Triennial Review of the Youth Justice Board for England and Wales

Combined Report on Stages One and Two

November 2013
Contents

Executive Summary - Stage One 4
Introduction and context 7
Scope and Purpose of Triennial Reviews 8
Process and Methodologies 8
The Youth Justice Board for England and Wales 11
Functions 14
Functions of the YJB 14
Outside of scope 15
Analysis of the YJB’s functions 16
1. Overview / Youth community 16
1A. Provide Junior Attendance Centres 22
2. Secure accommodation 24
2A. STC Monitors/YOI Controllers and additional powers in the secure estate 30
3. Effective Practice 33
4. Additional functions 41
Summary of recommendations 43
Form 45
Conclusion 49
Responses to Call for Evidence 50
Participants in Roundtable Event 51
Previous evidence considered 51
Executive summary - Stage Two 53
Scope and purpose of Triennial Reviews - Stage Two 54
Cabinet Office guidance 54
The principles of good corporate governance 54
The Ministry of Justice approach 56
Compliance with principles of good governance 56
The context in Wales 56
Summary of compliance 57
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountability</td>
<td>57</td>
</tr>
<tr>
<td>1. Statutory and administrative accountability</td>
<td>57</td>
</tr>
<tr>
<td>2. Accountability for Public Money</td>
<td>58</td>
</tr>
<tr>
<td>3. Ministerial Accountability</td>
<td>61</td>
</tr>
<tr>
<td>Roles and Responsibilities</td>
<td>63</td>
</tr>
<tr>
<td>4. Role of the Sponsoring Department</td>
<td>63</td>
</tr>
<tr>
<td>5. Role of the Board</td>
<td>65</td>
</tr>
<tr>
<td>6. Role of the Chair</td>
<td>67</td>
</tr>
<tr>
<td>7. Role of the Chief Executive Officer</td>
<td>69</td>
</tr>
<tr>
<td>8. Role of YJB Board Members</td>
<td>70</td>
</tr>
<tr>
<td>9. Effective Financial Management</td>
<td>72</td>
</tr>
<tr>
<td>10. Communications and engagement</td>
<td>74</td>
</tr>
<tr>
<td>11. Conduct and Propriety</td>
<td>76</td>
</tr>
<tr>
<td>Peer Reviewer Report</td>
<td>78</td>
</tr>
<tr>
<td>Methodology</td>
<td>78</td>
</tr>
<tr>
<td>Context</td>
<td>78</td>
</tr>
<tr>
<td>Findings</td>
<td>79</td>
</tr>
<tr>
<td>Conclusions</td>
<td>84</td>
</tr>
<tr>
<td>Summary Of Recommendations</td>
<td>85</td>
</tr>
<tr>
<td>Conclusion of Stage Two review</td>
<td>87</td>
</tr>
<tr>
<td>Joint summary of recommendations to take forward</td>
<td>88</td>
</tr>
<tr>
<td>Assessment ratings</td>
<td>91</td>
</tr>
<tr>
<td>Next steps</td>
<td>92</td>
</tr>
</tbody>
</table>
Executive Summary - Stage One

The Youth Justice Board for England and Wales (YJB) is an Executive Non Departmental Public Body (NDPB) of the Ministry of Justice (MoJ) established in 2000 by the Crime and Disorder Act 1998.

The YJB has been reviewed as part of the Triennial Review programme, a coalition agreement. All NDPBs must be reviewed every three years. The first stage of the review looks at the individual functions of the YJB and their continuing need.

A call for evidence was issued on 8 January and closed on 15 February. Thirty responses were received from a range of groups including the judiciary and the police, custody providers, local authority and local partners and the voluntary sector.

The report considers current and potential delivery structures for the functions of YJB before making recommendations about each grouping of functions. In line with Cabinet Office guidance the report has identified all possible alternatives before a more in-depth analysis concludes which would be the most appropriate delivery model.

The evidence received was clear that many of the youth justice functions should be considered as a ‘critical mass’ of expertise and in recognition that the Government has repeatedly and recently stated its commitment to maintain a distinct youth justice system. The conclusion of future form is made considering this critical mass of functions together.

Two functions do not need to be delivered with the critical mass approach; providing junior attendance centres and appointing Secure Training Centre (STC) Monitors.

In considering the future form of this critical mass of youth justice expertise we consider that it could be delivered by being retained as an NDPB, being brought in-house to MoJ or as a new Executive Agency.

<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate?</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Maintain the status quo (NDPB – using the three tests)    | Yes          | • Some evidence of technical expertise but not in all functions: Placement of young people into secure establishments requires technical expertise well suited to an NDPB which includes specialist operational staff and that operating at arm’s length permits a focus on the delivery of services without political influence.  
• Operational functions more suited to delivery by an NDPB or Executive Agency, than core MoJ.  
• Little evidence of need to be delivered independently from Ministers and political impartiality, particularly given that secure accommodation functions are concurrent with the Secretary of State (SoS) and in practice National Offender Management Service (NOMS) already has a role in functions relating to Young Offender Institutions (YOIs). |
<p>| Bring inside Government                                   | Yes          | • Greater accountability to Ministers and tighter financial management - particularly relevant now that youth |</p>
<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>department (MoJ)</td>
<td></td>
<td>custody reform is one of the SoS’s top five priorities and that Ministers are likely to take a more active role in decisions which affect the future direction of the youth justice system.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Principal Accounting Officer would have direct control of risk to the budget and staffing, enabling Spending Review decisions to be made more quickly and taking into account the impact of spending decisions across the whole Department budget.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Small direct financial savings of around £250,000 in Board member costs. Of the wider potential savings to operating costs, many others could be realised without the upheaval of moving to a different delivery model.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Would dilute independence of the YJB and not support recent Government commitments to support a distinct youth justice system.</td>
</tr>
<tr>
<td>Move to the local or voluntary or private sector</td>
<td>No</td>
<td>• This would not permit accountability to Ministers, which is of concern for public protection and safeguarding issues.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• There may be a conflict of interest in order to increase profit. An impartial body is necessary to oversee and monitor the youth justice system.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• National oversight is required given the small number of young people and diverse sites across England and Wales, to achieve consistency and raise standards.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• There needs to be a separation between the provider (YJB) and the receiver Local Authority (LA) of the secure accommodation and the grant provided to LAs for YOTs.</td>
</tr>
<tr>
<td>Move to new executive agency</td>
<td>Yes</td>
<td>• Move closer to Government’s central direction, arguably of more interest now that the reform of the youth secure estate is one of the SoS’s top five priorities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Put in place stronger accountability to Ministers, acting with one policy voice, providing clarity of roles and responsibilities and introducing more collaborative working between the agency and MoJ.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Delivering more direct oversight of financial management and performance to the MoJ’s principle accounting officer.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Would preserve a distinct focus on the youth justice system as well as a clear focus on deliverability.</td>
</tr>
<tr>
<td>Merge with another body</td>
<td>No</td>
<td>• There is no other appropriate or compatible body with the YJB to merge with for this to provide any benefits.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Merging with NOMS would reverse the Government commitment to keep the youth justice system distinct from the adult system.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• No respondents or previous evidence has suggested that this is a viable option.</td>
</tr>
</tbody>
</table>
Irrespective of the differences in terms of legal status, we consider that the difference between an NDPB and an Executive Agency operating in this area is relatively nuanced in a number of practical ways. We have considered the arguments for all three delivery models and have further taken into account the decision of Government to remove the YJB from the Public Bodies Bill within this term of Parliament. We also note that the YJB is already operating in some areas according to the levels of accountability as an Executive Agency rather than an NDPB and that many of the YJBs powers are held and/or exercised concurrently with the SoS, with some of these already being exercised by NOMS (an Executive Agency) rather than the YJB.

We consider there to be a strong argument to continue to increase accountability to Ministers, and for improved financial management and performance given the significant budget allocated to these functions and the reputational risk that they pose. We recommend that the critical mass functions continue to be delivered by the YJB as an NDPB at this time and that the progress made in implementing the recommendations found in Stage One and in Stage Two is considered as part of the next review.

We further recommend that Stage Two of this Review - which considers governance and accountability arrangements – includes an assessment of operating costs, corporate and procurement services to ensure that the YJB does not duplicate functions which already exist within the MoJ. This may result in significant savings to the YJB and the Department.
Introduction and context

1. This is the first Triennial Review of the YJB undertaken under the Triennial Review programme overseen by Cabinet Office. This report sets out the purpose of the Triennial Review, describes the process and methodology used, analyses the functions of the YJB and makes formal recommendations on the functions and appropriate forms.

Public Bodies Reform Agenda

2. The Public Bodies Reform Agenda is led by the Cabinet Office, using HM Treasury rules and standards. The SoS considered MoJ public bodies, applying the Coalition Government’s test on whether the function should be carried out by the state. In November 2011, having listened to the debates in both Houses and taking into account the evidence submitted, the Government decided not to pursue abolition of the YJB as part of the Public Bodies Act 2011, re-stating its commitment to maintaining a distinct focus on the needs of children and young people in the youth justice system. This does not pre-determine the outcome of this Triennial Review, which is based on evidence, but is a relevant consideration.

Financial context

3. Given the economic situation, we are radically changing the way we work, making sure that every penny of taxpayers’ money counts. Our vision is a justice system that is more effective, less costly and more responsive to the public. In order to live within its Spending Review settlement (SR10), the MoJ is required to deliver savings of well over £2.5 billion by March 2015.

Services and Structures Review

4. The MoJ Departmental Board has commissioned a review of MoJ’s services and structures, to make savings required by HM Treasury, but also to create a better justice system that meets the needs of the public and victims. The review has the following key elements:

   i) Consideration of what MoJ does and the services it delivers, to establish what kind of justice system is needed for the future. This means taking another, more fundamental look at everything done, and how it is done, to be able to live within anticipated budgets in the next Parliament.

   ii) A review of how MoJ is organised to deliver those services. This aims to identify areas where savings can be made by removing duplicate functions in Executive Agencies and MoJ HQ, and by looking again at how to streamline “middle-office” functions.

Transforming Youth Custody

5. In February 2013 the Government published the consultation Transforming Youth Custody: Putting education at the heart of detention. This set out the Government’s ambition to introduce Secure Colleges and reform the youth secure estate to
improve reoffending outcomes for young people in custody, place education at the
centre of what is delivered in custody and drive down costs. The Green Paper
invited responses from a wide range of stakeholders and providers, including those
from the education sector. The Government is now considering its response to the
consultation, which closed on 30 April 2013. The Review Team has taken into
account the possible reconfiguration of the youth secure estate when considering
recommendations. We conclude that much of this work will need to be taken forward
as part of Transforming Youth Custody once the consultation has reported its
findings.

Scope and Purpose of Triennial Reviews

6. The Cabinet Office has identified two principal aims for Triennial Reviews:
   • to provide robust challenge to the continuing need for individual NDPBs – both
     their functions and their form (Stage One); and
   • where it is agreed that a particular body should remain as an NDPB, to review the
     control and governance arrangements in place to ensure that the public body is
     complying with recognised principles of good corporate governance (Stage Two).

This report covers Stage One of the review.

7. All reviews are to be conducted in line with the following principles:
   i. Proportionate: not overly bureaucratic; appropriate for the size and nature of
      the NDPB.
   ii. Timely: completed quickly to minimise disruption and reduce uncertainty.
   iii. Challenging: robust and rigorous, evidencing the continuing need for functions
        and examining and evaluating a wide range of delivery options.
   iv. Inclusive: open and inclusive. Individual NDPBs must be engaged, key users
        and stakeholders should have the opportunity to contribute. Parliament should
        be informed about the commencement and conclusions.
   v. Transparent: all reviews should be announced and reports should be published.
   vi. Value for Money: conducted to ensure value for money for the taxpayer.

Process and Methodologies

Cabinet Office guidance

8. The first stage of the review should identify and examine the key functions of the
   NDPB. It should assess how the functions contribute to the core business of the
   NDPB and the sponsor department and consider whether the functions are still
   needed. Where the department concludes that a particular function is still needed,
   the review should then examine how this function might best be delivered.

---

1 See also http://www.cabinetoffice.gov.uk/sites/default/files/resources/Cabinet-Office-Guidance-on-Reviews-
of-Non-Departmental-Public-Bodies.pdf
9. When assessing how functions should be delivered, the review should examine a wide range of delivery options to include whether the function can be delivered by local government or the voluntary or private sectors. It should also include an examination of different central government delivery models, including whether the function can be delivered by the sponsoring department, by a new or existing Executive Agency or by another existing central government body. It is Government policy that NDPBs should only be set up, and remain in existence, where the NDPB model can be clearly evidenced as the most appropriate and cost-effective model for delivering the function in question. Reviews must evidence that functions have been assessed against a wide range of delivery options. In many cases, some delivery options can be quickly rejected.

10. For each function under consideration, the review should identify all viable delivery options and undertake a fuller assessment of these options. Where appropriate, this should include a cost and benefits analysis. If one of the delivery options is the NDPB option, this must also include an assessment against the Government’s ‘three tests’:

1. Is this a technical function (which needs external expertise to deliver)?
2. Is this a function which needs to be, and be seen to be, delivered with absolute political impartiality (such as certain regulatory or funding functions)?
3. Is this a function which needs to be delivered independently of Ministers to establish facts and/or figures with integrity?

11. Based on these fuller assessments, the department can then make an informed decision on how the function should be delivered in the future:

- Abolition (i.e. no longer deliver the function)
- Move out of Central Government (e.g. to voluntary or private sector)
- Bring in-house (e.g. to an existing Executive Agency of the MoJ)
- Merge with another body
- Delivery by a new Executive Agency
- Continued delivery by an NDPB

The Ministry of Justice approach

12. Triennial reviews are consistent with the MoJ’s commitment to review its ALBs, as set out in 5.3 of the MoJ Business Plan 2011-15. The review is governed by a Project Board and supported by a Challenge Group. The Project Board is comprised of officials from the YJB Triennial Review Team as well as representation from the legal, corporate finance and communications directorates and the ALB governance division.

13. The Challenge Group provides robust challenge to the review and includes representation from the MoJ’s triennial review programme, the Home Office, Department for Education, Cabinet Office, the Welsh Government and the National

---

Audit Office, and is chaired by the Deputy Director from MoJ responsible for Triennial Reviews.

Call for Evidence

14. The call for evidence on the Triennial Review was issued on 8 January 2013 and closed on 15 February 2013. It was publicised directly to interested stakeholders and published on the MoJ website. A Written Ministerial Statement was made in both Houses of Parliament\(^3\) confirming the start of the call for evidence and the process being used by the MoJ in the reviews. The review team also considered evidence collated during a number of recent reviews about the YJB. This and a list of respondents are included at the end of this report (Annex A).

Workshops, roundtable meetings and other stakeholder engagement

15. In addition to the call for evidence, a roundtable event was held with key stakeholders to explain the review, explore alternative delivery models and begin to collate responses. Several roundtable attendees noted that the evidence that they had submitted during previous reviews remained relevant and that they would not submit further evidence. The Senior Responsible Officer and Project Manager met with the YJB to discuss progress and the Senior Responsible Officer (SRO) also attended meetings of the YJB Board in order to obtain their views and give feedback on the evidence received from stakeholders.

Evidence from the call for evidence and previous reports has been incorporated into this report at the appropriate stage of the options analysis and in the concluding section.

---

\(^3\) The Written Ministerial Statement can be found at www.parliament.uk/documents/…vote…/4-Justice-YouthJusticeBoard.pdf
The Youth Justice Board for England and Wales

**History of the YJB**

16. In 1996, the Audit Commission’s report ‘Misspent Youth’ found that there was no integrated youth justice system and that the then system for dealing with youth offending was inefficient and expensive.

17. The YJB was established by section 41(1) of the Crime and Disorder Act 1998 (the 1998 Act) to provide leadership and coherence to a new youth justice system in response to the Audit Commission’s report. Section 37(2) places a duty on the YJB (together with other bodies) to have regard to the principal aim of the youth justice system – the prevention of offending by children and young persons – in the exercise of its functions. Those functions are set out in section 41(5) of the 1998 Act. The YJB was given responsibility for the youth secure estate by article 4(2) of the Youth Justice Board for England and Wales Order 2000 (the YJB Order). Other functions have since been added by sections 102 and 103 of the Legal Aid, Sentencing and Punishment of Offenders Act (LASPO) 2012 and paragraph 14 of Schedule 5A to the Policing and Crime Act 2009.

18. This Triennial Review is considering how the Youth Justice Board discharges its functions, rather than its strategic aims. The strategic aims of the YJB are:
   - overseeing the youth justice system in England and Wales;
   - working to prevent offending and reoffending by children and young people under the age of 18;
   - ensuring that custody for them is safe, secure, and addresses the causes of their offending behaviour.

19. The YJB’s main functions are: monitoring the operation of the youth justice system in England and Wales; advising the SoS for Justice on the operation of the youth justice system, national standards, and on how to prevent offending by children and young people; making grants to Youth Offending Teams (YOTs) and other organisations to support development and delivery of good practice; placing young people in custody; and providing secure accommodation for both remanded and sentenced children and young persons.

**Key indicators**

20. The youth justice system is monitored against three key outcomes: number of first time entrants, number of young people in custody and number of young people reoffending. The YJB’s performance is also monitored against these three key outcomes. Key trends in the youth justice system are:

---

4 The report can be found at: http://archive.audit-commission.gov.uk/auditcommission/subwebs/publications/studies/studyPDF/1172.pdf
• In the 12 months ending September 2012 there were 31,597 First Time Entrants (FTEs) to the Youth Justice System (YJS). The number of FTEs to the YJS (10-17 years old) has fallen much more sharply than for adult offenders, down 71.5% in the 12 months ending September 2012 since the peak in the 12 months ending September 2007 (compared with a 29.7% decrease for adults). Data for 2010/11 shows that the drop is greatest in the young age bands.

• Data for April 2013 shows that there were 1,292 young people under 18 in the custodial population. The average population of under 18s in custody was down 48.5% in 2012/13 from 2002/03 (from 3,029 to 1,561), peaking slightly in 2007/08. The drop is driven by a drop in overall numbers being sentenced by the courts and a drop in the proportion sentenced to custody.

• The young adult (18-20 year old) prison population has been falling since December 2011. Early interim findings from internal (unpublished) MoJ analysis suggest this is not due to fewer people transitioning in custody from the youth system to the adult system, and is primarily due to fewer 18-20 year olds entering prison under sentence and also fewer young adults coming into the criminal justice system.

• The overall proportion of young offenders who re-offended in the twelve months ending June 2011 was 35.4%. Between December 2000 and June 2011 this represents an increase of 2.4 percentage points. However, the cohort has changed considerably, and after controlling for these changes, the proven re-offending rate has actually decreased since 2000. The average number of re-offences per young offender (frequency of reoffending) was 1.04 in the twelve months ending in June 2011, a decrease in frequency of 7.1% between December 2000 and June 2011.

• There were 66,430 young people under the supervision of Youth Offending Teams (YOTs) in 2011/12 (a 22% decrease since 2010/11).

---

7 https://www.gov.uk/government/publications/youth-custody-data
**Budget**

<table>
<thead>
<tr>
<th>Area of YJB spend</th>
<th>2010/11 budget and percentage of overall budget</th>
<th>2011/12 budget and percentage of overall budget</th>
<th>2012/13 budget and percentage of overall budget</th>
<th>2013/14 budget and percentage of overall budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing custodial places and secure accommodation</td>
<td>£288m (67%)</td>
<td>£261m (64%)</td>
<td>£232m (64%)</td>
<td>£198m (64%)</td>
</tr>
<tr>
<td>Making grants; youth justice good practice grant to YOTs and the Intensive Fostering grant (£2m in each FY)</td>
<td>£114m (26%)</td>
<td>£103m (26%)</td>
<td>£103m (29%)</td>
<td>£94m (30%)</td>
</tr>
<tr>
<td>Other programmes (community, education and research)</td>
<td>£8m (2%)</td>
<td>£8m (2%)</td>
<td>£6m (2%)</td>
<td>£5m (2%)</td>
</tr>
<tr>
<td>YJB’s paybill, operating costs and ICT</td>
<td>£24m (5%)</td>
<td>£18m (5%)</td>
<td>£17m (5%)</td>
<td>£14m (4%)</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>£434m (100%)</strong></td>
<td><strong>£390m (100%)</strong></td>
<td><strong>£358m (100%)</strong></td>
<td><strong>£311m (100%)</strong></td>
</tr>
</tbody>
</table>

21. The NAO estimated the cost of proven offending to the youth justice system, including the costs of police, courts, offender management teams, and custody. On average, each young offender costs £8k per year to the criminal justice system. They also estimated that each of the most costly 10 per cent costs £29k per year. In total, the NAO estimated that in 2009 the cost to the economy of youth offending to be within £8.5-£11billion.

22. The YJB currently employs 222 staff (including 10 Board members) who are mainly based in MoJ’s headquarters in 102 Petty France, London. The SoS is responsible for appointing Board members.

23. The YJB has a key role in coordinating the youth justice system. Youth justice is a locally delivered system within a national framework that cuts across a number of government departments and in both England and Wales. Local government deliver services at the local level and national and local commissioners (NHS, Police and Crime Commissioners) also influence the direction of youth justice delivery.
Functions

24. This section of the report looks at the individual statutory functions of the YJB and their continuing need. It considers current and potential delivery structures for the functions of YJB before making recommendations about each grouping of functions, supported by evidence and analysis. In line with Cabinet Office guidance the table identifies all possible alternatives before a more in-depth analysis concludes which would be the most appropriate delivery model. However, the conclusion on the most appropriate delivery model for the future form is considered as a whole. The evidence we received was clear that many of the youth justice functions should be considered as a critical mass of expertise and in recognition that the Government has repeatedly and recently stated its commitment to maintain a distinct youth justice system. A small number of functions do not need to be delivered with the critical mass approach, and these are junior attendance centres and appointing STC Monitors. These functions have been assessed separately from the other grouped functions.

Functions of the YJB

25. The statutory functions of the YJB were set out in the call for evidence which was sent to key stakeholders and published on the MoJ’s website. It summarised and grouped the statutory powers into 12 key functions. During the course of the analysis it became clear that some functions naturally grouped together and led to the same conclusion. We have therefore grouped the functions as:

1. Oversight /Youth community
2. Secure accommodation
3. Effective practice
4. Additional functions

There were a small number of functions that we conclude do not need to be delivered as part of these core functions and as a result these have been considered separately. These are:

1A. Provide Junior Attendance Centres.
2A. Appointing Secure Training Centre (STC) Monitors

26. The YJB oversees the youth justice system in England and Wales but it should be noted that there are differences between England and Wales in this respect given the devolution of education and social services, the strong child and education focus in Wales and a different attitude to localism. The YJB Cymru works closely with the Welsh Government through the Wales Youth Justice Advisory Panel which oversees joint working at a strategic level. In December 2012 the Welsh Government issued a Green Paper to consider what more could be done to strengthen devolved services to better meet the needs of young people. The Welsh Government noted that the YJB has been “fundamental” in developing proposals, consulting stakeholders and analysing the responses. Arrangements between the YJB and the Welsh Government are underpinned by a Memorandum of Understanding signed in 2012 setting out relations and expectations. The experience and responses from
stakeholders in Wales was overwhelmingly more positive and with fewer concerns than those made by respondents in England. Furthermore, Welsh participants noted that concerns raised in England were not recognised in Wales.

