

Comprehensive Cuts – Part 2: Taking stock of changes in funding and policies and their impact on young people and the voluntary and community youth sector

December 2010

1. Context

In October 2010 NCVYS published *Comprehensive Cuts: Report on funding changes in the voluntary and community youth sector*.¹ The report detailed the impact of the Coalition Government's policies on the financial situation of the voluntary and community youth sector (VCYS)². It also summarised a survey, conducted in September 2010, which revealed that most charities are already facing significant cuts to their programmes, and that further cuts are on the way.³ The main findings pointed to almost 70% of organisations seeing a drop in income over the last year, 75% cutting projects and over 80% citing the end of targeted programmes for young people.

Later in October, HM Treasury published the Coalition Government's Spending Review, and NCVYS documented the impact of the Spending Review on the VCYS.⁴ Since then, there has been further analysis of the likely impacts of the Spending Review, as well as new policy and funding announcements which will have a significant impact on young people. This paper takes stock of the Coalition Government's policies so far and raises concerns about their impact on young people, and in particular disadvantaged young people. It also examines the effects of the government's policies on the voluntary and community youth sector, which provides vital services for young people. NCVYS's financial monitoring blog is documenting new information on a regular basis and NCVYS members can consult this new service for updates.⁵

NCVYS is particularly concerned about the cumulative impact of the changes: the overall picture is one of less financial support for young people, receding support for those working with young people to develop them and reduced investment in the charitable sector which could be a source for training, skills development and employment opportunities for young people.

¹ NCVYS (October 2010), *Comprehensive Cuts*

http://ncvys.org.uk/UserFiles/Comprehensive_Cuts.pdf

² Information is available at NCVYS Financial Monitoring

<http://ncvys.org.uk/financial.html>, which is currently being updated at

<http://ncvyspolicy.wordpress.com>

³ Further details are available on request

⁴ NCVYS (October 2010) 2010 Comprehensive Spending Review briefing

<http://ncvys.org.uk/UserFiles/NCVYS%20briefing%20on%20HM%20Treasury%20Comprehensive%20Spending%20Review%202010.pdf>

⁵ <http://ncvyspolicy.wordpress.com>

The main policy areas which impact directly on young people include Educational Maintenance Allowances, higher education and student finance reforms, employment (the Future Jobs Fund and the Work Programme), the introduction of a universal credit, and housing benefit reforms. A number of policies impact on young people through their impact on local authorities including the Youth Opportunities and Youth Capital Funds, Supporting People Grants, Connexions, the Working Neighbourhoods Fund, and the Early Intervention Grant. Other policy areas that impact on young people include youth work funding, volunteering, youth justice, legal aid, sports and arts. Policies that impact directly on the voluntary and community youth sector include the Transition Fund, the Department for Education National Prospectus, the National Citizen Service, the Big Society Bank, the Skills strategy, and the VAT increase. This paper examines all of these in more detail. This paper does not examine the Department for Education's policies relating to schools, such as the Schools White Paper,⁶ and the Pupil Premium,⁷ although NCVYS acknowledges that these policies will have a significant impact on young people and the organisations that support them.

NCVYS is concerned that areas of multiple deprivation, which are heavily dependent on mainstream and additional targeted government funding, are facing greater challenges than more affluent areas where services are funded by a much higher percentage of council tax income. Young people in these areas are especially vulnerable. NCVYS members are already providing evidence to show that investment in their services delivering significant cost savings to other services. Cuts in universal and specialist provision will lead to much higher demand in the form of more high cost interventions in the future.⁸

NCVYS is calling on members to continue to share with us the impact of cuts on young people and the support that they are able to provide, so we can monitor and convey the effect of cuts on young people and communities. We are interested in gathering learning from solutions and options that our members are considering to sustain their work and the support they provide to young people. We would particularly like to hear about our members' experiences of working with statutory agencies and local strategic partnerships. This will help us to ascertain the support our members are receiving in their local area and how far this is helping them to sustain their services. We will then be using our knowledge of these experiences and challenges and our members' expertise in coping with them to convey this information to the wider sector and government. Please share these experiences by contacting Dom Weinberg, listed at the end of this paper.

2. Funding and policies directly affecting young people

Education Maintenance Allowance

The Spending Review announced that Education Maintenance Allowances, which gave 16 to 18 year-olds who continue studying or training up to £30 a week, would be ended. Around 645,000 16- to 18-year-olds receive the allowance, which was introduced in 2004, in return for agreeing to remain in education.⁹ The money is paid into young people's bank accounts to use on books, course equipment and travelling to school or college. The allowance is stopped if students do not work hard or attend classes regularly.¹⁰

The Spending Review announced that ending EMA would save £500m, but that it would be replaced with "targeted support for those who face genuine financial barriers to participation." The government confirmed that it will be replaced by an enhanced Discretionary Learner Support Fund, and decisions "will be made by schools, colleges and training organisations, who are in a better position than

⁶ <http://www.education.gov.uk/schools/teachingandlearning/schoolswhitepaper/b0068570/the-importance-of-teaching/>

⁷ <http://www.education.gov.uk/inthenews/pressnotices/a0063284/government-announces-pupil-premium-to-raise-achievement>

⁸ Fairbridge <http://www.ces-vol.org.uk/index.cfm?format=440>, Catch 22 <http://www.catch-22.org.uk/Files/Commissioners-brochure.pdf?id=4b3218c7-895d-4256-9a40-9dac00a2a49b>, Prince's Trust http://www.princes-trust.org.uk/pdf/COE_full_report.pdf, Youth Access <http://www.youthaccess.org.uk/publications/upload/Easing-the-Strain-Briefing-Dec-2010.pdf>

⁹ £30 a week when household income falls below £20,817; £20 a week if household income is between £20,818 and £25,521; and £10 a week if it is between £25,522 and £30,810

¹⁰ http://www.direct.gov.uk/en/EducationAndLearning/14To19/MoneyToLearn/EMA/DG_066951

Government to determine the needs of individual students.”¹¹ The Minister for Schools said that £26m has been invested in 2010-11 in the fund, and that in 2014-15 it will be three times greater.¹²

This decision has attracted a significant amount of criticism since the Spending Review and a number of Labour MPs have asked questions in Parliament about EMA, and raised concerns that young people who rely on it won't be able to continue in education.¹³ A campaign has been launched to save EMA which has been backed by Andy Burnham, Shadow Education Secretary.¹⁴ The evidence on the effectiveness of the EMA in keeping disadvantaged young people in education is mixed. The Government has argued that the dead weight cost of the programme is large and has cited a survey from the National Foundation of Educational Research which found that 88% of EMA recipients would have stayed on anyway without the income support.¹⁵

However, the Institute for Fiscal Studies has found that EMA “significantly increased participation rates in post-16 education among young adults who were eligible to receive it.” The study also concluded that “the costs of providing EMA were likely to be exceeded in the long run by the higher wages that its recipients would go on to enjoy in future.” It suggests that there could be other benefits to the EMA other than its impact on participation: for example through better attendance of EMA recipients, or more study time as a result of not having to take on a part-time job.¹⁶ A National Union of Students survey in 2008 of 1,205 EMA recipients in England's schools and colleges suggests 61% would not have been able to continue in education without it.¹⁷

The SAVE EMA campaign website includes the following comments from young people which support the IFS and NUS analysis:¹⁸

- “EMA is so useful for many of us who are not very well off. My parents aren't going to be able to afford giving me money to get to college and to buy for resources needed for my course, as they already have enough to pay for.”
- “I live in a rural area and have to travel by bus for 1hr 30mins on the bus each day to attend the closest college. Without EMA, I know I will no longer be able to continue studying there.”
- “My family do not have a lot of money, so this helps me with things like textbooks, travel and lunch.”

A parliamentary debate on 15 December on EMAs gave further evidence that students, parents and teachers are concerned about the impact of the ending of EMAs.¹⁹

Higher education and student finance

The Department for Business, Innovation and Skills set out its plans for reforms to higher education and student finance.²⁰ Following debate in the House of Commons the proposals passed by 323 votes to 302 (a number of Conservatives and Liberal Democrat MPs voted against the Government). The proposals, which will come into place from 2012/13, will allow universities to charge up to £9,000 per year, raising the cap from its current level of £3,290. Universities wanting to charge more than £6,000 will have to undertake measures, such as offering bursaries, summer schools and outreach programmes, to encourage students from poorer backgrounds to apply.

