



Funding of Public Services for Young Adults Debate on 18 July 2019

Summary

This House of Lords Library Briefing has been prepared in advance of the debate due to take place on 18 July 2019 in the House of Lords on the motion moved by Baroness Massey of Darwen (Labour) to move “that this House takes note of the impact of, and response to, the funding levels of public services that interact with young adults”. Due to the wide range of public services that interact with young people, this briefing is split into two parts: the first section looks at some of the services provided by local authorities; and the second section summarises spending on young people more generally, including lists of further reading material focused on health and education spending.

Local authorities have a statutory duty to provide services and activities in their area for those aged 13–19 (or up to 24-years old in the case of young adults with a learning difficulty or disability). However, local authorities are required to take the lead on how to provide these services and on how they should be funded. Evidence from the Local Government Association (LGA) and other bodies has indicated reduced funding for youth services, youth offending teams and children’s care services over recent years due to budgetary pressures. The LGA stated that local authorities were having to divert money to only the most vulnerable children and that, even after doing so, authorities were experiencing funding gaps.

The Government has stated that it is reviewing the provision of youth services and is developing a youth charter to set out a vision for the next generations of children. It also highlighted other investment targeted at young people, including the National Citizen Service.

Considering spend on children more generally, a report by the Children’s Commissioner, using analysis by the Institute for Fiscal Studies, estimated that:

- In 2017/18, overall spend (excluding healthcare) per young person aged under-18 was £10,000, which was about 10% lower than its high in 2010/11;
- Spend per pupil was £4,800 in primary schools and £6,200 in secondary schools—a similar level to 2010; and
- In 2015/16, healthcare spend was around £800 per child (due to issues analysing NHS data, the report was unable to provide a comparison with earlier years for this figure).

Services Provided by Local Authorities

Background to Youth Services

Local authorities have a statutory duty, so far as reasonably practicable, to provide access to educational and recreational leisure-time activities for young people in their area. This duty is set out in

section 507B of the Education Act 1996. Sub-section 1 of the provision states:

- (1) A local authority in England must, so far as reasonably practicable, secure for qualifying young persons in the authority's area access to—
- (a) sufficient educational leisure-time activities which are for the improvement of their well-being, and sufficient facilities for such activities; and
 - (b) sufficient recreational leisure-time activities which are for the improvement of their well-being, and sufficient facilities for such activities.

Section 507B defines “qualifying young persons” as those aged 13–19 (or up to 24-years old in the case of young adults with a learning difficulty or disability). It defines “well-being” as covering:

- (a) physical and mental health and emotional well-being.
- (b) protection from harm and neglect.
- (c) education, training and recreation.
- (d) the contribution made by him to society.
- (e) social and economic well-being.

The legislation states that local authorities may provide the services, or may assist or arrange access to activities through agreements with others. It also states that the local authority must publicise information about the activities and should try to ascertain the views of young people about the activities in their area.

The Education Act 1996 specifies that local authorities must have regard to any guidance published by the Government relating to this statutory duty. Statutory guidance was last published in June 2012. This emphasised the importance of access to services for all young people, but particularly those who are disadvantaged or vulnerable:

All young people benefit from additional opportunities and support, but some young people and their families, particularly the most disadvantaged and vulnerable, need specific additional and early help to address their challenges and realise their potential.¹

Therefore, the guidance emphasised the need to provide access to youth work and other services and activities that:

- a. connect young people with their communities, enabling them to belong and contribute to society, including through volunteering, and supporting them to have a voice in decisions which affect their lives;
- b. offer young people opportunities in safe environments to take part in a wide range of sports, arts, music and other activities, through which they can develop a strong sense of belonging, socialise safely with their peers, enjoy social mixing, experience spending time with older people, and develop relationships with adults they trust;
- c. support the personal and social development of young people through which they build the capabilities they need for learning, work, and the transition to adulthood—communication, confidence and agency, creativity, managing feelings, planning and problem solving, relationships and leadership, and resilience and determination;
- d. improve young people's physical and mental health and emotional well-being;

- e. help those young people at risk of dropping out of learning or not achieving their full potential to engage and attain in education or training; and
- f. raise young people’s aspirations, build their resilience, and inform their decisions—and thereby reducing teenage pregnancy.²

The guidance set out recommendations on the provision of these services. However, it said local authorities should take the “strategic lead” on these duties and that the Government would not be specifying what councils should fund and to what level.