27. Around half of the YJB’s functions derive from statutory powers which are held concurrently with the SoS. This means that either the YJB or the SoS can exercise the function. In practice, the SoS’s role in these areas is often carried out by NOMS. The review makes clear which body is currently exercising each function. In some cases, particularly around secure accommodation, the YJB and NOMS are both exercising the function for different parts of the youth justice system.

Outside of scope

28. The call for evidence noted that Government policy development was outside the scope of this review. Nevertheless, the review team did receive some responses which addressed Government policy. These comments are outside of the remit of this review and have not been included in the analysis.
Analysis of the YJB’s functions

1. Overview / Youth community

The YJB has an overarching duty to have regard to the principal aim of the youth justice system of preventing offending by children and young persons. The YJB exercises a coordinating role and aims to ensure that all elements of the youth justice system combine to support the principal aim. The YJB advises Ministers on the operation of the youth justice system and provides grants to Local Authorities (and other much smaller grants to other bodies) for the specific statutory purposes of developing good practice and commissioning research in YOTs.

Need for overarching coordination function

29. All respondents to the call for evidence commented on the overarching aim of the YJB and overwhelmingly supported the continuing need to have a central body, with a focus on youth justice, to carry out an oversight and coordination role. Common views were;

- That this enabled the body to focus on the specific needs of children and young people;
- It brought together a wide range of stakeholders, government bodies and agencies;
- It facilitated the balance between the welfare of children and justice;
- That the risk of less coordination would result in reduced efficiency, thereby increasing costs and the disintegration of a system which worked to support young people.

Academic: A single body with overarching responsibility for youth justice is needed to consolidate the approaches of different Departments and bring direction to the system. Prior to 1998, diverse departmental objectives led to fundamental conflicts in policies aimed to tackle youth offending and social exclusion. This led to a system which was fundamentally confusing for both practitioners and the young people subject to it.

Local Government Association: Responsibility for policy and the strategic direction of youth justice lies with the MoJ. Monitoring the strategic national impact of policy is a central function whether by the department or YJB is less important than that it is done well. Monitoring the implementation of policy is best done in a less centralised manner. Those responsible for implementation should, as far as possible, be empowered to undertake their own review and plan their own improvement. The central role should be to produce a strategic national framework for local organisations to work within.

Catch 22: We see a continuing need for a discrete child and youth focused body to oversee the youth justice system in England and Wales. An independent overseeing body is vital to achieving the efficiencies identified by the government, further reduction of first time entrants, entrenchment of the recently published Transitions Framework and supporting implementation of changes outlined in the Legal Aid, Sentencing and Punishment of Offenders Bill. It is also well positioned to usefully promote different delivery models picking up the government’s Open Services agenda and promoting different delivery models that involve the voluntary and community sector.
**Magistrates Association:** The coordinating role of the YJB is invaluable to the efficient working of the youth justice system in England and Wales. The youth justice system is inevitably complex and inter-dependent and magistrates need to be included in all discussions.

**Regional and local landscape**

30. There has been a change in the youth justice landscape since the YJB was established. More decisions affecting youth justice are made and driven at a local level, and the introduction of Police and Crime Commissioners means fewer funding decisions will be made centrally. More recent developments such as the extension of ‘Looked After’ child status to children remanded securely under LASPO will also impact on the number of levers that the YJB has to influence the youth justice system. A few respondents felt that this has resulted in the YJB being less able to influence the direction of youth justice services locally nevertheless they still called for a body which had an oversight and monitoring function to be retained.

31. There were calls from five respondents to place a stronger emphasis on developing the YJB’s capacity at a regional level, in line with previous years where the YJB had regional officers able to advise local YOTs and secure establishments. The financial climate and direction from Government to increase local accountability, rather than central direction, would indicate that it may not be possible, or even desirable, to revert the YJB’s regional oversight to previous levels. However, we recognise the calls from Her Majesty’s Inspectorate of Probation that the context in London is different to other parts of England due to the larger scale, density of population and ease of movement between LA boundaries and called for the need for a coordinated and clearly led response across London and cooperation across borough boundaries. London has 32 boroughs, in 2011/12, 9,542 young people were being supervised by YOTs and 591 children and young people were in custody. There is a strong argument for the YJB to apply the coordination and governance which clearly works well in Wales, whilst noting the differences that arise due to the devolution settlement and its impact on the youth justice system. We welcome the progress that the YJB has made over the past year to improve coordination between youth justice agencies in London but, recognising the concerns of HMIP, we recommend that the YJB assesses whether a similar Youth Justice Advisory Panel (similar to that in Wales) to bring together all partners in London would enable the youth justice system to deliver a better coordinated and cost efficient service in response to the issues within London. [5]

**Advising Ministers**

32. The YJB provides advice to Ministers of an operational nature and are the bridge with the youth justice sector. MoJ officials provide advice to Ministers on the strategic direction of that system, to fulfil the SoS’s role in respect of youth justice. The relationship between the YJB and the MoJ policy unit will be considered in Stage Two of the review.

**Monitoring the performance of YOTs**

33. This review does not include an assessment of YOTs, but the role of the YJB regarding YOTs – as the central local provider of youth justice - is a critical one, and the YJB does have a statutory function to monitor the provision of youth justice.
services, including the performance of YOTs. In 2010, following Ministerial direction to increase local accountability, the YJB decreased their level of oversight of YOTs (from 12 indicators to three indicators), focusing on sector-led improvement rather than central prescription. This has resulted in an active and positive “peer review” network across many YOTs. We note that the Justice Select Committee (JSC) supports the trend towards a less prescriptive approach to YOTs. However, there were mixed views from respondents about the extent to which the YJB can now monitor YOTs effectively and can provide support to them both to improve performance and to share good practice. Five respondents considered that the former closer monitoring arrangements had enabled YJB officials to build up regional expertise and knowledge. Other respondents considered that the YJB still requested too much information which takes time away from working with young people.

**Academic:** Most importantly, the monitoring function has allowed for the development of a regional structure. An important role of regional teams is to offer support and input to YOTs. This support is only enabled through the monitoring function.

**Individual:** I do not think the YJB has ever been a particularly effective oversight body in terms of youth offending team practice: at best it has been the progenitor of a more or less consistent framework and general practice, but it has not had a notable record in stimulating innovative practice and partnerships between the voluntary, local state and commercial sectors.

**ACPO Children and Young People Portfolio:** The YJB also perform a key role in managing and coordinating the work of Youth Offending Teams around the country. Assuming the continued existence of YOTs, this oversight will continue to be required.

**Enver Soloman, Chair of Standing Committee for Youth Justice:** There is nobody systematically at the centre trying to capture in a meaningful way the changing makeup and structure of YOTs. [June 2012]

34. There was agreement from respondents and previous evidence that this function is needed and that it was one of the ‘core’ functions of the YJB. One respondent called for the monitoring of YOTs to be devolved further to the local level, but others were concerned that increased local flexibility was leading to poor value for money because YOTs could not learn from each other about which interventions work. On balance, it would appear that the current level of monitoring makes it difficult for the YJB to intervene in poor performing YOTs or to be made aware early on of when a YOT might become poor performing. The current approach relies on the voluntary willingness of a YOT to improve. The YJB provided case studies illustrating that YOT Management Boards or LAs are not required to take action to improve a YOTs performance, and in a small number of cases they have not been cooperative.

**Youth justice good practice grant for YOTs**

35. The YJB has the power to make grants to local authorities or other bodies to develop good practice and commission research. Ring-fencing of specific activities was removed in 2011/12 in line with the Government’s approach to local authority funding and the grant to YOTs is now provided in a lump sum. It represents on average a third of a YOTs funding.

36. The NAO advises that grants are subject to a more detailed level of control than grant-in-aid and are given to support the provision of specific services. More than 12 years after YOTs were created the YJB acknowledges that it is becoming
increasingly difficult to distinguish between the activities of a YOT which can be interpreted as developing good practice, in a narrow sense, and those which fall more generally within the day to day activities of a YOT. This, coupled with the reduced monitoring of YOTs, makes it increasingly difficult for the YJB to be able to effectively monitor the performance of YOTs. Those respondents that commented on this function were supportive of improvements to be made in ensuring value for money in how the grant was used for youth justice purposes.

**Local Government Association:** These grants can either be directly made by the MoJ or YJB or allocated through a more formulaic approach. In time grants for local authority funding could be embedded to provide greater sustainability, coherence and less turbulence.

**YOT Managers Cymru:** The issue of grants needs to focus on assisting the youth justice system to sustain and improve upon the reductions so far achieved in reducing the numbers of young people entering the criminal justice system and to develop responses to those with more entrenched behaviour. In short it needs to support and assist the youth justice system in developing its successes and services.

37. The Government remains supportive of sector-led improvement and the desire to reduce local authority burdens. However a balance needs to be struck between an increase in local accountability and the need to satisfy the grant payer that the grant is being spent for the purposes intended and ensuring value for money from the public purse. We consider that the grant as is currently provided does not meet these aims and there was evidence from respondents and at the roundtable supporting this position.

**Vice-Chair of the Association of YOT Managers:** There is a danger there…… where the youth justice grant is seen as children’s services or local authority money, not the partnership or the criminal justice side. They think this money can prop up cuts in the youth service or elsewhere…..If the funding does not come with some very specific requirements, there is a danger that it gets assimilated into the bigger pot and then locally who has the power gets the money. That is not necessarily a youth offending service or a youth justice partnership. [Justice Select Committee, 11 October 2011]

**MOPAC:** Current funding is disparate, provided from different sources and for different priorities. The funding is not outcome driven but focuses more on processes.

**PCCs Wales:** The Commissioners would support an in depth funding review to ensure that all the functions are delivered in the most cost effective manner and to identify where cost efficiency savings could be made.

**Welsh Government:** The WG’s Safer Communities Fund has supported projects aimed at diverting young people away from crime and anti-social behaviour since around 2004 - this year (2012-13) distributing approximately £4.5m to Community and Safety Partnerships. YJB Cymru plays an integral part in the effective utilisation of SCF, ensuring that the funding dovetails with projects which they are supporting to avoid duplication and helping to ensure that resources are maximised.

38. Of those respondents who commented on the grant, none recommended that the status quo be maintained. We consider that a full payment by results system for the grant may be difficult to implement and overly burdensome on a YOT, requiring them to report on what may be a small number of young people being supervised. We also consider that removing the limitations on the purposes of the YJBs grant to
YOTs would not address the concern that the funds are not being used to improve performance in YOTs or increase understanding of how the funds have been used. Whilst the current purpose of the grant may now be outdated, we recognise that the YJB needs to provide a grant to YOTs to improve performance and develop good practice. **We therefore recommend that the purposes of the grant provided to Local Authorities for YOTs be amended in order to link the grant to the monitoring of YOTs and specific measurable outcomes.** [1] This is likely to require amendment of s.41(5)(g) of the 1998 Act. We note that the development of the specific outcomes will be considered within the Transforming Youth Custody programme but that they may include meeting the standards set out in the National Standards in Youth Justice, April 2013 (already a YJB power), as well as more specific policy outcomes. The development of these specific indicators will need to take into account the devolved services and specific outcomes in Wales.

39. We have assessed whether this is a new burden for LAs. This grant is existing funding to LAs and the purpose for amending the grant would be to ensure a more robust audit of spends. We do not consider that this meets the threshold of a new burden and note that although additional reporting may be required, some of the existing reporting requirements may not be needed in future. **We recommend revising the terms and conditions of the grant to LAs for YOTs, to set out clearly what information is required and at which points in the year, to satisfy the terms of the grant and to standardise the annual youth justice plan of each YOT.** The plan should clearly set out how the grant will be spent and against which measurable outcomes. [2] Cooperation between the LA and the administrator of the grant and oversight function would be expected to drive improvements in performance. The terms and conditions, and the outcomes will need to take into account the devolved indicators used in Wales.

**Delivery options**

<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate?</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Maintain the status quo (NDPB – using the three tests) | Yes          | • Technical expertise: Some evidence. Board members provide national expertise in youth justice issues and are able to ability to influence stakeholders, LAs and all government departments. YJB staff are recruited from the “front line” to provide expertise and enable the body to act as a specialist in youth justice.  
• The function of monitoring YOTs benefits from external expertise to analyse the information collated. It is also an operational matter not requiring Ministerial decisions or day-to-day involvement. Making grants to LAs for YOTs is not a technical function and does not require distance from Ministers.  
• Delivered independently from Ministers: Little evidence. The YJB’s business and corporate plan are agreed with Ministers and in line with the MoJ’s strategic direction. Respondents were keen that the monitoring of YOTs remains with an NDPB to have a certain distance from Ministers and help build relations with and between LA partners.  
• Political impartiality: Little evidence. Advice provided |
<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate?</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Bring inside Government department (MoJ)   | Yes          | • Respondents felt the focus on prevention may reduce if within the justice department and that other government departments may consider youth justice to be the sole responsibility of MoJ.  
• In discussions during the parliamentary passage of the Public Bodies Bill, a distinct Youth Justice Division was going to be established to ensure a separation from the adult system.  
• Given the significant financial sum of the YOT grant, moving the distribution of the grant closer to Ministers would permit for closer financial oversight of how the funds are spent. |
| Move to the local or voluntary or private sector | No           | • The body would not be accountable to Ministers. In the private sector there may be a conflict of interest in order to increase profit. An impartial body is necessary.  
• There needs to be a separation between the provider (YJB) and the receiver (LA) of the grant provided to LAs for YOTs. |
| Move to an executive agency                | Yes          | • This would still enable accountability to Ministers.  
• Lack of a Board would reduce the expertise, central to the added value of the YJB, but an advisory board could be established.  
• This model would permit for closer financial oversight of the grant provided to LAs for YOTs, whilst ensuring the monitoring function remains at arm’s length from Government. |
| Merge with another body                    | No           | • There is no other appropriate or compatible body with the YJB to merge with for this to provide any benefits.  
• No respondents or previous evidence has suggested that this is a viable option. |
1A. Provide Junior Attendance Centres

To provide for Junior Attendance Centres (JACs) and determine who is allowed to be present at a JAC. The YJB has a concurrent power with the SoS to provide this function. NOMS currently exercises this power on behalf of the SoS; distributing the funding and with NOMS staff on the ground providing the service. The YJB currently has no role in relation to this function.

**Need for function**

40. These centres are available for offenders under-18 who receive an attendance centre requirement as part of a Youth Rehabilitation Order (or its predecessor community orders) or for fine defaulters. They are also available as a sentence in their own right and are intended to help prevent the escalation of more serious offending by providing rehabilitative and reparative programmes, cognitive behaviour and life skills courses.

**YOT Managers Cymru:** Attendance Centres are not widely enough available as a sentencing option. [We] would like to see an expansion rather than contraction of this option. These centres could be used for bail purposes as bail supervision and support option….They could also play a significant role in conditional cautions at one level and with Intensive Supervision and Surveillance (ISS) on another. They are a diversionary option and should not be lost and should be brought under the control of the YJB.

41. Only three respondents commented on this function; all considered the Centres should remain. In 2011/12, 7,051 JAC requirements were made for young people to attend and there are 84 JACs in England and Wales. However there are 158 YOTs meaning that some courts cannot use JACs as a disposal where there is no access to one in the locality. YOTs have therefore used their own facilities for the purposes of supervision. There has been no recent research conducted into the benefits or cost effectiveness of these attendance centres, but the Hedra Report in 2007, noted that JACs were not cost effective, describing them as being under utilised.

42. Anecdotally we heard that some JACs still remain significantly under-utilised, some with fewer than 10 young people a month attending. By comparison 66,430 young people were supervised by YOTs 2011/12. Fixed staffing and rental costs provide poor per head value for money and there is little consistency in the standard of accommodation rented or links with the local YOT. There is no data collection to determine how effective these centres are on reducing reoffending, data collection itself is challenging, as the services provided in each centre vary. NOMS collates minimal data on attendance rates and provides JACs at an estimated cost of £2.85 million for 2012/13. This is a fixed overall cost irrespective of the number of Centres in operation and based on historical figures.

43. Although we do not have any evidence or data which supports the effectiveness of JACs we note that the Centres are still seen as adding value to the youth justice system and where they are working well they provide a disciplined and constructive

---

11. Are Junior Attendance Centres cost effective and can examples of good practice be identified? Hendra, 2007.
intervention. We conclude that for the time-being this function should continue but cannot be assured that the centres themselves represent value for money. We further note that the YJB has not included JACs in their work to identify or share effective practice, although they are a community disposal and would benefit from being considered as part of the YJB’s ongoing work to share good practice in the youth justice community setting.

**Delivery models**

<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate?</th>
<th>Comments</th>
</tr>
</thead>
</table>
| NDPB – using the three tests           | No           | • Technical expertise: This function is not a technical function requiring external expertise to provide the JACs. The running of these centres is not included within this function.  
 • Delivered independently from Ministers: There is no evidence to suggest that this function requires distance from Ministers.  
 • Political impartiality: There doesn’t seem to be a need to establish facts independently of Ministers in order to provide JACs |
| Bring inside Government department (MoJ) | Yes          | • NOMS are already exercising this power on behalf of the SoS and the YJB has had no involvement to date.  
 • NOMS are currently looking at moving this function on the basis that this function should be provided outside of the adult system where Senior Attendance centres will be competed as part of the rehabilitation programme. |
| Move to the local or voluntary or private sector | Yes          | • The Local Government Association considers that local councils could commission attendance centres and manage them.  
 • LAs have a statutory responsibility to deliver youth justice services locally. Where there are no JACs and LAs had no access to a JAC, YOTS already provided similar services.  
 • The delivery of JACs does not require central oversight from Government. |
| Move to an executive agency            | Yes          | • NOMS (an Executive Agency) currently exercises the SoS’s powers in respect of JACs. Therefore a similar agency could execute this function. |
| Merge with another body                | No           | • No comparable body has been identified.                                                                                                                                                         |
| The use of mutuals                    | No           | • Mutuals organisations that have spun out of the public sector, continuing to deliver public services and involving a high degree of employee control.  
 • Higher level of employee involvement may result in increased motivation to improve outcomes of the mutual. |
The Department is still likely to be paying for the service and therefore unlikely to save costs.

Due to the low number of young people in JACs this would not provide a viable profitable or business option.

Local Government Association: Local councils should commission attendance centres, including if necessary directly managing them.

Future Form

44. We do not consider that this function needs to be delivered as part of the critical mass approach, considered in the form and conclusion section below. The delivery of JACs is a local service which does not require the same level of central oversight of government or connection to the other functions considered in this report. Oversight and delivery by LAs may improve performance and value for money if seen as part of the overall youth services in the area. We also consider that the movement of this function to LAs would enable closer working with the YOT to reduce duplication between the two, in cases where both exist in the same area. Where a JAC exists in their area, we recommend that the function of providing and running Junior Attendance Centres should be carried out by the local authority on the basis of arrangements with the SoS or the YJB. We note that local authorities are best placed to decide whether such a centre in their area is still required. [3]

45. We recommend that the YJB carries out a piece of work to measure the effectiveness of Junior Attendance Centres so that an informed assessment can be made into the long term future of the Centres now that YOTs are embedded in the community setting. [4]

2. Secure accommodation

The YJB has the power to plan and provide accommodation for the under-18 secure estate and to determine in which type of youth detention accommodation a child should be placed when sentenced or remanded to custody. They also make secure escort arrangements, certify escort custody officers and appoint escort monitors as well as approving other functions. The majority of the powers under these functions are concurrent with the SoS and some require explicit approval from the SoS.

Many of these functions are shared between the YJB (for Secure Children's Homes (SCH) and STCs) and NOMS (for YOIs). NOMS delivers many of the functions relating to YOIs including the secure escort contract, appointing YOI Controllers and running and contracting out functions for public YOIs.
Secure accommodation

46. It is fundamental to have an under-18 secure estate that meets the needs of children and young people, aligns with demand (in terms of numbers) and satisfies broader policy aims. The SoS maintains a role in setting and directing the strategy for the under-18 secure estate as highlighted by the recent Transforming Youth Custody programme. Although we do not recommend any legislative changes to these functions, Stage Two should explore the governance around the role and input of the YJB in carrying out their statutory responsibilities in relation to secure accommodation (and the MoJ) in relation to this function to better clarify responsibilities, accountability and reduce duplication in an attempt to increase efficiency.

47. The provision of public STCs and YOIs (with one exception) is undertaken by the MoJ (i.e. owned by the SoS). This ensures that all SoS property is centrally managed to make efficiencies and decisions where appropriate according to a national picture via the MoJ Estates Team. Decommissioning is a particularly difficult area, and one which the YJB have approached with extreme caution due to the associated complexities, which was recognised explicitly by roundtable attendees. As of April 2013, there were around 700 vacancies in the youth secure estate. Processes relating to decommissioning need to be improved to better acknowledge and realise how decisions made in the youth secure estate have a significant impact on the wider MoJ family, and vice versa, as well as impacting on the Department of Education given their role in SCHs. A recent example of a decommissioning decision that incurred costs for other parts of the MoJ is unsustainable and unacceptable in this financial environment. Recognising that the current situation is untenable, that the population in custody has declined and there are fewer resources; we recommend establishing a formal decommissioning process across the MoJ and its ALBs – during Stage Two - to ensure the whole of the Department’s interests are taken into account in decommissioning decisions. [6]

Magistrates Association: Magistrates need to know that when they have passed a custodial sentence, the child or young person will be detained in a suitable placement taking all relevant factors into account, not least their safety. If this function were not available, placements could often be very inappropriate, with disastrous consequences.

National Children’s Bureau: It is crucial that the commissioning within the secure estate is not integrated with that for the adult estate; the Government should be working towards a completely separate children and young people’s secure estate that is able to meet all the needs of vulnerable and damaged children, as well as protect the public.

NOMS: Previously decommissioning decisions from the YJB could have been absorbed by NOMS. However, due to the financial pressures and impacts on staff, this is not as straightforward anymore… there have been significant improvements for young people in the secure estate but there is always room for further improvement.

YOT Managers Cymru: In terms of the secure estate the YJB have done a good job in managing the secure estate and ensuring there is a mixed balance of places across Wales and England. It is important that there is a single agency oversight over the placements and the location for the young people.

48. It is clear that contracting, contract management and facilitating the arrangements and agreements with providers of accommodation are important elements that help to ensure young people in custody remain safe and work towards addressing their
offending behaviour. The YJB perform the day to day management of these contracts and the evidence highlights the general improvements to secure accommodation that have been delivered over the last decade. We consider that no legislative amendments to this function are required. However, we recommend that Stage Two considers how the YJB can best benefit from the central expertise in MoJ procurement when managing contracts and that both organisations can learn from each other.

**Placements**

49. Around a third of respondents commented on the placements function noting its importance in considering the welfare and safeguarding of young people to be detained in custody. We did not receive any evidence to suggest that the YJB needs additional powers to fulfil this function. Only one respondent considered that the function should be delivered at a local level. The remainder supported delivery at a national level to effectively manage the estate across England and Wales, as well as building up expertise in placing young people.

**G4S:** The YJB needs to ensure it has a ‘distinctive identity’ and ensures that children and young people are seen as ‘separate’ from adults. The reputational risk for Government in dealing with children in custody is better safeguarded by a strong and independent YJB.

