

Title: The abolition of the Youth Justice Board(YJB) Lead department or agency: Ministry of Justice (MoJ) Other departments or agencies:	Impact Assessment (IA)
	IA No:
	Date: 10/06/2011
	Stage: Development/Options
	Source of intervention: Domestic
	Type of measure: Primary legislation
Contact for enquiries: Joe Murphy YJPU, 020 3334 6967	

Summary: Intervention and Options

What is the problem under consideration? Why is government intervention necessary?

Currently there are a large number of arm's length bodies which are not accountable to Ministers. Government intervention is therefore necessary because Ministers should be accountable for youth justice, not unelected officials at arm's length from Government. It is Ministers who should have responsibility for incarcerating young people in the few cases where this is necessary and it is they who are best placed to drive further improvement in the youth justice system by working with their Ministerial colleagues across Whitehall to develop policies which can help reduce offending and re-offending by young people.

What are the policy objectives and the intended effects?

This Government is committed to reducing the number of public bodies and clarifying lines of accountability. Policy objectives are gathered from the three tests the Government is applying to all arm's lengths bodies in order to reduce the amount of arm's length bodies and to increase Ministerial accountability. The three tests applied to the YJB and all arm's length bodies were: does it perform a technical function? does it perform a function that needs to be politically impartial? and does it need to act independently to establish the facts?

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

The policy options which have been considered in this Impact Assessment are:

1. Option 0: Do Nothing.
2. Option 1: Abolish the YJB in accordance with the results of the tests above, where none of the criteria were met. Ministers have decided that it should be abolished. As the YJB is established under section 41 of the Crime and Disorder Act 1998 the only option open to us is to use primary legislation to abolish it. The effects of this will be: Ministers have direct accountability, better value for money by reducing duplication and integrating and rationalising services, a better position to reduce first time entrants to the youth justice system, reduce re-offending by young people and reduce the use of custody for young people

Will the policy be reviewed? It will not be reviewed. **If applicable, set review date:** Month/Year

What is the basis for this review? Please select. **If applicable, set sunset clause date:** Month/Year

Are there arrangements in place that will allow a systematic collection of monitoring information for future policy review?

Yes/No

SELECT SIGNATORY Sign-off For consultation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister:



Date: 11 July 2011

Summary: Analysis and Evidence

Policy Option 1

Description:

The abolition of the YJB

Price Base Year	PV Base Year	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: NA

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	TBC	Optional	NA
High	NA	Optional	NA
Best Estimate			

Description and scale of key monetised costs by 'main affected groups'

The transition process itself will incur some costs. The MoJ and the YJB are working together to identify the extent of the costs involved in the transition process

Other key non-monetised costs by 'main affected groups'

N/A

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	Optional	Optional	Optional
High	Optional	Optional	Optional
Best Estimate		£250,000	

Description and scale of key monetised benefits by 'main affected groups'

We estimate that the abolition of the YJB will save approx £250,000 per annum. We have estimated that this saving comes from the direct costs of the board and board members (see YJB Annual Report & Accounts 2010). YJB's main SR operational savings are predicated on being realised regardless of the abolition. The YJB anticipate saving approx £6m operating costs by 2014-15 part of their planning assumptions.

Other key non-monetised benefits by 'main affected groups'

We consider that giving Ministers direct accountability for youth justice will support the delivery of better outcomes and better value for money. Ministers feel that it is no longer necessary to have an independent agency to deliver the functions of the YJB and that they are best placed to lead further reductions in first time entrants to the youth justice system, further reductions in re-offending by young people and reductions in the use of custody for young people.

Key assumptions/sensitivities/risks

Discount rate (%)

We are assuming that the YJB role will be undertaken within a dedicated organisation in the department's Policy Group. That Youth Justice will have clear and visible leadership within the MoJ, be funded appropriately and maintain a level of visibility and focus within the MoJ. We are assuming that the functions formerly performed by the YJB will not be subsumed into NOMS and we will continue to operate a distinct policy for youth justice.

We are aware of concerns about safeguarding the distinct focus on youth justice so that it is not subsumed into the adult justice system. We are also aware of concerns around leadership of the new arrangements and the maintenance of the skills and expertise of the YJB.