The government will continue to loan students the money for fees. The threshold at which graduates have to start paying their loans back will be raised from £15,000 to £21,000. This threshold will rise

¹¹ <http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101117/text/101117w0001.htm#101117580004>

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¹² <http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101117/text/101117w0001.htm#101117580004>

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¹³ <http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101102/halltext/101102h0002.htm#101102540>

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¹⁴ <http://saveema.co.uk/>

¹⁵ Column 240 WH

<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101102/halltext/101102h0002.htm>

¹⁶ <http://www.ifs.org.uk/publications/5370>

¹⁷ http://www.nus.org.uk/PageFiles/3605/NUS_EMA_Report_2008_pdf.pdf

¹⁸ <http://saveema.co.uk/about>

¹⁹ <http://www.theyworkforyou.com/whall/?id=2010-12-15a.298.0>

²⁰ <http://nds.coi.gov.uk/Content/detail.aspx?NewsAreald=2&ReleaseID=416343&SubjectId=2>

annually with inflation - not just every five years, as had been initially been planned. Each month graduates would pay back 9% of their income above that threshold. The subsidised interest rate at which the repayments are made - currently 1.5% - will be raised. Under a "progressive tapering" system, the interest rate will rise from 0 for incomes of £21,000, to 3% plus inflation (RPI) for incomes above £41,000. If the debt is not cleared 30 years after graduation, it will be wiped out. Part-time undergraduates who study for at least 25% of their time will now be able to apply for a loan to cover the costs of their tuition.²¹

A new £150m National Scholarships Programme will be targeted at bright potential students from poor backgrounds. It will guarantee students benefits such as a free first year or foundation year. The Government has set up a steering group to explore how the £150m National Scholarship Programme (NSP) might help improve access and social mobility. One proposal is that children on free school meals and other disadvantaged groups could get up to two free years at university.²²

Between the initial announcement of the plans for reforms to higher education and student finance on 3 November and the vote in the House of Commons on 10 December, there were a number of protests, with thousands of students campaigning against the fees.²³ Many were concerned that the increase in tuition fees would lead to a fall in the number of students from disadvantaged backgrounds going to university, and NCVYS member UK Youth Parliament argued that "lifting the cap will further force young people to make financially driven choices when it comes to choosing where and what to study."²⁴ UK Youth Parliament research has shown that 1 in 3 young people say their choice of university will be dependent on the cost associated with the institution and course. They are also concerned that the under 18s that this will affect have not been adequately consulted throughout the course of the Browne review. NCVYS member the Woodcraft Folk have also supported the protests, saying that they would "support action taken by young people to protest against government cuts to education... We will never condemn important means of protest like walkouts if they have come from young people."²⁵

Further evidence that those from the most deprived backgrounds may be deterred from entering higher education by higher tuition fees comes from Ipsos Mori, the market research company. Mori questioned 2,700 young people aged between 11 and 16 earlier in 2010 and found that among those who would have been likely to go to university, only 68% would still be confident of this if fees went up to £5,000, while if they had to pay £7,000 only 45% would still be keen. For the poorest students – those with no parents in work – only 55% were prepared to pay fees of £5,000, and just 35% would pay £7,000.²⁶

Young people have also been affected by a shortage of university places, with around 150,000 young people unable to get a place in 2010.²⁷ The university admissions service said 2010 was perhaps the toughest year for admissions for the past decade.²⁸

Aimhigher

The Government has announced that Aimhigher will end in July 2011.²⁹ The programme aims to widen participation in higher education (HE) by raising the aspirations and developing the abilities of young people from under-represented communities. Aimhigher activities give young people from disadvantaged backgrounds opportunities to visit university campuses and attend residential summer schools, master-classes, open days and mentoring schemes. The government has announced that it is "establishing a new framework, with increased responsibility on universities to widen participation; and greater Government investment in improving attainment and access for young people from disadvantaged backgrounds." Graeme Atherton, executive director of Aimhigher West, Central and

²¹ <http://nds.coi.gov.uk/content/Detail.aspx?ReleaseID=416997&NewsAreaID=2>

²² <http://nds.coi.gov.uk/content/Detail.aspx?ReleaseID=416934&NewsAreaID=2>

²³ <http://www.bbc.co.uk/news/education-11828882> and <http://www.bbc.co.uk/news/education-11726822>

²⁴ http://www.ukyouthparliament.org.uk/newsroom_site/pages/news/2010/HE_Review_121010.html

²⁵ <http://www.woodcraft.org.uk/young-people-protest-watch>

²⁶ <http://www.guardian.co.uk/education/2010/nov/18/ipsos-mori-poll-tuition-fees-cuts>

²⁷ <http://www.guardian.co.uk/education/2010/sep/14/university-places-failure>

²⁸ <http://www.bbc.co.uk/news/education-11033371>

²⁹

<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101125/text/101125w0001.htm#101125360090>

North London, said the programme was a key part of the information, advice and guidance needed by young people.³⁰

Employment – the Future Jobs Fund and the Work Programme

The latest unemployment figures have shown that the recession has had a disproportionate impact on young people's employment prospects. Unemployment among 16- to 24-year-olds rose in December to 943,000, one of the highest figures since records began in 1992, giving a youth jobless rate of 19.8%.³¹ A report from the Prince's Trust and RBS revealed that this could cost the UK economy up to £155 million a week.³² *The Cost of Exclusion* warns that the price of youth disadvantage in the UK is at a new high, and that an estimate of youth unemployment costs per week - based on lost productivity of unemployed young people being equivalent to the average weekly wage for their age group - would be £155 million.

The Labour government's response to the rising unemployment included the introduction of the Young Person's Guarantee. The Guarantee, announced in April 2009 as part of the Budget and effective from January 2010, intended that everyone between the ages of 18 and 24 who had been looking for work for a year would get an offer of a job, work experience, or training lasting at least 6 months.³³ Danny Alexander, Chief Secretary to the Treasury, announced in June that the extension of the Young Person's Guarantee would not take place. It was due to be extended into 2011/12 at a cost of £450m.³⁴

The Future Jobs Fund (FJF), a key component of the Young Person's Guarantee, was a fund of around £1 billion to support the creation of jobs for long term unemployed young people and others who face significant disadvantage in the labour market. The FJF aimed to create 150,000 jobs, 100,000 of which would be aimed at 18-24 year olds who had been out of work for nearly a year. When the Government announced that the Young Person's Guarantee would not be extended, it confirmed that the £290m further roll-out of temporary jobs through the FJF would not go ahead.

A full evaluation of the FJF is yet to be released, but much of the evidence given to the Work and Pensions Select Committee inquiry into the FJF suggests that young people have benefited greatly from it.³⁵ NCVYS member Catch 22 said, "the FJF has provided significant benefits for young people from which they have gained new skills and experience to help them find long term sustainable, fulfilling, and appropriate employment." Barnados' evidence agreed and suggested concern that the withdrawal of the Fund would mean "a gap in provision for young people, at a time when the youth labour market, particularly at the unskilled/low skilled end, is rapidly receding." Action for Children said "the likely impact of the decision to end the FJF in March 2011 rather than March 2012 will be to exacerbate the current situation for many vulnerable young people who are unable to access employment opportunities. The programme itself was a 'ray of hope' for many young people who felt there was really no way out of their unemployed status." North Tyneside Council's submission to the inquiry included a survey of employers views on the main impacts of the ending of the FJF. This revealed that over 70% thought it would lead to fewer jobs and opportunities for young people, and more unemployed young people.

