

Government and Public Sector

DfES Children's Services

The Market for Provision of Positive Activities for Young People

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1 Introduction

1a. Market Definition

- 1 This report focuses on the market for the provision of positive activities for young people (aged 13-19) in England. Positive activities include both:
 - Structured activities (including sports and physical activities, attending clubs and societies and volunteering activities). These activities:
 - Enable young people to voluntarily participate in, or initiate, planned and purposeful activity that holds clear health, learning or social and personal development aims. This will normally involve practitioners or peer-leaders who engage with young people on a one to one or group basis; and
 - Provide, or lead to recurring opportunities for participation – this could be fulfilled by being an extended and co-joined programme of activity (e.g. residential events), by leading to a regular programme of activities / encounters (including taster sessions), or by referring young people to other activity providers.
 - Unstructured activities that young people choose to engage in during their leisure time (including, for example, going to the cinema and other similar leisure pursuits).

1b. Scope of This Report

- 2 Our report on the market for positive activities is required to cover a number of specific points as follows:

Demand-Side Analysis

- 1 How pronounced are the differences in access to provision between rural and non-rural areas, disadvantaged and wealthy areas?
- 2 What is the profile of the young people participating in provision? Does it reflect the demographic make up of the youth population?
- 3 What reasons exist for under representation of any groups amongst activity participants and which reasons are the greatest barriers to their participation?

Supply-Side Analysis

- 1 What volumes of different kinds of activity are provided and who (sector, size/type of agency) is providing each kind of activity?
- 2 What is the current scale and what are the current sources of funding (public, charitable and private) sustaining the market?
- 3 Which types of provider and activity do the different funding streams flow to?

Conclusions and Recommendations

Demand Side

- 1 What reasonable measures can be taken to grow the market through addressing key barriers to participation (including: lack of/cost of transport; cost of activities; and poor information about the activities currently available)?

Supply Side

- 1 Are there areas/sectors where provision could be increased through adjusting the basis (length of funding period/type or contract/grant making arrangements) on which funding is issued?
- 2 What reasonable measures can be taken to grow the market through altering the scale and level at which provision is commissioned?
- 3 What reasonable measures can be taken to grow the market through supporting voluntary and community sector bodies to make an increased contribution to delivery?
- 4 What reasonable measures can be taken to grow the market through enhancing the contestability of provision and reducing barriers to entry?
- 5 What approaches can local authorities (and schools) take to achieve the above benefits and to what services do these approaches apply?

1c. Structure of This Report

- 3 The remainder of this report is structured as follows:

- Executive Summary
 - General Themes and Findings
-
- Argumentation, Analysis and Conclusions
 - Current market snapshot
 - Commissioning arrangements
 - Policy objectives
 - Suggested Improvements and Recommendations
-
- Provides a high level overview of our key findings
- The main body of our report, which presents our detailed findings and the evidence underlying them

2 Executive Summary

Demand for Positive Activities for Young People (see pages 25 – 42)

- 4 The total market for positive activities comprises a group of approximately 4.3 million 13-19 year olds. The size and composition of this group is relatively stable over time. The government's stated aspiration is that this group of young people will all be able to participate in a broad range of universally provided positive activities on a regular basis.
- 5 The positive activities market can be segmented across three different tiers of provision, as shown in the diagram below. Tier 1, universal provision is accessed by almost all 13-19 year olds. Tier 3 provision is targeted at a subset of young people (estimated to total between 250,000 and 500,000) who are more vulnerable. Tier 2 provision is targeted at those young people who, by virtue of where they live, are at an elevated risk of becoming vulnerable in future. Market data suggests that while the number of young people accessing Tier 1 provision is relatively flat, the number being targeted by Tier 2 and 3 provision is potentially increasing over time.

Segmenting The Positive Activities Market Across Three Tiers of Provision



- 6 Young people are able to access a range of different positive activities, delivered by a range of different providers, spanning the public, voluntary and private sectors.
- 7 Available activities can be broadly categorised into three groups, namely sports and physical activities, cultural activities (including clubs and societies) and volunteering, as shown in the diagram below. These are provided either on a year round basis or in school holidays only.

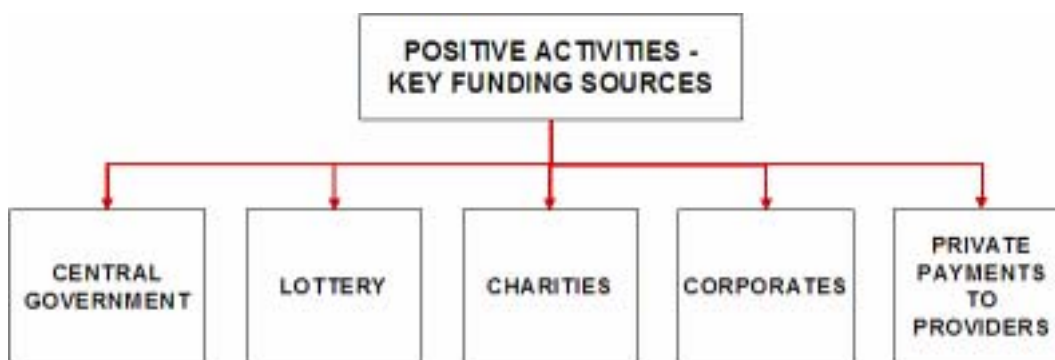
Positive Activities – Range of Provision

	Sport and Physical Activities (Year round and holiday provision)	Clubs/Societies (Year round and holiday provision)	Volunteering (Typically year round provision only)
Explanation	<ul style="list-style-type: none"> • There are c. 130 recognised sports in England and young people may participate in these activities through <ul style="list-style-type: none"> – Youth Service – After school sports – LA recreation & leisure services – Outdoor Pursuits – Voluntary club/training – Private gyms and fitness clubs – Private sports coaching e.g. tennis 	<ul style="list-style-type: none"> • Includes a variety of activity types, examples include: <ul style="list-style-type: none"> – Youth clubs – Drama – Music – Guides – Scouts – Duke of Edinburgh – Air Training Corps – Young Farmers 	<ul style="list-style-type: none"> • Any activity which involves spending time, unpaid (though living expenses may be paid), doing something which aims to benefit someone other than or in addition to close relatives, or to benefit the environment • Examples of national schemes include: <ul style="list-style-type: none"> – Millennium Volunteers – Princes Trust – Timebank

- 8 Available data on young people’s participation in these different types of activities indicates that around 70% of young people engage in positive activities during a six month period, of which the majority engage in sports and only a minority get involved in volunteering.
- 9 A number of under-represented groups exist, including 17-19 year olds, young people from ethnic minority backgrounds, young people from less affluent groups, lesbian, bisexual, gay and trans-gender young people, young carers and those with disabilities or special educational needs. Key barriers to young peoples’ participation in positive activities (which disproportionately affect these groups), include a lack of time, a limited desire to engage in the range of activities currently on offer, transport constraints, prohibitive associated costs and a lack of awareness or knowledge of what is available.

Funding of Positive Activities for Young People (see pages 42 – 59)

- 10 Five key sources of funding for positive activities appear to exist, as shown in the diagram below.



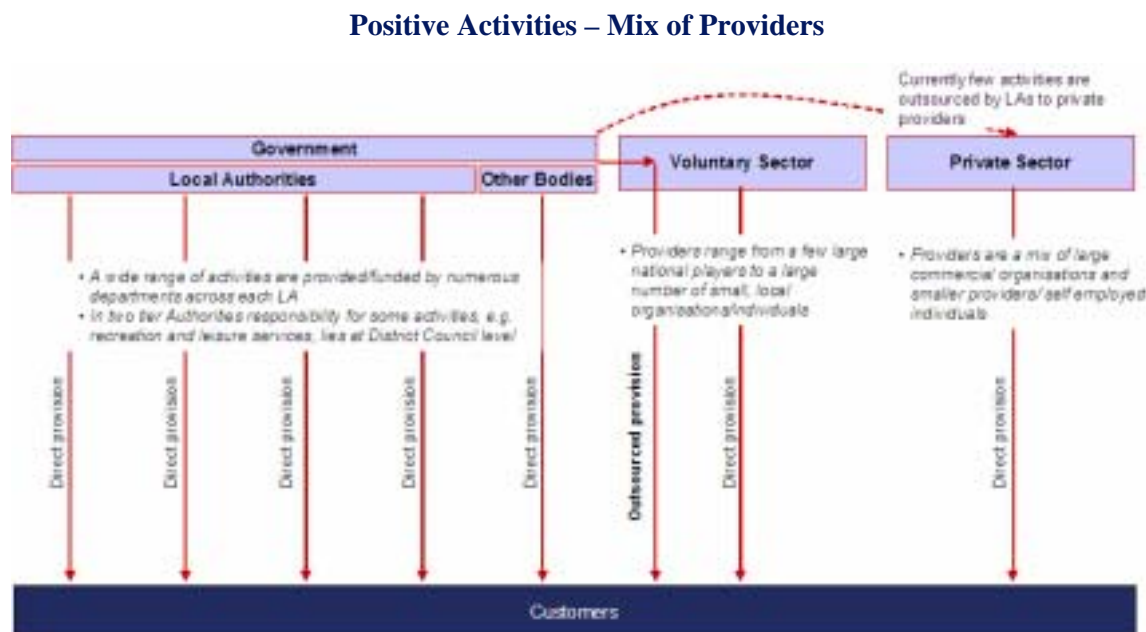
- 11 Central Government funding is made available in the form of core funding for local authorities and programme funding. This funding is most often specifically targeted at areas of high deprivation and can be sizeable, often exceeding core funding. Such targeted funding enables extensive provision of activities in the most deprived areas, but potentially leaves those less affluent young people who do not live in targeted areas under-provided for. In 2003/04 total Youth Service funding amounted to £425 million. Other core government funding was made available to local authorities for the provision of leisure, sports and the arts. Relevant Central Government programme funding is estimated to be worth in excess of £2 billion per annum,

although only a proportion of this spend is used to fund the provision of positive activities.

- 12 Lottery funding is significant, with an estimated average of £667 million per annum distributed to projects either specifically for young people, or with a significant element of benefit to them, since the lottery began in 1994. These projects include (although not exclusively) projects targeted at the provision of positive activities for 13-19 year olds.
- 13 Sources of charitable and for youth working, including for the provision of positive activities are also significant and estimated at approximately £53.5 million per annum, while corporate community contributions (including for the funding of positive activities) are estimated to total around £520m per annum.
- 14 Comparatively small amounts of local authority income are generated via private payments from the public, by charging for certain services, for example for access to leisure services or for music lessons provided by the Music Service. Private payments to voluntary sector providers appear to be minimal, however, the overall size of the private market for positive activities (delivered by private sector organisations) has been estimated at between £0.7 billion and £1.4 billion per annum.
- 15 Our interviews with local authorities and voluntary sector providers have highlighted a number of key issues associated with the time limited nature of current funding of positive activities. These include a limited ability to plan strategically for future provision, limited opportunities to capacity build the voluntary sector, challenges around the stability of delivery and difficulties with meeting targets and evaluating performance over relatively short time periods.

Supply of Positive Activities for Young People (see pages 59 – 84)

- 16 A number of different providers of positive activities exist, as shown in the diagram below:



- 17 The exact mix of local authority funded provision between different provider types varies significantly between different authorities and also across different parts of the same authority. However, generally speaking local authorities deliver many of the activities they fund directly themselves and commission the voluntary sector to provide certain activities for them. With the

exception of Leisure, only a minimal amount of provision is typically subcontracted to the private sector. In the majority of cases, there appears to be only limited strategic rationale underlying local authorities' decisions around the mix of providers that they use to deliver positive activities, with decisions most frequently driven by historical legacy, concerns around quality assurance and the individual preferences of those commissioning services.

- 18 While the exact scale of positive activities provision occurring independently of local authorities is unknown, anecdotal evidence suggests that the voluntary sector is extremely active within many segments of the market and private providers focus on certain, more profitable areas of provision.

Commissioning Arrangements (see pages 84 – 90)

- 19 Significant variation appears to exist between different local authorities in terms of the sophistication of their current commissioning processes. However, generally speaking commissioning processes in the area of positive activities remain under developed, insufficiently strategic and highly disjointed across authorities, resulting in potential inefficiencies and duplications in service delivery.
- 20 Funding relationships with external providers differ by service area, but typically operate through service level agreements or contracts for larger organisations, and grants for smaller organisations. Competitive tendering for contracts remains uncommon across most authorities.
- 21 Where formal contracts are in place, local authorities are finding it difficult to appropriately define and monitor high quality outcomes for the purposes of specifying contracts with providers and monitoring provider performance.

Policy Objectives (see pages 91 – 94)

- 22 There is still a significant gap to close between the government's stated objectives for positive activities provision, as set out in the Youth Matters green paper, and the current reality in terms of young people's level of participation. A number of current government initiatives and proposals will help to close this gap. Most particularly:
- The launch of Opportunity Cards should help to reduce (although not eliminate) the impact of cost as a key barrier to accessing positive activities;
 - The new Opportunity Fund should go some way towards addressing the issue of supply not matching demand, by enabling young people to spend money on the things they want to access within their local area;
 - By implementing the recommendations of the Russell Commission the Government should be able to successfully increase the proportion of young people engaging in volunteering activities;
 - The PESSCL strategy (PE School Sport and Club Links) has so far been extremely successful in increasing young people's participation in sporting activities; and
 - The provision of out of hours activities by extended schools should help to reduce transport and cost issues (by increasing young people's access to local, low cost activities) and raise awareness of what activities are available to young people within their local areas. It has also been suggested that extended schools may be more successful than current provision in overcoming the cultural barriers associated with Asian heritage young women participating in positive activities.

23 However, results from our primary research suggest that while many young people are interested in engaging in more positive activities than they do currently, only a relatively small proportion of them wish to engage extensively across a broad range of activities such that their level of participation would be in line with the proposed new national standards.

24 In addition, relatively few of the above initiatives are likely to have a significant impact on under-represented groups:

- The PESSCL and Extended schools initiatives, for example, will only have an impact on participation levels for school-age young people, although the Sports Network Coordinators outlined in Youth Matters should assist;
- Many barriers to access will still remain, particularly for under-represented groups.

25 More specific targeting of under-represented groups is likely to be necessary to drive up participation rates across the whole population of young people in England.

Suggested Improvements and Recommendations (see pages 16 – 22 and pages 95 - 103)

26 We propose a number of recommendations for growing and developing the future market for positive activities in sections 3 and 5 of this report. These focus on options for:

- Growing the market through addressing key barriers to participation;
- Adjusting the basis on which funding is issued;
- Altering the scale and level at which provision is commissioned;
- Supporting voluntary and community sector bodies to make an increased contribution to delivery; and
- Enhancing the contestability of provision and reducing barriers to market entry.

3 General Themes and Findings

3a. Demand Side Analysis

1. How pronounced are the differences in access to provision between rural and non-rural areas, disadvantaged and wealthy areas?

- 27 Participation in positive activities appears broadly similar in rural and non-rural areas (see page 36):
- In 2003, results from the Home Office Citizenship Survey indicated that non-participation rates in positive activities were 10% and 8% in non-rural and rural areas respectively.
 - Anecdotal evidence suggests that it is not absolute participation levels, but rather the types of activities that young people participate in, that differ between rural and non-rural areas.
 - In rural areas, local communities tend to provide many activities themselves, most often on a voluntary basis.
 - Young people living in rural areas are more likely to participate in sport or attend a local youth club.
 - In non-rural areas, there are greater amounts of local authority and private provision and capital intensive facilities (for example leisure centres) are more prevalent.

- 28 Provision of activities is good in both disadvantaged and wealthy areas, although for different reasons (see page 46):

- In disadvantaged areas, significant amounts of targeted provision often exist. This provision is most commonly funded by specific grants from Central Government which focus on the most deprived areas of the country.
- In wealthy areas, significant private provision often exists, cost is not a barrier to access for young people and participation levels are generally high.
- It is most often ‘the areas in between’, which are neither particularly wealthy, nor particularly deprived, where the poorest provision of activities tends to exist.

2. What is the profile of the young people participating in provision? Does it reflect the demographic make up of the youth population? (see pages 33 – 38)

- 29 Overall participation rates are similar for males and females, although the profile of activities that they engage in differs somewhat, with males more likely to engage in sports and females more likely to get involved in art, drama, dance or music.
- 30 Participation rates decline sharply with age, with 19 year olds over twice as likely as 13 year olds not to engage in positive activities.
- 31 Broadly speaking, most ethnic groups are equally likely to participate in positive activities. However, Pakistani and Bangladeshi groups are under-represented.

32 Anecdotal evidence suggests that this is largely driven by lower participation rates among Asian heritage young women, where cultural barriers may inhibit their ability to access certain activities at certain times of day – for example open access youth clubs in the evenings.

- Anecdotal evidence also suggests that other under-represented groups include:
 - Young people from less affluent groups;
 - Lesbian, bi-sexual, gay and trans-gender young people; and
 - Disabled young people and those with special educational needs.

What reasons exist for under representation of any groups amongst activity participants and which reasons are the greatest barriers to their participation? (see pages 38 – 42)

33 A number of key barriers to participation exist. Most particularly:

- A lack of time, as a result of homework, work or caring responsibilities;
- A lack of desire to engage in the activities on offer – suggesting a potential mis-match between supply and demand;
- The lack of cheap, safe, convenient transport to reach activities;
- The prohibitively high cost of engaging in certain activities; and
- A lack of knowledge and awareness of what activities are available.

34 Whilst all of these barriers to participation appear to affect all young people to a certain extent, certain barriers have a disproportionate effect on certain groups.

- For example, young people aged 17-19 are particularly affected by a lack of time and tend to have a lower than average desire to engage in the activities on offer to them.

3b. Supply Side Analysis

1. *What volumes of different kinds of activity are provided and who (sector, size/type of agency) is providing each kind of activity?*

Volumes of activities provided (see pages 27-29)

35 In 2001 the population of young people in England aged 13 to 19 years was 4.3 million. Overall participation rates in positive activities in the 13-19 year age group appear to be around 70% (or around 3 million young people in total) over a six month period.

36 Results from 'Young People in Britain', a survey commissioned by DfES in 2004, suggest that during a six month period in 2004:

- 42% of young people (or c.1.8 million in total) played sport as part of a sports club;
- 35% of young people (or c.1.5 million in total) took part in a dance, drama or music group;
- 20% of young people (or c.0.9 million in total) had been a member of a youth club or religious group; and
- 16% of young people (or c. 0.7 million in total) had done some voluntary or charity work.

37 During 2003/04, the English Youth Service contacted 1,013,046 13-19 year olds¹ (or 23.5% of the total teenage population).

Who is providing each kind of activity? (see pages 59 – 84)

38 There are a number of common service areas within local authorities which tend to get involved in the delivery of positive activities to young people. While the exact names of these service areas may differ between authorities, in general they are:

- The Youth Service;
- Sports Development;
- Leisure Services²;
- Arts Development;
- The Music Service/Music and Performing Arts; and
- Extended Schools.

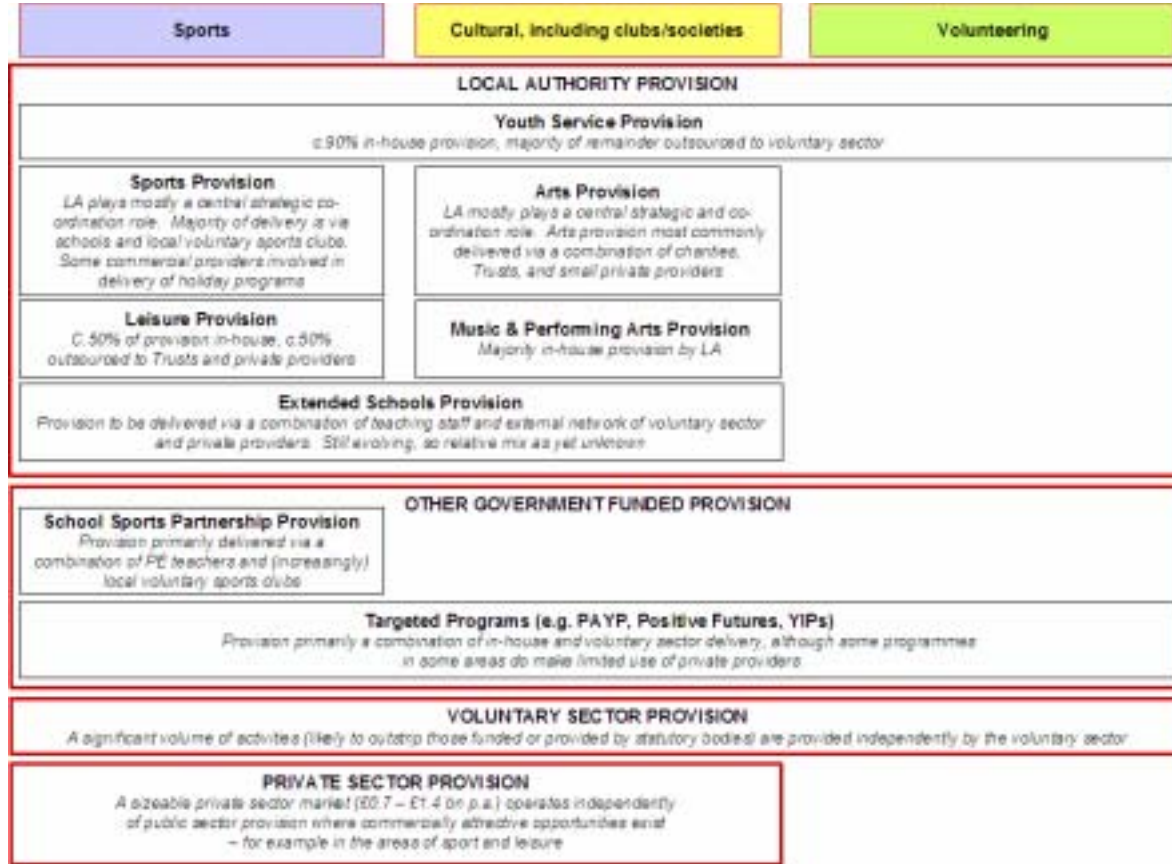
39 In addition, School Sports Partnerships exist within each local area and get involved in delivering positive activities in the area of sport. A number of specific Central Government funded, targeted programmes delivering a broad range of positive activities, also exist.

1 Where 'Contact' is defined as 'the youth worker knows the name and face of the young person and is consciously building a relationship with that young person, who attends youth service activities occasionally'.

2 Note that Leisure is the responsibility of District Councils in two-tier authorities.

40 The diagram below shows the different types of activities that different types of providers are delivering and gives an indication (in the case of local authority and other government funded provision) of the extent to which activities are being delivered in-house, or are being outsourced to either the voluntary or private sectors.

Activities by Provider Type

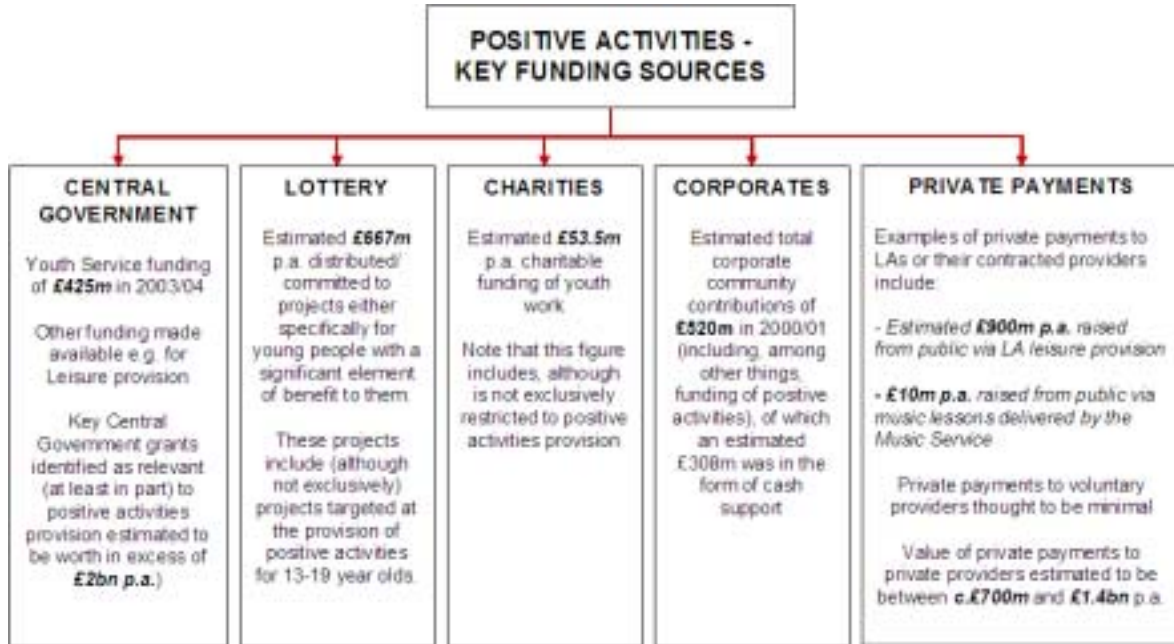


41 In summary:

- In-house provision dominates in the case of the Youth Service and music and performing arts;
- The voluntary sector delivers significant amounts of independent provision and plays a large role in delivering outsourced activities across most areas of publicly funded provision. The exceptions in this respect are the Youth Service, leisure and music and performing arts, where the voluntary sector plays only a limited role;
- A sizeable independent private sector market exists (estimated to be worth between £0.7 billion and £1.4 billion). The private sector also plays a significant part in the delivery of local authority commissioned leisure services and is involved in some sports and arts provision. In future, private providers are also likely to play a role in delivering extended schools provision.

2. What is the current scale and what are the current sources of funding (public, charitable and private) sustaining the market? (see pages 42 – 59)

- 42 The diagram below summarises the information that we have been able to gather regarding sources of funding for positive activities provision.
- 43 It shows that Central Government, the lottery, charities and corporates all appear to provide significant amounts of funding for public and voluntary sector provision of positive activities.
- 44 In addition, a significant private market, estimated at between **£0.7 billion and £1.4 billion** is also thought to exist.



3. Which types of provider and activity do the different funding streams flow to? (see pages 42 – 59)

45 The table below summarises the extent to which each funding source flows to each provider type and provides details of the types of activities funded where known and/or relevant.

Funding Source	Provider Type			
	Local Authorities	Schools	Voluntary Sector	Private Sector
Central Government – Core Funding	YY Examples include core funding for Youth Service and Leisure provision	N	N	N
Central Government – Grant Funding	YY For Youth Service, Sports, Arts, Music & Performing Arts and Targeted Programs	Y For Extended Schools Provision and School Sports Partnerships	YY	N
Lottery	Y	Y For after school clubs	YY	N
Charities	N	N	YY	N
Corporates	N	N	YY	N
Private Payments	Y Most particularly in the areas of Leisure and Music and Performing Arts	(Y) Payments, where made, are usually only nominal	(Y) Payments, where made, are usually only nominal	YY Payments made for all types of private provision

3c. Conclusions and Recommendations

Demand Side

1 What reasonable measures can be taken to grow the market through addressing key barriers to participation (including: lack of/cost of transport; cost of activities; and poor information about the activities currently available)?

