

Leicester  
City Council

**WARDS AFFECTED**  
**All Wards**

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**  
**Children & Young People Scrutiny Committee**  
**Cabinet**

**20 July 2006**  
**24 July 2006**

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**Youth Opportunity Fund and Youth Capital Fund**

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**Report of the Corporate Director of Children & Young People's Services**

**1. Purpose of the Report**

To advise members of two new funding streams, Youth Opportunity Fund and Youth Capital Fund, the arrangements for their implementation and to seek their approval for acceptance and spend of these funds.

**2. Summary**

- 2.1** In 2005 the Government Green Paper *Youth Matters* proposed a discrete amount of resources for young people to control and to decide how this should be spent in their area – the Youth Opportunity Fund (YOF) and Youth Capital Fund (YCF).
- 2.2** Extra resources were made available for the YOF and YCF in the Chancellor's Pre-budget Report in December 2005 - a total of £115 million available for both funds over 2006-2008.
- 2.3** Local authorities have been asked to act as local leaders for the development and delivery of youth policy, working with the voluntary, community and private sectors, as well as with young people and their parents. Partnerships and joint-funding are to be encouraged.
- 2.4** The involvement and empowerment of young people is central to this initiative, with all young people aged 13-19 able to participate in a meaningful way if they wish, and particularly disadvantaged young people. It will contribute very positively to the active participation of young people in the life of their community.
- 2.5** In reaching their decisions on funding, Young People will have been provided with a training programme and a range of specialist advice and support. In particular they will be advised of the necessity to ensure that their decisions and processes:-

- demonstrate Best Value
- are lawful and reasonable
- are rigorous in respect of conflict of interest and personal gain
- are not inconsistent with strategic priorities and distribution throughout the city of current provision to young people.

**2.6** Local Authorities should have strategies in place at the outset to engage young people and to raise awareness of how they might participate in the funds at every level, and particularly disadvantaged young people. This is with a view to mainstreaming (their involvement) into capital and asset management more generally in the authority.

**2.7** The main purpose of the funds is set out in more detail in Supporting information but briefly is : to give a voice and influence to young people, change the way local authorities and their partners provide activities and facilities, provide opportunities for young people to develop knowledge, skills and abilities and to increase young people’s engagement with services and with the democratic process at local level.

**2.8** The YOF and YCF are ring-fenced grants outside Local Area Agreements (LAAs). However, they should be used with other youth funding to achieve the 5 Every Child Matters (ECM) outcomes we want to see for all young people. Outcomes for young people will feed into the Joint Area Review.

**2.9** Given the requirement to spend all of the Opportunity Fund, £241,378, and at least 60% of the £208,773 Capital Fund within the financial year of 2006/07, it is clear that the “open and transparent” procedures, for administering and distributing this funding, will have to be in place by September 2006 at the latest. Work on this has therefore already started and the methodology and progress are set out in Supporting Information.

**2.10** The guidance on the Youth Capital Fund (YCF) states that this fund must be incorporated into the Corporate Capital Programme and Young people are currently being advised by the Corporate Property section in this respect. However, it should be noted that the Property Assets implications cannot be accurately assessed until actual funding bids have been received.

### **3. Recommendations**

Scrutiny is recommended to:

consider the report and make any recommendations to Cabinet.

Cabinet is recommended to:

approve the acceptance of the two grant funds and to receive further reports upon their development and expenditure.

It is proposed that the young people who are to engage in the Scrutiny process bring these further reports.

#### 4. **Headline Financial Implications**

4.1 This report is entirely concerned with a new grant allocation from the Department of Education and Skills, the Youth Opportunity Fund and Youth Capital Fund. The grant allocation for 2006/07 is as follows :-

Youth Opportunity Fund (Revenue)	£241,378
Youth Capital Fund	<u>£208,773</u>
<b>Total Grant Allocation</b>	<b>£450,151</b>

4.2 The combined allocation includes provision of up to £18,715 to facilitate training and support of young people involved in distribution of the funding.

4.3 There will be a further funding allocation of the same amount in 2007/08.

4.4 The funding is time limited to two years. If projects are funded that have on-going financial implications, the future costs would have to be mainstreamed and could impact upon the Department's DRS.