**YOT Managers Association:** …the [forthcoming] transfer of remand budgets to Local Authorities means that LAs will want to influence such placements and the YJB are best placed to develop this building on existing relationships with LA Children’s Services Depts.

**Magistrate’s Association:** Magistrates need to be reassured that appropriate arrangements are in place and those children are safe [for secure escorts].

**HMI Prisons:** HMIP supports the YJB’s placement function and believes that it has a crucial role to play in ensuring that children and young people are appropriately placed to receive care and support in custody. The YJB’s Placement and Casework Service has developed significant expertise and should continue in its role.

50. There was also a strong sense from the providers who attended the roundtable event that placement decisions should be subject to ongoing review; taking on board advice from individual establishments (as well as YOTs) about the needs of young people in their care, potentially leading to moving young people around the under-18 secure estate based on their needs which requires input from agencies outside the YJB. There were also mixed views regarding the expertise and knowledge of the Placements Team with two roundtable attendees suggesting that the Placements Team needed to improve their knowledge of establishments’ initiative and programmes to improve outcomes for young people. The placing of young people in custody is an extremely complex process requiring the consideration and balancing of various factors (such as distance from home, vulnerabilities of young people and stability of placements decisions) which the YJB has been largely successful in delivering, and for which it deserves credit. However we also acknowledge that these points, although expressed by a minority, are also important. Therefore we suggest that the YJB ‘Principles of Placement’ document is updated to take into consideration these points.
Secure escorts

51. Four respondents commented on this function. Before secure escorts were introduced, escort arrangements were described as unsatisfactory and regular instances occurred where young people absconded due to lack of supervision, which has now significantly reduced. Two contracts are held: one for STCs and SCHs (held by the YJB with Serco) and one for YOIs (held by NOMS Prisoner Escort Contract Services). HMI Prisons raised concerns about the escorting of young people to under-18 YOIs alongside adults (PECS). When this occurs, specially approved compartmentalised vehicles are used to ensure their safety and separation. There are no contractual targets for recording travelling time per person under the PECS provision and adults have been at times sometimes prioritised over young people as youth establishments will accept arrivals throughout the night rather than allow a young person to be held in police detention. This can result in young people not reaching their destination as quickly as possible. **We recommend that the YJB Service Level Agreement should require NOMS PECS to record the travel times for young people being securely escorted and that, based on the data received, consideration should be given to introducing maximum target travel times for young people being escorted.** [7]

52. The average cost for each young person’s move under PECS to YOIs was £160 (12/13). NOMS has made significant savings in renegotiating the PECS contract. The YJB has recently awarded a new contract, in operation since August 2012, therefore a full year’s data cannot be provided. Between September 2012 and March 2013, the average cost for each young person’s move to SCHs and STCs was £509.12 We appreciate that the two contracts represent a different level of service and account for different population types and the economies of scale under the PECS contract which also cater for the adult population. However, we consider there to be merit in assessing whether further benefits and value for money could be made in renegotiating one separate contract to transport young people (under-18s only) to SCHs, STCs and YOIs and the other for adults. We note that both contracts have only recently been retendered but we recognise that the Transforming Youth Custody programme may transform the secure estate opening this up for further review. **We recommend that as part of the Transforming Youth Custody programme, and before the review of contracts in August 2016, it will be important to give serious consideration to having one contract to provide escort services for transporting young people in the under-18 secure estate.** [8]

Delivery Options

<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain the status quo (NDPB – using the three tests)</td>
<td>Yes</td>
<td>• Technical expertise: Little evidence. However, legal, financial and procurement expertise is needed and in addition, staff within the Secure Accommodation Division of the YJB seem to be taken from a range of</td>
</tr>
</tbody>
</table>

---

12 The YJB advises that the contract price varies year on year (based on a learning curve rate). The numbers escorted may also not represent an average seven month period given that there are well known seasonal variances in sentencing trends and based on the fact that remand journeys were included from December 2012. Therefore the calculation does not give an accurate average price per young person escorted.
<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate?</th>
<th>Comments</th>
</tr>
</thead>
</table>
| disciplines including front line practitioners. Some respondents to the MoJ Public Bodies Bill Consultation proposed that the placement function is the main ‘technical’ function of the YJB. |              | • Delivered independently from Ministers: Little evidence. Some respondents considered placements decisions need to be exercised at a distance from Ministers to ensure that the needs of young people are the forefront of decisions. However, all functions are exercised concurrently with the SoS and so it would be difficult to argue that they need to be provided independently of Ministers.  
• Political impartiality: Some evidence. Arguably, placements decisions need to be made impartially to political considerations to prioritise the best interests and welfare of the young person being placed. However, it should be noted that there is already a power for the SoS to direct placement decisions. |
|Bring inside Government department (MoJ)             | Yes          | • These powers, in theory and often in practice, can be exercised by the SoS. As a number of the decisions made by the YJB are in practice approved, or at the very least noted, by the Ministers, there may not be the need for independence to the YJBs role.  
• Decommissioning decisions affect wider parts of MoJ. Therefore, this process cannot be undertaken at a distance from Ministers who will ultimately make the decision based on recommendations.  
• As the three year plan of the YJB is approved by the SoS and the last one was jointly published with the MoJ, this again suggests a lack of the need for independence from Ministers.  
• Although cost recovery (where a child has been remanded to youth detention accommodation) from the LA is being undertaken by the YJB, funding arrangements are being carried out by the MoJ. This may raise questions around the need for an NDPB to deliver this element at all. |
|Move to the local or voluntary or private sector     | No           | • The commissioning of the secure estate needs to be managed centrally (some evidence supporting this) in order to ensure that there continues to be Ministerial accountability for young people in custody. Therefore it would be inappropriate to deliver this function or the placement of young people locally.  
• There may be a potential conflict of interest with the private sector advising on how the under-18 secure estate should be commissioned and run, where this may result in an increase of private sector profits. |
<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>- It is important to retain central control of these functions in order to help ensure that placement decisions are made in the best interests of the child (rather than driven by financial considerations). Most local areas do not have access to all types of under-18 secure establishments so decisions may not be based on need, but on what establishment is geographically available.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Delivery by voluntary sector is inappropriate as Government needs to centrally maintain the required standards of service and retain close accountability to this function due to the potential implications of inappropriate placement decisions.</td>
</tr>
<tr>
<td>Create an executive agency</td>
<td>Yes</td>
<td>- Arguably a degree of independence from Government and Ministers will ensure that decisions and strategic direction is driven solely by the needs of young people.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- However, in practice, it is impossible for the decisions made by the YJB to not be influenced by Ministers, Government policy or external factors.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Executive agencies typically deliver a service and mainly carry out executive functions, with policy set by Ministers. This largely reflects how the YJB performs some of their functions under this section. However, there are areas where the YJB do develop strategy (i.e. three year plan) and policy (operational in nature). This suggests an Executive Agency could carry out these functions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Most NDPBs require a greater degree of independence due to their role as a regulator. However, these functions involve operational management which could potentially be delivered in an Executive Agency model.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Placement decisions for the adult estate are exercised by an executive agency and there has been no reporting of issues with this model.</td>
</tr>
<tr>
<td>Merge with another body</td>
<td>No</td>
<td>- NOMS undertakes similar commissioning functions for the adult estate and also exercises a number of powers held concurrently with the YJB. NOMS expertise focuses on managing risks of older groups and not children and young people. The Government response to the Public Bodies Bill made clear that the Government had no intention of moving this function to NOMS. Therefore merging with NOMS would be inappropriate.</td>
</tr>
</tbody>
</table>
2A. STC Monitors/YOI Controllers and additional powers in the secure estate

Since publishing the interim Stage One report in July, there has been further decommissioning within the youth secure estate. This, coupled with action that the YJB has taken to separate out the roles of the STC monitors and the monitoring of YOIs and SCHs, has led the review to revisit the initial recommendation and clarify this. Our assessment is that an amended recommendation is appropriate.

The YJB has the power to appoint monitors in private Secure Training Centres and receive reports from those persons regarding the operation of those establishments and investigations they may carry out. This is a concurrent power. NOMS performs the same function with regard to appointing YOI Controllers. There are a number of additional powers relating to private STCs and YOIs regarding approval, authorisation or certification matters which in practice are carried out by STC Monitors or YOI Controllers in line with legislative requirements.

53. Six respondents provided evidence about monitors and five about the additional powers in the secure estate.

Monitoring of Secure Training Centres

54. None of the respondents suggested that this function was no longer necessary although one commented that there should be a more streamlined approach to monitoring and inspections as there can sometimes be duplication and confusion. The YJB states that monitoring is risk led to avoid duplication of functions between the Director of an establishment and the Monitor.

55. A number of organisations carry out inspection and safeguarding roles within STCs and there are also plans to extend the role of the Prisons and Probation Ombudsman to cover STCs. However none of these organisations have a day-to-day presence within establishments, and would not carry out a contract monitoring role. We conclude that this function is still required as Monitors and Controllers perform a valuable function both in terms of ensuring State accountability for the safeguarding and treatment of young people and ensuring contract compliance. One respondent noted that the current system of monitoring is not sufficiently independent, however the legislation states that the monitor acts on behalf of the SoS to assure him/her of the provisions within privately run establishments. We do not consider that STC monitors need to be delivered independently of government, but must be delivered independently of the secure establishment being monitored.

G4S: There can be on occasions when there is confusion in roles or responsibilities and therefore duplication which can lead to confusion. The Secure Estate is over regulated and a more streamlined approach to monitoring, contract management, role of inspection, advocacy and Local Authorities responsibilities with relation to safeguarding if better defined should enable better value for money.

Howard League for Penal Reform: Where things go seriously wrong, the YJB must ensure that there is a clear mechanism for an independent review. In the case of children whose lives are at risk or who or are subjected to unlawful restraints or other inhuman treatment, this is a requirement in accordance with the requirements of Articles 2 and 3 of the European Convention on Human Rights (ECHR). For STCs, the current monitor based review system is not transparent, user friendly or independent.
56. It appears that, over time, the statutory role of the STC Monitor has become conflated with the other work that the YJB performs as part of its general duty to monitor the youth justice system and the provision of those services. For example the YJB deploys staff in YOIs and SCHs referred to as monitors in addition to the statutory monitors in STCs. The YJB states that this is done on an assurance basis to ensure that establishments are acting in accordance with specifications, guidelines and legislation. However, the assurance activities for YOIs and SCHs do not have the same statutory underpinning as the functions of an STC Monitor. For example, STC Monitors have a statutory role in relation to investigating complaints in STCs whereas young people in SCHs and YOIs have internal complaints systems and external routes of appeal that do not involve the STC Monitor. There are a number of other bodies that act to safeguard young people in SCHs and YOIs, as well as STCs, such as Local Safeguarding Children’s Boards, advocacy providers, HM Inspectorate of Prisons, Independent Monitoring Boards and Ofsted.

57. Roundtable attendees felt that YJB’s monitoring activities could be reduced and we note that this is what has happened in respect of SCH and YOI assurance during 2013. This is partly in response to decommissioning but also recognition that there are other bodies that have monitoring responsibilities in relation to these sectors. For example, in addition to inspectorates, NOMS monitors performance of its YOIs and local authorities provide assurance on SCHs they run. We recognise the YJB needs to be able to use its resource flexibly to respond to emerging risks or serious incidents. Clear functions and accountabilities should ensure safeguarding issues are appropriately managed.

58. We note that the YJB has a duty to monitor the operation of the youth justice system generally including the secure estate and to monitor the performance of agreements, but further that there are specific functions conferred on STC monitors. We recommend that the roles and responsibilities of YJB’s monitoring functions are more clearly set out to distinguish between the specific statutory responsibilities of the STC Monitor and the activities undertaken with respect to SCHs and YOIs. Furthermore, that the frequency and level of monitoring of SCHs and YOIs is kept under review in light of need. [9]. This will ensure the most efficient use of resources while also maintaining the critical oversight required to ensure safeguarding standards are met.

**HMI Prisons:** YJB Monitors have provided valuable information which has helped to inform our inspections of specific establishments. HMI Prisons supports the important role that Monitors play in monitoring restraint in STCs.

**Other accommodation functions within the secure estate**

59. Roundtable attendees generally considered that some of the functions and approvals should sit with the establishments themselves. However others were of the opinion that these functions were important to safeguard young people. In practice, the legislative requirements are fulfilled through contracts with YOIs or STCs and the STC Monitor or YOI Controller monitors performance against these requirements.

60. The YJB are seeking to give more flexibility to STC Directors. Amendment should be made following the outcome of the future configuration of the Transforming Youth Custody Programme.
Local Government Association: These details should be determined in the contract applying to such institutions – whoever commissions it - and within a national operational framework which also is used by national inspectorates.

HMI Prisons: The other functions listed are essential to the proper treatment and conditions of children and young people and must be accountable and decided or authorised on a consistent national basis.

Prison Reform Trust: We would resist any attempt to revise the way those functions pertaining to the secure estate (specifically functions F-J) are delivered, and would not support bringing them in-house [to the MoJ] or their delivery by an Executive Agency [specifically NOMS]. These functions are best delivered by a body which is arms-length from central government, but retains public accountability.

61. Since the introduction of controllers and monitors a number of functions of controllers have been transferred to YOI Directors. The on-going Transforming Youth Custody programme provides the opportunity to clarify if all the functions as set out in secondary legislation remain practical and effective. We recommend that, following the outcome of the Transforming Youth Custody Programme, the MoJ reviews the functions relating to the youth secure estate and the level of provision of monitors, to ensure that these provisions are suitable and proportionate for the future configuration of the secure estate, including the contracting of accommodation and services for the new configuration. [10]

### Delivery options

<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Maintain the status quo (NDPB – using the three tests) | Yes         | • Technical expertise: Some evidence. The appointment is not a technical function. However the receipt of reports and making decisions based on those reports is arguably a technical function.  
• Independence: No evidence. The purpose of STC Monitors and YOI Controllers is to report to the SoS and does not need to be exercised independently of Ministers.  
• Impartial to Ministers: Some evidence. Arguably the way in which monitors and controllers exercise their functions should be impartial to Ministers.  
• The other secure estate functions do not require the establishment of independent facts and figures, nor do they need to be exercised independently of Ministers. |
| Bring inside Government department (MoJ)          | Yes         | • Monitors and Controllers are Crown Servants and the function is exercisable concurrently with the SoS.  
• The aim is to monitor the operation of private establishments on behalf of the SoS. STC Monitors are not intended to be independent of the MoJ.  
• NOMS appoints YOI Controllers but does not have involvement with STCs and is mainly responsible for the adult estate so it may not be appropriate for them to carry out these functions in STCs. |
### Delivery model

<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate</th>
<th>Comments</th>
</tr>
</thead>
</table>
| Move to the local or voluntary or private sector | No          | • No respondents recommended these delivery models, although one considered that local councils should be involved in the process.  
• It would not be appropriate to move these functions to the private sector. They are intended to act as a safeguard on private providers.  
• Monitoring requires national standards and reporting to a national body, rather than at a local level. |
| Move to an executive agency           | Yes         | • This function is exercised concurrently with the SoS so a new executive agency would be legally possible.  
• NOMS performs these functions in YOIs; a new executive agency could perform these functions in STCs. |
| Merge with another body               | No          | • No comparable body has been identified.                                                                                                  |

#### Future Form for appointing STC Monitors

62. STC Monitors and YOI Controllers are Crown Servants. We note that it is unusual for an NDPB to appoint Crown Servants, although in this case the YJB has the legal power to appoint. We have been unable to identify another NDPB which appoints Crown Servants on the same basis that the YJB does in respect of monitors.

63. Given the purpose of the Monitor is to act on behalf of the SoS rather than to operate at a distance from Ministers, we recommend that, following the outcome of the Transforming Youth Custody programme, the function of appointing Monitors for the newly configured youth secure estate should be carried out by the SoS. However, the organisation which has responsibility for contracting with private secure establishments, should receive reports from the Monitors and make use of them to clarify the contract and monitor safeguarding in private establishments.

### Effective Practice

**Publishing information, making known and promoting good practice and commissioning research in connection with good practice**

The YJB publishes information and guidance on the operation of the youth justice system and the provision of youth justice services. It also identifies and shares good practice specifically for the youth justice sector and both commissions research to support YJB objectives as well as assessing the effectiveness of YJB initiatives.

64. Around half of the respondents commented on each of these functions and the overwhelming view was that they are necessary for the proper operation of the youth justice system:

• None of the evidence stated that publishing information was not required;
A clear understanding of what works is necessary to enable practitioners to make informed decisions about which interventions to commission, particularly given the current financial climate;

- It is valuable to identify and fill the gaps in the existing knowledge base;
- The absence of this function would mean value-for-money was not being delivered.

**Publishing information and making known and promoting good practice**

65. There were some clear views that the ability to publish information centrally has led to a change in youth justice practice. The Magistrates Association outlined the importance of information relating to sentencing practices in court, which helps magistrates to have confidence in the interventions to be delivered if a young person is given a community sentence. Respondents agreed with the view that there should be a “dedicated organisation” to publish information for the youth justice system, but that that information needs to be useful for the sector.

66. The 2010 NAO survey of YOTs showed that 70% agreed that the guidance issued by the YJB matched their understanding of best practice. However, there were concerns that guidance could be too general and difficult to implement. Recognising that some of the evidence considered had been from earlier years, there remained a feeling amongst some respondents that the YJB was “data rich and knowledge poor”, with some practitioners questioning why so much data is collected, but so little known about “what works” in terms of interventions. We recommend that the YJB reviews the purpose for collecting data from practitioners and how it is then used to inform effective practice. [12]

67. It was noted in the evidence that a failure to deliver this function may result in a stagnant youth justice system. We are concerned, and it was raised in the evidence, that failure to properly assess and provide practitioners with information on “what works” could lead to poor value-for-money decisions being made if resources are not focused on promoting interventions which provide positive results. The evidence was mixed in terms of the YJBs performance of these functions. However there were some clear views, both from present respondents as well as the previous evidence, that there is room for significant improvement in how this is delivered as the success of the YJB in disseminating effective practice has been varied. This was overwhelmingly the view of roundtable attendees and was also one of the key recommendations for immediate action from the March 2013 Justice Select Committee report on the youth justice system.

68. The YJB notes that over the past 24 months they have transformed their delivery of the function of the identification and dissemination of effective practice. The YJB Effective Practice Framework is the process by which the YJB will annually consult the sector, identify need, gaps and promising practice, then conduct research, and disseminate and deliver good practice. The YJB also highlights its Effective Practice Library which involves classification of effective practice examples by a panel of academics. This clearly shows that the YJB have taken on board past recommendations and that they have worked hard to address many of the concerns which have been raised. However, as it has only been introduced recently it is too early to comment on the efficacy of the new framework. Given the vital nature of this function, particularly given the financial pressures which currently exist, it is important that this should be assessed at the earliest opportunity. We therefore recommend
that the YJB and MoJ jointly review this new approach via a canvas of YOTs and the secure estate and that this should take place within 12 months. [13]

69. A number of respondents praised the work of the YJB, particularly the respondents from Wales, where the YJB Cymru and Welsh Government have set up an Effective Practice Development Panel. Much of the previous evidence considered noted that the YJB had made or was planning improvements as well as noting that the YJB has provided the framework for a consistent national youth justice approach.

70. The development and publication of national standards were welcomed by respondents but there were some concerns that they were out of date and focused exclusively on the community. At time of consultation the current version dated from 2009 but the YJB has now published revised standards (April 2013). The YJB had piloted the new standards for the preceding 12 months although not all practitioners were aware of these. Without this function, there is a risk Ministers will not be properly informed about developments in the youth justice system across England and Wales, and that regional differences would increase, leading to inefficiencies across the system. We conclude that these standards are still required.

Magistrates Association: Magistrates find the information provided by the YJB to be of great benefit and it undoubtedly influences their sentencing decisions. Lack of such information would result in an increasingly stagnant youth justice system.

ACPO Cymru: The Youth Justice Board have been particular successful in their approach to the development of effective practice with the application of academic rigour.

British Society of Criminology: It is clearly important that practice is informed by robust evidence. We are aware that the YJB recognises the problem of rolling out practice without adequate research and very much support this stance. The revision of the Scaled Approach is a good example of where the YJB has used sound research to introduce policy changes.

The Howard League for Penal Reform: where an evidence base does exist such as the successes of multi-systemic therapy and intensive fostering, it has not been promoted successfully, or the support offered to local authorities to establish these as core disposals in their area. Conversely the use of electronic monitoring for children is not supported by evidence but appears to be used frequently and inconsistently. The foundations for success are there, the YJB should build on them.

Individual: What is required by the local authorities, PCCs, etc, is high quality guidance, of the sort that the YJB has never effectively provided, about how to form judgements about what services are required locally and how best to commission them.

NAO: YOTs and custodial establishments are largely free to decide the type and content of these interventions themselves. In practice, this means that different teams run different interventions…..Many of the examples of these interventions that we observed during fieldwork visits were interesting and innovative, but there is no system-wide quality control of these. ["The youth justice system in England and Wales,” 2010 report]
Commissioning research in connection with Effective Practice

71. Although respondents were clear that this function needs to continue, some strong concerns were raised regarding a lack of robust research into “what works”. Several respondents and previous reports made reference to a reduction in YJB research resources. In 2010 the YJB spent less that 0.5% of its budget on research in recent years. In 2011/12 spending on research in fact accounted for only 0.05% of total YJB expenditure.

72. Concerns were also raised in previous evidence over delays in the publication of research. However, the NAO report of 2010 noted that publication of some research had been delayed, however the same report recognised that the YJB had brought in new research staff, published some of the delayed research and developed stronger links with MoJ’s Youth Justice Analysis Programme (YJAP), within the Analytical Services Directorate which undertakes and commissions research and analysis to support the work of the MoJ. During 2010 to 2012, the YJB did not commission a new programme of research; instead they focused on clearing their back log of research. As a consequence of this approach 16 pieces of research were published during this period.

73. Respondents welcomed the improved links between YJB analysts and YJAP and it was suggested that the YJB should make greater use of the resources of MoJ. Since 2011 the YJB/MoJ Youth Justice Research Board which includes representation from analysts and policy from across the two organisations, has met quarterly with the aim of co-ordinating research and mitigating duplication. The YJB has also expressed an intention to work more closely with academics in the next year, which respondents also recommended. Respondents also praised the recent YJB collaboration with the Social Research Unit at Dartington. However, the general view of respondents in England was that there needs to be an improved evidence base for what works.

Justice Select Committee: We are disappointed that more progress has not been made. One of the main reasons in our view is a lack of hard data about which interventions work best to reduce reoffending. Money is tight but this makes it all the more important that we know how best to invest it. [March 2013]

Catch 22: The YJB has also had an important to play in commissioning and analysing research, disseminating evidenced based best practice across the country, effectively translating research into practice and acting as a conduit for new and innovative thinking on youth justice issues.

Magistrates Association: Magistrates are keen to learn the results of research commissioned by the YJB. It undoubtedly influences their sentencing practices.

Communication Trust: In order to intervene early it is crucial that the YJB undertakes further research around screening to identify young people at sufficient risk of SLCN to support preventative intervention delivered by staff in front-line universal services.

