



# **Stretched to the Limit**

**Results of a survey on the funding situation of  
Youth Information, Advice, Counselling and  
Support services**

September 2012

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# 1. Executive Summary

## **The sector is stabilising, but many agencies remain in a precarious state**

There is strong evidence from the survey to suggest that the sector's overall financial situation has stabilised since last year and that agencies are adapting to the new environment. For example, last year two in five agencies were not certain they would survive the next 12 months. This year, no agencies indicated that they would be closing down or were unlikely to survive the next 12 months. It is apparent that 2011/12 ended up being somewhat less bad for the sector overall than predicted by agencies.

However, it is also clear that the financial situation for YIACS continues to worsen, with half of agencies expecting their incomes to be lower this financial year than last and many expecting cuts this year to compound cuts last year and, indeed, cuts in previous years. Whilst most agencies are confident of their survival this year, their confidence does not necessarily extend very far into the future.

*"We were under threat of having all our local authority funding cut, but managed to keep it by local pressure on the local authority and they have given us a commitment at least for another year not to take our building, which was also under threat. We have expanded our service in schools and at Youth Offending Institution. So we are feeling more solid and secure than this time last year when we had to make two staff redundant."*

Respondent to Youth Access' 2012 funding survey

## **YIACS' resilience has weakened**

The survey once again illustrates the continuing commitment of organisations to protect front-line services, but highlights a worrying weakening of the resilience of the sector. Some agencies appear to have been sustained through a combination of hard work and goodwill on the part of staff and the running down of financial reserves, enabling agencies to continue to meet young people's needs despite reduced income. Over time, such a strategy will become increasingly unsustainable.

Of particular concern is the finding that much of the 'buffer' provided by strong reserves built up in the 'good times' has been eroded rapidly over the past couple of years, leaving many agencies highly vulnerable if they were to face fresh funding problems and in a weak position to thrive in a competitive commissioning environment or to participate in Payment by Results-type schemes where there is little upfront funding.

## **The sector is re-shaping itself fairly dramatically**

It is apparent that some agencies have continued to develop or, in a few cases, even thrive in the current environment, whilst others have suffered losses of income and staff in successive years. Coupled with the finding that 29% of agencies had either already merged or were considering merging with another organisation, it is clear that the shape of the sector is changing fairly rapidly. If current trends continue over the next few years, we are likely to see a sector consisting of fewer, but larger, agencies.

At the same time, the services delivered by YIACS are changing. There has been a more rapid depletion of YIACS' advice services than counselling services. Some agencies also report being forced to cease

providing services to young adults over the age of 18/19. Meanwhile, the sector appears to be diversifying its service offer.

### **The commissioning agenda is presenting tremendous challenges to YIACS**

Comments from YIACS regarding local commissioning processes reflect a far from positive experience. Few have enjoyed success in influencing local commissioning and whilst many have very good relationships with their current funders, few reported strong links with commissioners who might be of importance in the future. Only 11% of agencies felt equipped 'to a great extent' to respond to the commissioning agenda.

### **Public health and GP commissioning will be key to the sector's future**

The public health agenda may present tremendous opportunities for YIACS who are able to build strong relationships with public health commissioners, Clinical Commissioning Groups, Health & Wellbeing Boards, local HealthWatch etc. However, there is a great deal of uncertainty about how this agenda will unfold.

### **Other issues highlighted in the report include:**

- Concerns about changes to proven ways of working: reduced professionalism, service restrictions and reduced access
- The closure of other local services putting greater strain on YIACS and leaving nowhere to refer clients to
- Local authorities protecting their own services and jobs at the expense of voluntary sector services

## **2. Introduction and background**

### **2.1 What are YIACS?**

Youth Access represents a national network of 157 young people's information, advice, counselling and support services (YIACS), dealing with over 1 million enquiries a year on issues as diverse as sexual health, mental health, relationships, homelessness and benefits. YIACS grew out of a need to bridge both the gaps and failings of statutory and adult-oriented services in meeting the needs of young people.

YIACS services vary according to local need, but share the following features:

- A range of interventions delivered 'under one roof'
- Young person-centred
- Open to a wide age range, e.g. 13 to 25
- Holistic approach, meeting multiple and complex needs
- Multi-disciplinary teams, providing wrap-around support
- Flexible access routes, including through open door 'drop-in' sessions
- Free, independent and confidential

Through interventions such as counselling and other psychological therapies, advice work, health clinics, community education and personal support, YIACS offer a unique combination of early intervention, prevention and crisis intervention for young people.

Open to all young people, YIACS offer a universal access point to targeted and specialist services, supporting young people on a diverse range of issues that are frequently inter-related:

- social welfare issues e.g. benefits, housing, debt, employment
- mental and emotional health issues e.g. depression, low self-esteem, self-harm, family problems and stress
- wider personal and health issues e.g. relationships, sexual health, drugs and alcohol, healthy eating
- practical issues e.g. careers, money management, independent living skills

### **2.2 Purpose of this report**

This report sets out the findings from a survey of YIACS conducted by Youth Access in June and July 2012. See below for details of the survey methodology.

The surveyed investigated:

- The impact on YIACS of the current difficult funding environment, including cuts to statutory funding streams
- Changing demand from young people for YIACS services
- YIACS' capacity to meet that demand
- Strategies being adopted by YIACS to survive in the short-term and secure a sustainable future

Youth Access intends to use the evidence contained in this report to:

- Raise awareness of young people's needs for information, advice, counselling and support services
- Highlight the financial situation of YIACS and its impact on YIACS' ability to meet demand for their services
- Campaign for policies that will ensure young people's needs for information, advice, counselling and support services are met

## 2.3 Context

Youth Access has been tracking the impact on young people and YIACS of the recession that started in 2008/09, the difficult economic circumstances that have pertained since then and resulting cuts to public sector funding. We have published a series of reports:

- **2009 - *The impact of the recession on young people and on their needs for advice and counselling***

The evidence showed that not only had young people entered the recession in a more economically vulnerable position than any other population group in terms of unemployment, but that they had been and would continue to be hit harder than any other group and that they were likely to take the longest to see the fruits of any recovery. The evidence was clear that increasing unemployment brings with it greater mental health and emotional problems and social welfare problems for young people, not only in terms of larger numbers, but in terms of increased severity of problems.

- **2010 - *Under Strain: how the recession is affecting young people and the organisations which provide advice, counselling and support to them***

Our 2010 survey revealed a sector almost overwhelmed by demand for its services while struggling to cope on reduced funding and with overstretched capacity. The recession had greatly increased the numbers of: young people seeking advice on social welfare problems, such as housing, homelessness, debt and benefits; young people seeking counselling and other interventions for emotional and mental health issues; and runaways seeking help. There was evidence of young people presenting with more complex and severe mental health and emotional wellbeing problems than in the past. More than three-quarters of services described their capacity to meet demand as either 'under strain' or 'at breaking point'. Many services were attempting to meet increased demand with reduced capacity. Almost half of all services had experienced funding cuts in 2009. Most services had worries about their immediate and longer term future and a quarter saw themselves 'at real risk' in the next 12 months.

- **2011 - *Results of a survey on the funding situation of Youth Information, Advice, Counselling and Support services***

Last year our survey found that the YIACS sector was in a precarious state as a result of massive cuts in many areas related to the replacement of area-based grants for services for young people by the single, non-ring-fenced Early Intervention Grant. 97% of agencies reported reductions to at least one current source of statutory funding and 42% that they were at risk of closure. At the same time, 80% of agencies reported an increase in demand for their services, with many highlighting the fact that young people's presenting problems were becoming more complex, particularly amongst the young adult group. 85% of agencies didn't expect to meet demand over the following year. We calculated that at least 45,000 young people would be left without access to services upon which they depended. Agencies were working hard to meet need and secure a sustainable future, most commonly by trying to increase non-statutory sources of funding or making greater use of volunteers.

