

# Local Government Association Briefing

## Challenges facing young people

### House of Lords

13 December 2018



#### KEY MESSAGES

- The challenges facing young people span a range of issues, including poverty, housing, skills and employment, access to training and careers advice, access to mental and physical health and wellbeing services, and exposure to violence, crime and exploitation. Local government has a central role to play in tackling a number of these issues and supporting young people to live the lives they want to lead.
- Welfare reforms are reducing the support young people can receive. These reforms are also having an impact on disabled people, single parent families and care leavers.
- The learning from phase 2 of the Government's Troubled Families programme shows the benefits of considering the interplay between the wide range of challenges facing young people and their families.
- Councils are committed to improving the availability and affordability of housing for young people. There are currently over 120,000 children in temporary accommodation, underlining the scale of the challenge. We are also working to improve access to the private rented sector for young adults.
- We welcome the Government's commitment to the skills agenda (£10.5 billion in 2016/17) and call on this work to be streamlined. The funding in 2016/17 was delivered by eight different Whitehall departments or agencies, across 20 different national schemes, with different criteria and eligibility for each.<sup>1</sup> This makes the system difficult to access and hampers people's ability to retrain or upskill to improve their employability.
- The Government's children's services Early Intervention Grant has been reduced by £600 million since 2013 and is projected to decrease by almost £100 million more by 2020. Children's services are facing a wider funding gap of £3 billion by 2025 and councils' public health budgets have been reduced by £600 million between 2015/16 and 2019/20.
- We welcomed the additional NHS funding announced in the Budget to prioritise mental health services for children and young people. However, funding crisis mental health services while reducing the funding for prevention services is not a sustainable model for the young people relying on these services, or on long-term public service budgets.
- The LGA's Bright Futures campaign highlights the incredible early intervention and prevention work that councils across the country are doing to support our children and young people. This work needs sustainable funding.
- We are extremely concerned by the activity of county lines gangs that often exploit children, young people and vulnerable adults to commit crimes. They use coercion, intimidation, violence and weapons to assert control. This is an issue which affects all local areas.

# Briefing

## **BACKGROUND INFORMATION**

### **Welfare reform**

Challenges faced by particularly vulnerable groups of young people, for example care leavers or those facing family breakdown, are likely to be compounded by reductions in welfare spending. This is especially true for disabled young people, those with care responsibilities, those in care or leaving care, and those in single parent families.

In some cases the benefits system is less generous for young people, for example many single private renters who are under 35 can only claim the shared accommodation rate of housing benefit or universal credit housing costs.

We agree that our welfare system should incentivise people to work, and we recognise that working is a route by which people can alleviate deprivation and poverty. However, it is important to note that while the national living wage (NLW) for those over 25 is currently £7.83, young people between the ages of 21 and 24 face a National Minimum Wage (NMW) of £7.38, and those aged 18 to 20 the NMW is £5.90.<sup>ii</sup> This is likely to hinder young people's progress in getting out of poverty, and may have an impact on their ability to take up training or education that could help them earn a higher income.

### **Housing**

The national housing crisis is one of the biggest challenges the country faces. Councils want to provide secure, affordable housing for everyone in their communities, including families and young people. In order to do so, they need the funding and powers to build more houses, regulate the private rented sector, and improve affordability.

The number of households approaching councils as homeless has been increasing as housing costs rise above incomes. In 2017 there were 77,200 homeless families in temporary accommodation, including over 120,000 children.<sup>iii</sup> The net cost to councils has tripled in the last three years. The rise in private rents, coupled with the effect of welfare reforms, has combined to make housing unattainable for many young people.

The Local Housing Allowance (LHA) is paid to low-income families in the private rented sector to help them cope with high housing costs. The rate is currently frozen despite private rented sector rents in England having risen by nearly 11 per cent in the five years to 2017.<sup>iv</sup> We are pleased that the Government has responded to our calls to extend the LHA rate cap through increases in the Targeted Affordability Fund (TAF).<sup>v</sup> However, the Government should go further and lift the LHA freeze in the private rented sector entirely. To ensure vulnerable people are protected against rising rents, the LHA rate should be linked to rent levels.

We are working with Parliament and the Government to support efforts to improve standards and affordability in the private rented sector. We have lobbied for a review of the national standards used to assess health and safety in accommodation. We are also engaging on the Tenant Fees Bill, which will cap security deposits for tenants and prohibit landlords demanding additional payments.