13 Evidence supplied to the 2012 Justice Select Committee Inquiry on youth justice
74. A number of respondents considered that improvements were needed. These improvements largely relate to conducting a greater amount of research of the necessary quality to develop a strong and robust evidence base of what works. One of the key recommendations from the March 2013 Justice Select Committee report\(^\text{14}\) was that a greater proportion of the YJB budget should be spent on researching and disseminating best practice, although we recognise that funding is not the only factor to consider. It is also important to conduct high quality, well designed research and allow sufficient time to commission appropriately.

75. We welcome the work of the joint MoJ-YJB Youth Justice Research Board, although we consider that there can still be an indistinct divide and overlap between the work of YJAP and the YJB. Therefore, in the interests of reducing duplication and helping to achieve value for money, as well as producing research with robust methodology which is targeted to provide a genuine contribution to the “what works” evidence base, we believe that there is room for more robust arrangements between YJAP and the YJB for the approval of research projects. We consider that the role of the Youth Justice Research Board should be strengthened and extended beyond its current information and challenge function. **We therefore recommend that all proposed YJB research projects, are subject to a formal approval process via the Youth Justice Research Board (YJRB) and that this process should provide assurance regarding the robustness of the proposed methodology, as well as take into account both value for money and value to be added to the existing knowledge base. For projects approved by the YJRB, the YJB Board will be accountable for approving investment decisions (subject to Ministerial approval – see recommendation at paragraph 74).**

76. We further understand that the YJB has begun submitting research proposals to Ministers for approval and, in the interests of ensuring value for money and oversight, **we recommend that all proposed research projects be routinely subject to Ministerial approval in the same way as research conducted by MoJ Analytical Services.** [14]

**Delivery Models**

77. Of the current respondents and previous evidence which commented on delivery models for these functions the majority of respondents believed that the YJB should continue to exercise them.

<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain the status quo (NDPB – using the three tests)</td>
<td>Yes</td>
<td>• Technical Expertise: Some evidence. Translating evidence and research into a form which is accessible to practitioners requires a specific skill set and is arguably a technical function. Commissioning research is not, in itself, a technical function although evidence suggests that it may be valuable to have an understanding of the needs of the youth justice sector.</td>
</tr>
</tbody>
</table>

## Independence: Little evidence. In the adult system these functions are carried out by NOMS, an executive agency of MoJ. Although most respondents believed that the functions are best delivered independently of Ministers to minimise the risk of interference.

- Political impartiality: Some evidence. Respondents noted that an NDPB would be “essential to providing quality impartial advice.” Others considered that the establishment of facts and figures requires independence from Ministers. However, safeguards are in place in the MoJ to ensure that information published is not influenced by Ministers.

### Bring inside Government department (MoJ)

<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>

- YJAP already carry out research on behalf of the YJB. With regard to commissioning research YJAP performs data analysis, commissions and conducts research to support MoJ Youth Justice Policy Unit and the wider Department and has a distinct youth justice focus.
- MoJ Analytical Service publishes information about the youth justice system. Around 80% of statistics on young people in the youth justice system (e.g. FTEs, proven re-offending) are produced by the MoJ.
- All research, both in the youth and adult justice systems is conducted and published according to the Government Social Research Guidelines, and, where appropriate, the Code of Practice for Official Statistics.
- There is an expectation that the findings from research projects are published, usually on the MoJ website, and these reports are subject to quality assurance and review from two external experts, usually academics who have published in the same area. It is also important to note that research undertaken by the YJB also follows the same Government Social Research Guidelines as MoJ Analytical Services.
- The dissemination of good practice is a distinct activity from the publication of research and does not fall within the current remit of MoJ Analytical Services. More resources would be needed to take on additional commissioning work and provide wider advice on effective practice.
- Some elements of the work undertaken by YJAP contributes to the ‘what works’ evidence base for young offenders. For example, in 2012, findings were published on the relative effectiveness of youth CJS disposals on proven re-offending. Also, in 2013/14 a report on the delivery lessons from the Youth Justice Custody Pathfinder pilot, which aims to test an
<table>
<thead>
<tr>
<th>Delivery model</th>
<th>Appropriate?</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>outcome based commissioning model</td>
<td>Yes</td>
<td>to reduce youth custody, is planned to be published. Links with front-line youth services would need to be developed which the YJB already possess. It is not appropriate to be delivered by NOMS due to their focus and expertise relating to adults. MoJ Justice Data Lab, launched in April 2013 can provide information to organisations on reoffending rates to assist with understanding the impact of a particular intervention.</td>
</tr>
<tr>
<td>Move to the local or voluntary or</td>
<td>No</td>
<td>The YJB and MoJ commission a significant amount of research from academics via competitive tender. Some respondents noted that research should be conducted by, or in conjunction with, academic institutions. Research is often commissioned by large voluntary organisations with a national presence. However many of these focus on a narrow area of the youth justice system and work undertaken by voluntary organisations often does not always meet the necessary methodological standards to be added to the “what works” evidence base. Devolving to a local level would allow areas to focus on areas of specific concern for them. Some respondents wanted a greater role for local providers. However none suggested moving these functions entirely to the local sector. Lack of a national co-ordinating body could result in an inconsistent approach nationally.</td>
</tr>
<tr>
<td>private sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Move to an executive agency</td>
<td>Yes</td>
<td>This would retain an element of being at arms length from Ministers in terms of publishing information and conducting research An Executive Agency could not deliver these functions in isolation and would need links to local context of youth justice, which would help inform the collation and publication of information. Would give Ministers greater oversight and control of budgets. NOMS carries out good practice and research functions in the adult system, follows similar practices to those which exist within MoJ and has input from MoJ analysts. A new Executive Agency with a specific youth justice focus could perform the same functions. With the safeguards in place in MoJ Analytical Services a new Executive Agency may not provide a substantial benefit over bringing these functions within MoJ.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Delivery model

<table>
<thead>
<tr>
<th>Merge with another body</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comments</strong></td>
<td></td>
</tr>
<tr>
<td>• There are a number of research councils such as the Economic and Social Research Council (ESRC) which fund research, including on justice issues.</td>
<td></td>
</tr>
<tr>
<td>• However the ESRC does not have a distinct justice focus and is not appropriate to solely deliver these functions.</td>
<td></td>
</tr>
<tr>
<td>• The mutual “Innovation Unit” is an independent, not-for-profit social enterprise. However it also has a broad remit, risking the focus that would be given to the youth justice system.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>What Works Centres</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Comments</strong></td>
<td></td>
</tr>
<tr>
<td>• What Works Centres are involved in the reviewing of existing published research evidence and disseminating findings. They do not however, commission research.</td>
<td></td>
</tr>
<tr>
<td>• There was a general feeling among respondents that there is a not a strong evidence base of “What Works”</td>
<td></td>
</tr>
<tr>
<td>• Centres are independent of government and would be able to evaluate data impartially. This was considered important to some respondents.</td>
<td></td>
</tr>
<tr>
<td>• The role and operation of What Works Centres is similar to that of the YJB. There may be no benefit to establishing a new ‘what works’ centre for youth justice.</td>
<td></td>
</tr>
<tr>
<td>• For youth justice it can be challenging to implement robust impact evaluations due to policy implementation decisions, often relatively small sample sizes and the lack of a meaningful comparison group. This has meant that there are relatively few good quality evaluation studies that meet the necessary ‘what works’ evidence standards.</td>
<td></td>
</tr>
</tbody>
</table>

### Standing Committee for Youth Justice: SCYJ believes that if the YJB were moved to the MoJ or any other Government related agency, they would not be able to provide impartial support and advice to YOTs and might not possess the necessary skills, knowledge and expertise.

### Prison Reform Trust: Whilst the YJB should retain statutory responsibility for the identification, making known and promotion of good practice to ensure a child and youth focus is retained, we would welcome a greater role for frontline staff who will often know best how to engage, support and challenge the children and young people they work with.

### British Society of Criminology: It is important that research is, in all cases, protected from ministerial involvement and is always published regardless of its findings….. We also recommend that commissioned research should be conducted with academic researchers, either alone or in partnership with the YJB.

### Office of the Children’s Commissioner for England: The YJB should have complete freedom to publish advice, research data and other relevant materials without Ministerial interference or control.
4. Additional functions

78. The call for evidence asked respondents to consider if the YJB should undertake any other functions outside of their current scope. Whilst several respondents included comments on what they considered to be additional functions, they were in the main comments about improving delivery of current functions. The only additional function which was clearly identified was that of having oversight of young adults (18-21/25 year olds). The need for this additional function is considered below.

Need for Function

79. Three respondents requested an extension of the YJB functions to cover the 18 – 25 year old age group.

**House of Lords Peers:** We would suggest that the government builds on this success by extending the YJB’s leadership and remit to 18-25 year olds both in the community and custodial settings.

**Transition to Adulthood:** For transitions to be improved there needs to be significantly increased interdepartmental communication and transitional arrangements locally and centrally. This fits well with the YJB’s remit, and the oversight and leadership for improvements in transition arrangements between youth and adult justice at a central, structural, practical and local level is a function that the YJB could take on.

**The Core Cities Group:** Consideration should be given to extending the work of the YJB to cover the 18-21 age group…Given the success of the YJB and the Youth Justice Services with the younger age-group, this approach could be extended.

80. We have considered the benefits of a formal transfer of this additional function to the YJB. The young adult population (18–24 year olds) account for approximately 25% of the adult prison population. Our conclusion is that the costs of providing a service and framework to young adults which is similar to that provided to young people would be prohibitively expensive. Moreover it would alter the existing distinction between the youth and the adult criminal justice systems more generally. It would require significant amendments to the sentencing framework, custodial estate and community services. There are clearly lessons to be learned from the successes of the youth justice system. The system, however, is tailored specifically to the needs of those aged under-18 and is therefore particularly resource intensive.

81. In addition, if the YJB were to formally expand its remit they would lose in principle the whole purpose for which they were established, which was to focus on the needs of children and young people within the justice system and create a distinct estate based on their needs. In practice, such an extension would risk diluting the emphasis on children and young people and could negatively impact on the quality of service to that group. Attendees at the London Roundtable thought that this additional responsibility would risk the YJB focusing less on their core responsibilities.

82. We acknowledge that further work on transitions should be done to improve how the youth and adult systems communicate when a young person reaches the adult system but note that moving the transitions age to 21 (or indeed 25) instead of 18 would lead to the same issue of transition occurring at an older age. However, we
do recognise that it is important that the criminal justice system is properly responsive to the needs of young adult offenders.

83. We are therefore not persuaded that the YJB should take responsibility for 18-21 (or up to 25) year olds. More specifically, we conclude that the YJB should focus on delivering the recommendations and improvements that this report has outlined rather than introducing significant change on their remit and responsibilities. We believe that a more focused YJB will help achieve an improved delivery of services to young people before they enter as well as during and after their time in the justice system.
Summary of recommendations

84. There is evidence for all of the YJBs statutory functions to be retained.

<table>
<thead>
<tr>
<th>Summary of Recommendations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OVERSIGHT / YOUTH COMMUNITY</strong></td>
</tr>
<tr>
<td>1. To amend the purposes of the grant provided to Local Authorities for YOTs in order to link the grant to the monitoring of YOTs and specific measurable outcomes. This is likely to require an amendment of section 41 (5) (g) of the 1998 Crime and Disorder Act.</td>
</tr>
<tr>
<td>2. To revise the terms and conditions of the grant to LAs for YOTs, to set out clearly what information is required and at which points in the year in order to satisfy the terms of the grant. To standardise the annual youth justice plan of each YOT, ensuring that it clearly sets out how the grant will be spent and against which measurable outcomes.</td>
</tr>
<tr>
<td>3. To move the function of providing Junior Attendance Centres to be carried out by the local authority on the basis of arrangements with the Secretary of State and the YJB. We note that local authorities are best placed to decide whether such a centre in their area is still required.</td>
</tr>
<tr>
<td>4. We recommend that the YJB carries out a piece of work to measure the effectiveness of Junior Attendance Centres so that an informed assessment can be made into the long term future of the Centres now that YOTs are embedded in the community setting.</td>
</tr>
<tr>
<td>5. To assess whether a similar Youth Justice Advisory Panel (similar to that in Wales) should be established to bring together all partners in London would enable the youth justice system to deliver a better coordinated and cost efficient service in response to the issues within London.</td>
</tr>
<tr>
<td><strong>SECURE ACCOMMODATION</strong></td>
</tr>
<tr>
<td>6. To establish a formal decommissioning process across the MoJ and its ALBs to ensure the whole of the Department’s interests are taken into account in the decommissioning decisions made.</td>
</tr>
<tr>
<td>7. To include in the YJB Service Level Agreement, the requirement for NOMS PECS to record the travel times for young people being securely escorted and that, based on the data received, consideration should be given to introducing maximum target travel times for young people being escorted.</td>
</tr>
<tr>
<td>8. To ensure that as part of the Transforming Youth Custody programme, and before the review of secure escort contracts in August 2016, serious consideration be given to having one contract to provide escort services for transporting young people in the under-18 secure estate.</td>
</tr>
<tr>
<td>9. The roles and responsibilities of YJB’s monitoring functions are more clearly set out to distinguish between the specific statutory responsibilities of the STC Monitor and the activities undertaken with respect to SCHs and YOIs. Furthermore, that the frequency and level of monitoring of SCHs and YOIs is kept under review in light of need.</td>
</tr>
</tbody>
</table>
10. For the MoJ to review the functions relating to the youth secure estate and the level of provision of monitors following the outcome of the Transforming Youth Custody programme, to ensure that these provisions are suitable and proportionate for the future configuration of the secure estate, including the contracting of accommodation and services for the new configuration.

11. To move the function of appointing Monitors for the newly configured youth secure estate to the Secretary of State, following the outcome of the Transforming Youth Custody programme.

**EFFECTIVE PRACTICE**

12. To review the purpose for collecting data from practitioners and how it is then used to inform effective practice.

13. To undertake a joint MoJ-YJB review of the YJB Effective Practice Framework, via a canvas of YOTs and the secure estate, and that this should take place in 12 months.

14. To strengthen and extend the role of the Youth Justice Research Board beyond its current function, by requiring that all proposed YJB research projects are subject to a formal approval process via the Youth Justice Research Board that this process should provide assurance regarding the robustness of the proposed methodology, as well as taking into account both value for money and value to be added to the existing knowledge base. All proposed YJB research projects should also be routinely subject to Ministerial approval in the same way as research conducted by MoJ Analytical Services.

85. Although the review has analysed each function separately to assess its continuing need, there is a strong argument to consider the majority together to form a “critical mass” of youth justice expertise. This takes into account that many of the functions are inter-linked; for example it would not be efficient to publish information about the youth justice system, without also monitoring that system. We do not consider it desirable that the majority of functions are split up and delivered by different delivery models. Having concluded that many of the functions could be grouped together as a critical mass of expertise, we consider that this critical mass could be delivered by a number of viable alternative delivery models, namely:

a) retain as an NDPB;

b) bring in-house to MoJ;

b) establish a new Executive Agency.

86. There was no evidence to support moving this critical mass to the private sector or for it to merge with an existing body. This section considers the merits of each of the viable models.

87. Those functions that do not need to be included within this approach are:

i. Appointing STC monitors: we recommend this function be brought within MoJ.

ii. Providing Junior Attendance Centres: We recommend that Junior Attendance Centres be delivered by local authorities and that Local Authorities are best placed to decide whether the future existence of a Junior Attendance Centre in their locality is required.
Form

88. This section considers the merits of each of the viable delivery models for the "critical mass" of youth justice expertise.

89. The Review recognises respondees' views about the need to maintain a distinct focus on youth justice and the strength of feeling against moving the YJB into NOMS which respondents feared would lead to a merge with, or subordination to, the adult justice system. We do not consider that a merge with NOMS would be appropriate and do consider that there should be separation between the adult and youth justice systems. However, we note that almost half of the functions, in particular those having been added by the 2000 Order relating to the secure estate, derive from concurrent powers which the YJB holds with the SoS. In practice this means that NOMS exercises the power in some areas within the same function and the YJB in others (e.g. secure escort contracts). NOMS takes much more of a role in the functions relating to public YOIs whereas YJB focuses on STCs and SCHs. We are not aware of any adverse outcomes from splitting concurrent powers in this way and have not been made aware of any criticisms of current practice. Our only caution in dividing the functions in this way would be one of overall accountability and clarity for delivery of the function. It will be important that one organisation is fully accountable Ministers and that these responsibilities are clear and transparent. It is also worth highlighting that there may be some changes in the current set up on these powers depending on the outcome of the ongoing Transforming Youth Justice programme.

90. We also note the strength of feeling about retaining a Board with national youth justice expertise and recall that during the passage of the Public Bodies Bill that the Government acknowledged the expertise of this group and proposed to establish an Advisory Board if the YJB were brought in-house to MoJ. We recommend that whichever delivery model is chosen includes a Board to ensure that this expertise is not lost.

Association of Directors of Children’s Services: is of the view that the YJB should be retained and the functions outlined delivered by a non-departmental public body (NDPB) as they meet all three of the tests outlined in the consultation document, in that it performs technical functions (which should be retained); its activities require political impartiality (youth justice policy and provision has been demonstrated to be a significant political issue with implications of various new pieces of legislation needing to be carefully considered independently) and in that the YJB needs to act independently to establish facts.

Welsh Government: We oppose the idea of the functions of the YJB being transferred in house to the MoJ. Currently the majority of areas which impact upon the youth justice system are devolved to Wales with only the criminal elements remaining the responsibility of the UK Government. If the functions were transferred it would mean that the YJB’s operations would fall entirely under the ambit of UK Government policy directive as opposed to WG, making it very difficult for the YJB to continue its close working with devolved responsibilities in Wales.
Retain as an NDPB

91. Managing Public Money states that NDPB status is often found appropriate for activities “where it makes sense for well informed people to take decisions on matters of public interest where it is better for Ministers not to intervene, or not to make the detailed choices directly.” Ministers in the sponsor department only decide key matters e.g. whether to adjust functions, but would not get involved in the more routine decisions. They are headed by Boards, the members of which are appointed by Ministers. An NDPB is not part of the Crown and has its own separate legal personality.

92. We have assessed which functions require impartiality from Ministers and/or the need to establish facts independently from Ministers. We find it difficult to argue that the functions concerned with secure accommodation meet this requirement because the power is concurrent with the SoS, and in practice NOMS already has a role in the delivery of some functions and leads on some of the operations relating to young people in custody in YOIs, providing escort services for young people going to YOIs and appointing YOI controllers.

93. We recognise that the placement of young people into secure establishments requires technical expertise well suited to an NDPB which includes specialist operational staff and that operating at arm’s length permits a focus on the delivery of services without political influence. This function, along with some of the others, are operational in nature and therefore sit more easily with an NDPB (or Agency) than in MoJ HQ. The functions do not need to be delivered closely to Ministers because they are operational, but neither do they meet the requirement that they must be delivered independently of Ministers to establish facts or figures with integrity. However, there is a fine balance here given the challenging Spending Review that requires all parts of government, including NDPBs, to deliver significant savings and demonstrate strong value for money when delivering all of their functions. In recognition of this, we have made recommendations throughout to increase value for money and would recommend closer liaison with MoJ finance to share expertise in financial management to increase efficiency savings further. This will be looked at in more detail in Stage Two.

94. In practice, the YJB already operates at a higher level of Ministerial accountability than many NDPBs given Ministerial interest in the subject and since the Government removed the body from the Public Bodies Act. This accountability is evident not only in the number of decisions which are now made by Ministers, but in the scrutiny of its financial management. This is in line with the JSC recommendation in July 2012: “where there is no requirement for the function of an Arm’s Length Body to be protected from political influence, it is important that ministers are held accountable, and have influence on the performance of that function. Notwithstanding retention of the Youth Justice Board as a Non-Departmental Public Body, we recommend the Ministry ensures that the YJB works as efficiently as it would as an Agency, with similar accountability requirements.”

95. Many respondents noted that the specialism of YJB employees is one of their main areas of added value, with secondees from the police, YOTs and social work providing a close link with services on the ground and able to effectively influence youth justice services. Roundtable attendees noted that in recent years this specialism had decreased, with many staff no longer having had experience in youth justice on the ground which had impacted on how well staff could provide support to practitioners. We encourage the YJB to regularly use new secondees from the frontline to maintain their expertise in this area.
Bring in-house to MoJ

96. Bringing the YJB into MoJ would give greater accountability to Ministers and tighter financial management. Given the increased Ministerial interest in youth justice reflected in the reform of the youth justice secure estate as one of the SoS’s top five priorities, we expect that Ministers will want to be kept informed more regularly about the youth justice system and take a more active role in decisions which affect the future direction of that system. Moving the body in-house would facilitate this. A move to within the MoJ would also provide for the MoJ’s Principal Accounting Officer to have direct control of risk to the budget and staffing. Employees would be civil servants, accountable to Parliament through the relevant departmental Minister and the body would not have its own legal personality. This would enable Spending Review decisions to be made more quickly, and would take into account the impact of spending decisions across the whole of the Department’s budget, rather than focusing on the impact to the NDPB’s budget. This would be particularly relevant for example in decommissioning decisions to have closer oversight of decisions which would affect all of MoJ.

97. We note that half of the YJB’s functions derive from concurrent powers with the SoS. In practice some of these are currently being exercised by NOMS (on behalf of the SoS) rather than the YJB. We have not received evidence expressing concern about those functions currently delivered by NOMS, although note that there is a general concern about NOMS being responsible for the youth estate. NOMS themselves note that they do not feel well placed to take responsibility and we agree with all previous recommendations to have a distinct youth justice system, even if this were moved to within the MoJ. We take note of concerns that if these functions were moved in house, then other government departments may consider them to be of interest only to youth justice, losing the multi-agency approach and the focus on prevention before young people enter the criminal justice system.

98. There would be small direct financial savings to be made in the first instance. In 2011, the Government estimated that by bringing the YJB in-house, that there would be savings of around £250,000 in Board members costs. However given the recommendation to retain an advisory board the savings related to Board members costs would not be realised. Since 2011 the YJB has been making progress in transitioning elements of its corporate services to a Shared Service model which would realise savings in IT, HR and procurement functions. This is expected to take place in 2014/15. The YJB is also working alongside the MoJ and other ALBs to explore where further savings may be realised in other corporate service areas.

99. We note that one of the YJB’s concerns has been that since the devolution of much of youth justice to the local level, that they are less able to influence the local youth justice system. Bringing the YJB into the department, may provide more levers to influence local youth justice partners and make increased use of Ministers to get involved where for example there is a poor performing YOT.
Establish as an Executive Agency

100. Managing Public Money defines an Executive Agency as a body carrying out well defined business activity, usually with specified objectives, sufficiently close to the Government’s central direction that it is appropriate for a Government Minister to answer for its business in Parliament directly. Its employees are civil servants, it publishes plans and resource accounts as part of the parent department and its Chief Executive Officer (CEO) is Additional Accounting Officer. The CEO is often supported by a Management Board. Ministers in the parent department would make key decisions on the agency’s affairs but would not concern themselves with taking day to day decisions. They typically deliver a service to the public or to Government and it is the appropriate model for the delivery of operational functions and to provide implementation of central policy.

101. No respondents to the call for evidence supported this option for any function, but when commenting on why “moving to an executive agency” was not a viable option, respondees considered this meant a move to NOMS and that the youth justice system should remain separate from the adult system. However, this delivery model refers to setting up a new Executive Agency rather than moving into an existing Agency, or more specifically moving into NOMS. We therefore consider this to be a viable delivery model.

