YMCA

Here for young people
Here for communities
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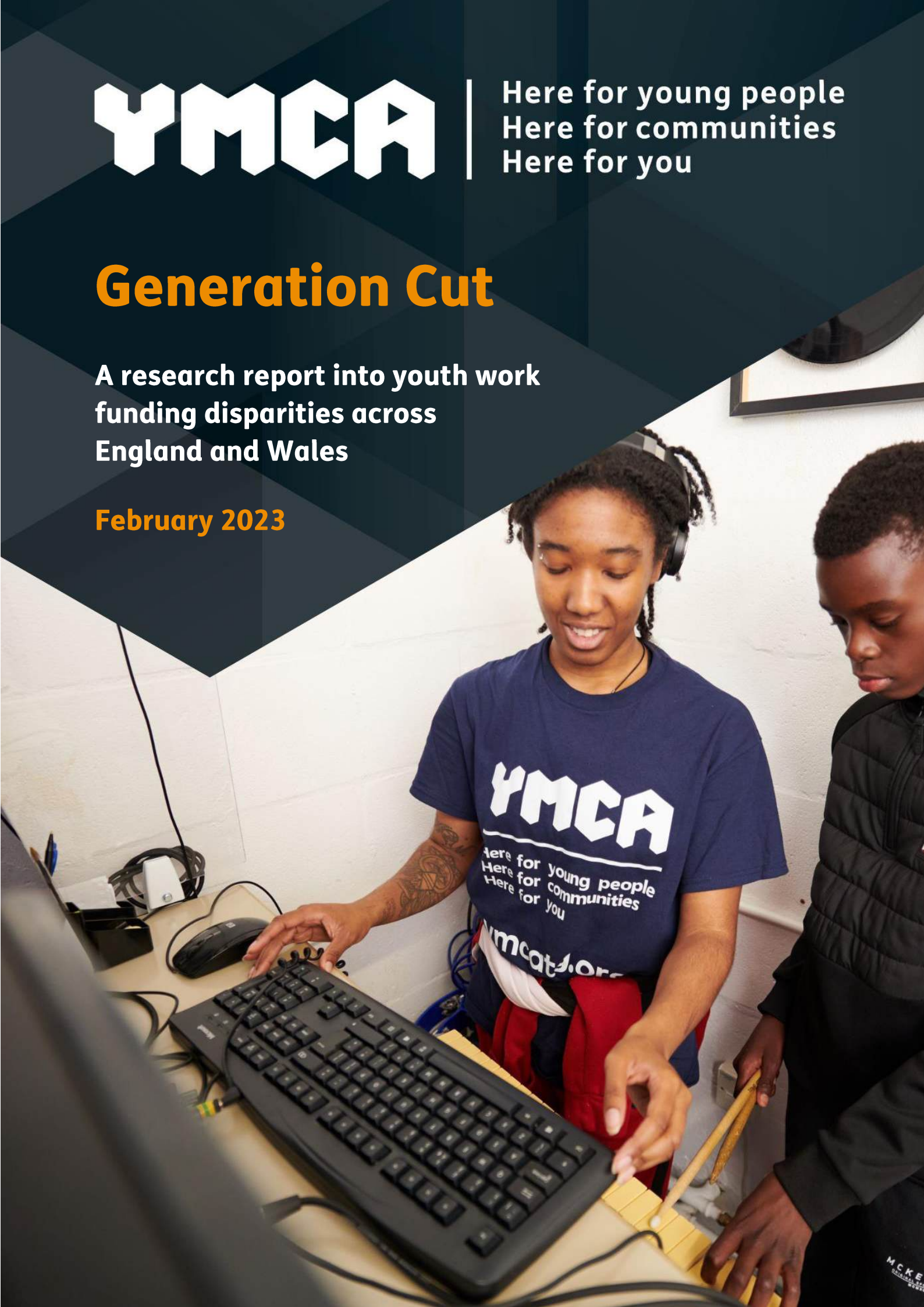
Generation Cut

A research report into youth work funding disparities across England and Wales

February 2023



Everyone should have a fair chance to discover who they are and what they can become.

About YMCA

YMCA believes in fairness and opportunity. There are essential building blocks for a full and rewarding life: a safe home; acceptance; guidance; friendship; physical and mental health; academic support; employment skills; and access to real opportunities. Many young people have never known these things; other people have lost one or more as they grew up, but we all need them. All of us. At YMCA, we provide these critical foundations for a fresh, strong start for young people and a better quality of life in the community.

YMCA is the oldest charitable provider of youth services in England and Wales. Across the two countries, we provide a safe space for 35,000 young people through our extensive youth services offering. We run 216 youth clubs every week at 78 youth centres, as well as targeted and detached youth work to 7,000 young people on their terms, adapting to their needs and interests.

Summary

This report finds that local authority expenditure on youth services in England has been cut by 73% in real-terms since the 2010/11 financial year.