Direct impact on business (Equivalent Annual) £m):			In scope of OIOO?	Measure qualifies as
Costs:	Benefits:	Net:	No	IN/OUT

Enforcement, Implementation and Wider Impacts

What is the geographic coverage of the policy/option?		England and Wales			
From what date will the policy be implemented?		April 2012			
Which organisation(s) will enforce the policy?		MoJ			
What is the annual change in enforcement cost (£m)?					
Does enforcement comply with Hampton principles?		No			
Does implementation go beyond minimum EU requirements?		No			
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)		Traded:		Non-traded:	
Does the proposal have an impact on competition?		No			
What proportion (%) of Total PV costs/benefits is directly attributable to primary legislation, if applicable?		Costs:		Benefits:	
Distribution of annual cost (%) by organisation size (excl. Transition) (Constant Price)	Micro	< 20	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No

Specific Impact Tests: Checklist

Set out in the table below where information on any SITs undertaken as part of the analysis of the policy options can be found in the evidence base. For guidance on how to complete each test, double-click on the link for the guidance provided by the relevant department.

Please note this checklist is not intended to list each and every statutory consideration that departments should take into account when deciding which policy option to follow. It is the responsibility of departments to make sure that their duties are complied with.

Does your policy option/proposal have an impact on...?	Impact	Page ref within IA
Statutory equality duties¹ Statutory Equality Duties Impact Test guidance	Yes	7
Economic impacts		
Competition Competition Assessment Impact Test guidance	No	7
Small firms Small Firms Impact Test guidance	No	7
Environmental impacts		
Greenhouse gas assessment Greenhouse Gas Assessment Impact Test guidance	No	7
Wider environmental issues Wider Environmental Issues Impact Test guidance	No	7
Social impacts		
Health and well-being Health and Well-being Impact Test guidance	No	8
Human rights Human Rights Impact Test guidance	No	8
Justice system Justice Impact Test guidance	No	8
Rural proofing Rural Proofing Impact Test guidance	No	8
Sustainable development Sustainable Development Impact Test guidance	No	8

¹ Public bodies including Whitehall departments are required to consider the impact of their policies and measures on race, disability and gender. It is intended to extend this consideration requirement under the Equality Act 2010 to cover age, sexual orientation, religion or belief and gender reassignment from April 2011 (to Great Britain only). The Toolkit provides advice on statutory equality duties for public authorities with a remit in Northern Ireland.

Evidence Base (for summary sheets) – Notes

Use this space to set out the relevant references, evidence, analysis and detailed narrative from which you have generated your policy options or proposal. Please fill in **References** section.

References

Include the links to relevant legislation and publications, such as public impact assessments of earlier stages (e.g. Consultation, Final, Enactment) and those of the matching IN or OUTs measures.

No.	Legislation or publication
1	MoJ's Green Paper consultation 'Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders', published in December 2010.
2	
3	
4	

+ Add another row

Evidence Base

Ensure that the information in this section provides clear evidence of the information provided in the summary pages of this form (recommended maximum of 30 pages). Complete the **Annual profile of monetised costs and benefits** (transition and recurring) below over the life of the preferred policy (use the spreadsheet attached if the period is longer than 10 years).

The spreadsheet also contains an emission changes table that you will need to fill in if your measure has an impact on greenhouse gas emissions.

Annual profile of monetised costs and benefits* - (£m) constant prices

	Y ₀	Y ₁	Y ₂	Y ₃	Y ₄	Y ₅	Y ₆	Y ₇	Y ₈	Y ₉
Transition costs										
Annual recurring cost										
Total annual costs										
Transition benefits		£0.25	£0.25	£0.25						
Annual recurring benefits		£0.25	£0.25	£0.25						
Total annual benefits		£0.25	£0.25	£0.25						

* For non-monetised benefits please see summary pages and main evidence base section



Microsoft Office
Excel Worksheet

Evidence Base (for summary sheets)

Rationale

Ministers should be accountable for Youth Justice. We do not believe that it is right for unelected individuals in a Non Departmental Public Body at arm's length from government, to be responsible for spending approx £300m of taxpayers' money (see YJB annual report and accounts 2010) to purchase secure accommodation for young people. There are times when it is right, in limited situations, to detain children and young people who have committed offences but Ministers, not unelected officials, should be responsible for determining the standards required in custody and for ensuring that these young people are accommodated safely.

