

Youth Justice Reinvestment Pathfinder Initiative: Information

Introduction

The Youth Justice Investment Pathfinder Initiative is an innovative approach to reducing levels of youth custody in England and Wales.

The YJB and Ministry of Justice (MoJ) will determine a portion of the central youth custody budget that will be invested in 'pathfinders' – consortia of local authorities or a single local authority where custody volume is sufficiently high. The two-year project gives authorities the freedom and flexibility to use the funding to commission and deliver their own responses to reduce levels of youth custody and youth reoffending in their area. Pathfinders will share the financial risks if the custody rate increases and keep the funding if custody numbers are kept low. This will reduce the financial burden of custody provision for children and young people while improving the rehabilitative impact of local interventions.

If successful, the pathfinder could have a genuine impact on the way local authorities manage and reduce offending for the benefit of everyone in the community.

The Youth Justice Reinvestment Pathfinder Initiative was signalled in the [Justice Green Paper](#)¹. The Green Paper states:

“We therefore propose to run a small number of pilots, each working in partnership with a consortia of volunteer local authorities. We will agree a target reduction in the use of custody with the consortia and provide a reinvestment grant, on top of the standard grant to Youth Offending Teams, to help them achieve this. The consortia will have flexibility in how they use the funding. At the end of the pilot period we will recoup some, or all, of the grant if the consortium has failed to meet the agreed target, based on the consortium's use of custody. The pilots will enable us to explore how local areas can share in the financial savings and risks of custody.” (paragraph 257)

The background

Within its Coalition Agreement, the new UK Government has committed to, [“introduce a ‘rehabilitation revolution’ that will pay independent providers to reduce re-offending, paid for by the savings this new approach will generate within the criminal justice system.”](#) Central to this is the payment by results model whereby funding is directly linked to the delivery of outcomes.

Some key policy principles underpin payment by results for youth justice:

- Improve the alignment of financial incentives in youth justice to encourage greater focus on prevention – that is prevention of offending, reoffending and custody
- Encourage innovation and increase involvement from a wider range of agencies (i.e. independent providers), drawing in more resources to tackle the problem of youth offending
- Reduce demand on the youth justice system, delivering savings to the MoJ and wider agencies through decommissioning custodial establishments.

How can I find out more?

Following is a set of questions and key points about the pathfinder. Any questions not answered here should be sent to pathfinder@yjb.gov.uk.

¹ Published 7 December, 2010

1. What form does the Youth Justice Reinvestment Pathfinder Initiative take?

The YJB/MoJ will not prescribe a set model; this is for local areas to determine. However, for reasons of practicality and equity, we shall follow a core process:

- The YJB/MoJ agree a target rate for the use of custody with a pilot area. The pilot area can be a consortium of authorities or, if volumes are sufficient, a single local authority
- The MoJ provides a grant, funded by the YJB custody budget, to the local authority or consortium that will help them achieve the agreed target
- The pathfinder has the flexibility to use the grant to invest in community alternatives to custody that reduce the demand for custody
- The grant awarded will be based on the cost of community alternatives to custody
- At the end of the two-years, if the pathfinder falls short of its custody target it must pay back a proportion of the grant based on the average weighted bed price of that shortfall
- If the pathfinder meets or exceeds their target for reducing numbers in custody, they will keep the grant funding. Currently there are no plans to release additional monies if targets are exceeded.

2. Why focus on young people in custody?

Custody is an expensive provision for young people. In 2009/10, the YJB spent over £300 million on youth custody, which was more than 60% of its overall budget. Young people in custody have a range of complex needs and in 2008 the reoffending rate for young offenders leaving custody was [74.3%](#).

More recently, numbers in youth custody have been falling, which is very encouraging. This reduction has been brought about by a range of factors:

- Fewer cases coming before the courts
- A reduction in the custodial remand episodes between 2009/10 and 2008/09
- Legislative changes made in the Criminal Justice and Immigration Act 2008
- The Sentencing Guidelines Council's [Overarching Principles – Sentencing Youths. Definitive Guideline](#), published in November 2009
- A natural demographic effect of a declining 10-17 year old population in England and Wales
- Youth justice system initiatives and the work undertaken by YOTs. We believe that these have had a significant impact on reducing the number of young people in custody although further evaluation is needed before we can attribute this change to specific interventions.

YOT partnerships have had a key role to play in falling youth custody numbers. The YJB/MoJ would like to build on this by supporting further reductions. By targeting reinvestment at young people who are at risk of entering custody or of returning to custody, the Youth Justice Reinvestment Pathfinder Initiative aims to reduce the numbers of young people entering custody, to improve their resettlement outcomes in the community and to provide incentives to local areas to reduce youth offending.

The latest custody data is available on the [YJB website](#).

Further information on the historic use of custody in local areas is available on request by contacting pathfinder@yjb.gov.uk

3. Where can I find information about 10-17 year old population projections?

Population projection data for the 10-17 years population can be found on the [Office for National Statistics website](#).