- 46 ***Addressing young people's lack of free time*** – While this is not something that can be addressed directly, it is arguable that if positive activities can be made more convenient to access then engaging in them will absorb less of young people's free time. Improved convenience is related, in part to transport issues (see below). However, the location of activities is also important such that they are made available close by within a young person's local area. The extended schools agenda and the growth of School Sports Partnerships should assist in this respect.
- 47 ***Addressing young people's limited desire to engage in the activities provided*** – The challenge in this respect is to better match supply with demand, such that the activities made available to young people are the ones that they want to engage in. A number of steps can potentially be taken in this respect, including:
- Increased localised planning, to ensure that local provision better meets local needs;
 - Greater involvement of young people in planning activities – this should be addressed, at least in part, by the proposed launch of the new Opportunity Fund. It is also happening, to a greater or lesser extent, across most local authorities already, many of whom have begun to adopt the Hear by Right standards. Central government should encourage local authorities to adopt the standards more broadly, where they are not already doing so.
- 48 ***Addressing young people's transport constraints*** – Local authorities have already been working (with limited success) to address this issue. Improving transport provision will need to involve enhanced partnership working, both across local authorities (because other groups of end users – for example the elderly – will also face similar issues) and also with transport companies. Subsidising transport on certain key routes should also be explored, as should the possibility of investing in more local authority owned transport (for example minibuses for local schools and youth services). In more rural areas, some local authorities are now running successful moped schemes for young people and the possibility of rolling these out more extensively should be considered.
- 49 ***Addressing the prohibitive cost of engaging in certain activities*** – Activities which are prohibitively expensive for young people to access are generally those where facilities are owned and operated by the private sector. The launch of the proposed Opportunity Card, giving young people discounts on a range of things to do and places to go, should help to address this key barrier to access. In addition, local authorities should potentially explore options for diversifying the scope of the leisure facilities that they own to include those that young people most want to access – for example cinemas, bowling alleys, ice rinks etc. This could be done by converting or adding to existing facilities or building/purchasing new ones. The operation of such facilities could be outsourced to third parties to ensure that they are efficiently operated and received adequate levels of ongoing investment, whilst at the same time ensuring that local authorities are able to influence the prices charged to access them.
- 50 ***Lack of awareness or knowledge of what activities are available*** – Many local authorities are in the early stages of beginning or planning for an extensive mapping exercise of local positive activities provision. This will enable directories of services to be produced and made available

to young people, thereby better connecting available supply with demand and raising young people's awareness of the activities currently on offer to them within their local area. This exercise should be undertaken at a local level, in a way that builds upon or links up with existing mapping exercises being undertaken by local Schools Sports Partnerships and extended schools.

Supply Side

1 Are there areas/sectors where provision could be increased through adjusting the basis (length of funding period/type or contract/grant making arrangements) on which funding is issued?

51 Central Government (predominantly DfES, DCLG, DCMS and the Home Office) have a role to play in reducing the complexity around funding of positive activities provision in order to drive greater co-ordination of delivery on the ground. This can be done by:

- Consolidating various funding streams;
- Joining up decision making processes about the way that various funds are allocated; and/or
- Making different funds more distinct in terms of their objectives.

52 In addition, making Central Government funding available on a longer term basis would facilitate more strategic planning of service delivery and enable greater investment in capacity building of services on the ground.

53 Local authorities also need to review the basis under which they make funding available for local provision and go through a similar exercise of rationalisation and simplification.

54 There is also a need to capacity build providers so that they have the skills and resources they need on the ground to be able to put additional funding to good use (*see question 3 below for further details.*)

2 What reasonable measures can be taken to grow the market through altering the scale and level at which provision is commissioned?

Developing a More Strategic, Joined-up Approach to Commissioning

55 Local authorities need to begin establishing a more strategic approach to commissioning which:

- Is needs driven;
- Focuses at a local level;
- Places greater emphasis on strategically defining and planning positive activities provision within different local areas;
- Encourages greater diversity of supply; and
- Enables them to work in partnership with key providers to develop and deliver services.

56 Commissioning processes need to be rationalised across different parts of the same local authority (for example, Youth Services, Leisure, Sports Development, Arts Development etc) and the numbers of separate contracts or Service Level Agreements in place with any given provider need to be reduced to ensure that:

- Service delivery is planned for across authorities in a strategic and joined up way;
- Funds are more efficiently targeted; and
- Potential duplications and inefficiencies in provision are eliminated.

57 This will require a single forum for decision making around positive activities to be established at a local level. The creation of children's trusts should provide local authorities with the necessary organisational vehicle to achieve this.

- Options for expanding the membership of each local authority's Children and Young People's Board, to include representatives from all other parts of the authority involved in delivering and/or commissioning certain aspects of positive activities provision should be explored and considered.
- It is of critical importance that local authorities manage the roll-out of extended schools in a way that builds on and links into existing positive activities provision, rather than adding still further duplication and complexity to the supply-side of the market.

58 The DfES can potentially add value at a national level by developing central guidance and support around improving commissioning processes.

Introducing Compulsory Competitive Tendering, Where Possible

59 Local authorities also need to move to a system of compulsory competitive tendering for the provision of positive activities, where possible, in order to separate local authorities' role as commissioner versus provider and create a level playing field. Decisions to deliver services in-house should be taken actively, rather than passively and in a transparent and equitable way, thereby reducing barriers to entry for voluntary sector and private service providers.

Routinely Establishing Clearly Defined, Long Term Service Level Agreements With Providers

60 Where possible, Service Level Agreements need to be established with all service providers.

61 These should be explicit about what each provider is expected to deliver, clearly setting out what successful delivery will 'look like', and confirming how it will be measured, tracked and managed effectively. This will ensure that service delivery adequately meets local requirements – both in terms of the nature and volume of provision on offer - and that poor performance is quickly identified and rectified.

62 The DfES can add significant value at a national level by developing thinking around:

- What constitutes good outcomes in the area of positive activities for different groups of users, engaging with different types of activities, at different tiers of need; and
- How the quality and consistency of service provision and individual providers can be monitored and managed in an effective yet proportionate way. A Balanced Scorecard³ approach to monitoring and managing a bundle of interlinked, yet separate, performance

³ The Balanced Scorecard was developed by Prof. Robert S. Kaplan and Dr David P. Norton, at the Harvard Business School. It was designed to improve current performance measurement systems by providing alternatives to managing organisational performance exclusively through financial measures. The benefits of the approach are that it is based on a 'balanced' set of performance indicators covering the entirety of a company's mission and goals, not just financial indicators. This is particularly important for the not-for-profit sector where financial indicators of performance are less relevant.

measures may be worth exploring in this respect.

63 Longer term contracts also need to be established by local authorities to:

- Assure greater stability and continuity of funding for providers, thereby increasing the attractiveness of certain areas of provision (for example Youth Services) which are currently not perceived as viable opportunities, particularly by the private sector;
- Enable providers to plan ‘on the ground’ delivery more strategically, thereby ensuring that provision meets local needs;
- Provide greater opportunities for authorities to work with providers (both in-house, voluntary and private) to build their skills and capacity to deliver;
- Ensure greater stability of ‘on the ground’ delivery; and
- Allow providers sufficient time to deliver against key targets and set up systems to properly monitor and manage their performance against them.

3 What reasonable measures can be taken to grow the market through supporting voluntary and community sector bodies to make an increased contribution to delivery?

64 Contracts put in place between local authorities and voluntary sector providers should allow for full cost recovery in order to ensure that adequate resources are made available to voluntary sector providers, thus enabling them to fund their broader development work and cover a proportion of their associated central administrative costs.

65 In addition, the resources made available to voluntary sector providers by local authorities should ideally extend beyond direct financial support, to also include the provision of staff and the option to use certain facilities, such as local authority owned buildings or transport.

66 Local authority commissioners also need to work in partnership with individual providers to establish effective, yet proportionate and pragmatic performance monitoring processes that provide both parties with the information they need to effectively manage and maintain or improve the quality of service delivery ‘on the ground’. Where possible, these requirements should be harmonised with those of other sources of funding (beyond the local authority) to ensure that providers are not overwhelmed by multiple requests, all of which require performance information to be provided in a slightly different way. In going through this process, local authorities will minimise the administrative burdens that they place on voluntary sector providers. They will also reduce barriers to entry for potential new providers wishing to enter the market, thereby potentially increasing the diversity and scale of positive activities supply.

67 There is also a need for local authorities to work with voluntary providers, particularly those in the voluntary sector, to build their capacity (both in terms of skills and systems) to deal with increasingly stringent performance monitoring requirements.

68 The provision of broader training and skills development (for example to better equip potential voluntary sector providers of Youth Services to deal with the most challenging young people who sit within Tier 3) will also reduce barriers to entry for potential suppliers and enable the voluntary sector to make a greater contribution to positive activities delivery.

69 Effective partnership working with voluntary sector providers is also critically dependent on

local authorities developing strong links with local voluntary sector umbrella organisations, such that a forum exists for any issues or concerns can be raised, discussed and resolved on a regular basis.

70 In the case of extended schools provision, market commentary suggests that schools can do more to establish effective links and partnerships with voluntary sector providers, most specifically by:

- Undertaking a detailed mapping of the full range of positive activities provided by the voluntary sector within their local area; and
- Being flexible and open-minded in their approach to working with potential providers.

4 What reasonable measures can be taken to grow the market through enhancing the contestability of provision and reducing barriers to entry?

71 Many of the factors deterring or preventing voluntary and private sector providers from entering the positive activities market have already been mentioned above and measures have been proposed for local authorities to take in order to address them as follows:

- Introducing compulsory competitive tendering to ensure that decisions taken by local authorities to deliver services in-house are taken actively, rather than passively and in a transparent and equitable way;
- Assuring greater stability and continuity of funding for providers, thereby increasing the attractiveness of certain areas of provision (for example Youth Services) which are currently not perceived as viable opportunities, particularly by the private sector;
- Making greater financial resources and other sources of non-financial help available to voluntary sector providers;
- Establishing effective, yet proportionate and pragmatic performance monitoring processes that work for local authorities and providers; and
- Providing training and skills development for staff to enable them to play a greater role in delivery, particularly working with more challenging young people within Tier 3.

72 In addition, measures can be taken by Central Government to ensure that providers are not deterred from entering the market as a result of overly burdensome regulatory regimes.

- One specific example raised to us during the course of our work has been around the current wording of the Childcare Bill, which may deter potential providers from offering after school clubs by defining them as childcare provision.

73 Thinking more specifically about the Youth Services market, a number of measures can be taken to increase the attractiveness of the market to providers (specifically to private sector providers), thereby increasing the contestability of provision as follows:

- ***Moving to longer term contracts*** – migrating from the current model of typically commissioning providers on an annual basis to putting in place contracts with lengths of two to three years. This will increase market attractiveness by:
 - Making demand more predictable, thereby enabling providers to plan more strategically over longer time periods;
 - Reducing the number of opportunities for new entrants to compete for contracts, thereby increasing barriers to entry and making the market a more stable investment prospect;
 - Increasing partnership working between local authorities and providers, thereby increasing switching costs and decreasing local authorities’ buyer power;
 - Making it economically viable to invest in building facilities or capacity which can then be used more broadly to generate profits from other segments of the population;
 - Enabling providers to offer staff longer term contracts, thereby increasing their bargaining power in the recruitment market.
- ***Increasing the scale of contracts*** – migrating from the current model of typically commissioning providers to provide discrete activities to outsourcing much larger packages of activities or even youth service provision as a whole. This will increase market attractiveness as follows:
 - Increasing the economies of scale associated with any decision to invest in building capacity within the market;
 - Reducing competitive intensity and increasing barriers to entry by reducing the number of niche opportunities to compete within the market;
 - Increasing the relative size (and hence bargaining power) of providers relative to local authorities and increasing the need to work in partnership, thereby reducing relative buyer power.
- ***Consolidating government funding streams/initiatives*** – Reducing the complexity around Central Government funding of positive activities provision by consolidating various funding streams, joining up decision making processes as to how funds are allocated and/or making different funds more distinct in terms of their objectives. This will increase market attractiveness as follows:
 - Reducing competitive intensity and increasing barriers to entry by reducing the number of niche opportunities to compete within the market;
 - Making the supply-side of the market less complex, more transparent and more predictable in terms of demand.
- ***Reducing regulatory and performance management burdens*** – Ensuring these are effective yet proportionate, providing the ability to adequately manage risk/performance, but in a way that is not overly burdensome for providers. This will increase market attractiveness by

reducing the cost associated with competing within it. It will, however, slightly increase the threat of new market entrants, by reducing one significant barrier to entry.

- ***Improving training of youth workers*** – Broadening the availability of youth service training and skills development, for example to better equip providers of Youth Services to deal with the most challenging young people who sit within Tier 3. This will increase market attractiveness by broadening the supply of suitably qualified youth workers for service providers to draw upon. It will, however, slightly increase the threat of new market entrants, by reducing the barrier to entry associated with a lack of suitably qualified staff.

74 These actions, if taken in combination, would significantly increase the attractiveness of the market (for private sector providers in particular) and would therefore be likely to encourage new market entrants, thereby increasing overall market contestability.

5 What approaches can local authorities (and schools) take to achieve the above benefits and to what services do these approaches apply?

75 This question has already been answered during the course of the answers provided to each of the questions above.

4 Argumentation, Analysis and Conclusions

76 We have outlined the market definition in the Introduction to this document, but note here in summary that positive activities can be structured or unstructured.

77 Structured activities are those which:

- Enable young people to voluntarily participate in, or initiate, planned and purposeful activity ... and;
- Provide, or lead to recurring opportunities for participation.

78 Unstructured activities are those that young people choose to engage in during their leisure time (including, for example, going to the cinema and other similar leisure pursuits).

79 The scope of structured activities that we are considering is essentially threefold:

- Sports;
- Cultural activities, including youth clubs and other clubs & societies; and
- Volunteering.

80 Provision of these activities is either year round or during specific holiday periods. It can also be either universal or targeted (for example, via outreach work undertaken by the Youth Service or the Home Office funded Positive Activities for Young People programme).

81 In order to build up a picture of supply and demand within the market for positive activities we have focused on examining the market within six local authority case study areas in detail and have conducted analysis of available information sources at a national level.

82 From the work that we have undertaken within our six case study areas, we observe that there are a number of common service areas which tend to fund and/or deliver positive activities within each local authority. While the exact names of these service areas may differ between authorities, they can in general be characterised as follows:

- Youth Service;
- Sports Development;
- Leisure Services⁴;
- Arts Development;

⁴Note that Leisure is the responsibility of District Councils in two-tier authorities.

- The Music Service/Music and Performing Arts; and
- Extended Schools.

83 School Sports Partnerships also exist within each local area. However, these are typically funded and run independently of local authorities.

84 Provision of positive activities also occurs externally to local authorities, delivered predominantly by the voluntary and community sector, but also by private providers. Within the limitations of this study, we have sought to identify such provision in each of our case study areas. However, our mapping of voluntary and community sector and private provision has not been exhaustive and has been heavily dependent on the knowledge of those within each authority to whom we have spoken.

4a. Current Market Snapshot

Demand for Positive Activities for Young People

Why do Young People Participate in Positive Activities?

85 Output from our focus groups suggests that young people participate in different types of positive activities for a number of different reasons:

- Participation in structured sports is most often driven by the fun and enjoyment and improved fitness levels gained from taking part;

“I always enjoyed sport and it keeps me fit and that.”

Young Person

- Reasons for participating in clubs and societies vary, but commonly include factors such as meeting new friends, having a talent for a particular activity and the satisfaction and enjoyment gained from taking part;

“I enjoy it and it’s something that I always wanted to do.”

Young Person

“I’m good at it and I can learn how to get better.”

Young Person

- In the case of open access youth provision, the most common reason for attending is having something to do and somewhere to go in the evenings;

“[I go] for something to do in the evenings. There’s nothing else to do.”

Young Person

- Finally, participation in volunteering activities is mainly driven by the desire to gain accreditation and to further future career ambitions.

“I did it as something to do and it looks good on my CV.”

Young Person

Market Segmentation

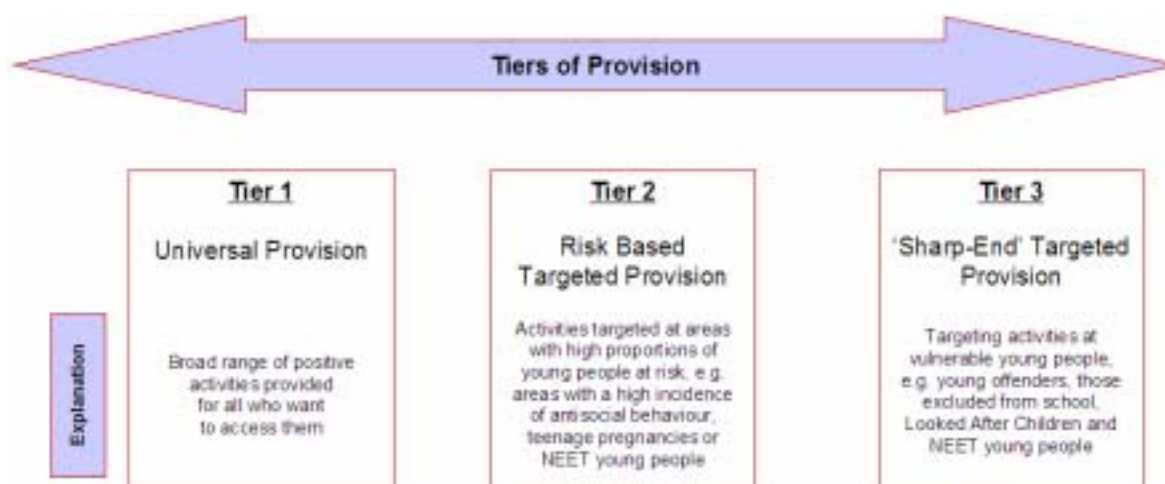
86 The market for provision of positive activities can be segmented in a number of different ways, for example according to:

- Tier of Provision (see below);
- Young people's gender;
- Young people's age;
- Young people's affluence;
- Young people's ethnic origin; and/or
- Young people's locality (more specifically whether they live in rural or non-rural locations).

87 The following sections explore these different bases of segmentation in turn and draw out a number of key insights.

Segmentation by Tier of Provision

88 Conversations across our six case study areas with local authority Youth Services have highlighted that a key basis for segmenting the positive activities market is by 'tier of provision'. Provision can be segmented across three distinct tiers as shown below. Although it was never described to us explicitly, this method of segmentation is implicit in the way that Youth Services typically think about the way that they target different groups of young people with different activities:



89 Tier 1 provision targets all young people aged 13-19, many (but not all) of whom, will currently be participating in one or a range of positive activities on a regular basis.

90 Tier 2 provision targets those young people who, by virtue of where they live, are judged to be at an elevated risk of entering Tier 3 in future.

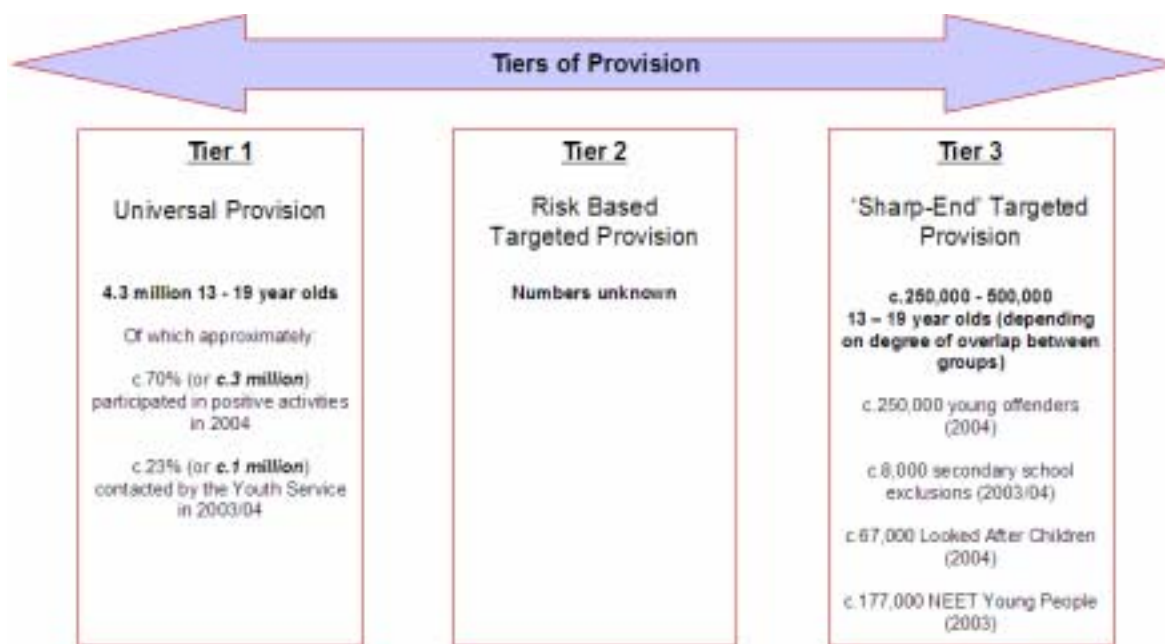
91 Tier 3 targets a number of vulnerable groups of young people, most particularly young offenders, those excluded from school, Looked After Children and NEET young people. These young people are specifically targeted with positive activities as a means of either helping to address the

problems they face or helping to ensure that these problems do not escalate or become more entrenched.

92 Segmenting provision in this way provides a useful basis for understanding the size and growth of the overall positive activities market. Our analysis in this respect is set out below.

Market Size by Tier of Provision

93 The diagram below provides an approximate market size for Tiers 1 and 3. It implies that Tier 1 provision serves an estimated 4.3 million 13-19 year olds, of which between 250,000 and 500,000 are also targeted at Tier 3.



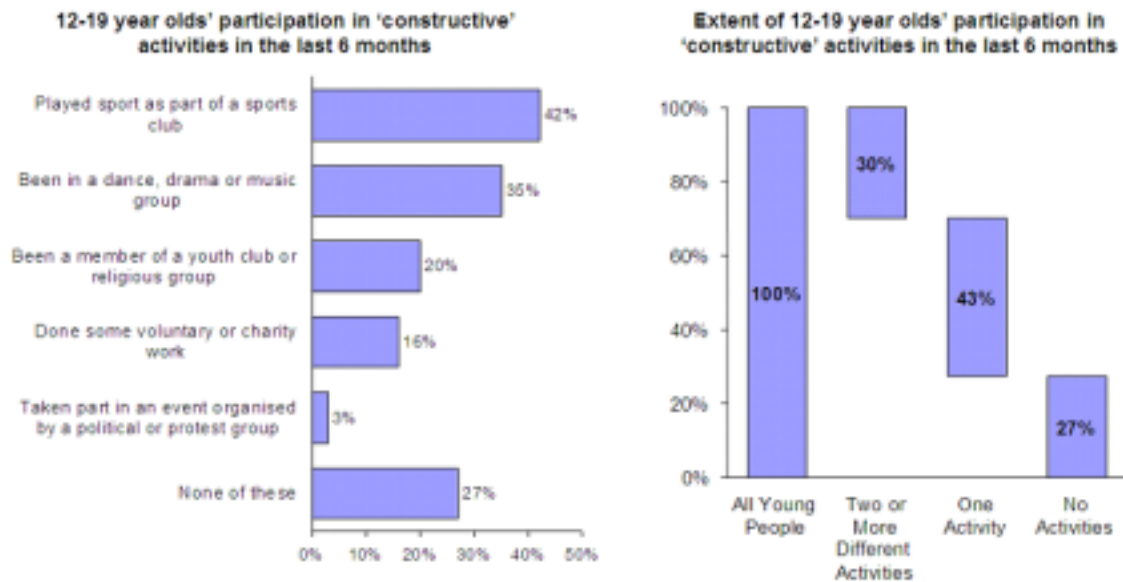
Market Size - Tier 1

94 In 2001 the population of young people in England aged 13 to 19 years was 4.3 million.

95 A number of national surveys have been conducted in the past to determine the proportion of these 4.3 million young people engaging in positive activities. Whilst the results of each of these surveys differ, a number of broad trends emerge as follows:

- Overall participation rates in positive activities over a six month period in the 13-19 year age group appear to be around 70% (or around 3 million young people in total);
- Participation in sport is generally higher than for other activities;
- Participation in volunteering activities (relative to other activities) appears relatively low, although rates are higher among young people than among older generations.

96 The results from one survey of young people’s participation rates, ‘Young People in Britain’ commissioned by DfES in 2004, are shown below:



Source: Park, Phillips and Johnson ‘Young People in Britain: The Attitudes and Experiences of 12-19 Year Olds’; DfES 2004; Base: 663

97 The *Youth Service* records the numbers of young people who participate in its activities, and works to a number of broad targets as follows:

- 25% ‘Contact’ with young people aged 13-19, where ‘Contact’ is defined as ‘the youth worker knows the name and face or the young person and is consciously building a relationship with that young person, who attends youth service activities *occasionally*’;
- 15% ‘Participation’ of young people aged 13-19, where ‘Participation’ means that ‘the youth worker has an ongoing relationship with the young person, who *regularly* participates in the youth work curriculum’;
- 60% of Participants to gain a recorded outcome, thereby demonstrating that they have progressed and developed as a result of the activities they have engaged in.

Source: ‘Credit Where It’s Due,’ National Youth Association, 2005

98 During 2003/04, the English Youth Service contacted 1,013,046 13-19 year olds (or 23.5% of total). The National Youth Association’s FY04 local authority Youth Services Audit, shows that average levels of Youth Service ‘Contact’ are increasing over time and that in FY04, 35 local authorities in England ‘Contacted’ less than 20% of young people, 56 authorities ‘Contacted’ between 20% and 30% and 36 authorities ‘Contacted’ more than 30%.

Market Size - Tier 3

99 Available data suggests that:

- There were c.250,000 young offenders between the ages of 13 and 19 in 2004;
- Approximately 8,000 young people were excluded from secondary schools in 2003/04;
- There were approximately 67,000 Looked After Children in 2004;
- There were approximately 177,000 NEET young people in 2003.

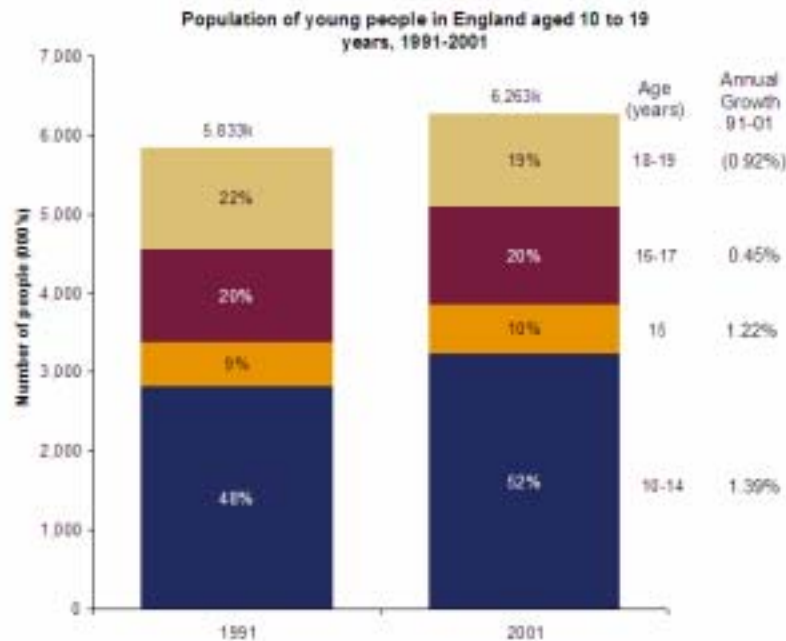
100 This implies that the approximate size of the total Tier 3 market is between 250,000 and 500,000, depending on the degree of overlap between these different groups.

Market Growth and Demand Drivers by Tier of Need

Market Growth - Tier 1

101 Key drivers of Tier 1 growth are demographic trends and the government’s proposed national standards for young people’s participation in positive activities, as set out in the recent Youth Matters green paper.

102 1991 and 2001 census data does not enable us to precisely isolate the 13-19 year age group. However, it does show that the 10-19 year age group grew at an average of *0.7% per annum* between 1991 and 2001, from 5.83 to 6.26 million people. Growth was driven at the younger end of the age spectrum, with 10 -14 year olds expanding at an average of 1.39% per annum, while the 18-19 year old group reduced in size at an average of 0.92% per annum over the period. This suggests that the market for Tier 1 provision of positive activities is relatively flat, although the profile of demand may be slowly shifting towards the younger end of the 13-19 age spectrum.



Source: ONS

103 In its recent Youth Matters green paper, the government set out a number of proposed national standards for the universal provision of positive activities, including that all young people should benefit from:

- Access to 2 hours per week of sporting activity;
- Access to 2 hours per week of other constructive activities in clubs, youth groups or classes;
- Opportunities to contribute to their communities through volunteering;
- A wide range of other recreational, cultural, sporting and enriching experiences; and
- A range of safe and enjoyable places to spend time.

