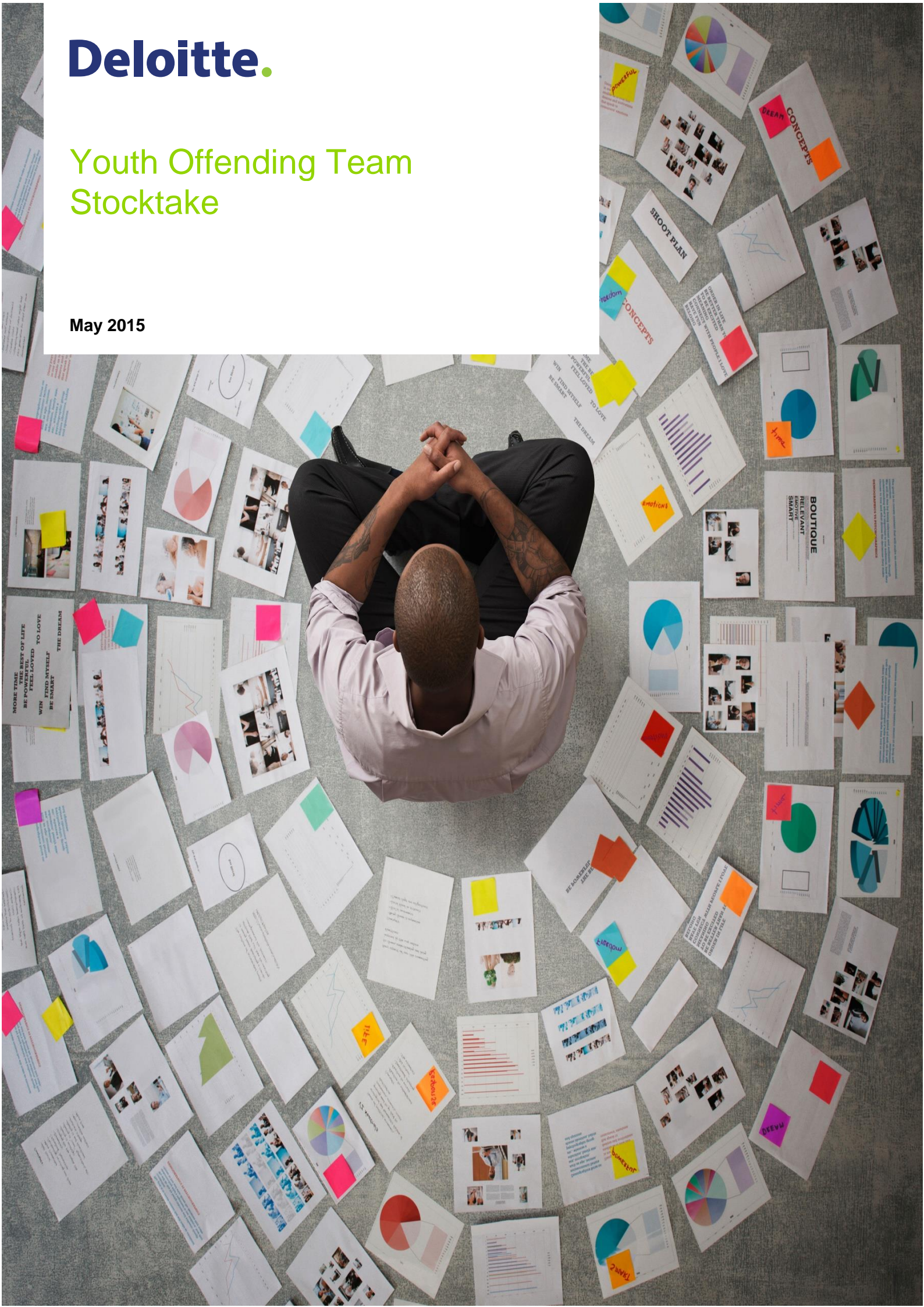


# Deloitte.

## Youth Offending Team Stocktake

May 2015



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## 1 Purpose of this Stocktake