Over the past few years, funding has hit rock bottom. The last financial year (2020/21) recorded the lowest real-terms level of funding at just £378m.

This year, we have estimated a slight real-terms increase of 4% when isolating actual spend on youth services, totalling £392m in England.

We hope this is the first of many annual increases to follow, but this added 4% is still low given the scale of funding cuts over the past decade.

The trajectory of youth services expenditure in Wales is more encouraging: despite a 4% real-terms drop in 2020/21 as lockdowns hindered delivery, funding increased 12% this year to an annual total of £41.3m.

Introduction

The past few years have been turbulent. The Covid-19 pandemic forced governments across the world to change the way citizens lived to supress the spread of the virus. The consequences were myriad: from funding the furlough programme to keep those unable to work in employment to the scrapping of school exams, we are all somewhat changed by what we lived through.

We are yet to know the full impact of lockdowns so soon after their ending, but studies are revealing how young people are feeling in their wake. Although many children and young people coped well overall, lower wellbeing was recorded in the

months when schools were closed.[1] Secondary school pupils were more likely to feel lonely than primary school pupils, and pupils of both ages felt like that sometimes do not have anyone to talk to or have felt left out.[2]

In response, the government in England announced a National Youth Guarantee in February 2022 as part of its Levelling Up agenda, stating that by 2025, "every young person in England will have access to regular out of school activities, adventures away from home and opportunities to volunteer".[3] This £560m fund falls short, however, of providing open-access and universal youth work with sustainable revenue streams for the continued function of youth services.

YMCA champions youth services as a vital resource in building young people's confidence, social skills and resilience. We have highlighted how local authority expenditure on youth services has been cut since austerity measures were put in place in 2010. With so little left to cut, maintaining and growing funding levels is of paramount concern. This is all the more crucial at a time when young people are faced with navigating the biggest shift in how we live in decades.

In this analysis, previous years' youth services expenditure is adjusted for inflation to make the funds used comparable in value to today's money. This allows better accuracy when comparing local authority spending a decade ago, as well as year-on-year changes.

In 2020/21, the majority of youth services were unable to function in their typical format: dependent on social mixing, often inside, projects were either paused or adapted to online delivery. In the last financial year, 2021/22, many services began again to provide that much-needed safe space for young people. It is also important to note that the latest figures in this report reference April 2021 to March 2022: the consumer price index (CPI) rate of inflation was 1.5% in April 2021, rising to 7.0% by March 2022. Although rising, this is not as substantial as at the time surrounding this report's publication. It will, however, have impacted the cost of providing services, from wages to energy prices.

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[1] Department for Education, State of the nation 2021: Children and young people's wellbeing, 8 February 2022

[2] Office for Health Improvement and Disparities, COVID-19 mental health and wellbeing surveillance: report, 12 April 2022

[3] Department for Digital, Culture, Media & Sport, Government outlines ambitious plans to level up activities for young people, 1 February 2022

Methodology

Local authorities have a statutory duty to report expenditure on education and services for children and young people to the Department for Education: this is done through annual Section 251 outturn statements. Line 3.5 of Section 251 guidance covers "Services for young people", split into universal and targeted services, which are used as the basis of this research.

This report follows YMCA's previous *Out of Service* and *D£VALUED* research, which investigated changes in local authority spending since 2010/11.[4]

The analysis was conducted by taking the individual datasets of local authority spending on youth services for each financial year since 2010/11 and then converting these costings into real terms to make them comparable with 2021/22. The financial and cost differences were then analysed at a national level (in this report, England and Wales have not been combined for an overall total, given the distinct spending patterns between the countries), at a regional level and at a local level with the highest and lowest levels of cuts.

In this report, data selected from the Office for National Statistics estimates of the population for England and Wales from mid-2010 to mid-2021.[5] Local authority population counts of 5- to 17-year-olds were compared against local authority spend on youth services to generate a per-head figure.

Given the repeated funding cuts over the past decade, YMCA sent Freedom of Information requests to the 65 local authorities that had increased expenditure by 10% or more in 2021/22 to further understand what drove this. Of these, 50 were returned within the statutory requirement of 20 working days.

Based on these results, we deflated the figures of local authorities that reported substantial expenditure inconsistently with the majority when included under differing lines of expenditure outturn statements to the Department for Education.

Wales

Welsh local authorities provide more in-depth data to the Welsh Government in terms of expenditure and income, and accordingly these figures were analysed to garner what extra expenditure afforded.

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[4] YMCA, *Out of Service*, January 2020

[5] Office for National Statistics, Estimates for the population for the UK, England, Wales, Scotland and Northern Ireland, 21 December 2022

Data for the Isle of Anglesey has been excluded from the dataset and report due to a number of years' data being missing.

Powys did not report its data for 2018/19 and so the figure from 2017/18 was used, and then adjusted using an average of the percentage change for all declared local authorities between 2017/18 and 2018/19. This equated to a 2% reduction on the 2017/18 figure.

