



**YOUTH WORK AND
THE RECESSION**

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INTRODUCTION

It has become clear over the past few months that youth work organisations across Scotland are struggling because of the recession. Many funds and foundations are tightening their belts and the Scottish Government will also be reducing some of its funding.

This report presents the results of an online survey by YouthLink Scotland in December 2009, and existing research and discussions on the impact of the economic recession on the public and third sector in Scotland, to give an overview of the effect that the recession is having on youth work in Scotland.

For more information on the nature and purpose of youth work see appendix 1.

KEY FINDINGS

- 65% of organisations reported being affected significantly or very significantly by the recession.
- Three quarters (75%) of youth work organisations in Scotland are losing money.
- YouthLink Scotland members have seen a decrease in available funding with income from private donations, fundraising and grant making trusts, foundations or funds hardest hit.
- Just over half of respondents (56%) expected their financial position to deteriorate in 2010-11.
- Voluntary organisations are more optimistic about their future than Local Authorities.
- Although nearly two thirds of organisations (63%) had more than three months of reserves, voluntary and organisations are more likely to have ready access to theirs.
- The most common response to the recession was for organisations to cut back or hold off delivering new services, projects or programmes.
- Around a third of services were reducing numbers of staff and reducing staff hours.

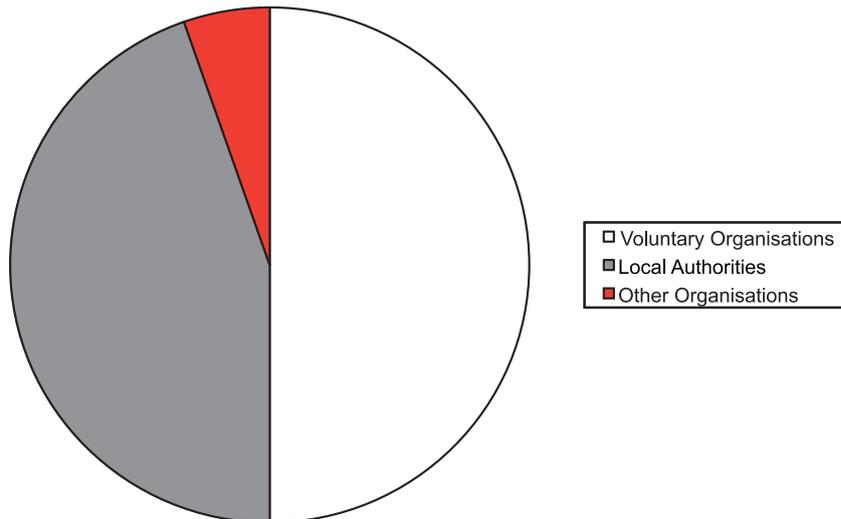
RECOMMENDATIONS FOR FUTURE ACTION

- Continue to monitor the longer term impact of the recession on youth work
 - Raise the profile and specify the contribution of youth work in relation to other services for young people and wide-ranging Government agendas.
 - Feature the provision of youth work in locally based outcomes or the supporting operational level agreements.
 - Prioritise services for children and young people, including those focussed on early intervention, prevention and diversion.
 - Monitor progress made under the National Youth Work Strategy and give consideration to a Youth Work Act.
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THE SURVEY

In December 2009 YouthLink Scotland surveyed its membership about the impact that the economic recession is having on youth work. Respondents were asked about their income, the impact of the recession on their services, and their expectations for the future.

Survey Respondents

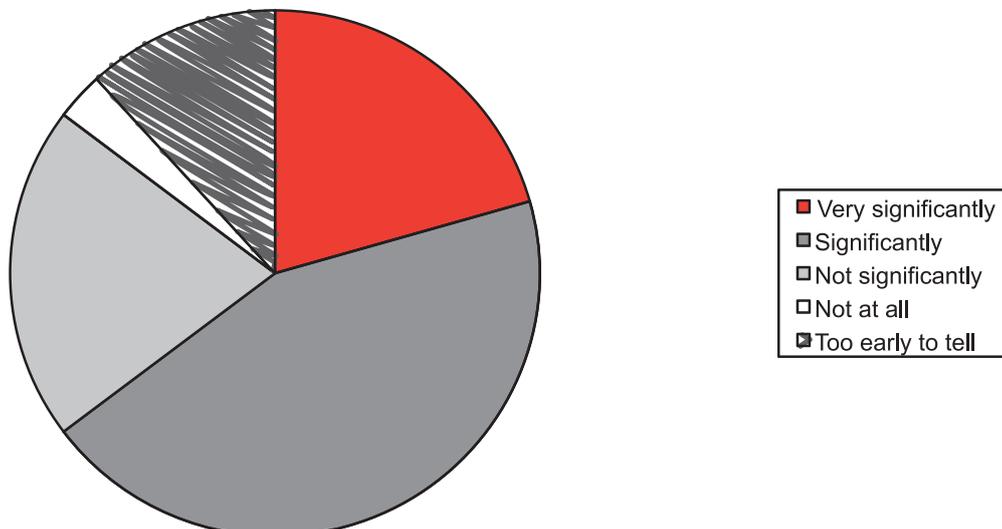


57 youth work agencies responded of which 25 (45%) were local authority and 28 (50%) were voluntary. The remainder defined themselves as 'other' and included church and fire service based organisations. 46% of organisations had an income of less than £500,000 compared to 54% of organisations with an income of greater than £500,000. 68% were locally based organisations and 32% were national.