In summary, between 2009 and 2011 we reported on steadily increasing needs amongst young people and an accelerating decline in the capacity of YIACS to meet those needs.

It is also important to read this report in the context of evidence about the wider funding situation of both young people's services and the voluntary sector. A survey by Children and Young People Now of local authority heads of young people's services, published in September 2012, shows that total spending on provision for young people across local authorities in England has fallen by 12.8% in 2012/13, following a



12.5% cut in 2011/12.<sup>1</sup> London Voluntary Service Council's most recent annual 'Big Squeeze' survey has again found that advice services and young people's services are amongst the areas of the voluntary sector worst affected by increases in demand and cuts to services.<sup>2</sup> Meanwhile, the latest Charity Forecast Survey, published by the National Council for Voluntary Organisations (NCVO) in June 2012, has found that 94% of charity leaders expect the economic outlook for the voluntary sector to get worse in the next 12 months, with 44% predicting that their own expenditure will decrease, but 85% nevertheless expect to either increase or maintain the services that they offer. NCVO warn that the sector will reach breaking point if the gulf between demand and resource continues to widen.<sup>3</sup>

### **3. Survey methodology**

#### **3.1 Target Population**

Chief officers/Co-ordinators of YIACS or, alternatively, other senior members of staff with knowledge about the organisation's funding and strategies.

#### **3.2 Online questionnaire**

We issued an electronic survey. This can be viewed at:

<http://survey.constantcontact.com/survey/a07e60eeor9h36266ad/start>

#### **3.3 Sampling and solicitation methods**

We contacted 157 agencies delivering front-line information, advice and counselling services to young people by email, requesting that they respond via the online questionnaire. The email invitation was sent to a total of 469 email addresses, of which 41 bounced and did not reach the recipient. Two 'reminder' emails were issued. As an incentive to respond, a £50 'prize' was offered to one respondent organisation, to be selected at random after the close of the survey.

#### **3.4 Data collection period**

The survey opened at 1 p.m. on Thursday 13<sup>th</sup> June 2012 and closed at 5 p.m. on Monday 9<sup>th</sup> July 2012.

#### **3.5 Survey response rate**

46 responses were received during the period, representing a response rate of 29.3%.

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<sup>1</sup> <http://www.cypnow.co.uk/cyp/analysis/1074187/young-people-s-services-undergo-major-change-cuts-deepen>

<sup>2</sup> <http://www.lvsc.org.uk/campaigns/big-squeeze.aspx>

<sup>3</sup> <http://www.ncvo-vol.org.uk/news/civil-society/something-has-got-give-hard-pushed-charities>

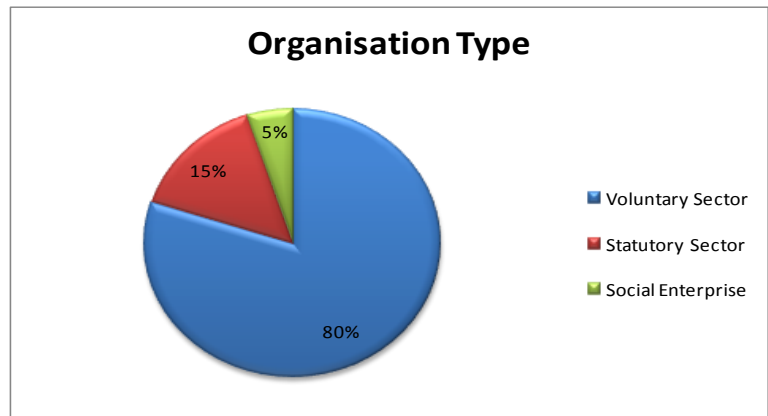
### **3.6 Representativeness of respondents and reliability of data**

Given the overall response rate, the data should be treated with a degree of caution and as providing only an indicative picture. However, there is no evidence of any systematic response bias. Respondents overall were typical of Youth Access' membership in terms of type of organisation (e.g. voluntary sector or statutory sector), size of organisation and the services they provide.

## 4. Findings

### 4.1 Type of organisation

The majority of respondent YIACS (80%) were voluntary sector organisations. 15% were statutory services, most commonly part of local authority youth services.<sup>4</sup> This split is representative of Youth Access' membership as a whole (in which 85% are listed as voluntary sector organisations, 15% as part of a local authority) and reflects a trend of diminishing numbers of local authority YIACS. Two agencies described themselves as social enterprises – no respondents described themselves in this way last year.



### 4.2 Services provided

Respondent organisations provide the following services:

- 82% deliver drop-in services (83% in our 2011 survey)
- 65% deliver advice/advocacy/IAG services (significantly down from 80% in 2011)
- 94% deliver counselling/mental health services (significantly up from 78% last year)
- 63% deliver sexual health services (up from 56%)
- 44% deliver drug/alcohol services (same as last year)
- 87% deliver 'other services' (up from 81% last year) – including housing-related services; community education and life skills projects; projects focusing on specific groups of young people (e.g. young carers, young refugees, care leavers); general youth work; and gangs-related work.

There is a notably heavier bias in responses from counselling services this year. This is likely to at least partly reflect the closure of several advice services in the past year. Last year's survey found alarming cuts to youth advice services, with nearly three-quarters of such services provided by YIACS expected to either close or continue at a reduced level. There is some reassurance to be found, however, in the fact that drop-in services appear to be holding up rather better than expected last year.

There are some signs of agencies diversifying their service offer. Not only has the number of agencies delivering 'other' services increased this year, but a large proportion of respondents also said that they have either changed the type of services they are delivering or are considering doing so (see 4.9.5, 4.12 and 4.13 for further details). It is not entirely clear whether agencies believe these changes will improve their service model or whether they are merely being pragmatic and chasing available funding.

### 4.3 Funding sources

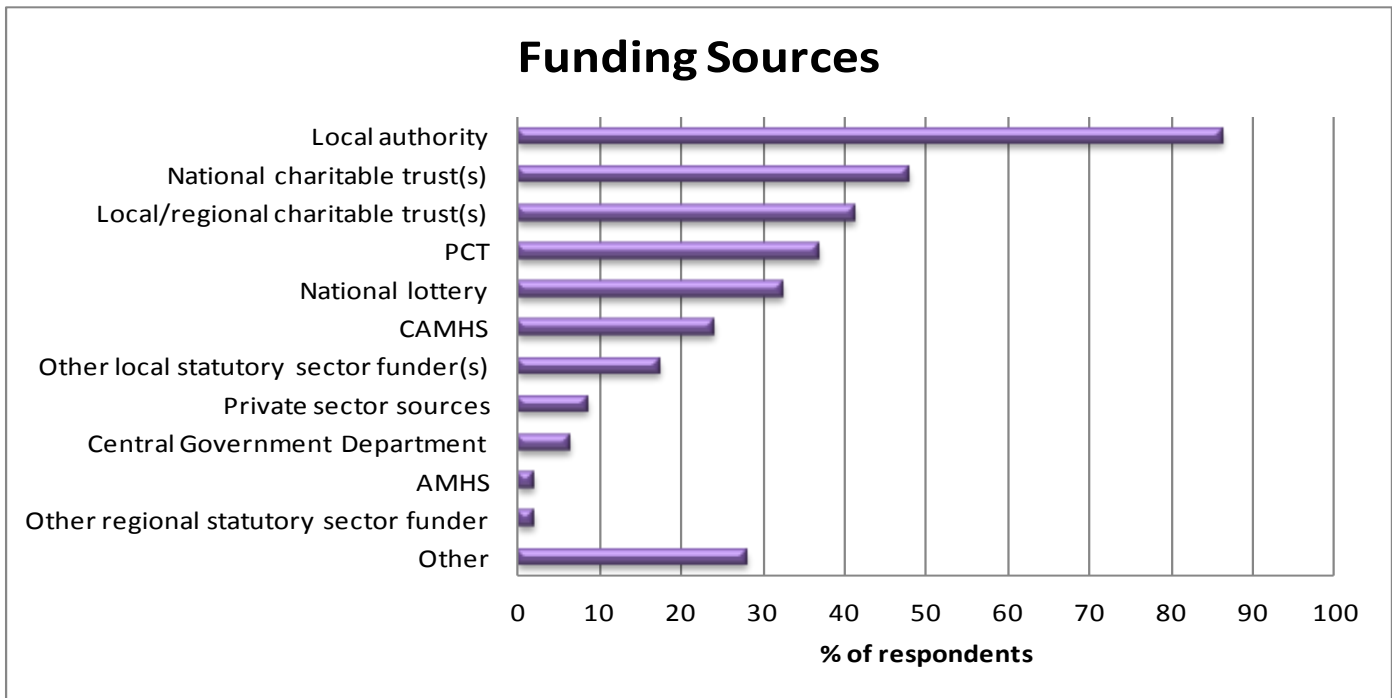
We asked respondents 'Who currently funds your organisation?' The responses were as follows:

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<sup>4</sup> It should be noted that some YIACS are charities managed by staff employed by or seconded from the Local Authority.

- Local authority – 83%
- National charitable trust(s) – 48%
- Local/regional charitable trust(s) – 41%
- PCT – 37%
- National lottery – 33%
- CAMHS – 24%
- Other local statutory sector funder(s) 17%
- Private sector sources – 9%
- Central Government Department – 7%
- AMHS – 2%
- Other regional statutory sector funder – 2%
- Other – 28%

[NB: Sources mentioned under ‘Other’ included donations, self-generated income, churches, schools and fundraising by user groups]



Despite a reduction in the proportion of YIACS in receipt of local authority funding, from 90% last year to 83% this year, local authorities remain the most important source of income for the sector as a whole.

However, it is clear that the sector’s previous reliance on statutory funding is reducing to some extent and that YIACS’ funding is diversifying, with a growing emphasis on charitable trust funding.

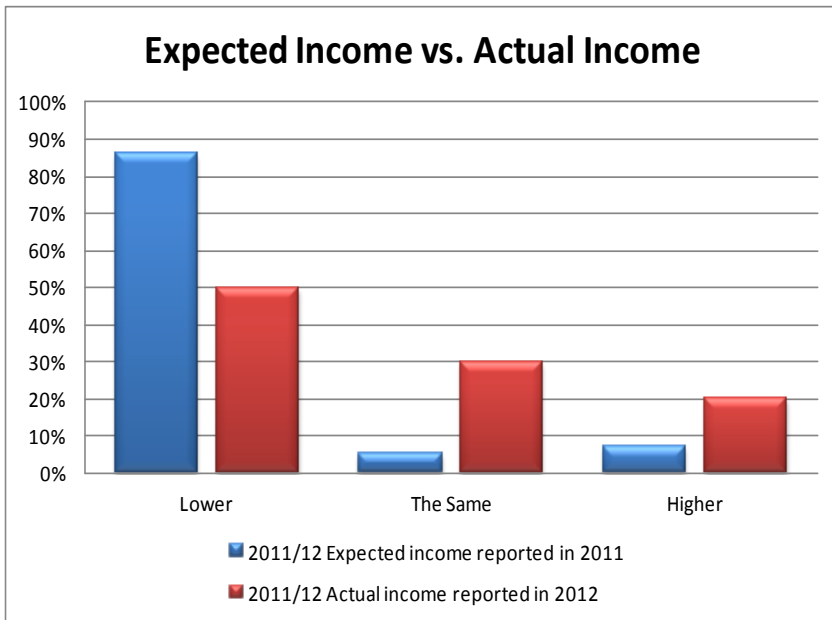
#### 4.4 Overall funding situation for organisations

The overall funding situation for YIACS continues to deteriorate, but has stabilised to a large extent compared with last year.

Last year's survey found a very grim overall picture indeed. 86% of YIACS told us in April 2011 that they expected their income to be lower in 2011/12 than the year before. Since then we had heard a mixture of very bad news about a few agencies closing down and some much better news about agencies whose perilous positions had been turned around mid-year.

#### 4.4.1 Actual changes to income in 2011/12

We asked respondents to tell us how they had in fact ended up faring in 2011/12 compared to the previous year 2010/11. Exactly half said that their actual income in 2011/12 was lower than the previous year; 30% said it was roughly the same; and 20% reported an increase in their income. This is clearly considerably better than agencies' collective expectations last year (86% lower; 5% the same; 7% higher). Nevertheless, large numbers of agencies suffered severe reductions in funding. Those experiencing reductions reported an average reduction of 24%, an amount that is extremely difficult for any service to manage in a single year. Four agencies reported reductions of between 40% and 50%. Amongst the one in five reporting an increase in their income, the average increase was 21%.



We asked those agencies which had ended up faring better or worse than they had expected at the beginning of 2011/12 to tell us what had changed during the year. The main reason given for faring worse than expected related to the ending of contracts or being de-commissioned:

*"We moved to be more project based which allowed us to access different forms of funding."*

*"Our service continues to develop, this is due to having a variety of funders and not being dependent on one particular source of funding as well as the success of our model and our manager in bringing in funding."*

*"We have reviewed our Business Plan and Fundraising Strategy and are positive about no longer receiving local authority funding due to the restraints it entailed."*

*"We are in process of completing a 5 year strategic plan where the strategic priority is Ensuring Sustainability and Growth. This includes a strategic aim of diversifying our funding to be less reliant on LA and grants."*

*"We have faced cuts from local authority but have increased our grants."*

*"Currently we are attempting to set up a trading arm of our services to establish an income generation that will support our core work."*

*"Generally funding that a few years ago you could be fairly sure of receiving is now not predictable. We have had far more rejections for application on the grounds of 'over subscription'."*

*“Certain contracts for particular pieces of work came to end and rental incomes generated from other groups using the Centre were lower.”*

*“London Councils funding for advice for young people was cancelled. It would have been far worse had we not managed to get some Trust funding.”*

*“Existing funding sources were reduced or stopped altogether. Things are just as uncertain this year.”*

*“Our funding situation was much worse than expected as we were decommissioned with six months notice in year from both funders.”*

*“Lost tender and incurred expenses linked to merged service.”*

One local authority service had suffered a dreadful year as a result of ongoing turmoil within the Youth Service:

Most services that had fared better than expected had *“put a lot of time in to fundraising”* and managed to secure new funding during the year. Several had won new contracts:

*“We secured some new areas of work and some contracts were over capacity so went on to a spot purchase arrangement, which extra income”*

*“What changed was that we won two new contracts. One with the HM prison and one in schools. Our income increased and so did our outgoings”.*

*“In October 2011 we submitted a tender for £90K to IYSS for three years commencing April 2012. We were successful but this is a reduction of £46K on our previous SLA”.*

*“We did better and this was because we won contracts in [the county] and [nearby town] as well as in our normal base”*

Even greater numbers had secured new or increased grant funding, often from charitable trust funders:

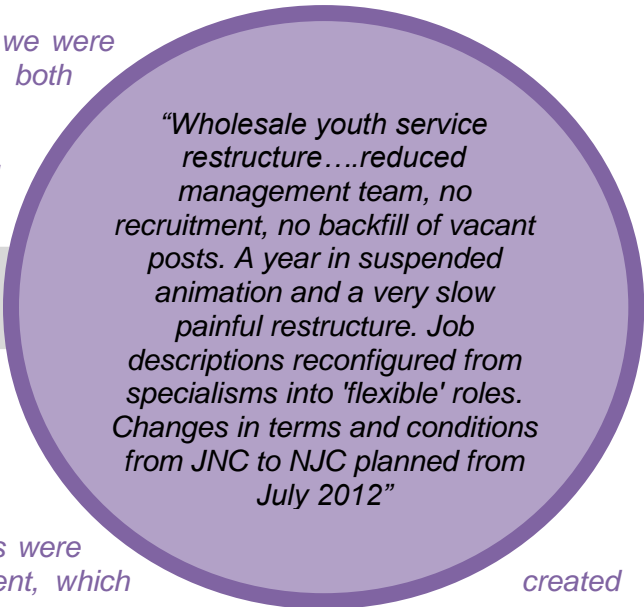
*“At the beginning of 2011-12 it looked as if changes in the LA commissioning process would reduce our funding, however we managed to obtain time limited funding from local and national charitable funding sources.”*

*“Some success in securing charitable grant funding coupled with some short PCT income. Offset by losing contract to a national provider by 1/2 %!”*

*“We fared better than expected due to our success with a Comic Relief application which has come in 2012.”*

*“Had a couple of positive results to funding bids including Transition Fund (Lottery) and partnership bid to Innovation Fund (Home Office). Also local authority grants not as badly affected as initially feared.”*

*“Securing lottery funding and Families First (Welsh Govt.) funding.”*



*“We were successful in getting funding from City Bridge Trust for our counselling service and towards core costs from Lloyds TSB. County*

*Council gave a bigger grant to us than usual, however this may only be given for this current year and not continued in the future.”*

A few agencies reported both winning new contracts and securing new grant funding:

*“We were very successful with our funding bids, both with private trusts and local authority tenders.”*

*“We won a contract as provider of IAPT services with a local Foundation Health Trust provider, in addition to substantial Comic Relief funding for three years and young people's private funding for a deprived area.”*

*“We have a new enhanced 3 year local authority commission for our young carers work but have lost one of the other local authority grants so just about standstill overall. Have just received grant from Home Office Innovation Fund for gangs/knife crime work for 2012/13.”*

#### **4.4.2 Expected changes to income in 2012/13**

We asked organisations how they expected their overall income in the current financial year 2012/13 to compare with that for 2011/12. Half (50%) expect their income to be lower; 37% roughly the same; and 9% higher. Again, this reflects a more positive position in some ways when viewed against last year's expectations. However, it also reflects a financial situation that continues to worsen and in which many agencies expect cuts this year to compound cuts last year and, indeed, cuts in previous years. Two thirds of the agencies expecting cuts to their income this year also reported actual cuts last year and it is worth noting that our survey two years ago had found that almost half of all services had experienced funding cuts in the previous year.

#### **4.5 Statutory funding**

YIACS have traditionally been extremely reliant on statutory sources of funding. We asked respondents to tell us about how their agency is being affected by cuts to statutory funding streams in 2012/13 compared to 2011/12.

Table A: All Respondents

	Increasing	Reducing	Not affected	None received /sought
Local Authority funding	9%	61%	17%	13%
Health funding (PCTs / CAMHS / AMHS)	7%	33%	28%	33%
Central Government	7%	2%	9%	82%
Other statutory sources	2%	17%	11%	70%

Table B: Excluding those respondents not in receipt of or seeking funding in specific areas

	Increasing	Reducing	Not affected
Local Authority funding	10%	70%	20%
Health funding (PCTs/CAMHS/AMHS)	10%	48%	42%
Central Government	38%	13%	50%
Other statutory sources	7%	57%	36%

As last year, local authority funding remains the area under greatest strain, with 70% of YIACS in receipt of or seeking this source of funding reporting reductions (down from 92% in last year's survey).

Just under half (48%) of those receiving or seeking health funding reported reductions (down from 63% last year).

Comments provided by respondents highlighted the fact that even standstill budgets often in effect meant cuts:

*“Our Local Authority funding from Children Schools and Families for our young person's advice and capacity building project has remained the same for the 4th year - so in real terms we have experienced a cut. It is not full cost recovery - we face a deficit of over 40% of the true cost of running this project.”*

*“Although funding levels remain the same there is expectation for increased activity, thus this equates to a reduction. Have received no inflationary uplift for two years.”*

*“Current funding from PCT has been 'static' for a number of years now.”*

*“The service has received the same funding for the last 4 years with no increase to take into consideration cost of living, pay increases, rent increases etc., so in essence it has had a reduction.”*

*“PCT and joint finance income streams have generally been subject to 1.5% cuts and no inflationary uplift in line with NHS operating framework.”*

*“Our LA grants and contracts are frozen – i.e. no inflationary increase and one of our 6 contracts took a small cut, as did one of our grants.”*

Only one of the eight agencies in receipt of central Government monies reported reductions. Last year 83% reported reductions. The difference is largely explained by the much smaller number of agencies reporting being in receipt of central Government funding this year. In other words, most agencies previously in receipt of central Government funding lost it all last year, but the few still getting such funding have been able to hold onto it this year and a small number of agencies have obtained central Government funding for the first time.

Many of those reporting increases in funding had secured new contracts, often in new areas of work.



## Increasing demands of funders

Several respondents highlighted significant changes in the requirements and demands of statutory funders:

*"I have no doubt our organisation will survive, but I am very concerned about "requests" or pressure to change proven young people friendly ways of working, e.g. a recent demand to reduce DNA rates to less than 5% or financial penalties."*

*"The funding is not being cut but there are increasingly tight restrictions in outcome reporting and prescriptive ways of working which are increasingly difficult to cope with."*

*"Funders are being far more demanding re reporting on outcomes."*

*"Contracts have been subject to repeated performance reviews, benchmarking and increased requirements for monitoring information, i.e. in addition to cuts, management costs associated with contract management have in effect increased due to the additional work - estimated 20% increase in time spent on contract monitoring and reporting and involvement in reviews and contract negotiations."*

*"Local authorities are cutting funding and making it more difficult if not part of a funding consortium."*

## Raw deal for voluntary sector

Some YIACS commented on the lack of a level playing field for voluntary sector agencies, with local authorities often protecting their own services and jobs.

*"The warning sign for the future is the local authority needs to fund statutory services and may be missing the point of investing in early intervention."*

*"The council's policy is for public sector jobs not to be lost (I think similar up and down the country), which ultimately means that the CVS take the hit and the LA aren't looking at what impact and outcomes services have and for what cost. The sense is that there is entrenchment + re-organisation over protecting jobs while we are asked to do more for less."*

## 4.6 Staffing

One in five agencies (20%) said that their overall staffing level would be reducing; 27% that it would be increasing; and 53% that they were likely to retain their current overall staffing level.

This is considerably better than the position last year when as many as 71% said that they would be making redundancies or had staff at risk or would be reducing their staffing levels and only 7% said that they were likely to increase their overall staffing level.

Again, it is apparent that the past year ended up being somewhat less bad for the sector overall than predicted by agencies. However, nearly half of agencies (46%) said they had already made redundancies in the past two years (up from 36% in last year's survey) and several agencies were expecting staffing reductions this year in addition to having already lost staff over the past two years.

