

Committee: Funding Committee of the City Bridge Foundation Board	Date: 10 June 2024
Subject: Strategic Initiative: London Youth	Public
Report of: Sacha Rose-Smith, Chief Funding Director	For Decision
Report author: Caspar Cech-Lucas, Small Grants Programme Lead	

Summary

The Federation of London Youth Clubs (aka London Youth, LY) is a registered charity (number 303324) dating from 1887. The charity represents and supports 640 member organisations working with over 100,000 young people and forming a large part of London's youth sector. This sector has experienced over a decade of reduced central funding, impacting its potential to support and deliver work to those young people who need it most. LY estimates that two-thirds of the capital's youth organisations remain 'at risk' with available funding often being too small, too restrictive, or too short-term. CBF has supported LY over many years (several times for onward granting) as a way of helping to build the capacity of the network and to drive up quality standards (see Appendix 1). This proposed strategic initiative represents a unifying grant bringing together two strands which have previously been funded separately, and for impactful work towards an under-resourced youth sector at a time of significant need for London's young people, with scope to generate learning for benefit to the future funding policy.

Recommendations

It is recommended that the Funding Committee of the City Bridge Foundation Board, in the discharge of functions for the City Corporation as Trustee of CBF and solely in the charity's best interests:

- i) Award £750,000 over three years (3 x £250,000) to London Youth to support and strengthen London's grassroots youth organisations.

Main Report

Background

1. More than half of the young Londoners that LY's member organisations support live in areas characterised by poverty, with 64% being young people of colour (higher than the demographic for the capital, which is 57%). Member organisations give young people somewhere safe to go, space to form long-term relationships with trusted adults, and opportunities to develop skills that enhance their personal and social development.
2. The Health Foundation has highlighted the rising cost-of-living, a challenging jobs market, limited opportunities to develop skills, and lack of personal connections



contributing to poor mental health amongst young people¹. Research by the Prince's Trust has highlighted that one in four young people feel like they are going to fail in life². Across several indicators, young Londoners face greater challenges than their peers in other parts of the country. Child poverty is high in the capital, with 39% of children in living in poverty and with some boroughs showing even higher rates (Tower Hamlets 51%)³. Nearly half of the UK's young people of colour live in London. They are twice as likely to be unemployed⁴; less likely to access mental health support⁵; more than twice as likely to lack access to green space⁶; and less likely to be regularly active⁷.

3. The Prince's Trust 2024 NatWest Youth Index found that 40% of 16-25 year olds have experienced a mental health problem, while a fifth (21%) report their mental health has got worse in the last year. Over half (54%) of young people say the cost-of-living crisis and pandemic has had a negative impact on their mental health, with over a third reporting that they always or often feel down or depressed (36%).⁸ Young people who went through the pandemic were more likely to experience increased depression, social, emotional, and behavioural difficulties, along with worsening general mental well-being⁹.
4. Serious Youth violence is also an issue impacting the lives of young people in London. From July 2022 to 2023, youth homicide in London increased by 36.8% – with 26 murders compared to 19 in the previous year. Meanwhile, knife crime with injury affecting young people under the age of 25 increased by 7% in the same period.¹⁰
5. Many young Londoners rely on youth organisations for support. Local youth groups are not just places to have fun, but also places to be heard, feel safe and develop a sense of identity. LY research shows youth workers and their organisations have been deeply affected by cuts, Covid, and high inflation¹¹. Many youth clubs are struggling to stay open due to increased rental and utility costs. This can result in young people losing safe spaces to visit outside of school.
6. There are structural reasons why many youth sector organisations struggle to raise funding: lacking the time and capacity for application-based fundraising; not having an eligible governance structure; and lacking the paperwork to evidence what funders look for. Capacity building support is needed and something which CBF has supported via LY over the years.

¹ <https://www.health.org.uk/news-and-comment/blogs/what-is-happening-to-young-people-s-mental-health#:~:text=With%20a%20tough%20job%20market,mental%20health%20than%20other%20generations.>

² The Prince's Trust NatWest Youth Index 2023

³ The Childhood Trust, *London Child Poverty Report, 2023* <https://www.childhoodtrust.org.uk/wp-content/uploads/2023/04/London-Child-Poverty-Report-2023-1.pdf>

⁴ Unemployment by ethnic background,' House of Commons Library, April 2023

⁵ Therapeutic Intervention for Peace Report,' Power the Fight (2020)

⁶ England's Green Space Gap,' Friends of the Earth (2020)

⁷ Active Lives Children and Young People Survey 2021-22, Sport England

⁸ The Prince's Trust NatWest Youth Index 2024

⁹ Young People's Mental Health Changes, Risk, and Resilience During the COVID-19 Pandemic, Jesus Montero-Marin, PhD; Verena Hinze, Ph¹; Karen Mansfield, PhD; et al, JAMA Network Open

¹⁰ Protecting young people from violence in London, London Assembly, 2023

¹¹ 'Needs and Outcomes Survey of London Youth members,' January 2023



7. London living costs and poor sector pay means many youth workers are struggling. Many are being priced out of living in the area where they work, and therefore staff turnover can be a major issue. This means young people lose vital connections with adults they trust.
8. Youth workers are supporting young people with increasingly complex needs, for example increased psychological distress. However, LY notes that many youth workers feel they are no longer appropriately qualified or skilled enough to provide young people with appropriate and holistic support, or that training is unaffordable and often difficult to access.