THE IMPACT OF THE RECESSION

The impact of the economic recession on youth work in Scotland has been significant.

Have Respondents been Affected by the Recession?



The chart shows that 65% of organisations reported being affected either significantly (44%) or very significantly (21%) with only 3% reporting no impact at all. The service reporting no impact was locally based in the Scottish Islands.

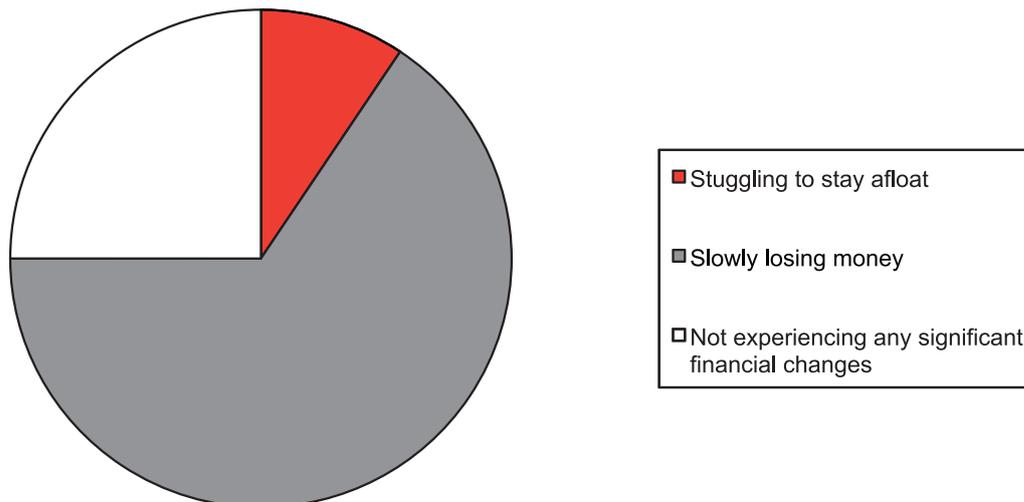
“We have seen a marked increase in the number of referrals due to young people being moved placement for financial reasons. Local Authorities are applying a blanket reduction in budgets with an expectation that service levels are maintained.” – a voluntary organisation

In July and August 2009 the Charity Commission conducted an Economic Survey of Charities¹ which, similar to the YouthLink Scotland survey, asked what effect the recession was having on English and Welsh charities. This survey found that 28% of charities had been affected either significantly or very significantly by the recession. A rough comparison of these surveys suggests:

- that the impact of the recession has become much greater in the autumn and winter of 2009;
- the impact of the recession on youth work has been much greater than on other charities;
- that the impact of the recession has been greater in Scotland; or,
- that the greater impact of the recession on YouthLink Scotland members is caused by the inclusion of local authorities, suggesting that the impact of the recession has been greatest on local authorities.

Respondents to the YouthLink Scotland survey were asked about the financial position of their organisation as a result of the recession.

The Financial Position of Respondents



The majority of youth work organisations in Scotland (75%) are losing money. Only a quarter are experiencing no financial changes as a result of the recession. A relatively small proportion of organisations (10%) were struggling to stay afloat. Nevertheless YouthLink Scotland are concerned about the impact of this, as every organisation or service closed is a loss for young people in Scotland and could have a knock on affect on other organisations in the area. In