Comments provided by respondents highlight the dedication of staff in YIACS and the tremendous strain that many staff teams have been under.

*“Factors behind our survival/development - the commitment of staff to work additional hours without pay, the commitment of people on placements and volunteers, the resourcefulness and creativity of staff, the willingness to embrace change and explore working together with others, the hard decisions made to balance the budget through redundancies.”*

*“Counselling service is unaffected - 4 paid workers, but all have reduced Terms and Conditions.”*

*“Hard to retain staff without security of funding.”*

*“Had to restructure and to make vital, well trained, qualified staff redundant. These staff had been developed and skilled up by our organisation. Had to stop, or cut various services and projects to young people.”*

*“We had to have redundancies.”*

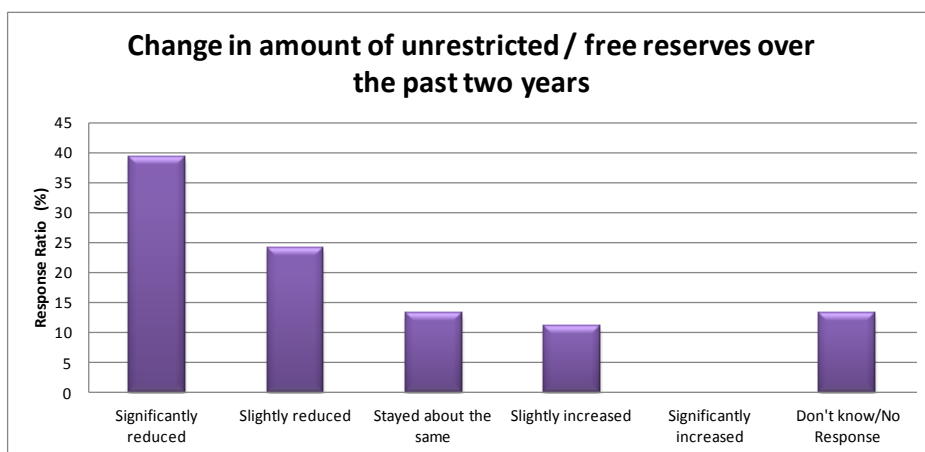
*“We are spending an increasingly disproportionate amount of time and resources seeking funding to keep our service going.”*

*“There is a staffing freeze which means we are unlikely to get more paid staff, and training has been restricted as well.”*

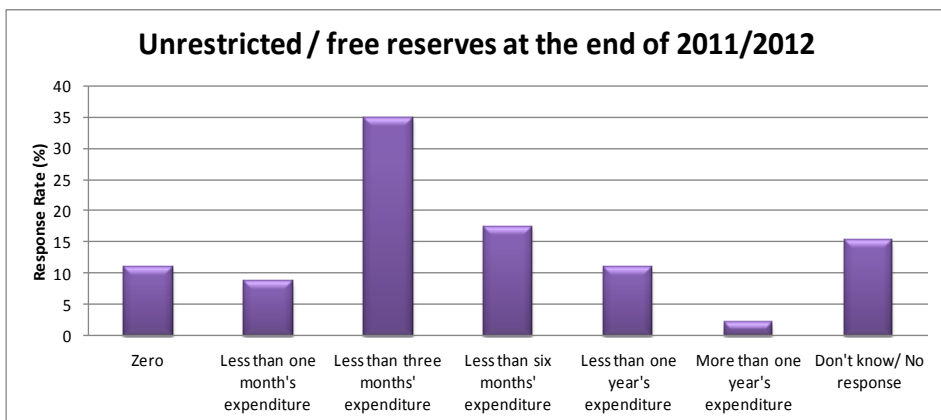
## 4.7 Reserves

For the first time we asked agencies what impact the funding situation was having on their reserves.

Well over half of all respondents (59%) said that their agency had had to dip into their unrestricted or free reserves to help keep their services going over the past two years, with just 22% saying they had not. The remainder did not know, presumably because they were not responsible for their agency's finances.



We asked how the amount of the agency's unrestricted or free reserves had changed over the past two years. 63% said that their reserves had reduced, including 39% who reported that they had reduced significantly.



We also asked about the current level of agencies' unrestricted or free reserves. More than half (54%) had reserves of less than 3 months' expenditure, with almost one in five of all agencies (19%) having reserves of either less than one month's expenditure or zero.

These figures illustrate the continuing commitment of organisations to protect front-line services, but are extremely worrying in terms of the ongoing resilience of the sector. It seems clear that much of the 'buffer' provided by strong reserves has been eroded, leaving many agencies highly vulnerable if they were to face fresh funding problems and in a weak position to participate in Payment by Results-type schemes where there is little upfront funding.

*"We have reserves to survive one more year on the same staffing while we secure other sources of income."*

*"In previous years our overall organisation had put significant resources into the budget which is now more challenging to do."*

*"With the removal of London Councils funding, and the loss of contracts from other London boroughs prior to 2011-12, we are subsidising the service from charitable resources, a situation that is of course not sustainable."*

#### **4.8 Organisations' future**

We asked respondents whether or not they expected their organisations to survive over the next 12 months.

The responses were far more positive than last year, when two in five agencies were not certain of their survival. This year 72% of respondents said that their organisation will survive for at least another year (compared with 60% last year). The remaining 28% said their agency was likely to survive the next 12 months, but that this wasn't certain (the same figure last year). No agencies indicated that they would be closing down (7% last year) or were unlikely to survive (5% last year).

These figures represent perhaps the strongest evidence that the sector's overall financial situation has stabilised since last year and that agencies are adapting to the new environment. However, it should be borne in mind that part of the explanation for the better figures this year lies in the fact that several of the most vulnerable agencies who reported last year that they would or might close down did indeed do so. Further, whilst most agencies are confident of their survival this year, their confidence does not necessarily extend very far into the future:

*"The picture appears pessimistic beyond 2 years."*

*"We are expanding and behaving dynamically in an attempt to attract funding or go down guns blazing."*

*"We are confident that we can survive but may have the prospect of making further reductions in expenditure at the end of the financial year if further income is not secured."*

*"Current level of funding only confirmed until the end of September, pending a review of local authority and NHS delivery."*

*"Our young person's advice project may survive but is quite precarious....if current bids for funding to maintain and expand young people's services are not successful, I anticipate it will cease to have strategic relevance and be closed in 2013."*

*"We are working to extend our geographical coverage and engage in more traded business - this is taking time and may not generate enough income to make us sustainable for some time - that may be too late to save us."*

*"If there are no significant changes or newly identified funding our organisation will be reduced by 50% in April 2013."*

## 4.9 Specific Services

We asked agencies to tell us about their likely ability to sustain their different services over the coming year, based on the levels of funding they had actually secured for 2012/13.

Last year's responses to this question showed that all types of services delivered by YIACS were being very badly hit by the cuts, with an alarming level of closures and service reductions in drop-in services, advice services, sexual health services and drug and alcohol services, with counselling services faring slightly better.

Responses this year are more positive across the board, with only three agencies reporting any service closures and nearly as many services set to expand as continuing at a reduced level. The same service areas as last year appear under most pressure, whilst counselling and 'other' services are both more likely to be expanding than reducing.

### 4.9.1 Drop-in services

Last year, two-thirds of drop-in services were set to either close (16%) or continue at a reduced level (49%). This year, no respondents reported that their drop-in services were set to close, although 34% said they will continue at a reduced level. The majority of services (54%) will continue at a similar level and 11% are set to expand.