Real-terms increases

The spending referenced in this research has been converted into real terms. This conversion takes the latest gross domestic product (GDP) deflators provided by HM Treasury and is used as a measure of general inflation in the domestic economy.[6] This allows a true reflection on how much spending in 2010 would be equivalent to now.

Youth services definition

For the purposes of this research, 'youth services' broadly encapsulates two types of service: 'open-access' (or 'universal') services, including a range of leisure, cultural, sporting and enrichment activities often based around youth centres; and more targeted provision for vulnerable young people, including teenage pregnancy advice, youth justice teams, and drug and alcohol misuse services.

Local authorities have a duty to "secure services and activities for young people aged 13 to 19, and those with learning difficulties to age 24, to improve their wellbeing".[7]

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[6] HM Treasury, GDP deflators at market prices, and money GDP November 2022 (Autumn Statement), 18 November 2022

[7] Department for Education, Statutory Guidance for Local Authorities on Services and Activities to Improve Young People's Well-being, June 2012

England

The damage of a decade of cuts

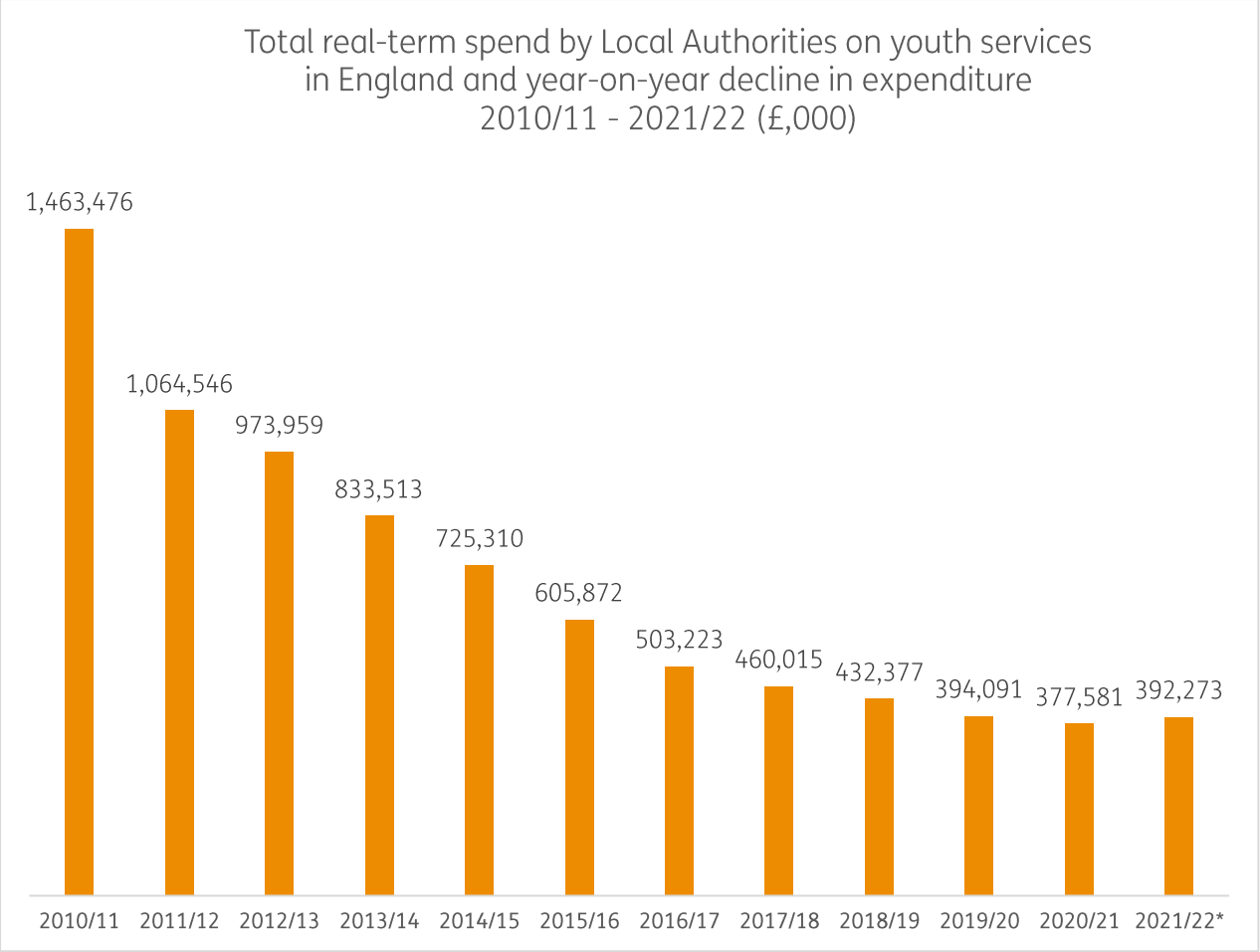
In the 2021/22 financial year, not only did youth services restart following a pandemic shutdown, several government programmes were launched to support young people through this time. This included schemes such as the Holiday Activities and Food (HAF) programme and wider central government funding that could be directed towards young people's wellbeing, mental health support and recovery funding. Not all the projects funded however reflect the definition of youth services as per the Government's definition as referenced in the Methodology.