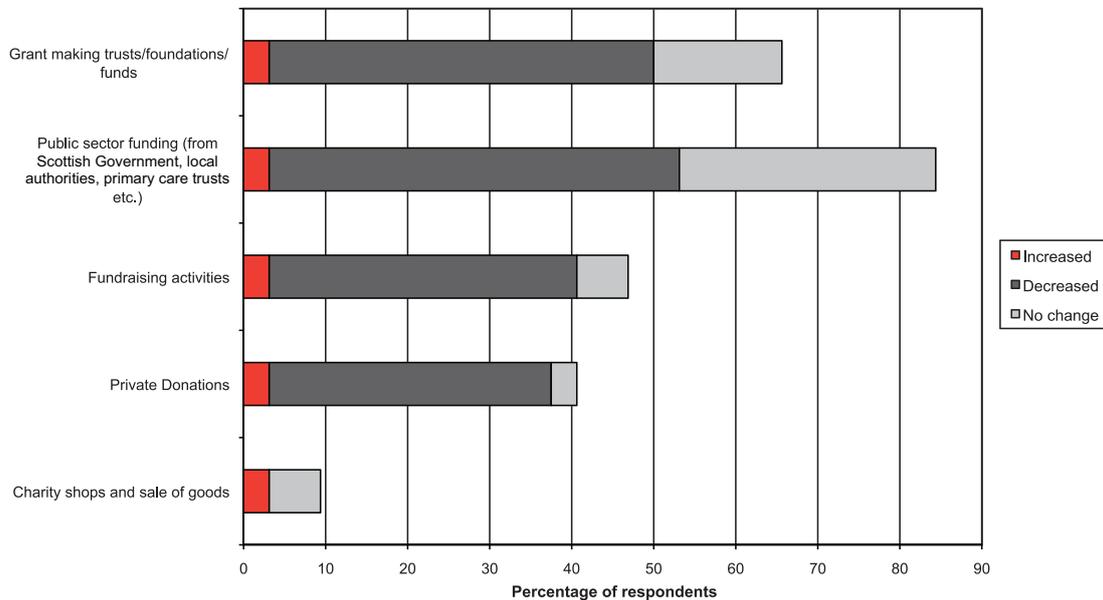
addition, while only 10% of organisations are under threat at present, it is possible that more organisations may come under threat of closure over the next few months.

It is unsurprising that so many organisations are losing money or struggling when you consider the impact that the recession has had on the availability of funding in the sector.

In evidence to the Scottish Parliament's Local Government and Communities Committee on 10 February 2010 the Gannochy Trust stated that its trustees had decided to place restrictions on the Trust's Grant-Making Policy as a result of increasing demands on its funds and the effect of decreasing investment income. In its evidence to the same committee the Lloyds TSB Foundation for Scotland described its own financial challenges and stated that, "*As the Foundation is independent, it can look to secure funds elsewhere and is seeking to do so. But this is against a backdrop of reduced funds available to charities and the Foundation's desire to find new monies and not recycle money away from existing charities.*"²

"We have found there is very little money out there for youth work and I can only see it getting worse especially for Scotland. Regarding other parts of our organisation we have had to diversify into many other fields to stay afloat. We are anxiously waiting to hear the council budget cuts for next year and it does not look good for anyone. We need help now." – a voluntary organisation

Income Sources



Very few respondents had seen an increase in available funding in the past year and the majority had seen a decrease. According to the survey, only the income from charity shops and sale of goods had seen no decrease as a result of the recession. In contrast 85% of those receiving private donations had seen a decrease in this income, 80% of those receiving income from fundraising activities had seen a decrease, 71% of those receiving funding from grant making trusts, foundations or funds had seen a decrease, and 59% of organisations receiving public funding had seen a decrease in this income.

“Significant worries are looming with the uncertainty of ESF (European Structural Funds) funding – currently making up 25% of our income. Currently no funding is coming directly from local authorities (LAs) where our services completely complement LA SOAs (Single Outcome Agreements) and Government priorities. As a national organisation it is extremely difficult to access CPP (Community Planning Partnership) monies and often where there are LA budgets that should be available for third sector partnerships this money is being used by LA’s to deliver the service internally.” – a voluntary organisation

The survey’s findings are similar to that of a recent Scottish Council for Voluntary Organisations (SCVO) which found that almost 90 percent of third sector organisations in Scotland say their funding declined or stagnated over the past year.³ The findings also echo figures published last year which showed that charitable donations have fallen; with the number of people who have donated to charity dropping from 79 per cent to 71 per cent in the past year – which could translate into a loss of more than £65 million a year for Scottish charities⁴.

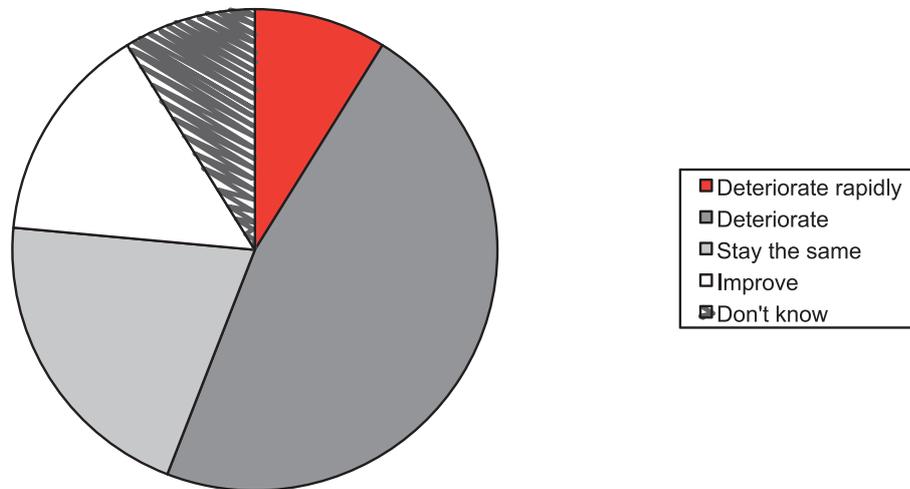
Arguably it is voluntary and other organisations which are most vulnerable, in the short term, to the decrease in available funding, although Local Authorities are certainly not immune to its effects. This is because the YouthLink Scotland survey found that public sector funding makes up on average 89% of a Local Authority service’s income, while the income of voluntary and other organisations comes from a much broader range of sources – many of which appear to be more likely than public funding to see decreases. Indeed, of those organisations who reported struggling to stay afloat, the majority were small voluntary and other organisations.