102. NOMS is relevant because a new body (as an Executive Agency) could mirror that adult system, providing a distinct body for the delivery of specific objectives for the youth justice system. This would move the YJB closer to the Government’s central direction, arguably of more interest now that the reform of the youth secure estate is one of the SoS’s top five priorities. Given the increased Ministerial interest in youth justice, it can be expected that Ministers will want to be kept informed more regularly about the youth justice system and take a more active role in decisions which affect the future direction of that system. This would also provide for the MoJ’s Principal Accounting Officer to have direct control of risk to the budget and staffing.

103. The review has taken into account the arguments for and against abolition during the passage of the Public Bodies Bill and notes that the majority of respondents were opposed to abolition on the grounds that it would result in the loss of expertise and leadership to facilitate the co-ordinated operation of all parts of the youth justice system. A move to an Executive Agency would enable the YJB to continue to provide the service which is most valued by practitioners and to operate as a distinct organisation with a certain level of independence whilst also providing closer accountability to Ministers. This model would also increase the influence and impact of the YJB with Ministers.

104. We have considered whether the benefit of change would be sufficient to outweigh the cost involved in moving to an Executive Agency and for this purpose have considered the arguments and costs associated with the move of the Legal Aid Commission (NDPB) into the Legal Aid Agency (as an Executive Agency). We note that such a move would need to consider reorganisation of the structure, implementation, severance and pension costs and IT transition costs. On balance, we consider that recommendations made within the report, coupled with the upcoming Stage Two, would provide many of the benefits without requiring the financial outlay required to become an Executive Agency.
Conclusion

105. Irrespective of the differences in terms of legal status, we consider that the difference between an NDPB and an Executive Agency operating in this area is relatively nuanced in a number of practical ways. The main benefits, as demonstrated in other MoJ Executive Agencies, are increased accountability to Ministers, acting with one policy voice, providing a clarity of roles and responsibilities, delivering a closer degree of control of financial management and introducing more collaborative working between the agency and MoJ.

106. We have considered the arguments for all three delivery models and have further taken into account the decision of Government to remove the YJB from the Public Bodies Bill within this term of Parliament. We also note that the YJB is already operating in some areas according to the levels of accountability, as an Executive Agency rather than an NDPB and that many of the YJB’s powers are operated concurrently with the SoS, with some of these already being exercised by NOMS (an Executive Agency) rather than the YJB.

107. Taking into account all of the above, we consider there to be a strong argument to continue to increase accountability to Ministers, and for improved financial management and performance given the significant budget allocated to these functions and the reputational risk that they pose. **We recommend that the functions considered above within the critical mass approach continue to be delivered by the YJB as an NDPB at this time and that the progress made in implementing the recommendations found here and in Stage Two is considered as part of the next review.**

108. In considering this we recall the overwhelming strength of feeling from respondents in Wales regarding the retention of YJB Cymru and the positive working relationship at all levels in Wales. We do not consider that there is a strong argument to change the form at this time. However, we note that the overall youth justice strategy, underpinned by the Transforming Youth Custody programme, could suggest a greater synergy between the YJB and the MoJ in future.

109. **We further recommend that Stage Two of this Review - which considers governance and accountability arrangements – includes an assessment of operating costs, corporate and procurement services to ensure that the YJB does not duplicate functions which already existing within the MoJ and that the YJB can benefit from central expertise. This may result in significant savings to the YJB and the Department.**

110. This stage will also assess whether the current arrangements meet the recommendation made by the Justice Select Committee for the YJB to operate with similar accountability levels to an Executive Agency.

111. The YJB should report on progress of implementing the recommendations to the sponsor unit on a quarterly basis as part of the existing performance review meetings.

We recommend proceeding to Stage Two of the Review.
### Annex A: List of respondents to Call for Evidence, attendees to Roundtable Event and previous reviews

#### Responses to Call for Evidence

<table>
<thead>
<tr>
<th>Type of Stakeholder</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academics</td>
<td>British Society of Criminology</td>
</tr>
<tr>
<td></td>
<td>Dr Anna Souhami, School of Law, Edinburgh University</td>
</tr>
<tr>
<td>Judiciary and Policing</td>
<td>Magistrate’s Association</td>
</tr>
<tr>
<td></td>
<td>Association of Chief Police Officers Cymru</td>
</tr>
<tr>
<td></td>
<td>Association of Chief Police Officers</td>
</tr>
<tr>
<td></td>
<td>Police and Crime Commissioners, Wales</td>
</tr>
<tr>
<td>Custody Providers</td>
<td>National Offender Management Service</td>
</tr>
<tr>
<td></td>
<td>G4S</td>
</tr>
<tr>
<td></td>
<td>Secure Accommodation Network</td>
</tr>
<tr>
<td>Voluntary Organisations</td>
<td>National Children’s Bureau</td>
</tr>
<tr>
<td></td>
<td>Standing Committee for Youth Justice</td>
</tr>
<tr>
<td></td>
<td>Catch 22</td>
</tr>
<tr>
<td></td>
<td>Transition to Adulthood Alliance</td>
</tr>
<tr>
<td></td>
<td>The Howard League for Penal Reform</td>
</tr>
<tr>
<td></td>
<td>The Communication Trust</td>
</tr>
<tr>
<td></td>
<td>Prison Reform Trust</td>
</tr>
<tr>
<td>Local Authority and local partners</td>
<td>Local Government Association</td>
</tr>
<tr>
<td></td>
<td>Association of Directors of Children’s Services</td>
</tr>
<tr>
<td></td>
<td>Core Cities Group of Youth Offending Services</td>
</tr>
<tr>
<td></td>
<td>Association of YOT Managers</td>
</tr>
<tr>
<td></td>
<td>YOT Managers Cymru</td>
</tr>
<tr>
<td></td>
<td>Mayor’s Office for Policing and Crime</td>
</tr>
<tr>
<td>Parliamentarians /Justice Select Committee</td>
<td>Lord Ramsbotham, Lord Dholakia, Lord Elton, Baroness Linklater and Lord Warner</td>
</tr>
<tr>
<td>Other Government Departments</td>
<td>Department for Education</td>
</tr>
<tr>
<td>Devolved Administrations</td>
<td>Welsh Government</td>
</tr>
<tr>
<td>Others</td>
<td>Previous Chairman of Youth Justice Board 2004-2007</td>
</tr>
<tr>
<td></td>
<td>Her Majesty’s Chief Inspector of Prisons</td>
</tr>
<tr>
<td></td>
<td>Youth Justice Board for England and Wales</td>
</tr>
<tr>
<td></td>
<td>Office of Children’s Commissioner for England</td>
</tr>
</tbody>
</table>
Participants in Roundtable Event

<table>
<thead>
<tr>
<th>Type of Stakeholder</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academics</td>
<td>Anna Souhami, Edinburgh University, School of Law</td>
</tr>
<tr>
<td>Custody Providers</td>
<td>National Offender Management Service (NOMS)</td>
</tr>
<tr>
<td></td>
<td>G4S</td>
</tr>
<tr>
<td></td>
<td>Serco</td>
</tr>
<tr>
<td></td>
<td>Secure Accommodation Network</td>
</tr>
<tr>
<td>Voluntary Organisations</td>
<td>Uservoice</td>
</tr>
<tr>
<td></td>
<td>Standing Committee for Youth Justice</td>
</tr>
<tr>
<td>Local Authorities and Local</td>
<td>Reading Youth Offending Services</td>
</tr>
<tr>
<td>Partners</td>
<td>YOT Managers Association</td>
</tr>
<tr>
<td></td>
<td>Mayor’s Office for Policing and Crime (MOPAC)</td>
</tr>
<tr>
<td>Other Government Departments</td>
<td>Department for Education</td>
</tr>
<tr>
<td>Devolved Administrations</td>
<td>Welsh Government</td>
</tr>
<tr>
<td>Others</td>
<td>National Audit Office (NAO)</td>
</tr>
<tr>
<td></td>
<td>Her Majesty’s Inspectorate of Prisons (HMI Prisons)</td>
</tr>
</tbody>
</table>

Previous evidence considered

The below list is a chronological list of all the previous reports and review of the Youth Justice Board which this review has taken into account -

1. Dame Sue Street, *Safeguarding the Future: A Review of the Youth Justice Board’s Governance and Operating Arrangements*. 2010


3. The Consultation on reforms proposed in the Public Bodies Bill: Reforming the public bodies of the Ministry of Justice. 2011

4. Response to consultation on reforms proposed in the Public Bodies Bill: Reforming the public bodies landscape of the Ministry of Justice. 2011


---

15 This includes considering all responses to the consultation concerning the YJB.
16 This includes considering all oral and written evidence that the House of Commons Justice Committee received.


\(^{17}\) This includes considering all oral and written evidence that the House of Commons Justice Committee received.
Executive summary - Stage Two

112. Stage Two of the Triennial Review of the Youth Justice Board reviewed the control and governance arrangements of the body, following the conclusion of Stage One to retain the YJB as an NDPB. This stage assessed whether the YJB complies with the 11 principles of good governance through an evidence gathering stage, resulting in a RAG rating for each principle.

113. An independent peer reviewer considered the initial assessment and conducted interviews with YJB members, staff and MoJ officials. Both reports recognise the good practice evident within the YJB. They also both recommend that work is needed to clarify the respective roles and responsibilities of the YJB and its sponsor Department in a more detailed and updated Framework Document.

114. The review finds that the YJB has complied with the majority of the governance and accountability requirements which are placed on them by primary and secondary legislation, regulation, the MoJ and Governmental guidelines or best practice. Where the YJB has not been able to demonstrate compliance against a specific requirement, the review has made recommendations which once implemented should result in improved governance. We are pleased to report that the YJB is already addressing how to improve compliance across the range of principles assessed.

115. The majority of recommendations focus on improvements to; accountability for public money, the role of the Board and the role of the sponsor Department. The reports of the Review Team and the peer reviewer are included here with a joint list of recommendations provided at the end of the report. The peer reviewers’ report has informed the main report and recommendations.

116. Recommendations have also been made to make more effective use of public money and improve Ministerial accountability by making more use of MoJ’s corporate services, to adopt MoJ policies and procedures and reduce duplication by making more use of MoJ’s central services and expertise. It is also important for the YJB to clarify the relationship between its Board and Executive, as well as the role of the sub-Committees, and to set this out clearly in a revised Governance Statement.

117. Noting that a new YJB Chair will be appointed by the SoS in January 2014, we suggest that implementation of those recommendations relating to the role of the Board and its members be delayed until the new Chair is in place.
Scope and purpose of Triennial Reviews - Stage Two

118. This report covers Stage Two of the Triennial Review of the Youth Justice Board for England and Wales (YJB). It follows on from the MoJ report on Stage One which recommended that the YJB should continue to carry out the majority of its functions in its present form, and made 14 recommendations to improve delivery of its functions.

Cabinet Office guidance

119. The Cabinet Office has identified the principal aims for this stage of the Triennial Review to be “where it is agreed that a particular body should remain as an NDPB, to review the control and governance arrangements in place to ensure that the public body is complying with recognised principles of good corporate governance.”

120. Good corporate governance is central to the effective operation of all public bodies. As part of the review process, therefore, the governance arrangements in place should be reviewed. This should be led by the sponsoring Department, working closely with the Chair and the CEO who have a key responsibility for ensuring that strong and robust corporate governance arrangements are in place. As a minimum the controls, processes and safeguards in place should be assessed against the principles and policies set out below. These reflect best practice in the public and private sectors and, in particular, draw from the principles and approach set out in the Principles of good corporate governance for Executive NDPBs.18

121. The Department and NDPB will need to identify as part of the review any areas of non-compliance with the principles and explain why an alternative approach has been adopted and how this approach contributes to good corporate governance – this is known as the “comply or explain” approach, the standard approach to corporate governance in the UK. Reasons for non-compliance might include the need for structures and systems to remain proportionate, commercial considerations or concerns about cost and value for money.

The principles of good corporate governance

<table>
<thead>
<tr>
<th>Principle</th>
<th>Descriptor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountability</td>
<td>The public body complies with all applicable statutes and regulations, and other relevant statements of best practice.</td>
</tr>
<tr>
<td>Accountability for Public Money</td>
<td>The Accounting Officer of the public body is personally responsible and accountable to Parliament for the use of public money by the body and for the stewardship of assets.</td>
</tr>
</tbody>
</table>

---

19 Supporting provisions are in the Cabinet Office guidance.
<table>
<thead>
<tr>
<th><strong>Principle</strong>&lt;sup&gt;19&lt;/sup&gt;</th>
<th><strong>Descriptor</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministerial Accountability</td>
<td>The Minister is ultimately accountable to Parliament and the public for the overall performance of the public body.</td>
</tr>
</tbody>
</table>

**Roles and Responsibilities**

<table>
<thead>
<tr>
<th>Role of the Sponsoring Department</th>
<th>The departmental board ensures that there are robust governance arrangements with the board of each arm’s length body. These arrangements set out the terms of their relationships and explain how they will be put in place to promote high performance and safeguard propriety and regularity.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>There is a sponsor team within the department that provides appropriate oversight and scrutiny of, and support and assistance to, the public body.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Role of the Board</th>
<th>The public body is led by an effective board which has collective responsibility for the overall performance and success of the body. The board provides strategic leadership, direction, support and guidance.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The board – and its committees – have an appropriate balance of skills, experience, independence and knowledge.</td>
</tr>
<tr>
<td></td>
<td>There is a clear division of roles and responsibilities between non-executive and executives. No one individual has unchallenged decision-making powers.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Role of the Chair</th>
<th>The Chair is responsible for leadership of the board and for ensuring its overall effectiveness.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Role of Board Members</td>
<td>As part of their role, non-executive board members provide independent and constructive challenge.</td>
</tr>
</tbody>
</table>

**Effective Financial Management**

<table>
<thead>
<tr>
<th>Annual reporting</th>
<th>The public body has taken appropriate steps to ensure that effective systems of financial management and internal control are in place.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internal Controls</td>
<td></td>
</tr>
<tr>
<td>Audit Committee</td>
<td></td>
</tr>
<tr>
<td>External Auditors</td>
<td></td>
</tr>
</tbody>
</table>

**Communications**

<table>
<thead>
<tr>
<th>Communications with Stakeholders</th>
<th>The public body is open, transparent, accountable and responsive.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications with the Public</td>
<td></td>
</tr>
<tr>
<td>Marketing and PR</td>
<td></td>
</tr>
</tbody>
</table>

**Conduct and Behaviour**

<table>
<thead>
<tr>
<th>Conduct</th>
<th>The board and staff of the public body work to the highest personal and professional standards. They promote the values of the public body and of good governance through their conduct and behaviour.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td></td>
</tr>
</tbody>
</table>
The Ministry of Justice approach

Questionnaire

122. The MoJ devised a questionnaire for Stage Two to be used for all Triennial Reviews within the Department’s programme. This follows the Cabinet Office guidance and incorporates the comply/explain format for each principle. The YJB and the MoJ completed the questionnaire and submitted evidence to support the initial assessments. Eleven principles of good governance have been assessed. Following the “comply/explain” format the MoJ also uses RAG ratings to summarise the level of compliance within each principle, and an overall assessment rating, having made a judgement on overall compliance with recognised principles of good corporate governance.

Peer reviewer

123. A peer reviewer was appointed for Stage Two to look at the evidence gathered about governance and accountability, and challenge it as necessary. This is a person independent of the subject areas who has experience and expertise in running an organisation with knowledge of the principles of good governance, among other things. Carole Oatway, CEO of the Criminal Injuries Compensation Authority, acted as the Peer Reviewer for the Triennial Review of the YJB. Following her review of the completed questionnaire, she conducted on-site and telephone interviews with YJB members, as well as YJB and MoJ staff.

Challenge Group

124. The Challenge Group from Stage One met during Stage Two to provide external assurance and robust challenge to the process. The composition of the Challenge Group did not change.

Compliance with principles of good governance

125. The YJB provided supporting documentation including policies available to the public on its web pages and internal documents where relevant to governance and accountability issues. Boxes within each section highlight the good practice that the YJB has demonstrated across the principles of good governance.

The context in Wales

126. The YJB oversees the youth justice system in England and Wales. While youth justice is not a devolved matter in Wales, many of the services that combine to form a Youth Offending Team partnership are devolved and the Welsh government is an important partner in the delivery of youth justice services.

127. The YJB is well placed to work with both the Welsh Government and the UK Government to ensure effective youth justice services are delivered in Wales. Given devolution there are considerable legislative, policy and delivery differences between Wales and England. YJB Cymru, a division of the YJB, provides advice to both the Board of the YJB and UK Government Ministers on how to apply youth

---

20 Definitions of the RAG ratings can be found on p.92 of this report
justice services to the devolved context. There is a Memorandum of Understanding between the YJB and Welsh Government through which the YJB provides advice on effective practice to Welsh Government Ministers. The Department and the YJB will consult with the Welsh government on any recommendations which may impact on the devolved interests and the YJB’s relationship and governance structure in Wales.

Summary of compliance

Accountability

1. Statutory and administrative accountability

128. The public body complies with all applicable statutes and regulations and other relevant good practice

<table>
<thead>
<tr>
<th>Detail of Requirement</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>The ALB:</td>
<td></td>
</tr>
<tr>
<td>1. complies with all statutory and administrative requirements on the use of public funds (inc Treasury Managing Public Money, and Cabinet Office/Treasury spending controls);</td>
<td>Explain</td>
</tr>
<tr>
<td>2. operates within the limits of its statutory authority and in accordance with delegated authorities agreed with MoJ;</td>
<td>Comply</td>
</tr>
<tr>
<td>3. operates in line with statutory requirements for the Freedom of Information Act;</td>
<td>Comply</td>
</tr>
<tr>
<td>4. has a comprehensive publication scheme;</td>
<td>Comply</td>
</tr>
<tr>
<td>5. proactively releases information that is of legitimate public interest;</td>
<td>Comply</td>
</tr>
<tr>
<td>6. Produces annual reports and accounts which are laid before Parliament</td>
<td>Comply</td>
</tr>
<tr>
<td>7. complies with data protection legislation;</td>
<td>Comply</td>
</tr>
</tbody>
</table>

Overall assessment of statutory accountability

A/G

129. The YJB complies with the majority of the relevant statutory and administrative requirements.
Good practice: The YJB publishes a wide range of information concerning youth justice on its website. It operates a stringent Data Retention Policy, ensuring that relevant records are preserved and maintains detailed logs on Freedom of Information and Subject Access Requests. The YJB’s Audit and Risk Committee receives regular updates on FOI and PQ activity.

130. However, the guidance issued to YJB staff on how to interpret Cabinet Office financial controls is out of date which risks staff applying out of date controls which could exceed more recent statutory or regulatory requirements. The YJB notes that this is in part because of discussions with the MoJ around the new levels of controls issued in August 2012, although the Department would expect the YJB to apply the controls whilst discussions were ongoing and to keep staff up to date with all changes to requirements.

131. **Recommendation 1:** We recommend that the YJB updates the document detailing how to apply Cabinet Office financial controls, in conjunction with the MoJ’s Corporate Finance support team, by end February 2014. This should be advertised to all staff internally and put on the YJB’s intranet to ensure ease of access by end March 2014.

132. The YJB has extensive guidance to staff on complying with a number of policies including freedom of information, a publication scheme and data retention. It also proactively releases information that is of legitimate public interest in consultation with the MoJ.

2. Accountability for Public Money

<table>
<thead>
<tr>
<th>Detail of Requirement</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. there is a formally designated Accounting Officer (AO) who in particular has a</td>
<td>Comply</td>
</tr>
<tr>
<td>responsibility to provide evidence-based assurances required by the Principal</td>
<td></td>
</tr>
<tr>
<td>Accounting Officer (PAO);</td>
<td></td>
</tr>
<tr>
<td>2. the role, responsibilities and accountability of the AO should be clearly defined</td>
<td>Comply</td>
</tr>
<tr>
<td>and understood and the AO should have received appropriate training;</td>
<td></td>
</tr>
<tr>
<td>3. the NDPB should be compliant with requirements set out in Managing Public Money,</td>
<td>Explain</td>
</tr>
<tr>
<td>relevant Dear Accounting Officer letters and other directions;</td>
<td></td>
</tr>
<tr>
<td>4. Accounting Officer to give evidence-level assurances required Principal</td>
<td>Comply</td>
</tr>
<tr>
<td>Accounting Officer</td>
<td></td>
</tr>
</tbody>
</table>
5. the NDPB should establish appropriate arrangements to ensure that public funds:
   • are properly safeguarded;
   • are used economically, efficiently and effectively;
   • are used in accordance with the statutory or other authorities that govern their use;
   • deliver value for money for the Exchequer as a whole;

6. the annual accounts are laid before Parliament after certification by the Comptroller and Auditor General

<table>
<thead>
<tr>
<th>Overall assessment of accountability for public money</th>
<th>A/R</th>
</tr>
</thead>
<tbody>
<tr>
<td>133. Lin Hinnigan, Chief Executive Officer (CEO) of the YJB, is the formally designated Accounting Officer. The YJB has also established a Service Level Agreement with the MoJ’s internal audit and assurance team to consider the overall risk, control and governance framework of the organisation, which reports into the Permanent Secretary.</td>
<td></td>
</tr>
<tr>
<td>Good practice: The Accounting Officer’s role is clearly defined in the Framework Document and the YJB’s Scheme of Delegation which is regularly updated. The Accounting Officer provides evidence-based assurances that their responsibilities are being appropriately discharged, to the Principal Accounting Officer, in line with Cabinet Office guidance. The YJB carries out a number of detailed auditing processes and procedures to ensure public funds are properly safeguarded and used economically including segregation of duties, management checks and balance sheet reconciliations. The following systems are in place to ensure YJB is appropriate in how it spends public funds: the YJB/MoJ Framework Document; the MoJ Financial Management Guide; the MoJ Finance Manual; MoJ delegation letter to the YJB; the YJB Finance Manual; YJB Finance Desk Instructions; YJB accounting policies, and YJB internal delegation letters.</td>
<td></td>
</tr>
<tr>
<td>134. In finalising the annual report and accounts, the YJB and the NAO identified a lack of oversight, scrutiny and transparency of senior management remuneration. In particular, they identified an issue related to the remuneration of a senior manager, which resulted in payments being made in addition to those stipulated within the senior manager’s contract. The YJB was not authorised to make these payments and retrospective approval was not provided, consequently these payments were irregular and did not comply with Managing Public Money. As a result the YJB’s accounts were qualified by the NAO. The YJB has now undertaken a thorough review of its internal controls in respect of payments made to senior staff and the governance of its Remuneration Committee.</td>
<td></td>
</tr>
<tr>
<td>135. In terms of statutory compliance, the NAO found that except for the matter described above, in all material respects the expenditure and income recorded in the financial statements were applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conformed to the authorities which govern them.</td>
<td></td>
</tr>
</tbody>
</table>
136. In reviewing the YJB’s annual accounts the NAO also identified a number of issues around the quality of accounts preparation. Although the YJB already has in place processes to ensure that public funds are safeguarded and used economically and efficiently, the Accounting Officer has urgently put in place a number of further safeguards as part of an Action Plan to ensure that the issue with respect to senior remuneration is not repeated. In addition, to provide overall assurance on the wider concerns, the Department requested measures requiring urgent attention to assure itself of even greater clarity and assurance in the respective roles and responsibilities in safeguarding public money. This includes a review of the YJB’s financial capability, a zero-based review of the YJB’s finances and the transferring of the YJB’s finance and HR transactional work to the MoJ’s Shared Services to improve efficiency and provide transparency.