The Government has stated that it will publish a review of the guidance shortly. It hopes the “review will provide greater clarity of Government’s expectations, including the value added by good youth work”.³

Levels of Funding and Provision of Youth Services

The level of funding for youth services is decided at local authority level and there is no mandatory funding requirement. As a result, some have argued that pressures on local authority budgets have led to reductions in the provision of youth services.

The LGA has claimed that local authorities have had to divert funding away from traditional youth services and to children at risk of harm. It also claims that, despite these measures, local authorities are facing an increasing overspend on children’s services:

Local government faces a huge challenge in providing youth services. Due to cuts to funding from central government and an increase in demand for child protection services, councils have had to divert increasingly scarce resources away from early help like youth services, and into services for children at immediate risk of harm. Even so, councils were forced to overspend on their children’s services budgets by £605 million across England in 2015/16, and councils will face a funding gap of £3.1 billion by 2025.⁴

The LGA stated that local authorities have tried to get around this funding issue by exploring other models of funding and by integrating youth services with other support services.

Similar points were raised in a report published by a group of children’s charities (including Action for Children and the NSPCC). In summary, the report estimated:

- Funding for local authority children and young people’s services fell by £3 billion between 2010/11 and 2017/18—a 29% reduction;
- Local authority spending on children and young people’s services fell by £1.7 billion—a 16% reduction;
- A notable fall in central government funding per child and young person from £813 in 2010/11 to £553 in 2017/18; and
- A £1.4 billion funding gap in 2017/18, which could increase to £3 billion by 2025.⁵

In addition, the report claimed that funding and spending had decreased by a larger proportion in the most deprived areas. It also said that local authorities had diverted spending from early intervention services (such as children’s centres and family support) to spending on late intervention services (such as safeguarding and children in care).

In terms of the impact, the report estimated that over 1,000 children’s centres had closed since 2009 and 603 youth centres had closed since 2012.⁶ Similarly, a Unison report published data (obtained following a freedom of information request) on the reduction in youth centres and youth workers over recent years, as displayed in the following table:

Table 1: Reduction in Youth Centres and Youth Work Jobs in the UK Since 2012/13⁷

| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total 2012–19 |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|------------------|
| Youth work jobs lost | 1,126 | 864 | 894 | 768 | 431 | 245 | 217 | 4,544 |
| Youth centres closed | 175 | 184 | 126 | 118 | 64 | 65 | 31 | 763 |

However, in response to a parliamentary question on youth centre closures, Mims Davies, the Parliamentary Under Secretary of State for the Department for Digital, Culture, Media and Sport, stated that the Government did not hold official data on youth centre closures. She said that data would not be representative of the provision of youth services anyway. She added that the Government was investing in youth services in other ways:

- Over £1bn funding available for National Citizen Service (NCS)⁸ over this spending review period. NCS is delivered via a supply chain network of over 100 organisations, many of which are youth organisations, allowing this funding to benefit communities at a local level;
- Up to £80m (in partnership with Big Lottery Fund) through the youth investment and #iwill funds in voluntary and community organisations that work with young people;
- The £2m building connections fund, in partnership with the Co-op Foundation, which is available to youth organisations helping to support young people to avoid long-term loneliness; and
- We have invested over £750,000 in various youth voice activities, such as UK Youth Parliament, the ‘make your mark’ youth ballot and groups to involve young people in national policy design.⁹

The Government has also announced it is developing a youth charter, aimed at setting out a “vision for young people over the next generation and beyond”.¹⁰

Some have questioned whether the impact of a reduction in the provision of youth services could contribute to an increase in youth violence. For example, Lord Crathorne (Conservative) asked a parliamentary question referencing an interim report by the All-Party Parliamentary Group on Knife Crime.¹¹ The report suggested rising knife crime could be linked to cuts in youth services.¹² In response, the Government stated it recognised that the causes of knife crime were “complex” and could be linked to “local factors”. However, it stated it was seeking a multi-agency approach to the issue and emphasised that it would be working with young people in the development of the youth charter.

Youth Offending Teams

Local authorities also run youth offending teams (YOTs). YOTs work with young adults in trouble with the law and provide additional services, including:¹³

- running local crime prevention programmes;

- helping young people at the police station or at court if they are arrested or charged;
- supervising young people serving a community sentence; and
- staying in touch with a young person if they are sentenced to custody.

A recent answer to a parliamentary question indicated a reduction in funding for youth justice grants since 2010/11. The grants are used to help local authorities fund YOTs.¹⁴ Funding for the grants reduced from £145 million in 2010/11 to £71.5 million in 2017/18.