Policy Objectives

Policy objectives are gathered from the three tests the Government is applying to all arm's length bodies in order to reduce the amount of arm's length bodies.

The three tests applied to all arm's length bodies were:

1. Does it perform a technical function?
2. Does it perform a function that needs to be politically impartial?
3. Does it need to act independently to establish the facts?

Policy Options:

Option 0: Do nothing

The Government's policy is to reduce the number of public bodies. The YJB's responsibilities are:

- Advising the Justice Secretary on the operation of, and standards for, the youth justice system
- Monitoring the performance of the youth justice system
- Purchasing places for, and placing, children and young people remanded or sentenced to custody
- Identifying and promoting effective practice
- Making grants to local authorities and other bodies to support the development of effective practice
- Commissioning research and publishing information

None of these responsibilities fulfil the Government's criteria for the continuation of arm's length bodies as set out above. The YJB performs an oversight role and does not act independently to establish facts like an Inspectorate and nor does it perform a function that needs to be politically impartial. Indeed Ministers have taken this decision, in part, because they should have more accountability for the youth justice system. We do not consider that the YJB can be described as performing a technical function, like for example scientific or statistical provision, and we believe that purchasing custodial places and placing young people in custody are functions that can be carried out from within the MoJ. The abolition of the YJB is therefore entirely consistent with the application of the Government's tests and doing nothing would mean that the MoJ was not acting in accordance with Government policy.

Option 1: Abolish the Youth Justice Board

Overview:

We propose to abolish the YJB and to carry out its main functions in the MoJ. We consider that giving Ministers direct accountability for youth justice will support the delivery of better outcomes and better value for money. Ministers feel that it is no longer necessary to have an independent agency to deliver the functions of the YJB and that they are best placed to lead further reductions in first time entrants to the youth justice system, further reductions in re-offending by young people and reductions in the use of custody for young people.

The MoJ will take on the responsibility for the following YJB functions:

- Overseeing local Youth Offending Teams
- Disseminating effective practice
- Commissioning a distinct secure estate
- Placing young people in custody

We propose that the main functions of the YJB will be delivered by a new Youth Justice Division in the MoJ under clear Ministerial leadership. The Youth Justice Division will continue this Government's focus on meeting the needs of children and young people in the youth justice system and will deliver the main functions of the YJB.

The Youth Justice Division will create a powerful central impetus behind future improvement. In the current climate where other departments have a wide range of priorities and scarcer resources it is Ministers who are best placed to lead the youth justice system. This leadership role will include work with other departments to develop properly co-ordinated policies that will help young people who have offended or who are at risk of offending turn their lives around

Costs and Benefits:

This decision is about ensuring accountability for and driving further improvements in, youth justice outcomes. There will be some small direct savings attributable to the abolition, these are in respect of the costs of board members who will no longer be required post abolition. We estimate these costs to be approximately £250k per annum (see explanation at page 2).

It is estimated that the Youth Justice Board will make savings of approximately £6m by 2014-15 from its operating costs as result of the transition of some of its functions into the MoJ (see explanation at page 2). These savings will be realised through the closer integration of services between the YJB and the MoJ, This includes increased efficiency through the integration of back office functions such as IT, HR and communications and through co-locating in MoJ buildings. The transition process itself will incur some costs which will reduce any planned savings in the initial year of transition. The MoJ and the YJB are working together to identify the extent of the costs involved in the transition process.

We also expect abolition will provide increased value for money from a more efficient system and closer alignment between the role of the policy and the role of delivery functions. The new governance procedures will also reduce any duplication between the MoJ's youth justice policy responsibilities and the YJB. We anticipate providing a more focused governance structure that responds directly to Ministerial decisions and broader Government policy with closer political and Ministerial accountability. Increased Ministerial accountability is likely to provide an increased focus on 'what works' and 'effective practice' which will support the Government's policy on financial incentives and payment by results which may help to reduce costs in the youth justice system over and above the level of savings currently expected.