NCVYS's report *Comprehensive Cuts: Report on funding changes in the voluntary and community youth sector*³⁶ revealed that the voluntary and community sector has also lost out from the ending of the Future Jobs Fund. National Council for Voluntary Organisations (NCVO) research has shown that Hull and Ealing Councils for Voluntary Services have found the ending of Future Jobs Fund funding has had a detrimental impact of their ability to recruit staff.³⁷

³⁰ <http://www.timeshighereducation.co.uk/story.asp?storycode=414416>

³¹ <http://www.statistics.gov.uk/pdfdir/lmsuk1210.pdf>

³² *The Cost of Exclusion: Counting the cost of youth disadvantage in the UK*, Prince's Trust (December 2010) http://www.princes-trust.org.uk/pdf/COE_full_report.pdf

³³ <http://www.parliament.uk/briefingpapers/commons/lib/research/briefings/snep-05352.pdf>

³⁴ <http://nds.coi.gov.uk/ImageLibrary/DownloadMedia.ashx?MediaDetailsID=2031>

³⁵ <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/memo/youth/youth.pdf>

³⁶ NCVYS (October 2010), *Comprehensive Cuts* [http://ncvys.org.uk/UserFiles/Comprehensive Cuts.pdf](http://ncvys.org.uk/UserFiles/Comprehensive%20Cuts.pdf)

³⁷ Crowdsourcing the Cuts, NCVO

<http://spreadsheets.google.com/pub?key=0Al3G3FWusZ9cdEV3cHFjS0YtZUgwS2FxVHBFY0hVcUE&hl=en&single=true&gid=0&output=html>

The Young Person's Guarantee, including the FJF will be replaced by a new Work Programme.³⁸ The programme, which will be in place nationally by the summer of 2011, "will offer integrated employment support to young people helping them move into sustained employment rather than temporary jobs. Young people aged 18-24 will be referred to the Work Programme from nine months."³⁹

In giving evidence to inquiry into the FJF NCVYS member v (The National Young Volunteers Service) said "there is a risk that there will be a gap in provision for young unemployed people to gain valuable work experience before the new Work Programme and apprenticeship opportunities come on board."⁴⁰ The voluntary sector has raised further concerns about the Work Programme following the announcement that most of the prime providers are big private sector companies. Stephen Bubb, head of the Association of Chief Executives of Voluntary Organisations, told the Financial Times, "Our worry is that [voluntary sector organisations] will be there only as subcontractors, with the prime providers taking the big margin on the deals, leaving only the smallest margins for those who have the real expertise on local estates to help those who need the most help to get back to work. That is what happened under the last government. We fear it is going to happen again."

NCVYS members Rathbone and Fairbridge have expressed concern that the Work Programme will not help young people who are not in education, employment or training (NEET). Paul Fletcher, Director of Youth Engagement at Rathbone, said, "There are multiple and complex reasons why young people are NEET; that is why there are more than 50 types of benefits. A single work programme will not make any significant difference to people's motivation whether to engage or not. It is not about reforming welfare to work programmes, it is about creating employment for young people and this is best done by incentivising employers to take young people on through the tax system." Andrew Purvis, chief executive of Fairbridge, said, "With almost one million young people not in education or employment, a one-size-fits-all programme cannot serve them all. It is clear the intervention [the most disengaged young people] require is very different from that of, for instance, an unemployed recent graduate."⁴¹

Welfare reform

The Department for Work and Pensions published a white paper on welfare reform, *Universal Credit: welfare that works*.⁴² The paper sets out the Government's plans to create a new Universal Credit, which aims to simplify the welfare system to make work pay and combat worklessness and poverty. The paper proposes tough sanctions for those who refuse community work or the offer of a job.

Institute for Fiscal Studies research claims that poverty beyond 2013–14 is likely to be affected by the Universal Credit. The report's author said, "Among all children and working-age individuals, we forecast a rise in relative poverty of about 800,000 [including 200,000 children] and a rise in absolute poverty of about 900,000 [including 400,000 children] between 2010–11 and 2013–14. We find that the coalition Government's measures act to increase poverty among these groups slightly in 2012–13, and more clearly in 2013–14."⁴³

This evidence supports the concerns of child poverty campaigners that the poorest families will be hit hard by the changes.⁴⁴ The Joseph Rowntree Foundation predicts larger families will be hit hardest, because the cumulative impact of government reforms will reduce overall family incomes, which will affect those with more dependants. Other campaigners have warned that the biggest challenge in bringing families out of poverty is a lack of flexible jobs. The Child Poverty Action Group has suggested that sanctions for those who refuse community work or the offer of a job might do more damage than good, and stigmatise people accessing services.

³⁸ <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/memo/fjf/fjf69.htm>

³⁹ <http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm101209/text/101209w0002.htm#10120957000265>

⁴⁰ <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmworpen/memo/youth/youth.pdf>

⁴¹ <http://www.cypnow.co.uk/opinion/ByDiscipline/Youth-Work/1008106/Vox-Pop-Will-single-work-programme-help-Neet-young-people/>

⁴² <http://www.dwp.gov.uk/docs/universal-credit-full-document.pdf>

⁴³ http://www.ifs.org.uk/pr/child_poverty2013.pdf

⁴⁴ <http://www.cypnow.co.uk/inDepth/ByDiscipline/Social-Care/1042262/News-Insight-Families-fear-falling-deeper-poverty/>

Housing benefit

The June Budget announced new caps on housing benefits.⁴⁵ The Department for Work and Pensions impact assessment on the changes to housing benefit recognises that the policy has the following risks:

- “increases in the number of households with rent arrears, eviction and households presenting themselves as homeless;
- disruption to children’s education and reduced attainment;
- disruption to support services for people with disabilities and other households with care and support needs;
- an increase in the number of households living in overcrowded conditions; and
- a decrease in the number of and quality of private rented sector properties available to Housing Benefit tenants.”⁴⁶

In a House of Lords Debate Baroness Quin (Labour) raised concerns that young people would lose out because of the increase, from 25 to 35, to the age threshold for the single room rate.⁴⁷ Charities and membership organisations concerned with housing, homelessness, support and advice services, and mental and physical health issues are deeply concerned that cuts to housing benefit and local housing allowance will disproportionately affect the poorest and most vulnerable young people in society and contribute to homelessness, housing need and poverty.⁴⁸ NCVYS member Centrepoin is “extremely concerned” that plans to introduce a 10% cut to housing benefit for anyone who has been on Jobseeker’s Allowance for a year or more will have far-reaching consequences. They stress that young people face additional support needs that make it hard for them to find work.⁴⁹

Social housing

The Spending Review cut the social housing capital budget by 60% and allowed Housing Associations to charge rents up to 80% of market rates for new tenants. NCVYS member Catch 22 has argued that these decisions “will further extend the gulf between some of the most disadvantaged young people, who now haven’t a hope of getting their own home, and the rest of society.”⁵⁰ Housing and homelessness charity Shelter said, “The combined worry of cuts to housing benefit and the slashing of the affordable house building subsidy, coupled with the absence of a long term strategy, will be devastating for the housing aspirations of thousands of young people consigned to increasing costs and bringing up their future families in an insecure private rented sector.”

Of the changes to housing policy announced in the Spending Review the cap on housing benefits has received the most of the attention, particularly in London. However homelessness charity Crisis has claimed that only 2% of households affected by the cuts to housing benefit are affected by the cap.⁵¹ This analysis of the cuts suggests that many more households will be affected by changes such as a measure to scale back allowances by pegging them to the 30th percentile (rather than the 50th percentile) of rents, or the cutting of the benefit by 10% once a tenant has been receiving jobseeker’s allowance for a year.

Health

The Department of Health published *Achieving Equity and Excellence for Children*, which forms part of the process of engagement with the NHS White Paper, *Equity and Excellence: Liberating the NHS*.⁵² The paper sets out a vision for the health of children and young people where services will be

⁴⁵ Local Housing Allowance Rates will be capped (a maximum of £250 per week for a one-bedroom flat, £290 for a two-bedroom property, £340 for a three-bed property, and £400 per week for properties with more than three bedrooms). See the NCVYS briefing on the June 2010 Budget for further details:

<http://ncvys.org.uk/UserFiles/NCVYS%20briefing%20on%20HM%20Treasury%20Budget%20June%202010.pdf>

⁴⁶ <http://www.dwp.gov.uk/docs/lha-impact-nov10.pdf>

⁴⁷ <http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/101104-0001.htm#10110446000066>

⁴⁸ http://www.chcymru.org.uk/chc_dev_final/newyddion/latest-news/2010/chc-news/en/children-and-young-peoples-charities-join-call-against-housing-benefit-cuts.cfm

⁴⁹ <https://www.centrepoin.org.uk/be-informed/media-centre/centrepoin-news/youth-unemployment-risks-greater-benefit-cuts-for-young-people>

⁵⁰ <http://www.catch-22.org.uk/News/Detail/Spending-Review-will-not-save-future-generations>

⁵¹ <http://www.crisis.org.uk/pressreleases.php/419/government-lsquotedding-myths-to-sell-housing-benefit-cuts>

⁵² http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_119449

personalised to individual needs and children, young people and their families will be at the centre of design and delivery of services. Alongside the Department published Professor Sir Ian Kennedy's review into health services for children and young people, *Getting it right for children and young people - Overcoming cultural barriers in the NHS*.⁵³ It calls for a review of how young patients are progressed from children's to adult care and recommends the creation of a single point of responsibility for children's health and wellbeing, linked in to other public services used by children.

