlined in the Corporate Plan 2014-17, is to reduce the Youth Justice Grant by the minimum necessary to operate within the available budget. The YJB recognises that protecting its contribution to local youth justice services is investing in capacity to continue the successes of the youth justice system and prevent future rises in costs. The Board agreed to reduce the Youth Justice Grant by the minimum necessary by identifying other areas for savings.

Where will the reductions come from?

The YJB has carefully considered all suggestions and has further investigated what the YJB is able to save from its own budget to reduce further cuts to the Youth Justice Grant. Since the publication of the consultation, in year budget pressures have meant that the YJB has had to make some alterations to the original savings proposed, however the YJB has since been able to identify some further savings to meet the shortfall.

In the consultation, some respondents raised concerns about a number of the proposed reductions. The Board have therefore reviewed the magnitude of the reduction to two of the proposals. The Board have revised the original Minimising and Managing Physical Restraint (MMPR) proposal by agreeing to continue with the rollout of training to secure escort services. They did, however, agree to defer the rollout at Parc under-18 young offender institution (YOI) for just two months as proposed. The Board also agreed to recover less of the unused grant to the resettlement consortia to honour the financial commitments already made by the resettlement consortia.

Respondents suggested some additional reductions to those proposed. The Board have taken these suggestions into account and while there is no scope to realise in-year savings from halting AssetPlus, an additional £100k has been found through changes to the delivery model. Another £100k has been released by reducing the extent of external research commissioned by the YJB, by reprioritising research proposals to match our internal resource.

Other suggestions from respondents were considered but they either could not deliver required reductions in-year or were considered too high risk.

In total, the Board have identified £4.5m of reductions to the YJB budget.

Apportioning the reduction to the Youth Justice Grant

In the consultation (question 2a), the YJB proposed to apportion the reduction in the Youth Justice Grant between individual YOTs by the same proportion as their grant had initially been calculated for 2015/16. Of those responding 40% disagreed (strongly 18%) and 35% agreed (strongly 2%) with the proposal. Of those disagreeing the main reason provided was a disagreement with the funding formula more generally rather than providing a rationale for a different approach for this in-year cut (question 2b).

The YJB has previously carried out extensive work to review the formula for allocation of the YOT grant and ministers determined that the alternatives

proposed did not deliver a more effective allocation. Alternative approaches proposed by respondents to the consultation would require extensive evaluation and, if agreed, a substantial lead time to implement. After considering the most effective approach, the Board decided that the reduction in the Youth Justice Grant will be applied in the same proportion as their initial 2015/2016 grant was calculated.

Impact on YOT performance

The consultation sought YOT respondents' views of the impact on their performance if the proposed reduction in the Youth Justice Grant were implemented (question 3). As a result the Chair of the Board wrote to the Secretary of State to highlight that an in-year reduction to the YJB budget will make it particularly challenging for YOTs to manage. The consultation indicated that we would use the information provided to assess the impact of our proposal on critical aspects of the youth justice system and to inform our decision making and future monitoring, so that the YJB's monitoring of YOT performance will now include looking at the potential impacts flagged by respondents.

Supporting YOTs

The consultation (question 4) sought views on how, if the proposed reduction in Youth Justice Grant were implemented, the YJB could help YOTs implement savings and minimise any possible disruption to their work. The YJB wants to do all that it can to assist YOTs and therefore as a result of this analysis the YJB has proposed a number of actions:

- For 2015/16 only, and subject to establishing that we have the relevant authority, we will remove ring-fencing of grants for unpaid work, or Junior Attendance Centres so that YOTs can utilise any underspend on that grant in accordance with the terms of the Youth Justice Grant.
- We will support YOTs, in discussion with partner agencies (particularly those who also fund YOT services), and stakeholders.
- We will produce guidance for YOTs considering merger.
- We will reduce the reporting burden around grants, specifically the Unpaid Work and Restorative Justice grants.
- We will continue to explore with YOTs other options for reducing the burdens on them.

In addition, Her Majesty's Chief Inspector of Probation has agreed to remove three of the proposed SQS inspections scheduled between now and December 2015 to support those YOTs to manage the impact of cuts without concurrently being subject to inspection.

What does this mean for the YOT grant?

Saving £4.5m elsewhere across the YJB budget would require a reduction in the youth justice grant of £9m.

Equality and diversity

The YJB has considered its duties under the Equalities Act 2010 throughout the exercise of consulting and developing this proposed budget. It explicitly consulted on the potential impact of its proposals on those with protected characteristics and this response, as well as the YJB's assessment of the impact, has been used to help inform our recommendations. We also note that other public bodies such as YOTs are under similar duties to comply with the Equalities Act 2010 in the way that they implement their decisions.

Of particular note is the over representation of Black, Asian and Minority Ethnic (BAME) young people in the youth justice system, which means that any action which reduces resources to the system is likely to impact that group more. The BAME over representation is greater amongst those in custody than those supervised in the community, therefore the proposal to apply the greater part of the reduction to the YOT grant rather than to secure estate costs reduces the relative impact on BAME young people.

The full Equality Impact Statement is attached as Annex 2.

Supporting documents

Annex 1 – Full analysis of consultation responses

Annex 2 – Equality Impact Statement