Green paper:

Our proposals reflect what was set out in the MoJ's Green Paper consultation 'Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders', published in

December 2010. In our view this represents the best way of continuing to reduce offending and re-offending by young people

Timing:

The timing of the abolition of the YJB is subject to the passage of the Public Bodies Bill and the commencement of the necessary secondary regulations. We estimate that we will not be in a position to abolish the YJB until April 2012 at the earliest.

Specific Impact Tests

Statutory Equality Duties:

The roles and responsibilities of the YJB will be absorbed into the MoJ. Therefore it is anticipated there will not be any impact on equality issues. An Equality Impact initial screening document is attached.

Competition Assessment

The impact is not significant on competition.

The proposal does not:

- Directly limit the number or range of suppliers (or providers);
- Indirectly limit the number or range of suppliers (e.g. by altering demand);
- Limit the ability of suppliers to compete;
- Limit suppliers' incentives to compete vigorously.

Small Firms Impact Test

The impact is not significant on small firms as the YJB is public sector focussed. A small number of suppliers to the YJB may be affected by a loss in revenue (although most office supplies will be provided through MoJ central contracts and existing YJB contracts are likely to be novated). The proposals do not impose additional costs on small business.

Carbon Assessment

The impact on the emission of Greenhouse Gases is negligible. There may be a small reduction in energy use as the office spaces in London are no longer required and YJB staff move into MoJ Offices. People may have to travel more or less if they find alternative work but that is uncertain.

Other Environment

This is not broadly applicable as the policy will not:

- lead to a change in the financial costs or environmental and health impacts of waste management;
- impact significantly on air quality;
- involve any material change to the appearance of the landscape or townscape;
- change the degree of water pollution; levels of abstraction of water; exposure to flood risk;
- disturb or enhance habitat or wildlife;
- affect the number of people exposed to noise or the levels of exposure.

Health Impact Assessment

The policy will not have a significant impact on human health.

Human Rights

The policy is compliant with the Human Rights Act.

Justice Impact Test

There is no impact on Legal Aid or on the wider justice system as the abolition of the YJB will not impact on the delivery of youth justice (e.g. Youth Offending Teams, youth courts and a distinct youth secure estate will remain in place).

Rural proofing

This policy is unlikely to have a different impact in rural areas.

Sustainable Development

The Government has committed to five principles of sustainable development:

- Living within environmental limits;
- Ensuring a strong, healthy and just society;
- Achieving a sustainable economy;
- Promoting good governance;
- Using sound science responsibly.

This proposal supports the principles of ensuring a just society; achieving a sustainable economy and promoting good governance.

Annexes

Annex 1 should be used to set out the Post Implementation Review Plan as detailed below. Further annexes may be added where the Specific Impact Tests yield information relevant to an overall understanding of policy options.

Annex 1: Post Implementation Review (PIR) Plan

A PIR should be undertaken, usually three to five years after implementation of the policy, but exceptionally a longer period may be more appropriate. If the policy is subject to a sunset clause, the review should be carried out sufficiently early that any renewal or amendment to legislation can be enacted before the expiry date. A PIR should examine the extent to which the implemented regulations have achieved their objectives, assess their costs and benefits and identify whether they are having any unintended consequences. Please set out the PIR Plan as detailed below. If there is no plan to do a PIR please provide reasons below.