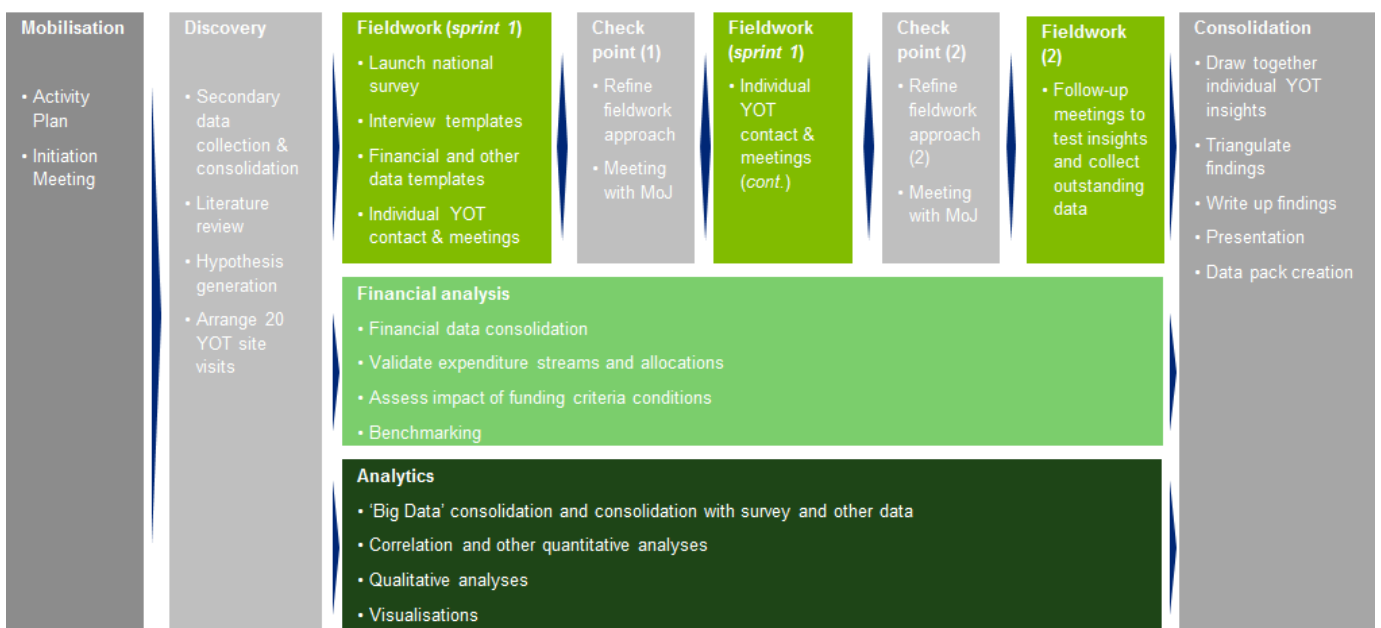
- 1.1 There are currently **157 Youth Offending Teams (YOTs) operating across England and Wales**. These are multi-agency organisations with a local focus that work with young people up to the age of 18 to address offending behaviours. The structure, policy environment and ways of working of YOTs have evolved considerably since their creation through the 1998 Crime and Disorder Act.
- 1.2 Deloitte was commissioned by the Youth Justice Policy Unit in the Ministry of Justice (MoJ) to collect and analyse data on the activities of YOTs in England and Wales (the **'YOT Stocktake'**). The purpose of this research was to **establish a picture of how the YOT model has evolved locally and nationally**, including differences in organisational structures, funding arrangements and spending decisions, and ways of working. The Stocktake was also to consider how YOTs have responded to changing demand and the activities they undertake.
- 1.3 This research was to help inform the MoJ in relation to a number of areas including where YOTs are focusing their resources, how they work with other agencies, their levels of accountability and ultimately their value for money. Deloitte's research was also to make a series of **independent recommendations** on the delivery of youth justice services in England and Wales in terms of next steps and areas for further research.

## 2 Approach

### Methodology

- 2.1 The Stocktake and associated analyses were completed between February and April 2015. The approach followed is summarised below.