The survey found that:

- Of those voluntary sector organisations in receipt of public sector funding (46%) just under a third of their income (32%) came from this source.
- Of those voluntary organisations (42%) in receipt of funding from foundations, trusts and funds 25% of their income came from this source.
- The remainder of income for the voluntary sector came from charity shops and the sale of goods (an average of 28% of their income), fundraising (an average of 29% of their income), private donations (an average of 31% of their income) and other sources (an average of 45% of their income).

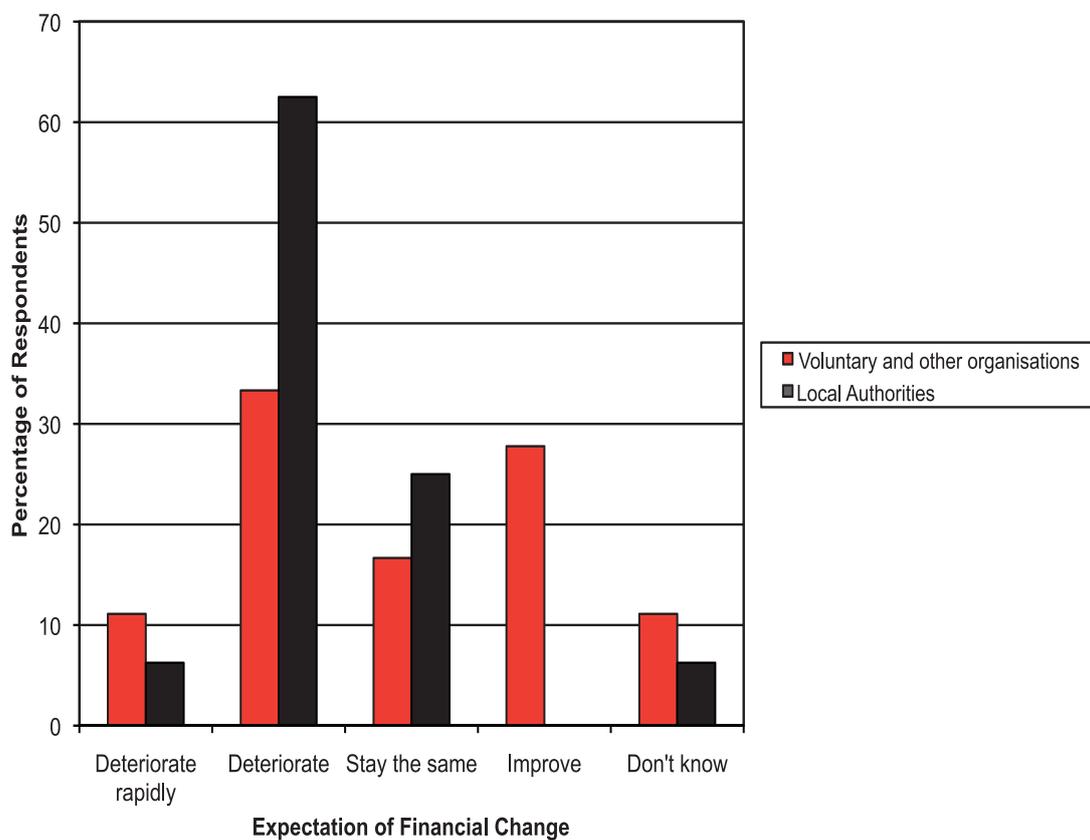
The longer term impact of the recession on the youth work sector is hard to assess, however, we can make some assumptions based on organisations’ expectations of the future. In the survey YouthLink Scotland asked services how they expect their organisation’s financial situation to change in 2010-11.

How Respondents expect their Financial Position to Change in 2010-11



Just over half of respondents (56%) expected their financial position to deteriorate over the next year, with 9% expecting it to deteriorate rapidly. Optimism about their financial future varied significantly between voluntary and other organisations and Local Authorities.