The Department of Health White Paper on public health, *Healthy Lives, Healthy People*, aims to tackle the causes of premature death and illness and reduce health inequalities.⁵⁴ The National Children's Bureau suggest that the white paper raises many questions: "Will the GP consortia have a sufficient understanding of children's needs to commission effectively? What role will health and wellbeing boards play in bringing the health sector together with other children's services? Will children and young people be a priority within the local authority-led public health service?"⁵⁵

The Spending Review protected health spending, and overall NHS spending will increase by 0.4% in real terms over the course of the Spending Review period.⁵⁶ However, there have been cuts to some programmes. Health Secretary Andrew Lansley, announced plans to withdraw funding from Change4Life, the national campaign to tackle obesity among children and families. The campaign provided funding for free play opportunities for children as well as marketing healthier lifestyles to children and families through TV advertising and web-based support and advice.⁵⁷ Young people's health services, such as Child and Adolescent Mental Health Services (CAMHS) and teenage pregnancy service, are also affected by local authority cuts detailed below.

Children in care

The Department for Education is giving additional funding over the next two years to improve commissioning for looked-after children at local authority level. The Department for Education will be providing £31m in 2011/12 and £9m in 2012/13 to "to help local authorities improve the commissioning of services for looked-after children and to make use of evidence-based interventions".⁵⁸ This follows the disclosure that the Care Matters grant to improve the care system will be halved from its current level of £54.9m to £28.2m by 2014.⁵⁹ A letter from Communities Secretary Eric Pickles to local authority leaders, reveal that the Care Matters grant will be "rolled into" the local authorities' formula grant – a general funding stream that will not be ring-fenced.

3. The impact of funding and policies that affect local authorities

The Department for Communities and Local Government has made in-year cuts and in December also published the provisional details of the funding settlement for councils in England for 2011-12 and 2012-13. The settlement distributes the £29 billion in 2011/12 and the £27 billion in 2012/13 that the October Spending Review allocated to local authorities through the formula grant.⁶⁰

The settlement says that local authorities are facing average cuts of 4.4% in central government funding for 2011-12 and that no council faces a reduction of more than 8.9% in "spending power" in either 2011-12 or 2012-13. It adds that more weight is given to parts of the country with the highest levels of need – with funding per head for residents in Hackney in 2011/12 coming to £1,043 compared to £125 per head in Wokingham.

⁵³ http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_119445

⁵⁴ http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/@ps/documents/digitalasset/dh_122252.pdf

⁵⁵ <http://www.cypnow.co.uk/news/1043774/NCB-Now-Priorities-health-policy/>

⁵⁶ http://www.dh.gov.uk/en/MediaCentre/Pressreleases/DH_120676

⁵⁷ http://www.dh.gov.uk/en/MediaCentre/Speeches/DH_117280

⁵⁸ <http://www.cypnow.co.uk/news/1038232/Care-Matters-cuts-offset-40m/>

⁵⁹ <http://www.cypnow.co.uk/Archive/1036809/Care-Matters-funding-reduced-almost-half-four-years-minister-reveals>

⁶⁰ <http://www.communities.gov.uk/news/localgovernment/1796314>

The BBC has pointed out that councils face a 12.1% cut in their core central government funding next year.⁶¹ "Spending power" takes into account both the core "formula grant" which councils get from central government and other income - council tax and other grants. Some councils rely more on the central grant because they get less in council tax - but no council will face cuts of more than 8.9%, because the worst hit will receive part of an £85m "transition grant". Baroness Margaret Eaton, the Conservative Chair of the Local Government Association, said, "This is the toughest local government finance settlement in living memory. A few councils have seen a reduction in the money they receive from the Government of up to 17% in the first year. As a result councils face a total funding shortfall of £6.5 billion over the next year."⁶²

The funding settlement was announced alongside the new Localism Bill.⁶³ The Bill intends to: devolve significant new powers to councils; establish new rights for local people and communities to take over services (for example through employee-run mutuals, co-operatives, or social enterprises) or to buy community assets; give citizens a right to have referendums on local issues and to veto council tax rises; give greater financial autonomy to local government, and return decision-making powers on housing to local councils and communities through a new Community Right to Build.⁶⁴

The Spending Review announced that the Department for Communities and Local Government would be removing the ring-fencing of all Local Government revenue grants from 2011-12, except for a simplified schools' grants and a public health grant.⁶⁵ This reduces the number of separate core grants from over 90 to fewer than 10, with schools, fire and police service excluded. Local Authorities will no longer have to report on Local Area Agreement targets and the National Indicator Set is being dismantled. The impact of the changes to local authorities on young people can be seen through the effects on some of the programmes outlined below.

Supporting People

The Supporting People programme provides housing related support to help vulnerable people to live as independently as possible in the community.⁶⁶ The National Housing Federation has suggested that 400,000 vulnerable people could lose support as local authorities make cuts of up to 40% from 2011-15 to the programme.⁶⁷ The programme was cut by 12% to £6.5bn in the Spending Review, but because it is no longer ring-fenced, local authorities are free to make cuts larger than 12% and many are planning to do so.⁶⁸

Somerset County Council have approved a £3m cut in the programme from April 2011, representing an 18% reduction on its £16.5m budget allocation for 2010-11. Big cuts have already been made at the Isle of Wight and Cornwall is due to make a decision on a proposed 40% cut over three years in its "overall supporting people spending" at the end of November. Bournemouth, Swindon, North Somerset, Brighton and Hove and Surrey are also proposing reductions of 20% to 40%. NCVYS's report *Comprehensive Cuts* has highlighted how cuts to the programme are already affecting NCVYS members, such as Northamptonshire YMCA.⁶⁹

Another NCVYS member delivering housing and homelessness support to young people, who wished to remain anonymous, has had one accommodation based service decommissioned, following the reduction in Supporting People funding. Additionally two of their floating support type services will no longer be funded by the local authority. They are preparing for further substantial cuts once local authorities know the exact details of their spending settlement with the Department for Communities and

⁶¹ <http://www.bbc.co.uk/news/uk-politics-11990047>

⁶² <http://new.lga.gov.uk/lga/core/page.do?pageId=15583443>

⁶³ <http://www.communities.gov.uk/news/corporate/1794946>

⁶⁴ A guide is here: <http://www.communities.gov.uk/publications/localgovernment/decentralisationguide>

⁶⁵

<http://ncvys.org.uk/UserFiles/NCVYS%20briefing%20on%20HM%20Treasury%20Comprehensive%20Spending%20Review%202010.pdf>

⁶⁶ <http://www.communitycare.co.uk/Articles/2010/11/12/115802/400000-at-risk-as-councils-slash-supporting-people.htm>

⁶⁷ <http://www.housing.org.uk/default.aspx?tabid=212&mid=828&ctl=Details&ArticleID=3275>

⁶⁸ <http://www.communitycare.co.uk/blogs/social-care-the-big-picture/2010/11/cuts-to-supporting-people-will-be-a-false-economy.html>

⁶⁹ <http://ncvys.org.uk/UserFiles/Comprehensive%20Cuts.pdf>

Local Government. These services help young people, affected by the cuts set out in this paper, to move to appropriate accommodation or find support. Without these services, young people are at further risk of becoming homeless.

Youth Opportunities and Youth Capital Fund

The Youth Opportunities and Youth Capital Funds were established as part of the Youth Matters green paper in 2005 and give young people the power to decide how to improve the provision of positive activities for young people in their area.⁷⁰ The Department for Communities and Local Government has removed the ring-fence from the £40.7m allocated to the Youth Opportunities Fund.⁷¹ The Department for Education has reduced the Youth Capital Fund by 50% to give £13m worth of savings.⁷² An independent evaluation of the first two years of the programme showed that the Funds have had a genuine influence on empowering young people, their participation in positive activities and the quality of provision on offer.