104 Output from our primary research exercise shows that of the 182 young people spoken to in schools and youth clubs, only 7% are currently participating in all the different forms of opportunity categorised within the proposed new national standards:

	Total Number	Proportion Engaging in 2 Hours of Sport Each Week	Proportion Engaging in 2 Hours of Other Constructive Activities Each Week	Proportion Engaging in Volunteering Activities	Proportion Meeting All Proposed National Standards
Young People – School Based Focus Groups	95	48%	35%	26%	6%
Young People – Youth Club Based Focus Groups	87	59%	93%	17%	7%
Young People – All Focus Groups	182	53%	63%	22%	7%

Source: PwC Primary Research (see Annex A for details)

105 These standards, if met, could therefore drive significant future growth within the positive activities market. However, results from our primary research exercise suggest that doing this may be challenging:

- Many young people spoken to during the course of our primary research expressed an interest in engaging in a greater number of positive activities than they do currently;
- However, the majority of these young people tended to express an interest in engaging in more activities of a similar type to those that they engage in currently (for example, those already engaging in sport were most likely to express an interest in engaging in more sport, rather than wanting to also engage in ‘other constructive activities’ of volunteering.)
- The table below shows that only a relatively small proportion of the young people spoken to expressed an interest in increasing their participation to a level which would bring them in line with the proposed national standards:

	Proportion Not Engaging in 2 Hours of Sport Each Week Who Would Like to	Proportion Not Engaging in 2 Hours of Other Constructive Activities Each Week Who Would Like to	Proportion Not Engaging in Volunteering Activities Who Would Like to	Proportion Not Currently Meeting All Proposed National Standards Who Would Like to
Young People – School Based Focus Groups	35%	21%	16%	10%
Young People – Youth Club Based Focus Groups	28%	17%	11%	9%
Young People – All Focus Groups	32%	21%	13%	9%

Source: PwC Primary Research (see Annex A for details)

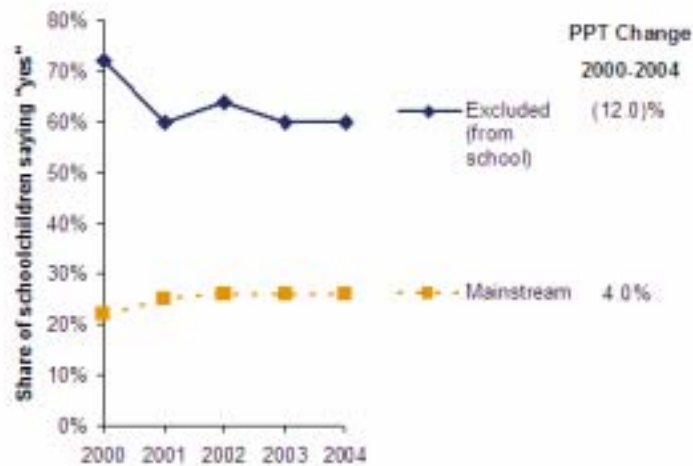
Market Growth - Tiers 3

106 Demand at the highest tier of provision appears to be rising, driven by a number of factors, including:

- Increasing youth offending rates, which rose by 4 percentage points among ‘mainstream’ young people between 2000 and 2004.

Children were asked "Have you committed any criminal offence in the last 12 months? This may range from something like fare dodging (not paying for a train ticket) to stealing something"

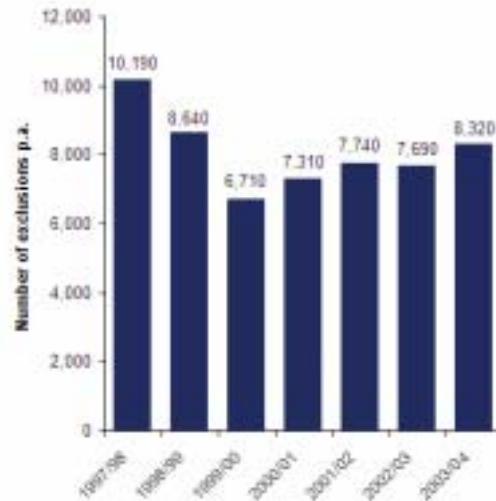
**Trends in offending levels
2000-2004**



Source: Social Trends 36

- Rising numbers of secondary school exclusions, with the number of secondary school children excluded from school increasing by at an average rate of 5.5% per annum between 1999/00 and 2003/04;

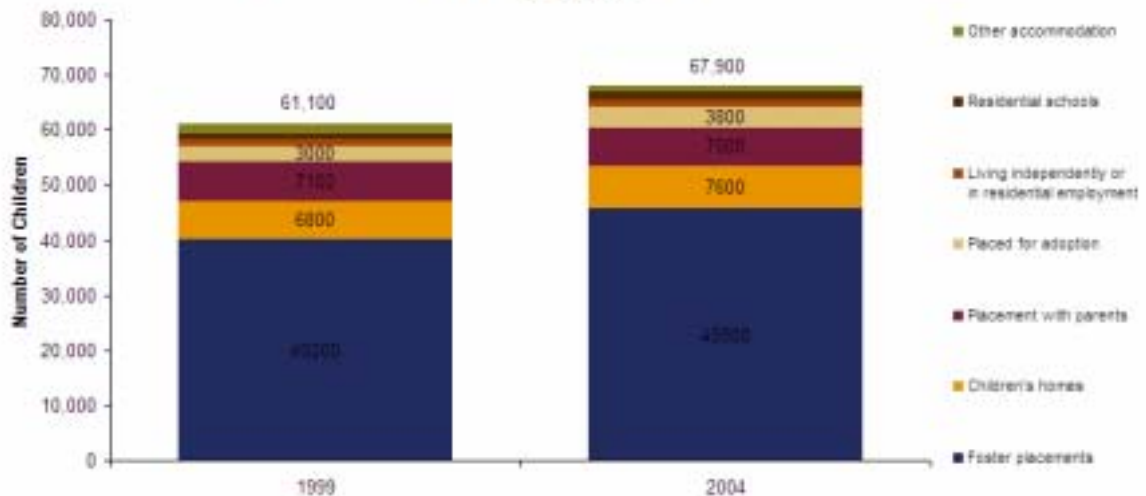
Permanent Secondary School Exclusions
1997/98-2003/04



Source: National Statistics

- Increasing numbers of Looked After Children, which grew at an average of 2.1% per annum, from 61,100 to 67,900, between 1999 and 2004;

Children looked after by local authorities by type of accommodation
1999-2004



Source: Social Trends 36

- Slowly declining numbers of NEET young people;
 - The proportion of NEET 16-18-year-olds has remained broadly level over the last decade, although there are signs of a downward trend. Data produced by Connexions partnerships in November 2003 showed a 3% reduction in the proportion of NEET 16-18-year-olds, with an 8% reduction in the areas where partnerships had been established the longest.

Other Bases of Segmentation

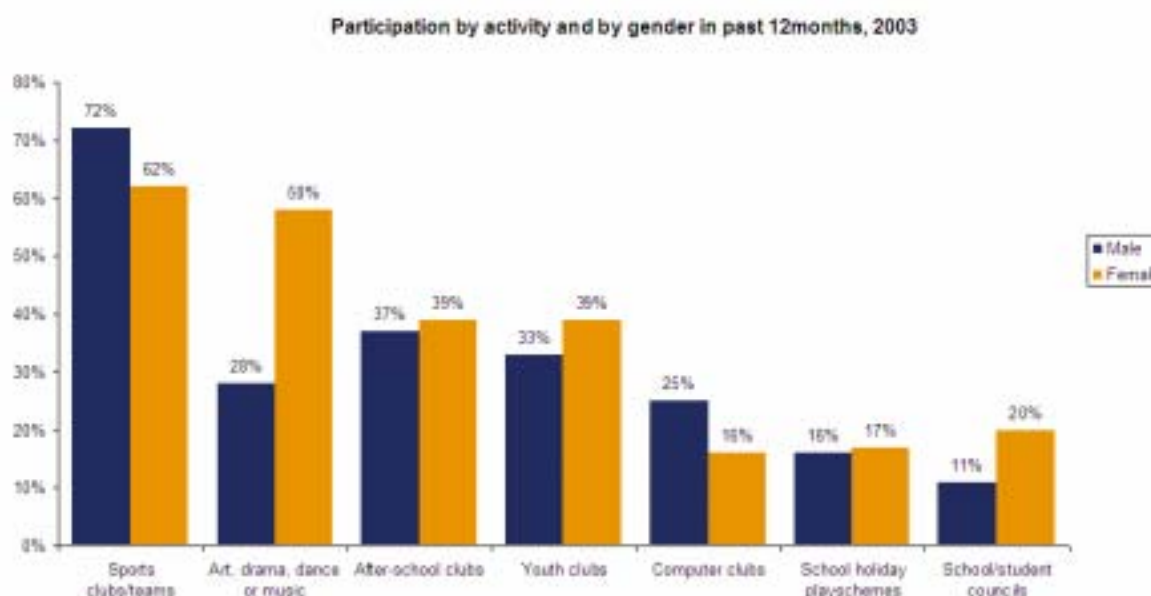
107 Using a number of alternative bases of segmentation – for example, segmenting young people according to their gender, age, affluence, ethnic origin and/or locality, enables us to identify certain under-represented groups and explore a number of key barriers to participation in positive activities.

108 In this section, we will examine the available evidence (again based mainly on survey data) on participation levels using each of these bases of segmentation in turn.

Segmentation by Gender

109 The chart below shows the differences between males and females in terms of the various positive activities that they engage in. A number of ‘stereotypes’ are seen to apply as follows:

- A higher proportion of males engage in sporting activities and computer clubs;
- A higher proportion of females engage in arts, drama, dance or music and school student councils.



Source: Home Office Citizenship Survey, Children and Young People, 2003, Base: 1,666 people aged 11-15yrs, asked 'have you participated in any clubs or groups in the past 12 months?'

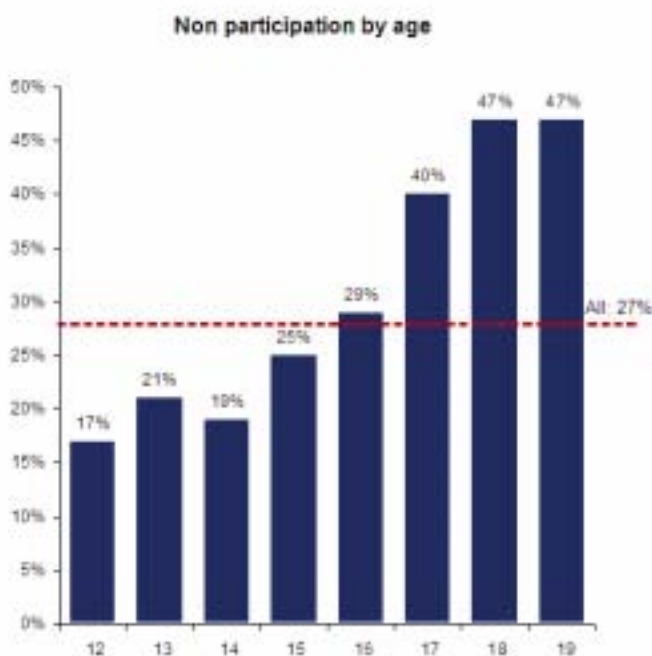
110 This result has been backed up by our local authority case study interviews, where little difference has been highlighted between participation rates for males and females overall, but significant differences have been highlighted for certain types of activities:

“We don’t see much of a difference in terms of participation rates between boys and girls overall, although young women are more likely to participate in certain activities and young men are more likely to participate in others.”

LA6

Segmentation by Age

111 The chart below shows that participation in positive activities decreases sharply with age.



Source: Home Office Citizenship Survey, Children and Young People, 2003, Base: 1,666 people aged 11-15yrs, asked 'have you participated in any clubs or groups in the past 12 months?'

112 This trend has been confirmed via anecdotal evidence gathered during the course of our case study interviews with local authorities as follows:

“Even when activities were specifically targeted at older children there was little take-up. They just don’t seem interested.”

LA1

“Certainly post 16 the last place they would go is a youth club.”

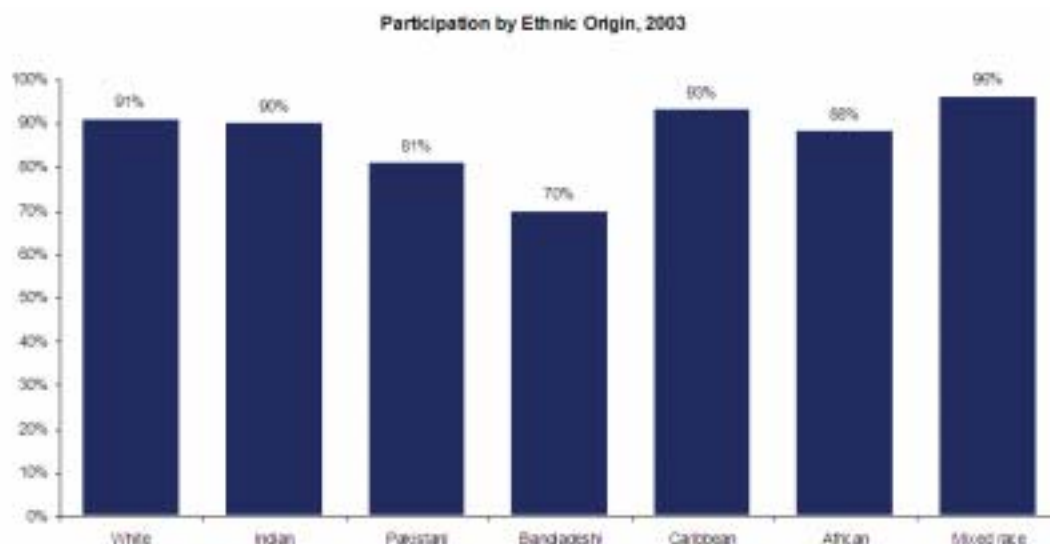
LA2

“Young people aged 11-15 are more likely to do positive activities.”

LA3

Segmentation by Ethnic Origin

- 113 The chart below shows that participation in positive activities by different ethnic groups varies, with participation levels for Pakistani and Bangladeshi young people well below that for other groups.



Source: Home Office Citizenship Survey, Children and Young People, 2003, Base: 1,666 people aged 11-15 yrs, asked 'have you participated in any clubs or groups in the past 12 months?'

"We struggle to reach BME groups because they are less likely to look for help and support from a youth club and also because of language and cultural barriers."

Voluntary Sector Provider, LA5

- 114 Anecdotal evidence suggests that it is Pakistani and Bangladeshi young women in particular who are likely to be driving the lower than average participation rates observed within these groups:

"We do have issues reaching Asian heritage young women."

LA1

"Asian young women are not accessing open access youth provision – they are often not allowed out in the evenings."

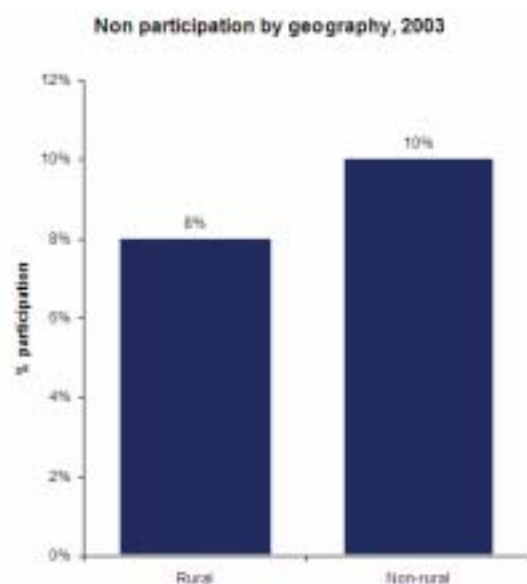
LA2

"It is difficult to reach Asian young people and bring them into mainstream youth provision ... they do not think the Youth Service is suitable for their needs and it is often portrayed as inappropriate by their parents ... the extended schools agenda may be more acceptable to parents if services are provided in schools."

Voluntary Sector Provider, LA4

Segmentation by Locality

- 115 The chart below shows that participation in positive activities is broadly similar among young people living in rural and non-rural locations.



Source: Home Office Citizenship Survey, Children and Young People, 2003, Base: 1,666 people aged 11-15yrs, asked 'have you participated in any clubs or groups in the past 12 months?'

- 116 This limited difference in participation rates between rural and non-rural areas appears to be explained by a number of factors, as outlined in the quotes below:

"We're not seeing different levels of participation in rural and urban areas, but we do see different types of participation. Where there are gaps in rural provision they are generally filled by the communities themselves."

LA3

"Participation is generally better in rural areas than in urban ones ... youth clubs in rural areas, particularly in villages, are generally popular and well supported by the community. In very rural areas, participation is more of a problem. In urban areas, young people typically disappear into commercial provision – for example nightclubs."

LA6

“Perhaps surprisingly, participation in leisure activities did not vary considerably between urban and more rural locations. One activity that was associated with geographical location was playing sport – 55 per cent of those living in a village or other rural location had played sport in the last 6 months, compared to 39 per cent of those living in a city or town. It is tempting to assume that this is related to the availability of open space in the countryside and the lack of it in urban locations – though clearly our data can not confirm this view. In addition, those living in a rural area were more likely than those in towns or cities to go to the cinema (95% compared to 85%) or to visit an art gallery or museum (39% compared to 26%).”

“Young People in Britain: The Attitudes and Experiences of 12-19 Year Olds”, National Centre for Social Research, 2004

Other Under-Represented Groups

117 Our local authority case study interviews have yielded anecdotal evidence about a number of groups of young people not highlighted above who generally appear to be under-represented in terms of their participation in positive activities. Whilst these are, of course, dependent upon many local factors, these groups appear to include:

- Young people (particularly white young men) from less affluent groups;

“I’m concerned that we’re not reaching enough of the less affluent young people ... we attract both boys and girls but the stereotypes remain ...”

LA4

“Working class, white young men are the biggest problem for us in terms of reach.”

LA4

“A key barrier is the ‘Billy Elliot phenomenon’ – many kids simply would never think of engaging in many activities – how do we make more of these kids want to have a go?”

LA5

- Lesbian, Bi-sexual, Gay and Trans-gender young people;
 - A number of youth groups are being set up across our local authority case study areas to specifically target young people from this under-represented group.
- Young carers; and
- Disabled young people and those with special educational needs.

“A hard to reach group is children with disabilities. It’s hard to measure as many children don’t have obvious disabilities, so we don’t have data around how many disabled young people attend mainstream provision ... therefore it’s possible that this group is considerably underrepresented.”

LA1

“We struggle to reach those with profound difficulties, especially those who find it hard to communicate, as they have a very specific need which is expensive to meet. The government only provides funding for those who have the greatest need and it is difficult to gain funding for others who still have great needs.”

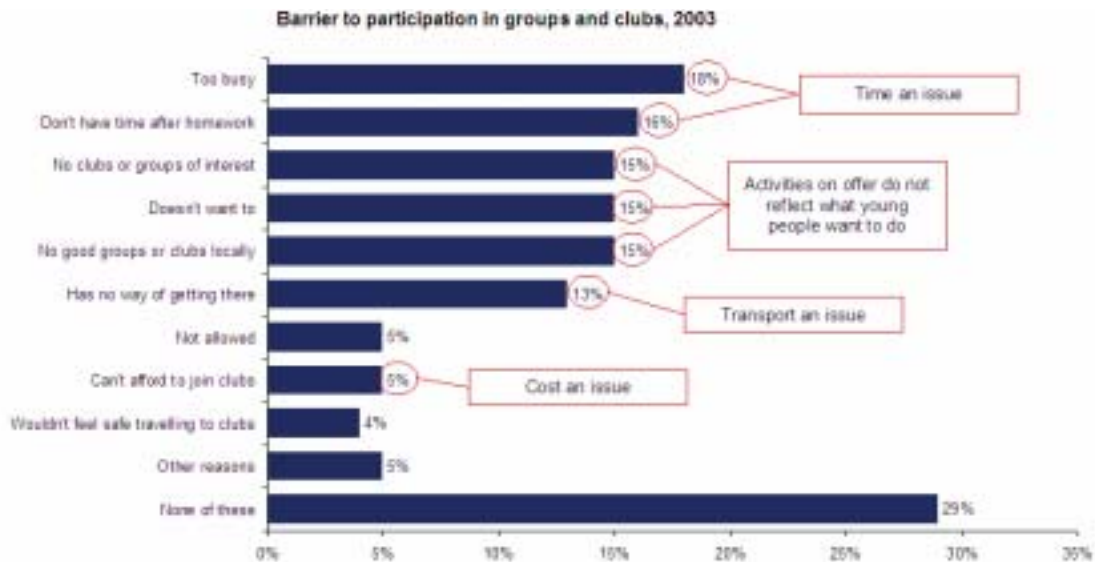
“I would like more trips for my brother who is in a wheelchair.”

Young Person (Asked what additional activities he/she would like to access)

Barriers to Participation in Positive Activities

118 National level surveys suggest that a number of different barriers to young people’s participation in positive activities exist. The chart below shows that the key barriers appear to be:

- A lack of free time;
- Limited desire to engage in the activities provided (suggesting a potential mismatch between supply and demand);
- Transport constraints; and
- Cost.



Source: Home Office Citizenship Survey, Children and Young People, 2003, Base: 1,666 people aged 11-15yrs

119 All four of these barriers were also identified during our case study interviews and focus groups with young people, where issues of lack of time, supply not matching demand, transport and cost were repeatedly highlighted.

- Lack of time was raised as particular issue during our focus groups with young people:

“I work in the supermarket on the checkouts and I have to do that as often as I can, usually two days during the week and the weekend. On the weekend I work from 12 – 7pm and during the week it’s 5-9pm, so I just don’t have time to join anything.”

Young Person

“I need to be around the house as I’m the oldest of three and we don’t live with our parents.”

Young Person

“There’s probably loads of clubs you could go to but we really don’t have the time because we have to make the grades for university.”

Young Person

- A mis-match appears to exist between supply and demand, particularly for 16-19 year olds;

“When we ask young people what they want they tell us they want more activities and more variety of provision. The market needs to become more responsive to the needs of end users.”

LA1

“There’s less demand at the 16-19 end of the age spectrum. Why? Because it’s not cool to go to a youth club any more - the age of people in youth clubs has declined over time.”

LA3

“We need more things that are suited to our age group. We don’t want to be doing the same things as younger groups.”

Young Person (Aged 16-19)

- Transport issues exist, particularly for those living in rural areas;

“All young people say affordable transport is their primary concern.”

LA2

“I was part of a darts team and went every week but it was too far to travel so I stopped going.”

Young Person

- Cost is also a major barrier, particularly for those from less affluent groups;

“There’s lots of commercial provision, but it’s not available to all. If you have money then there are no gaps in provision.”

LA4

“The government are saying that kids are getting fat but the gym is too expensive.”

Young Person

“You can’t keep asking your parents for money every night, even if it’s only a couple of pounds, it mounts up. It’s not nice when you know you can’t go to something regularly because your parents can’t afford it and your friends are going and asking you why not.”

Young Person

- 120 In addition to these three issues, our case study interviews and focus groups also identified knowledge and awareness of what is available as a major barrier to participation for many young people;

“The big problem is finding out what is available. We have lots of good positive activities on offer, such as the activities provided by “LA4 Leisure Limited” and all our cultural and heritage sites are free. We need to pull it all together by identifying the youth offer and communicating it to young people.”

LA4

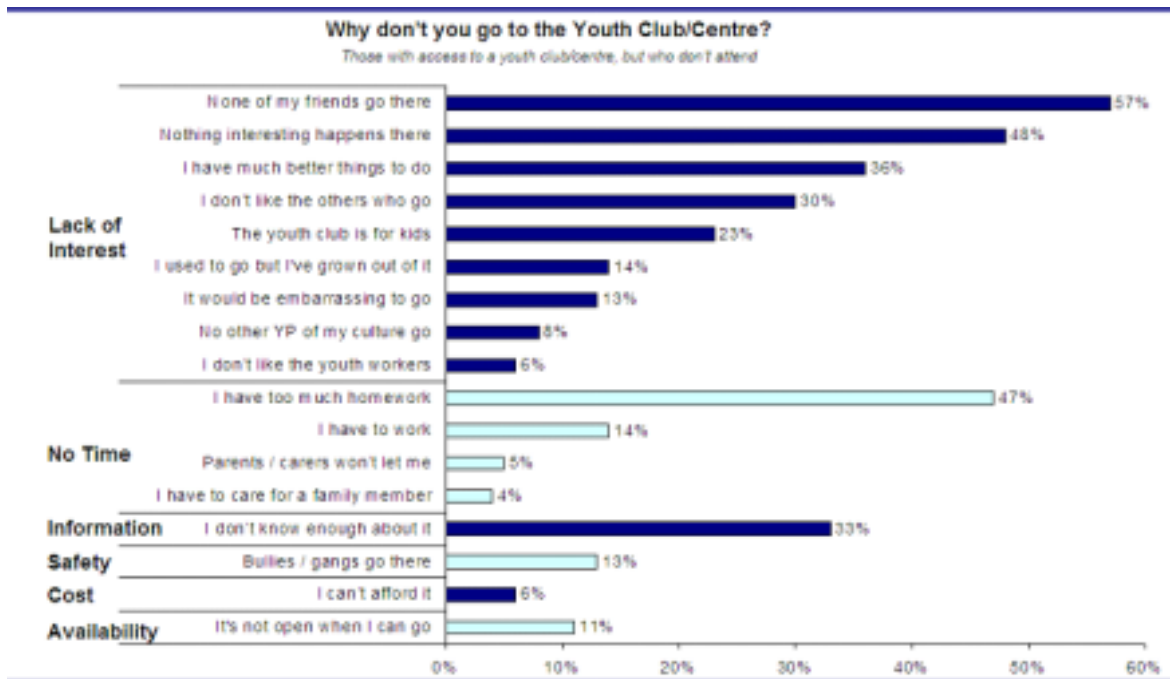
“I don’t have enough information about what’s about, where would you go?”

Young Person

“I would like to join an art club but I don’t know where to go to look for it.”

Young Person

121 Turning our attention specifically towards the Youth Service, we note that the overall barriers to participation are broadly similar to those for positive activities more generally, as shown from the results of a study undertaken by Somerset Council Youth Service in 2000:



Source: Somerset Council Youth Service, 'Your Leisure, Your Needs, Your Views' 2000

122 These results were also backed up from the findings from our primary research exercise:

"Some of the people that attend can make you feel intimidated and this stops me from going."

Young Person (comment regarding local Youth Club)

"Sometimes the people who go can put you off. It's good when your friends go."

Young Person (comment regarding local Youth Club)

"We need more things that are suited to our age group. We don't want to be doing the same things as younger groups."

Young Person (comment regarding local Youth Club)

"At my group, if you're not interested in music, you don't have anything else to do."

Young Person (comment regarding local Youth Club)

“The club could be advertised better in the area to attract more people.”

Young Person (comment regarding local Youth Club)

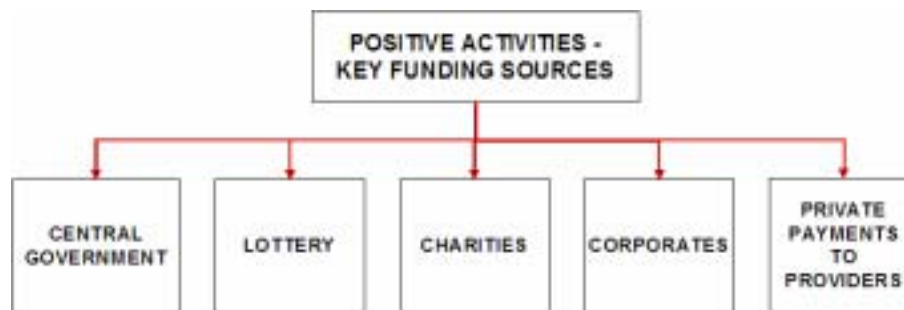
“We would want longer opening hours from 6.30-8pm, or even later ‘til 9.30pm.”

Young Person (comment regarding local Youth Club)

Funding of Positive Activities for Young People

Introduction

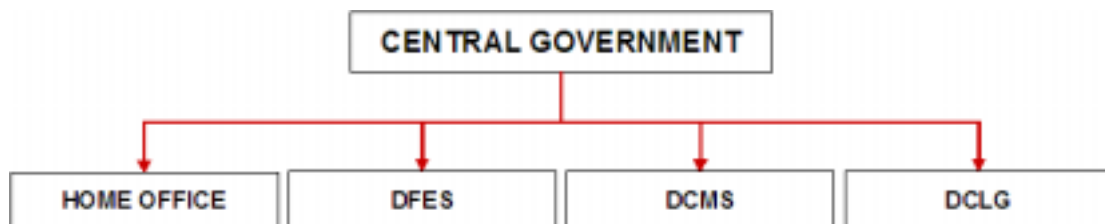
123 At the highest level, five key sources of funding for positive activities exist, as shown in the diagram below:



124 We will consider each of these sources in turn within the following sections.

Central Government Funding

125 Across Central Government, there are four main providers of funding for positive activities as follows:



126 Funding is made available from each of these four government departments via a combination of core funding and programme funding.