This year's reported local authority expenditure on youth services was higher than anticipated: the planned budgets sent to the Department for Education for the 2021/22 year indicated a likely annual 1% increase in funding.[8]

YMCA issued Freedom of Information (FOI) requests to all local authorities reporting increases of 10% or higher, and accordingly we have adjusted the figures where there were inconsistencies in reporting against the national standard. The main cause of this was 15 local authorities including their HAF grant under their youth services expenditure. Given all councils were given HAF funding and so few included it in this section of their Section 251 Outturn statement, the removal of HAF allows for a more valid and comparable picture of youth services expenditure nationwide.

As per our calculations, we estimate that local authority expenditure on youth services in 2021/22 totalled £392m, a 73% real-terms cut in funding from 2010/11's £1.46bn.

[8] Department for Education, Planned LA and school expenditure, Financial Year 2021-22, 30 September 2021



**adjusted*

Last year, YMCA reported an annual decline of 4% in local authority expenditure on youth services. This year, the picture is a little different. Using adjusted figures, real-terms expenditure grew by 4% in 2021/22. This increase draws expenditure in line with that of pre-pandemic levels of £394m in 2019/20. Given that several local authorities cited a drop in spending in 2020/21 because of inability to run services during lockdowns, this 4% increase does display in part a return to business-as-usual expenditure.

Compared to the severity of the cuts made over the past decade, a 4% real-terms increase is little relief.

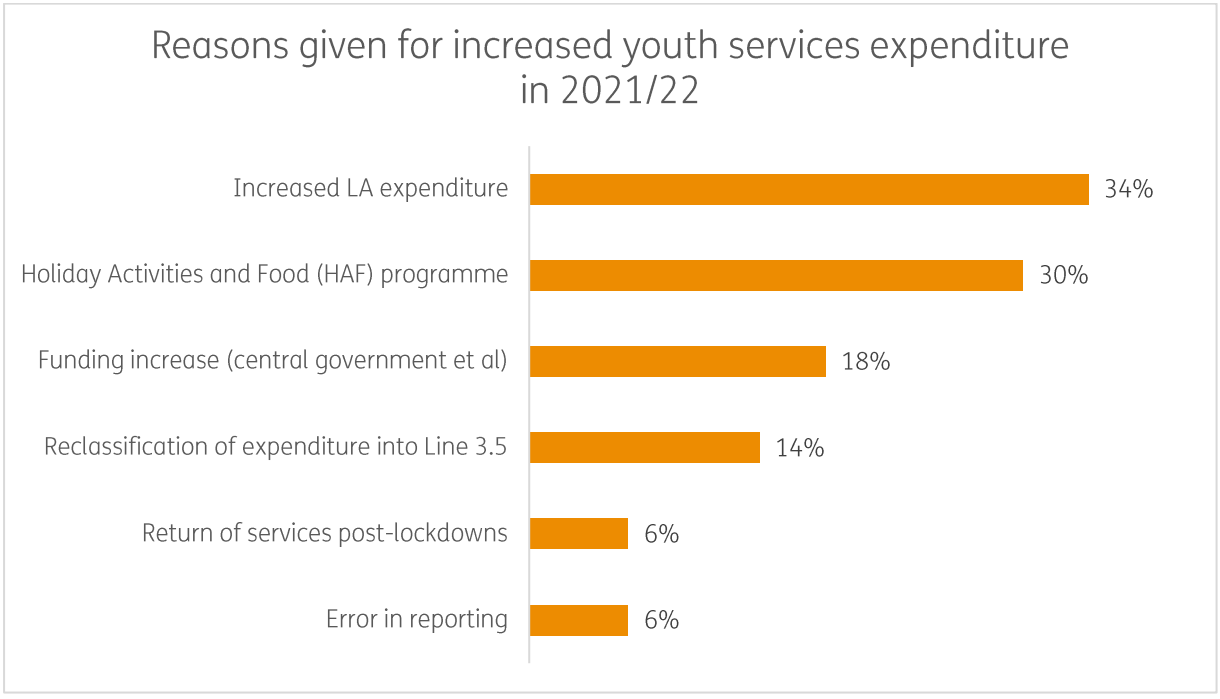
Estimating the annual increase

The 2021/22 financial year was the first time that English local authorities' real-terms expenditure on youth services rose annually since austerity fiscal policy was initiated in 2010. More than half of local authorities (56%) increased expenditure in the last financial year – some significantly so.

Given the spread and depth of cuts across local authorities over the past decade, further insight was needed to understand what implementations councils had made over the past twelve months to drive this growth.