### 4.9.2 Advice services

Last year, nearly three-quarters of advice services provided by YIACS were set to either close (18%) or continue at a reduced level (55%). This is reflected strongly in the comments of this year's respondents, even though many services appear to be stabilising. This year, only one agency said its advice service was set to close, with 30% saying the service would continue at a reduced level. Nearly half (46%) said the service would continue at a similar level and 23% that it would expand.

*"Some of our advice work has closed, this was funded through the local authority and services such as Connexions."*

*"The LA's Youth Service is no longer funding IAG work so we received a 100% cut in funding - £39,000 for this financial year."*

*"Unfortunately our LSC legal advice (housing and homelessness) services will be closing down in August 2012."*

*"Connexions has been restructured and are seen by council as youth advice service."*

*"2 full time advice posts permanently lost."*

*"Considerably reduced advice service. Clients require in depth advice and casework. Signposting is not sufficient given the high need of clients with complex mental health and learning disabilities such as aspergers and autism, as well as being young people, who have little previous experience in gaining benefits and housing."*

### 4.9.3 Counselling services

Last year, just over half of counselling services were set to either close or operate at a reduced level, whilst 47% were likely to either expand or be sustained at a similar level.

This year, whilst 24% are set to continue at a reduced level, none are set to close and 27% are set to expand, with the remaining 41% set to continue at a similar level. Once again, then, counselling services appear to be faring better than the other main services provided by YIACS.

#### 4.9.4 Drug, alcohol and sexual health services

Last year the general picture for drug/alcohol and sexual health services was fairly bleak, with responses indicating that nearly a quarter of such services would close and an additional half continue at a reduced level.

This year, just 5% of services are set to close; 31% to continue at a reduced level; 42% to continue at a similar level; and 21% to expand.

#### 4.9.5 Other services

A third of respondents (34%) indicated that 'other' services were expanding, with none reporting service closures and only 22% reporting service reductions.

Services typically counted under 'other' services include housing-related services, young carers projects, BME projects and group work. However, it appears that many YIACS are increasingly diversifying their service offer, with some moving into areas such as generic youth work provision and family support work.

Several YIACS reported losing services that they hosted but which were delivered by other agencies.

*"An example is that cuts have meant that the nurse who was seconded to us has been reduced from 3 days per week to 4-5 days per month, despite our agency being identified by NHS and their young mystery shopper clients as being the most popular and preferred place for young people to attend in the county for sexual health services."*


*"Due to reductions in the Lifeline substance misuse service funding they are no longer providing tier 1 and 2 services so no longer operate a satellite service at our centre."*

#### 4.10 Changes to the way services are delivered

Comments provided by respondents throughout the survey highlighted a variety of changes to the way YIACS' services are delivered. We have attempted to highlight the key themes here.

##### Service restrictions

Some YIACS reported having to limit their services to certain age groups (increasingly the under 19s) or reduce the length or depth of interventions.



*"The service will survive but this is likely to be after significant reconfiguration."*

*“Due to reduced funding we had to reduce our service. We cut staff hours and opening hours and (for part of the year) reduced the age range of clients we saw to the under 18's.”*

*“The counselling service has had to change to meet the demand / reduced staff and we now are only able to offer a time limited service.”*

*“With the loss of 2 posts, we are no longer able to provide a casework service to 19-25 year olds.”*

*“The challenge will be to provide the level and intensity of support that young people need.”*

*“Making greater use of group work and brief focus to stretch resources (where appropriate).”*

### Reduced access

Several respondents highlighted the impact of reduced funding on waiting times (for counselling) or the organisation's capacity to undertake outreach work.

*“Spiralling demand for mental health and counselling support which is significantly impacting on access and waiting times.”*

*“The aim is to try and maintain current levels of delivery but with demand increasing waiting times are likely to increase.”*

*“We will survive only because of severe cost cuttings and closures of outstations even though this has produced a negative impact on client numbers because of accessibility.”*

### Quality & professionalism

Many YIACS are having to rely more on volunteers, sessional workers and students due to reductions in paid staffing, highlighting concerns about potential reductions in professionalism and quality of service.

*“We have reduced our paid staff (less than 4 FTE) to keep the focus on volunteer front line delivery of our counselling services to young people. We can reduce no further or ethical standards, safe recruiting, policy development, rota management, statistical analysis, building maintenance etc. will be compromised.”*

*“We are able to maintain similar service levels through the use of social work students as caseworkers and drop in workers. We have moved from one placement to two.”*

*“Volunteers already give over 12,000 hours of their time each year. It is vital volunteering time is carefully managed and utilised to best advantage and to minimise risk to the organisation and to others.”*

*“We will be looking at more sessional workers because cuts meant that we were unable to actually function. For example for work on the streets we need to have two youth workers go out together for security.”*

## **4.11 Demand for YIACS' services**

We have charted a relentless rise in demand for YIACS' services over the past few years. Our survey in December 2009/January 2010 found evidence of *“increased demand across the board”* since the onset of the recession at the end of 2008. Last year, 80% of agencies told us that demand had increased, with the remaining 20% saying it had stayed about the same.

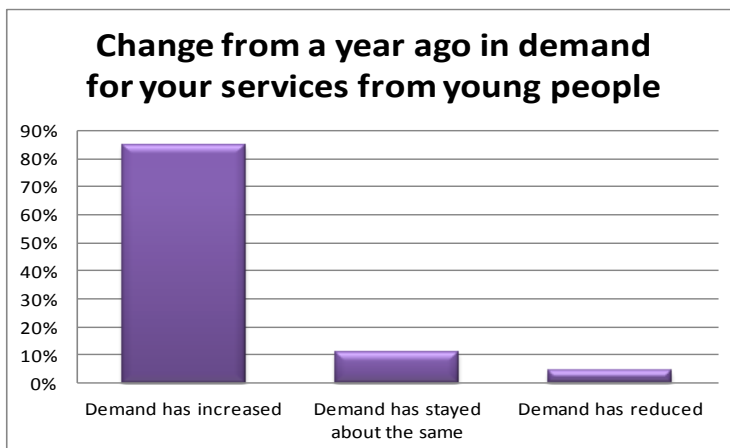
#### 4.11.1 Change in demand in past 12 months

This year's survey shows a similar picture to last year's, with 85% of respondents reporting that demand for their services has increased compared to a year ago.

#### 4.11.2 Key areas of increasing demand

We asked agencies to tell us about key areas of increasing demand, 'i.e. the types of issues which young people are presenting with more often now than a year ago'. Issues most frequently cited were:

- Mental ill-health/emotional wellbeing issues (including stress, depression, anxiety, suicidal feelings) (cited by 19 respondents)
- Social welfare advice issues (primarily homelessness, housing, money and benefits) (15)
- Sexual exploitation (7)
- Unemployment / Gaining employment / NEET work (6)
- Self harm (6)
- Low self-esteem/confidence (6)
- Family problems/tensions (5)
- Domestic violence/abuse (5)



This list is very similar indeed to last year's top issues. The newcomers to the list are sexual exploitation and domestic violence/abuse, which were each only cited by two respondents last year. The following are typical of responses:

*"There is an increase in homelessness, poor housing, overcrowding, poor diet, lack of self esteem, vulnerability, susceptibility to exploitation, abuse, hopelessness."*

*"Across the board - Housing/Homelessness, Mental ill health, young people with a combination of complex needs."*

Some respondents linked the pattern of problems to the UK's economic situation:

*"Already we can see a clear correlation to the economy and what young people are presenting with, increase in homelessness, food parcels, sanctions on benefits, debt and worklessness."*

As last year, many agencies mentioned the general increasing complexity of young people's problems:

*"Demand is the same, in term of referrals, but need has increased."*

*perceptible increase in the threshold at which organisations such as CAMHS and Social Care become involved."*

*"Numbers of individuals stayed roughly the same but those that did come needed more support."  
"Moreover cases presenting are becoming increasingly complex and there feels to be a*

*"There is also some indication that complexity is increasing."*

### 4.11.3 Loss of other services putting strain on YIACS

Respondents highlighted the impact on demand caused by the closure or restriction of other services, resulting in increased demand at YIACS and nowhere to refer clients on to.

