



# Discussion Note

## INVESTING IN YOUNG PEOPLE

### Summary

This discussion note follows a panel event and workshop held in Birmingham about the future of services for young people. The theme of the event was about how to deliver better services at lower cost, particularly for young people aged 16 to 30 who find themselves disadvantaged whether through social and economic circumstances or their own behaviour.

The event was organised by the Prince's Trust and Localis and was sponsored by CapGemini Plc. The event was kindly hosted by the West Midlands Fire Service at its 'Safeside' centre. The Fire Service works closely with the Prince's Trust on a range of initiatives. The key note speech was by Pat Samuel, Deputy Director at the Office for Civil Society, with particular responsibility for partnerships. Delegates were largely from different local authorities, local strategic partnerships and from different local and central government departments as well as private sector welfare providers.

There were also a number of young ambassadors who were involved in the plenary sessions, among them Candice Lane from Birmingham. Candice was in care from the age of seven and ended up in different children's home until she was 14. She was then expelled from school and ended up struggling to find a job, which left her feeling anxious about her future. Rather than giving up, she approached The Prince's Trust for funding so that she could go to college and train as a social worker. She said: "I used to feel down and stressed because I had nothing to do and nothing to get up for. Going to college gives me something to get out of bed for and I feel so much better for that. I am now excited about my future and my goal to be a social worker, so I can help other children in care."

Following the keynote speech, delegates were invited to explore the question: "What are the barriers and solutions to creating better services for young people at lower cost? And are pooled or cross agency funding streams the solution?" The following text aims to reflect the comments made during the event.

### Context

Alex Thomson, Chief Executive of Localis, gave a broad overview of the current political context. He highlighted that new political realities offer both an enormous challenge and opportunity in equal measure. The anticipated tight public spending around 2011-15 means that there will be an emphasis on achieving value for money and better results in the public sector. On top of the financial challenges, there are a number of systemic problems. These include a declining satisfaction in local services; declining productivity in public services; a growth in inequality and unemployment.

The challenges ahead also offer an opportunity. The anticipated outcome of the Comprehensive Spending Review means that the future is far from certain for a number of organisations and public service providers. But there have already been a number of pledges made which give a strong hint as to the direction of the current government. One of the biggest themes is around the decentralisation of power from central government to local government and beyond. This has been seen, for example, with initiatives such as the new powers for local government over local public health and new powers for parents over school choice.

But the new coalition is also broadly in favour of community empowerment and asset transfer, and is particularly keen to see staff co-operatives in public services to help drive up productivity. All of these initiatives, and others, have been grouped together under the broad banner of the Big Society. The purpose of the Big Society is to fundamentally re-imagine the power of the state, down to people at most appropriate level. But what does this mean in practice?

## What is the Big Society?

Pat Samuel, Deputy Director at the Office for Civil Society gave a broad overview about what the Big Society is, and how it was relevant to the current political context. The key themes were:

- Power to communities - People will have new rights to take control of services, including down to the individual level – personalised budgets/customer involvement.

- Power to public sector workers - Public sector workers will have right to create their own organisations, and will have a greater ownership of existing ones.

- Reducing bureaucracy - Less red tape making it easier to run services, especially for voluntary and community sectors.

- Open up markets - Create new markets and competition in key areas of public service provision, including welfare to work and education.

- Focus on outcomes not processes - Funding that follows outcomes not process targets should allow providers such as charities the opportunity to make a return which can be re-invested. There will clearly still be some place for grant funding where an outcomes based contract would not be appropriate, but most likely on a much smaller scale.

- Involve and consult people on service design - Co-production and community involvement, including that of young people, in the design of services.

## What are the barriers and solutions to the reform of young people's services?

Confused understanding of efficiency - It was suggested that there are a number of tensions between the different interpretations of efficiency. Efficiency of localisation drives better value through better services tailored to the needs of individuals, whereas the economies of scale can suggest larger scale service provision. This dichotomy must be addressed in the government's approach to ensure

better services for young people.

No margin for error – One of the biggest problems is that young people can get labelled and stuck into a cycle of rejection. One delegate said that we need to give young people a second chance when things go wrong. The criminal justice system could do more to help people rehabilitate, which the government's plans for rehabilitation may begin to address.

Problems with education system – One young ambassador suggested that education is geared too much to passing exams, not enough to getting a job. It also misses people in the middle as resources were directed to those at the top and bottom of the class.

Influences on young ambassadors – Another young ambassador suggested that we need to consider the bigger picture in terms of the world of media and marketing aimed at young people which can convey a negative message.

Insufficient freedoms for local government – A number of delegates commented that local government did not have enough freedom from central government in order to design better services for young people. Although it was noted that the government has made a number of steps towards addressing this problem.

Inflexibility of services for young people – Currently service provision is quite prescriptive and process driven. It was also suggested that young people do not have enough of a say in the services they receive. The solution was to involve service users - giving young people more opportunity to co-design services instead of being passive recipients.