127 The table below provides an example from LA2, showing how expenditure across different parts of the authority is funded via a combination of core and programme funding⁵. It shows that programme funding:

- Can be significant when compared to local authorities’ core budgets (£1.98 million)

⁵ Note that this data may be incomplete, since we have been dependent on information provided to us during our case study interviews to compile it.

programme funding versus £1.22 million core budget identified in the case of LA2); and

- Is typically drawn from a multitude of different sources (DCLG, DfES and the Home Office for LA2).

LA2 Sources of Central Government Funding for Positive Activities

	Children, Young People & Schools		Cultural Services			
Service areas:	Youth Service	Extended Schools	Sport	Leisure	Arts	Music & Performing Arts
Funds from LA's core budget p.a.:	£700k	-	£348k	£0k	£25k	£150k
Central government grants via LA:	£1.0m •£200k New Deal for Communities (DCRM) •£200k PAYS and Positive Futures (HO) •£100k Neighbourhood Renewal fund (DCLG) •£0.5m 'County 2' Connections (DfES)	£397k Extended Schools Standards Fund (DfES)	None identified	None identified	None identified	Includes: •£330 Music Standards Fund (DfES) •£250k (across SE) Youth Music (DfES)

Central Government Funding – Core Funding

- 128 Local authorities receive funding for positive activities provision from Central Government as part of their annual core budget. It is important to note, however, that each local authority is free to decide what proportion of its core budget it ultimately spends on positive activities provision.
- 129 Local authorities typically supplement their core budget with locally raised revenues (see page 52 for further details).
- 130 Total Youth Service spend across 150 local authorities in England was £425m in 2003/04 (up by 10.7% from £276m in 2002/03), of which £305.7m came from their Education Formula Spending (EFS), as notionally allocated by Central Government. The remaining £119.3m (or 28% of total) was additional spend, drawn from a variety of other sources⁶ (see below for further details).

Central Government Funding – Programme Funding

- 131 In addition to core funding received from Central Government, a significant proportion of funding for positive activities comes in the form of Central Government programme funding. This funding is often made in response to specific applications for money to fund specific local initiatives. Applications can be made:
- By local organisations independently of a local authority;
 - By local organisations in association with a local authority; or
 - By local authorities directly themselves.

⁶ Source: National Youth Association's FY04 Local Authority Youth Services Audit

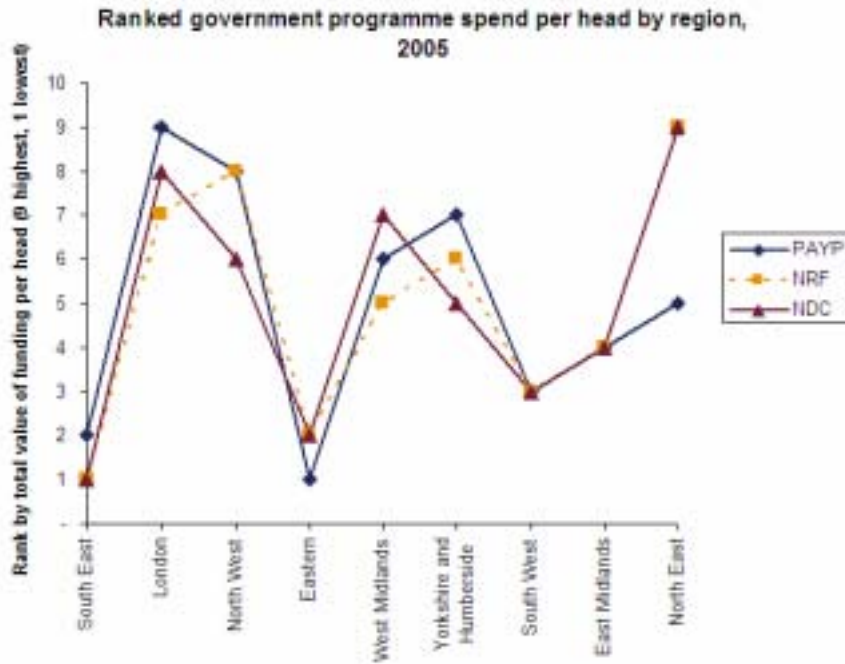
132 Significant sources of Central Government programme funding include:

FUND	FUNDING GOV'T DEPARTMENT	TOTAL FUND VALUE (£m)	DURATION
European Regional Development Fund	Managed by DfT, Local Government and the Regions	£3.7bn in total (approx equivalent to £617m p.a.)	2000 - 2006
Extended Schools Fund	DfES	c.£790m over 3 years	Expires 2008
Music Service Standards Fund	DfES	£59m p.a.	
Positive Futures	Home Office	£15m p.a. from HO (plus £3m p.a. from the Football Foundation)	2003 - 2006
Positive Activities for Young People Fund	Home Office/DfES	£45m in 2004/05	Launched in 2003
Neighbourhood Renewal Fund	DCLG	£200m p.a. in 2001/02, ramped up to £525m p.a. in 2005/06	Expires 2008
New Deal for Communities Fund	DCLG	£2bn committed to 39 partnerships	Unknown
Single Regeneration Budget	DCLG	Over £5.7bn committed to 1027 approved bids, each with lifetimes of up to 7 years (approx equivalent to £814m p.a.)	Unknown
Transforming Youth Work Performance Improvement Fund (previously the Transforming Youth Work Development Fund)	DfES	£52m in total, including £11.2m in 2005/06	2002-2006

133 With the exception of the Extended Schools Fund and the Music Service Standards Fund, these funds are spent on targeted provision of activities, mainly in deprived neighbourhoods, or for specific high risk groups of young people.

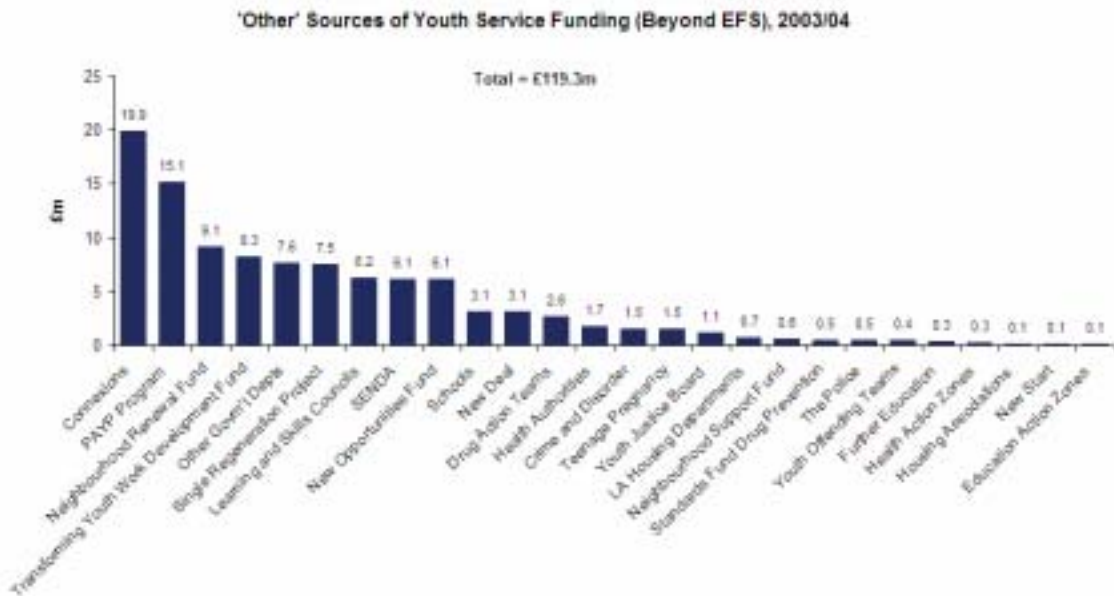
134 Programme funds are allocated on the basis of a number of different factors and tend to target different regions of the country in similar proportions, as shown in the table and the chart below, which provide an analysis of the basis of targeting and regional allocation of three particular funds:

Fund	Method of regional funding allocation
Positive Activities for Young People (PAYP)	<ul style="list-style-type: none"> • Crime figures, especially robberies and street crime • Truancy figures, for primary and secondary education
Neighbourhood Renewal Fund (NRF) and New Deal for Communities Fund (NDC)	<ul style="list-style-type: none"> • Funding focused on the 88 most deprived authorities as identified by the Indices of Deprivation (Income deprivation, Employment deprivation, Health deprivation and disability, Education, skills and training deprivation, Barriers to housing and services, Living environment deprivation and Crime)



Source: Neighbourhood Renewal Unit, The Drug Strategy Unit, www.culture.gov.uk

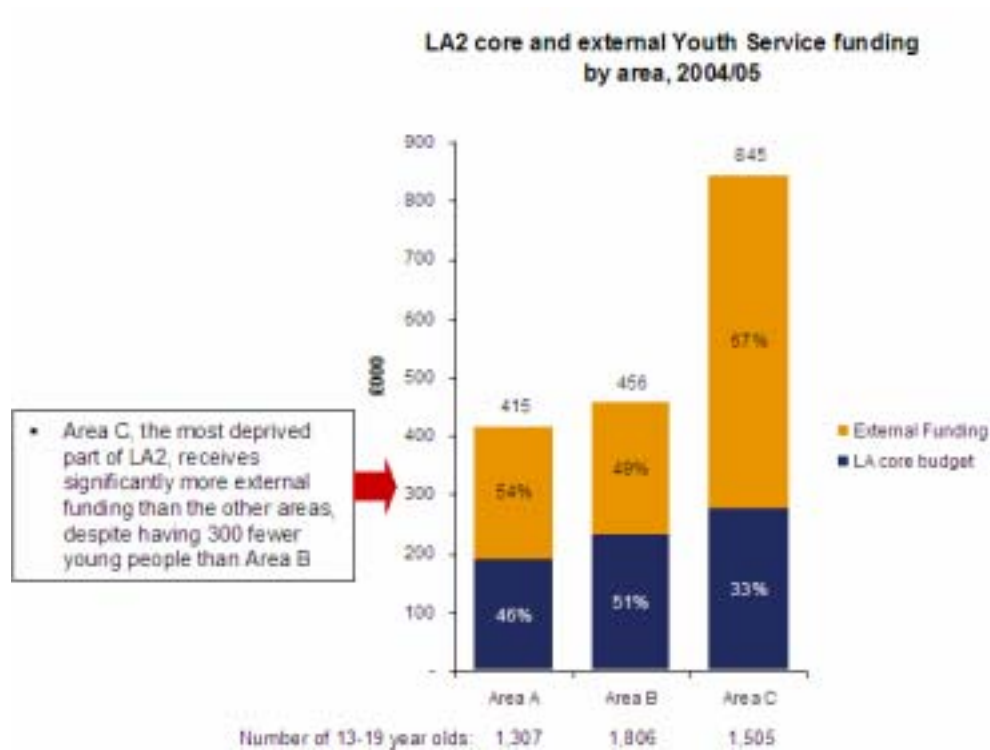
135 In 2003/04, £119.3m of Youth Service spend (or 28% of total) was drawn from a large variety of government sources (mainly government programme funding) as shown in the chart below:



Source: National Youth Association's FY04 Local Authority Youth Services Audit

136 The significance of 'other' sources of funding (beyond EFS) has increased considerably for the Youth Service in the past decade. In 1996/97, additional funding accounted for just £22m of Youth Service spend (or 9% of total).

137 The chart below compares LA2’s core and external funding of its Youth Service across three different geographical areas. It is interesting to note that Area C is significantly more deprived than Areas A and B and therefore benefits from many more targeted Central Government grants.



Source: LA2 Every Child Matters Youth Service Progress Report

138 A number of our case study interviews have highlighted the potential issues associated with this type of targeted spending, most particularly that those areas falling between the most affluent and the most deprived often have the poorest overall levels of provision:

“There is not enough youth club accommodation in [Area A] compared to [Area B]. Historically, [Area B] was more deprived and therefore more successful at attracting specific funding to build accommodation.”

LA1

“It’s the middle, mass market layer that you lose as they are neither needy enough to get help or rich enough to have what they want.”

LA4

“The irony is that by trying to be inclusive they’ve changed the funding regime from being inclusive to exclusive.”

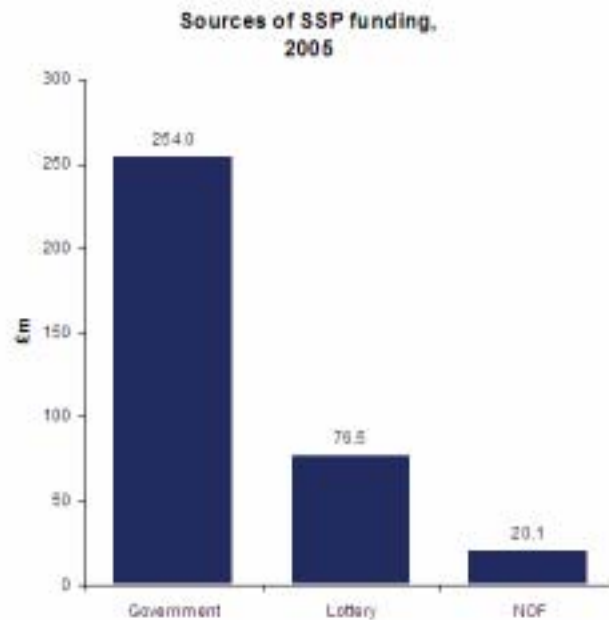
LA5

“The government only provides funding for those who have the greatest need and it is difficult to gain funding for others who still have great needs.”

Voluntary Provider - LA5

Central Government Funding – School Sports Partnerships Funding

- 139 School Sports Partnerships receive Central Government funding directly via the Youth Sports Trust, rather than being paid via local authorities. While the primary source of funding is Central Government grants, money is also provided via three year lottery funding (for out of school activities) and the New Opportunities Fund:



Source: DfES PESSCL Policy Team

Lottery Funding

- 140 The Lottery distributes funding through fourteen different bodies, five of which are important in the context of positive activities:



Source: Lottery Annual Report

- 141 It is important to note that lottery funding for positive activities is also distributed through the Millennium Commission, but this is currently in the process of being wound down.
- 142 Further details of each of these bodies and the awards that they make are provided in the table below:

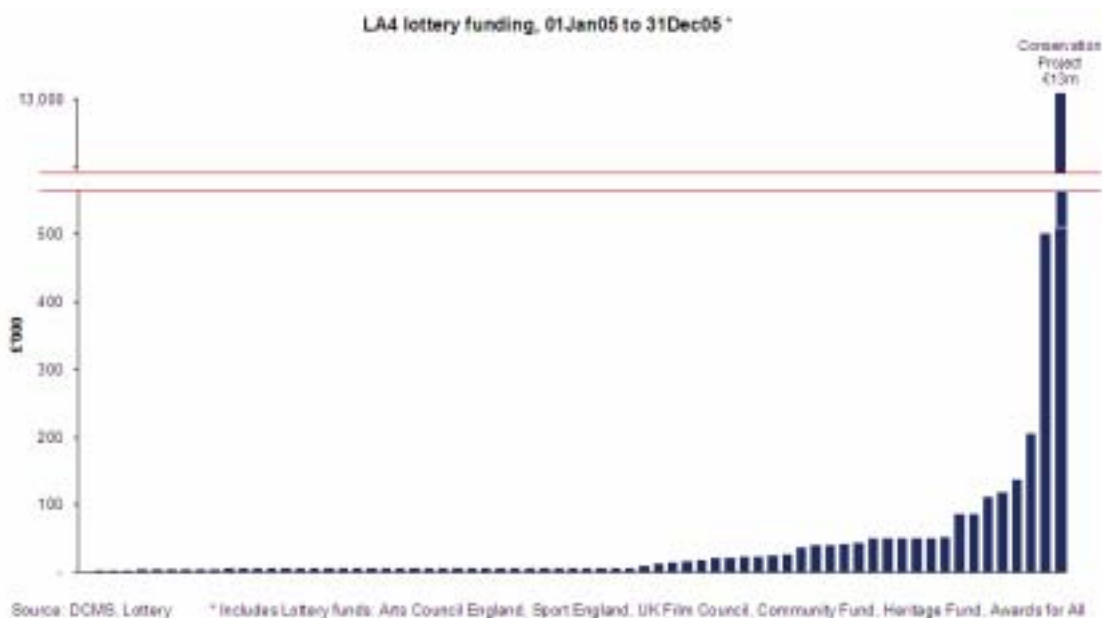
Award Type	Total Value*	Number of Awards*	Value Range**	Examples of recipients**
Big Lottery Fund	£673m	7,457	£300 - £170k	<ul style="list-style-type: none"> Brent North Sports Pilot Project – provide additional sports opportunities for young people (£153k) Essex Marching Corps – Social and leisure opportunities for young people from deprived areas (£26k)
Arts Council England	£234m	3,476	£200 - £4m (second largest grant is £0.9m)	<ul style="list-style-type: none"> Cheek By Jowl Theatre Company – grant for a national tour (£0.9m) Platform One – Youth Arts Development (£50k) Bournemouth Chamber Music Society – Young Musicians' Masterclass (£200)
Sport England	£140m	2,154	£5k – £11m	<ul style="list-style-type: none"> Active Sport initiatives in County Councils, e.g. Birmingham, Coventry Community programmes to SSPs and VCS clubs
Awards for All	£36m	8,904	£100 - £5k	<ul style="list-style-type: none"> Micro grants, e.g. for carnivals, local youth groups and Tai Chi club Awards for All grants, e.g. Dover Youth Theatre, Dawlish Cricket Club
UK Film Council	£29m	850	£100 - £6.5m	<ul style="list-style-type: none"> Low budget feature films, e.g. Warp Films Limited (£39k) European Funding workshop attendance (£200)
Millennium Commission (being wound down)	£34m	49	£86k - £952k	<ul style="list-style-type: none"> Typically large projects for museums National Maritime Museum – Create a new audio visual simulation (£86k)

- 143 Of the £17bn raised by National Lottery players since 1994, over £9.5bn has been distributed or committed to projects either specifically for young people, or with a significant element of benefit to them. These projects include (although not exclusively) projects targeted at the provision of positive activities for 13-19 year olds. Within England specifically, the amount

spent over the same period on children and young people was £8.0bn (or approximately £667m p.a. assuming the same expenditure levels each year to 2005).

144 All case study local authorities have benefited from some lottery funding of positive activities in recent years. It is important to note that lottery funding tends to be made available to fund capital, rather than revenue, expenditure. This means that the lottery does not generally act as a source of ongoing funding for provision of positive activities.

145 In 2005, lottery funding varied between £0.7m (in LA1) to £15.1m (in LA4 – although one project dominated– a historical restoration project which received £13.0m) and from 59 to 185 grants for the local authority as a whole. Projects are typically small with a long tail to the distribution (the overwhelming majority receive funding of less than £50k). This is shown in the chart below which provides information on lottery grants made within LA4 in calendar year 2005:



146 In the time available it has not been possible to identify specific lottery grants used to fund positive activities for young people.

- However, we know that at a national level, over half of all lottery funding goes to projects either specifically for young people, or with a significant element of benefit to them.
- It is therefore reasonable to assume that the funding distribution shown above will also broadly apply to lottery grants made in the area of positive activities.

Charitable Funding

Sources of Charitable Funding

147 Although not specifically focused on voluntary sector organisations providing positive activities for young people, 'The UK Voluntary Sector Almanac, 2006', published by the National Council of Voluntary Organisations, does provide information about the income of the UK voluntary sector more generally.

148 The voluntary sector's total income is growing, and increased by just over £1bn between 2002/03 and 2003/04. This growth was predominantly driven by the increase in the number of charities, rather than an increase in average organisational income:

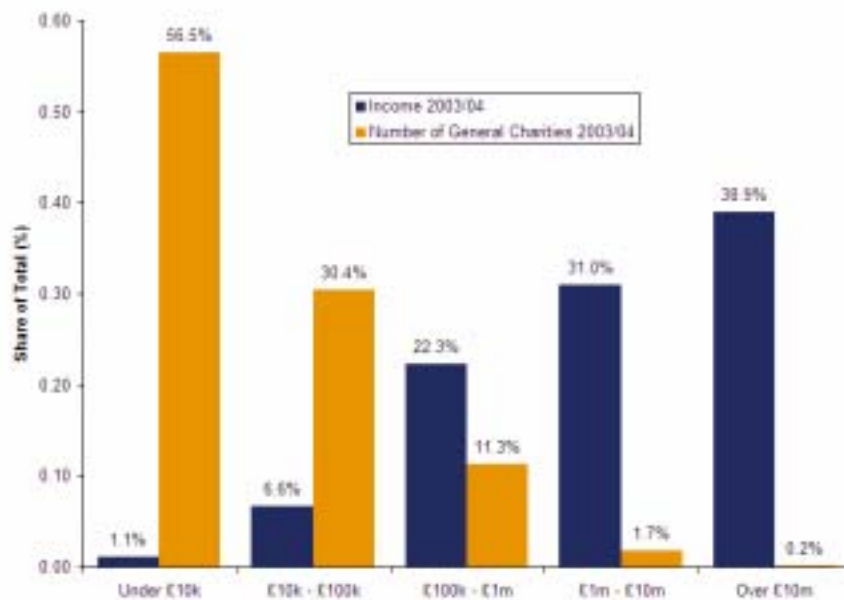
Total Income of General Charities in the UK, by Size of Organisation, 2002/03 and 2003/04 (£m)

	Under £10k	£10k - £100k	£100k - £1m	£1m - £10m	Over £10m	All
2002/03	290.8	1,845.2	5,541.1	7,666.4	9,939.2	25,272.7
2003/04	298.2	1,736.6	5,882.8	8171.7	10,233.2	26,322.6

Source: 'The UK Voluntary Sector Almanac, 2006', National Council of Voluntary Organisations

149 Overall, the voluntary sector's income is heavily concentrated among a relatively small number of organisations, with over two thirds of income generated by approximately 20% of organisations:

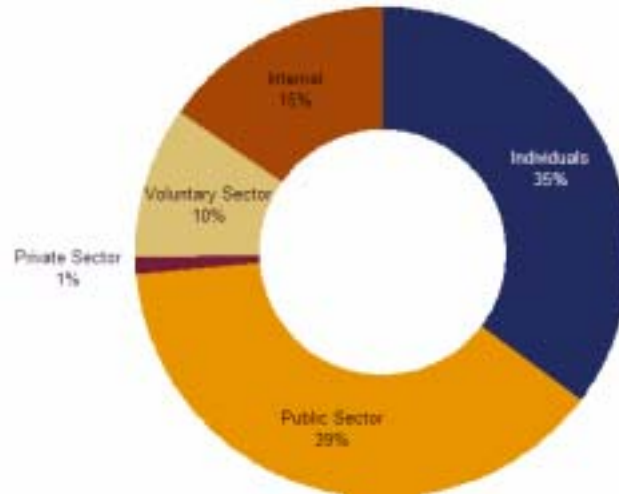
UK Charities - Distribution of Total Income and Numbers of Organisations Across Different Income Bands, 2003/04



Source: 'The UK Voluntary Sector Almanac, 2006', National Council of Voluntary Organisations

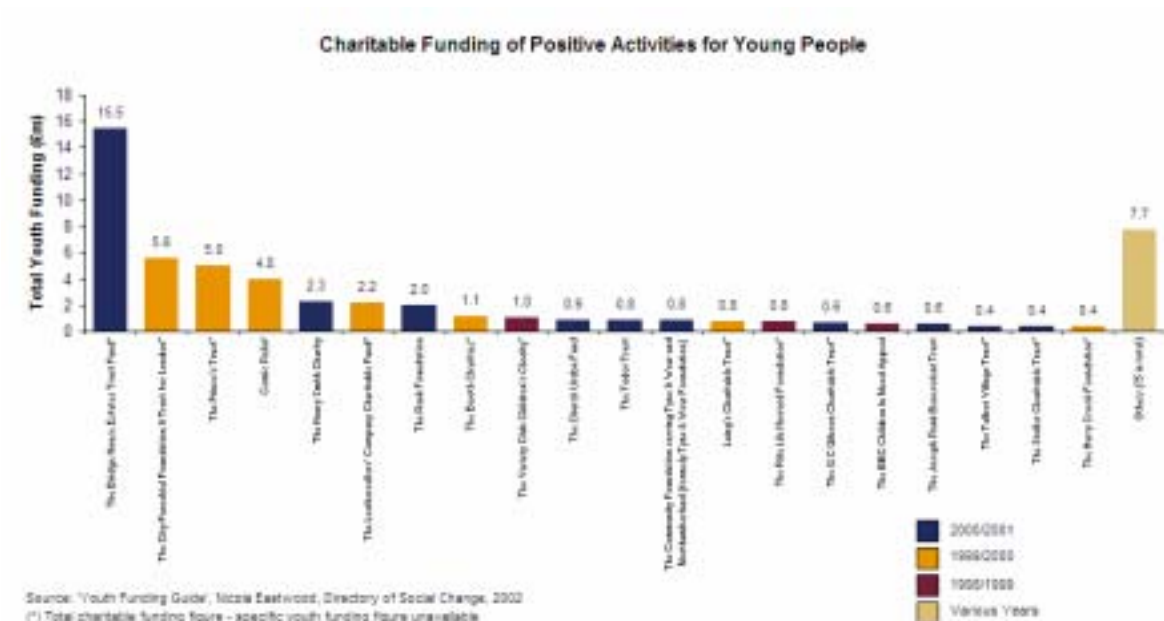
150 As a proportion of the voluntary sector's total income, the state accounted for 38% in 2003/04, with individuals accounting for 35% and internal sources accounting for 15%:

Sources of Income for the UK Voluntary Sector, 2003/04



Source: 'The UK Voluntary Sector Almanac 2006', National Council for Voluntary Organisations

- 151 Turning our attention specifically to charitable sources of funding of positive activities, in addition to the large number of local charities who fund provision within their own communities, there are also a number of significant sources of charitable funding at a national level.
- 152 Information provided in the Directory of Social Change's 'Youth Funding Guide' identifies approximately £53.5m made available from various charitable sources to fund youth work each year (including, although not exclusively restricted to positive activities provision). The top ten providers of charitable funding accounted for £39.6m, or 74% of this total figure, as shown in the chart below:



Corporate Funding

- 153 In line with the emerging trend towards increased corporate social responsibility, many companies now fund various positive activities for young people. At a local level, businesses often sponsor community events and provision, (for example purchasing the strip of their local grass-roots football team). National corporates more commonly sponsor larger events or programmes of activities, (for example Nestle, Sky, Coca-Cola and Sainsbury's all sponsor high profile initiatives in conjunction with the Youth Sport Trust to the total value of £828k p.a.).
- 154 Overall levels of corporate funding of positive activities are difficult to quantify. Companies can provide support in a number of ways beyond making pure financial donations. These include providing products and services for free, making staff time available or seconding staff to providers, providing free or low cost advertising and providing free or low cost access to certain facilities and equipment. However, in its research for the Guide to UK Company Giving, the Directory of Social Change assessed the total community contributions of the 550 companies featured to be **£520m** in 2000/01, of which an estimated £308m was in the form of cash support.

Private Payments to Providers

Payments to Local Authority Providers

- 155 Local authorities can supplement their core Central Government budgets for positive activities provision using locally raised revenues, for example via Council Tax payments or charges levied on the public for use of local services or facilities. Examples include:
- Charges made for using local leisure centres;
 - LA4 raises £6m per annum by charging for the use of its leisure facilities.
 - This compares to the £1m of its core budget that it spends on leisure provision.
 - Charges are made both to schools and voluntary providers for use of their facilities, as well as to members of the public on entry.
 - If we assume that all 150 local authorities in England have similar charging mechanisms in place, this implies that approximately £900m per annum is raised from the public via local authority leisure provision each year.
 - Charges made by the Music Service for individual music tuition.
 - Of the 2,800 young people learning to play instruments in LA2, 23% are on subsidised places and pay just £4 per term.
 - In comparison, other young people pay £59 per term for ten 30 minute group lessons or £120 per term for ten 30 minute one-on-one lessons.
 - In total LA2's Music Service raises approximately 45% (or c.£65k) of its core budget via individual tuition and attendance fees.
 - Again, if we assume that all 150 local authorities in England have similar charging mechanisms in place, this implies that approximately £10m per annum is raised from the public via local authority Music Service provision each year.