Figure 2.i: Deloitte Stocktake approach



- 2.2 Over the course of the project, a substantial amount of new primary evidence was collected through the 'fieldwork sprints' via the survey (with responses from more than 130 YOTs – i.e. 85% of all YOTs) and discussions with over 600 practitioners across 20 YOTs. In addition, the Deloitte team met with a large number of local and national YOT partners or interested parties to understand the wider landscape.

- 2.3 Secondary data was collected from publicly available datasets such as those provided by the Office for National Statistics.
- 2.4 This report provides an overview of the key findings from the Stocktake.

### 3 Key findings

#### Headlines

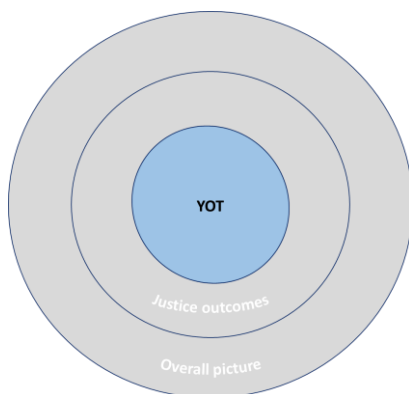
3.1 At the broadest level, this Stocktake found that:

- **The YOT system has a number of strengths: teams work closely and effectively with partner agencies and in a holistic manner to take account of young people’s wider needs.**
- **There is a discrepancy between what YOTs do and what is measured by the MoJ, which makes assessment of performance and value for money very difficult.**
- **Early correlation analysis suggests that taking a narrow focus on reducing first time entrants, custody volumes or reoffending rates only suggests that current MoJ funding (via the Youth Justice Board, [YJB]) is poorly allocated and could be revised without affecting these specific youth justice outcomes as measured by the YJB (as currently defined).**
- **However, this risks undermining other outcomes around education, employment and training for young people that YOTs may positively influence.**
- **Both local and national oversight and accountability of YOTs could be improved, but given that the MoJ is not their main source of funding, YOTs’ incentives and objectives will not necessarily align with it.**

#### Specific findings

3.2 The key findings set out below are grouped across three levels reflecting the different facets of YOTs’ work and their relationship with other agencies. They do not align to the MoJ’s original research themes, but reflect the Stocktake’s observation of how YOTs operate locally. The first level considers YOTs narrowly, focusing only on what they do. The second level moves to consider their performance across justice measures as defined by the YJB. The final level contextualises YOTs in the wider environment, exploring their role in influencing outcomes for young people holistically.

#### The role of the YOT



3.3 **All YOTs continue to deliver core statutory duties in response to formal disposals, with the majority (75%) also delivering some form of wider preventative activity with young people.** The range of interventions used continues to evolve and is highly bespoke and iterated to meet young people’s needs. YOTs have significant autonomy to try new interventions and few reported being prevented from doing so due to financial pressures.

3.4 **YOTs focus on the individual as a person, rather than as an offender, with an emphasis on a holistic approach to meet the total needs of the individual; this means that in some cases YOTs go beyond what might be deemed proportionate in their interventions with young people.** However, it should be noted that YOTs continue to spend the majority of their time – 86% – on interventions for offenders, rather than on diversion or preventative activity.

3.5 **From wider experience seen by Deloitte, YOTs’ multi-agency working is comparatively effective and does not appear to result in duplication of services.** As YOTs become more integrated into Children’s Services teams (only 15% of YOTs operate as standalone units) and participate in cross-departmental

policies such as Troubled Families, there will be more holistic working and consideration of the familial environment of offenders or potential offenders.