In response to the FOI requests YMCA sent to the local authorities that had increased expenditure by 10% or more, the following reasons for increased expenditure:

- increased expenditure by the local authority itself
- increased funding from central government and other bodies, such as the Holiday Activities and Food programme, Covid support and recovery funds, public health grants etc.
- reclassification of activities into line 3.5 as Services for young people (having previously reported expenditure under another line of the Section 251 Outturn)
- the restarting of services as activities returned to normal levels following national lockdowns
- errors in Section 251 reports, either for the 2020/21 or 2021/22 financial year.



n=50

A third of local authorities with increased expenditure on youth services that responded to the FOI request cited that they had increased the amount of money allocated to services for young people.

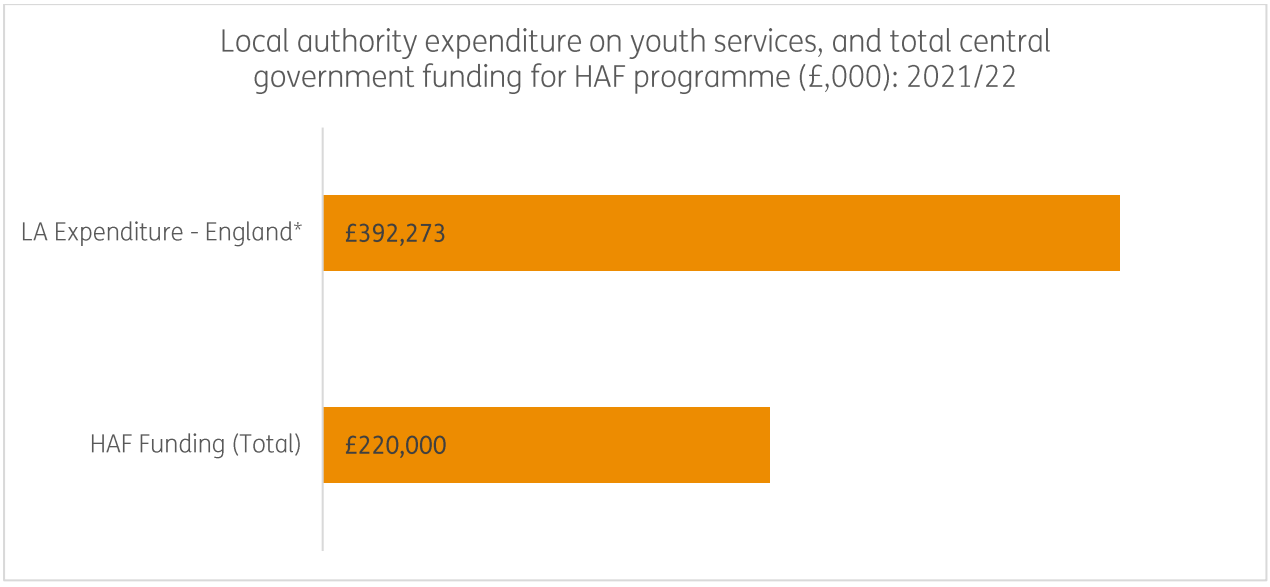
Almost half of local authorities cited an increase in funding as the cause, predominantly from central government. Several referenced grants were for Covid-related support and recovery, which will unlikely be sustained as the need for pandemic response is greatly reduced.

Notably amongst these grants was the Holiday Activities and Food programme (cited by 30% of all responding local authorities). YMCA contacted the Department for Education (DfE) with regards to where HAF should sit within Section 251 Outturns for LA and Schools expenditure, which advised it should be shown in line 2.4.1 for Other specific grants, and after YMCA explained that several local authorities had included it under Line 3.5 for services for young people, DfE stated that it may not be unreasonable for individual local authorities to opt for Line 3.5.

On the basis that all local authorities were given HAF funding, this variety in whether included or not in youth services figures for local authorities makes comparisons between local authorities somewhat mismatched.

Accordingly, YMCA has removed the HAF expenditure local authorities confirmed including under Line 3.5 to nullify the artificial inflation of youth services.

To put the scale of the HAF programme in context, the amount central government allocated to HAF (£220m) in 2021/22 represents 56% of the total local authorities spent on youth services.



**adjusted*

Given the size of this funding pot, the 15 local authorities that declared inclusion of this under youth services had a substantial impact on the annual increase in the raw data. The raw figure of local authority expenditure, prior to adjustment, was £409m in 2021/22, representing an 8% increase year-on-year (2020/21: £378m). The combined total of declared HAF allocation, £16m, accounted for half of this increase.

Holiday Activities and Food Programme

The English Government's Holiday Activities and Food Programme (HAF) was launched in 2018 for children on free school meals during school holidays, providing healthy food and enriching activities.

The scheme rose to prominence during the lockdowns of 2020 for children on free school meals to be supported during the school holidays. Accordingly, the Government expanded the HAF programme to the whole of England in 2021, allocating £220m to the 2021/22 financial year expenditure.[9] The funding all local authorities received from the Department for Education was determined by how many children within it claimed free school meals, to an average of £126 per child per year.