4. What are the aims of the pathfinder?

Primarily the pathfinder is to reduce the use of custody and encourage better use of prevention activities and robust alternatives to custody that may provide better outcomes for young people.

The key aims are:

- Reduction in the use of youth custody across the pilot areas, in order to contribute to savings across the youth secure estate
- Reductions in youth reoffending across the pilot areas
- Improve outcomes for young people who offend
- Strengthening a local authority's accountability for young people in custody and the contributions that the authority makes to preventing offending and reducing reoffending
- Ensuring that, over time, the YBJ/MoJ are able to make more informed decisions about wider or deeper reinvestment and about where the financial responsibility for the youth custody budget could lie.

5. What are the criteria for being a pathfinder?

- Volumes: Sufficient current volume of young people sentenced and/or remanded to custody, to ensure that reductions will deliver significant savings. This means a minimum of 50² young people from across the area in custody at any one time. Areas can check local custody volumes by contacting pathfinder@yjb.gov.uk.
- Partnerships: Where operating as a consortium, evidence of a track record of working together or a commitment to do so. Where operating alone, evidence of strong partnership working across the area
- Outline business plan: An outline investment proposal that describes how the area would use additional funds to deliver reductions in custody. While areas are free to deliver their own approaches, the YJB and MoJ will be looking for credible plans that can deliver against proposed outcomes.
- Payback confidence: Confirmation that arrangements are in place to pay back some or all of the funds should the custody target not be met.
- Local fit: Explanation of how the pathfinder will complement other local area initiatives, such as place-based initiatives
- Scheme development and evaluation: The YJB and MoJ will work in partnership with local authorities in developing the pathfinder and undertaking the evaluation. Local authorities are asked to indicate their willingness to work with the YJB and MoJ, and with each other, in taking this forward.

² Based on the average number of young people in custody in the pilot area during 2009/10, areas can apply if they have fewer than 50. However they will need to provide a robust business case demonstrating how they intend to deliver significant reductions in numbers in custody.

6. What is the role of voluntary and community sector and of independent providers in the pilots?

The MoJ will provide grant funding direct to local authorities. We anticipate that authorities will form close links with voluntary and community sector organisations and with the independent sector, and that this may include commissioning services through them. This will not be a requirement of the project, however, as the model is not prescriptive.

7. How much money can a local authority or consortium get?

Authorities will be asked to submit an outline business plan, setting out what funding is required to deliver a programme of activity to achieve its proposed reductions in custody. A more detailed business plan will be required at a later stage from authorities selected to be pathfinders.

8. What reinvestment activities will the pathfinder support?

The YJB and MoJ are not prescribing the exact services or activities that pathfinders should deliver. Instead, authorities are given freedom and flexibility to develop and deliver a programme of activity that best addresses the needs and risks of young people within the area, and so reduce the use of youth custody.

Authorities will be encouraged to share good practice with each other as the pathfinder progresses. We would encourage areas to consider the relevance and effectiveness of community interventions. These may include:

- Intensive community-based provision
- System improvement and/or system change
- Targeting of a particular cohort(s) of young people
- Family-based provision
- Youth offending 'academy' type provision

9. What are the timescales for commencing the pathfinder?

Seed funding will be available once the grant agreement has been signed. We anticipate that this could be available from 1 April 2011 if the grant agreement has been finalised, with schemes fully operational by 1 October 2011.

Any consortia wishing to be operational sooner than 1 October 2011 will need to demonstrate within the attached expression of interest form that they are resourced appropriately and in a position to do this.

Pathfinders are anticipated to run for two years with clawback arrangements being put in place at the end of the two year period. For example, a pathfinder with a start date of 1 October 2011 would run to 1 October 2013 with any clawback being made after that period.

Timescales are provisional and subject to agreement on the financial metrics and terms of grant.

10. How will pathfinder performance be measured against the agreed target?

The YJB/MoJ will track the use of custody by each pathfinder against their agreed baseline target. Based on data drawn from the Secure Accommodation Clearing House System (SACHS), the YJB will provide each consortium with a quarterly report on their use of beds in custody. This will include data on the number of bed nights used by:

- Type of establishment
- Sentence type
- Age and gender

Also by:

- Custodial episode and length of stay

The pathfinder will also be responsible for validating the data in the YJB quarterly report against their own records and for reporting any discrepancies to the YJB. There will be joint responsibility between the YJB and the pathfinder to reconcile any discrepancies, although the YJB will have final authority on decisions regarding the accuracy of data.

11. How will the baseline target be set?

The baseline target will be set following a discussion between the YJB and the consortium about what the consortium believes is achievable by way of reductions in custody numbers over the two years of the pilot given data on the historic and projected demand for custody. The projected demand for custody will take account of both the national forecast demand for England and Wales and forecast demand from the consortium based over the life of the pilot based on a linear projection of historic demand.

Further information on how the baseline target will be set will be provided shortly in a technical annex which will be made available on www.yjb.gov.uk/pathfinder.

12. How long is the project and when will the grant be awarded?

The pathfinder lasts for two years and the grant paid by the MoJ will be awarded provisionally on a quarterly basis throughout this period.