- 3.6 **The local model with close partnership working is one of the real strengths of the existing model and any reforms should seek to retain this, whilst also addressing its limitations.** The local model allows YOTs to better understand the young people they work with and to be located in geographies that resonate with them.
- 3.7 **For services where there is low or irregular demand (such as Intensive Supervision and Surveillance [ISS] or custodial provision) individual YOTs are unlikely to be able to achieve economies of scale.** In such cases, there could be scope for such services to be delivered across YOT areas, potentially by regional teams.
- 3.8 **The demand for interventions in response to formal disposals has fallen in recent years, but YOTs report increasing complexity of need in terms of the young people they deal with.** Between 2009/10 and 2013/14<sup>1</sup>, the number of young people receiving substantive outcomes fell by 61%, reducing the number of first time entrants into the justice system. However, while numbers have fallen, YOTs surveyed and consulted reported an increasing complexity of need in the young people dealt with. It is not clear though whether this increased complexity is a genuine phenomenon or a symptom of YOTs' assessment tools becoming more sophisticated.
- 3.9 **There has been an associated reduction in caseloads for YOT practitioners.** The average number of disposals per practitioner (a proxy for caseloads) fell from 21 to 11 between 2009/10 and 2013/14.
- 3.10 **Over this period, funding has also been reduced by around 20%, from c.£370 million in 2009/10 to c.£300 million in 2013/14.** The greatest reduction has come from the reduced YJB grant, meaning it now only accounts for around a third of overall funding for YOTs.
- 3.11 **The falls in demand and funding have been accompanied by a fall in staff numbers, although the reduction in staff (a 26% fall nationally) has been less than the fall in demand.** The majority of the YOTs interviewed had responded to funding reductions through reducing management overheads and seeking not to reduce frontline service provision. 65% of YOTs now have a workforce of less than 50 full time equivalent employees. Frontline delivery appears to have largely been preserved, although helped by falling caseloads.
- 3.12 **The fall in staff numbers, coupled with the continued allocation of time to prevention and early intervention, has meant that despite reduced demand, YOTs have not increased the time they spend with individuals that are the highest risk or have the most substantial or serious sentences.** There has also not been increased time spent on these individuals specifically as YOTs have continued with a holistic approach – i.e. meeting the needs of all young people, as referenced in 3.4.
- 3.13 **Around a quarter of the YOT workforce hold professional qualifications which allow them to deliver more advanced interventions and work with less supervision.** The YOT workforce is augmented with seconded staff from partner agencies and, in many cases, the use of volunteers for services such as mentoring.
- 3.14 **YOTs outsource a range of interventions to third parties, typically more specialist activities such as substance misuse – there is only one example of an entire YOT being outsourced.** Most contracts are competitively tendered (with varying degrees of competition) and awarded on a fixed fee basis. Some instances of YOTs and local authorities procuring jointly to drive down costs were observed.
- 3.15 **On the basis of a 20 YOT sample, there is significant variance in individual YOTs' unit costs and preliminary correlation analysis indicates there is no relationship between size of YOT and unit cost,**

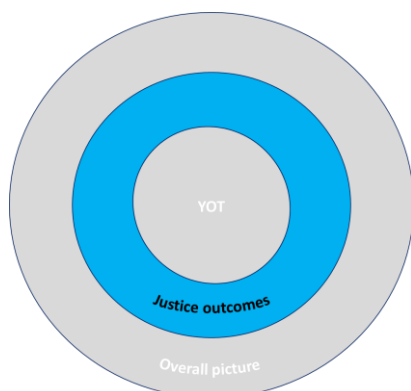
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<sup>1</sup> For consistency with financial analyses, all data in this Stocktake was for the 2009/10-2013/14 period.

**suggesting larger YOTs are not necessarily more efficient and economies of scale are not being achieved.** Calculated unit costs (for 2013/14) further vary by disposal type and risk category – for example, the cost of a YOT delivering its elements of a low risk standard Detention and Training Order (DTO) are c.£2,400 compared to a high risk Youth Rehabilitation Order (YRO) costing c. £7,100. Generally, unit costs increase with the level of risk and complexity of intervention – the exceptions being when disposals are not completed due to further offending.

- 3.16 **YOTs do not track value for money and their focus is on delivering what they consider to be right for an individual young person (rather than what is proportionate).** Data is not collected to allow for ongoing value for money assessments, which makes conclusions on whether value for money is being achieved in aggregate also hard to reach.
- 3.17 **YOTs interviewed indicated an expectation of further budget cuts and voiced a concern that this would force them to become more narrow in focus and reactive which could, in subsequent years, lead to a rise in first time entrants into the youth justice system.** Many YOTs reported that further funding reductions would mean an increase in caseload per caseworker (moving them closer to adult probation service ratios) and a reduction in the range of activities they were involved in – typically moving away from preventative work towards just fulfilling statutory commitments. There were concerns that this was the wrong approach, as it involves YOTs becoming more reactive to crime being committed, rather than reducing demand (and anticipating future demand) at the earliest possible opportunity, which may have the downstream impact of increasing first time entrants.