Although HAF is an example of a ring-fenced pot of revenue funding to provide targeted services for around 600,000 children,[10] it is only accessible during school holidays and for those receiving free school meals, rather than year-round open access youth services.

In December 2022, the government confirmed that HAF will run throughout 2023/24 school year with £200m in funding for local authorities, as part of the government's commitment to support vulnerable families with rising costs.[11] Its future beyond this is uncertain: while this could become a long-term project for children during the school holidays, its work could be limited to only a few years.

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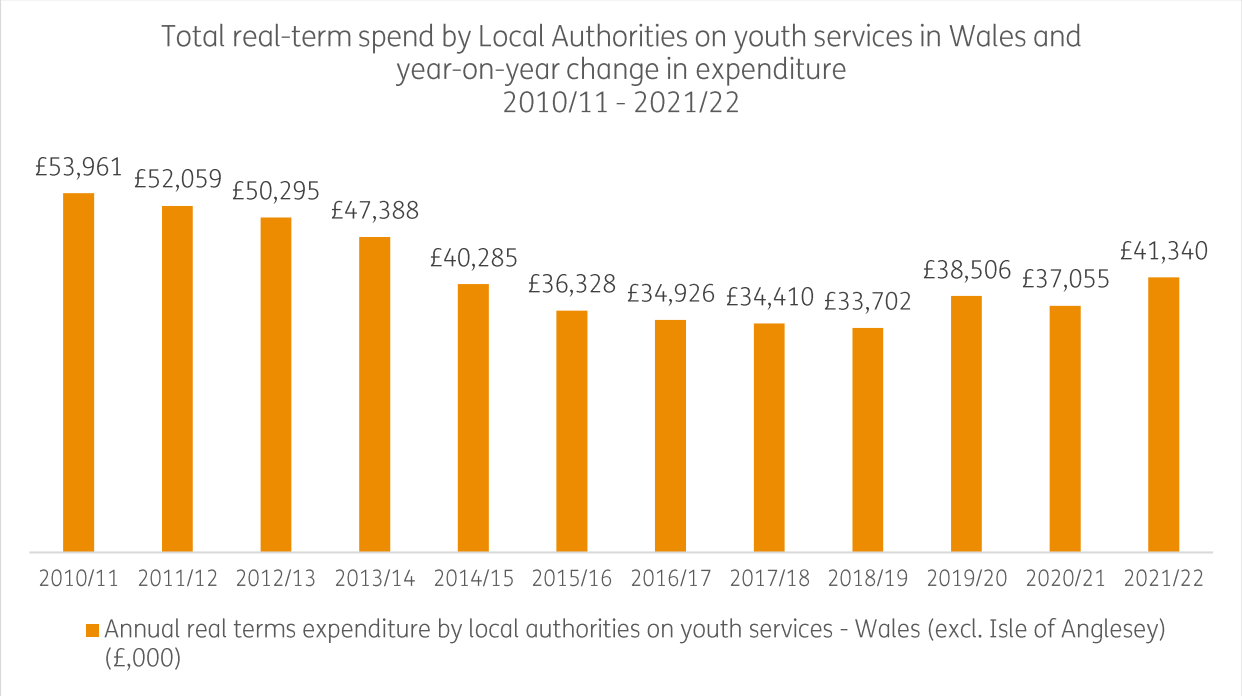
[9] Department for Education, Grants to fund local coordination of free holiday activities and healthy food for disadvantaged children during 2021: Guidance for local authorities, February 2021

[10] ibid

[11] Department for Education, Holiday help: holiday activity clubs continue in 2023 (press release), 22 December 2022

Wales

In 2021/22, local authority expenditure on youth work totalled £41.34m in Wales (excluding Isle of Anglesey; £42.5m including Isle of Anglesey). This is a 23% real-terms reduction since 2010/11 (£55.1m). Although still a loss of almost a quarter of all local authority funding, this is notably less severe than in England.



Welsh Government policy on youth services has developed in the past several years from a rights-based approach[12]. It has committed to a universal youth work offer for all young people between the ages of 11 and 25 living in Wales, and is working to re-engage young people about the kinds of youth services offered, with a strategy in place to deliver on the principles and purposes of youth work.[13]

Indeed, in the last year, expenditure increased 12% in Wales. The Welsh Government collects and produces more detailed figures on expenditure than Westminster on not only finance, but staffing and engagement. In Wales, youth work management and delivery staff increased 6% in 2021/22.