Barrie Woodcock, Interim Head of Finance  
Children and Young People's Services

#### 5. **Headline Legal Implications**

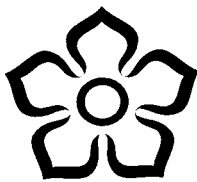
5.1 LAC(SC06\_02) is clear that young people are "to be instrumental in deciding how funds are used" and this can be achieved lawfully by providing a panel of young people with a mechanism (which includes professional advice) for making recommendations to a decision-maker which are capable of acceptance in the knowledge that the issues raised in paragraph 2.5 have been taken into consideration by the panel.  
(Guy Goodman, Head of Community Services Law - ext 7054).

#### 6. **Report Author/Officer to contact:**

**Paul Vaughan**  
**Head of Youth Services**

#### **DECISION STATUS**

<b>Key Decision</b>	<b>No</b>
<b>Reason</b>	<b>N/A</b>
<b>Appeared in Forward Plan</b>	<b>N/A</b>
<b>Executive or Council Decision</b>	<b>Executive (Cabinet)</b>



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**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:**  
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**Cabinet**

**20 July 2006**  
**26 June 2006**

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**Youth Opportunity Fund and Youth Capital Fund**

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## **SUPPORTING INFORMATION**

### **1. Report**

- 1.1** The conditions of these funding streams make it absolutely clear that their use is to be determined by young people to provide activities and facilities.
- 1.2** It states that “all young people aged 13-19 should be able to participate in a meaningful way if they wish, and may need support to develop the skills and experience necessary to both administer the funds and develop ideas, particularly disadvantaged young people, many of whom may struggle to participate without tailored support”.
- 1.3** The main purpose of the funds is to:
- give a voice and influence to young people, particularly disadvantaged or hard to reach young people, in relation to improving things to do and places to go and community cohesion
  - change the way local authorities and their partners provide activities and facilities for young people, especially in deprived neighbourhoods in line with what young people want in their neighbourhood;
  - provide opportunities for young people to develop their confidence, knowledge, skills and abilities and gain recognition and/or accreditation for them (ECM)
  - increase young people’s engagement with services and with the democratic process at local level
- 1.4** Local Authorities must have strategies in place at the outset to engage young people and to raise awareness of how they might participate in the funds at every level, and particularly disadvantaged young people, with a view to mainstreaming into capital and asset management more generally in the authority.

- 1.5** A small part of the funds, £18715 in Leicester's case, can be used for our involvement strategy and young people's support.
- 1.6** Method used for initiation of YOF/YCF :  
A range of stakeholders were invited to a first meeting on 30 May 2006 to begin the development and delivery of the Youth Opportunity Fund and Youth Capital Fund. The stakeholders for the initial meeting were identified on the following bases:-
- 1.6.1** Young people were initially drawn from a number of perspectives
- 2 UK Youth Parliament Members
  - Reps. from the Connexions Shadow Board
  - Reps. from the Area Youth Fora
  - Reps. from the Federation Board's Talk group
- 1.7** Organisations that already had experience of managing similar projects
- Connexions (voluntary grants involving young people)
  - Young People First (Youthbank)
  - Community Foundation (Community Champions)
- 1.8** Organisations that could ensure a wider reach to young people
- Youth Service (Active Participation Worker)
  - Leicestershire Council for Voluntary Youth Service
  - Youth offending Service
  - Active Participation (in former SC & H)
  - Voluntary Action Leicester
- 1.9** Specialist input needed
- Property Services
  - Legal Services
  - Finance Dept.
- 1.10** The outcome of the first meeting was to set up Working Groups, on three themes, that would meet quickly and report back to further full meetings as follows :-
- Young People's training & support needs
  - Publicity & accessibility of the funding
  - Criteria, processes and timetable for funding
- Each group has had young people membership.
- 1.11** Further full group meetings have taken place on 13 June, 26 June and 5 July. The major topics of discussion to date have been :
- the process by which young people are recruited to the decision-making panel and
  - the provision of a substantial 4-day training programme for panel members in August 2006, given the need to have arrangements in place for September if the funding for 2006/07 is to be spent.