### The impact on justice outcomes



- 3.18 **The evidence is ambiguous concerning whether YOTs are having a significant impact in reducing first time entrants, custody volumes or reoffending rates.**
- 3.19 While the number of FTEs has fallen, from 61,000 to 22,000 since 2009/10, there are a range of influencers that contribute to this, not just YOTs. Although YOTs have played a role in raising confidence in the triage process and increasing its uptake (and those YOTs undertaking prevention work have lower FTE numbers than those that do not, although that does not account for potential variability in the cohort), the change in police performance measurement could also be regarded as having an instrumental role in reducing FTEs.

- 3.20 Similarly, whilst YOTs can help inform the judiciary and sentencing, the 47% fall in custody disposals is unlikely to be solely due to their activities and will also be contingent on the provision of other youth services.
- 3.21 In contrast, the rise of 3.3 percentage points<sup>2</sup> in the reoffending rate suggests that, on the measure where YOTs are likely to have the most influence, their aggregate performance has fallen.
- 3.22 **The research conducted in this stocktake further suggests that YOTs' understanding of what works in reducing reoffending lacks precision and there is only limited sharing of best practice between YOTs.** While YOTs appear to know what needs to address to reduce the chances of offending or further offending, they do not know, for example, the relative importance of interventions or in what order they should be delivered to best effect. This is not helped by an absence of longitudinal data to capture how interventions at a youth level affect adult offending and overall life chances.
- 3.23 **Preliminary correlation analysis also suggests little relationship between funding levels and performance (as measured by YJB metrics), which suggests that on these narrow measures there may be scope to better target funding.** While individual YOT performance does vary across the metrics,

<sup>2</sup> While reported in 2013/14, time lags associated with reoffending data mean that the reoffending rate referred to is actually for the previous year – 2012/13.

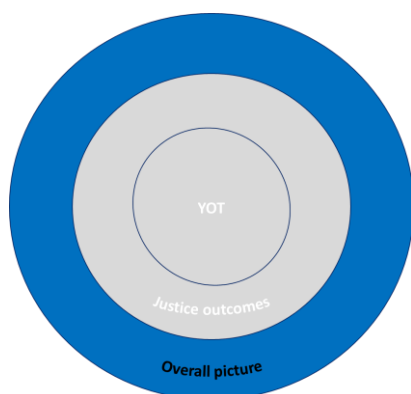
across the system preliminary analysis suggests a lack of correlation between funding and performance. Spending more does not appear to lead to better outcomes. In addition, the impact of staffing levels on performance seems to be limited, and the suggestion from the YOTs interviewed is that it is the interventions and approaches themselves that are most important. This again implies that there is a lack of understanding across YOTs of the proportionate amount of effort to devote to different activities and where the point of diminishing return emerges.

3.24 **Indeed, the preliminary analysis suggests the strongest correlations with YJB measures are with socio-economic conditions and demographics – factors that YOTs cannot influence.**

3.25 **However, the YJB metrics (in particular reoffending) have a number of limitations which call into question their relevance for showing the full impact of YOTs.** YOTs and other stakeholders have raised concerns with existing metrics. Concerns expressed included:

- **The metrics potentially work against one another:** for example, increasing the numbers in custody can, in the short-term, reduce reoffending figures.
- **The metrics are short-term in nature,** with no requirement to consider longitudinal impact – and in fact no YOT spoken to recorded data in relation to this.
- **The reoffending metric is seen as particularly challenging.** Performance here varies, with the ‘worst’ performers having reoffending rates around 50% higher than the ‘best’, but without effective YOT categorisation, it is not obvious what the ‘correct’ rate should be. More fundamentally, the ‘worst’ performers are identified on the basis of relative figures rather than absolute figures. Thus, performance may appear to fall when it is actually improving – e.g. the reoffending rate has increased by 3.3 percentage points since 09/10, while in absolute terms reoffending has fallen from 46,000 to 19,000.
- **The current measures are narrow and do not consider the differences between YOTs** in terms of the nature of their demand, local demographics etc. – they are not adjusted to take account of which category a YOT may fall into, making meaningful benchmarking difficult.
- **The measures do not take account of the changing nature of the cohort:** As has been widely reported, as the number of FTEs has fallen, the remaining cohort is seen as more likely to reoffend and as harder to address. While the extent of this change is hard to corroborate, not taking it into account when making year-on-year metric comparisons can give a distorted picture.