137. We note that these financial actions have superseded the more detailed consideration of the YJB’s operating costs and their financial management envisaged for this stage of the Triennial Review, as outlined at the end of Stage One. Therefore we will not make specific recommendations on these areas. The reviews noted above will report by end December 2013, with the move to Shared Services intended to take place in line with the wider MoJ Shared Services programme timetable in 2014.

138. There has been progress in planning and undertaking reviews to consider how to improve safeguards in these areas and although plans have been agreed, substantial action on the above points still needs to be undertaken. We note that there has not been a sufficient window of time within which to measure the success of these new safeguards. Provided these measures are successful and monitored quarterly, we consider that the YJB will have complied with this section and made significant strides to improve their accountability for public money. The YJB disagrees with the application of the RAG rating given for this section, believing that the attention required is compatible with an ‘Amber/Green’ rating defined as ‘mixed – aspect(s) require substantial attention, some good.’

139. Recommendation 2a: We recommend that the measures already planned by YJB and the MoJ to improve accountability for public money are monitored through the quarterly performance meetings and that MoJ sponsors update the MoJ Permanent Secretary/Principal Accounting Officer to provide the necessary assurance, starting in December 2013 and on a quarterly basis thereafter.

140. YJB staff members are appointed on terms and conditions (Ts and Cs) mirroring those of the Home Office, rather than MoJ’s Ts and Cs. This is as a result of previously being sponsored by the Home Office. The YJB notes they had not transferred to terms which mirror those of the MoJ before now given the uncertainty over abolition, during the Public Bodies Bill, but that they are reviewing this in their 13/14 HR strategy. We recognise this and note that the Stage One outcome gives the YJB the certainty to continue as an NDPB.

141. Recommendation 2b: In light of the certainty provided in Stage One of the Review as to the YJB’s status, we recommend that in line with the wider work on sharing MoJ corporate services with ALB’s, that MoJ HR and the YJB carry out an options exercise to assess the costs and benefits of appointing new staff to terms which mirror those of MoJ’s Ts and Cs and give existing staff the opportunity to opt into MoJ Ts and Cs. This is in line with the
Department's aim for ALBs to share the MoJs corporate services unless there is strong reason not to. The preferred option would be to run this exercise in Feb 2014 however this will be subject to wider planning within MoJ and YJB HR.

3. Ministerial Accountability

<table>
<thead>
<tr>
<th>Detail of Requirement</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. the Minister and Sponsor should exercise appropriate scrutiny and oversight of the ALB;</td>
<td>Comply</td>
</tr>
<tr>
<td>2. appointments to the board should be made in line with any statutory requirements and, where appropriate, with the <em>Code of Practice</em> issued by Office of the Commissioner for Public Appointments (OCPA);</td>
<td>Comply</td>
</tr>
<tr>
<td>3. the Minister will normally appoint the Chair and all non-executive board members of the ALB and be able to remove individuals whose performance or conduct is unsatisfactory;</td>
<td>Comply</td>
</tr>
<tr>
<td>4. the Minister should be consulted on the appointment of the Chief Executive and will normally approve the terms and conditions of employment;</td>
<td>Comply</td>
</tr>
<tr>
<td>5. the Minister should meet the Chair and/or Chief Executive on a regular basis (at least annually);</td>
<td>Comply</td>
</tr>
<tr>
<td>6. a power to require the production of information from the public body which is needed to answer satisfactorily for the body’s affairs.</td>
<td>Comply</td>
</tr>
<tr>
<td>7. Parliament should be informed of the activities of the ALB through publication of an annual report;</td>
<td>Comply</td>
</tr>
<tr>
<td>8. a range of appropriate controls and safeguards should be in place to ensure that the Minister is consulted on key issues and can be properly held to account (e.g. consult on Business Plan, requirement for the exercise of particular functions to be subject to guidance or approval from the Minister, power to require information, a general or specific power of Ministerial direction over the ALB, a power for the Minister to be consulted on key financial decisions).</td>
<td>Comply</td>
</tr>
</tbody>
</table>

Overall assessment of Ministerial Accountability

| G |

142. The YJB and the MoJ comply with all of the requirements in this area.
Good practice: The SoS for Justice appoints all YJB Board members and the Chair, as set out in the Crime and Disorder Act 1998. All YJB Board appointments are made in line with the Code of Practice issued by the Office of the Commissioner for Public Appointments (OCPA). The Public Appointments Team within the MoJ runs the recruitment campaign in close liaison with the Sponsorship Team, to ensure that OCPA guidance is followed.

The Chair and Chief Executive meet quarterly with the Minister for Youth Justice to hear directly about Ministerial priorities and ensure YJB’s strategic objectives are in line with those of the Department. Meetings include those to discuss the YJB’s Business and Corporate Plan. The YJB submits the draft annual report and accounts to Ministers for sign off each year before they are laid in Parliament. Ministers take an even keener interest in youth justice given that the Transforming Youth Custody programme has become one of the SoS’s five transforming programmes in the Department.

143. The MoJ applies scrutiny and oversight to its ALBs, proportionate to the size and risk that the ALB poses to the Department. The MoJ carried out a risk analysis of the all of its ALBs, including the YJB, in April 2013 considering a number of risks such as policy/operational, reputational, financial, delivery and corporate governance.

144. The SoS for Justice appoints all Board members. Under the Crime and Disorder Act 1998 and as stated in the terms of appointment for Board members the SoS can also remove individuals whose performance or conduct is unsatisfactory. Parliament is informed of the YJB’s activities through the laying of their annual report and accounts, drafts of which are shared with the sponsor team and the final report is approved by Ministers.

145. The Framework Document sets out that the SoS determines the policy and resources within which the YJB should operate, which includes agreeing the Business and Corporate plans, that the Business Plan shall reflect the YJB’s statutory duties, the priorities set by the Minister and also reflect how the YJB contributes to the achievements of the MoJ’s or Government’s wider aims. It also notes that the timetable for its preparation shall be agreed by the YJB and MoJ, with the YJB engaging with the MoJ in the autumn of the preceding year. It would be useful to clarify the timing and frequency of engagement, although we note that the Minister met the Chair and Chief Executive to discuss the high level objectives of the Business Plan.

146. There are a number of controls and safeguards in place to ensure that the YJB consults Ministers on key issues, including key financial decisions and the Business and Corporate Plan. Further clarity on when the YJB should consult Ministers on other key issues, which do not necessarily have a significant financial impact but may have a reputational impact, would be helpful, to enable well rounded decisions to be made in time and to increase Ministerial accountability. We also recommend earlier consultation with the sponsor unit to better predict which issues will be of Ministerial interest.

147. **Recommendation 3:** We recommend that MoJ sponsors identify the main types of key issues that require early Ministerial engagement and once identified, to set these out clearly in the revised Framework Document by the end of February 2014. We further recommend that the YJB consults the sponsor unit earlier for advice on when consultation with Ministers is appropriate.
Roles and Responsibilities

4. Role of the Sponsoring Department

<table>
<thead>
<tr>
<th>Detail of Requirement</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. the Department should scrutinise the performance of the NDPB. There should be</td>
<td>Comply</td>
</tr>
<tr>
<td>effective systems and processes to ensure effective governance, risk management and</td>
<td></td>
</tr>
<tr>
<td>internal control in the NDPB;</td>
<td></td>
</tr>
<tr>
<td>2. there should be a Framework Document in place which should be published,</td>
<td>Explain</td>
</tr>
<tr>
<td>accessible and understood by the sponsoring department. It should set out clearly the</td>
<td></td>
</tr>
<tr>
<td>aims, objectives and functions of the NDPB and the respective roles and</td>
<td></td>
</tr>
<tr>
<td>responsibilities of the Minister, the sponsoring department and the NDPB. It</td>
<td></td>
</tr>
<tr>
<td>should be regularly reviewed and updated and follow relevant Cabinet Office and</td>
<td></td>
</tr>
<tr>
<td>Treasury guidance. The Framework document might include a Financial Memorandum</td>
<td></td>
</tr>
<tr>
<td>as an appendix. A review of the Framework document should be carried out every</td>
<td></td>
</tr>
<tr>
<td>three years and in line with the Triennial Review.</td>
<td></td>
</tr>
<tr>
<td>3. a sponsor should be identified, their role defined and there should be regular</td>
<td>Comply</td>
</tr>
<tr>
<td>and ongoing dialogue between the sponsoring department and the NDPB. Senior</td>
<td></td>
</tr>
<tr>
<td>officials from the sponsoring department may as appropriate attend board and/or</td>
<td></td>
</tr>
<tr>
<td>committee meetings.</td>
<td></td>
</tr>
</tbody>
</table>

Overall assessment of the role of the sponsoring department G

148. The YJB and the MoJ comply with the majority of the requirements in this area.

Good practice: Proportionate ongoing dialogue between the sponsor unit and the YJB is
achieved through a series of meetings with senior officials and Ministers. In addition, the
sponsor unit commissions support from the Arm’s Length Body Governance Division to
carry out public appointee recruitment and for the ALB Division to Chair the Quarterly
Performance Meetings with the YJB. These roles and responsibilities are formally set out
in the Framework Document. YJB and MoJ are developing an Assurance Framework to
hold in one place the assurance, scrutiny and oversight of the YJB that is considered to be
proportionate to the size and risk of the body as a result of the annual risk analysis.

149. MoJ’s sponsorship team sits in the Youth Justice Policy Team but is supported by
the ALB Governance Division. Several other units in the MoJ also have stakes in the
relationship and we consider it would be helpful to clarify the sponsor relationship to
ensure good governance, particularly in light of Department-wide changes in how
sponsorship is managed. The YJB and MoJ developed a Framework Document, as
a result of the Financial Frameworks and Governance Review, which recommended
that the MoJ review and revise its financial framework with its ALBs. The Framework
Document was not in place during the assessment phase of this report, which is
reflected by the ‘explain’ assessment but has since been signed and is effective from August 2013. The Framework Document intends to support the YJB in achieving its aims and functions as set out in relevant legislation.

150. **Recommendation 4a:** The MoJ should clarify where best the sponsor role sits, in light of Departmental-wide changes and taking into account the size and budget of the YJB and the risk posed to the Department. All changes to the sponsor role should be clearly and unambiguously set out in a revised Framework Document detailing roles and responsibilities.

151. Consistent and proportionate dialogue and reporting is maintained between the YJB and the MoJ through a number of different meetings. In addition, Quarterly Performance Review meetings are held between the MoJ and YJB to help maintain an effective dialogue, an understanding of the YJB’s responsibilities and to ensure the YJB is performing consistently and at a high level.

152. **Recommendation 4b:** To aid the Department's understanding of the YJB’s key areas of risk and interest, we recommend that the YJB amends the format of the YJB's Quarterly Performance Corporate reports. These are used as a basis for the performance review meetings. We note that work has begun on this, and that it will be important that the report meets the needs of internal scrutiny as well as the sponsor Department. This work includes developing an Assurance and Performance Framework to identify the key assurance indicators, which is a welcome development to draw the main areas of assurance together in one document. This should be completed by December 2013. We also recommend that this Assurance Framework measures the performance of the YJB as an organisation, as well as monitoring the performance of the youth justice system.

153. Monitoring the effectiveness of this assessment framework will aid both the sponsor department and the YJB in their working relationship.

154. MoJ officials are invited to attend YJB Board and Committee meetings. The Board would welcome the regular and consistent attendance of MoJ officials at these meetings but report that attendance has been sporadic. Attendance of relevant MoJ officials would facilitate a greater understanding of the key areas of YJB’s work and provide appropriate oversight of, and support to, the YJB. In light of the Board’s positive steer we support regular MoJ attendance at all YJB Board and Committee meetings, except the Remuneration Committee, but do not believe that attendance would be appropriate at SCS level for all Committees. If attendance is not possible, the papers for each meeting should be issued to the sponsor unit.

155. **Recommendation 4c:** We recommend that appropriate MoJ officials attend Board and Committee meetings on a consistent basis in accordance with the schedule which should be attached to a revised Framework Document. The purpose of attendance for each meeting, and clarification that officials attend in an observer status should be clearly outlined in the Framework so that attendance can be provided at an appropriate level.
5. Role of the Board

<table>
<thead>
<tr>
<th>Detail of Requirement</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Board of the NDPB should:</td>
<td></td>
</tr>
<tr>
<td>1. meet regularly, retain effective control over the NDPB, and monitor the SMT, holding the CEO accountable for the performance and management of the NDPB;</td>
<td>Comply</td>
</tr>
<tr>
<td>2. be appropriate in size and its members should be drawn from a wide range of diverse backgrounds;</td>
<td>Comply</td>
</tr>
<tr>
<td>3. establish a framework of strategic control (or scheme of delegated or reserved powers), understood by all board members and the senior management team, specifying what matters are reserved for the collective decision of the board and;</td>
<td>Explain</td>
</tr>
<tr>
<td>4. establish arrangements to ensure it has access to relevant information, advice and recourses as is necessary to carry out its role effectively</td>
<td>Comply</td>
</tr>
<tr>
<td>5. establish formal procedural and financial regulations to govern the conduct of its business;</td>
<td>Comply</td>
</tr>
<tr>
<td>6. make a senior executive responsible for ensuring appropriate advice is given on financial matters, procedures are followed, and that all applicable statutes and regulations and other relevant statements of best practice are complied with;</td>
<td>Comply</td>
</tr>
<tr>
<td>7. establish a remuneration committee to make recommendations on the remuneration of top executives. Information on senior salaries should be published in line with Cabinet Office requirements around transparency. Rules for recruitment and management of staff provide for appointment and advancement on merit;</td>
<td>Explain</td>
</tr>
<tr>
<td>8. There should be an annual evaluation of the performance of the board and its committees, and of the Chair and individual board members.</td>
<td>Comply</td>
</tr>
</tbody>
</table>

Overall assessment of role of the Board: G

156. The YJB complies with the majority of the relevant requirements.
Good practice: YJB Board members are selected through an open, fair and merit-based process, which is compliant with the Code set down by the Commissioner for Public Appointments and takes account of diversity. The Board’s monitoring and management systems provide it with access to the relevant information, advice and resources it needs to carry out its role effectively and the YJB has established a Scheme of Delegation, which is reviewed annually by the Board.

The Board operates an Audit and Risk and a Remuneration Committee, which are required by good practice and are attended by Youth Justice Policy Unit officials and colleagues from Internal Audit and the National Audit Office. The Quarterly Corporate Performance Report assists the Board in their work to maintain effective control over the YJB, by providing a structured performance report. Minutes of committee meetings are included in the papers for Board meetings, so that members who do not sit on a committee are informed of its business. A periodical review of Board effectiveness is suggested good practice and such a review was undertaken by the YJB Board between October 2012 and January 2013.

157. YJB Board members are appointed by the SoS in accordance with the Crime and Disorder Act 1998. These appointments are regulated by the Office of the Commissioner for Public Appointments and adverts are placed on a number of websites in order to ensure the recruitment is open and fair.

158. The YJB Board meets eight times a year. The Board’s main tool for retaining effective control over the YJB is its Quarterly Corporate Performance Report, which provides data and analysis on the performance of the youth justice system, including risks affecting the YJB and a summary of performance against corporate objectives.

159. The Board’s Scheme of Delegation sets out which matters the Board delegates to the Executive and which are reserved for the collective decision of the Board; this is reviewed annually. We note that papers had been submitted to a committee which did not have the required delegated powers and which should have been approved by the Board, under its reserved powers.

160. Between October 2012-January 2013 the Board undertook a review of Board effectiveness, rather than the relationship with the sponsor department. The results of this review will be taken forward in stages, as the current Chair’s term ends in January 2014 and will provide a useful summary for the new Chair. We welcome such a thorough review and the open and transparent way in which the Chair has engaged with the Triennial Review Team, including attendance at the Board meeting to discuss the findings. We note that although an annual review is suggested good practice, an annual review of this nature may be too frequent, time consuming and costly. The frequency and content of Board reviews will need to be considered by the future Chair as well as the engagement of the sponsor Department in any future review.

161. The Scheme of Delegation explains that the Board may “from time to time appoint Committees with such terms of reference as the YJB deems appropriate.” An Audit and Risk Committee and a Remuneration Committee are required by good practice. Committees are advisory with no decision making powers, except the Audit and Risk Committee which has delegated powers to make urgent decisions which would normally require YJB Board approval. The Board reviewed the continued relevance of the Community Justice and Secure Accommodation Committees and assessed that these are the necessary additional committees at this time.
162. The YJB’s Remuneration Committee makes recommendations on the remuneration of top executives. Information on senior salaries is published in the YJB’s Annual Report in line with Cabinet Office requirements. The current terms of reference of the Remuneration Committee only include the Chief Executive Officer and those reporting to the CEO but it would be useful for their terms to extend to other staff and for submission of the annual pay remit to MoJ to be regularised, as set out in the Framework Document.

163. **Recommendation 5:** We recommend that the Board reviews the number and Terms of Reference of the sub-committees as Ministerial priorities for the youth justice system evolve, and we encourage the Board to assess the continued relevance of the additional committees on an annual basis, within six months of the new Chair being in post.

164. The YJB Board has established an Audit and Risk Committee as an independent Committee of the YJB Board in accordance with the Cabinet Office and Treasury guidance. It is chaired by Board members and attended by representatives from internal and external audit. The Committee has responsibility for the independent review of systems of internal control, and external audit process. The YJB has a structured timetable for the submission of committee papers. However, a small number of examples were evidenced where information was either not timely or not in a format that allowed an immediate and considered discussion. This, therefore, carried a risk of ineffective decision making or oversight and gaps in the consideration of operational or organisational governance issues.

165. We note that the YJB will take action to ensure that documents are submitted to the correct committees with the relevant reserved powers by ensuring that this is set out correctly in the Scheme of Delegation. The YJB will take action to put systems in place to monitor this and to ensure that the information provided to Committees is both current and promotes timely discussion and decision making. These will be reviewed by the Board initially in April 2014 and annually thereafter.

### 6. Role of the Chair

<table>
<thead>
<tr>
<th>Detail of Requirement</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. the Board should be led by a non-executive Chair</td>
<td>Comply</td>
</tr>
<tr>
<td>2. there should be a formal, rigorous and transparent process for the appointment of the Chair, which is compliant with the Code of Practice issued by OCPA. The Chair should have a role in the appointment of non executives and Commissioners if applicable, and in some instances, the CEO.</td>
<td>Comply</td>
</tr>
</tbody>
</table>
| 3. the duties, roles and responsibilities, terms of office and remuneration should be set out clearly and formally defined in writing. Terms and conditions must be in line with Cabinet Office guidance and any statutory requirement. The responsibilities of the Chair can include:  
  - representing the ALB in discussions with Ministers  
  - advising the sponsor department/Ministers about board | Comply     |
appointments and performance of non-executive members and Commissioners.

- ensuring non-executives understand their responsibilities; are trained appropriately and undergo annual assessments.
- ensure the board takes account of guidance provided by Ministers; carries out its business efficiently and effectively, has its views represented to the public.
- develops effective working relationships with the CEO (role of Chair and CEO must be held by different individuals.)
- subject to an annual appraisal
- appraises other board members ensuring they are performing to standard, following disciplinary procedures if necessary and ensuring they are committing the appropriate time to the work.

| Overall assessment of the role of the Chair | G |

166. The YJB complies with all the requirements for the role of the Chair. The YJB Board is led by Frances Done, a non-executive Chair, who is appointed in line with the regulations of the Commissioner for Public Appointments’ Code of Practice.

Good practice: The Chair’s letter of appointment sets out all relevant legislation pertaining to the appointment, along with agreed Terms of Appointment, which are approved by MoJ Legal Directorate, to ensure compliance with Cabinet Office guidance and the Crime and Disorder Act 1998. The YJB Chair is a member of the selection panel to recruit Board members, along with independent assessors and the MoJ sponsor. The Chair represents the YJB in meetings with MoJ Ministers to provide updates on the youth justice system, hear directly from Ministers about their priorities and ensure their work is aligned to the MoJ Business Plan.

167. The Chair agrees that although the current appraisal of Board members includes an assessment of performance in the areas which broadly reflect Board members’ job descriptions, it would be helpful, in order to clarify the role of Board members, for their annual appraisal forms to reflect the essential criteria as specifically set out in their job description when the jobs were advertised.

168. **Recommendation 6a:** We recommend that the Chair revises the current Board appraisal forms by the end of March 2014, to explicitly include the essential criteria from the job description.

169. To date, the sponsor unit has not required the Chair to routinely provide Ministers or the sponsor with information about the performance of Board members, unless a Board member is seeking reappointment. However, the sponsor unit and the Chair agree that this would be a helpful development. In the case of a poorly performing Board member, the Chair would speak to the Director General (DG) sponsor, in the first instance.
170. **Recommendation 6b:** We recommend that the Chair provides the DG sponsor with information about the performance of Board members and shares Board member appraisals with the DG sponsor at least once during each reporting year in July.

### 7. Role of the Chief Executive Officer

<table>
<thead>
<tr>
<th>Detail of Requirement</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. the NDPB should be led by a CEO</td>
<td>Comply</td>
</tr>
<tr>
<td>2. there should be a formal, rigorous and transparent process for the appointment of the CEO.</td>
<td>Comply</td>
</tr>
<tr>
<td>3. the duties, roles and responsibilities, terms of office and remuneration should be set out clearly and formally defined in writing. Terms and conditions must be in line with CO guidance and any statutory requirement. The responsibilities of the CEO can include the responsibilities of the Accounting Officer, the Consolidation Officer and Principal Officer for Ombudsman which involve:</td>
<td></td>
</tr>
<tr>
<td>• Overall responsibility for the NDPB’s performance, accounting for any disbursements of grant to the NDPB</td>
<td></td>
</tr>
<tr>
<td>• establish the NDPB’s corporate and business plans reflecting and supporting delivery of the Ministry of Justice’s Strategic Objectives and departmental targets</td>
<td></td>
</tr>
<tr>
<td>• inform the Ministry of Justice of any complaints about the NDPB accepted by the Ombudsman for investigation if applicable.</td>
<td></td>
</tr>
<tr>
<td>• management of senior staff within the NDPB ensuring they are meeting objectives and following disciplinary procedures if necessary</td>
<td></td>
</tr>
<tr>
<td>• maintains accounting records that provide the necessary information for the consolidation if applicable.</td>
<td></td>
</tr>
<tr>
<td>• (details of accounting officer covered under 9: Effective Financial Management.)</td>
<td></td>
</tr>
</tbody>
</table>

| Overall assessment of the role of the CEO | G |

171. The YJB complies with all of the relevant statutory and regulatory requirements in relation to the role of the CEO.
172. The CEO is supported by an Executive Management Group (EMG) of senior staff. The responsibilities delegated to the EMG by the CEO include managing the YJB’s budgets by agreeing corporate priorities and allocating resources. However, the Terms of Reference for the EMG do not set out the threshold for which issues need to be submitted to the EMG.

173. **Recommendation 7:** We recommend that the Terms of Reference of the EMG are amended to include details of the thresholds for submitting issues to the group in order to make effective use of the time of the EMG. The timing of this will need to be linked to the review of the Terms of Reference of the Board and Committees (recommendation 5) to be completed by the new Chair within six months of their new post.