Expected Financial Change in 2010-11 by Type of Organisation

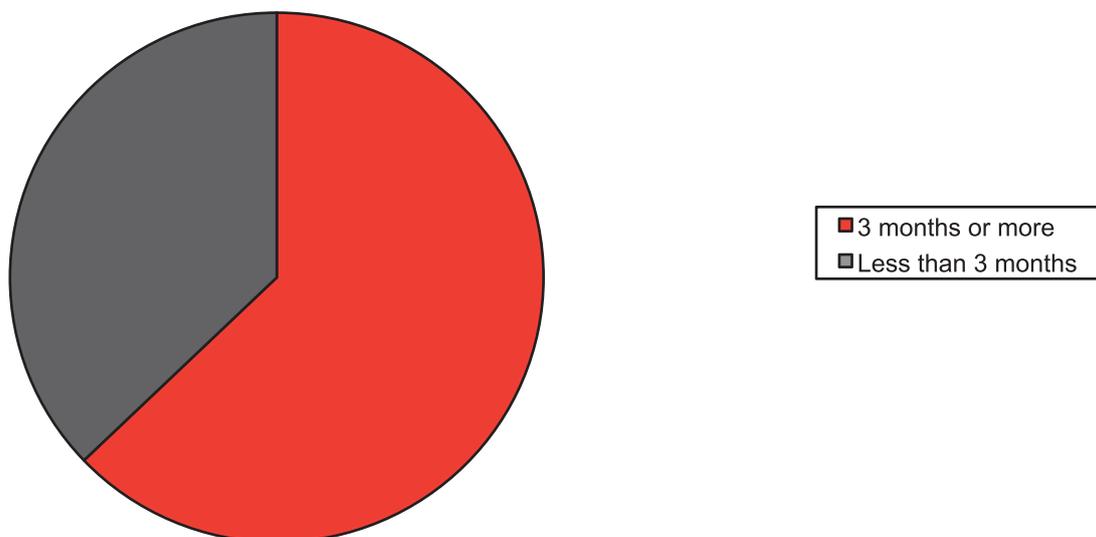


The graph clearly shows that, despite their loss of income, voluntary and other organisations are more optimistic about their future than Local Authorities. Whilst voluntary and other organisations were marginally more likely to expect their financial situation to deteriorate rapidly (11% of voluntary and other organisations compared to 6% of Local Authorities), Local Authorities were nearly twice as likely to believe that their financial situation will deteriorate over the next year at 63% compared to 33%. 28% of voluntary and other organisations expected their financial situation to improve in 2010-11 while, in stark contrast, no Local Authorities expected their financial situation to improve.

The different responses from Local Authorities and the other organisations surveyed may reflect differences in organisational financial management. Youth work is often one of the core services offered by many voluntary and other organisations who are members of YouthLink Scotland, if not the sole service they provide. In contrast Local Authorities provide a wide range of services and the availability of funding will vary depending on an Authority's priorities. This is illustrated by the availability of financial reserves.

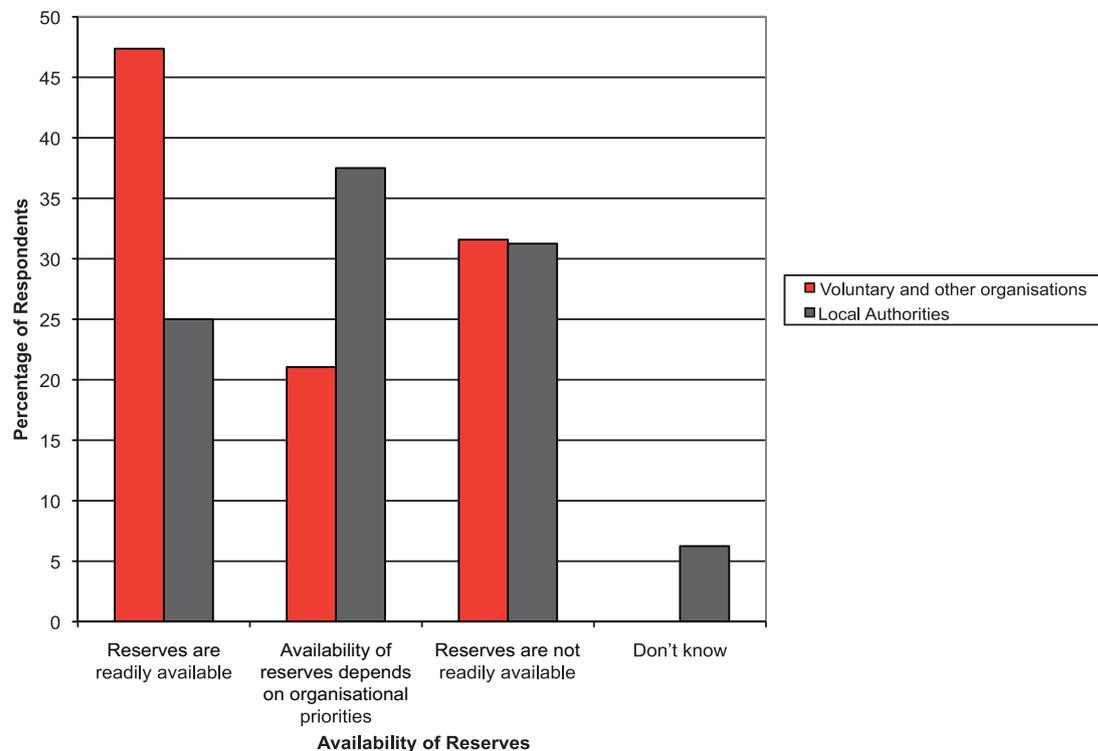
YouthLink Scotland asked members whether they had more than three months worth of operating costs in reserves.