Young people will ultimately benefit from more houses being built, including essential council homes. We warmly welcome the Government's decision to lift the Housing Revenue Account borrowing cap entirely, which will allow councils to build up to 10,000 additional homes. Expanding the supply of affordable housing will help young people into secure homes, affordable homes.

### **The current skills and employment system**

All councils, working with local businesses and partners, want to build strong, resilient economies where residents contribute to, and benefit from, growth. Fundamental to

achieving this is a steady supply of skills and jobs, fostering local business growth and effective support to help people get on in life. This is especially important as every area looks to contribute to the delivery of a successful industrial strategy in a post-Brexit Britain.

Research commissioned by the LGA reveals that the skills gap is worsening. By 2024 there will be more than four million too few high-skilled people to take up available jobs, and more than six million too many low-skilled. Failure to address these gaps puts at risk four per cent of future economic growth, while the average worker will be £1,176 a year worse off. Nine million people lack literacy and numeracy skills, and more than half of all unemployed people do not claim benefits or receive employment support from Jobcentre Plus (JCP). All of this is bad for the economy, employers and individuals.<sup>vi</sup>

Both the employment and skills systems are highly centralised, with little or no scope for local areas to influence priorities or funding so they can target support. At the same time, accountabilities between national agencies are highly fragmented. A total of £10.5 billion of employment and skills funding commissioned nationally by Whitehall or its agencies, is scattered across 20 different national schemes. The country can ill-afford this fragmented approach to employment and skills services.<sup>vii</sup>

### **LGA's *Work Local* campaign**

*Work Local* is the LGA's vision for an integrated and devolved employment and skills service. Led by combined authorities and groups of councils, in partnership with local stakeholders, *Work Local* areas will plan, commission and have oversight of a joined-up service bringing together advice and guidance, employment, skills, apprenticeship and business support around place for individuals and employers.

In doing so it will provide a more coherent offer for the unemployed and low skilled of all ages, while supporting local economic growth by forging better links between training providers and employers. We recommend practical steps that should be taken now to make our vision a reality. Across a medium sized combined authority, *Work Local* could each year result in 8,500 more people in work, additional fiscal benefits of £280 million and a benefit to the economy of £420 million.<sup>viii</sup>

This *Work Local* service will:

- Bring together and localise support that is currently fragmented across business support, local growth, careers services, JCP services, adult skills, apprenticeships support and employment programmes.
- Make full use of physical assets across the range of services that host or deliver employment and skills services; including colleges, councils, universities, JCP offices, and many more. Services will work together to provide a co-ordinated, locally tailored, physical and digital presence.
- Have a clear offer for individuals and for employers, which for individuals means a single system that can help with improving skills, preparing for work, finding work, changing careers and progressing in work. For employers, this means going beyond just placing vacancies and helping with recruitment.
- Connect to wider services, partners and support so that *Work Local* not only integrates employment and skills, but must also act as a gateway to more specialist services and support that individuals and employers may need. This includes health services, budgeting support, housing and welfare.

### **Early help, child protection and local authority care**

Councils will work to keep families together wherever this is safe and best for the child(ren), but where this is not possible, time in local authority care can have a positive

impact on a child's life chances compared to if they remained at home on a child protection plan. For example, children in care have better educational outcomes than children in need, particularly where they go into care before the end of primary school.<sup>ix</sup> Children in care are also less likely to be persistent absentees from school than any other group, and significantly less likely than children in need.<sup>x</sup>

## **Child and Adolescent Mental Health Services**

In the LGA's Bright Futures: Children and Young People's Mental Health campaign, we highlight that:

- The average waiting time for children and young people to access mental health services ranges from 14 to 200 days.
- Once through the referral process and able to get specialist support, even young people with life-threatening conditions can wait more than 100 days before receiving any form of treatment.
- Specialist services are turning away one in four of the children referred to them by their GPs or teachers for treatment.
- Around 75 per cent of young people experiencing a mental health problem are not able to access any treatment.<sup>xi</sup>

In addition, the Government has confirmed a £331 million reduction to public health budgets between 2016/17 and 2020/21. This is on top of £200 million in-year reductions announced in October 2015<sup>xii</sup> and is coupled with significant reductions to broader local government funding. Councils are juggling competing demands and trying to deliver services with increasingly squeezed resources. This undermines the ability of councils to provide young people with the support services they need, and the LGA continues to call on the Government to reverse the cuts to public health budgets that have been made since 2015.

