

## 1.7 Funding youth policy

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### How Youth policy is funded

Although the Department for Digital, Culture, Media and Sport is responsible for youth policy, it is not a major provider of funding. Individual departments are responsible for funding their policies / programmes.

As discussed in the article on '[Youth Policy Decision-making](#)', local authorities (LAs) have a statutory duty to secure sufficient services and activities for young people aged 13-19 (and those with learning difficulties to age 24) to improve their well-being. They are free to decide how to discharge this duty.

Local authorities are not provided with specific funding for youth services: They decide how much of the Revenue Support Grant (RSG) (the non-ring fenced funding provided to local authorities from central government, via the [Department for Communities and Local Government](#)) to allocate to them. LAs can also redirect funding from other non-ring fenced areas, such as council tax and other local sources. The amounts LAs redirect varies depending on local circumstances. Previously, LAs received specific funding through the Early Intervention Grant, but in 2013 it was rolled into the RSG.

Against a background of reduced funding nationally, [Delivering Different Young People](#) (2015), a joint

initiative between the [Cabinet Office](#), the [Department for Communities and Local Government](#), the [Local Government Association \(LGA\)](#) and the [Society of Local Authority Chief Executives \(SOLACE\)](#) provided a small number of local authorities with funding to rethink how they provide services to young people and support positive outcomes. The funding includes professional support to review the available options and to share experiences with other authorities.

## **Social impact bonds**

Social impact bonds (SIBs) are a form of social investment which involve private investors providing the capital to address complex social problems. It is a payment by results system: investors fund innovative interventions and the government only pays if these interventions achieve the planned outcomes. SIBs have been used to fund some youth initiatives, for example, the Youth Engagement Fund; see the article entitled '[Cross-sectorial approach with other ministries](#)' for more information about this fund.

## **What is funded?**

In addition to funding given to local government bodies to provide youth services described in the article on '[Youth Policy Decision-Making](#)', the government also uses grants to fund external organisations and activities that address its policy priorities. These include the following (note that this list does not attempt to be exhaustive):

- Grant funding from the Cabinet Office to the British Youth Council to provide the Youth Voice suite of programmes (see the sub-heading 'Actors' in the article on 'Consultation of Young People').
- Cabinet Office funding for the National Citizen Service (see the article on '[Youth Volunteering at national level](#)').
- Cabinet Office funding for the #iwill, the national campaign to promote youth social action (see the article on '[Youth Volunteering at national level](#)').
- Cabinet Office funding for the Youth Social Action Fund and the Uniformed Youth Social Action fund to get more young people involved in social action (see the article on '[Youth Volunteering at national level](#)').
- Administered by local authorities, central government provides [Youth Opportunity funding](#). Young people may apply to their local authority for funds to use on activities and projects which are of benefit to them. In many LAs, young people themselves are responsible for making decisions about the applications which receive funding.

## **Financial accountability**

### **Local authority accountability**

Local Authorities (LAs) are responsible for ensuring that expenditure on youth services is timely and transparent, and that value for money is achieved. They are accountable both for services delivered directly by local government officers and for those services commissioned from external providers.

The [Ministry of Housing, Communities & Local Government](#) , as the provider of the Revenue Support Grant,

has detailed processes for dealing with any concerns about the overall financial management of a local authority.

Currently, all local authorities are required to report annually to the [Department for Education](#) (DfE) on expenditure on children's services. This annual return, known as '[Section 251](#)' concentrates on education spending, but also contains a couple questions on youth spending and other associated areas, including substance misuse and teenage pregnancy services. These returns provide transparent data for accountability purposes.

Local authorities (LAs) are accountable to local taxpayers. Democratic accountability helps ensure that they use available resources as effectively and as efficiently as possible. Their performance can be scrutinised by members of the public and by elected councillors. This is made possible by the availability of transparent data, for example the Section 251 returns.

### **Accountability systems for charities**

Both central government and local authorities (LAs) may contract third parties to provide services for young people. To be a charity, an organisation must satisfy the definition of a charity in the [2011 Charities Act](#). It must be:

- established for a charitable purpose
- subject to the control of the High Court's charity law jurisdiction.

A charity will generally have trustees who are responsible for the organisation's overall management. Trustees are legally responsible for directing the affairs of their charity, ensuring that it is solvent, well run and delivering the charitable outcomes for the benefit of the public for which it was set up. Trustees must ensure that their charity complies with charity law and the requirements of the [Charity Commission](#), as well as other legislation and regulators. They must also ensure the organisation is meeting the requirements, charitable purposes and objects set out in the charity's own governing document.

[The Charity Commission](#) also has a statutory function to identify and investigate abuse and mismanagement in charities. Information about the discharge of these duties is available from the section of the Charity Commission website which sets out [How the Charity Commission ensures charities meet their legal requirements](#) (2013).

The Charity Commission has also published [guidance](#) which sets out how charities may deliver services for local authorities or government departments.

### **Use of EU Funds**

Details of how the European Social Fund and Youth Employment Initiative will be spent in England are set out in the [European Social Fund Operational Programme 2014-2020](#) (Department for Work and Pensions, 2015). The programme is worth 6.4 million euro (of which 3.5 million comes from the ESF) and will support over 2.3 million people. It addresses the following priorities:

- An inclusive labour market. Almost 60 per cent of the total allocation will be dedicated to helping people into jobs, with a particular focus on disadvantaged groups like the low-skilled, older workers or people

from ethnic minorities. Initiatives financed under this programme will also tackle youth unemployment in areas where it is relatively high. It will prepare young people for working life, in particular by reducing the number of young people not in education, employment or training (NEET) or at risk of becoming NEET. Other measures will support efforts to reduce the gender employment gap. It is expected that the programme will help over 217,000 participants into work and get 78,000 young people into work, education or training.

- Skills for Growth. Projects contributing to the development of a skilled and adaptable workforce and to increasing productivity will be supported. These projects will help people address their basic skills needs and develop the intermediate and higher level skills required by employers. As a result, an expected 140,000 participants will improve their basic skills and more than 300,000 participants will gain qualifications at level 2 or above. 12,600 SME and micro businesses will be supported in their business growth.