## 2. Financial Implications

2.1 This report is entirely concerned with a new grant allocation from the Department of Education and Skills, the Youth Opportunity Fund and Youth Capital Fund. The grant allocation for 2006/07 is as follows :-

Youth Opportunity Fund (Revenue)	£241,378
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<b>Total Grant Allocation</b>	<b>£450,151</b>

2.2 The combined allocation includes provision of up to £18,715 to facilitate training and support of young people involved in distribution of the funding. There is no allowance for administration costs to be charged to the grant.

2.2 There will be a further funding allocation of the same amount in 2007/08.

2.3 The funding is time limited to two years. If projects are funded that have on going financial implications, the future costs would have to be mainstreamed and could impact upon the Department's DRS.

2.4 There are specific conditions attached to the grant allocation:

- The funding is to be made available to all Young People's groups in Leicester; this can include the City Council's own Youth Services.
- Young People are to be central to the decision to approve grant applications from properly constituted groups of young people, through a trained panel of young people.
- The grant awards must be auditable both financially and qualitatively to evidence the impact of the funds in providing activities and facilities for young people. Six monthly monitoring reports must be submitted to GOEM, and the grant is subject to year end certification by the Audit Commission. Proper processes and accounting arrangements will need to be established prior to awards being made.
- Four Star CPA Authorities can carry forward unspent Youth Opportunity Fund to 2007/08.
- The Youth Capital Fund must be incorporated into the Council's Capital Programme. Any future costs arising from the capital grant are the responsibility of the City Council. Grant award criteria will ensure that future costs are identified and addressed, prior to approval.
- No carry forward of the Youth Capital Fund will be permitted unless 60% of the allocation has been spent by 31<sup>st</sup> March 2007.
- There is no requirement for match funding, however the funding can be augmented by other sources of funding.
- Any overspend against the allocation must be funded by the City Council.

2.5 The grant conditions are standard for government grants with the exception of (ii) above. Legal Services are providing advice re this condition.

Barrie Woodcock, Interim Head of Finance,  
Children and Young People's Services

### 3. Legal Implications

"These are dealt with in paragraph 4.2 of the Report."

### 4. Other Implications

<b>OTHER IMPLICATIONS</b>	<b>YES/NO</b>	<b>Paragraph References within this report</b>
Raising Standards	Yes	1.2,1.3, 2.1
Equal Opportunities	Yes	1.2, 1.3, 1.5, 1.6, 1.8, 1.10, 1.11
Policy	Yes	2.1, 2.2
Sustainable and Environmental	No	
Crime and Disorder	Yes	1.2, 1.3, 1.8
Human Rights Act	No	
Elderly/People on Low Income	No	

<b>RISK ASSESSMENT MATRIX</b>			
<b>Risk</b>	<b>Likelihood L/M/H</b>	<b>Severity Impact L/M/H</b>	<b>Control Actions (if necessary/or appropriate)</b>
1 Recruitment & training of young people doesn't happen before Sept.	M	H	3 staff deployed on recruitment. 4 day training programme for young people being organised for August 06
2 Poor decision making by young people that cannot be ratified	M	H	4 day training programme being organised for August 06 Specialist advice is being provided on vital legal, property and finance issues.
3 Not spending the money available within financial year	H Particularly Capital Fund	M	Ensure that the programme is launched to the public in September, with application processes and criteria in place and Young People's Panel trained and in place to receive bids. Consider nature of criteria for Capital Fund in first year.
4 Turnover of young people	H	H	Maintain high numbers of young people involved in decision-making processes and continue to work on recruitment for following year.

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L - Low	L - Low
M - Medium	M - Medium
H - High	H - High

**5. Background Papers – Local Government Act 1972**

The DfES Youth Opportunities and Youth Capital Fund Guidance 2006, is available from the Youth Services office, 10 York Rd. Tel 229 4361

**6. Consultation**

The development in Leicester of these funding streams has involved the active participation of young people from the outset, who are currently working on how best to publicise and engage the widest range of young people in this programme, particularly with regard to disadvantaged young people, and how best to disseminate it in an open and justifiable manner.

**7. Report Author/Officer to Contact**  
**Paul Vaughan**  
**Head of Youth Services**