The survey NCVYS conducted in September, analysed in *Comprehensive Cuts*,⁷³ saw a number of organisations commenting on the loss of Youth Opportunities Fund funding. One organisation said, "We are the only youth provider locally and young people will have no place to meet and be safe, be stimulated positively... [and they will therefore be more likely to] get into anti social behaviour".

Connexions

Connexions services aim to provide a comprehensive service to meet young people's needs for information, advice and support. Connexions is designed to help all young people aged 13 to 19 regardless of need, and those aged up to 24 with a learning difficulty or disability. However, there is a particular focus on those at risk of not being in education, employment or training (NEET), or of being socially excluded.⁷⁴

A CYP Now survey, which had responses from 56 heads of Connexions, has revealed that 43% of Connexions partnerships are expecting to lose at least a fifth of their budget. The chair of the National Connexions Network is concerned that the closure of advice and guidance services will lead to a lower quality of guidance in schools, and that teachers will be "expected to fill the gap with less resources and no time to prepare for it."⁷⁵

The blog *A Thousand Cuts* has published a comprehensive database of cuts announced so far to the Connexions youth service.⁷⁶ The database shows that many Connexions services are facing severe cuts to funding and jobs, but that some local authorities that have managed to avoid major cuts. Connexions Cheshire and Warwickshire faces 80 redundancies in 2010 – most of them compulsory. A major restructuring of the service means a number of Youth Centre Hubs face closure, and Connexions shops ceasing to open on Saturdays. In Norfolk an in-year cut of £10m to the local area-based grant has already hit Connexions services, with the budget being halved and 65 staff losing their jobs.⁷⁷ In Berkshire a £350k (19%) in-year cut in Connexions contract has led to reduced careers guidance in schools and the loss of targeted work with disaffected young people.

The Government has announced that Connexions services will be replaced with an all-age careers service in England. Both young people aged 13-19 and adults will be able to begin accessing new arrangements for careers guidance from September 2011. The service will be fully operational by April 2012.⁷⁸

Working Neighbourhoods Fund

⁷⁰ <http://www.dcsf.gov.uk/everychildmatters/Youth/youthmatters/youthopportunity/youthfunds/>

⁷¹ www.communities.gov.uk/documents/localgovernment/doc/1611282.doc

⁷² <http://media.education.gov.uk/assets/files/pdf/m/michael%20gove%20to%20dcss%20concerning%20eyf.pdf>

⁷³ NCVYS (October 2010), *Comprehensive Cuts* [http://ncvys.org.uk/UserFiles/Comprehensive Cuts.pdf](http://ncvys.org.uk/UserFiles/Comprehensive%20Cuts.pdf)

⁷⁴ <http://www.dcsf.gov.uk/everychildmatters/Youth/youthmatters/connexions/connexions/>

⁷⁵ <http://www.cypnow.co.uk/inDepth/1018435>

⁷⁶ <http://bit.ly/cQ1eFB>

⁷⁷ <http://www.cypnow.co.uk/bulletins/Daily-Bulletin/inDepth/1030942/?DCMP=EMC-DailyBulletin>

⁷⁸ <http://nds.coi.gov.uk/Content/detail.aspx?NewsAreald=2&ReleaseID=416365&SubjectId=2>

The Department for Communities and Local Government has cut £49.9m from the Working Neighbourhood Fund, which aims to tackle worklessness in deprived areas.⁷⁹ Regeneration & Renewal magazine has reported that some local authorities have cut millions more from their Working Neighbourhoods Fund budgets than this.⁸⁰ Many local authorities use this fund to support young people, including Lambeth, which has supported education, training and employment focus initiatives within the Young and Safe Action Plan,⁸¹ and Sheffield, which has developed exciting new activity for children and young people.⁸²

Early Intervention Grant

The Spending Review announced that there would be a single non ring-fenced Early Intervention Grant worth around £2 billion by 2014-15, and this will be one of nine core grants for local authorities, reduced from more than 90.⁸³ The grant will allow local areas to fund activities and services that meet the needs of children, young people and families. The Department for Education has confirmed which centrally-directed grants to support services for children, young people and families which will be replaced by the EIG. The funding streams that are ending include Connexions, Children's Fund, Youth Opportunity Fund, Youth Crime Action Plan, Positive Activities for Young People Programme, Youth Taskforce, Young People Substance Misuse, Teenage Pregnancy.⁸⁴

The EIG will be worth £2212m in 2011-12 and £2297m in 2012-13. In 2011-12, the amount to be allocated through EIG will be 10.9% lower than the aggregated 2010-11 funding through the predecessor grants. Education Secretary Michael Gove said, "In a tight funding settlement, some reduction in central government support was inevitable" and added that "the EIG is not ring-fenced, giving local authorities the flexibility to respond to local needs and drive reform".

There is uncertainty about how much youth services will benefit from early intervention funding. Graham Allen (Nottingham North, Lab), head of the government's Early Intervention Commission, said that his definition of early intervention "is about the social and emotional capability of babies, children and young people."⁸⁵ However, he has also suggested, "Teenage pregnancy, for example, I would not class as an early intervention measure. It's very important but it's part of good health services and prevention services; it's not early intervention."⁸⁶

Other local cuts

NCVYS's financial monitoring blog has documented numerous local cuts which affect young people and the voluntary sector including highlights set out below:⁸⁷

- Plymouth County Council is proposing to cut concessionary travel for children and young people in order to save £4m. There are concerns that this could discourage less well-off young people from staying in education.⁸⁸
- Nottingham County Council has made plans to cut £22m in children's services. The youth offending service, health promotion for young people and support for children with special needs are all affected.⁸⁹ One infrastructure organisation who responded to NCVYS's survey in September, said that council cuts affected their ability to disseminate information and to provide

⁷⁹ <http://www.housing.org.uk/default.aspx?tabid=212&mid=828&ctl=Details&ArticleID=2996>

⁸⁰ <http://www.regen.net/bulletins/Regen-Daily-Bulletin/News/1024629/Exclusive-Councils-slice-jobs-fund-cash/?DCMP=EMC-Regen%20Daily%20Bulletin>

⁸¹ <http://www.lambethfirst.org.uk/neighbourhood-fund/>

⁸² <http://www.sheffield.gov.uk/your-city-council/council-meetings/cabinet/agendas-2008/agenda-13-february-2008/working-neighbourhoods-fund>

⁸³ http://cdn.hm-treasury.gov.uk/sr2010_completereport.pdf

⁸⁴ <http://media.education.gov.uk/assets/files/pdf/m/michael%20goves%20letter%20to%20local%20authorities%20%20%2013%20december%202010.pdf>

⁸⁵ <http://www.cypnow.co.uk/bulletins/Daily-Bulletin/news/1036811/?DCMP=EMC-DailyBulletin>

⁸⁶ <http://www.communitycare.co.uk/Articles/2010/10/21/115641/1632bn-early-intervention-grant-not-enough-say-councils.htm>

⁸⁷ <http://ncvyspolicy.wordpress.com>

⁸⁸ <http://www.thisisplymouth.co.uk/regionalnews/Fury-plan-cut-free-bus-travel-children/article-2735242-detail/article.html>

⁸⁹ <http://www.thisisnottingham.co.uk/news/Notts-County-Council-unveils-cost-cutting-children-young-people-s-services/article-2745668-detail/article.html>

CRB checks. Another front-line organisation in Nottingham has been affected by cuts to the Youth Opportunities Fund and they are concerned about the "effect on young people's self-esteem and opportunity to manage their own project". The organisation is also worried about other cuts they are experiencing and their "knock-on effects on homelessness and health which will have a detrimental impact on the health aspirations of the city."