### The contribution to the overall landscape



3.26 **Considering the youth justice landscape more broadly, the number of proven offenders and reoffenders has fallen from nearly 140,000 to less than 50,000 and partners’ agencies credit YOTs for enabling positive outcomes for young people, such as participation in education, employment and training.** Whilst on narrow YJB measures, YOT performance may be questionable, there is the wider picture of success in the overall number of offenders falling. While a causality link has not been proven, it can reasonably be hypothesised that YOTs’ holistic working has contributed to this.

3.27 **These success stories, if substantiated, could be seen as equally worth pursuing if they lead to savings to the public purse downstream in terms of welfare costs or costs of adult probation and custody. Thus, a narrow focus on existing youth justice metrics could risk losing wider benefits.**

3.28 **Without stronger local and national accountability structures, there are few levers policymakers and the YJB have over YOTs in the event of poor performance.** While evidence of good local YOT management boards was seen across the system, it is not clear what actions they can take if performance dips. In addition, there is a lack of focus on business performance, such as unit costs. There are further

problems at a national level. The link between YOTs and central government is not clear or effective, for instance grant conditions attached by YJB to YOT grant funding are patchy and not enforced. While improvements could be made here, national accountability will always be contingent on funding levels, and so it is unreasonable to expect YOTs to account solely to YJB if it only provides a third of funding. Further, if their funding contributions continue to fall, the MoJ (and YJB) may struggle to incentivise YOTs to focus solely on its youth justice metrics.

## 4 Recommendations

### Measuring and interpreting performance

- I. **Clarify and agree the outcomes desired in youth justice**, based on a more detailed understanding of key drivers, and devise appropriate **new performance metrics to capture wider desired outcomes**. Note, without an improved definition of outcomes or link to other statutory partners' performance metrics, expanding private and third sector involvement in the delivery of services will be problematic.
- II. Develop and test a **new multi-dimensional approach to YOT categorisation**, to recognise the diversity of need and demand YOTs face, and to allow policy makers to prioritise different categories depending on particular factors of interest. Use the new categorisation to **identify 'best in class' YOTs to support other YOTs**.

### Funding and value for money

- III. **Review and adjust funding allocation** in light of re-confirmed / changed outcomes, metrics and categorisation of YOTs. Develop an **improved understanding of demand** (including volume and complexity) **and unit cost drivers**. Note, if outcomes remain unchanged (i.e. confirming a relatively narrow focus), preliminary analytical evidence shows that **a reduction in funding is not expected to result in reduced performance**.
- IV. Consider introducing a **bidding process** for central funding, whereby innovation or spreading of best practice is **incentivised** through competition. This would give YJB greater control of which YOTs receive funding and what it is spent on – however, it would reduce certainty of funding / staffing levels for YOTs and would marginally increase YJB overhead.
- V. Support YOTs in undertaking **value for money exercises** using longitudinal data analytics to develop greater understanding of what drives performance in the long-term. Aggregate and supplement findings nationally.
- VI. Consider introducing a **national Youth Justice worker accreditation scheme** or qualification to support innovation and new service provision.
- VII. Support YOTs in **identifying services where individually there is low demand so that they explore whether these can be provided more efficiently at a regional level or jointly**.
- VIII. Complete a **value for money assessment comparing adult and youth delivery models**. Use the assessment to identify the drivers of value (as opposed to just cost) and explore the theme of proportionality at different stages of intervention.

### Accountability

- IX. **Define (or refine) what YJB would like YOTs to be accountable for**, and then **involve YJB more locally**, such as by making YJB attendance/membership of YOT boards mandatory.
- X. Introduce **more regular reporting**, on a **real-time basis**, to **improve transparency**, **avoid lags** and to enable intervention in the event of emerging poor performance. Set out the basis for intervention such that YOTs know what to expect.

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