## **Funding for children's services and youth services**

Councils have worked hard to identify efficiencies and generate innovative solutions in response to reductions in central government funding totalling nearly £16 billion since 2010. Our analysis shows that councils face a funding gap of £7.8 billion by 2025, of which £3 billion is attributed to children's services.<sup>xiii</sup> These council-wide funding pressures will have a significant impact on services that support children and young people's safety and wellbeing, including safeguarding, youth work, community safety, transport and culture and sports activities.

Funding awarded in the October budget, £410 million for adults and children's social care, and £84 million to roll out innovation projects in up to 20 councils over five years, is a step in the right direction. However, it will do little to alleviate the immediate and future pressures on services for some of the most vulnerable children and families in the vast majority of council areas.

As well as this, our analysis shows that funding for the Early Intervention Grant, which helps deliver early intervention work that can help head off serious challenges (including serious violence and involvement with organised crime), has been cut by almost £600 million since 2013 and is projected to drop a further £100 million by 2020.<sup>xiv</sup>

Demand for urgent child protection services has increased sharply at the same time as funding has been cut, including an 83 per cent increase in the number of children on child protection plans between 2007 and 2017.<sup>xv</sup> Faced with this increased demand and reduced funding, children and young people are now increasingly reaching crisis point before they receive support,<sup>xvi</sup> with councils forced to divert spending on preventative and early help work into services to protect children who are at immediate risk of harm.

## **Vulnerability and Exploitation**

The Serious Violence Strategy identifies an important shift in the drugs market, through the emergence of new psychoactive substances such as spice and an increase in crack cocaine use since 2014. The supply and demand of drugs are closely linked with the recent rise in serious violence. The number of homicides involving illicit drug dealers and/or users, as either victims or suspects, increased between 2014/15 and 2016/17. During that time, the share of homicides where either the victim or suspect was a drugs user or dealer also increased from 50 per cent to 57 per cent.

These increases have been accompanied by a shift towards younger victims and perpetrators. The data indicates there is an increased involvement of young people in different aspects of the illicit drugs market (notably through county lines activity). For example, the number of young people (10 years - 17 years old) convicted for class A drug production and possession with intent to supply has increased by 77 per cent between 2012 and 2016. This is three times the equivalent increase than seen among adult offenders.<sup>xvii</sup>

Vulnerability is a key factor in serious violence. We know that county lines gangs often exploit children and vulnerable adults to move and store drugs and money. They use coercion, intimidation, violence and weapons to assert control. The Strategy indicates that young people who are in care or who have been excluded from school are more at risk of both victimisation and perpetration of serious violence.

### **Delivering youth services**

As local authority budgets have reduced and demand for services has increased, councils have been forced to make difficult decisions about how to use increasingly limited resources. In many areas, services for young people are increasingly targeted at those in most need to try to ensure that they receive the support they need to flourish. While this targeting is essential to make the best use of resources and make sure those in most need are supported, this has left limited funding available for universal youth services. More than 600 youth centres have closed, and nearly 139,000 youth services places were lost, in the UK between 2012 and 2016. Councils have been forced to cut planned spending on youth services from £650 million in 2010/11 to just £390 million in 2016/17, a cut of nearly 40 per cent.

Scaling back these universal services can mean that opportunities to support some young people can be missed. Providers of services for young people have an important role to play in building trusted relationships which can enable young people to share concerns that they may feel unable to raise with their family or those perceived as authority figures such as teachers or social workers. They can then be directed to the right opportunities and support to help them make a positive transition to adulthood.

Most youth provision is now delivered through the National Citizen Service, which received £1.2 billion funding from central government between 2016 and 2020, 95 per cent of central government spending on youth services. While this is a good programme, it is a short term summer programme that will only reach a relatively small number of young people, with take up at only 12 per cent of eligible young people in 2016. We believe it needs to be part of a broader package of provision, and have called for some of the funding to be devolved to councils to support year-round provision that meets the needs of a wider group of young people locally.

### **Youth justice**

Council youth offending teams (YOTs) have an excellent track record of delivering early intervention services and working with young people to prevent their coming into the youth justice system. Compared with the year ending March 2007, there are now 85 per cent fewer young people who are first time entrants into the youth justice system, and

74 per cent fewer young people in the average custodial population.<sup>xviii</sup>

However, YOTs have been victims of their own success. As the numbers of young offenders has fallen, so has the grant from central government to continue the preventative work that caused the fall in the first place - from £145 million in 2010/11 to just £72 million in 2017/18. These cuts mean that the youth justice grant now makes up only around a third of funding for YOTs. With council children's services budgets increasingly focused on those children in the most urgent need of protection, YOTs are struggling to access the funding necessary to run vital, and successful, prevention and intervention schemes.