- Cambridgeshire County Council is set to cut £1m by merging youth work and Connexions services. The equivalent of 38 full-time jobs will be lost as youth clubs and holiday activities are ended and help will only be targeted at vulnerable children and teenagers.⁹⁰
- Kirklees Council has cut £2.66m from this year's Children and Young People's Service budget. 17 youth workers from the Connexions Young People Service and the Young Offenders' Team are due to lose their jobs, but the council's Scrutiny Panel is investigating the decision to make them redundant. The staff work with 300 vulnerable teenagers at risk of committing suicide, becoming pregnant, committing crimes or becoming prostitutes.⁹¹
- Somerset County Council is proposing to cut three-quarters of its youth budget in order to help save £75m over three years.⁹²
- Other cuts are also likely to affect young people disproportionately; cuts which affect libraries, which often provide youth facing services; limited opening or price rises/loss of subsidies for leisure and recreation provision, for example the ending of free swimming for under 16s⁹³; cuts to transport, for example cuts to the road safety budget by 40%.⁹⁴

4. Funding and policies affecting other services for young people

Youth Work

A statement by Minister for Children and Families, Sarah Teather, confirmed the Coalition's intention to remove workforce development functions from the Children's Workforce Development Council (CWDC).⁹⁵ CWDC has funded training for thousands of members of the youth workforce, including voluntary and community sector workers.

Universities Minister David Willetts confirmed that changes to higher education changes will affect funding for youth work study. The proposed withdrawal of teaching grant support for Band C and D subjects will heavily impact on the cost of studying youth and community work undergraduate courses and post-graduate diploma courses.⁹⁶ The Spending Review confirmed that the Government was abolishing Train to Gain, a government-funded initiative for employees to get new skills that will help them succeed at work. It was primarily targeted at those in the 25+ age band who did not already have a Full Level 2 Qualification, and supported many employees working with young people.

Support for workforce development is crucial to maintaining and improving the quality of services to young people.⁹⁷ Workforce development helps to ensure that children and young people are safe, and helps with recruitment and retention of staff and volunteers. A quality workforce is crucial to sustaining the long term future of the sector and services for young people, so it is concerning that support for the young people's workforce does not appear in the Department for Education's business plan.

Volunteering

The Office for Civil Society announced that there would be a £5m reduction in the v match fund. The v match fund provides for NCVYS member v to match fund private sector investment in youth volunteering projects on a pound for pound basis. There was also a further £1.95m reduction in the £39m grant to v.⁹⁸

⁹⁰ <http://www.cambridge-news.co.uk/Cambridge/Qualms-raised-over-axing-services-for-young-people.htm>

⁹¹ <http://www.examiner.co.uk/news/local-west-yorkshire-news/2010/11/15/kirklees-council-investigates-youth-worker-redundancies-86081-27657658/#ixzz15Ln44mHH>

⁹²

http://www.bridgwatermercury.co.uk/news/8469231.Spending_review_more_on_Somerset_County_Council_s_savage_cuts/

⁹³ <http://www.bbc.co.uk/news/10343421>

⁹⁴ <http://www.leftfootforward.org/2010/09/coalition-cuts-endanger-the-poorest-children-on-uk-roads/>

⁹⁵ http://www.cwdcouncil.org.uk/press-releases/4333_cwdc-response-to-announcement-to-withdraw-funding

⁹⁶ <http://www.theyworkforyou.com/debate/?id=2010-11-04a.1045.3>

⁹⁷ <http://ncvys.org.uk/UserFiles/File/Workforce%20Development/Why%20workforce%20development.pdf>

⁹⁸ http://www.cabinetoffice.gov.uk/newsroom/news_releases/2010/100729-voluntary.aspx

The Department for Education ended the £14m Youth Community Action programme, which aimed to encourage all 14- to 19-year-olds to take part in volunteering. The programme was being introduced through pilots in secondary schools in five local authorities in England, school support packages for all secondary schools and the Entry to Employment Programme.⁹⁹

NCVYS member Volunteering England, who bring ideas and people together, develop better networks and structures, and initiate projects to support volunteering, is also losing funding and looking to reduce its staffing from 55 to 24 posts.¹⁰⁰

Youth Justice

The Government confirmed that the Youth Justice Board is being abolished and the functions of the body will be transferred to the Ministry of Justice over the next 12- to 18-months.¹⁰¹ The YJB oversees the youth justice system in England and Wales, working to prevent offending and re-offending by children and young people under the age of 18.

NCVYS member Catch22 are concerned that £100m of funding aimed at reducing youth offending levels may no longer be used for their previous purpose following the transfer of YJB responsibilities. Funds paid to local authorities by the YJB include £34.2m for intensive supervision and surveillance programmes, £34.1m for prevention programmes, £14m in substance misuse funding, and £9.4m for community education and practitioner training.¹⁰² The future of the £71m of annual funding for youth offending teams (YOTs) from the Home Office and Department for Education is also unclear,¹⁰³ although Youth Justice Minister Crispin Blunt has confirmed that "there will continue to be a youth justice grant from the centre that is directed specifically to YOTs and is outside of area based grants to local authorities."¹⁰⁴ Blunt's vision for the youth justice system includes reducing the use of remand custody, increased use of restorative justice and involving the private and voluntary sectors in work with young offenders.

Legal Aid

Justice Secretary Kenneth Clarke announced a programme of wide-ranging reform to legal aid and civil litigation costs.¹⁰⁵ A consultation document outlines proposals which will reduce the legal aid budget by around £350m in 2014-15. Legal aid will be retained for asylum cases, for debt and housing matters where someone's home is at immediate risk, and for mental health cases. It will still be provided where people face intervention from the state in their family affairs which may result in their children being taken into care, and cases involving domestic violence or forced marriage. However, according to the chairman of the Bar Council of England and Wales, legal aid will no longer be available for many cases involving education, immigration, employment, debt, and housing, all of which can involve very vulnerable people.¹⁰⁶

Young people will be affected, in particular by the cut in private family cases which do not involve domestic violence, forced marriages or children who are at risk of being taken into care. Legal aid will also be cut for disputes involving school admissions, expulsions and statements of special educational needs. The Chief Executive of the Children's Legal Centre said: "Very little thought seems to have been given to the impact of these proposals on the welfare and rights of children. Our education solicitors have helped hundreds of families to fight for appropriate educational provision for their children... Many of these children have SEN and without legal aid, their families will have no legal assistance to fight for the right level of care. The new proposals state that the only recourse for these families would be judicial review, which is very costly compared to the SEN tribunal."¹⁰⁷

⁹⁹ <http://www.cypnow.co.uk/news/1019518/Government-scraps-146m-youth-volunteering-programme/>

¹⁰⁰ <http://www.volunteering.org.uk/News/mediacentre/News+2010/Volunteering+England+consultation+on+restructuri>

¹⁰¹ <http://www.number10.gov.uk/wp-content/uploads/2010-10-14-Public-bodies-list-FINAL.pdf>

¹⁰² <http://www.cypnow.co.uk/news/1036683/Catch22-warns-councils-may-lose-100m-when-YJB-scrapped/>

¹⁰³ <http://www.cypnow.co.uk/news/1042650/Youth-offending-teams-await-funding-details-amid-concerns-ringfenced-money/>

¹⁰⁴ <http://www.justice.gov.uk/news/sp241110.htm>

¹⁰⁵ <http://www.justice.gov.uk/news/newsrelease151110b.htm>

¹⁰⁶ <http://www.guardian.co.uk/law/2010/nov/15/legal-aid-cuts-shrinkage-justice>

¹⁰⁷ <http://www.cypnow.co.uk/news/1041080/Legal-aid-axed-private-family-law-cases/>

Community Links work with local people to support children, young people, adults and families, and last year legal aid funding enabled them to provide specialist help to 1,500 people with debt, benefits and housing problems. They have argued that “the Government’s justification for proposing to cut all welfare benefits advice, and almost all debt and housing advice (unless you’re about to be made homeless, by which time it’s often too late), is that help is available elsewhere, from charities and other support agencies. But most are funded by a combination of legal aid and local authority money, and might well not exist in a couple of years.”¹⁰⁸

Sports

Sport England announced plans for the mass participation legacy from the London 2012 Olympic and Paralympic Games.¹⁰⁹ There will be £135m for Places People Play to invest in facilities, sports leaders and sporting opportunities. One element is a nationwide campaign, Sportivate, which will capture the excitement of sport, providing opportunities for teenagers and young adults to receive six weeks of coaching in the sport of their choice and guiding them into regular participation within their community.