8. **Role of YJB Board Members**

<table>
<thead>
<tr>
<th>Detail of Requirement</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-executive members/ Commissioners should:</td>
<td></td>
</tr>
<tr>
<td>1. form the majority of the board, (where appropriate there should be a lay majority).</td>
<td>Comply</td>
</tr>
<tr>
<td>2. be appointed under a formal, rigorous and transparent process compliant with the code of practice issued by OCPA.</td>
<td>Comply</td>
</tr>
<tr>
<td>3. be properly independent of management (as set out in the UK Corporate Governance Code).</td>
<td>Comply</td>
</tr>
<tr>
<td>4. allocate sufficient time to the board with details of their attendance published.</td>
<td>Comply</td>
</tr>
<tr>
<td>5. undergo proper induction and appraisals.</td>
<td>Comply</td>
</tr>
<tr>
<td>6. have their duties, roles and responsibilities, terms of office and remuneration set out clearly and formally defined in writing. Their terms and conditions must be in line with Cabinet Office guidance and any statutory requirement. The corporate responsibilities of non-executive board members will normally include:</td>
<td></td>
</tr>
<tr>
<td>• establishing strategic direction of the ALB and oversee development and implementation of strategies, plans, priorities and performance/financial targets.</td>
<td></td>
</tr>
<tr>
<td>• ensuring the ALB complies with statutory and administrative requirements on the use of public funds and operates within its statutory and delegated authority.</td>
<td></td>
</tr>
<tr>
<td>• that high standards of corporate governance are observed.</td>
<td></td>
</tr>
<tr>
<td>• Representing the board at meetings and events as required.</td>
<td></td>
</tr>
</tbody>
</table>
174. The YJB complies with the majority of the relevant requirements.

Good practice: The Chair of the YJB provides a thorough induction for new Board members, all of whom are sufficiently skilled to undertake their role and most of whom have extensive experience of the youth justice system in line with the legislative requirements for their role. Recently recruited Board members have included those with experience of finance and risk; local government and children's services; health; probation and community; social services; marketing; the police; youth courts and in education.

175. All Board members are non-executive Board members as set out in the Crime and Disorder Act 1998. The Act requires 10, 11 or 12 Board members; there are currently 11 members.

176. Board members divide their time between Board meetings, Committee meetings and other annual events, as a first priority, then stakeholder liaison events. The Chair and Board members hold meetings with various stakeholders during the year. No record is kept of how Board members divide their time between their corporate and stakeholder roles, or how their time is spent. However, if a Board member had difficulty in meeting their commitments they would be expected to maintain their commitments to their governance role and reduce or stop their commitments to their stakeholder role.

177. The terms of appointment for Board members set out that all Board members are expected to work an average of three days per month and that members receive a daily fee for each day worked. The YJB’s view is that many Board members work in excess of the average days per month allocated in their terms of appointment and pay each Board member the monthly maximum amount set out in their terms of appointment. This carries a risk that the YJB will make overpayments to Board members where they have not worked for three days per month, particularly because there is no current record of actual days worked by Board members.

178. **Recommendation 8a**: We recommend that the sponsor team works with the YJB to advise how best to record number of days worked in a proportionate manner. YJB has now sought advice from the sponsor unit to facilitate this. We further recommend that Board members record how their time is spent and note that this system has now been put into operation from 1st September 2013. Where there is a departure from working three days a month, Board members should notify the Chair.

179. The Chair currently allocates additional days of paid work to Board Members on a monthly, discretionary, basis for extra duties. This has previously been set at eight days among all Board members but was reduced to five, in August 2013, in the light of the increase in the number of Board members from nine to ten (plus the Chair). This is based on an arrangement which was agreed with the previous sponsor unit on behalf of the SoS. These additional days have not been used in their totality each month.
180. **Recommendation 8b:** We recommend that the sponsor team assesses the need for these additional days and if there is a need for them, to invite Ministers to include them in a revised terms of appointment document to Board Members by end December 2013. This should also be reflected in the Framework Document.

181. Induction arrangements for new Board members are very thorough, including on-site visits and meetings with the Chair and Chief Executive, but not with the Youth Justice Minister. New Board members are also provided with a comprehensive list of key documentation for the role. The whole induction process takes up to six months. In January 2013 the Youth Justice Minister attended a Board meeting which all found helpful.

182. **Recommendation 8c:** We recommend that the Youth Justice Minister considers meeting Board members on an annual basis as a group and to aid the induction process. This would give all Board members the opportunity to advise Ministers on the youth justice system, as set out in the Crime and Disorder Act 1998, and to discuss Ministerial priorities for the coming year. It would also provide the Board with the opportunity to challenge the government on how the youth justice system is operating. It would be appropriate for the timing of this to be linked into the Ministerial discussion around the YJB’s Business Plan between January and March each year.

183. There seems to be a slightly different description of Board member’s duties between the Terms of Appointment of Board members, the Framework Document and the original job description. It will be important to harmonise the descriptions to ensure all are aware of the roles and responsibilities of Board members.

184. **Recommendation 8d:** We recommend that the sponsor unit reviews the Terms of Appointment of Board members to reconcile the wording with that of the Framework Document and the job description, by the end of March 2014.

### 9. Effective Financial Management

<table>
<thead>
<tr>
<th>Detail of Requirement</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. publish on time an objective, balanced and understandable annual report which complies with Treasury guidance, and includes an Annual Governance Statement (formerly a statement on internal control);</td>
<td>Comply</td>
</tr>
<tr>
<td>2. comply with NAO requirements relating to the production and certification of their annual accounts;</td>
<td>Comply</td>
</tr>
<tr>
<td>3. have effective systems of risk management as part of their systems of internal control and the annual report should include a statement on the effectiveness of the body’s systems of internal control.</td>
<td>Explain</td>
</tr>
<tr>
<td>4. ensure an effective internal audit function is established which operates to Government Internal Audit Standards in accordance with Cabinet Office guidance;</td>
<td>Comply</td>
</tr>
</tbody>
</table>
5. have appropriate financial delegations in place understood by the sponsoring department, by board members, by the senior management team and by relevant staff across the public body. Effective systems must be in place to ensure compliance with these delegations and the systems are regularly reviewed; 

Comply

6. have anti-fraud and anti-corruption measures in place, and clear published rules governing claiming of expenses;

Explain

7. have systems in place to ensure compliance (e.g. hospitality logs.) Information on expenses claimed by board members and senior staff should be published;

Explain

8. establish an audit (or audit and risk) committee with responsibility for independent review of the systems of internal control and external audit process;

Comply

9. take steps to ensure objective and professional relationship is maintained with external auditors;

Comply

10. comply with MoJ guidance with regard to any department restrictions on spending;

Comply

11. report to Corporate Finance with management accounts and Grant In Aid authorities

Comply

<table>
<thead>
<tr>
<th>Overall assessment of effective financial management</th>
<th>A/G</th>
</tr>
</thead>
</table>

185. The YJB complies with the majority of the requirements.

Good practice: In accordance with Managing Public Money, the Internal Audit Service is provided to the YJB Accounting Officer (CEO). It is delivered through a Service Level Agreement with MoJ Internal Audit and Assurance and is in accordance with the Public Sector Internal Audit Standards. The Internal Audit plan is discussed and agreed with the YJB Accounting Officer and endorsed by the YJB’s Audit and Risk Committee. Letters of delegated financial authority are given to Deputy Chief Executives annually, and cascaded to other budget holders, setting limits on expenditure.

The majority of the YJB’s budget is spent on commissioning places in the youth secure estate and in paying good practice grants to YOTs. The Internal Audit conduct an annual audit of the governance of grants, which provides an opinion on the adequacy, effectiveness and reliability of the controls operating over the use of grant monies. In 2012/13 the audit returned an “amber/green” rating, meaning that although there are some weaknesses in control design or operation of controls, that no significant improvements are required in order to manage the risks to the achievement of system objectives.
186. The MoJ’s Internal Audit Team discusses and agrees the annual Internal Audit plan with the YJB Accounting Officer. This is through a risk based approach and takes into account the YJB’s risk management framework and input from senior management. The results of all amber/red or red reports are reported in the MoJ Group Head of Internal Audit’s interim and annual reports to the Permanent Secretary, and are also considered by the MoJ Audit Committee. In addition to the annual report, Internal Audit also investigates specific issues and provides RAG ratings and reports on these to the CEO. The 12/13 report shows that six reports were issued during the year, ranging from auditing corporate governance, to governance of grants and youth to adult.

187. The YJB provided copies of a number of frameworks and comprehensive policies. Some of these have not been updated recently and so risk staff applying out of date principles; for example the YJB’s risk management framework which has not been updated since 2010 for which an updated framework is required to ensure effective internal controls. The YJB has rules governing the claiming of expenses, although there is evidence that the YJB’s hotel limits had been exceeded. While the YJB reports that there would have been an informal record detailing the approval, NAO could not find evidence of this or a system to record the approval. There also appeared to be a lack of guidance to staff outlining when exceeding the limits is acceptable. The YJB has since put in place a system to centrally record the approvals.

188. We note that the time taken to update these internal policies and guidance notes regularly is administratively burdensome, and that they are based mostly on MoJ policies. An example of this is the YJB’s anti-fraud and corruption policy which is comprehensive but does not make use of the anti-fraud helpline, requiring instead the YJB line manager to conduct an initial assessment, increasing the onus on staff time, rather than making use of central expertise.

189. Recommendation 9a: To reduce the staff time and risk staff acting on out-of-date policies we recommend that YJB applies MoJ policies and guidance, rather than using them to inform their own policy and guidance documents, except where there is a strong reason not to do so. This would make use of central MoJ expertise, standardise processes and reduce the administrative burden within the YJB which could lead to savings.

190. The YJB notes that systems are in place to ensure compliance, such as hospitality logs. Information on benefits in kind claimed by board members and senior staff is published in the Annual Report and Accounts. However information on expenses of senior staff is not published.

191. Recommendation 9b: We recommend that the YJB publishes the expenses of the Chief Executive by end January 2014.

10. Communications and engagement

<table>
<thead>
<tr>
<th>Detail of Requirement</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>The NDPB should:</td>
<td></td>
</tr>
<tr>
<td>1. establish clear and effective channels of communication with stakeholders;</td>
<td>Comply</td>
</tr>
</tbody>
</table>
2. make an explicit commitment to openness in all activities. Engage and consult with public on issues of public interest or concern and publish details of senior staff and board members with contact details; **Comply**

3. hold open board meetings or an annual open meeting; **Comply**

4. proactively publish agendas, minutes of board meetings and performance data; **Comply**

5. establish and publish effective correspondence handling and complaint procedures, and make it simple for members of the public to contact them/make complaints. Complaints should be investigated thoroughly and be subject to investigation by the Parliamentary and Health Service Ombudsman. Performance in handling correspondence should be monitored and reported on; **Explain**

6. comply with any Government restrictions on publicity and advertising, with appropriate rules in place to limit use of marketing and PR consultants. Have robust and effective systems in place to ensure the NDPB is not engaged in political lobbying, includes restriction on board members attending Party Conferences in a professional capacity. **Comply**

7. engage the Sponsor Department appropriately especially in instances where events may have reputational implications on the department. **Comply**

8. In line with transparency best practice, consider publishing spend data over £500. **Comply**

| Overall assessment of communications | G |

192. The YJB complies with all of the requirements except for one area.

**Good practice:** The YJB engages with stakeholders through a number of digital communications, including updates on the MoJ website, email bulletins to YOTs and secure estates with sector specific messages and through Twitter updates. YJB also places articles in relevant local media and the trade press to highlight recent work to stakeholder groups. The YJB issues a quarterly update on the activities of the Board to staff through the YJB Intercom: Weekly Internal Bulletin. There are visible ways of contacting the YJB, including a complaints procedure, which are posted on the Justice website. The YJB also regularly consults stakeholders on issues of public interest and Board minutes are proactively published on the Justice website as is performance data.

193. A published complaints procedure is in place and all complaints are logged and monitored. The YJB also monitors all Chair’s and Chief Executive’s correspondence. However, a procedure for handling and monitoring general correspondence is not in
place. We have considered whether the YJB should hold a log of all correspondence. We note that in one quarter a total of 21 general correspondence requests were received but during the next two and a half months, this total had more than doubled to 47.

194. **Recommendation 10:** Given the amount of correspondence received, and to enable YJB to better respond to those interested in their work, we recommend that the YJB logs and monitors all general correspondence by end of December 2013 and keeps levels of correspondence under review over the next six months.

195. The Board conducts a significant amount of stakeholder engagement. The YJB holds regular conferences and informal discussions to promote the work of the YJB and to inform stakeholders about the YJB’s plans, which align with the Cabinet Office’s transparency agenda. The peer reviewers report addresses the wider issue of value for money in stakeholder engagement.

196. Board members’ code of conduct sets out the expectations regarding political activity including the rules on attendance at party conferences. Furthermore the YJB seeks approval on all spending on events from the MoJ. This is in line with the marketing and advertising freeze introduced by the Cabinet Office in June 2010, which put an immediate freeze on all non-essential government marketing and advertising, unless permission is sought from the relevant personnel. In line with initiatives from the Cabinet Office, YJB are looking to move all their web content to GOV.uk by March 2014.

197. The YJB publishes, alongside the MoJ, all spend over £25,000 and any spend via the government procurement card over £500.

### 11. Conduct and Propriety

<table>
<thead>
<tr>
<th>Detail of Requirement</th>
<th>Assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. a Code of Conduct must be in place setting out the standards of personal and professional behaviour and propriety expected of all board members which follows the Cabinet Office Code and forms part of the terms and conditions of appointment;</td>
<td>Comply</td>
</tr>
<tr>
<td>2. the NDPB has adopted a Code of Conduct for staff based on the Cabinet Office model Code and form part of the terms and conditions of employment;</td>
<td>Comply</td>
</tr>
<tr>
<td>3. there are clear rules and procedures in place for managing conflicts of interest. There is a publicly available Register of Interests for board members and senior staff which is regularly updated;</td>
<td>Explain</td>
</tr>
<tr>
<td>4. there are clear rules and guidelines in place on political activity for board members and staff with effective systems in place to ensure compliance with any restrictions;</td>
<td>Comply</td>
</tr>
</tbody>
</table>
5. there are rules in place for board members and senior staff on the acceptance of appointments or employment after resignation or retirement which are effectively enforced; Comply

6. Board members and senior staff should show leadership by conducting themselves in accordance with the highest standards of personal and professional behaviour and in line with the principles set out in respective Codes of Conduct. Comply

| Overall assessment of conduct and propriety | G |

198. The YJB has complied with all but one of the requirements in this section.

Good practice: The YJB has a published code of conduct in place for YJB Board members and for staff, setting out personal and professional behaviour. Clear rules and guidelines are in place and available to staff on political activity within the code of conduct and staff are reminded of their obligations at relevant times (e.g. during general elections).

199. The code of conduct sets out that on leaving office Board members must comply with the rules of the YJB on the acceptance of future employment or appointments as described in the YJB conduct policy. However, in order to clarify and reinforce these rules, the Chair will issue a note for the Board setting out the requirements on leaving office. It would also be helpful if the code were available on the YJB's intranet.

200. Currently the YJB only publishes its register of interests for the Board members and not the EMG. The Board's register is maintained and updated at each Board meeting, the EMG register is updated quarterly for the Audit and Risk committee. It has also been recognised that there needs to be some further promotion of the policy on conflicts of interest, during the staff induction period.

201. **Recommendation 11a:** We recommend that the YJB publishes its register of interests for the EMG on a quarterly basis following the Audit and Risk Committee by the end of January 2014.

202. **Recommendation 11b:** We also recommend that the YJB ensures that new members of staff have copies of the code of conduct and are aware of the rules and procedures for managing conflicts of interest by the end of January 2014.
Peer Reviewer Report

Triennial Review of the Youth Justice Board (YJB) - Stage 2 Report

Methodology

203. As Peer Reviewer I was provided with copies of all documentation relating to the desk assessment along with background information on the YJB and copies of the Stage 1 report. I also received a draft of the Stage 2 report.

204. As part of the evidence gathering process I met with five Youth Justice Board members (including the chair) and six members of their executive team, including the Chief Executive Officer; three Deputy Chief Executives (Corporate Services, Secure Accommodation, and Community); plus the Head of Wales and the Head of Finance.

205. In addition to interviewing people from the YJB, I also met with the Director and Deputy Director from the MoJ Youth Justice team; MoJ Director of Finance (who had previously worked for the YJB); the deputy Director ALB Governance; plus the Senior Responsible Officer, Project Manager and corporate finance representative on the Triennial Review team. I also spoke to an MoJ non-executive director.

Context

206. Before setting out my findings, I think it is important to say a little about the YJB and the legislative framework within which it sits.

207. The YJB was set up under the Crime and Disorder Act 1998 (‘The Act’). The Act states that:

“There shall be a body corporate to be known as the Youth Justice Board for England and Wales (“the Board”).”\(^{21}\)

“The Board shall consist of 10, 11 or 12 members appointed by the SoS.”\(^{22}\)

The above points are important as they make it clear that, unlike most other Non Departmental Public Bodies (NDPBs), the Board is the body corporate rather than just part of the governance arrangements. The status of the Board is important when it comes to commenting on the role of the Board, the Chair and the Chief Executive.

208. The Act goes on to set out the functions of the Board. These functions were amended by subsequent legislation but the original purpose of the Board was primarily one of overseeing the Youth Justice System on behalf of the SoS and providing advice on how the system could be improved. The YJB was given various powers to identify and commission research into good practice and to collect information from relevant authorities in order that it could effectively monitor the system. This oversight role was fundamentally changed in 2000 by the addition of

\(^{21}\) Crime and Disorder Act 1998 s.41 (1)
\(^{22}\) Crime and Disorder Act 1998 s.41 (3)
the responsibility to plan the future demand for secure accommodation and enter into agreements for its provision.

**Findings**

**Statutory Accountability**

209. As mentioned above the YJB is a statutory corporation. This means that it has its own legal personality and can employ its own staff although it is entirely dependent on the Government for its funding.

210. The YJB is classed as a NDPB and the Triennial Review concluded that this was an appropriate classification, although it was considered that it could function under other constitutional arrangements. My view is that the YJB is best suited to NDPB status but I think that the form of NDPB merits further consideration. Cabinet Office Guidance on Public bodies provides helpful guidance in this regard.

211. As originally conceived the YJB should have appropriately been classed as an Advisory NDPB. This is a very simple form of NDPB as it does not usually employ its own staff but instead is supported by staff from the sponsoring department, in some cases on a seconded basis. If it were an Advisory NDPB the sponsoring Department would also retain control of the budget, even if the YJB were to direct how this budget would best be spent.

212. While the YJB could still be classed as an Advisory NDPB the fact that it now has executive functions in respect of secure accommodation provision makes this less appropriate. Unless the YJB’s functions are changed to remove executive responsibilities then, in my view, it is better placed to meet its statutory responsibilities in the form of an Executive NDPB.

213. As an Executive NDPB, the YJB employ their own staff and are allocated their own budgets. However, as Ministers are ultimately responsible for the performance of the body, it is reasonable that there should be controls in place that will protect the Government’s interest. These controls must focus on the area of greatest risk – managing public money. These controls are usually put in place through appropriate documentation. The Framework Document is fundamental to setting out the way in which the organisation operates, and will set the context for an updating of other documentation such as the governance framework, Schedule of Delegations and documentation relating to delegated budgets. As currently drafted the YJB Framework Document does not reflect some of the more unique features of the YJB and in particular the role of the Board itself.

214. The responsibility for the content of the Framework Document and supporting documentation sits equally with the YJB and the sponsoring Department.

---

Accountability for Public Money

215. In the past some of the controls, in terms of the requirements of Managing Public Money and other guidance, did not work effectively. However, it is clear that lessons have been learned and that steps are being taken to minimise the risk of this happening again. However, it is not possible to say that the organisation is now fully compliant as the effectiveness of the new controls has yet to be tested.

216. With particular reference to delivering value for money, work is needed to look at how the role of the YJB in the provision of secure accommodation is aligned with other parts of Government. Although I did not look in detail at the current arrangements, I was alerted to the potential for a conflict between the YJB and the National Offender Management Service (NOMS). This was most likely to occur in relation to the decommissioning of accommodation and responsibility for the on-going cost of that accommodation. I have not made any recommendation in this regard, as I note that this is already being addressed following similar concerns raised during Stage 1 of the Review.

217. Although the YJB brings an important focus on the particular needs of young people and children in the justice system this does not preclude them from working with other parts of the justice system to achieve best value for money in terms of procuring services.

Ministerial Accountability

218. The YJB was formed in order to provide the SoS with a source of expert advice on the operation of the Youth Justice system and the provision of youth justice services, among other functions.

219. The legislation states that in carrying out their functions the Board shall comply with any directions given by the SoS and act in accordance with any guidance given by him\(^\text{24}\). In practical terms this means that the Board are not entirely free to pursue their own agenda. While they may give advice to the SoS he is not obliged to accept it. The YJB has been set up to support the SoS by providing him or her with independent advice and to provide factual information to Parliamentary Committees and the media on the operation of the youth justice system. The Framework Document should be explicit in making clear these roles.

220. The founding legislation makes it one of the key functions of the YJB to provide advice to the SoS on how well the Youth Justice system is working. The current draft Framework Document does not fully recognise this key relationship and needs to be amended to make explicit provision for the YJB members, as distinct from their executive team, to meet with the SoS at least once a year to formally submit their views on the functioning system, with the opportunity for them to provide ad hoc advice from time to time on any pressing matters.

221. The Framework Document states that it will be the responsibility of the Chair to convey the views of the Board to the SoS. While this might be a practical solution, it does not reflect the equality of status of YJB members implied by the founding legislation.

\(^{24}\) Crime and Disorder Act 1998 s.41 (7)
222. The working arrangements around the YJB’s role in providing advice and how this feeds into the policy development process would benefit from greater clarity.

Role of the Sponsoring Department

223. Both the YJB and the sponsor Department acknowledge that there is some tension between them, although this has been improving. I believe that by keeping the sponsorship role separate from the policy function, the potential for rubbing points could be minimised.

224. The YJB is sponsored by the Youth Justice Team who are also responsible to the SoS for the development of Youth Justice policy. Both the YJB and the MoJ Youth Justice team have responsibility for providing policy advice to Ministers. It is possible that there could be differences in the advice being offered as each group will bring a different perspective. This may lead to conflicting views on matters of policy. Normally this would be a healthy position, but the balance of power in this relationship could be affected by the fact that the YJ policy team also have a role in assessing the effectiveness and performance of the YJB.

225. Given that the YJB is a complex body with one of the biggest budgets among ALBs in the MoJ family, the sponsorship role is critical in terms of holding the YJB to account and providing assurances to Ministers. A specialist sponsorship team is more likely to have the expertise necessary to undertake this role without having to balance conflicting priorities when the policy workload is heavy.

226. The role of the YJB in policy development would also benefit from additional clarity. Everyone acknowledges that it is for the SoS to decide what Youth Justice policy should be and, in this regard, he or she will take advice from both the YJB and the YJ policy team. It is the job of the YJ policy team to develop the detailed policy provisions, although they will want to consult with the YJB on what is being developed. In particular the YJ policy team will want to harness the expertise of the YJB members. These roles and relationships need to be clearly set out in the Framework Document.