Current Position

9. London's youth sector is vital for addressing issues core to CBF's ancillary object (disadvantage and marginalisation), but many of the organisations in the sector either do not have an eligible constitutional form to apply directly for funding or would not have capacity to apply for funding. Therefore, LY is an essential route both to reach these groups and build their capacity.
10. Following a period when LY held strategic initiatives for different purposes (in some instances, at CBF's instigation) this proposal is for a unifying award to continue the organisation's support work. It falls into two categories: Member offer and Quality Mark Grants.

Member Offer

LY would deliver a support package for member organisations:

- Training
- Networks
- Personalised support
- Access to free residentials at two outdoor education centres
- Multi-year delivery funding for sports, arts, mental health, and employability
- Free Employee Assistance Programme for staff and volunteers
- Quality Assurance Programme

The membership package has been co-designed with youth practitioners to meet the challenges of the current operating environment.

Quality Mark Grants

The London Youth Quality Mark is a co-designed scheme that provides Award holders with a badge of excellence recognised across the sector:

- Bronze: Governance aspects organisations require to operate legally and provide a safe environment for beneficiaries
- Silver: A commitment to continuous improvement
- Gold: Examines impact, gaps in provision, and youth influence on an organisational level

Youth organisations are funded with an unrestricted grant for completing the Award (£2,000 Bronze; £1,500 Silver; £1,500 Gold).



Through this work, LY would provide the following:

- At least 130 training sessions for 1,100+ participants annually (at least 490 over three-year grant)
- At least six networking events per-year (at least 18 over three-year grant)
- 60 organisations per year to achieve the London Youth Quality Mark Award: 30 Bronze Awards, 20 Silver Awards, and 10 Gold Awards per-year (180 over three-year grant).

11. Both the Membership offer, and the Quality Mark work have been funded by CBF and have made a positive impact on the Youth Sector. The last year of a previous Membership offer grant provided by CBF allowed LY to deliver 96 networking, training, and information sessions for youth organisations, with 1,656 youth professionals participating in networking and training in areas that actively increased the capacity of organisations in the network. Over a previous three-year CBF grant focused on the Quality Mark work, 127 organisations completed the Quality Mark (110 Bronze, 10 Silver and 7 Gold). Training covered safeguarding, equality, diversion and inclusion, fundraising, professional development, monitoring, evaluation and learning, youth work practice, governance, strategy and leadership, and health and safety. Support was also provided in 1-2-1 settings, with organisations engaging a named Membership Development Officer who provided signposting to relevant parts of the LY offer.

12. LY measures impact across all areas included in this application. The applicant also has a Head of Membership Development, and Learning, and Evaluation Manager on staff, and is keen to collaborate on ensuring that any data gathered is communicated in a way that suits CBF’s internal requirements. The proposal directly benefits LY’s member network of 600, London based youth organisations and any learning from direct interaction with this group is also likely to be useful for CBF’s work on future funding policy. LY plans to continue delivering this work, as it represents a large aspect of the organisation’s mission. Members pay £100-£200 in annual fees (depending on income), so LY expects to receive approximately £88,000 per year from members.

13. It will cost London Youth £2,045,433 over the next three years to deliver comprehensive support offer to its network. This paper recommends funding the specific costs detailed in the table below, representing 37% of the total:

Budget line	Year 1	Year 2	Year 3	Total Cost (£)
Quality Mark grants	£100,000	£100,000	£100,000	£300,000
Delivery of Quality Mark Assessment	£62,000	£62,000	£62,00	£186,000
Personalised support: costed proportion of the Membership Team’s time, on average, spent	£48,000	£48,000	£48,000	£144,000



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providing 121 support for members.				
Training and networks including trainers, venue hire, marketing, and resources	£40,000	£40,000	£40,000	£120,000
Total Cost:	£250,000	£250,000	£250,000	£750,000

14. The balance of funding will be raised through a partnership with another charitable foundation, corporate fundraising, major donors, individual giving, and other trusts and foundations, and a contribution from reserves in a form of spending down excess to sit within the organisations reserves target.

Financial Assessment

15. LY is following a finance strategy from 2020 – 2025 to achieve a break-even position of income over expenditure (before depreciation), with deficits in the intervening years to be funded from general reserve. At the start of this strategy in 2020, reserves were high (totalling just over £17m, £7.5m in free reserves) as they had been bolstered by the final property sale of a planned series of sales, with net proceeds of £1.4m. The organisation’s reserve target is to hold 3-6 months’ expenditure (estimated to be between £2m and £4m) in free unrestricted reserves by 31 August 2025.