This announcement followed the Department for Education’s decision to end the £162m PE and Sports strategy,¹¹⁰ which was recently analysed in a Guardian article.¹¹¹ The article suggests that it will harm children’s health and bring new job losses, and breaks pledges made to the Olympics Committee about combating children’s increasingly sedentary lifestyles. A parliamentary debate on School Sports Funding showed that many teachers had written to MPs expressing their concerns about the cuts,¹¹² and a petition against the ending of the strategy, with more than half a million signatures, was presented to parliament. One young campaigner said, “The news of the cuts is devastating, not only for young people today, but for the future generations who will miss out on the fantastic opportunities School Sport Partnerships provide.”¹¹³ Following the debate, there were reports that Prime Minister David Cameron was revisiting the decision.¹¹⁴ However, the Department for Education reaffirmed that “the decision around the £162m and the sports strategy has been made and will not be reversed.”¹¹⁵

Arts

Creativity, Culture and Education (CCE), which promotes the value of the arts, creative learning and cultural opportunities to children and families, announced that Arts Council England has reduced its funding for the charity by 50% to £19m. The charity is concerned that the significant reduction in funding and the end of programmes such as Creative Partnerships and Find Your Talent will leave many young people in some of the most disadvantaged communities without access to the arts.¹¹⁶ Creative Partnerships (managed by CCE), has reached over 2,500 schools, and gives up to 400,000 young people a year access to arts and culture and a recent article highlights some of the beneficiaries of the scheme.¹¹⁷

A PricewaterhouseCoopers study on the economic and social impact of Creative Partnerships, found that for every £1 invested, the programme delivers £15.30 of benefits to the national economy, generating around £4 billion.¹¹⁸ Previous research from the National Foundation for Educational Research found that young people involved in Creative Partnerships’ activities were making, on average, the equivalent of 2.5 grades better progress in GCSE.

Proposed cuts to Darlington Council’s arts budget cuts will reduce the access of its population, and in particular its children, to the arts. The council has proposed to save £1.2m by withdrawing funding from

¹⁰⁸ <http://www.community-links.org/linksuk/?p=2213>

¹⁰⁹ http://www.sportengland.org/media_centre/press_releases/places_people_play.aspx

¹¹⁰ <http://www.education.gov.uk/inthenews/inthenews/a0065473/refocusing-sport-in-schools-to-build-a-lasting-legacy-of-the-2012-games>

¹¹¹ <http://www.guardian.co.uk/education/2010/nov/16/school-sport-funding-cuts>

¹¹² <http://www.theyworkforyou.com/debates/?id=2010-11-30a.693.1&s=young+people#g736.1>

¹¹³ <http://www.youthsporttrust.org/page/news-story/pet/index.html>

¹¹⁴ <http://www.bbc.co.uk/news/uk-politics-11889289>

¹¹⁵ <http://www.cypnow.co.uk/news/ByDiscipline/Education/1044662/No-U-turn-school-sports-cuts/>

¹¹⁶ <http://www.creativitycultureeducation.org/news/arts-council-england-funding-settlement-reaction-from-creativity-culture-and-education-cce,407,AR.html>

¹¹⁷ <http://www.guardian.co.uk/education/2010/nov/02/schools-arts-spending-cuts-government>

¹¹⁸ <http://www.creativitycultureeducation.org/data/files/pwc-report-236.pdf>

Darlington Arts Centre – home to both Theatre Hullabaloo, which works with many young people, and NCVYS member the National Association of Youth Theatres. The centre includes a studio dedicated to children's work, and will be forced to close without this funding.¹¹⁹ The NAYT works to support the development of youth theatre activity through information and support services, advocacy, training, participation and partnerships.

5. Funding and policies directly affecting the voluntary and community youth sector

Transition Fund

The Spending Review announced a £100m 'Transition Fund' to help the voluntary and community sector adjust to a tougher funding environment. The Fund will help civil society organisations which deliver high quality public services to be more resilient, agile and able to take opportunities presented by a changing funding environment. BIG, which is administering the fund, released further details of fund, which is now open.¹²⁰

The fund will be open to charities, voluntary groups and social enterprises which meet the following criteria:

- An income of between £50,000 and £10 million;
- At least 60% of income is from taxpayer funded sources;
- At least 50% of taxpayer funded income is spent on service provision in at least one of the following areas – health and social care; homelessness; education and training; offender rehabilitation; welfare to work/ employment services; children and families; debt counselling and legal advice;
- Free reserves must not be more than six months;
- Cuts of least 30% of taxpayer funded income in 2011/12 are being faced, as compared to the most recent set of signed annual accounts;
- The minimum grant size is £12.5k and grants will meet no more than half the taxpayer funded income (i.e. must have lost at least £25k);
- The majority of the grant expenditure will be on change activities;
- The majority of services delivered in England.

The £100m Transition Fund should be viewed in light of the estimated cuts to the voluntary and community sector. The Chair of the Charity Commission Dame Suzi Leather has suggested that £5 billion could be cut from voluntary and community organisations.¹²¹ The Association of Chief Executives of Voluntary Organisations (ACEVO) has estimated that changes announced in the Spending Review could result in charities facing up to £4.5bn hit to their funding.¹²² New Philanthropy Capital has estimated that the third sector has lost £3.2 to £5.1 billion as a result of the cuts. This comes out of £12.8 billion of Government funding for charities, which the report points out is less than 2% of total government spending.¹²³ A report for the Centre for Charity Effectiveness suggests that alternative sources will be difficult to access, "Most charitable Trusts and Foundations are notoriously reluctant to pick up funding cut by the State or the essential core costs to sustain those organisations. The total expenditure of charitable Trusts and Foundations at £2.7 billion is less than the loss that New Philanthropy Capital predict for the sector."¹²⁴

Department for Education National Prospectus

The Department for Education published a national prospectus which outlines the key activities which it wishes to fund directly at a national level to support children, young people and families. The Department is inviting Expressions of Interest (EOIs) for grant funding for 6 themes including young people and is also inviting EOIs for grant funding for a new Strategic Partner Programme.¹²⁵ Funding under the Children, Young People and Families (CYPF) grant programme will end on 31 March 2011.

¹¹⁹ <http://www.guardian.co.uk/culture/theatreblog/2010/nov/16/darlington-arts-budget-cuts>

¹²⁰ <http://www.biglotteryfund.org.uk/transitionfund>

¹²¹ <http://www.bbc.co.uk/news/uk-politics-11614520>

¹²² http://www.charitytimes.com/ct/Comprehensive_Spending_Review_sector_verdict.php

¹²³ *Preparing for Cuts*, New Philanthropy Capital (2010)

http://www.philanthropycapital.org/publications/improving_the_sector/grantmaking/preparing_for_cuts.aspx

¹²⁴ http://www.cass.city.ac.uk/cce/resources/thought_pieces/BigSocietyCutsandConsequences.pdf

¹²⁵ <http://www.education.gov.uk/aboutdfe/policiesandprocedures/procurement/a0037/current-contracts-advertised-by-the-department>

Many NCVYS members are recipients of the CYPF grant, and in 2008, 99 national organisations were in receipt of a total of £11m for their work with young people.¹²⁶ Under the terms published in the new prospectus, it is highly unlikely that more than 10 organisations will continue to receive direct funding and the total value of the scheme remains unclear. In addition, there is an expectation that organisations should seek to become 'independent' from government funding over the course of the two year scheme.

One NCVYS member, a recipient of the scheme, told us, "We won't be applying as we don't really meet the criteria this time. There's no doubt this is tough for us, having been in receipt of government funding for the last 20 years – and having delivered on our outcomes for the current three year grant programme. So we're looking at a £100k per annum hit to the budget." This will have a big impact on their ability to deliver youth groups, special events, holidays, community projects and training programmes for young people.