*“As other services around us have been cut, more people are using our service which puts pressure on our waiting lists.”*

*“Other agencies are literally shutting or having staffing numbers slashed.”*

*“We are struggling to respond to ever-increasing demands on our service as there are fewer resources in the borough for young people to tap into.”*

*“There are negligible services to refer clients to with mental health problems, especially those who are housebound because of their disabilities, other than our own service which is city wide.”*

*“With ever more agencies closing due to funding cuts, the demand on remaining agencies increases and the need to extend your services to meet gaps grows. It’s this demand that we will struggle to meet without additional funds.”*

*“CAMHS have raised their referral criteria so schools are looking for other orgs to signpost to such as ours.”*

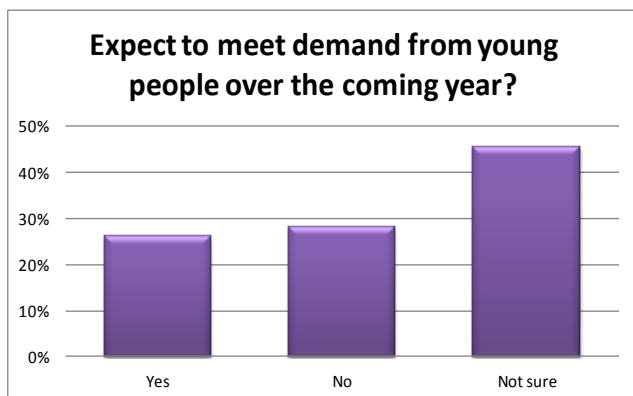
*“We believe that our work is in part meeting a need which results from statutory provision not being able to keep up with demand, we are responding to this and have acknowledgement from commissioners and statutory providers. We believe this in part will put us in a good position when seeking re-commissioning or tendering for contracts.”*

*“There have been cuts to CAHMS via PCT and we are no longer funded by them. However CAHMS has upped its criteria and are referring to us.”*

*“We are the only service in the area providing free confidential counselling for young people and receive referrals from schools, GP’s and council staff. We are always busy. The GP’s, councils and schools are reluctant to fund us.”*

*“Although we have been cut by the local authority we now find that social services and IYSS departments are signposting more young people to our counselling service.”*

### 4.11.4 Capacity to meet demand over next 12 months



We asked agencies whether they expected to be able to meet demand over the coming year.

A quarter (26%) said they expected to meet demand (up from 15% last year); 28% said they did not expect to meet demand (30% last year); and 46% were not sure (down from 55% last year).

We asked agencies to estimate, if they could, what their future capacity would mean for the numbers of young people they would be able to help in 2012/13 compared to the previous year. Of the 21 agencies that did provide

a figure, 13 said that they expected to help fewer young people (ranging from 65 fewer to 2,500 fewer), whilst eight said that they expected to help more young people (from 40 more to 1,500 more).



Aggregating these responses, the 21 agencies providing figures estimated that they would be able to help 1,330 fewer young people, an average of 63 fewer young people per agency. Extrapolated across our total membership of 157 YIACS (on the assumption that these 21 agencies are representative of all agencies), this would mean a loss of access to services for 9,943 young people over the next year.

This figure needs to be put into the context of previous estimates that YIACS see around 1 million young people a year (and New Philanthropy Capital's estimate that YIACS see approximately 44,000 young people a week in England alone<sup>5</sup>). Last year's survey produced a figure of 45,000 young people losing access to YIACS.

#### **4.11.5 Front-line services protected**

Despite reduced staffing and organisational capacity, it is clear that many agencies are doing everything they can to protect front-line services to meet the rising demand from young people.

*"With reductions in management and admin capacity there is growing pressure on organisational infrastructure. Further cuts in management capacity are planned in order to protect front line services."*

*"We are expecting to see about the same number of young people as last year due to an increase of suitable professional volunteers and the commitment of the staff team. This may not be sustainable."*

*"Have actually minimised the impact on service users through a combination of savings made through redundancies, cutting costs, redesign of service and income from charitable grants."*

*"Staffing levels are likely to remain static for the current financial year with respect to those staff engaged in direct work with young people. There have been reductions in capacity in admin and management posts largely resulting from not filling vacancies and existing staff taking on additional responsibilities."*

#### **4.12 Survival strategies**

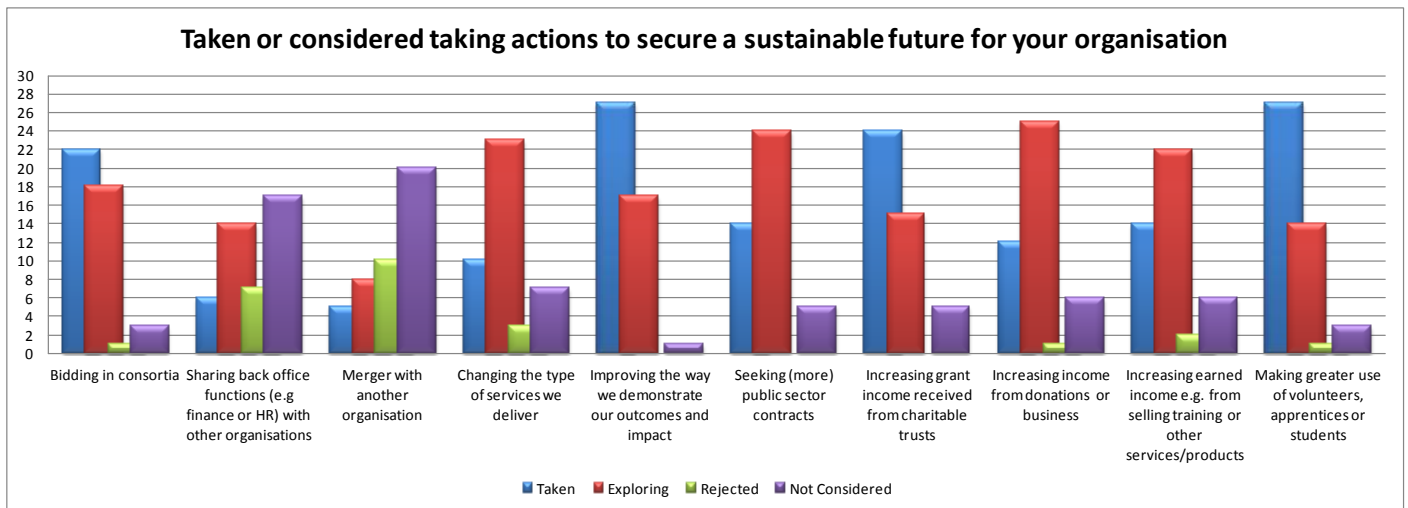
We repeated a question from last year about the measures and strategies YIACS were adopting to try to secure a sustainable future. In 2011, agencies were most likely to be trying to increase non-statutory sources of funding or making greater use of volunteers.

This year, the actions most commonly considered or already taken by agencies were improving the way they demonstrate outcomes and impact (97%, including 60% who had already taken action) and increasing the use of volunteers, apprentices or students (91%, including 60% who had already taken action).

The vast majority of respondents said that their agencies had also considered or already started bidding in consortia (90%, including 50% who had taken action) and increasing grant income received from charitable trusts (88%, including 54% who had already done this).