13. What happens if the pathfinder does not achieve the baseline target?

At the end of the two-year pilot, if the pathfinder falls short of their custody target it must pay back a proportion of the grant based on the average weighted bed price of that shortfall.

14. What are the clawback arrangements?

Should the consortium fail to meet the agreed target for custody bed nights used between 1 October 2011 and 30 September 2013 then the MoJ will recoup some of the pathfinder grant based on the extent to which the agreed target has been exceeded. This amount will be calculated based on a weighted average bed price across the secure estate for young people as of April 2011.

Further information on the clawback arrangements will be on www.yjb.gov.uk/pathfinder shortly.

15. If acting as a consortia, how developed does the YJB expect it to be?

We are not defining the shape the consortia should take but we would expect it to be a genuine cross-authority partnership led by a lead authority. One of the innovations of the pathfinder is that the YJB and MoJ is not prescribing the model but allowing local areas to define the model that would be most successful for them.

16. How will the expressions of interest be evaluated?

The expression of interest forms will be evaluated by the Pathfinder Team, comprised of YJB and MoJ colleagues.

Each criterion will be weighted as follows:

Criterion	Weighting
1. Volumes	25
2. Partnership working	20
3. Outline business plan	40
4. Local fit	10
5. Scheme development and evaluation	5
	Total 100
	Max score 500

Each criterion will be scored as follows:

Score	Definition
5	Fit for purpose and greatly exceeds requirement
4	Fit for purpose and marginally exceeds requirement
3	Fit for purpose and meets requirement
2	Not fit for purpose and moderate issues
1	Not fit for purpose with serious issues
0	Not fit for purpose with very serious issues

17. If acting as a consortium, what is the role of the lead local authority?

The lead authority should coordinate the submission to be a pathfinder on behalf of the local authorities. If successful at selection, the lead authority will coordinate the consortium's pathfinder. The Pathfinder Team will work primarily with the consortium's lead authority throughout the project.

18. Will we be required to submit any further information after our expression of interest?

If clarification is needed on completing expressions of interest form, the primary contact within the lead local authority should work with the Pathfinder Team to resolve this.

A more detailed business case will be required at a later stage from those areas that are selected to be pathfinders. The YJB and MoJ reserve the right not to proceed with a selected pathfinder should the more detailed business case fail to meet the programme's requirements.

19. Does the submission of an expression of interest amount to a commitment to take part?

The invitation to express an interest by the YJB and a submitted form by an authority does not commit either party to an agreement. A commitment will only be made on the signing of a grant agreement following submission of a more detailed business case that meets the requirements of the programme.

20. How do proposals in the Justice Green Paper for making local authorities responsible for the full cost of court-ordered secure remands and a single remand order impact the Youth Justice Reinvestment Pathfinder Initiative?

The pathfinder is one several payment by results proposals set out in the MoJ [Justice Green Paper](#) published on 7 December. The Green Paper also proposes to make local authorities gradually responsible for the full cost of court-ordered secure remands, pending the introduction of the single remand order. The MoJ will begin gradual implementation of financial responsibility for the court-ordered secure remand during the latter stages of the pathfinder; the exact timescales have yet to be confirmed.

Both pathfinder and the remand proposals seek to align local authorities' financial responsibility for custody with their responsibility for preventing offending and reoffending.

ADDED 27 JANUARY 2011:

21. Can you clarify how the volume criteria will be determined?

The volume criteria we are looking at is bed nights used in custody. It is set at a minimum of 50 beds occupied per night on average over the course of a whole year.

Looking solely at the number of young people in custody does not equate closely enough to the number of beds commissioned and used. In order to use the Youth Justice Reinvestment Pathfinder to test the concept that we can deliver reductions in custody and make savings through up front investment, we need to be able to look at how many beds are released based on bed nights used over the course of a year (i.e. "bed years used").

This is a different to looking at the number of young people in custody over the course of a year. For example, if a young person sentenced to custody spends on average 80 nights in custody, this represents 22% of a bed year ($80/365=22\%$). In this example, 4.6 young people use that whole bed over the course of a year and demand would have to fall by a factor of 4.6 sentenced young people to release one bed. In another example, the average time served in custody on remand is circa 40 nights and we would need to reduce remand cases by a factor of about 9 to release one bed year.

Making an expression of interest

If you would like to make an expression of interest, please complete the expression of interest form. The form should be signed electronically by the chief executive of each local authority in the consortium, or one chief executive where acting independently.

Completed forms should be submitted to pathfinder@yjb.gov.uk by Friday 28 January, 2011.

The YJB/MoJ will evaluate the returned forms against the selection criteria and will inform consortia of their decision by late February 2011.

Between February and April 2011 we will work with the selected consortia to develop fully costed proposals, with the aim of seed funding being released from April 2011 once the grant agreement has been signed in order that the pilots can be fully operational from October 2011.

For more information, please contact pathfinder@yjb.gov.uk.

All information produced in good faith and correct at time of print. Details may be adapted to respond to the needs of the project and the local authority.