Bureaucracy and complexity – This was seen as one of the biggest barriers to enabling small social enterprises and voluntary organisation to support young people. There needs to be less red tape to make it easier for SMEs to take on apprentices. Solutions suggested include 'one stop shop', making a single coherent offer to young people to avoid the confusion caused by multiple overlapping sources of information. Another potential new barrier mentioned was around the extra bureaucracy that will be brought in with new transparency legislation – although it was noted that the extra information was designed to increase accountability to local people and not to central government.

Short term funding – The short term funding of both local government and SMEs has caused a number of issues, particularly with initiatives that have a

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longer term payback. The solution suggested was to move away from the annual grant system where feasible.

Commissioning rules – A number of participants thought that many of the barriers are at the commissioning stage, particularly with the EU procurement rules which limit innovation and experimentation.

Funding flows - This was a major theme discussed during the event. Everyone wants a simple answer but in reality the problem – both that of service design and service funding – is complicated. The Birmingham Total Place pilot is already demonstrating early intervention in one area can yield significant savings in another over the long term. The problem from a funding, governance and performance management point of view is that those who reap the rewards are not necessarily those who sow the seeds. The existing funding streams need to be rationalised and make more clearly accountable.

## How can we achieve the required investment in young people in the current climate?

Pooled budgets – The workshops generally seemed to agree that pooled budgeting needed to take place but that it required a trust and willingness for departments to divest themselves of some of their activities. Everybody recognised the complexity of the situation and the benefits of pooling of resources. The trouble is that the structure to allow this is not yet apparent, and a framework for place-based budgets is needed.

Corporate social responsibility – Another potential opportunity was to explore community relations with large private businesses such as supermarkets. Many private companies feel a responsibility to put something back into the community. One large supermarket, for example, had funded a new youth centre near a new superstore one delegate. One participant from the Youth Justice Board suggested that corporates should put 10% of their net profits back into the community and there should be a 'dragons den' for social enterprises.

Social Impact Bonds – Financial instruments were also briefly discussed to allow private, state and community funding to flow into early intervention schemes and programmes where there is insufficient investment. It was noted that this will also require significant thought to rationalise state

funding into a coherent stream to support such initiatives.

Volunteering – Volunteering, particularly for young people, was seen as a good way not only to get good experience for the workplace and future development, but also as a way of delivering cost effective services.

## What is the role of the voluntary sector in the Big Society agenda?

There were many examples of success of the voluntary sector cited from across the wider Birmingham region. The key theme of these examples was that voluntary organisations and community groups are more adaptable, flexible and hence able to transcend silos in a way in which public agencies currently cannot. One Prince Trust intervention (for example their 12 week Team programme) already transcends several different themes, such as health, educational qualifications and work-readiness. Thus issues of cross-departmental and multi-agency working are already experienced on a daily basis by Prince's Trust young ambassadors and staff.

Third sector organisations such as the Prince's Trust have clearly demonstrated that they are good at boosting young people's confidence, which allows young people to use their experience to get a good reference which employers will take seriously.

## Opportunities for the coalition government

A number of ideas for how to deliver better services for younger people have already been listed above. But a number of other opportunities were explored by the panel of speakers. These include:

Partnership – There are many good examples of partnership out there already. There are numerous opportunities to build on that success.

General Power of Competence – The Conservatives pledged a General Power of Competence for local government to allow them to do anything to improve the local area which is not specifically prohibited. There are opportunities to explore this further.

## Conclusion

The system we have now is clearly too complicated. Funding streams follow systems and silos rather than outcomes, and often there are far too many agencies delivering the same things, creating waste and duplication. This complexity also makes accountability increasingly complicated, further disengaging those people who receive the services – turning them into passive recipients rather than engaged citizens. At the event, the young ambassadors themselves noted how much of the conversation seemed far removed from their reality. Perhaps this is testament to how services need to do more to re-connect with people.

Adrian Thacker, Head of Partnerships with The Prince's Trust in the West Midlands said; "The context is not simply large-scale cuts in public spending but the opportunity to make radical changes in the way services are designed and funded. We are thankful to Pat Samuel from the Office for Civil Society who gave us an invaluable insight into what the 'Big Society' could look like, and to Localis who helped us negotiate a rapidly changing policy environment."

## About Localis

Localis is an independent think tank dedicated to issues relating to local government and localism. We carry out innovative research, hold a calendar of events and facilitate an ever growing network of members to stimulate and challenge current orthodoxy of the governance of the UK.

For more information about Localis, please visit the Localis website at [www.localis.org.uk](http://www.localis.org.uk) or phone 0207 340 2660. For more information on this work please contact Tom Shakespeare on [tom@localis.org.uk](mailto:tom@localis.org.uk).

The Prince's Trust helps 40,000 young people across the UK each year and works with local authorities, public sector agencies and the corporate sector to achieve positive outcomes for young people.

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