Operating Costs in Reserve



The chart shows that nearly two thirds of respondents had more than three months of operating costs in reserve. Although the statistics show that 75% of Local Authorities had more than three months of operating costs in reserve compared to 53% of voluntary and other organisations, availability of these reserves varied considerably.

Availability of Reserves by Type of Organisation



The graph shows that, despite the fact that Local Authorities are more likely to have more than three months of reserves, they are much less likely to have these reserves readily available to them. Indeed, voluntary and other organisations are nearly twice as likely to have ready access to reserves at 47% compared to 25%. Local Authority youth work services are very reliant on their organisational priorities which are now governed by their Single Outcome Agreements.

“The situation can only get worse as Councils seek to protect statutory services. It is really difficult to show the impacts of losing these services because they may not come through strongly initially and by that time it may be too late. How can services to the community be protected?” – a Local Authority

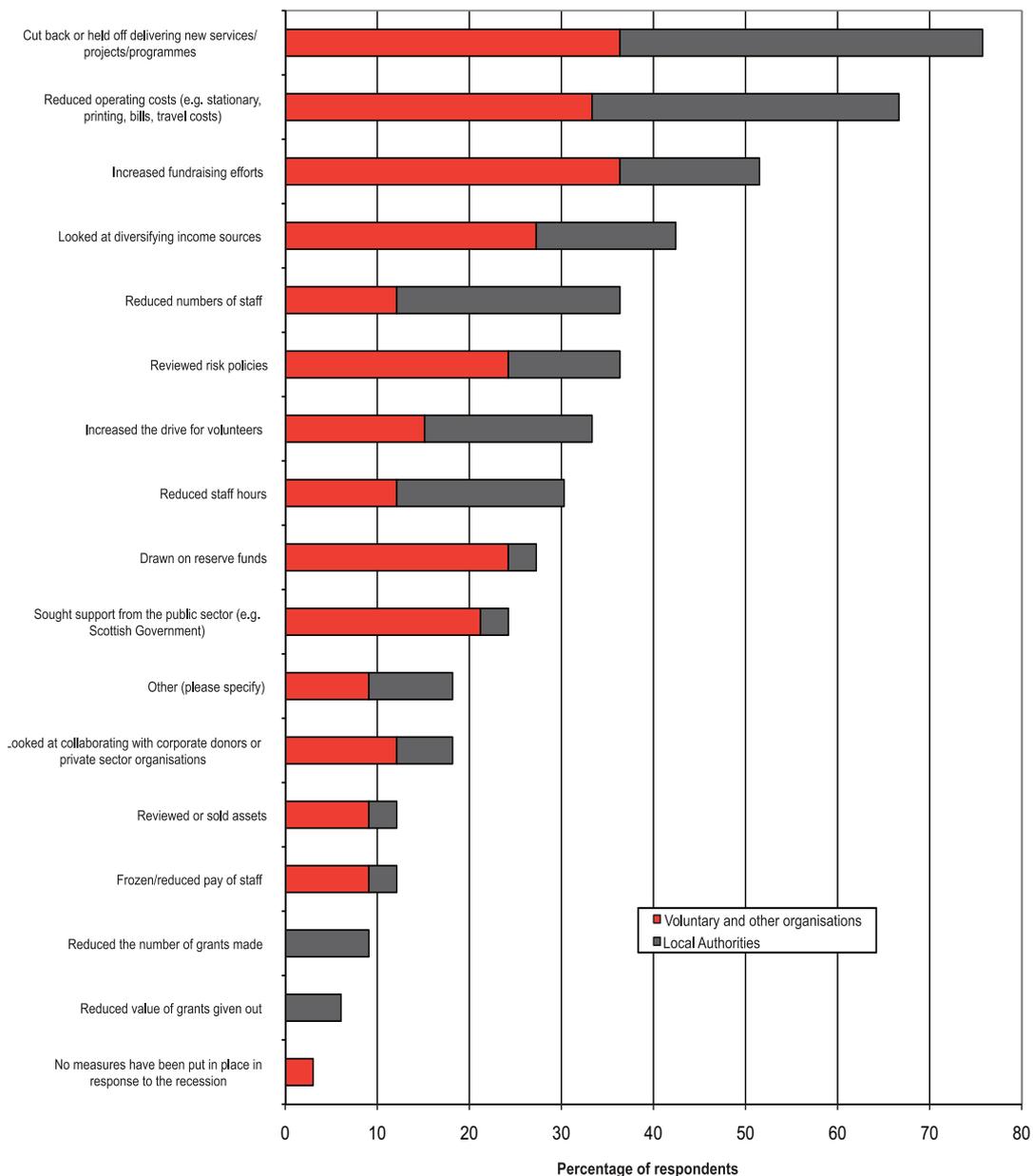
In January 2010 the Children’s Voluntary Sector Policy Officers’ Network, of which YouthLink Scotland is a member, published their second thematic analysis of Single Outcome Agreements⁵. Their analysis found that *“Issues affecting children... receive considerable attention in the national outcomes and overall are covered extensively in the Single Outcome Agreements. However, children are most commonly discussed in relation to their protection, education and health thereby limiting how children are conceptualised in the context of the SOAs. Key national priorities such as play, children with disabilities and children’s rights continue to receive little attention, while issues such as mental health, domestic abuse or learning disability have difficulty competing with bigger and more public concerns”*. It also stated that *“While there are positive examples of youth work discussed in some SOAs, a significant number do not discuss the topic or do so in a limited way. Often, youth work is discussed only in relation to volunteering or young people’s involvement in formal schemes (such as the Duke of Edinburgh Award). This limited coverage of youth work remains consistent with the first round of SOAs.”*