The LGA has expressed concern about the reduction in grants, particularly in light of increasing youth crime rates. It stated:

Further funding cuts would seriously hamper efforts to provide vital support to young people and protect them from criminal activity, such as becoming involved in knife violence or “county line” gangs [...]

With the recent surge in knife violence among young people, the LGA says funding should at the very least, be maintained at last year’s level.

YOTs have achieved huge success in working with and supporting young people to prevent them getting involved in youth crime, with an 86 per cent drop in first-time entrants to the youth justice system and a 78 per cent drop in arrests over the last decade. The number of youth cautions handed out dropped by more than 100,000, or 91 per cent, in the same period.¹⁵

The LGA also stated that local authorities were having to meet the shortfall through their own budgets, which were already under increasing pressure.

Responding to a parliamentary question about the reduction in grants, the Ministry of Justice (MoJ) said it remained committed to funding the grants and that there had been a reduction in the number of first-time entrants to the youth justice system over recent years. It added:

These reductions were made in the context of wider savings made across the department. The MoJ is committed to ensuring there is sufficient funding for Youth Offending Teams whilst also ensuring public money is managed appropriately.

YOTs continue to carry out vital work to support young people through the justice system and prevent them from entering it in the first place. The number of first-time entrants to the youth justice system has fallen by 86% between 2007/08 and 2017/18, and by 14% between 2016/17 and 2017/18.¹⁶

Children’s Services

A recent report by the House of Commons Housing, Communities and Local Government Committee described local authorities’ children’s care services in England as being at “breaking point”. The services were “increasingly reliant on the goodwill of social care professionals”.¹⁷ As with the commentary above, the report noted evidence that local authorities were having to divert money to those services aimed at the most vulnerable. For example, the committee quoted Children England as stating:

Cuts in funding from central government have forced local authorities to close non-statutory

services such as children’s centres, parenting programmes and early help, and concentrate on those that they are legally bound to provide, including services for children in need, children in care and young carers.¹⁸

The following table shows a breakdown of spend on local authorities’ children’s services in 2017/18 compared to 2016/17:

Table 2: Local Authority Spending on Children’s Services in England: 2016/17 and 2017/18¹⁹

| | 2016/17 Spend (£ billion) | 2017/18 Spend (£ billion) | Change Between Years |
|---|------------------------------|------------------------------|----------------------------|
| Sure Start and Other Spend on Children Under 5 | 0.8 | 0.7 | Decrease of £109.6 million |
| Looked After Children | 4.2 | 4.5 | Increase of £319.9 million |
| Other Children and Family Services | 0.1 | 0.1 | Increase of £7.8 million |
| Safeguarding Children’s and Young People’s Services | 2.3 | 2.3 | Increase of £12.5 million |
| Family Support Services | 1.1 | 1.1 | Increase of £1.2 million |
| Services for Young People | 0.4 | 0.4 | Decrease of £31.6 million |
| Youth Justice | 0.3 | 0.3 | Increase of £1.2 million |

The committee also reported that, despite the diversion of funding, local authorities were overspending on their children’s budget. It stated that local authorities did not believe they were receiving sufficient funding to meet demand:

65% of participants in our survey [of social work professionals] said that the funding was ‘definitely not’ sufficient to enable local authorities to fulfil their statutory duties while 93% said it would ‘definitely or probably not’ be enough for 2019/20 and beyond.²⁰

The committee made a number of recommendations to help local authorities fund children’s services, including:²¹

- increased core grant funding of £3.1 billion in total up until 2025;
- a continuation of, or a successor to, the troubled families programme²², which is anticipated to end in 2020;
- regular reviews of the increasing funding burden of local authorities’ provision of children’s services; and
- focusing more resources on reducing the pressures faced by social workers.

In its response, the Government indicated that funding decisions and the future of the troubled families programme would be dependent on the next spending review.²³ It also stated that it was already consulting with social workers and that its continuing investment in their recruitment and training had made it an “attractive career choice”.²⁴ It stated that the number of social workers employed full time in 2018 was the highest since the data was first collected in 2013.