Payments to Voluntary Sector Providers

- 156 Output from our interviews with 30 voluntary sector providers commissioned by the Youth Service to provide certain positive activities in LA3, LA4 and LA5, suggests that voluntary organisations rely on private payments from young people to generate only a nominal amount of their overall income. Payments, where made, are generally designed to be tokenistic, rather than acting as a key source of funds.

Proportion of Income Generated by Private Payments	No. Organisations
None	22
Less than 2%	2
A 'small' or 'very small' amount	2
Up to 30%	1
The majority	2
Not declared	1
TOTAL	30

“The aim of this charge is tokenistic, to represent a contract and commitment with young people, rather than to raise money.”

Voluntary Sector Provider, LA4

- 157 It is interesting to note that the exception to the above is the Scouts, which generates a significant proportion of its income directly from young people.
- The two organisations above who stated that they generated ‘the majority’ of their income from private payments were both local Scout troops.
 - This is consistent with the findings from our interview with the Scouts at a national level (see page 56 for further details).

- 158 The output from our primary research exercise also confirmed that the majority of young people accessing positive activities were either paying nothing, or relatively small amounts, to do so.

Payments to Private Providers

- 159 We have drawn on a number of different sources of information to arrive at an estimate of the total spend by private individuals on positive activities for young people in the 13 to 19 year age bracket.
- 160 As indicated in the section above, voluntary sector providers typically charge only nominal amounts to young people attending their activities. It is therefore reasonable to assume that our estimate of private spend provides a reasonable indication of the relative size and importance of the private sector in positive activities provision.
- 161 The first piece of analysis below (based on data from the 2005 Halifax Pocket Money Survey, the 2005 Family Spending Survey and the 2005 Keynote report on Leisure and Recreation), implies that the scale of private payments to private sector providers of positive activities is in the region of £420 million to £775 million per annum.

- The key limitation of the lowest estimate, based on data from the Halifax Pocket Money Survey, is that it is based on a survey of 12 – 16 year olds and is therefore likely to underestimate total spend in the 17-19 year age range, when many young people are likely to be earning their own money, or receiving greater amounts of pocket money per week.
- The actual figure is therefore likely to be closer to the £676 million or £775 million estimates.

162 The second piece of analysis below was produced by the Prime Minister’s Strategy Unit, based on TGI data:

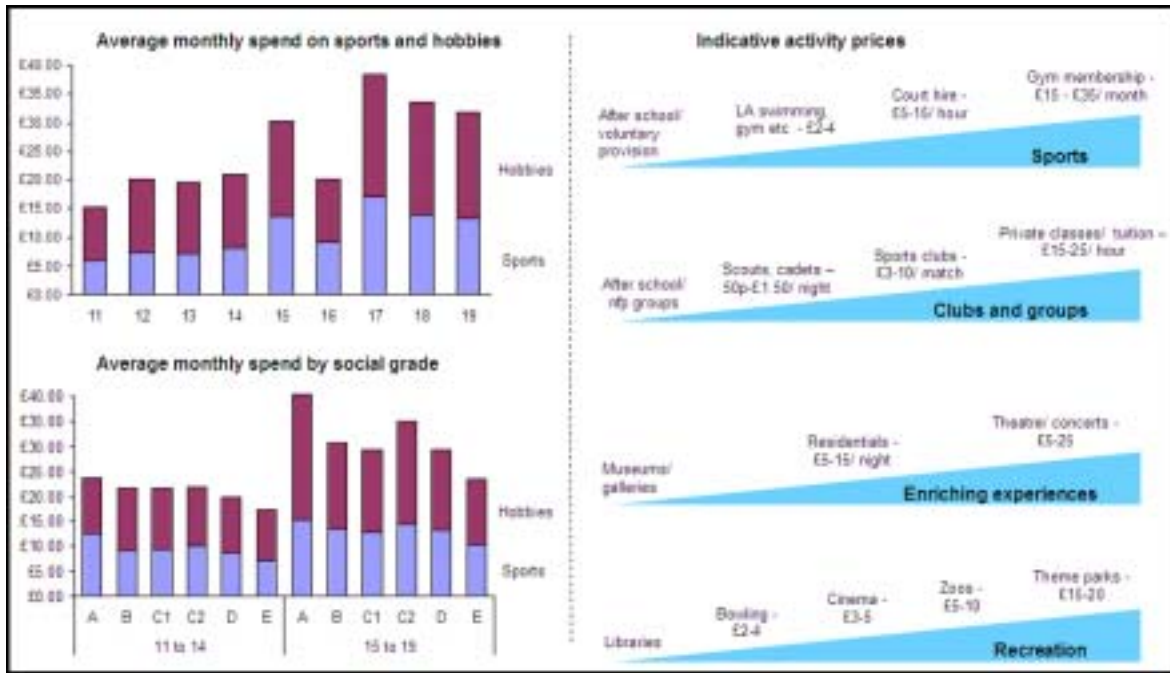
- It implies that young people aged 13 – 19 spend an average of between c.£20 and c.£38 per month on positive activities. Our analysis suggests that this implies a total annual market size of c. £1,400 million (almost double the highest estimate above).
- It also indicates that young people’s spend on positive activities tends to increase with age and with social grade.
- Finally, it indicates that sport accounts for a relatively high proportion of overall private spend. This is consistent with the analysis presented earlier of young people’s relative participation rates in sports versus other types of positive activities.

Estimates of Private Spend on Positive Activities for Young People Using Three Different Approaches

Method 1 – Pocket Money Survey £420m p.a.	Method 2 – Household Spend Survey £775m p.a.	Method 3 – Leisure Market size estimate £676m
<ul style="list-style-type: none"> • A survey¹ of 1,236 young people (aged 7 to 16 years) found that average pocket money for the 12 to 16 year old age group in the UK is £9.82 p.w., giving a total spend of c.£28.0m p.w. in England² • 73% of all respondents spent some money on "going out" each week <p style="text-align: center;">Young peoples' "going out" spend, 2005</p> <ul style="list-style-type: none"> • A lower estimate of "going out" total spend among 12 to 16 year olds is £8m³ p.w. • Limitations of this method include that young people may supplement their income (e.g. paper rounds) and data excludes the older age group (17-19 yrs) who are likely to have higher disposable income as a result of working 	<ul style="list-style-type: none"> • The Family Spending Survey⁴ of 6,798 households registers an average spend per household of £434.40 per week in the UK. Of this, three sub-categories are relevant for positive activities: <ul style="list-style-type: none"> – £5.00 p.w. Sport and Leisure – £2.10 p.w. Cinema, theatre and museums, etc. – £1.00 p.w. Miscellaneous entertainment (e.g. clubs, dances, subscriptions to leisure activities) • Using this data the leisure spend of English 13-19 year olds⁵ can be estimated as £14.9m p.w., split by: <ul style="list-style-type: none"> – £9.2m p.w. Sport – £3.9m p.w. Cinema, theatre, etc. – £1.8m p.w. Miscellaneous • This assumes that the number of households in the UK is 20.9m⁶ and the proportion of 13-19 year olds is 8.8%⁷ • Limitations include the reliance on survey data and the assumption that spend per head is uniform across different age ranges of the population 	<ul style="list-style-type: none"> • The Keynote "Leisure and Recreation UK Market" report⁸ estimates total consumer spend to be £71bn in 2004. Of this three sub-markets relate to positive activities: <ul style="list-style-type: none"> – £770m Cinema – £3,500m Sport and exercise – £5,375m Miscellaneous commercial entertainment (e.g. bowling, sporting events and theatre) • Using this data the leisure spend of English 13-19 year olds⁹ can be estimated as £676m, split by: <ul style="list-style-type: none"> – £116m Cinema – £221m Sport and exercise – £340m Miscellaneous • This assumes that 30% of cinema goers are aged 15-24 years (as stated in the report¹⁰) and for the other sub-markets that the proportion of 15-19 year olds is 6.3%¹¹ • Limitations include that spend of young people aged under 15 is excluded and the assumption that spend per head is uniform through the population
<p>Leisure spend of young people calculated above will mainly fund the private market, as VCS and public provision is generally free or moderately priced</p>		

Source: (1) Halifax Pocket Money Survey (2005), (2) 2001 Census, (3) Family Spending Survey (2005), (4) Keynote Leisure and Recreation (2005)

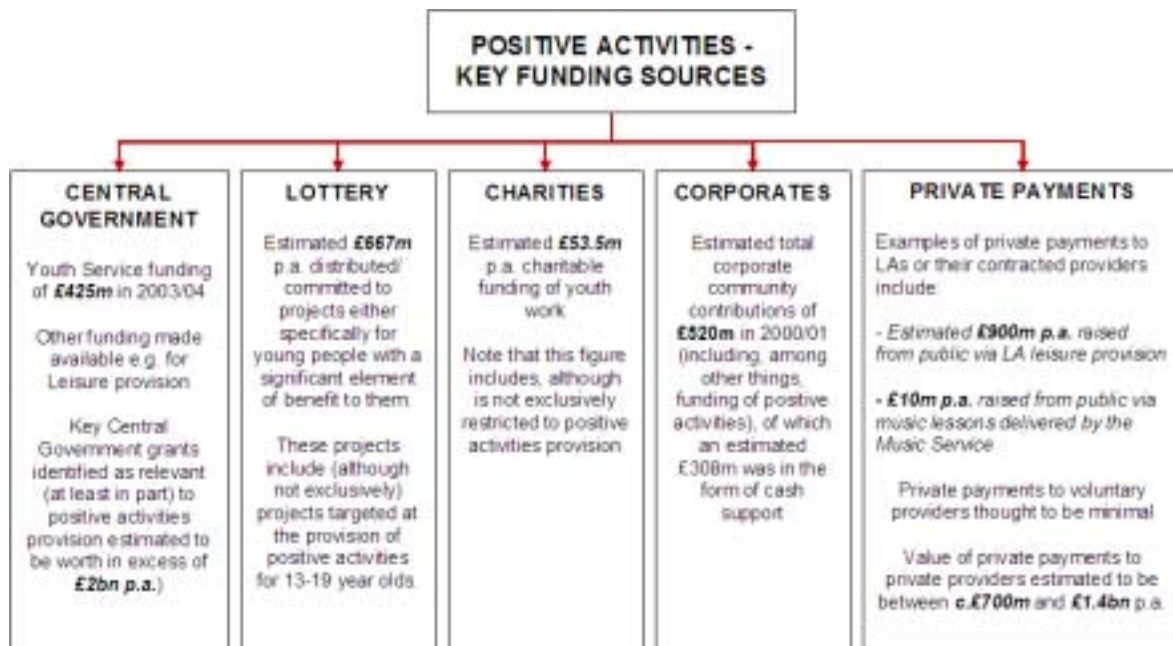
Estimate of Private Spend on Positive Activities for Young People From the Prime Minister's Strategy Unit



Source: TGI, PMSU

Summary of Findings - Funding of Positive Activities Provision

163 The diagram below summarises the information that we have been able to gather regarding available sources of funding for positive activities provision. It shows that Central Government, the lottery, charities, corporates and private individuals all provide significant amounts of funding for the provision of positive activities to young people:



164 The table below summarises the funding information gathered during our telephone interviews with various national providers of positive activities for young people. It also suggests that corporate sponsors are a significant source of funds for many positive activities providers and confirms that (with the exception of the Girl Guides and the Scouts), private payments to voluntary providers are typically minimal.

Provider	Overview of activities	Total funds	Overview of funding sources
Fairbridge	Based in 15 of the most disadvantaged urban areas in the country. Fairbridge supports 13-25 year olds who are not in education, employment or training (NEET) or who have been identified as being at risk of dropping out.	£8.1m	<ul style="list-style-type: none"> Grants – Statutory (£3.6m), Community Fund (£177k) Donations and legacies (£3.2m) Other – e.g. investment income (£92k), activities for generating funds (£966k), rental income (£42k)
Girlguiding UK	Provides opportunities for girls and young women to be challenged by new adventures and experiences and achieve a sense of pride in accomplishment and teaches them to understand and learn about the world, its people and cultures. Includes Rainbows, Brownies, Guides and the Senior Section.	£16.0m (FY04)	<ul style="list-style-type: none"> Grants – Football Foundation (£36k), Construction Industry Training (£23k), DFES (£17k), other (£23k) Members' trading (£10.5m) Membership subscriptions (£4m) Donations and legacies (£442k) Other – e.g. investment income (£525k), events (£435k) Each group also generates further income, mainly through membership subscriptions
Scout Association	The Scout Association provides adventurous activities and personal development opportunities for 400,000 young people aged 6-25.		<ul style="list-style-type: none"> Membership subscriptions – 76% (each Scout group pays a fixed amount per young person to the central body) Other – 30%, e.g. Scout Insurance Services, Scout shops and products and some legacy income
Princes Trust	A UK charity that helps young people overcome barriers and get their lives working. Through practical support including training, mentoring and financial assistance, 14-30 year olds are helped to realise their potential and transform their lives. Efforts are focused on those who've struggled at school, been in care, been in trouble with the law, or are long-term unemployed.		<ul style="list-style-type: none"> Corporate sponsors include Barclays, British Energy, Lloyds, Marks and Spencer, Marriot, Natwest, RBOS, Watrose and Waitabix
UK Youth	Three objectives: Youth Work Development, Networking and Advocacy of Youth Work. Programmes include UK Youth's Peer Qualifications Programme, Events for Young People, UK Youth Connections Project, Young People in Governance, Youth Work Training Qualifications, Youth Work Training and First Gear & On Two Wheels.		<ul style="list-style-type: none"> Corporate sponsors include Accenture, BSM, PFE, HBOS, JP Morgan Private Bank, Maestro Tasker, National Car Rental, ReMit, Rothschild, The Royal Automobile Club and Woodbury Park Golf & Country Club
Youth Sport Trust	Core activities include TOP programme to provide the tools required for delivery of high quality PE, SSP development, PESSCL strategy implementation and the task of finding innovative new ways to engage more young people in sport.	£1.8m	<ul style="list-style-type: none"> Donations and sponsorships, e.g. Nestle, Coca Cola, Sky, Sainsbury's (£826k) Other – Activities in the furtherance of charity objectives (£12k), investment income (£50k)
Young Farmers	The head of a nationwide body of more than 700 Young Farmers' Clubs (YFCs) located throughout England and Wales, dedicated to supporting young people in agriculture and the countryside.	£1.2m (FY04)	<ul style="list-style-type: none"> Grants - Government grants (£173k), other grants (£18k) Membership levy (£125k) Donations and gifts (£14k) Other – e.g. Harvesting Opportunities Permit Scheme (£697k), Membership Convention (£146k), investment income (£44k)

Key Funding Issues for Positive Activities

165 A number of significant funding issues have been raised during our case study and provider interviews as follows:

- Funding is often short-term, with little visibility beyond a three year time horizon. This presents a number of issues, including:
 - Limited ability to strategic plan for provision and frequent changes in strategic direction:

“The larger VCS organisations (like YMCA and the Prince’s Trust) face major problems around access to funding – often funding is very short term. This drives the need to frequently change direction, because inevitably there are certain strings attached to different sources of short term funding.”

LA1

“A key challenge is the different time scales over which funding is made available. External funding is often made available for just a year at a time, which isn’t long to set up the provision, deliver it and evaluate it. You need at least 2 or 3 years – it enables you to plan provision more strategically.”

LA2

“I have to produce three budgets based on us receiving different amounts of money.”

Voluntary Provider, LA4

- Limited opportunities to capacity build the voluntary sector:

“We would like to increase the involvement of the voluntary sector in youth work, but this will only be possible if they receive sustained infrastructure funding in addition to the shorter term initiative specific funding that tends to be made available on a 1 or 2 year basis.”

LA5

- Challenges around the stability of delivery, most often as a result of severe budget constraints and issues with staff retention:

“The Youth Service has severe budget constraints. Over the next couple of months (and years) many big sources of funding will be coming to an end (for example ERDF) and others are severely tapering off (NRF, SRB). There’s always been an expectation that these funding streams will be replaced with something else, but I’m not so sure. We are going to need to find massive savings in Children’s Services.”

LA1

“When the funding runs out the work stops, staff have to leave and you lose the networks and links. You are just left with a bunch of files.”

Voluntary Provider, LA3

- Difficulties with achieving targets and evaluating how effectively funding has been spent in such a short time:

“You can’t achieve much in the first year because staff have to be put in place and get to know what they are doing.”

Voluntary Provider, LA3

“I find the achievement outputs very difficult to attain in the short term as it is a long term process, so I focus on those that are attainable.”

Voluntary Provider, LA4

- Different funding initiatives are frequently not joined up or co-ordinated:

“The [extended schools] clusters don’t properly map onto the School Sports Partnership ... The problem is there are lots of government initiatives but they’re not as joined up as they could be, so you spend a lot of meetings making sense of it all.”

LA2

“At present, many voluntary organisations get funding from lots of different parts of the council and each part doesn’t know what the other parts are giving.”

LA4

- Behaviour is often driven by short-term targets and funding conditions:

“In the Youth Service we’re proposing to move funding away from universal provision and towards targeted provision. This is because we’re not hitting targets about the number of young people in high risk groups. There is a strong argument that this will cause more problems in the long term, but we’ve got to shift provision to the problem areas of the moment.”

LA2

- Imbalances exist between funding directed at rural versus non-rural areas:

“There is more activity in [local urban areas] than in more rural areas – many one off or short term funding streams favour urban areas over rural ones.”

LA5

- Confirmation of funding sometimes takes too long for voluntary organisations to receive, causing a number of difficulties:

“The system is impossibly slow and we previously had to turn funding down because it was offered so late in the quarter we couldn’t have delivered the services.”

Voluntary Provider, LA3

“We received funding in July, for the year beginning April 1st.”

Voluntary Provider, LA4

Supply of Positive Activities for Young People

Scope of Positive Activities

166 As confirmed earlier, the scope of activities that we are considering within the market covers structured and unstructured activities, where structured activities are essentially threefold as follows:

- Sports;
- Cultural activities, including youth clubs and other clubs & societies; and
- Volunteering.

167 The types of activities/provision included within each of these categories is shown in the diagram below:

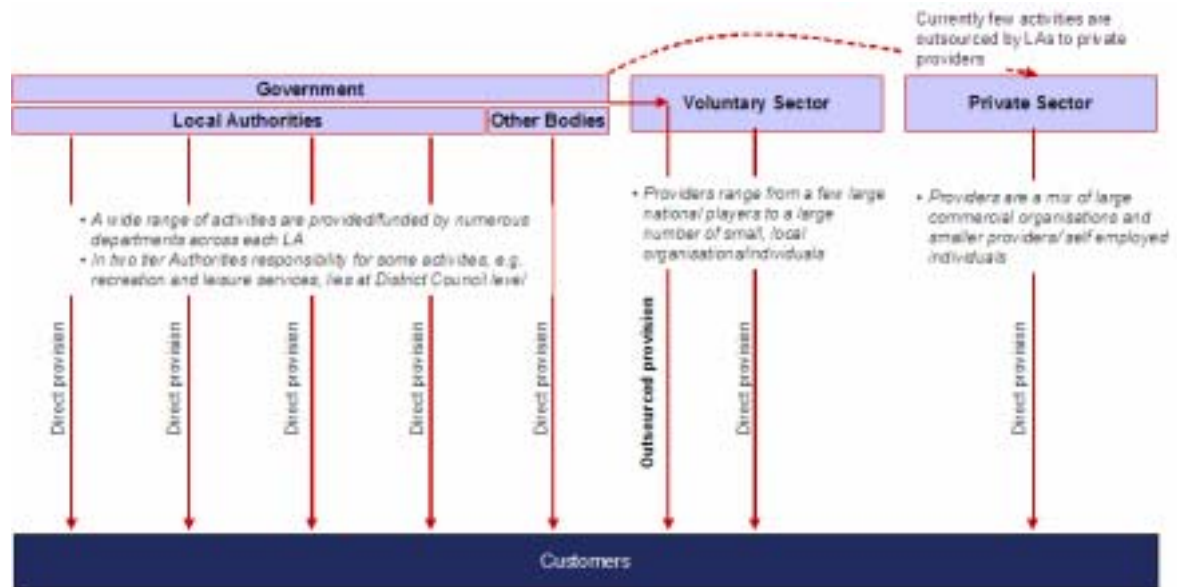
	Sport and Physical Activities (Year round and holiday provision)	Clubs/Societies (Year round and holiday provision)	Volunteering (Typically year round provision only)
Explanation	<ul style="list-style-type: none"> • There are c.130 recognised sports in England and young people may participate in these activities through <ul style="list-style-type: none"> – Youth Service – After school sports – LA recreation & leisure services – Outdoor Pursuits – Voluntary club/training – Private gyms and fitness clubs – Private sports coaching e.g tennis 	<ul style="list-style-type: none"> • Includes a variety of activity types, examples include <ul style="list-style-type: none"> – Youth clubs – Drama – Music – Guides – Scouts – Duke of Edinburgh – Air Training Corps – Young Farmers 	<ul style="list-style-type: none"> • Any activity which involves spending time, unpaid (though living expenses may be paid), doing something which aims to benefit someone other than or in addition to close relatives, or to benefit the environment • Examples of national schemes include <ul style="list-style-type: none"> – Millennium Volunteers – Prince's Trust – Timebank

168 Provision of structured activities is either year round or during specific holiday periods, with sports and clubs/societies generally including a mix of the two, whilst volunteering tends to be more of a year round activity. Provision can either be universal or targeted (for example, via outreach work undertaken by the Youth Service or the Home Office funded Positive Activities for Young People programme).

Providers of Positive Activities

Introduction and Overview

169 A number of different providers of positive activities for young people exist, as shown in the diagram below:



Source: PwC Analysis

170 The exact mix of local authority funded provision between different provider types varies significantly between different authorities and also across different parts of the same authority. However, generally speaking local authorities deliver many of the activities they fund directly themselves and commission the voluntary sector to provide certain activities for them. With the exception of Leisure, only a minimal amount of provision is typically subcontracted to the private sector.

171 In the majority of cases, there appears to be only limited strategic rationale underlying local authorities' decisions around the mix of providers that they use to deliver positive activities.

172 Commonly cited reasons for working (or not working) with voluntary sector providers include:

- Historical legacy;
- Individual preferences, or past positive/negative experiences;
- Concerns around quality assurance; and
- Severe budget constraints, which often drive increased use of the voluntary sector. This is because voluntary providers are generally perceived to offer a more cost effective alternative to in-house provision. They also help an authority to attract additional sources of external

funding (for example, via central government grants).

173 Frequently cited reasons for local authorities' minimal use of private providers include:

- Historical legacy;
- Concerns around quality assurance and child protection issues; and
- A perception that private providers will not offer good value for money, as a result of their profit-related motives for supply.

174 A significant amount of provision also exists independently of local authorities. The voluntary sector is extremely active within many segments of the market and private providers focus on certain, more profitable areas of provision. *This will be explored in more detail later in this section.*

Provision of Positive Activities via Local Authorities and Other Public Sector Bodies

175 From the work that we have undertaken within our six case study areas, we observe that there are a number of common service areas which tend to get involved (to a greater or lesser extent) in the delivery of positive activities within each local authority. While the exact names of these service areas may differ between authorities, they can in general be characterised as follows:

- Youth Service;
- Sports Development;
- Leisure Services⁷;
- Arts Development;
- The Music Service/Music and Performing Arts; and
- Extended Schools.

176 In addition, School Sports Partnerships exist within each local area and also get involved in positive activities provision.

⁷Note that Leisure is the responsibility of District Councils in two-tier authorities.

177 The types of activities provided by each of these service areas/organisations can be broadly characterised as shown in the diagram below:



178 A number of specific Central Government funded, targeted programmes delivering a broad range of positive activities also exist. Of particular note in this respect are:

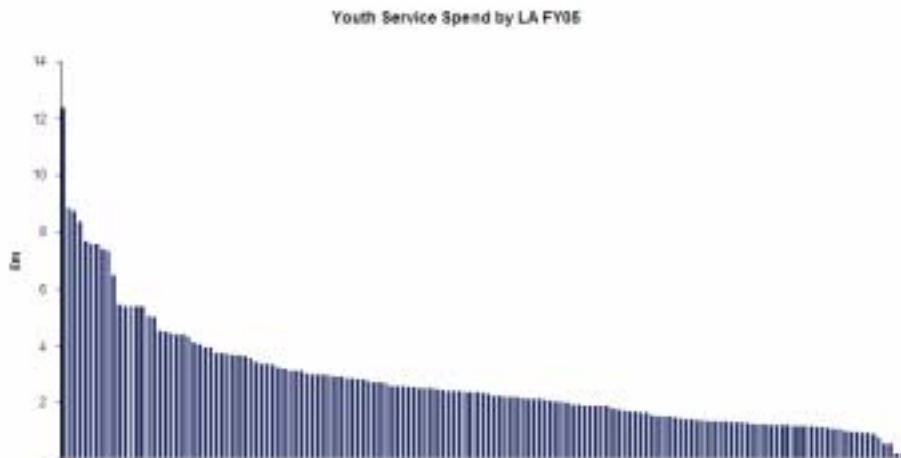
- The Positive Activities for Young People (PAYP) programme – most commonly managed by Connexions or local Youth Services;
- Positive Futures – most commonly managed by local Youth Offending Teams; and
- Youth Inclusion Programmes (YIPs) – again, most commonly managed by local Youth Offending Teams.

179 The following sections will take each of these areas of provision in turn and explore them in more detail.

Youth Service Provision

180 Total Youth Service spend across 150 local authorities in England was £425m in 2003/04 (*see funding section for further details*).

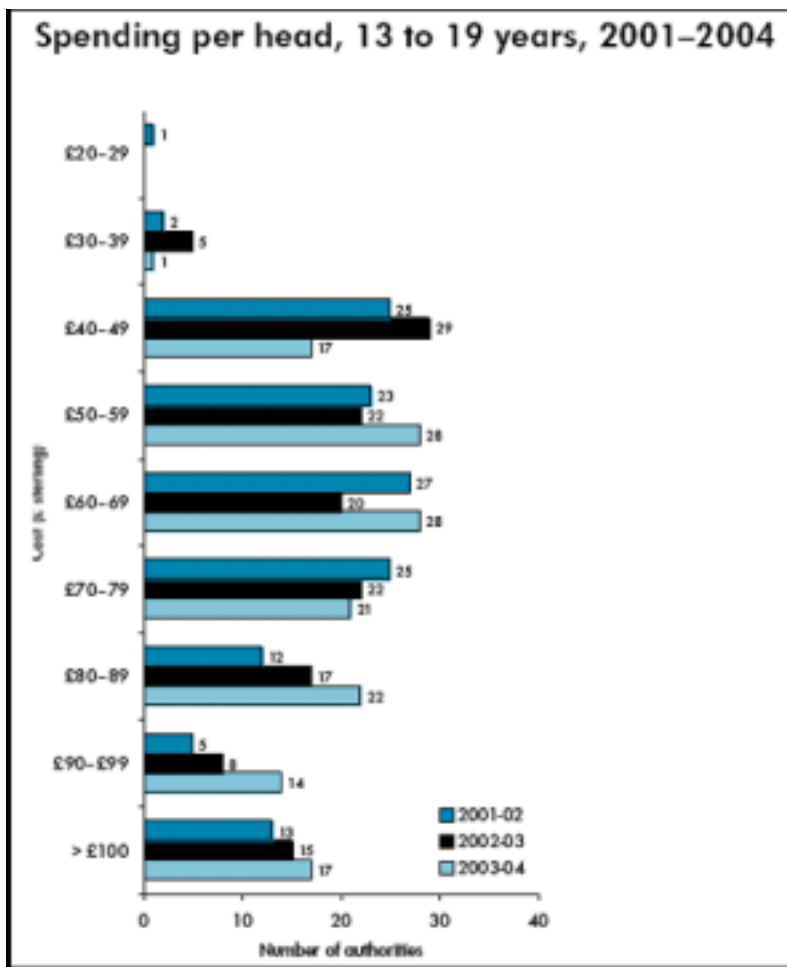
181 The chart below shows that Youth Service expenditure in absolute terms is extremely variable across different local authorities, ranging from £5,473 to £12.4 million in FY05:



Source: Local Authority FY05 s52 Returns

182 However, it is important to note that absolute expenditure on Youth Services does not provide a reliable basis for comparison between local authorities as a result of significant differences in the relative sizes of their populations. A fairer measure is their level of spend per head in the 13-19 year age bracket.