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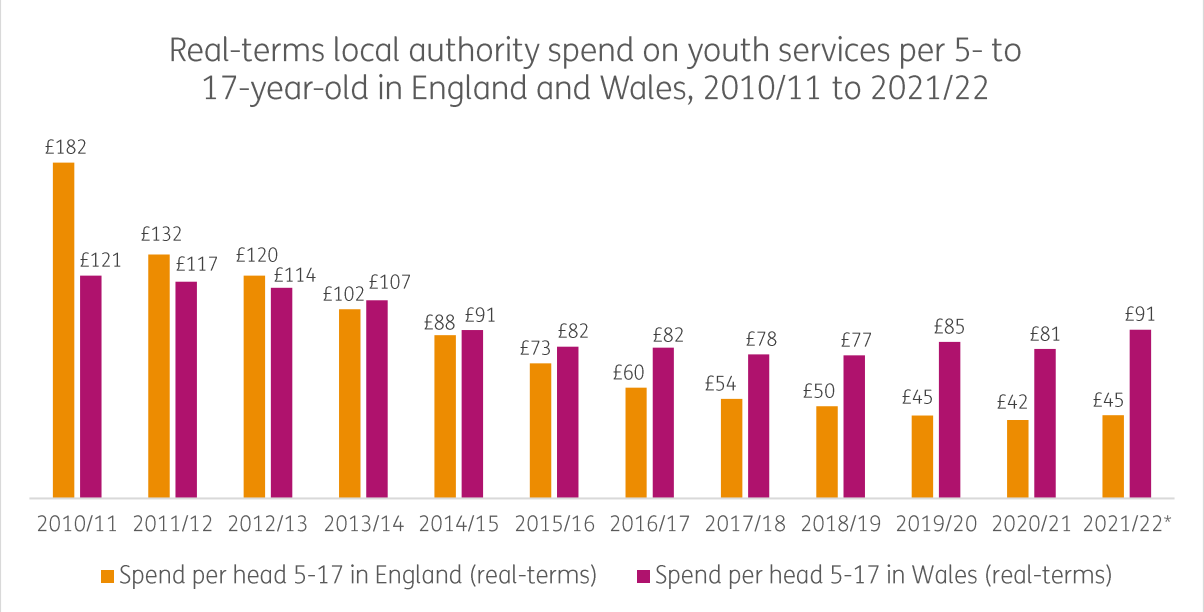
[12] Welsh Government, Youth Work Strategy for Wales, June 2019

[13] Interim Youth Work Board for Wales, Time to deliver for young people in Wales: Achieving a sustainable delivery model for youth work services in Wales, September 2021

The number of registered members of youth work provision increased 110% to 68,766, indicating a return of young people back to youth work following low figures recorded the previous year during the Covid pandemic and lockdowns.[14]

Spend per head

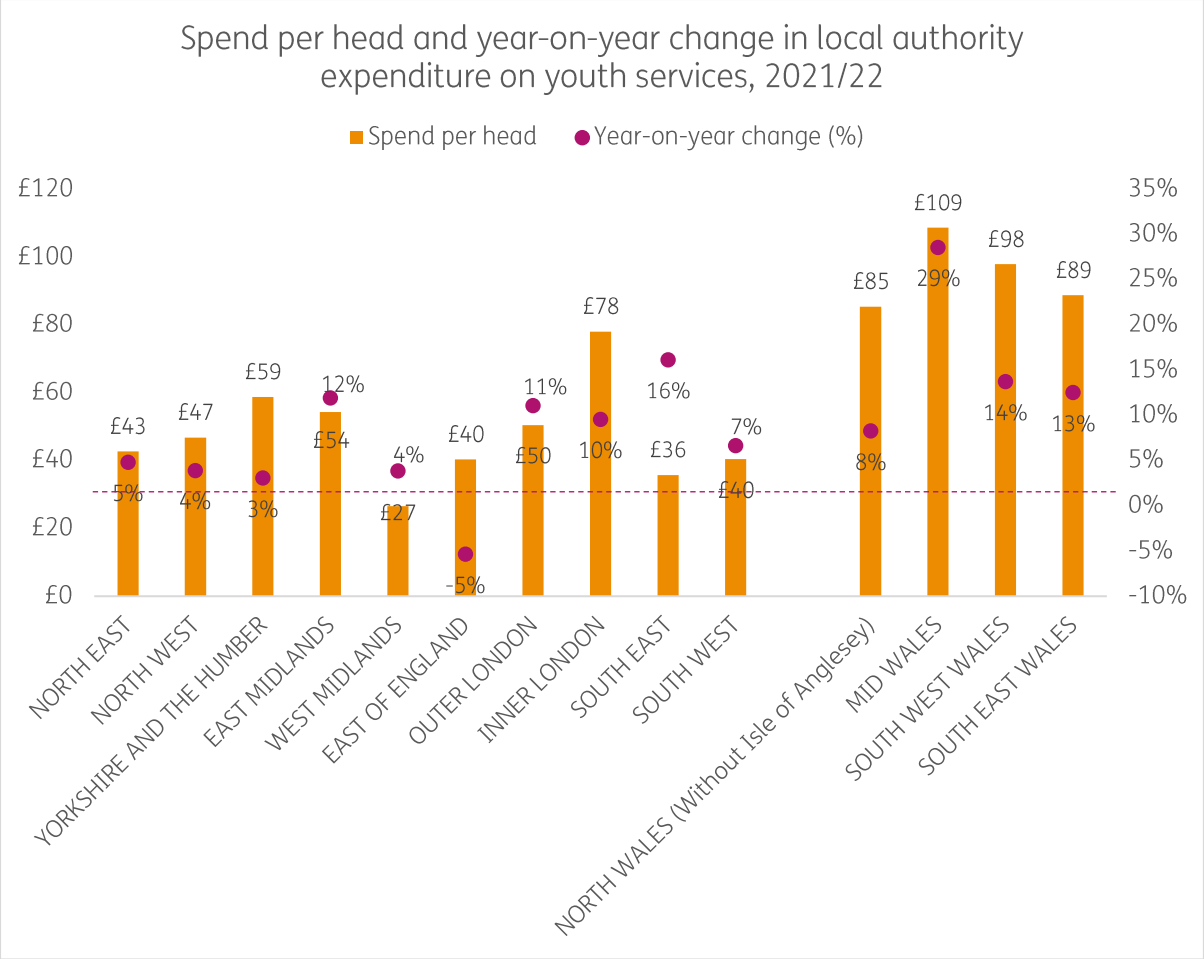
Wales' expenditure on youth services has declined far less severely than in England, with the impact of cuts curbing from 2015/16 onwards. Although its spend in terms of numbers has been substantially lower than England's, in terms of the size of its youth population, local authorities in Wales have spent more on youth services per child since 2013/14.