Funding for Other Public Services for Children and Young People: An Overview

A 2018 report published by the Children's Commissioner, using analysis from the Institute for Fiscal Studies, estimated that spending per child in England (excluding on healthcare) is currently at around £10,000. This is significantly higher than it was in 2000/01 in real terms, but lower than the rate at the beginning of this decade:

In the most recent year of data (2017/18), total spending (excluding healthcare) was over £120 billion or over £10,000 per child under 18. This is 42% higher in real terms than it was in 2000/01 when it stood at £7,200 per child, but about 10% below its recent high point of £11,300 in 2010/11. It is due to remain at about £10,000 per child until about 2019/20, leaving it at about the same level in real terms as it was in 2006/07 just before the great recession.²⁵

The rest of this section of the briefing provides a summary of the report's estimates of spending on education and children's health, alongside further reading material from other sources.

Education

The Children's Commissioner report estimated that spending per pupil in schools has slightly decreased over recent years, following a period of increase over the last couple of decades. This reduction was more significant for those aged 16–18:

School spending per pupil rose by about 50% in real terms over the 2000s. It then increased slightly in real terms under the coalition government before falling back between 2015 and 2017. It now stands at around £4,800 in primary schools and £6,200 in secondary schools, at about the same level in real terms as in 2010. It is due to remain at this level until 2019/20.

Spending on education for children aged 16–18 rose more slowly over the 2000s and this is due to be cut more significantly over the 2010s. Spending per student in further education and school sixth forms will be about £5,400 in 2019/20, about the same in real terms as it was in 1990.²⁶

The report also drew attention to pressures in the high-needs budget, allocated to children with special educational needs and disabilities. It stated that the increasing pressure was due to a larger number of pupils needing more expensive provision and other pressures on local authority budgets.²⁷

More details can be found on pages 24 to 32 of the report, with further reading available in the following sources:

- House of Commons Library, [Education Spending in the UK](#), 10 May 2019, [16–19 Education Funding in England Since 2010](#), 20 March 2019; [Higher Education Funding in England](#), 1 July 2019; [Higher Education Finance Statistics](#), 12 June 2019
- Chris Belfield et al, [2018 Annual Report on Education Spending in England](#), Institute for Fiscal Studies, September 2018
- Department for Education, [Independent Panel Report to the Review of Post-18 Education and Funding](#), May 2019, CP 117

Health

Although stressing the difficulties establishing how the NHS budget is spent, the Children's Commissioner's report estimated that health spending on children (aged 0–17) was around £9.3 billion in 2015/16 or £800 per child.²⁸ It explained that the difficulty producing accurate data was due to the complex structure of the NHS and shortcomings in the available data.

Breaking down this spend per child, it estimated that:

- around £380 was hospital spending;
- other secondary care spending represented about £192;
- community spending was about £113; and
- prescriptions and dentistry represented just over £50.

Regarding information on changes in spending levels over time, the report again highlighted data issues. However, it estimated secondary and community spending had increased over the last ten years and that prescriptions and dentistry costs had remained relatively constant:

While we cannot track overall spending over time, we can see that secondary/community spending on children rose in real terms by about 28% between 2007/08 and 2015/16, and that the primary care spending for which we have data (i.e. dentistry, prescriptions, eye tests) has been approximately constant in real terms.²⁹

One aspect of children's health that has received specific attention over recent years is the issue of mental health.

Government reports on the issue of child and adolescent mental health have been published over recent years. There have also been increases in funding and initiatives to tackle the problem. This included an announcement of an extra £1.4 billion of funding between 2016/17 and 2020/21.³⁰ Including these extra funds, the National Audit Office (NAO) estimated that the NHS and clinical commissioning groups (CCGs) spent £1 billion on children and young people's mental health services in England in 2017/18.

However, concerns have been expressed over how the extra funding is being spent. For example, the NAO stated there were issues with the CCGs data that meant it was difficult for the NHS to ascertain how the money was spent.³¹ In addition, Young Minds, following a series of freedom of information requests, estimated that the money was being applied inconsistently by CCGs and local authorities, and in some cases was being used to cover other budgetary pressures:

Our analysis suggests that, in 2017/18, 43% of CCGs had increased their child and adolescent mental health services (CAMHS) budgets by less than the extra money they had been allocated for children's mental health. In those areas, it seems that some of the extra money was in fact spent on other priorities. In many other areas, CCGs have increased their budgets by more than the additional investment, which suggests an inconsistent approach across the country.

We also found that—while the majority of CCGs have increased their CAMHS budgets—over half of local authorities have actually cut their CAMHS budgets in real terms since 2013/14. This may be because some of the services they were funding are now being funded by CCGs. In other words, some of the new money for CCGs may, in practice, be used to backfill local authority

cuts.³²

Concluding, they believed that although the extra funding had made a considerable difference, it was not enough to tackle the issue entirely.