183 The NYA recommends that Youth Service expenditure should be £100 per 13-19 year old (Source: 'Resourcing Excellent Youth Services', DfES, 2002), although the average local authority spent just £71 per head in FY04 and only 17 out of 148 authorities spent in excess of the recommended £100 during the same year:



Source: National Youth Association's FY04 Local Authority Youth Services Audit

184 Youth Service provision can be broadly split between universal (Tier 1) and targeted (Tiers 2 and 3) provision.

185 Youth Clubs or Centres are often the key channel for the Youth Service's universal provision, although these are often located in more deprived areas and are arguably therefore still 'targeted' in terms of the young people that they reach.

186 Activities delivered via youth centres can vary enormously, but often include:

- Significant amounts of 'drop-in' based, non-structured activities;
- Music projects;

- Art projects;
- Youth forums;
- Adventure learning;
- Duke of Edinburgh Awards.

187 Our findings in case study areas suggest that while local authorities tend to own, fund and manage a significant number of Youth Centres directly themselves, many examples also exist of centres owned and managed by the voluntary sector, albeit often with Youth Service support and input (both in terms of funding and staff provision).

188 The Youth Service also focuses a significant proportion of its spend on more targeted work with difficult or disadvantaged groups of young people, for example:

- Those living in deprived areas;
- NEET young people;
- Young people excluded from school; and
- Young offenders.

189 Targeted provision is often funded by Central Government grants, which are typically focused on the most disadvantaged groups in society (*again, see funding section for further details*).

190 Within our six local authority case study areas, around two-thirds of Youth Service spend typically seems to be directed at this more targeted type of work:

“The Youth Service (nationally) tends to be rather precious – focusing on a relatively small proportion of young people. In the 60s/70s, they moved away from high volume, high activity model towards doing much more focused work.”

LA1

“We are doing more and more targeted work ... this now accounts for well over 50 or 60% of our total spend.”

LA5

191 However, a number of authorities appear to be looking to shift the balance of provision back towards delivering a broader range of positive activities to a broader range of young people:

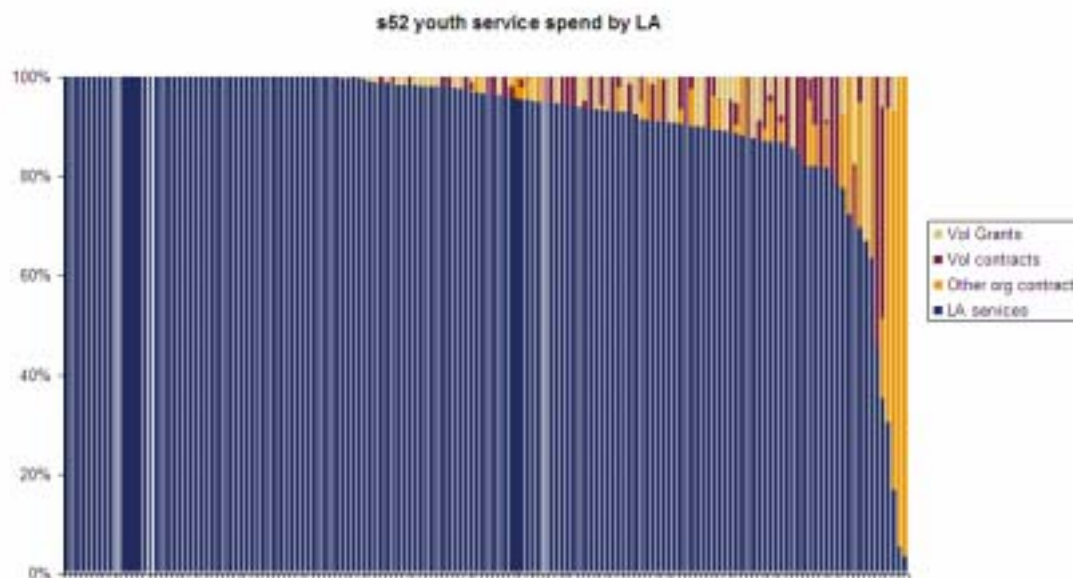
“I personally want to see [LA1] move its youth service from focusing on 10% of young people to focusing on more like 60%.”

LA1

“In the last 3 years, we have made an effort to swing the pendulum back towards more of a balanced mixture of targeted and universal provision.”

LA6

- 192 With only a few exceptions nationally, the majority of Youth Service funds (91% in FY05) are typically spent on direct, in-house provision. This preference for in-house provision can be clearly seen in the chart below:



Source: Local Authority FY05 s52 Returns

- 193 In 2003/04, the Youth Service employed a total of 8,410 full time equivalent (FTE) delivery staff. This figure has increased dramatically since 1996/97 when just 4,000 FTE delivery staff were employed.
- 194 The reasons underlying this general preference for in-house Youth Service provision largely echo those cited above on page 60 for local authorities as a whole. However, a number of additional concerns have been raised which apply more specifically to youth work:

“In terms of enthusiastic staff the voluntary sector wins over, but often the work they do is not recognised as being high quality as it is not structured or developmental and the staff are less likely to be qualified. Voluntary sector delivery is not in line with NYA outcomes. There are issues with the way they deal with young people, for example they are often more flexible about the way young people behave perhaps allowing smoking in the building. All local authority buildings are non smoking and the youth worker would attempt to help the young people overcome their drug problem rather than ignore the issue.”

LA4

“The voluntary sector in particular, is poor at serving hard to reach groups – these groups of young people are reluctant to participate anyway and many voluntary providers do not have the skills to cope with difficult behaviour and so are often reluctant to have these kinds of young people involved.”

LA4

- 195 Of our local authority case study areas, one interesting exception to this general trend is LA3, where all Youth Service provision is essentially outsourced to the voluntary sector.

“[LA3] does not employ any of its own youth workers, but instead commissions other [voluntary] organisations to deliver all of its youth work.”

LA3

- 196 LA3 have highlighted a number of specific benefits associated with this outsourced approach to youth service provision as follows:

“We can commission work in a way that is much more effective than in traditional youth services. That means we can be much more responsive to local needs ... The relationship we have with providers gives us flexibility. If you employ people directly, you have a different kind of relationship with them. It’s much harder to realign them against changing service needs ... we have the money and they have the talent and expertise needed to deliver.”

LA3

- 197 Very few examples of Youth Service provision outsourced to the private sector have arisen within our case study areas. Although a small number of exceptions have been found:

“There are a number of different private providers delivering anti-bullying programmes and outdoor activities.”

LA1

- 198 A number of authorities have acknowledged that there is a potential need for them to commission the private sector to deliver increasing amounts of Youth Service work in future:

“We haven’t identified a lot of private sector providers in the market, but some possibilities do exist. We are looking for people with the capacity and skills to deliver effectively – realistically, these providers aren’t just going to spring out of the ground – we need to invest in them and grow them a bit first.”

LA1

199 However, the attractiveness of Youth Service provision to the private sector currently appears to be limited:

Youth Service - Profit Potential of Delivering a Given Activity Within the Youth Service Curriculum = LOW



“You will never get private providers attracted to the Youth Service ... In the Youth Service not only is there no money, but it’s a problem area and there’s a high probability of bad publicity. In addition, it’s not an area of expertise in the private sector. For them to invest in such expertise there has to be a good rate of return, which there’s not. If the private sector did enter this market they’d want the money upfront, which would never happen. The private sector will cherry pick the local authority services and only pick the ones where they can make money, for example leisure centres.”

Sporta

200 A number of measures could be taken to increase the attractiveness of youth service provision to private providers as follows:

- **Moving to longer term contracts** – migrating from the current model of typically commissioning providers on an annual basis to putting in place contracts with lengths of two to three years;
- **Increasing the scale of contracts** – migrating from the current model of typically commissioning providers to provide discrete activities to outsourcing much larger packages of activities or even youth service provision as a whole;
- **Consolidating government funding streams/initiatives** – Reducing the complexity around Central Government funding of positive activities provision by consolidating various funding streams, joining up decision making processes as to how funds are allocated and/or making

different funds more distinct in terms of their objectives;

- **Reducing regulatory and performance management burdens** – Ensuring these are effective yet proportionate, providing the ability to adequately manage risk/performance, but in a way that is not overly burdensome for providers;
- **Improving training of youth workers** – Broadening the availability of youth service training and skills development, for example to better equip providers of Youth Services to deal with the most challenging young people who sit within Tier 3.

201 Each of these measures would reduce one or more of the five forces, thereby increasing overall Youth Service market attractiveness as shown in the table below:

	Impact on:				
	Competitive Intensity?	Threat of New Entrants?	Threat of Substitutes?	Buyer Power?	Supplier Power?
<i>Move to longer term contracts</i>	No	Yes - will reduce	No	Yes – will reduce	Yes – will reduce
<i>Increase the scale of contracts</i>	Yes – will reduce	Yes – will reduce	No	Yes – will reduce	No
<i>Consolidation of government funding streams/ initiatives</i>	Yes – will reduce	Yes – will reduce	Yes – will reduce	No	No
<i>Ensuring regulatory and performance management burdens are effective yet proportionate</i>	No	Yes – will increase	No	No	No
<i>Improve training of youth workers</i>	No	Yes – will increase slightly	No	No	Yes – will reduce
Overall Impact	H → M	H → M	M/H → L/M	H → M	M → L

Sports Provision

202 National level data summarising local authority sports provision does not currently exist, so our findings in this section are restricted to those drawn from our six local authority case study exercises.

- It is interesting to note that the future roll-out of the Sports Search initiative (as identified in LA4) will mean that national data about local sports provision will slowly become available over the medium to long term.

203 Core local authority budgets for sport vary significantly – for example, the amount spent is £100k p.a. (£6.99 per 13-19 year old) in LA1 and £346k p.a. (£18.12 per 13-19 year old) in LA2.

204 Within unitary authorities and district councils, core funding typically provides for a Sports Development team. This team does not tend to get involved in direct sports delivery, but instead plays more of a coordination role, supporting clubs and activities and promoting sports as part of a healthy lifestyle.

- The majority of provision of sporting activities is delivered by schools and the voluntary

sector, typically via local sports clubs (*see later for further details*).

205 In addition, Sports Development teams often take responsibility for a local authority's universal summer holiday activity programme. These programmes tend to use a mixture of local authority staff and voluntary and commercial providers for delivery of different activities. Examples of such programmes include:

- LA2's universal summer programme targeting 4 to 15 year olds across 15 different sports; and
- The Summer Slam Programme in LA4.

206 Sports Development teams also often co-ordinate considerable amounts of sports provision which is funded by specific Central Government grants made to local authorities. These grants can be significant (for example, £2m in LA4 in 2005). They are sometimes directed towards capital projects, such as building more football pitches, or can be made in support of schools e.g. for swimming subsidies.

- An example in LA2 is the 3 year funding of the Active for Life programme (from Sport England, the local PCT and the County Council). This programme is targeted towards deprived areas of the local authority and provides an Easter and summer holiday sports programme for 13 to 25 year olds.

Leisure Provision

207 Leisure provision is the responsibility of unitary authorities and district councils (within two-tier authorities). Our local authority case studies have therefore only enabled us to gain a clear picture of what is happening with respect to leisure provision within the unitary authorities (three out of the six) that we have spoken to.

208 Our case studies suggest that local authority owned leisure facilities typically include:

- Leisure centres (some wet, some dry);
- Tennis courts;
- Football pitches; and
- Other sports facilities (for example hockey pitches and athletics facilities).

209 While some local authorities continue to own and operate their own leisure facilities, many have chosen to outsource their operation to private providers or Trusts. Market sources suggest that the split between in-house and outsourced provision is roughly even, but that the share of Trusts may increase in future:

“Roughly 50% of leisure in the UK is operated by private providers and Trusts, the remainder is run in-house by local authorities.”

Sporta

“Historically we’ve seen a rise in the number of Trusts and there are estimates that Trusts will make up 50% of all leisure provision within a few years. However, there have also been suggestions that this trend will stop or reverse, because ... the disadvantages of the Trust model will become more vocal.”

CLOA

210 The potential benefits to a local authority of outsourcing leisure provision include:

- The ability to attract extra investment in local authority leisure facilities;
- Increased profit potential, driven by increased volumes of customers, cost savings and (potentially) moderate price increases; and
- A consistent focus on leisure provision and performance improvement, despite potentially changing local authority priorities.

211 The key downside is a potential loss of control, although this can be mitigated against to a certain extent via close partnership working between local authorities and outsourced providers.

“Ultimately, the model of any outsourcing is profit generation and this doesn’t sit well with local authority objectives. A Trust, although less so than a private provider, builds walls because of these differing objectives and distances the local authority from provision.”

CLOA

212 The different local authorities that we have spoken to have adopted very different models in terms of who runs and operates their various leisure facilities:

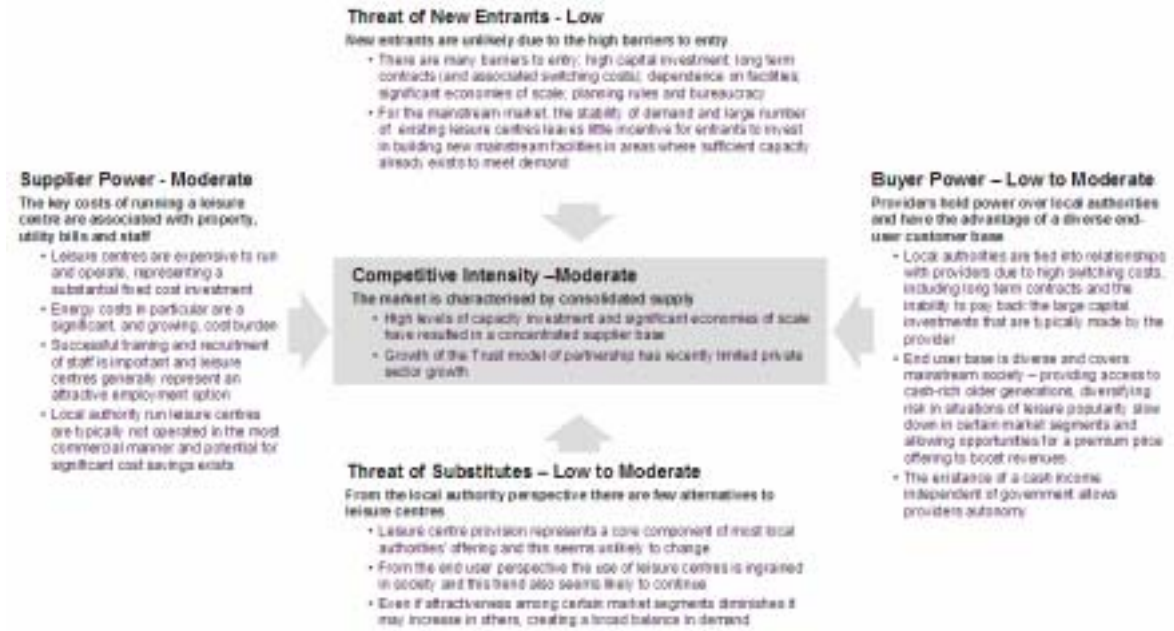
- In LA4 all leisure facilities are run by “LA4” Leisure Limited, a separate not for profit trust. “LA4” Leisure Limited’s income is derived from a combination of a local authority grant (£1m) and public entrance fees (£6m). The local authority provides guidance in terms of the types of activities to be provided within different venues, the target profile of participants and any pricing concessions that need to be in place.
- In LA2 all leisure facilities (except one) are outsourced to a profit making private sector organisation. The local authority pays this private provider a fixed annual contract price and income is also derived from public entrance fees. The local authority makes decisions on pricing and programming and shapes the activities that will be on offer within each facility.

“Our contact gives us a lot of freedom and flexibility in terms of the way that we continue to manage our leisure facilities. It’s been really positive – they’ve invested in our buildings. It means that we can draw in a level of capital investment that we couldn’t do otherwise. They also enable us to draw upon best practice elsewhere in the country that we would otherwise not have access to.”

LA2

- 213 Local authority owned leisure facilities are typically also let (often at reduced rates) to voluntary providers to run specific sports clubs or events.
- 214 Running and operating leisure facilities on behalf of a local authority is an attractive proposition to private sector providers for a number of reasons, most particularly because the associated profit potential is relatively high:

Leisure Services - Profit Potential of Operating Leisure Facilities for a Local Authority = Moderate to High



“Leisure centres are a trading service. Leisure is big business. The public spend a lot of time and money here. It’s cash based. The private sector will go where there’s money.”

Spota

- 215 Although this profit potential appears to be declining over time:

“When compulsory competitive tenders were introduced, local authorities didn’t know what to do with the private sector ... now they have got wiser and more business like. As a result, they are pushing the private providers more, resulting in lower margins.”

Spota

“One of the biggest challenges at the moment ... is the increase in energy costs ... one private provider has experienced cost increases of 100% in 2 years.”

Spota

- 216 In response to this declining profit potential, private leisure providers are consolidating to drive increased economies of scale. Four or five large players remain, including DC Leisure, Leisure Connections, Holmes Place and ParkWood Leisure.

“Commercial leisure providers are getting bigger. We’re seeing consolidation. However, they’re not increasing their share of the market significantly overall, mainly as Trusts have drawn business away from them.”

CLOA

Arts Provision

- 217 It appears that the proportion of local authorities’ core budget allocated specifically to the arts is minimal and declining.

“Last year, 74% of Arts Officers reported a cut (or no change, which is essentially a cut) in arts funding.”

CLOA

- 218 Arts funding, while still available, now tends to be dispersed around different parts of a Local Authority. It is therefore increasingly fragmented and difficult for Arts Officers to obtain.

“Five years ago there was a separate arts budget to enable provision of cultural activities, but now there’s a shift to being more social outcome focused. As a result, arts provision draws on a lot of different funds within a local authority – for example health, the Drug and Alcohol Team, the Youth Service ... it’s very fragmented.”

CLOA

“The money is there, but it’s lost in other parts of the local authority, making the Arts Officer’s job more complicated and making it more time consuming to generate funds – you have to work harder and harder to get the money.”

CLOA

- 219 External grants can also be a significant source of funding, for example through the Government’s Urban Cultural Programme, the Big Lottery, the Arts Council, Sport England (for dance) and various charitable trusts and foundations (including Esmee Fairburn, Calouste Gulbenkian and The Paul Hamlyn Fund).

“If an Arts Officer is any good, external funding dwarfs core budget by an average of three or four times.”

CLOA

“Generally the size of the funding is in the order of internal local authority, then central government, then the lottery and then charitable trusts. This obviously varies. The government funding in particular is very patchy. Some years you get lots and other years nothing. The lottery is the same to some degree. You have to spot the opportunities! Trusts generally only give out small amounts – say £500 to £1,000 – nothing like the scale of the lottery or public funding.”

National Association of Local Government Arts Officers

- 220 The ability of certain authorities to attract these external grants does, however, vary significantly, with larger urban areas generally performing better than others.

“The bulk of cultural provision occurs in the metropolitans, rather than the shires. They develop better ideas and are more innovative in approach, mainly as they have more young people and larger pots of money.”

CLOA

- 221 Case study experience suggests that where limited core funding exists, the role of Arts Development tends to be more advisory and strategic, with only minimal amounts of capability to deliver Arts programmes directly. This means that provision in this area is heavily reliant on forming strong links with local voluntary providers, who can deliver programmes at zero or minimal cost to the local authority.

“There’s a mix of approaches. It’s difficult to generalise, but overall small district councils, cities and large districts have lots of direct provision, whereas counties and mid sized local authorities tend to be more strategic.”

CLOA

- 222 Arts provision is most commonly delivered via a combination of charities, Trusts and small private sector providers, for example independent artists who work with young people in schools.

“It’s very common that these charitable organisations will complete commercial work alongside their community work in order to cross subsidise. For example an organisation may come into schools and also do workshops with companies who pay for their services.”

National Association of Local Government Arts Officers

“Arts tend to be dependent on charities and Trusts as key providers more than the voluntary sector ... The concept of Trusts, which originated in the sports area, is now expanding beyond sport into the wider cultural arena, although admittedly at a slow rate.”

CLOA

- 223 Few Arts initiatives currently appear to be targeted specifically at the 13-19 year old age range, with provision directed at either primary school children or generically to the population as a whole. However, market commentary suggests that this may be changing:

“I believe that funding has become more targeted on young people, partly because this enables activities to have social outcomes and partly because if you focus on young people, the rest will follow. To some degree funding has also become more focused on troublesome young people.”

CLOA

Music and Performing Arts Provision

- 224 Within unitary authorities, Music and Performing Arts activities are primarily delivered by the Music Service, with an emphasis on provision as opposed to grant distribution.

“We are a service provider, not a grant giver.”

LA4

- 225 The Music Service receive significant funding through the Music Standards Fund (DfES) and tuition fees, plus occasionally some additional funding from local authorities’ core budgets, resulting in a total budget which can exceed £1m within any given local authority.
- 226 In 2002 approximately 450,000 children (across all age ranges) benefited from local authority Music Service provision, delivered by approximately 10,700 musicians.
- 227 Schools are an important provider of music activities for young people, with evidence from our case study areas suggesting that, in general, most secondary schools run a range of bands and choirs, and also offer instrumental teaching. However, whilst secondary schools receive funding specifically for the provision of music activities, this is not the case within primary schools where such funding devolution is not considered to be economical or practical. As a result of these factors, local authority Music Service provision tends to be more focussed on primary school children.
- 228 Local authority music provision targeted at 13-19 year olds typically includes a range of music groups (from traditional orchestras and percussion groups to music technology sessions for rappers), holiday courses and one-on-one tuition. Provision typically occurs within local authority run Arts and Dance Centres.
- 229 In addition to the universal provision described above, many local authorities also offer targeted provision in recognition of the fact that the degree to which in-school provision is subsidised varies significantly by school.
- Within LA2, a not for profit company called Rhythmics has been established between the Music Action Zone and four local authorities, funded by £250k from the Youth Music Fund of the DCMS. Rhythmics provides out of hours music opportunities for socially deprived children, and operates via youth clubs.

Extended Schools Provision

- 230 Funding for extended schools is almost exclusively drawn from the DfES's Standards Fund, which comes via local authorities. This is a three year fund, currently only available to 2008.
- 231 Different local authorities can choose to roll-out extended schools provision in different ways, however, targets exist which dictate how quickly the roll-out must happen. In each of our case study areas, a cluster approach is being taken, with schools grouped geographically to include a mixture of primary and secondary schools.
- 232 All local authorities that we have spoken to claim to be "on track" with their roll-out, although they each state different targets:
- LA1 has stated that it will meet the 15% minimum offer by September 2006;
 - LA2 has stated that it will meet the 2008 target of half of all primary schools and a third of secondary schools delivering the full extended schools offer;
 - LA4 has stated that it will meet its target of 17 full extended schools by September 2006.
- 233 Every local authority has expressed concerns about the limited and short term nature of Standards Funding to support their extended schools roll-out. With this in mind they have taken the view that:
- They need to use available funding to build networking teams with central and cluster coordinators, who enable schools to make full use of existing provision both by other schools within their cluster and by other voluntary or private providers within their local area. Adding new provision is rarely an option because insufficient funds exist to pay for it;

"There is no extra funding to deliver any of this and the funding that is available can only be used to build up capacity, rather than deliver services. This is because the funding is time limited and hence will not be available on a sustainable basis to fund service delivery ..."

LA5

- When Standards Fund money runs out more funds will be needed, so they are appointing fund raising managers.
- 234 The obligation to provide after school activities as part of the core extended schools offer does not appear to be causing schools significant amounts of concern relative to other parts of the offer (for example Parental & Family Support services) where more problems are anticipated.
- 235 Our provider interviews suggest that the voluntary sector's reaction to the extended schools agenda has generally been positive:

"We are already delivering some services under the agenda. This is helping us to become more sustainable and fits into the overall aims and objectives of our organisation."

Voluntary Sector Provider, LA5

236 However, some concerns have been raised during our case study interviews regarding the challenges associated with helping schools to develop effective working relationships with voluntary providers:

“Schools often speak at length about the difficulties of interacting with the voluntary sector and the voluntary sector say that schools don’t want to know them. Where there already exists an opportunity for the two to work together, they’ve often already been doing it.”

LA5

“Schools have little idea who provides services and therefore only look in their local area, missing medium and large organisations.”

Voluntary Sector Provider, LA5

“Schools have a perception of themselves that they are the only people qualified to provide services to children ... They do not understand the expertise in the voluntary sector and the benefits of working in partnership.”

Voluntary Sector Provider, LA5

“Schools will need to work in partnership with the voluntary sector rather than being territorial and insisting on their rules and their ways of doing things.”

Voluntary Sector Provider, LA5

237 Concerns have also been expressed as to whether the Childcare Bill will deter voluntary providers from offering after school clubs:

“My biggest concern is the wording of the Childcare Bill, which defines childcare as any activities happening outside of normal school hours. It therefore brings any after school club being delivered by a teacher into the realm of childcare. Then it becomes a different ball game in terms of the amount of regulation and inspection it’s subjected to. Many voluntary providers (for example teachers) will simply opt out at that point because it all becomes too big a risk and too big a commitment.”

LA5

238 Feedback suggests that private providers are generally embracing the opportunity presented by extended schools more than the voluntary sector:

“There’s a rush of entrepreneurial small business people who are seeing this as an opportunity to deliver some core services on behalf of schools. We are happy for them to be involved, so long as they can meet the necessary quality standards and understand what is required etc. However, these commercial providers tend to only want to work in the more affluent schools where they know that parents can afford to pay for the activities they are providing.”

LA5

“Generally speaking, the private sector are embracing the opportunity provided by extended schools more than the voluntary sector, where there has been a more mixed reception.”

LA5

239 Decisions regarding who to commission to provide which after schools activities ultimately lie with individual schools, although local authorities are providing them with advice and support around the commissioning process where required.

School Sports Partnership Provision

240 School Sports Partnerships are the main vehicle for implementing the Government’s PESSCL initiative (see page 89).

241 More than 400 School Sport Partnerships now exist. Each is a cluster of primary and secondary schools, centred around a hub-site (usually a sports college) to:

- Share PE expertise and sports facilities;
- Improve sports coaching and professional development;
- Develop after school sports provision; and
- Build links with each other and local sports clubs.

242 80% of schools are currently involved in a School Sports Partnership and this will increase to 100% by September 2006.

243 Funding for School Sports Partnerships goes direct to schools from Central Government, via the Youth Sports Trust. This funding pays for:

- A full-time Partnership Development Manager for each cluster;
- The release of one PE teacher from each secondary school within each cluster to take role of School Sport co-ordinator for 2 days a week;
- The release of one teacher per primary school within the cluster to take role of link teacher for 12 days over a year.

244 Provision of sporting activities is delivered via a combination of PE teachers and (increasingly) those local grass roots sports clubs with whom any given SSP has built links.

Central Government Funded, Targeted Programmes

245 Positive Activities for Young People (PAYP) programme

- PAYP provides a broad range of constructive activities for 8 to 19 year olds at risk of social exclusion.
- The programme aims to reduce crime and to ensure that young people return to education, have opportunities to engage in new and constructive activities, and can mix with others from different backgrounds.
- Activities based on arts, sport and culture take place both during the school holidays and out of school hours throughout the year.
- Launched in mid-2003, PAYP has funding for at least three years, with combined budgets for the first year of approximately £25 million (from The Big Lottery Fund, DfES and the Home Office).

246 Positive Futures

- Positive Futures is a national sports-based social inclusion programme, aimed at marginalised 10 to 19 year olds in the most deprived areas.
- By engaging marginalised young people in sport and other activities, the programme aims to use sport as a catalyst to encourage participants to make decisions for themselves, and to take self-determined steps towards a positive future. Steering young people towards educational and employment opportunities is at the heart of the programme's agenda.
- Positive Futures is managed within the Home Office Drugs Strategy Directorate. The advisory group consists of representatives from the Department of Health, Department of Culture Media and Sport, the Connexions Service (DfES), Sport England, the Youth Justice Board and the Football Foundation.
- Programmes are delivered locally by a range of agencies, including local authorities, charities, sports clubs and crime reduction agencies.
- Over the period 2003–2006, Positive Futures has had access to £15m of funding from the Home Office and £3m from the Football Foundation, as well as individual funding from local supporters.
- Since it began in 2000, over 26,000 children have been involved in 104 Positive Futures projects and around 7,000 children are currently taking part.

247 Youth Inclusion Programmes (YIPs)

- YIPs, established in 2000, are tailor-made programmes for 13 to 16 year olds who are engaged in crime or have been identified as being most at risk of offending, truancy, or social exclusion.
- Programmes operate in 72 of the most deprived/high crime estates in England and Wales.