Youth Sector Development Fund

The Youth Sector Development Fund supported VCYS organisations to build their capacity and long-term sustainability. In June the Department for Education cancelled the final round of Youth Sector Development Fund grants, worth £8m. Previous rounds of the grant had given VCYS organisations over £60m. The third round of the fund was tailored to help smaller organisations with a record of delivering positive activities and support to the most disadvantaged young people. It supported them to sustain their provision, including becoming more effective in the way they manage fundraising activities or securing private investment. An early evaluation of the programme suggested that "good progress has been made in terms of establishing the individual projects" and that they "have started to take steps towards improving commissioning readiness, mostly around establishing contacts with potential commissioners in their areas but also in terms of submitting tenders for additional funding."¹²⁷

National Citizen Service

The Cabinet Office announced the twelve groups who have been selected to run the first National Citizen Service (NCS) pilot projects, which will provide places for over 11,000 16-year-olds next summer. The NCS pilots will trial a variety of different approaches to running the scheme. NCS will be a seven to eight week voluntary programme including a two week residential element involving tough physical challenges and a community element, where young people will develop social action projects to help their communities. The groups announced include NCVYS members the Prince's Trust, v, and Catch 22.¹²⁸ This is estimated to cost £13m, and will be followed by £37m for 30,000 places for 16-year-olds in 2012.¹²⁹

Some NCVYS members are concerned that funding for the NCS will come at the expense of existing programmes for young people. British Youth Council's Chair said, "Young people, especially local youth council representatives, are worried about future funding for volunteering and youth empowerment services... While they see the appeal of the initiative they are worried that other similar schemes may be cut back."¹³⁰ There is also concern from NCVYS members that the government hasn't properly consulted youth organisations about delivering the International Citizen Service pilot schemes. The £10m pilot will provide 1,000 young people aged 18 to 22 with volunteering opportunities abroad in 2011/12.¹³¹

Big Society Bank

The Dormant Bank and Building Society Accounts Bill, which was given Royal Assent in November 2008, allowed the government to redistribute unclaimed assets from dormant bank accounts in banks and building societies.¹³² It said, "In England, the assets will be spent with three aims in mind: providing opportunities for young people; improving financial capability and supporting institutions involved in social lending". In July 2010, Prime Minister David Cameron said that all the money from dormant

¹²⁶ http://www.dcsf.gov.uk/pns/DisplayPN.cgi?pn_id=2008_0027

¹²⁷ <http://publications.education.gov.uk/eOrderingDownload/DCSF-RR169.pdf>

¹²⁸ http://www.cabinetoffice.gov.uk/newsroom/news_releases/2010/101110-national-citizen-service-pilots.aspx

¹²⁹ <http://www.publicfinance.co.uk/news/2010/07/national-citizen-service-too-costly-to-last/>

¹³⁰ <http://www.cypnow.co.uk/news/1024929/NCS-funding-sparks-youth-concerns/>

¹³¹ <http://www.cypnow.co.uk/news/1042270/Anger-international-citizen-service-contract/>

¹³² <http://services.parliament.uk/bills/2007-08/dormantbankandbuildingsocietyaccountshl.html>

accounts would be used to fund the Big Society Bank, and there was uncertainty about how much funding would go to social investment and how much would go to young people.¹³³

NCVYS welcome the focus on a social investment wholesale bank and believe investment in social lending can and should be used to benefit young people. NCVYS chief executive, Susanne Rauprich, has been a member of a group which has explored possibilities for how to distribute these unclaimed assets. The group has suggested that funds earmarked for young people should be disbursed by the principles of social investment.¹³⁴

There has been confusion about the terms of the Big Society Bank. In November 2010, at NCVYS's annual conference, Minister for Children and Families Tim Loughton, said that youth would be "the primary objective" of the Big Society Bank.¹³⁵ A response from the Cabinet Office said that the bank would be independent and government will have no power to force it to prioritise its funding.¹³⁶ Nick Hurd, Minister for Civil Society, is reported to have said that there will be "high policy direction" from government that the Bank should "give some priority to investing in community-led enterprise solutions in the youth sector" but beyond that, the bank's activities would be driven by the market.¹³⁷ With a potential delay in the start-up of the Bank, fund allocation is not expected until the second half of 2011, when the original date for funds to be available from the Bank was April 2011.

Skills strategy

NCVYS has published a separate briefing on the Department for Business, Innovation & Skills strategy for skills.¹³⁸ The strategy is founded on the principles of fairness, responsibility and freedom. The Government believes "those first in line for help must be those least able to help themselves [and so it is] paying special attention to young people and those without basic literacy and numeracy skills." The Government plans to expand the numbers of adult (19+) apprenticeships, so that by 2014-15 there will be 200,000 adults starting an apprenticeship each year. It will fully fund provision for young people studying level 2 and 3 qualifications and for literacy and numeracy courses for adults and young people and targeted provision for learners on active benefits. It plans to provide loans for higher-level qualifications for older learners. It recognises the role of the VCYS in engaging learners, and aims to reduce the regulatory burden on providers. The strategy also confirmed the ending of the Train to Gain scheme, which is discussed in more detail in the Youth Work section above.

VAT increase

The VAT increase to 20% on 4 January 2011 will add increased burden to the operating costs of many charities. A Charity Tax Group research paper, prepared in anticipation of the Budget, shows the impact of the increase in the VAT rate to 20% on a sample of 87 charities, and extrapolates this result to the sector as a whole.¹³⁹ It suggests that an increase of VAT to 20% would cost the sector an additional £143m. Charities are typically unable to pass the costs of a rise in VAT onto consumers, unlike commercial organisations. Most VCYS organisations provide services to young people who cannot afford to pay for them, and so they cannot recover increased VAT costs from their clients. NCVYS was disappointed that charitable organisations were not immediately exempt from the increase in VAT, which will simply see them passing money back to Government.

Support organisations

A number of organisations who provide support to the voluntary and community youth sector have announced cuts to their staff. The National Council for Voluntary Organisations (NCVO) anticipates that around 30 staff are likely to lose their jobs.¹⁴⁰ The National Association for Voluntary and Community Action (NAVCA) has announced that its budget for next year will be reduced from £3m to £1.5m, and

¹³³ <http://www.cypnow.co.uk/news/1017046/Youth-projects-lose-dormant-bank-account-funds/>

¹³⁴ [http://www.ncvo-vol.org.uk/sites/default/files/10_03_04 -](http://www.ncvo-vol.org.uk/sites/default/files/10_03_04_-_A_way_ahead_for_unclaimed_assets_and_the_youth_of_tomorrow.pdf)

[A_way_ahead_for_unclaimed_assets_and_the_youth_of_tomorrow.pdf](http://www.ncvo-vol.org.uk/sites/default/files/10_03_04_-_A_way_ahead_for_unclaimed_assets_and_the_youth_of_tomorrow.pdf)

¹³⁵ http://ncvys.org.uk/blogs.php?act=view_topic&id=188

¹³⁶ <http://www.cypnow.co.uk/bulletins/Daily-Bulletin/news/1040955/?DCMP=EMC-DailyBulletin>

¹³⁷

http://www.civilsociety.co.uk/finance/news/content/7718/hurd_denies_big_society_bank_will_be_forced_to_focus_on_childrens_projects

¹³⁸ http://ncvys.org.uk/UserFiles/NCVYS_briefing_on_Skills_for_Sustainable_Growth.pdf

¹³⁹ Charity Tax Group: <http://www.ctrg.org.uk/files/?id=221>

¹⁴⁰ <http://www.ncvo-vol.org.uk/news/ncvo/restructuring-building>

expects to employ around 20 staff rather than 40 at the present time.¹⁴¹ The National Youth Agency (NYA) has also had to make staff redundancies; these are reported to affect around 26 employees from a team of 43.¹⁴²

Local support organisations are also losing funding. One member of NCVYS, who wishes to remain anonymous, has lost most of the funding it receives from the council, partly because of cuts to the Working Neighbourhood Funds. This organisation works to strengthen and increase opportunities for the VCYS to work together and deliver high quality services, develops opportunities for the sector to contribute to the safeguarding children agenda, and supports the VCS to prepare for and engage in integrated and locality working arrangements. Particular services that will be lost due to the cuts include campaigning and representation.

6. Contact details

For more information on any element of this paper and to feedback your experiences of cuts, please contact NCVYS's Policy Officer, Dom Weinberg, at dominic@ncvys.org.uk or on 020 7278 1041.

¹⁴¹ <http://www.navca.org.uk/NR/rdonlyres/58A5C28E-FF85-4683-B725-B667B17AF3C3/0/changesatnavca.htm>

¹⁴² <http://www.cypnow.co.uk/news/1030478/National-Youth-Agency-axe-60-per-cent-its-staff/>