A disproportionately large number of children and young people in the youth justice system have experienced mental health problems or have special educational needs.<sup>xix</sup> However, as outlined earlier, there are significant issues around access to support services, which could help young people to remain in education or to choose positive paths away from youth crime.

### **Additional Government funding**

The Government has made a number of welcome announcements regarding funding to tackle issues around crime and young people that local authorities, PCCs or other partners can submit bids for. This includes:

- funding through the Serious Violence Strategy,
- the Early Intervention Youth Fund,
- the Trusted Relationships Fund, and
- the Youth Endowment Fund.

Although ring-fenced pots of funding can be useful, one-off funds are most effective when there is adequate time to submit bids. The funding should be made available, and expected to be spent, within a reasonable time period. Often the bidding process for these funds requires strategic partnership arrangements to be put in place, between local government, the voluntary sector, the police, or wider practitioners. This level of collaboration can take time to establish and the bidding process should reflect this.

Sustainability is a key part of this process, so it is important for local authorities to receive clarity on future engagement in order to sustain community support and youth violence prevention work. For example, at the time the Serious Violence Strategy was launched in April 2018, councils were still waiting to receive their youth justice grant allocations for 2018/19. This is vital funding used to support young people and help keep them away from criminality in the first place. Whilst announcements of new funds are welcome, this should not replace the core funding required to support integral local government services.

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- <sup>i</sup> LGA, 2017. *Work Local: our vision for an integrated and devolved employment and skills service*
- <sup>ii</sup> <https://www.gov.uk/national-minimum-wage-rates>
- <sup>iii</sup> LGA, 2017, Housing our homeless households  
([https://www.local.gov.uk/sites/default/files/documents/5.12%20HOUSING%20AND%20HOMELESSNESS\\_v08\\_4.pdf](https://www.local.gov.uk/sites/default/files/documents/5.12%20HOUSING%20AND%20HOMELESSNESS_v08_4.pdf))
- <sup>iv</sup> Office for National Statistics, Index of Private Housing Rental Prices  
(<https://www.ons.gov.uk/economy/inflationandpriceindices/datasets/indexofprivatehousingrentalpricesreferencetables>)
- <sup>v</sup> HM Government, The Rent Officers (Housing Benefit and Universal Credit Functions) (Amendment) Order 2017 (<http://www.legislation.gov.uk/uksi/2017/1323/contents/made>)
- <sup>vi</sup> LGA, 2017. *Work Local: our vision for an integrated and devolved employment and skills service*
- <sup>vii</sup> LGA, 2017. *Work Local: our vision for an integrated and devolved employment and skills service*
- <sup>viii</sup> LGA, 2017. *Work Local: our vision for an integrated and devolved employment and skills service*
- <sup>ix</sup> <http://reescentre.education.ox.ac.uk/research/educational-progress-of-looked-after-children/>
- <sup>x</sup> <https://www.gov.uk/government/statistics/outcomes-for-children-looked-after-by-las-31-march-2017>
- <sup>xi</sup> <https://www.local.gov.uk/about/campaigns/bright-futures/bright-futures-camhs/child-and-adolescent-mental-health-and>
- <sup>xii</sup> <https://www.local.gov.uk/parliament/briefings-and-responses/lga-autumn-budget-submission-2017>
- <sup>xiii</sup> <https://www.local.gov.uk/about/news/councils-face-almost-ps8-billion-funding-black-hole-2025>
- <sup>xiv</sup> <https://www.local.gov.uk/about/campaigns/bright-futures/bright-futures-childrens-services/childrens-services-funding-facts>
- <sup>xv</sup> <https://www.gov.uk/government/statistics/characteristics-of-children-in-need-2016-to-2017>
- <sup>xvi</sup> <https://www.actionforchildren.org.uk/what-we-do/policy-and-research/support-for-children-and-families/revolving-door/>
- <sup>xvii</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/698009/serious-violence-strategy.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/698009/serious-violence-strategy.pdf)
- <sup>xviii</sup> <https://www.gov.uk/government/statistics/youth-justice-annual-statistics-2016-to-2017>
- <sup>xix</sup> <https://www.gov.uk/government/publications/review-of-the-youth-justice-system>