<p>Basis of the review: [The basis of the review could be statutory (forming part of the legislation), i.e. a sunset clause or a duty to review, or there could be a political commitment to review (PIR)];</p> <p>We do not propose to have a formal review of the abolition of the YJB. However, we will consistently review the performance of the youth justice system and its governance in the MoJ</p>
<p>Review objective: [Is it intended as a proportionate check that regulation is operating as expected to tackle the problem of concern?; or as a wider exploration of the policy approach taken?; or as a link from policy objective to outcome?]</p> <p>We will use the publication of key performance information to inform us as to whether our reforms have helped us to achieve key performance outcomes</p>
<p>Review approach and rationale: [e.g. describe here the review approach (in-depth evaluation, scope review of monitoring data, scan of stakeholder views, etc.) and the rationale that made choosing such an approach]</p> <p>We will use data to inform our approach. We will also meet regularly with stakeholders to discuss the new governance arrangements and check whether delivery is being affected by our changes</p>
<p>Baseline: [The current (baseline) position against which the change introduced by the legislation can be measured]</p>
<p>Success criteria: [Criteria showing achievement of the policy objectives as set out in the final impact assessment; criteria for modifying or replacing the policy if it does not achieve its objectives]</p> <p>Continuing current reductions in key performance areas, on first time entrants, reoffending and the use of custody would indicate the transition of the governance arrangements had been a success</p>
<p>Monitoring information arrangements: [Provide further details of the planned/existing arrangements in place that will allow a systematic collection of monitoring information for future policy review]</p> <p>MoJ already has a system in place which monitors key data on re-offending, first time entrants and custody rates.</p>
<p>Reasons for not planning a review: [If there is no plan to do a PIR please provide reasons here]</p> <p>We are not planning a formal review because the abolition of the YJB and its oversight function is separate to the delivery of the youth justice on the ground. However, we will monitor the key youth justice outcomes to assess the performance of the youth justice system under the new governance and oversight arrangements. If the performance of the youth justice system declines we will respond and investigate accordingly.</p>

Annex 2: Equality Impact Assessment Initial Screening – Relevance to Equality Duties

The EIA should be used to identify likely impacts on:

- disability
- race
- sex
- gender reassignment
- age
- religion or belief
- sexual orientation
- pregnancy and maternity
- caring responsibilities (usually only for HR polices and change management processes such as back offices)

- 1 Name of the proposed new or changed legislation, policy, strategy, project or service being assessed.

Public Bodies Bill - Abolition of the Youth Justice Board

- 2 Individual Officer(s) & unit responsible for completing the Equality Impact Assessment.

Fenella Wigham - Youth Justice Policy Unit, Ministry of Justice
Joe Murphy - Youth Justice Policy Unit, Ministry of Justice

- 3 What is the main aim or purpose of the proposed new or changed legislation, policy, strategy, project or service and what are the intended outcomes?

Aims/objectives	Outcomes
<p>The Government is committed to reducing the number of public bodies and to clarifying lines of accountability. The three tests applied to all arm's length bodies were:</p> <ul style="list-style-type: none"> - does it perform a technical function? - does it perform a function that needs to be politically impartial? - does it need to act independently to establish the facts? <p>The YJB fulfills none of these criteria and therefore Ministers decided that it should be abolished. The YJB was established by statute under section 41 of the Crime and Disorder Act 1998. Therefore it requires primary legislation, under the powers in Schedule 1 of the Public Bodies Bill, to enable its abolition.</p>	<p>The abolition of the Youth Justice Board and the transfer of its core functions into the Ministry of Justice. The Government considers that giving Ministers direct accountability for youth justice will support the delivery of better outcomes and better value for money. Ministers feel that it is no longer necessary to have an independent agency to deliver the functions of the YJB and that they are best placed to lead further reductions in first time entrants to the youth justice system, further reductions in re-offending by young people and reductions in the use of custody for young people.</p>

- 4 What existing sources of information will you use to help you identify the likely equality impacts on different groups of people?

The main group affected by the proposal will be the employees of the Youth Justice Board. The YJB currently has 250 members of staff. This number includes full time staff, fixed term staff, contractors and board members. To identify any equality impacts the following sources of information will be considered:

- Staffing statistics and diversity data for YJB employees.
- Feedback from the public consultation

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5 Are there gaps in information that make it difficult or impossible to form an opinion on how your proposals might affect different groups of people. If so what are the gaps in the information and how and when do you plan to collect additional information?

The proposal is to abolish the YJB and to carry out its main functions within a newly created Youth Justice Division in the department. The Youth Justice Division will be a dedicated part of the department and will be outside of the National Offender Management Service. Until further work has been done on the details and implications for staff it is not at this stage possible to identify potential gaps in information. The department envisages that a further EIA will be completed in time for the passage of the secondary legislation.

6 Name of Senior Manager and date approved

Name (must be grade 5 or above): Michelle Dyson
Department: Deputy Director Youth Justice Policy
Date: 22 June 2011