Single Outcome Agreements will be a significant factor for deciding whether a Local Authority youth work service survives the likely spending cuts in 2010-11. At the same time Local Authorities are seeing an increase in demand for their services as a result of the recession, a Joseph Rowntree Foundation report in October 2009 found that “...by mid 2009 almost every Local Authority nationwide had experienced increased demands for services which they attributed to the recession.”⁶ This may account for the pessimism shown by some Local Authority youth work services in response to this survey.

RESPONDING TO THE RECESSION

In addition to looking at what impact the recession has had on youth work organisations, the YouthLink Scotland survey also asked what measures had been put in place by members in response to the fall in available funding.

Respondents Responses to the Recession by Type of Organisation



The most common response to the recession was for organisations to cut back or hold off delivering new services, projects or programmes. 76% of organisations were putting in place this measure, spread evenly across both voluntary and Local Authority organisations. The second most common response at 67% was for organisations to reduce operating costs; again all organisations were equally as likely to take this measure.

The next two likely responses to the recession – increasing fundraising efforts and looking at diversifying income streams – focused on increasing income, and voluntary and other organisations were slightly more likely to take these actions

36% of organisations, mostly Local Authorities, were reducing their number of staff. At the same time organisations appeared to be also increasing the drive for volunteers (33%) and reducing staff hours (30%).

“The full impact has yet to be felt. Restructuring with a severe loss of posts is currently being implemented.” – a Local Authority

“We are an HQ body...our member organisations have suffered much greater impact due to the recession. Two have applied to the resilience fund, one is currently arranging emergency loans to cover deficits this year, many are seeing significantly reduced funding and grants from local authorities for 10/11 and many are struggling to sustain themselves beyond the short term” – a voluntary organisation

Other measures taken as a result of the recession included:

- Adjusting the licensing model to increase income (Local Authority).
 - Developing a “group” operational structure to share resources, rent and administration (voluntary).
 - Reprioritising services offered so that they reflect more clearly current funding conditions (voluntary).
 - Reducing services where either funding streams are not attached or where they are not a priority (voluntary).
 - Conducting a Time Management Survey to assess options for a possible re-structure to increase efficiency and best value (voluntary).
 - Vacancies have been frozen and those that have been filled have been ‘temporary’ (Local Authority).
 - A stand still budget (Local Authority).
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CONCLUSION

It is clear that the youth work sector has been seriously affected by the recession. Income sources are coming under increasing pressure and demand for services is rising, yet grants and donations are becoming harder to come by. Already many staff have lost their jobs, some organisations are threatened with closure and some have already closed.

The research clearly shows that in the short term many more voluntary organisations will come under threat and are facing substantial financial losses. More must be done to protect these valuable services.

In the long term, however, it is Local Authority services which may face the greatest challenges. Competing priorities mean that, where youth work is not protected by the authority, services may be lost completely as the amount of available public money falls.