**adjusted (England)*

Regionally, the 4% in England and 12% in Wales annual increases in youth services expenditure by local authorities are not uniform across the respective countries. Looking at a regional level, some local authorities had double-digit percentage increases in youth services expenditure per head; the East of England was the only region which reduced per-head spend in 2021/22. Comparatively, spend per head increased across all Welsh regions.

[14] Welsh Government, Youth work in Wales, 2021-22, 26 October 2022


Spend per head and year-on-year change in local authority expenditure on youth services, 2021/22
Spend per head
Year-on-year change (%)
£120
£100
£80
£60
£40
£20
£0
35%
30%
25%
20%
15%
10%
5%
0%
-5%
-10%
£43
5%
£47
4%
£59
3%
£54
12%
£27
4%
£40
-5%
£50
11%
£78
10%
£36
16%
£40
7%
£85
8%
£109
29%
£98
14%
£89
13%
NORTH EAST
NORTH WEST
YORKSHIRE AND THE HUMBER
EAST MIDLANDS
WEST MIDLANDS
EAST OF ENGLAND
OUTER LONDON
INNER LONDON
SOUTH EAST
SOUTH WEST
NORTH WALES (Without Isle of Anglesey)
MID WALES
SOUTH WEST WALES
SOUTH EAST WALES

Conclusion

After a decade of cuts, an annual real-terms increase in local authority expenditure is a welcomed change in direction in England, albeit minute in terms of the amount of funding lost.

Based on YMCA's enquiry into local authorities with increased expenditure, there is a worry that after Covid-related support and grants end, we may see future reductions in youth services expenditure. One-off funding, short-term programmes and cash injections for rising costs do little to aid local authorities' sustainable revenue budget.

We commend local authorities who have allocated more of their budget to services for young people, and hope that despite inflationary pressures in the 2022/23 financial year, they are able to deliver more provision accordingly.

By comparison, the impact of an implementation of a rights-based approach to youth work provision in Wales is stark, with funding far outstripping levels over the border. Although there are disparities between individual local authorities, the Welsh Government-backed Youth Work Strategy Implementation Board's emphasis on change and delivery is one to be heeded, both in the Senedd and in Westminster.

Policy calls

1. The Government should provide ring-fenced revenue funding for universal and open access youth services for all young people, all year round.

Every local authority in England and Wales has had to drastically cut its youth services over the last decade, due to the decrease in government funding to local authorities. Learning from the success of the HAF programme in terms of its national rollout and funding, we need increased, sustainable funding for youth services in all local authorities. This would enable youth services providers to deliver long-term, holistic programmes which support young people's learning and wellbeing all year round.

2. A clearer statutory duty on local authorities to deliver youth services.

Currently councils have a statutory duty to “secure, so far as is reasonably practicable, sufficient provision of educational and recreational leisure-time activities for young people”, which is often referred to as the youth services duty. However, the terms “so far as is reasonably practicable” and “sufficient” are not clearly defined, which leads to wide variation between local authorities in terms of their youth services provision. This creates an unfair postcode lottery for young people, when instead they should have guaranteed access to high-quality youth services in their area.

3. A strategic vision for young people in England.

To develop a strategic rights-based approach to youth work in England as seen in Wales, working with young people about the services offered, and a plan to ensure we deliver the principals and practice of youth work to all young people, from all walks of life.

YMCA ENGLAND & WALES

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YMCA | Here for young people
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YMCA enables people to develop their full potential in mind, body and spirit. Inspired by, and faithful to, our Christian values, we create supportive, inclusive and energising communities, where young people can truly belong contribute and thrive.

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