- YIPs aim to reduce youth crime in neighbourhoods. Young people on the YIP are identified through a number of different agencies who work together. These include the Youth Offending Team (YOT), police, social services, Local Education Authorities or schools, other local agencies and the community.
- The programme gives young people somewhere safe to go where they can learn new skills, take part in activities with others and get help with their education and careers guidance. Positive role models – the workers and volunteer mentors – help to change young people's attitudes to education and crime.
- Each YIP receives an annual grant from the Youth Justice Board and is required to find at least an equal amount in matched funding from local agencies.

Provision of Positive Activities by Voluntary and Private Sector Organisations

Introduction

- 248 The major issue we have faced in mapping the provision of positive activities by voluntary and private sector organisations (beyond that commissioned by local authorities or other public sector bodies), is the limited visibility that most authorities currently appear to have of broader provision within their local areas.
- 249 The range of activities on offer is in the process of being mapped, most particularly in the area of sports provision, as a result of the roll-out of both School Sports Partnerships and extended schools.
- 250 Most local authorities we have spoken to have acknowledged the need to undertake a more extensive mapping exercise in future to identify the full range of positive activities provision within their local area. This is being driven by a number of different factors, most particularly:
- The need to develop a comprehensive 'youth offer' in response to the Youth Matters green paper;
 - The need to 'better connect supply and demand' to overcome one key barrier to access commonly identified by young people – namely that they often do not know what activities are available within their local area.
- 251 However, very few local authorities have so far embarked upon this exercise.

The Reach of the Voluntary Sector in Positive Activities Provision

- 252 Anecdotal evidence suggests that the role of voluntary providers in positive activities provision is extremely significant and is likely to exceed that of statutory bodies.
- 253 For example, in LA5:
- The 30 voluntary youth organisations associated with LA5's Council of Voluntary Youth Services together estimate that they work with just over 100,000 (or 20%) of young people in LA5 across the 0-19 age range.
 - LA5's School Sports Partnerships estimate that the percentage of their pupils who participated in one or more community sports, dance or multi-skill clubs with links to the school during the last academic year was 18% in Year 9, 16% in Year 10 and 12% in Year 11 respectively.

- By comparison, LA5's Youth Service estimates that it reached around 28% of young people in some way in 2005/06, of which around 16% were regular participants in Youth Service activities.

The Role of the Voluntary and Private Sectors in Sports Provision

254 The voluntary sector plays a key role in the area of sports provision to young people:

"There are literally hundreds of sports teams, run mainly by volunteers."

LA2

"The area of sports is particularly dependent on the voluntary sector."

CLOA

255 However, concerns have been expressed by certain interviewees regarding the limited capacity of the voluntary sector to deal with the growing numbers of young people being referred to them. This is largely being driven by the launch of Schools Sports Partnerships and the extended schools initiative:

"The main challenge around building club links is that in certain sports clubs are saying 'we can't take any more kids – we don't have any more coaches'. Many types of sports clubs have long waiting lists – e.g. gym, swimming, tennis and athletics."

LA2

256 The private sector is also heavily involved in sports provision, although tends to only be involved in those segments of the market where significant profit potential exists.

"There are some private providers, but few focussed on young people."

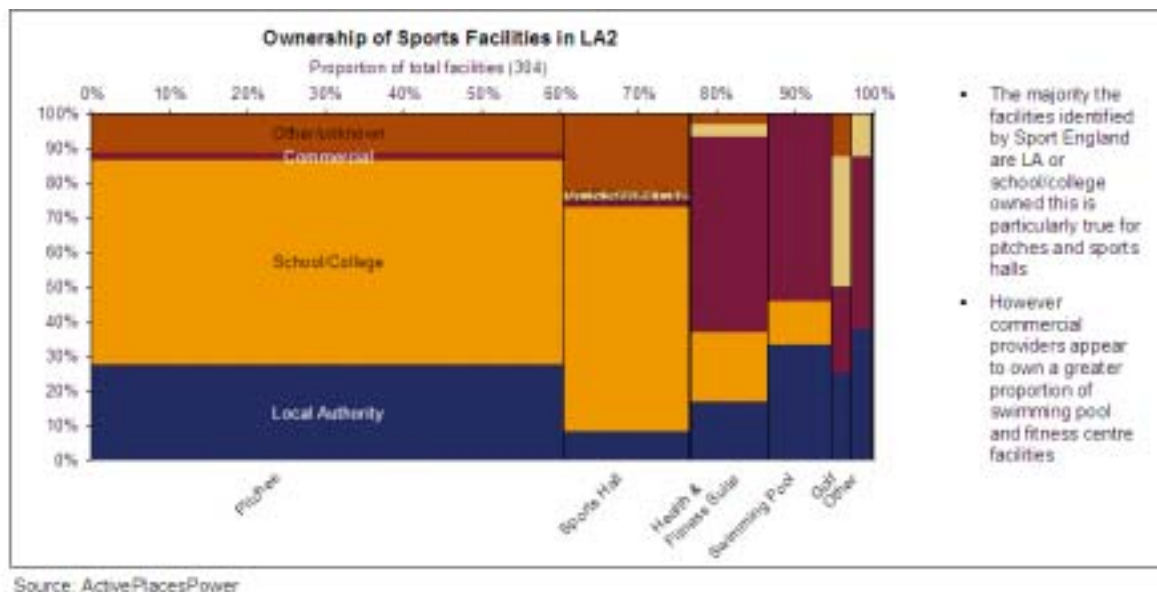
LA1

"The voluntary sector dominates provision. We're a large rural community. There's very little commercial provision except in [large urban area]. Young people want cinemas, bowling alleys and BMX bike parks, but due to the rural nature and low population density of the area, there isn't high provision of these facilities. From personal experience, it's very difficult to persuade private providers to invest capital in such leisure facilities as they don't consider them to be sustainable."

LA3

257 The Sport England database, ActivePlacesPower, lists the range of sports facilities available in England and provides details regarding the ownership of some 74,300 facilities nationwide. The chart below summarises the split of ownership within LA2. The observed split of ownership between the public and commercial sectors is broadly consistent that seen in other local authority

areas, with most pitches and sports halls owned by the public sector and significant numbers of commercially attractive health and fitness suites and swimming pools owned by the private sector:



258 It is important to note, however, that local authorities, schools and commercial organisations all permit their facilities to be used, to a greater or lesser extent, by other types of providers, although most commonly by voluntary providers. Where this occurs, it is most often in return for a fee, but sometimes happens free of charge.

The Role of the Voluntary and Private Sectors in Provision of Cultural Activities, Including Youth Clubs and Other Clubs & Societies

259 The key providers of cultural activities (including youth clubs and other clubs & societies) that we have identified are all high profile national organisations, including the Guides, the Explorer Scouts, the Duke of Edinburgh Award Scheme, the Young Farmers (in rural locations only) and the Associated Board of the Royal School of Music.

260 Our conversations have provided the following information regarding the scale of each organisations' activities:

National Organisation	Scale of Activities
Guides	In 2005: <ul style="list-style-type: none"> 680 Guide Units 890 Senior Section Units 42,900 members aged 13-19 yrs overall 43,650 girls (of all ages) identified as waiting to join
Explorer Scouts	In 2005: <ul style="list-style-type: none"> 22,623 members (aged 14-19 yrs)
DoE Award Scheme	In 2004/05 in England: <ul style="list-style-type: none"> 118,065 record books issued 46,300 Awards issued

National Organisation	Scale of Activities
Young Farmers	<ul style="list-style-type: none"> • 520 clubs • 11,342 members aged 10-21 yrs

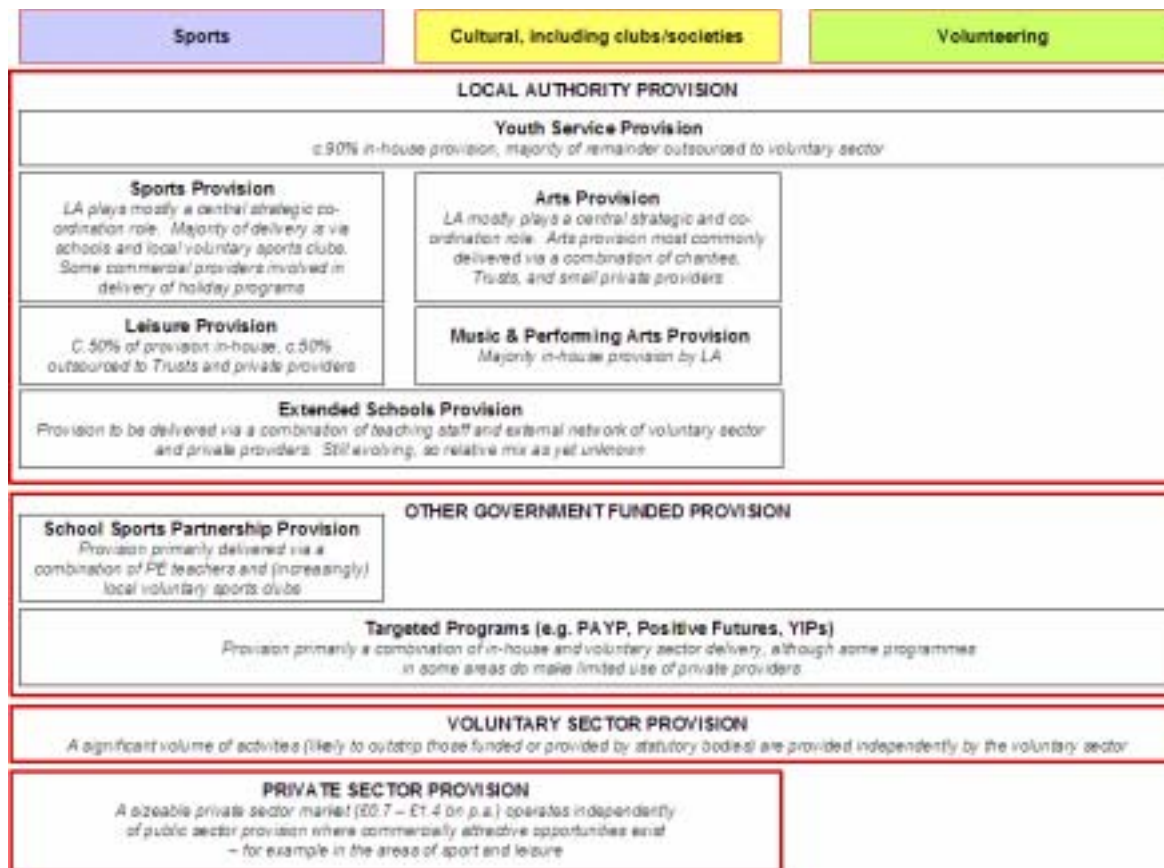
Providers of Volunteering Opportunities

261 In addition to various local volunteering initiatives, the following larger, national volunteering programmes have been identified during the course of our work:

- Millennium Volunteers is a flagship volunteering programme for young people aged 16 to 24. 230,000 young people have been involved in the program since its inception in 1999, of which between 70,000 and 80,000 have committed over 200 hours. Between 30,000 and 31,000 young people are involved in volunteering through Millennium Volunteers at any one point in time.
- The National Peer Mentoring Programme is delivered by the Mentoring and Befriending Foundation (MBF) to encourage schools to be part of an active peer mentoring network, with a particular focus on 16 -18 years olds at risk of negative outcomes.
- Step into Sport (part of PESSCL) is a program to encourage volunteering in sport.
- Young Volunteer Challenge was a pilot to encourage young people aged 18-19 from low income backgrounds to undertake full-time voluntary work during their gap year. Approximately 1,000 young people took part in the pilot within nine areas across England between May 2003 and March 2006.
- Active Citizenship in Schools (ACiS) was a pilot award scheme that empowered young people aged 11-15 years old to engage in school and community based work. 5,300 young people participated in the pilot between 2001 and 2004.

Summary of Supply

262 The diagram below shows the different types of activities that different types of providers are delivering and provides an indication (in the case of local authority and other government funded provision) of the extent to which activities are being delivered in-house, or are being outsourced to either the voluntary or private sectors:



263 In summary:

- In-house provision dominates in the Youth Service and music and performing arts;
- The voluntary sector delivers significant amounts of independent provision and plays a large role in delivering outsourced activities on behalf of most areas of publicly funded provision. The exceptions in this respect are the Youth Service, leisure and music and performing arts, where the voluntary sector plays only a limited role;
- A sizeable independent private sector market exists (estimated to be worth between £0.7 billion and £1.4 billion. The private sector also plays a significant part in the delivery of local authority commissioned leisure services and is involved in some local authority sports and arts provision. The private sector is also likely to play a role in extended schools provision and is said to be responding to the initiative enthusiastically.

4b. Commissioning Arrangements

Overview

- 264 Significant variation appears to exist between different local authorities in terms of the sophistication of their current commissioning processes:

“There is a great deal of variation between local authorities in terms of how switched on they are, how organised their commissioning processes are, their relationship with the voluntary sector and funding.”

National Voluntary Organisation

- 265 The level of dialogue with and encouragement of the voluntary sector in the provision of positive activities also differs markedly between local authority case study areas, with LA2 and LA4 being at each end of the spectrum. Although both local authorities work with external providers across all positive activity areas, LA2 is more disposed towards voluntary sector provision and has strong links with voluntary providers, while LA4 is more disposed towards in-house provision and has relatively limited links with the voluntary sector.

- 266 Their different approaches are illustrated by the following two quotes:

“The Youth Service operates a very lively market and places quite a lot of work in the voluntary sector.”

LA2

“There is a significant reliance on council provision, though there are some contributions from the voluntary and community sector who run certain clubs, for example Children’s Fund, On Track, Connexions ...”

LA4

- 267 Funding relationships with external providers vary significantly by service area, but typically operate through service level agreements or contracts for larger organisations, and grants for smaller organisations. Competitive tendering for contracts remains uncommon across most authorities:

“Local authorities tend to rely on a small number, 2 or 3, of organisations to provide information and deliver services, resulting in commissioning being based on historical ties rather than value for money.”

Voluntary Sector Provider, LA5

“[To get funding] you must be in the network and know what is available, if you’re ‘in’, you’re ‘in’, if you’re ‘out’, you’re ‘out’.”

Voluntary Sector Provider, LA5

268 Where formal contracts are in place, local authorities are finding it difficult to appropriately define and monitor the outcomes they require providers to deliver:

“The statistics [that are used to monitor funding] are crude and undersell what we are doing...there may end up being a tick-the-box approach to targets that hijacks quality.”

Voluntary Sector Provider, LA3

“Monitoring is too driven by numbers and does not reflect the level of interaction with young people and the experiences they have.”

Voluntary Sector Provider, LA4

“The local authority can insert certain contract clauses that are just silly ...”

LA2

269 As part of the process of creating a new children’s trust, most local authorities are conducting strategic reviews of their commissioning processes. Interestingly, LA1 and LA4, both of which are currently more disposed towards in-house provision of positive activities, are considering moves towards a more strategic approach to commissioning for the provision of children’s services.

270 These authorities are also considering moves towards better control of their commissioning processes and monitoring of the services they provide, by:

- Moving towards more outcome based service level agreements, in line with authority-wide strategies to move towards more competitive commissioning; and
- Increasing coordination of funding streams across the authority.

271 LA4, with its emphasis on in-house provision, coordinates its funding to the voluntary sector less explicitly than other authorities, but will be increasing coordination as it moves towards a more strategic commissioning model:

“As part of the process to understand provision in the area and to distribute funds more effectively, we need to rationalise our funding. Funding is in the process of being rationalised along themes of delivery, for example Children and Families.”

LA4

272 Further to this, LA1 has begun a review of provision to 13 to 19 year olds with a view towards developing a comprehensive positive activities strategy.

273 However, local authorities have also expressed concerns about the difficulties associated with moving towards more formal commissioning processes and relationships;

“A key challenge is how to manage the commissioning relationship – it creates all sorts of tensions around working with the sector as partners versus as providers ...”

LA4

“This move to SLAs is meeting resistance from some voluntary sector providers who do not see why as volunteers they should be subjected to this type of bureaucracy and paper trail.”

LA4

Relationship Issues – Key Success Factors

274 Our case study interviews have identified several factors which appear to be key to developing successful relationships between local authorities and positive activities providers. These include:

- An active focus on relationship building:

“Once a term, representatives from the local authority, local voluntary sector umbrella organisation and large voluntary sector providers sit down to discuss market development, which I think is really important for building strong relationships.”

LA2

“We have a good relationship with the local authority, both strategically and operationally, and often work in partnership and combine resources.”

Voluntary Sector Provider, LA5

- The presence of a local voluntary sector umbrella organisation to liaise with:

“The biggest challenge we face is that there is no overarching voluntary sector body to work with in LA4 – who do we engage with?”

LA4

275 Having strong personalities involved on both sides:

“A successful relationship with the voluntary sector is often dependent on good, dynamic people leading the voluntary sector organisations. I worry about the sustainability of the local authority relationship with the voluntary sector if these leading charismatic people left. It takes a lot of time to build up these relationships.”

LA2

Relationship Issues –The Local Authority Perspective

276 Local authorities have expressed a significant number of concerns about the suitability and viability of available voluntary sector providers in the area of positive activities. The concerns listed below are drawn from a number of different local authority areas:

- There is an issue with coordinating expenditure across funding streams and across different parts of the same local authority:

“It’s important to ensure there are linkages between funds to get the best outcomes and ensure value for money.”

LA2

“The local YMCA has a £2m budget and receives cash from 17 different funding streams – for example social care, housing, health, corporate grants ... it’s a logistical nightmare!”

LA2

- Some authorities also wish to consolidate the range of providers they work with:

“Over the longer term we want to consolidate the number of external providers we work with to around 4 or 5 in this area, so that we can focus on building good working relationships with a smaller number of high quality, preferred providers.”

LA2

- Other authorities acknowledge the need to build stronger relationships with the private sector:

“The Youth Matters green paper will drive a fundamental change in the market and will drive the need to look closely at what services are delivered and who by.”

LA1

- Voluntary sector providers are often not recognised as high quality and concerns exist about their suitability for more targeted, Tier 2 and 3 provision:

“In terms of enthusiastic staff the voluntary sector wins over, but often the work they do is not recognised as being high quality as it is not structured and developmental and the staff are less likely to be qualified.”

LA4

“The voluntary sector in particular is poor at serving hard to reach groups.”

LA4

- There are also challenges associated with finding ways to involve voluntary sector providers in consultation exercises and strategy development without overburdening them:

“This requires a system to be developed where there are four regular discussion forums or meetings each year – essentially there needs to be more active planning around the engagement process.”

LA4

- Under the extended schools programme, many schools are struggling to involve the voluntary sector. The suitability of private providers interested in getting involved in the extended schools programme has also been questioned:

“Schools are very keen to involve lots of different partners in delivery, but they are worried that they don’t know how to engage with them – they don’t have prior skills or experience in doing this.”

LA1

“We are regrettably seeing a shift to using commercial providers in schools and for extracurricular provision within schools, which means that young people have to pay.”

LA4

Relationship Issues –The Voluntary Sector Perspective

277 Our interviews with voluntary sector providers have highlighted a number of issues from their perspective associated with the way in which local authorities make funding available to them:

- The majority of funding is provided on an annual basis, making it very difficult for organisations to plan or to give staff long term contracts:

“Short term funding is a nightmare and is very scary, especially when we had to give staff redundancy notices.”

Voluntary Sector Provider, LA3

- Levels of funding from local authorities also vary significantly year on year:

“Turnover is £400,000 compared to £1 million last year because statutory providers decided they could do it themselves. They do this every few years and then outsource it all again.”

Voluntary Sector Provider, LA5

- Funding is also often insufficiently flexible, with almost all of the money available being project-based. In addition, there are issues associated with the need for full cost recovery:

“We have money for computers we don’t need, but can’t use it to pay staff over Easter.”

Voluntary Sector Provider, LA3

“The voluntary sector are well placed to provide services professionally and at a reasonable price, but need to be treated more fairly, and this includes full cost recovery.”

Voluntary Sector Provider, LA5

- 278 Almost all of the voluntary providers that we spoke to were generally positive about the increasing move towards working under SLAs:

“I like working under SLAs because they provide built-in accountability and identify what should be achieved.”

Voluntary Sector Provider, LA5

“Working under a contract gives a project a better chance of being successful and sustainable because funding is provided for longer and is more secure.”

Voluntary Sector Provider, LA5

- 279 However, even when positive overall, some voluntary providers did raise some concerns regarding the potential impact of SLAs on their organisations:

“Monitoring and recording outcomes is an administration nightmare for the voluntary sector, particularly numerous changes to tracking systems...working with many different bodies puts huge demands on our infrastructure as each organisation has slightly different reporting requirements... An SLA is a grant with strings attached and they are hugely weighted in the favour of Local Authorities.”

Voluntary Sector Provider, LA4

“Funding is very orientated towards targets, which are a lot harder to achieve when dealing with ‘at risk’ young people.”

Voluntary Sector Provider, LA4

“There are more and more outcomes and a greater focus on accredited outcomes, even though accreditations aren’t always what they (young people) need...some monitoring is over the top for the amount of funding you get.”

Voluntary Sector Provider, LA3

280 A number of voluntary sector providers also expressed frustration regarding the need for local authorities to place greater emphasis on true partnership working:

“The local authority does not think that decisions should be taken together and they need to value the voluntary sector more, acknowledging our qualifications and skills.”

Voluntary Sector Provider, LA3

“The relationship was set up as a partnership but is actually a dictatorship...voluntary organisations are swallowing their pride when they work with local authorities.”

Voluntary Sector Provider, LA3

“Voluntary sector participation is tokenistic, we are powerless.”

Voluntary Sector Provider, LA3

4c. Policy Objectives

Introduction

281 A number of ongoing government initiatives and emerging policy objectives are pertinent to the market for the provision of Positive Activities for Young People.

282 These are set out and described in the following sections.

Relevant Policy Objectives - Youth Matters

283 The Youth Matters Green Paper was published by DfES in July 2005, with four key aims, the first two of which are particularly pertinent to this study:

- To engage more young people in positive activities and empower them to shape the services they receive;
- To encourage more young people to volunteer and become involved in their communities;
- To provide better information, advice and guidance to young people; and
- To provide better and more personalised intensive support for each young person who has serious problems or gets into serious trouble.

Engaging more young people in positive activities and empowering them to shape the services they receive

284 Youth Matters made a number of specific proposals to achieve this aim.

285 To ensure that activities are of a more consistent quality and meet the needs of young people, the government proposes to:

- Legislate to clarify local authorities' duty to secure positive activities for young people;
- Define a new set of national standards for positive activities, including that all young people should have access to:
 - Access to 2 hours per week of sporting activity;
 - Access to 2 hours per week of other constructive activities in clubs, youth groups or classes;
 - Opportunities to contribute to their communities through volunteering;
 - A wide range of other recreational, cultural, sporting and enriching experiences;
 - A range of safe and enjoyable places to spend time.
- Re-invigorate youth work by building on the ideas set out in Transforming Youth Work and recognising its vital role in engaging young people.

- 286 To put the buying power for positive activities directly in the hands of young people, the government proposes to:
- Launch “Opportunity Cards”, to provide young people with discounts on a range of things to do and places to go. It would also be possible for parents and young people to ‘top up’ their cards to pay for positive activities;
 - Make a new ‘Opportunity Fund’ available in each local authority to be spent at young people’s discretion on projects to improve things to do and places to go in their area.

Encouraging more young people to volunteer and become involved in their communities

- 287 Again, Youth Matters made a number of specific proposals to achieve this aim, as follows:
- To establish a new body to implement the recommendations of the Russell Commission, tasked to achieve a “step change” in the level of volunteering by young people;
 - To promote peer mentoring, sustained civic service and a stronger culture of volunteering in schools, colleges and universities;
 - To review current methods of rewarding volunteers.

Relevant Policy Objectives - PE School Sport and Club Links Strategy (PESSCL)

- 288 PESSCL is a government strategy to enhance the take-up of sporting opportunities by 5 to 16 year olds. It is supported by £459m of funding from central government (DfES and DCMS).
- 289 Its aim is to increase the percentage of school children who spend a minimum of two hours each week on high quality PE and school sport within and beyond the curriculum, from 25% in 2002 to 75% in 2006 and 85% by 2008.
- 290 By 2010 the aims is to offer all children at least 4 hours of sport every week, comprised of at least 2 hours high quality PE and sport at school and the opportunity for at least a further 2-3 hours per week beyond the school day (delivered by a range of school, community and club providers).
- 291 PESSCL incorporates eight different strands as follows:
- Specialist Sports Colleges - Schools that specialise in physical education and school sport as a vehicle for continued whole school improvement;
 - School Sport Partnerships (SSP) - Clusters of schools (primary and secondary) that centre around a hub-site (usually a sports college) to share PE expertise, facilities, coaching and professional development. In essence SSPs enhance sports opportunities for all. Funding is distributed directly to SSPs via the Youth Sports Trust;
 - Professional Development - This programme is designed to ensure that teachers and others have the tools and expertise they need to deliver high quality physical education and school sport;
 - Step into Sport – Step into sport encourages involvement in sports leadership and volunteering;
 - School / Club links – This initiative provides the link between high quality physical education

and sporting opportunities in schools and the local community;

- Gifted and Talented – This programme aims to improve the range and quality of teaching, coaching and learning for talented sports people;
- Swimming – Raising the profile of swimming in the PE curriculum via a new Swimming Charter; and
- QCA PE and Sport investigation – The Qualifications and Curriculum Authority (QCA) is working closely with schools and partnerships across England to investigate high quality PE and school sport.

Relevant Policy Objectives - Extended Schools

- 292 By 2010 the DfES wants all primary and secondary schools to provide access to a range of extended services.
- 293 A full service extended school must provide access to a range of services and activities between 8am and 6pm for 50 weeks of the year, to help meet the broader needs of its pupils, their families and the wider community.
- 294 DfES has already invested £160m over the period 2003-04 to 2005-06 to support the development of extended schools and estimates that 4,700 schools (out of a total of 23-24,000) are currently working towards providing the core extended schools offer.
- 295 A further £680m of funding will be provided by DfES between 2006 and 2008.

Relevant Policy Objectives - Russell Commission Review

- 296 In March 2005, The Russell Commission reviewed volunteering among young people aged 16 to 24 years, the results of which fed into the Youth Matters Green Paper.
- 297 The Commission's report sets out plans to engage 1 million new young people in volunteering and community action over the next five years.
- 298 The Government has allocated £50 million over three years to support the implementation of the Commission's recommendations. This will be supported by a fundraising campaign, which aims to attract at least £50 million from private sector sources. Private sector donations will then be matched on a pound for pound basis by the Exchequer, thus providing up to £150m to implement the Commission's recommendations.

Gap Analysis

- 299 Surveys of young people's current participation levels in positive activities suggest that around 30% of young people are currently not participating⁸ in any positive activities at all.
- 300 Although an estimated 70% of young people are currently participating⁹ in positive activities to some extent, output from our primary research exercise (see page 30 for further details) suggests that very few are likely to be engaging in the full range of activities set out in the proposed new national standards at a level which is line with the suggested minimum time thresholds. This is particularly true in the area of volunteering.

⁸ Within any six month period

⁹ Within any six month period

- 301 A number of under-represented groups also exist – most particularly young people aged between 17 and 19, Asian heritage young women, young people from less affluent backgrounds, lesbian, bi-sexual, gay & trans-gender young people, young carers, disabled young people and those with special educational needs.
- 302 A number of key barriers to young people engaging in positive activities exist. Most particularly a lack of time, a lack of cheap, safe, convenient transport, the prohibitively high cost of engaging in certain activities and a lack of knowledge or awareness of what activities are available within a given local area.
- 303 This implies that there is still a significant gap to close between the Government’s stated objectives as set out in the Youth Matters green paper and the current reality in terms of young people’s level of participation in positive activities.
- 304 A number of the current initiatives and proposals set out above will help to close this gap. Most particularly:
- The launch of Opportunity Cards should help to reduce (although not eliminate) the impact of cost as a key barrier to accessing positive activities;
 - The new Opportunity Fund should go some way towards addressing the issue of supply not matching demand, by enabling young people to spend money on the things they want to access within their local area;
 - By implementing the recommendations of the Russell Commission the Government should be able to successfully increase the proportion of young people engaging in volunteering activities;
 - PESSCL has so far been extremely successful in increasing young people’s participation in sporting activities; and
 - The provision of out of hours activities by extended schools should help to overcome transport and cost issues and raise young people’s awareness of what activities are available for them to access. It has also been suggested that extended schools may be more successful than current provision in overcoming the cultural barriers associated with Asian heritage young women participating in positive activities.
 - However, results from our primary research suggest that while many young people are interested in engaging in more positive activities than they do currently, only a relatively small proportion of them wish to engage extensively across a broad range of activities such that their level of participation would be in line with the proposed new national standards (see page 30 for further details).
- 305 In addition, relatively few of the initiatives outlined above are likely to have a significant impact on under-represented groups:
- The PESSCL and extended schools initiatives, for example, will only have an impact on participation levels for school-age young people;
 - Many barriers to access will still remain, particularly for under-represented groups.
- 306 More specific targeting of under-represented groups is likely to be necessary to drive up participation rates across the whole population of young people in England.