227. As referenced in the Stage 2 report, it is appropriate that a senior member of the sponsorship team should attend the YJB Board meeting, in an observer capacity. It is also standard practice for MoJ internal audit staff to attend the Audit & Risk Committee. I do not think that there is a need for any other involvement by the MoJ in the YJB governance structure. The agreed level of involvement of MoJ staff should be set out in a paper which provides detail of all YJB governance arrangements, and supplements the high level provisions contained within the Framework Document.

228. During my interviews I heard some concerns being expressed by members of the YJB about the extent to which they felt they were being micro managed. This issue is not exclusive to the YJB as all ALBs are subject to increasing levels of control. Much of this tightening of control is being driven by the Cabinet Office. Nevertheless, it is important that the Framework Document and supporting documentation makes the levels of delegation clear and that these controls are kept to the minimum necessary to be compliant with current guidance.
Role of the YJB Executive Management Group

229. In looking at the role of the Executive Management Group (EMG) it is important to link this back to founding legislation and in particular to the point that the body corporate is formed by the Board members and not the Executive.

230. The EMG are there to deliver under the direction of the Youth Justice Board members. Therefore, they must take care that everything that they do can be tied back to an instruction from the Board. While the Scheme of Delegations generally provides appropriate guidance, there are two areas where I think the level of delegation needs to be reviewed:

- Procurement – the table of delegations only requires the Board be consulted on contracts over £1 million but the power to sign off on such contracts is delegated to the CEO.

- Secure accommodation – although the Board has to approve in-year decommissioning/commissioning proposals, the preparation and approval of the plan sits with the CEO subject to consultation with the Chair and the Chair of the Secure Accommodation committee.

231. I recommend that a benchmarking exercise be undertaken to ensure that the number and grading of staff is appropriate to the size and functions of the organisation. I understand that the senior staff structure is currently under review.

232. The EMG meets on a weekly basis. Although none of the team members commented adversely on this arrangement, to the external observer this seems excessive.

Role of the Chair

233. The statutory role of the Board also has an impact on the role of the Chair. The legislation provides that the SoS must appoint one of the Board members as the Chair. It is a recognised part of the governance of any board that someone acts in this capacity. There is no further statutory guidance offered however on what additional roles and responsibilities sit with the Chair.

234. As the legislation is silent on the specific role of the Chair, the Framework Document and the terms of appointment need to cover the necessary detail. In setting out these arrangements care should be taken to avoid the role of the Chair being given a position of greater prominence than the legislative framework implies.

235. As explained previously the YJB is the body corporate and therefore the role of its Chair has the potential to cross over into the traditional role of the Chief Executive Officer. It is important that the Framework Document properly reflects how these roles work within an organisation like the YJB and does not rely too heavily on a template that was designed for the standard NDPB set up.

236. Each YJB member, other than the Chair, is remunerated on a per diem basis. The expectation is that they will commit an average of three days per month to the work of the Board. The Chair, at her discretion, has been approving up to a total of 5 additional days per month shared among those Board members whose contribution has taken them beyond the contracted commitment (primarily those who chair committees). This seems to have been carried out in accordance with previous
custom and practice. There is no written Authority for the Chair to approve these additional days. If this practice is necessary, and is to continue, it should be properly reflected in the Framework Document, and letters of appointment.

237. The Chair is appointed and remunerated on a different basis from other members of the YJB. The current arrangements are for the Chair to be appointed to work 3 days per week. The letter of appointment for the Chair includes some terms which are not consistent with current policy - for example, the references to hospitality.

Role of the Chief Executive Officer (CEO)

238. The role of the CEO is also impacted by the way in which the YJB has been constituted and, as stated previously, the CEO should be directed by the Board in terms of delivering the YJB functions. Previous comments made at paragraph 230 also apply here. The key role of the CEO is that of Accounting Officer which makes her personally responsible for safeguarding the public funds for which she has charge and for ensuring propriety and regularity in the handling of those funds. This means that it is the responsibility of the Chief Executive Officer, on behalf of the Board, to ensure that YJB complies with all Cabinet Office and other departmental controls.

239. The breaches of financial controls which led to the YJB accounts being qualified pre-date the appointment of the current CEO. The new CEO is clear about what needs to be done to improve the financial controls. Although there is nothing to imply that there will be further breaches, as mentioned previously, the new controls will still have to be tested.

240. The Chief Executive is responsible for the day to day management of the YJB staff. While the role of the CEO in terms of managing the staff is clear, the role of the CEO in terms of determining the numbers and grade of staff that can be appointed and their terms and conditions of appointment is less so. The MoJ would prefer that the staff of the YJB, although not civil servants, be appointed on MoJ terms and conditions. If this were to be agreed it should be covered in the Framework Document.

Role of the Non-executive Board member

241. As part of my assessment I spoke to five Board members, including the Chair. My first observation was that there was no doubt that the primary intention of the founding legislation had been met in that those appointed to the Board clearly had extensive recent experience of the youth justice system and were well placed to deliver the functions of the Board. I was very impressed with both the experience and the enthusiasm of each Board member that I spoke to.

242. On the issue of clarity it is worth reiterating the special status of YJB members. The people appointed by the SoS were not appointed in a governing capacity (the usual non-executive role) they were appointed to deliver on the functions as set out in the founding legislation. It is important that this status is reflected in the Framework Document.

243. In practical terms the Board need an executive team to undertake the tasks necessary to ensure that they can deliver on their statutory responsibilities. However there should be no doubt that the Board members are in control of the executive team.
Effective financial management

244. I did not look in any detail at effectiveness of the YJB finance function, but the comments from the NAO and the qualification of the accounts provide evidence that improvements were required.

245. The YJB has already committed to moving to shared services for both Finance and HR support. However, this will not negate the need for the YJB to have access to good quality financial planning advice. This should be considered as part of the planned move to a shared financial service.

Communications and Engagement

246. The YJB appears to undertake a significant amount of work in hosting conferences and events and seeks funding on a case by case basis for spend on advertising and marketing. Although it has a role in making known and promoting good practice, its core functions do not require that it plays such an active role in stakeholder engagement.

247. There appears to be a fairly significant cost to the organisation in terms of the level, and seniority, of staff needed to support this approach to stakeholder engagement. While national events and conferences could be the preferred method of engagement it might be that other, less resource intensive, methods of achieving similar outcomes merit further consideration. The YJB could build on their existing use of more cost effective digital communications channels and local engagement in this regard.

Conduct and Propriety

248. Nothing to add to what is currently covered in the main report.

Conclusions

249. The YJB performs an important role in terms of its ability to take an overview of the functioning of the Youth Justice System. The Board consists of an impressive group of people with the intellect, expertise and passion necessary to add real value in the area of Youth Justice policy. They are supported by an experienced executive team who share the enthusiasm of the Board for making the Youth Justice System work effectively. Among the evidence that current Youth Justice policy is delivering results is the significant reduction in the numbers of young people in custody.

250. My view is that the YJB has suffered from having moved away from their original oversight role without full consideration having been given to the impact of new functions on the nature of the organisation. In its original form the YJB would have sat very neatly within the definition of an advisory NDPB which could have received executive support from the core MoJ and focussed all its energy externally.

251. The addition of executive functions in 2000, involving the commissioning and procurement of secure accommodation, changed the fundamental nature of the organisation and necessitated the creation of a large executive team which brought with it a need for the Board to shift some of their focus internally. While this risk is mitigated by the appointment of a very able and experienced Chief Executive, the Board still needs to use some of its energy in dealing with ‘housekeeping’ issues.
252. The YJB consider that their role in relation to secure accommodation is critical to their success. They believe that without the ability to directly control this provision, the particular needs of young people would not be properly catered for within the secure estate. While it is quite easy to see the strength of this argument, there could be another argument that their expertise is better suited to planning and commissioning secure accommodation rather than being directly involved in its procurement and the management of contracts. Although I do not feel sufficiently well informed to make a recommendation, I have concluded that this is an area that would merit further investigation by the YJB and the MoJ.

253. While the YJB play an important role in ensuring that the justice system focuses on the particular needs of those under 18 years of age, there is still potential for them to work more effectively with other parts of the justice sector to achieve economies of scale.

Summary Of Recommendations

254. Throughout my report I have referred to the need to have clarity around roles and relationships and have suggested that this clarity should be provided through a revised Framework Document. I would recommend that the final version of this document should cover:

- The unique role of the YJB members, recognising that they form the body corporate and are not simply part of the governance arrangements for the organisation;
- The role of the Chair, and how this relates to other Board members;
- The mechanisms for the YJB members to engage directly with Ministers and the core MoJ, particularly in relation to the provision of advice on Youth Justice policy;
- MoJ expectations, wider Government controls and limitations (see references to appointment of staff; use of shared services; procurement restrictions etc.);
- The involvement of the MoJ in YJB board and committee meetings.

255. Following finalisation of the Framework Document, I would recommend that there should be a review of:

- the Scheme of Delegations;
- Board and committee terms of reference and standing orders;
- Executive Management Group term of reference;
- Terms and conditions of appointment for the Chair and other YJB members.

256. It would be useful if all the key documentation could be brought together within a Governance Statement, which sets out the detail of the YJB’s governance arrangements, including the roles of the Board, its committees and the executive management group. In particular this statement should explain how the various boards, committees and executive groups relate to each other within the overall governance framework.

257. There is the potential for the YJB to make more effective use of public money by reviewing all its current activities and restricting them to those which are fundamental to its core purpose. Areas worthy of further consideration include:
• The role of the YJB in research and policy development and the potential for them to deliver more through the core MoJ.
• The role of the YJB in running conferences and events;
• The role of the YJB in direct procurement and contract management.

258. With a move to shared services for HR functions there is the potential for the YJB to step back even further from staffing related issues. If the YJB adopted all MoJ policies and procedures (including staff terms and conditions) and used the shared service for transactional work this would free the Board of a significant amount of responsibility and could allow them to eliminate the need for a separate remuneration committee. If the Board is less involved in managing the organisation they can focus more of their attention on where it can add most value - the oversight of the Youth Justice system.

259. As part of the planned move to using a shared finance service, I recommend that the YJB ensures continued access to robust, and informed financial planning advice.

260. To ensure that the cost of supporting the YJB is kept to a minimum, I would recommend that, as part of the current senior management review, the YJB consider a benchmarking exercise to ensure that the number and grading of staff is appropriate to the size and functions of the organisation. I would also recommend reviewing the number and frequency of senior staff meetings (in particular the weekly EMG meeting).

261. I would recommend that the current sponsorship arrangements be reviewed, and consideration given to moving the sponsorship of the YJB to the MoJ’s ALB Governance division. I think this would provide a helpful separation between the MoJ’s role in monitoring the performance of the YJB and their ability to draw on YJB member’s advice on the development of Youth Justice Policy.

262. I would recommend that the YJB considers the potential for working more effectively with other parts of the justice system (in particular NOMs) to deliver better value for money through joint procurement initiatives.

Carole A Oatway

September 2013
Conclusion of Stage Two review

263. The YJB has complied with the majority of the governance and accountability requirements which are placed on them by statute, regulation, the MoJ and governmental guidelines or best practice. In those areas where an 'explain' assessment has been given, we are pleased to report that the YJB is already addressing how to improve compliance and we consider the YJB will be viewed as having complied once there is evidence that the new processes have achieved the required results.

264. In coming to a final conclusion on the RAG ratings the Review adopted the general principle that identifying an issue and putting plans in place to address it was not sufficient to warrant a 'comply' rating. Rather, a 'comply' rating could only be given where there was evidence that the action had resulted in the required result. The RAG rating descriptions can be found on page 92. In some instances, the YJB’s view is that applying the RAG rating definitions should have led to a more positive RAG rating than that reached by the review team. This difference of approach relates to the RAG ratings for three principles, statutory and administrative accountability; accountability for public money and effective financial management.

265. The involvement of an independent peer reviewer has been invaluable in providing in a fresh perspective. Her report focuses on the intent of the original legislation which established the Youth Justice Board as a group of advisory experts and suggests that it would have been better categorised as an Advisory NDPB rather than an Executive NDPB, which would then receive executive support from the MoJ. Whilst we support the need for the YJB to refocus on its original intent, and for Board members to be more involved in the overall strategic focus and decisions of the organisation, we consider that whilst the YJB retains its operational functions particularly relating to secure accommodation, that it is better suited to be an Executive NDPB. However we do agree that the relationship between the Board and its Executive Management Group be clarified so that the executive supports the Board in its key objectives, and for the YJB to review the terms of reference of its Committees to most efficiently achieve its objectives.

266. A core part of the relationship is the role of the sponsor, and the need to clarify this role within the MoJ. In considering the sponsorship arrangement, we note the on-going work of the ALB Governance Division to standardise sponsorship and recommend that the sponsor role be considered as part of the Departmental-wide discussion into sponsorship. We also note the very close links that will need to be maintained with the policy team to advise on strategic direction and Ministerial priorities.

267. A theme through both reports is the need to update the Framework Document so that it provides the level of detail required to clarify the relationship and responsibilities between the YJB and MoJ, and the role of the YJB in providing advice to Ministers. Recommendations are made throughout the text. This revision should be undertaken urgently with a revised Framework in place and published by end April 2014.

268. Both reports also recommend that the YJB to make more use of central MoJ expertise to standardise procedures and reduce the administrative burden on the YJB. We recommend that the YJB adopts, rather than adapts, the MoJ’s policies
and guidance documents except where there is a strong reason not to do so, so that the Board’s time can better focus on their core objectives and the executive support is focused more on that of support to the Board. To deliver savings, we consider that further consideration be given to the extent to which the YJB is involved in areas of work not central to the delivery of their statutory functions.

### Joint summary of recommendations to take forward

269. The below draws together the recommendations made by the Review Team and the Peer Reviewer to be taken forward by the MoJ and the YJB. Where both the Review Team and the Peer Reviewer have made the same recommendation, this has only been recorded once. Where a recommendation has not been given a specific target date, it will be appropriate for the YJB and MoJ to provide a formal update on implementation by the end of March 2014 and on a quarterly basis thereafter.

<table>
<thead>
<tr>
<th>1. To improve statutory and administrative accountability</th>
<th>we recommend that the YJB updates the document detailing how to apply Cabinet Office financial controls, in conjunction with the MoJ’s Corporate Finance support team by end February 2014. This should be advertised to all staff internally and put on the YJB’s intranet to ensure ease of access by end March 2014.</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve accountability for public money</td>
<td>we recommend that:</td>
</tr>
<tr>
<td>2a. the measures already planned by YJB and the MoJ to improve accountability for public money are monitored through the quarterly performance meetings and that MoJ sponsors update the/Principal Accounting Officer to provide the necessary assurance, starting in December 2013 on a quarterly basis thereafter;</td>
<td></td>
</tr>
<tr>
<td>2b. in line with the wider work on sharing MoJ corporate services with ALB's, that MoJ HR and the YJB carry out an options exercise to assess the costs and benefits of appointing new staff to terms and conditions (T and Cs) which mirror those of MoJ’s Ts and Cs and give existing staff the opportunity to opt into MoJ Ts and Cs. This is in line with the Department’s aim for ALBs to share the MoJs corporate services unless there is strong reason not to. The preferred option would be to run this exercise in Feb 2014 however this will be subject to wider planning within MoJ and YJB HR;</td>
<td></td>
</tr>
<tr>
<td>2c. there is potential for the YJB to make more effective use of public money by reviewing its current activities and restricting them to those which are fundamental to its core purpose. Areas for consideration include:</td>
<td></td>
</tr>
<tr>
<td>- the YJB’s role in developing policy and whether this risks duplicating MoJ’s policy development function;</td>
<td></td>
</tr>
<tr>
<td>- the YJB’s approach to stakeholder engagement to consider less resource intensive methods and building on digital communications and local engagement;</td>
<td></td>
</tr>
<tr>
<td>- the role of the YJB in direct procurement/contract management.</td>
<td></td>
</tr>
<tr>
<td>2d. the YJB considers the potential for working more effectively with other parts of the justice system, in particular NOMS to deliver better VFM through joint procurement initiatives.</td>
<td></td>
</tr>
</tbody>
</table>
To increase **Ministerial accountability** we recommend that:

3a. MoJ sponsors identify the main types of key issues that require early Ministerial engagement and once identified, to set these out clearly in the revised Framework Document by the end of February 2014. We further recommend that the YJB consults the sponsor unit earlier for advice on when consultation with Ministers is appropriate;

3b. A revised Framework Document sets out clearly the mechanisms for YJB members to engage with directly with Ministers and core MoJ, particularly in relation to the provision of youth justice policy.

To improve the **role of the sponsoring Department** we recommend that:

4a. MoJ should clarify where best the sponsor role sits, in light of Departmental-wide changes and taking into account the size and budget of the YJB. All changes to the sponsor role should be clearly and unambiguously set out in a revised Framework Document detailing roles and responsibilities;

4b. the YJB amends the format of the YJB’s Quarterly Corporate Performance reports which are used as a basis for the performance review meetings. We note that work has begun on this, and that it will be important that the report meets the needs of internal scrutiny as well as the sponsor Department. Work includes developing an Assurance and Performance Framework to identify the key assurance indicators which is a welcomed development to draw the main areas of assurance together in one document. This should be completed by December 2013. We also recommend that this Assurance Framework measures the performance of the YJB as an organisation, as well as monitoring the performance of the youth justice system;

4c. relevant MoJ officials attend Board and Committee meetings on a regular basis in accordance with the schedule which should be attached to a revised Framework Document and that the YJB shares papers for all Committee meetings with the sponsor team;

4d. the Framework Document and supporting documentation is revised to make the levels of delegation clear and that these controls are kept to the minimum necessary to be compliant with current guidance.

To clarify the **role of the Board** we recommend that:

5a. the Board reviews the number and Terms of Reference of the sub-committees as Ministerial priorities for the youth justice system evolve, and we encourage the Board to assess the continued relevance of the additional committees on an annual basis, by March 2014;

5b. the YJB brings together all key documentation within a Governance Statement, setting out the detail of the YJB’s governance arrangements, including the role of the Board, its committees and the Executive Management Group and how they relate to each other within the overall governance framework.

To clarify the **role of the Chair** we recommend that:

6a. the Chair revises the current Board appraisal forms by the end of March 2014, to explicitly include the essential criteria from the job description;

6b. the Chair provides the DG with information about the performance of Board members and to share the Board member appraisals with the DG of Criminal Justice Group at least once during each reporting year in July.
To clarify the role of the Chief Executive Officer we recommend that;

7a. the Terms of Reference of the Executive Management Group are amended to include details of the thresholds for submitting issues to the group, in order to make effective use of the time of the EMG, by end February 2014;

7b. as part of the current senior management review, the YJB consider a benchmarking exercise to ensure that the number and grading of staff is appropriate to the size and functions of the organisation and that the CEO reviews the number and frequency of senior staff meetings.

To clarify the role of YJB Board members we recommend that;

8a. the sponsor team works with the YJB to advise how best to record number of days worked in a proportionate manner. YJB has now sought advice from the sponsor unit to facilitate this. We further recommend that Board members record how their time is spent and that this system has been put into operation from 1st September 2013. Where there is a departure from working three days a month, Board members should notify the Chair;

8b. the sponsor team assesses the need for these additional days and if there is a need for them, to invite Ministers to include them in a revised terms of appointment document to Board Members by end December 2013. This should also be reflected in the Framework Document;

8c. the Youth Justice Minister considers meeting Board members on an annual basis as a group and to aid the induction process and to clarify this by end December. This would give all Board members the opportunity to advise Ministers on the youth justice system, as set out in the Crime and Disorder Act 1998. It would be appropriate for the timing of this to be linked into the Ministerial discussions around the YJB’s Business Plan between January and March each year;

8d. MoJ sponsors review the Terms of Appointment of Board members to reconcile the wording with that of the Framework Document and the job description, by the end of March 2014.

To improve effective financial management we recommend that;

9a: the YJB adopts all MoJ policies and procedures including the Department’s Shared Services for transaction work, except where there is a strong reason not to do so, which would make use of central MoJ expertise, standardise processes and reduce the administrative burden within the YJB. This would free the Board of a significant amount of responsibility and refocus their attention on where it can add most value;

9b. the YJB publishes the expenses of the Chief Executive by end January 2014.

10. To improve communication and engagement, we recommend that the YJB logs and monitors all general correspondence by end of December 2013 and keeps levels of correspondence under review over the next six months.

To clarify staff conduct and propriety we recommend that;

11a. the YJB publishes its register of interests for the Executive Management Group on a quarterly basis following the Audit and Risk Committee, by the end of January 2014;

11b. the YJB ensures that new members of staff have copies of the code of conduct and are aware of the rules and procedures for managing conflicts of interest, by the end of January 2014.
Assessment ratings

270. The YJB has complied with the majority of the governance and accountability requirements which are placed on them by statute, regulation, the MoJ and governmental guidelines or best practice.

271. However, improvements could be made by updating guidance documentation which is currently out of date to ensure that YJB Board members and staff are fully aware of, their roles and responsibilities and apply the most recent controls.

272. The Review Team has concluded the below assessment ratings which have been discussed with the YJB. Agreement could not be found in three areas. Although the YJB complied with the majority of requirements in statutory and administrative accountability, the out of date control framework carries a risk of inaccurate Cabinet Office controls being applied. Once a new framework is in place we consider that the YJB will comply with this requirement. On accountability for public money, the Review Team considered that the measures that have been requested are of a significant and urgent nature. We note that the YJB has carried out urgent work to put these procedures in place, and a number of reviews are taking or have since taken place. Once these are complete and the new procedures have been tested we consider that the YJB will comply with these requirements. When assessing effective financial management, three requirements led to an ‘explain’ conclusion. Once the YJB has introduced changes to these systems and updated its risk management framework, and this has had time to be tested, we consider that this will result in a ‘comply’ assessment.

<table>
<thead>
<tr>
<th>Principle</th>
<th>Theme (where relevant)</th>
<th>Theme Rating</th>
<th>Principle Rating</th>
<th>Overall assessment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountability</td>
<td>- Statutory</td>
<td>A/G</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Public money</td>
<td>A/R</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Ministerial</td>
<td>G</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roles and responsibilities</td>
<td>- Sponsor Department</td>
<td>G</td>
<td>G</td>
<td>A/G</td>
</tr>
<tr>
<td></td>
<td>- Board</td>
<td>G</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Chair</td>
<td>G</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Chief Executive Officer</td>
<td>G</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Board Members</td>
<td>G</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective financial management</td>
<td></td>
<td>A/G</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td></td>
<td>G</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conduct and Behaviour</td>
<td></td>
<td>G</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Next steps

273. As part of the ongoing sponsorship relationship with the YJB, the YJB and the MoJ will need to agree any time-limited recommendations as set out above. The YJB and MoJ will also need to explore some of the issues which arose during Stage One of the review. Progress in implementing all recommendations should be monitored through the already established Quarterly Performance Review meetings.

274. A lessons learned meeting will be arranged to include; the Senior Responsible Officer, the peer reviewer from Stage Two, the Chair of the YJB and the Chief Executive of the YJB.
Alternative format versions of this report are available on request from Helen Evans, Youth Justice Policy Unit, Ministry of Justice. Helen.Evans3@justice.gsi.gov.uk.