Further information on mental health spending directed at young people, and other health spending, can be found in the following sources:

- National Audit Office, [Improving Children and Young People's Mental Health Services](#), 9 October 2018, HC 1618 of session 2017–19; House of Commons Public Accounts Committee, [Mental Health Services for Children and Young People](#), 11 January 2019, HC 1593 of session 2017–19; and [Government Response](#), 3 April 2019, CP 79
- House of Commons Education and Health and Social Care Committees, [The Government's Green Paper on Mental Health: Failing a Generation](#), 9 May 2018, HC 642 of session 2017–19; [Government Response](#), July 2018, Cm 9627
- Department of Health and Social Care and Department for Education, [Transforming Children and Young People's Mental Health Provision: A Green Paper](#), December 2017, Cm 9523; and [Government Response to the Consultation](#), July 2018, Cm 9626
- NHS, [The NHS Long Term Plan](#), January 2019, pp 45–55
- House of Commons Library, [Children and Young People's Mental Health—Policy, CAMHS Services, Funding and Education](#), 8 January 2019

¹ Department for Education and Department for Culture, Media and Sport, [Statutory Guidance for Local Authorities on Services and Activities to Improve Young People's Well-being](#), 1 June 2012, p 2.

² *ibid.*

³ House of Commons, [Written Question: Youth Services](#), 10 June 2019, 260670.

⁴ Local Government Association, [Must Know for Youth Services](#), March 2019.

⁵ Action for Children et al, [Children and Young People's Services: Funding and Spending 2010/11 to 2017/18](#), 2019.

⁶ *ibid.*, p 12.

⁷ Unison, [Youth Services at Breaking Point](#), 2019.

⁸ The National Citizen Service was launched in 2011. It allows 16–17 year-olds to develop a “social action project to deal with a local issue they're passionate about” (UK Government website, [National Citizen Service](#), accessed 5 July 2018).

⁹ House of Commons, [Written Question: Youth Centres: Closures](#), 12 February 2019, 217458.

¹⁰ Department for Digital, Culture, Media and Sport, [New Youth Charter to Support Young People Across the Country](#), 11 April 2019.

¹¹ All-Party Parliamentary Group on Knife Crime, [New Research Draws Link Between Youth Service Cuts and Rising Knife Crime](#), 7 May 2019.

¹² House of Lords, [Written Question: Knives: Crime](#), 21 May 2019, HL15587.

¹³ UK Government website, [Youth Offending Teams](#), accessed 5 July 2019.

¹⁴ House of Commons, [Written Question: Youth Offending Teams: Grants](#), 5 June 2019, 252658.

¹⁵ Local Government Association, [Councils Warn Against Further Youth Offending Cuts](#), 9 March 2019.

¹⁶ House of Commons, [Written Question: Youth Offending Teams](#), 22 November 2018, 189754.

¹⁷ House of Commons Housing, Communities and Local Government Committee, [Funding of Local Authorities' Children's Services](#), 1 May 2019, HC 1638 of session 2017–19, p 3.

¹⁸ *ibid.*, p 10.

¹⁹ Department for Education, [Expenditure by Local Authorities and Schools on Education, Children's and Young People's Services in England, 2017–18](#), 6 December 2018, p 3.

²⁰ House of Commons Housing, Communities and Local Government Committee, [Funding of Local Authorities' Children's Services](#), 1 May 2019, HC 1638 of session 2017–19, p 10.

²¹ *ibid*, pp 3–6.

²² The Troubled Families Programme allows local authorities to receive additional time-limited or project focused funding (see page 12 of the committee report).

²³ Ministry of Housing, Communities and Local Government, [Government Response to the Housing, Communities and Local Government Select Committee Report on Funding of Local Authorities' Children's Services](#), July 2019, CP 127, pp 3–14.

²⁴ *ibid*, pp 10–11.

²⁵ Elaine Kelly et al, [Public Spending on Children in England: 2000 to 2020](#), Children's Commissioner, June 2018, p 4.

²⁶ *ibid*, p 5.

²⁷ *ibid*.

²⁸ *ibid*, p 6.

²⁹ *ibid*.

³⁰ National Audit Office, [Improving Children and Young People's Mental Health Services](#), 9 October 2018, HC 1618 of session 2017–19 p 5.

³¹ *ibid*, p 7.

³² Young Minds, [Children's Mental Health Funding: Where Is It Going?](#), 30 October 2018.

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