5 Suggested Improvements and Recommendations

307 The following tables summarise and expand on our suggestions for improvement, as already outlined in section 3 of this report:

Demand Side

1) Addressing Key Barriers to Participation

Suggested Improvement	Actions	Rationale	Issues and Risks
<ul style="list-style-type: none"> Better match supply with demand 	<ul style="list-style-type: none"> LAs: Increase localised planning to ensure that local provision better meets local needs Ensure greater involvement of young people in planning for positive activities provision DfES: Encourage the adoption of Hear by Right standards if these are not already in place 	<ul style="list-style-type: none"> There is a need to ensure that the activities made available to young people are the ones that they want to engage in 	<ul style="list-style-type: none"> The proposed launch of the Opportunity Fund should also help to address this issue, at least in part
<ul style="list-style-type: none"> Work to overcome young people's transport constraints 	<ul style="list-style-type: none"> LAs: Work in partnership across different parts of the authority to resolve transport issues in a joined up way Liaise with local transport companies and work together to develop innovative and pragmatic solutions In more rural areas, consider the potential of innovative schemes developed elsewhere, for example using mopeds DfES: May have a role to play in identifying and disseminating good practice or innovative solutions 	<ul style="list-style-type: none"> A lack of safe, reliable, convenient transport is repeatedly raised by young people as a key barrier to them accessing positive activities 	<ul style="list-style-type: none"> It is important to note that LAs have already been working (with limited success) to address this issue

Suggested Improvement	Actions	Rationale	Issues and Risks
<ul style="list-style-type: none"> Work to address the prohibitive cost of engaging in certain activities 	<ul style="list-style-type: none"> LAs: Explore options for diversifying the scope of leisure facilities they own to include those that young people most want to access 	<ul style="list-style-type: none"> Many activities that young people currently want to access but can't because of high costs are owned and operated by the private sector By owning a greater range of these facilities themselves, LAs could have greater influence over the prices charged to access them 	<ul style="list-style-type: none"> This could be done by converting/ adding to existing facilities or building/ purchasing new ones The operation of such facilities could be outsourced to third parties to ensure that they are efficiently operated and receive adequate levels of ongoing investment The launch of the proposed Opportunity Card should also help to address this issue
<ul style="list-style-type: none"> Improve young people's awareness of the activities available to them within their local area 	<ul style="list-style-type: none"> LAs: Undertake a detailed mapping exercise to identify the full range of positive activities available to young people within different local areas Publish directories of such activities for young people to access and reference 	<ul style="list-style-type: none"> A lack of awareness of available activities is a key barrier to access currently cited by young people Directories of services would help to raise awareness and therefore better connect available supply with demand 	<ul style="list-style-type: none"> Many local authorities are already in the early stages of planning for or embarking upon this type of exercise It should build upon existing mapping exercises being undertaken by local SSPs and extended schools

Supply Side

1) Adjusting the Basis on Which Funding is Issued

Suggested Improvement	Actions	Rationale	Issues and Risks
<ul style="list-style-type: none"> Reduce the complexity around funding of positive activities provision 	<ul style="list-style-type: none"> DfES: Liaise with other government departments to: Consolidate various funding streams; Join up decision making processes about the way that various funds are allocated; and/or Make different funds more distinct in terms of their objectives 	<ul style="list-style-type: none"> Reduced funding complexity will: Help to drive greater co-ordination of on the ground service delivery Enable existing funding to be better targeted Reduce overlap in current spending across different programmes 	<ul style="list-style-type: none"> This cannot be done by DfES alone – securing the cooperation and buy in of other government departments is critical LAs and voluntary sector umbrella organisations have an important role to play in assisting with this process
<ul style="list-style-type: none"> Make funding available on a longer term basis 	<ul style="list-style-type: none"> DfES/LAs: Review own funding streams and consider opportunities for increasing the time span over which certain funds are made available DfES: Liaise with other government departments and encourage them to undertake a similar exercise 	<ul style="list-style-type: none"> This will facilitate more strategic planning of service delivery It will also enable greater investment in building capacity of services on the ground 	<ul style="list-style-type: none"> Securing the cooperation and buy in of other government departments is critical
<ul style="list-style-type: none"> Make additional funding available for universal service delivery 	<ul style="list-style-type: none"> DfES: Explore options for making more funding available for universal service delivery LAs: Consider the possibility of increasing the amount of revenue raised locally by charging young people who can afford to pay to access activities, thus increasing the money available to fund broader delivery 	<ul style="list-style-type: none"> There are limited funds currently available for LAs to invest, particularly in universal service delivery 	<ul style="list-style-type: none"> Rationalising funding streams and objectives is also likely to enable better targeting of existing funding

2) Altering the Scale and Level at Which Provision is Commissioned

Suggested Improvement	Actions	Rationale	Issues and Risks
<ul style="list-style-type: none"> Establish a more strategic approach to commissioning providers of positive activities 	<ul style="list-style-type: none"> LAs: Establish a new approach to commissioning which: <ul style="list-style-type: none"> Is needs driven; Focuses at a local level; Places greater emphasis on strategically defining and planning service provision within different local areas; Encourages greater diversity of supply; Enables partnership working with key providers to develop and deliver services DfES: Can potentially add value at a national level by developing central guidance and support around improving commissioning processes 	<ul style="list-style-type: none"> Local authorities commissioning processes in the area of positive activities are often poorly developed and insufficiently strategic 	<ul style="list-style-type: none"> Developing a more strategic approach to commissioning will be critically dependent on developing a comprehensive view of current funding flows and service provision at a local level
<ul style="list-style-type: none"> Join up commissioning processes across different parts of local authorities 	<ul style="list-style-type: none"> LAs: Establish a single forum for decision making around positive activities commissioning at a local level Explore options for expanding the membership of local Children and Young People's Boards to include representatives from all other parts of the authority involved in delivering and/or commissioning positive activities 	<ul style="list-style-type: none"> Commissioning processes are often extremely disjointed across local authorities, resulting in poor targeting of funds and inefficiencies/ duplication in service delivery 	<ul style="list-style-type: none"> The creation of children's trusts should provide the necessary organisational vehicle to achieve this It is important to ensure that the extended schools roll-out is managed in a way that builds on and links into existing local provision, rather than adding still further duplication and complexity to the supply-side of the market
<ul style="list-style-type: none"> Introduce compulsory competitive tendering, where possible 	<ul style="list-style-type: none"> LA: Introduce compulsory competitive tendering processes, where possible DfES: Can potentially add value at a national level by developing central guidance regarding how to make the transition to CCT arrangements 	<ul style="list-style-type: none"> This will help to separate local authorities' role as commissioner versus provider and create a level playing field, thereby reducing barriers to entry for potential providers looking to enter the market 	<ul style="list-style-type: none"> This process needs to be carefully managed to ensure that voluntary sector providers (particularly smaller ones) are adequately supported to deal with the tendering process and are not placed at an unfair disadvantage, thereby effectively driving them out of the market

Suggested Improvement	Actions	Rationale	Issues and Risks
<ul style="list-style-type: none"> Routinely establish clearly defined, long term service level agreements with providers 	<ul style="list-style-type: none"> LAs: Put Service Level Agreements in place with all providers, where possible/appropriate 	<ul style="list-style-type: none"> A culture of grant giving (rather than formal contracting for services) still remains in many local authorities Properly defined SLAs will ensure that service delivery adequately meets local needs – both in terms of the nature and volume of provision on offer – and that poor performance is quickly identified and rectified 	<ul style="list-style-type: none"> This process needs to be carefully managed to ensure that voluntary sector providers (particularly smaller ones) are adequately supported to deal with the associated performance monitoring processes and are not placed at an unfair disadvantage, thereby effectively driving them out of the market
<ul style="list-style-type: none"> Develop thinking around what constitutes ‘good outcomes’ in the area of positive activities 	<ul style="list-style-type: none"> DfES – Develop thinking around i) what constitutes good outcomes for different groups of users, engaging in different types of activities, at different tiers of need, and ii) how the quality and consistency of service provision and individual providers can be monitored and managed in an effective yet proportionate way Disseminate thinking to all LAs to guide their quality assurance processes at a local level 	<ul style="list-style-type: none"> LAs are finding it difficult to appropriately define and monitor high quality outcomes for the purposes of specifying contracts with providers and monitoring provider performance 	<ul style="list-style-type: none"> ‘Good outcomes’ will be highly complex to define and very circumstance and user dependent Consider using a balanced scorecard approach to monitoring and managing a bundle of interlinked, yet separate, performance measures

Suggested Improvement	Actions	Rationale	Issues and Risks
<ul style="list-style-type: none"> Establish longer term contracts with providers 	<ul style="list-style-type: none"> LAs: Establish contracts with providers that last between 2 and 3 years (rather than the currently common 1 year) 	<ul style="list-style-type: none"> This will assure greater stability and continuity of funding for providers; Enable providers to plan 'on the ground' delivery more strategically; Provide greater opportunities for authorities to work with providers to build their skills and capacity to deliver; Ensure greater stability of 'on the ground' delivery; and Allow providers sufficient time to deliver against key targets and set up systems to properly monitor and manage their performance against them. 	<ul style="list-style-type: none"> Longer term contracts will need to be negotiated to be sufficiently flexible, such that they allow provision to be shaped, if necessary, to match changing market requirements

3) Supporting Voluntary and Community Sector Bodies to Make an Increased Contribution to Delivery

Suggested Improvement	Actions	Rationale	Issues and Risks
<ul style="list-style-type: none"> Establish mechanisms to allow for full cost recovery 	<ul style="list-style-type: none"> LAs: Establish necessary guidelines and processes to enable voluntary providers to roll appropriate amounts of development and central admin costs into their front-line delivery costs when bidding for contracts 	<ul style="list-style-type: none"> A number of voluntary sector providers that we have spoken to have complained that full cost recovery is not allowed for in their current contracts and that it is vital to their operation 	<ul style="list-style-type: none"> There may be a role for DfES to provide central guidance to assist LAs in putting effective processes in place
<ul style="list-style-type: none"> Make a range of non-financial resources available to voluntary providers 	<ul style="list-style-type: none"> LAs: Consider options for making staff or certain facilities (for example buildings or transport) available to support local voluntary providers 	<ul style="list-style-type: none"> This is a viable means of support in situations where additional cash resources are unavailable The provision of LA staff can help to capacity build voluntary providers Providing centrally owned facilities for use by multiple providers often allows for more efficient use of resources 	<ul style="list-style-type: none"> None identified
<ul style="list-style-type: none"> Establish appropriate local performance management processes 	<ul style="list-style-type: none"> LAs: Using central guidance, work in partnership with local providers to establish pragmatic, proportionate and effective performance monitoring processes 	<ul style="list-style-type: none"> LAs are concerned about how to enhance performance management processes and improve provider accountability, whilst not increasing the administrative burdens they place on suppliers to unreasonable levels This will also reduce barriers to entry for new providers potentially looking to enter the market 	<ul style="list-style-type: none"> Processes developed will need to be proportionate, but provide both parties with the information they need to effectively manage and maintain (or even improve) the quality of service delivery 'on the ground' Where possible, requirements should be harmonised with those from other sources of funding (beyond the LA) to minimise the potential for multiple requests for similar, yet different sets of performance monitoring information

Suggested Improvement	Actions	Rationale	Issues and Risks
<ul style="list-style-type: none"> Capacity build providers to improve their performance monitoring capabilities 	<ul style="list-style-type: none"> LAs: Work with voluntary providers, to build their capacity (both in terms of skills and systems) to deal with increasingly stringent monitoring requirements 	<ul style="list-style-type: none"> The voluntary sector's capacity to respond to LA's increasing demands for adequate performance management information and accountability has been raised repeatedly by LAs as a key issue 	<ul style="list-style-type: none"> Clarity of communication and a shared understanding of what is required has been highlighted by LAs as a key issue This will require successful partnership working between LAs and the voluntary sector
<ul style="list-style-type: none"> Develop and deliver training for voluntary providers 	<ul style="list-style-type: none"> LAs/DfES: Develop and deliver training programs to assist voluntary sector providers with building the necessary skills among their workforce, such that they become effective providers of positive activities to young people across the entire spectrum of need 	<ul style="list-style-type: none"> Many LAs have expressed concerns about the voluntary sector's ability to deliver positive activities effectively – particularly at the highest tiers of need This would also help to reduce barriers to entry for potential suppliers looking to enter the market 	<ul style="list-style-type: none"> Training should be developed in partnership with voluntary sector organisations to ensure it adequately meets their needs There is a potential role for DfES in this respect to ensure that training is developed in a consistent way and multiple LAs do not replicate thinking and effort in different localities
<ul style="list-style-type: none"> Develop strong links with local voluntary sector umbrella organisations 	<ul style="list-style-type: none"> LAs: Develop strong relationships with local voluntary sector umbrella organisations Establish a regular forum for meeting with these organisations to discuss and resolve key issues 	<ul style="list-style-type: none"> This will ensure that a forum exists for any issues or concerns to be raised, discussed and resolved on a regular basis 	<ul style="list-style-type: none"> In certain local authority areas issues are known to exist because suitable voluntary sector umbrella organisations do not exist for LAs to liaise with
<ul style="list-style-type: none"> Establish effective links and partnerships between extended schools and voluntary providers 	<ul style="list-style-type: none"> extended schools: Undertake a detailed mapping of the full range of positive activities provided by the voluntary sector within their local area Adopt a flexible and open-minded approach to working with potential voluntary sector providers 	<ul style="list-style-type: none"> Our supplier interviews have highlighted that many schools currently have relatively low levels of awareness of the range of voluntary providers within their local areas and that some providers are finding schools inflexible and difficult to work with 	<ul style="list-style-type: none"> LAs will need to support schools to carry out this process in an effective and consistent way

4) Enhancing the Contestability of Provision and Reducing Barriers to Entry

308 Note: Most proposed and relevant actions have already been detailed in the tables above.

Suggested Improvement	Actions	Rationale	Issues and Risks
<ul style="list-style-type: none">Identify and review potentially burdensome regulatory regimes	<ul style="list-style-type: none">DfES: Identify and review potentially burdensome regulatory regimes, including the current wording of the Childcare Bill	<ul style="list-style-type: none">It is important to ensure that overly burdensome regulatory regimes do not deter potential providers from entering the market	<ul style="list-style-type: none">There will be challenges associated with balancing the need to control for certain risks with the need to stimulate overall market development

Annexes

Annex A – Methodology

Our approach to this study has combined a series of activities to analyse the market for Positive Activities for Young People at both the national level and within six selected local authority case study areas as follows:

National Level Analysis

We have undertaken a programme of desktop research and analysis to gain an understanding of:

- The overall structure of supply within the market;
- The profile of market demand; and
- Key supply and demand side issues at a national level.

A list of sources consulted as part of this exercise is provided at Annex C.

It is important to note that quantitative data has not been readily available to answer many of our questions relating to the scale and growth of demand and the structure of supply within the market.

- This has meant that we have been heavily reliant on qualitative information, mainly gathered via our local authority case studies, to draw conclusions in a number of key areas.

We have also met with a number of DfES officials to understand the overall policy context surrounding the market.

In addition, we have conducted a number of interviews, some over the telephone and some face to face, with national organisations working within the Positive Activities for Young People market.

- A list of organisations that we have interviewed is provided at Annex B.

Case Study Analysis

We have worked with six different local authority case study areas, selected to provide a mix of rural and non-rural, southern and northern locations in England as follows:

LA Number	Population Density	Geographic Location
1	Urban	North
2	Urban	North
3	Rural	North
4	Urban	South
5	Rural	South
6	Rural	South

Our primary method of data collection within each case study area has been to conduct a number of face to face interviews with key local authority personnel to:

- Understand the overall structure of supply within the local market;
- Understand the profile of local demand;
- Identify key supply and demand-side issues at a local level; and
- Where possible, identify examples of best practice at a local level.

A list of personnel interviewed within each case study area is provided at Annex B.

- It is important to note that we have had better access to key personnel and therefore achieved better coverage in some case study areas than in others.

We have also conducted c.10 interviews in 3 case study areas (LA3, LA4, LA5) with a mix of voluntary providers contracted by the local Youth Service to understand:

- What specific activities they are providing;
- The size and profile of their user group;
- How often an average young person engages in the activities they provide and how long an average session lasts;
- Whether their activities are over-subscribed and whether they have a waiting list;
- Whether they see extended schools as a threat (i.e. as a source of competition) or as an opportunity (i.e. as a new route to market);
- Whether they are delivering their services/activities in new or innovative ways;
- The range and size of funding sources they receive;
- Their organisation's funding basis and length of their contract with the local authority;
- What impact contract lengths and local authority commissioning processes have on their ability to deliver;

- Whether they have any overcapacity or unused facilities/resources;
- What other key supply-side issues they face; and
- How they could be supported or assisted to overcome these issues.

Again, a list of voluntary providers that we have interviewed is provided at Annex B.

In addition, we have conducted a mapping exercise to build up as detailed a picture of supply and demand across each local market as is possible using existing local authority information sources/knowledge.

- This has involved gaining access to data at a local level in order to develop a detailed understanding of local public expenditure/funding flows.
- We have also, where possible drawn upon other information available at a local level to piece together any information that the local authority has about provision of Positive Activities for Young People in their local area.
- Data availability has been limited in many areas and this, once again, has had implications in terms of the depth of our analysis.

We have also undertaken a programme of primary research within three case study areas (LA3, LA4, LA5) (in the form of focus groups with young people aged 13-19, both in schools and engaging in local Youth Services) to explore various demand-side issues in more detail. Further details about the approach taken to this programme of primary research are provided in the section below.

Our recommendations for market development and future improvements have been developed in conjunction with relevant DfES policy officials and the DfES Market Development Team.

Primary Research Undertaken Within Each Case Study Area

Within three case study areas, two different sets of discussion groups have been conducted as follows:

Discussion Groups in Schools and Higher Education Colleges

A total of twelve discussion groups have been held involving 95 young people in schools and higher education colleges, some of which were and some of which were not accessing positive activities in their local area.

Each discussion lasted for one and a half hours and involved between five and eleven young people.

The profile of young people in each of the twelve discussion groups held was as follows:

Group	Location	Age	Gender	School type	Profile of area	Accessing Activities?	Number in Group
1	LA3	13-15	Male	Secondary	Disadvantaged	Yes	6
2	LA3	13-15	Female	Secondary	Disadvantaged	Yes	9
3	LA3	16-19	Male	FE College	Disadvantaged	Yes	5
4	LA3	16-19	Female	FE College	Disadvantaged	Yes	7
5	LA3	16-19	Female	Technical College	Disadvantaged	No	7
6	LA4	16-19	Male	Secondary	Mixed	Yes	10
7	LA4	13-15	Male	Secondary	Disadvantaged	No	8
8	LA4	13-15	Female	Secondary	Mixed	Yes	8
9	LA4	16-19	Female	16+ Centre	Disadvantaged	No	11
10	LA5	13-15	Male	Secondary	Disadvantaged	Yes	8
11	LA5	13-15	Male	Secondary	Affluent	Yes	8
12	LA5	16-19	Female	FE College	Mixed	Yes	8

Within each group, the following key issues were explored:

- Whether certain activities which young people want to access are not currently available locally;
- With what frequency and for how many hours per week the young people involved in each discussion are engaging in positive activities (if at all);
- For those not accessing positive activities, what the key barriers to their participation are;
- For those engaging in positive activities:
 - What are the associated costs (if any)?
 - How far do they travel to access these activities?
 - How did they hear about these activities originally? And;
 - How well do these activities meet their needs?

Discussion Groups in Local Youth Clubs

A total of eleven discussion groups have been held involving 87 young people in youth clubs who were accessing youth services in their local area.

Each discussion lasted for one and a half hours and involved between eight and twelve young people.

The profile of young people in each of the twelve discussion groups held was as follows:

Group	Location	Age	Gender	Profile of area	Accessing activities?	Number in group
1	LA3	13-16	Mixed	Disadvantaged	Yes	6
2	LA3	13-15	Male	Affluent	Yes	8
3	LA3	13-15	Female	Affluent	Yes	7
4	LA4	13-15	Male	Disadvantaged	Yes	9
5	LA4	16-19	Male	Disadvantaged	Yes	11
6	LA4	13-15	Female	Disadvantaged	Yes	12
7	LA4	16-19	Female	Disadvantaged	Yes	7
8	LA5	16-19	Male	Affluent	Yes	5
9	LA5	13-15	Male	Disadvantaged	Yes	6
10	LA5	16-19	Female	Disadvantaged	Yes	6
11	LA5	13-16	Female	Disadvantaged	Yes	10

Within each group, the following key issues were explored:

- What are the positive activities that these young people are engaging in, how frequently they do so and for how many hours a week?
- How much (if anything) do these young people (or their parents) pay to access these activities each week?
- What do these young people need and want from the activities they are accessing and to what extent are these needs and wants currently being met?
- How could current service provision be improved? What would their 'ideal' service provision look like?
- What (if any) additional activities would they like to access, but are unable to do so? What barriers to them engaging in these activities exist?

Annex B – Interviewees / Stakeholders

National Organisations

Organisation	Role of Person Interviewed
Association of Chief Executives of Voluntary Organisations	Policy and Development Officer
Clubs for Young People	Representative
Commission for Rural Communities	Representative
Cultural Leisure Officer Association	Chair
Duke of Edinburgh	Representative
Explorer Scouts	Representative
Girl Guiding Association	Representative
Millennium Volunteers	Representative
National Association of Local Government Arts Officers	Chair
National Council of Voluntary Organisations	Chief Executive
National Council for Voluntary Youth Services	Head of Business Development
National Youth Agency	Representative
The Sports and Recreation Trust Association (SPORTA)	Chair
Sport England	Representatives
YMCA	Policy & Parliamentary Officer
Young Farmers	Representative
Youth Sport Trust	Chief Executive

Case Study Interviews

During our case studies we held discussions covering Positive Activities for Young People at various levels within each local authority. The DfES asked that responses from the case study authorities be anonymous, and as such we have not named the authority and have listed roles or generic, equivalent titles rather than specific titles, which may enable identification of responder

Case Study Area	Roles of Those Interviewed
Case Study 1	<ul style="list-style-type: none"> • Assistant Director of Children’s Services • Director of Children’s Services • Head of Curriculum Support • Head of Recreation and Play • Operational Director for LA and Connexions • Principal Youth Officer • Sports Development Officer
Case Study 2	<ul style="list-style-type: none"> • Arts Development Officer • Assistant Director for Communities • Commissioning Review Team for Youth Services and Connexions • CVS Grants Unit • Extended Schools Team Manager • Development Manager for Sport and Leisure • Director of Children’s Social Services • Head of Leisure and Events • Music and Performing Arts Development Officer • Manager, Children’s Information Service • Partnership Development Manager (PDM) of the School Sports Partnership • Principal Youth Officer • Youth Offending Team Manager
Case Study 3	<ul style="list-style-type: none"> • Connexions Representative • Director of Children’s Social Services • Head of Life Long Learning • Head of Youth Service • Senior Education Officer • YOT Representative
Case Study 4	<ul style="list-style-type: none"> • Assistant Director for Children’s Integration and Partnerships • Assistant Head of Children and Young People’s Services • Director of Children’s Services • External Consultant for PESSCL and SSP • Head of Corporate Strategy and Performance • Head of Education Policy • Integrated Services Manager and Extended Schools Team Leader • Music Service Representative • Senior Assistant Director of Children and Young People’s Services • Sport and Leisure Development Manager • Visual Arts Team Representative

Case Study Area	Roles of Those Interviewed
	<ul style="list-style-type: none"> • Youth Offending Team Representative • Youth Service Finance Officer
Case Study 5	<ul style="list-style-type: none"> • Assistant County Treasurer for Children’s Services • Assistant Director of Resources and Performance • Assistant Principal Educational Psychologist • County Inspector for Outdoor Education Services • County Youth Officer • Director of Children’s Services • Director of Recreation and Heritage • Education Officer • Extended Schools Team • Head of Adult and Community Learning • Head of Sport, Community and Outdoor Education • YOT Prevention Manager
Case Study 6	<ul style="list-style-type: none"> • Children with Disabilities Officer • Lifelong Learning and Development Officer • Principal Youth Officer

Provider Interviews Within Three of Our Case Study Areas

Case Study Area	Voluntary Sector Providers Interviewed
Case Study 3	<ul style="list-style-type: none"> • 10 provider interviews
Case Study 4	<ul style="list-style-type: none"> • 10 provider interviews
Case Study 5	<ul style="list-style-type: none"> • 10 provider interviews

Annex C – Sources

National Sources

Source	Report Title
Activeplacespower	<ul style="list-style-type: none"> Detailed Facilities Reports
DCMS	<ul style="list-style-type: none"> National Lottery Funding Detail National Survey of Culture, Leisure and Sport, 2006
DfES	<ul style="list-style-type: none"> Evaluation of the Extended Schools Pathfinder Projects, 2004 Evaluation of the Full Service Extended Schools Project: End of First Year Report, 2005 Extended Services in Schools: Baseline Survey of Maintained Schools in 2005 Programme Briefing Sheets (e.g. Active Citizenship in Schools, PAYP, Millennium Volunteers, Neighbourhood Support Fund, Peer Mentoring, Young Volunteering Challenge) S52 data School Sports Partnerships Funding, 2005 Transforming Youth Work – Resourcing Excellent Youth Services, 2002 Youth Matters, 2005 Youth Matters Evidence Annex, 2005 Young People in Britain – The Attitudes and Experiences of 12-19 Year Olds, 2003 Prime Ministers Strategy Unit – Youth Green Paper Analytical Pack, 2004
Duke of Edinburgh Award	<ul style="list-style-type: none"> Annual Report, 2005 The Award Fact Book, 2005 DEA Statistical Report, 2005
Esmee Fairbairn	<ul style="list-style-type: none"> www.esmeefairbairn.org.uk/grants_made2005
Fairbridge	<ul style="list-style-type: none"> Annual Report, 2005
Future Builders	<ul style="list-style-type: none"> www.futurebuilders-england.org.uk
Girlguiding UK	<ul style="list-style-type: none"> Annual Report, 2004 Funding Statistics, 2005 Membership Statistics, 2006
HBOS	<ul style="list-style-type: none"> Halifax Pocket Money Survey, 2005
Home Office	<ul style="list-style-type: none"> Home Office Citizenship Survey – Top Level Findings on Children, Young People and their Communities, 2003
Mori Social Research Institute	<ul style="list-style-type: none"> Teenagers Need More to Do, 2002
National Lottery	<ul style="list-style-type: none"> Good Causes Funding for Young People, 2005 Report on National Lottery Good Causes, 2005 Where to go for Lottery Funding, 2006
Nestle Family Monitor	<ul style="list-style-type: none"> Make Space for Young People, 2002
National Federation of Young Farmers' Clubs	<ul style="list-style-type: none"> Annual Report, 2004

Source	Report Title
National Youth Agency	<ul style="list-style-type: none"> • Annual Report, 2004 • England's local authority Youth Services Audit- The Basic Facts 2003-04, 2005 • Recording Young People's Progress and Accreditation in Youth Work - Credit Where it's Due, 2005 • NYA Consultation with Young People, 2005
National Council of Voluntary Organisations (NCVO)	<ul style="list-style-type: none"> • Review of the UK Voluntary Sector, 2006
ONS	<ul style="list-style-type: none"> • National Census 1991 and 2001 • Social Trends 35, 2005
Princes Trust	<ul style="list-style-type: none"> • The Leadership Survey, 2006
The Rank Foundation	<ul style="list-style-type: none"> • Annual Report, 2004
Sport England	<ul style="list-style-type: none"> • Learning through PE and Sport – An Update on the National PESSCL Strategy, 2005 • Young People and Sport in England – Trends in Participation, 2002 • www.sportengland.com
Youth Sports Trust	<ul style="list-style-type: none"> • Annual Report, 2005

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