In its document *'Moving Forward: a strategy for improving young people's chances through youth work'* the Government states,

"Youth work has a major part to play in providing life enhancing experiences for children and young people – and the learning and development opportunities it offers must be seen and valued as an integral part of what society provides for young people across the board"

In addition,

"...universal youth work activities can have an early intervention and prevention role. It can engage in positive activities young people who might otherwise become involved in anti-social behaviour, alcohol and drug misuse, or who leave school with few qualifications and skills, perhaps not progressing into education, employment or training... it also offers vulnerable young people a non-stigmatising route into finding more specialist support."

The loss of youth work services, both voluntary and statutory, is a loss to all young people. YouthLink Scotland believes more must be done to protect and support this valuable Scottish resource.

We recommend the following actions:

- **Continue to monitor the longer term impact of the recession on youth work.**
 - **Raise the profile and specify the contribution of youth work in relation to other services for young people and wide-ranging Government agendas.**
 - **Feature the provision of youth work in locally based outcomes or the supporting operational level agreements.**
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 - **Monitor progress made under the National Youth Work Strategy and give consideration to a Youth Work Act.**
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APPENDIX 1

STATEMENT ON THE NATURE AND PURPOSE OF YOUTH WORK

Context

Youth work plays a key role in delivering the principles outlined in the UN Convention on the Rights of the Child, particularly Article 12, the right of the young person to voice their opinion, have their views listened to and be taken seriously. By engaging young people in social activism, youth work builds citizenship, respect for human rights and a sense of mutual responsibility.

Introduction

Youth work is an educational practice contributing to young people's learning and development.

Youth work engages with young people within their communities; it acknowledges the wider networks of peers, community and culture; it supports the young person to realise their potential and to address life's challenges critically and creatively; it takes account of all strands of diversity.

Youth work takes place in a variety of settings including community venues, informed groups, schools, youth cafés and on the street, whilst using numerous approaches such as outdoor pursuits, drama workshops, health initiatives, peer education and single issue and single gender work to engage with young people.

The effectiveness of youth work methods has led to an increasing number of organisations developing youth work approaches, for example those working in youth justice and health improvement programmes. This demonstrates the range of ways youth work can be applied, enabling young people who might otherwise be alienated from support to get the services they need.

The youth work sector welcomes these developments and seeks to co-operate with those who contribute to young people's social and personal development. However, there remains a fundamental need for community based youth work which has been eroded as a service in recent years, at a time when young people are under greater pressure than ever, especially the most disadvantaged.

Youth Work has three essential and definitive features:

Young people choose to participate

- The young person takes part voluntarily. She/he chooses to be involved, not least because they want to relax, meet friends and have fun. The young person decides whether to engage or to walk away.

The work must build from where young people are

- Youth Work operates on young people's own personal and recreational territory – within both their geographic and interest communities. The young person's life experience is respected and forms the basis for shaping the agenda in negotiation with peers and youth workers.

Youth Work recognises the young person and the youth worker as partners in a learning process

- The young person is recognised as an active partner who can, and should, have opportunities and resources to shape their lives. The relationship and dialogue between the young person and youth worker is central to the learning process.
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Purpose of Youth Work

The purpose of youth work was well defined in Step it Up, following extensive discussion and consultation with the youth work sector, and is as follows:

- Build self-esteem and self-confidence.
- Develop the ability to manage personal and social relationships.
- Create learning and develop new skills.
- Encourage positive group atmospheres.
- Build the capacity of young people to consider risk, make reasoned decisions and take control.
- Develop a 'world view' which widens horizons and invites social commitment.

Age Range

The decisive pre-requisite for a young person's participation in youth work remains their youth. Youth work's focus is on the 11-25 year age group with particular emphasis on 11-18 year olds. It acknowledges the need to connect effectively with early intervention programmes and provision which focuses on children under 11 years.

Conclusion

The characteristics and purpose detailed in this leaflet define youth work. Youth work is an empowering process. Youth work is thus one of the very few practices whose remit provides for young people to exercise genuine power – to take decisions, follow them through and take responsibility for their consequences. Youth work seeks to tip the balance of power in young people's favour.

Footnotes:

- ¹ <http://www.charity-commission.gov.uk/Library/enhancingcharities/pdfs/charecon.pdf>
 - ² <http://www.scottish.parliament.uk/s3/committees/lgc/papers-10/lgp10-05.pdf>
 - ³ <http://www.thirdsector.co.uk/BigIssues/Details/58018/charities-economic-crisis/Article/865860/SCVO-survey-reveals-funding-woes-Scottish-charities/>
 - ⁴ <http://news.scotsman.com/scotland/Charities-hit-by-recession-as.5433704.jp>
 - ⁵ http://www.youthlinkscotland.org/webs/245/file/SOA%20thematic%20analysis%20-%202009_10%20FINAL%2008%2001%2010.doc
 - ⁶ <http://www.jrf.org.uk/publications/communities-recession-impact>
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