16. This strategy can be observed within the financial table, showing consistent spending down to sit within the £2m and £4m reserves range. Due to investment under performance and external factors, the trustees have agreed that the upper target of 6 months / £4m end of the reserves target is what should be aimed for, but due to the ambitious nature of this target £2m has been used in the table.

17. LY has a strong fundraising track record, consistent earned income, trading income, an endowment, and appear to be recovering from the continued effects of the pandemic.

Year end as at 31 August	2022 Signed Accounts £	2023 Draft £	2024 Forecast £
Income & expenditure:			
Income	7,008,258	7,862,486	9,273,617
Expenditure	(8,098,518)	(9,177,765)	(10,658,930)
Gains/(losses)	(729,161)	(472,721)	0
Surplus/(deficit)	(1,819,421)	(1,788,000)	(1,385,313)
Reserves:			
Total endowed	0	0	0
Total restricted	2,167,969	2,347,881	1,481,077
Total unrestricted	12,845,596	10,877,684	10,010,880
Total reserves	15,013,565	13,225,565	11,491,957
Of which: free unrestricted	5,522,000	3,521,674	2,654,870
Reserves policy target	2,000,000	2,000,000	2,000,000
Free reserves over/(under) target	3,522,000	1,521,674	654,870

Conclusion

18. It is recommended that the Funding Committee approve a grant of £750k over three years (3 x £250k) to London Youth to support and strengthen London's grassroots youth organisations at a time of significant need amongst London's young people.

Appendices

- Appendix 1: London Youth Funding History

Caspar Cech-Lucas

Small Grants Programme Lead

E: Caspar.Cech-Lucas@citybridgefoundation.org.uk

Appendix 1: London Youth Funding History

ID	Type	Meeting Date	Decision
19206	Strategic initiatives	09/03/2022	£500,000 over five months as a one-off grant to underpin London Youth's core costs and enable its work to benefit youth organisations.
19141	Strategic Initiatives	09/03/2022	£100,000 over a further two years for the salary costs of a Membership Development Manager and related costs for a programme to support the development and capacity of youth organisations in several outer London boroughs.
18926	Strategic Initiatives	06/12/2021	£50,000 for a participatory-based grant fund for local youth organisations in Redbridge.
18714	Cornerstone Fund	30/09/2021	£25,000 towards the development phase of a user-led partnership to develop community-based, culturally appropriate interventions to improve young people's mental health.
17555	COVID19 London Community Response Fund (LCRF)	17/09/2020	£49,638 towards the re-configuration of youth services in London post covid-19
17558	Strategic Initiatives	17/09/2020	£97,000 towards the costs of a package of support through to January 2022 to organisations funded by the Young Londoners Fund. £150,000 for individual Awards for organisations achieving the London Youth Quality Mark.
16798	COVID19 LCRF	08/07/2020	£49,962 to fund the essential and urgent costs outlined in the application, so that the organisation can carry on providing support to Londoners.
15858	Strategic Initiatives	30/01/2020	£50,000 over one year for the salary costs of a Membership Development Manager and related costs for a programme to support youth organisations in several outer London boroughs.
15216	Bridging Divides	21/03/2019	£390,000 over three years towards the costs of the City Leaders project.
15198	Strategic Initiatives	31/01/2019	£320,000 over three years to London Youth to deliver a programme of training and support to enable eligible organisations achieve the London Youth Quality Mark.



14493	Strategic Initiatives	31/01/2018	£400,000 towards a series of activities and programmes for member organisations and young people.
13854	Investing in Londoners	10/01/2017	£150,000 to continue the London Youth Quality Mark Awards scheme until the implementation of your new programmes in 2018.
13221	Strategic Initiatives	28/01/2016	£27,000, for the development phase of the City Leaders project; £240,000 over one year for the pilot phase, plus an additional £12,000 by way of external evaluation to evaluate the pilot.
12727	Stepping Stones	09/07/2015	£50,000 over 12 months to develop social investment financing plans for London Youth's Build It programme for young people in the construction trades.
12793	Investing in Londoners	13/05/2015	£103,000 over two years for the salary and support costs of a project to develop the capacity of London's voluntary youth sector to evidence and advocate for the value of its work.
12215	Strategic Initiatives	13/03/2014	£216,000 over three years for the revenue costs of delivering the Inclusion project.
12198	Investing in Londoners - partnership programme	12/02/2014	£300,000 to support the London Youth Quality Mark Awards.
11596	Working with Londoners	18/04/2013	£55,000 for a third and final year's support of the Urban Nature initiative. The grant will provide for the salary costs of a f/t Project Co-ordinator plus associated support and delivery costs.
9825	Working with Londoners	18/03/2010	£100,000 over two years for the salary of a Project Co-ordinator and associated running costs of a project to engage, educate and support young people as environmental champions.