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<sup>5</sup> *Heads up: Mental health of children and young people*, I. Joy, M. van Poortvliet and C. Yeowart, New Philanthropy Capital, November 2008.



Large numbers of agencies had also considered taking the following actions, but it is notable that far fewer had actually already taken action, suggesting they might need greater support around how to do so:

- Increasing income from public sector contracts (85%, but only 32% had already done this)
- Increasing income from donations or business (83%, but only 27% had already done this)
- Increasing earned income (81%, but only 31% had already done this)
- Changing the type of services they deliver (76%, but only 23% had already done this)

The actions respondents were least likely to say that their agencies had considered or taken were, not surprisingly: merger with another organisation and sharing back office functions. However, given what a major step a merger is for an organisation, it is nevertheless significant that five organisations (11%) had already merged and a further 18% were considering it. If this trend continues over the next few years, it will represent a major re-shaping of the sector.

Some respondents commented on the difficulty of exploring the various options for securing their future at a time when their capacity has been reduced:

*“The challenge is to explore all of these effectively - the capacity to develop and look at alternatives is reduced as the staff team is reduced and justifying the funding we do get is becoming increasingly pressured. Essentially, we are being asked to do more for less on all aspects of our funding, this impacts on work to secure our future.”*

#### 4.13 Key factors to survival /development in past year

We asked respondents to tell us what factors had been of particular importance to their agency’s survival or development over the past (very challenging) year. Rather than providing a menu of pre-determined options, we allowed respondents to respond in their own words. A very wide range of issues was cited, the most common of which related to:

- Greater partnership working (cited by 8 agencies)
- Focussing on outcomes / outcomes monitoring (7)
- Our staff – their belief, commitment, quality, flexibility etc. (6)
- Investing time in building relationships with funders (6)

*“Thankfully I work with some exceptional people and despite last year being the worst I have ever encountered in over 30 years in the voluntary sector, I can honestly say I am still glad that I work here.”*

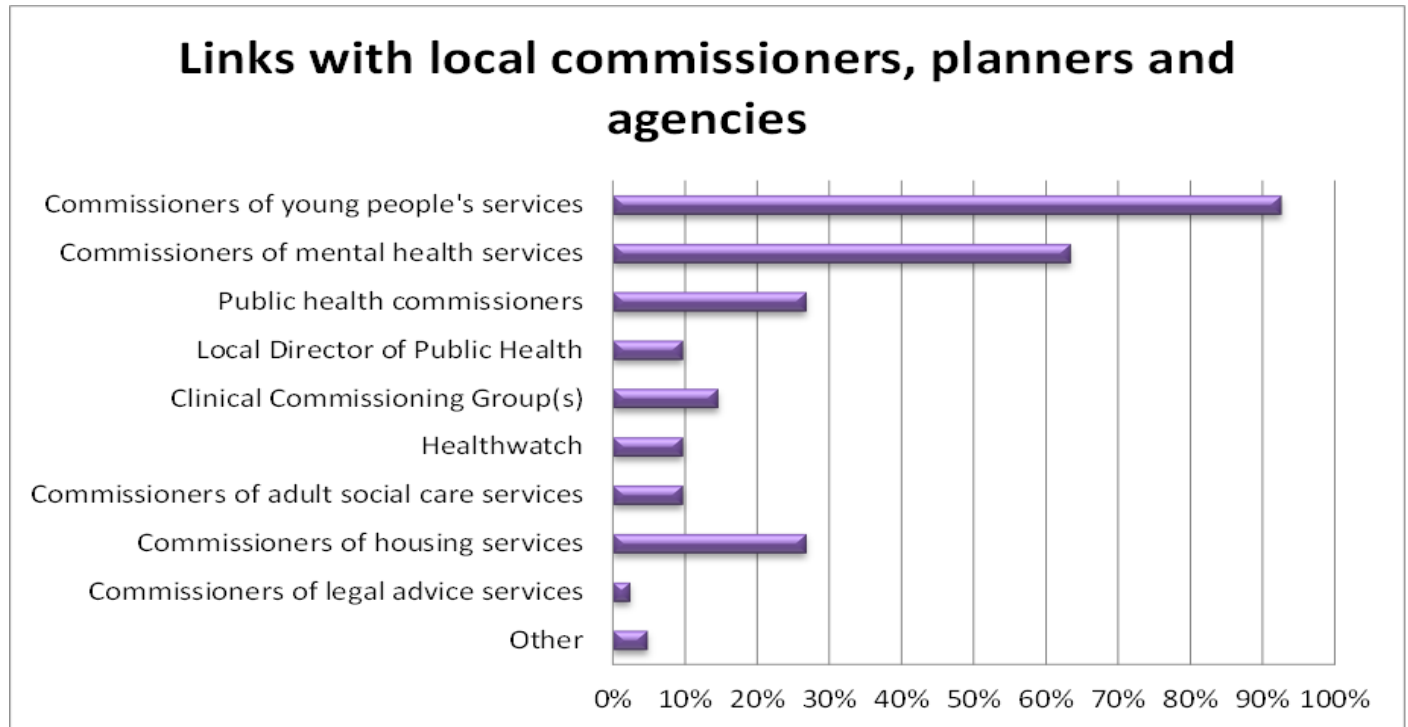
- Reducing reliance on public sector funding / moving to grant funding from trusts (5)
- Having capacity within management team to devote to fundraising (5)
- Bidding for / winning public sector tenders (5)
- Our reputation, track record (4)
- Changing the way we deliver services/ doing more for less / developing new services (4)
- Getting to grips with marketing / raising our profile (3)
- Restructuring (3)
- Undertook a strategic review (3)
- Being more strategic / less bogged down in day-to-day / thinking smarter (3)
- Information/support/reports from Youth Access (3)

#### 4.14 Influencing commissioning

For the first time, we asked a number of questions designed to find out more about YIACS’ ability to influence local commissioning processes.

##### 4.14.1 Links with commissioners

We asked respondents whether they had good links with a list of local individuals and groups that are likely to be key to the funding and commissioning of YIACS in the future.

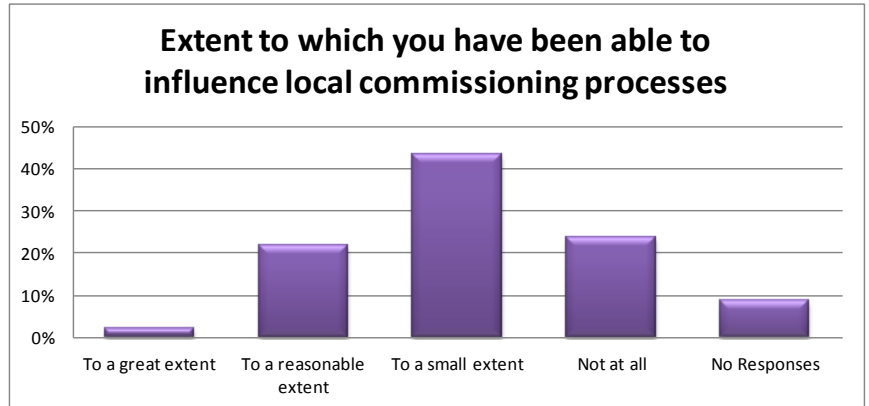


On the whole, the links agencies currently have correspond with the funding they are currently in receipt of. Hence, the vast majority of agencies had good links with commissioners of young people’s services (92.6%) and most agencies providing counselling had good links with mental health commissioners. Far fewer agencies had good links with individuals and groups who might prove crucial to securing public health funding in the future, although some had clearly made good progress in this regard.

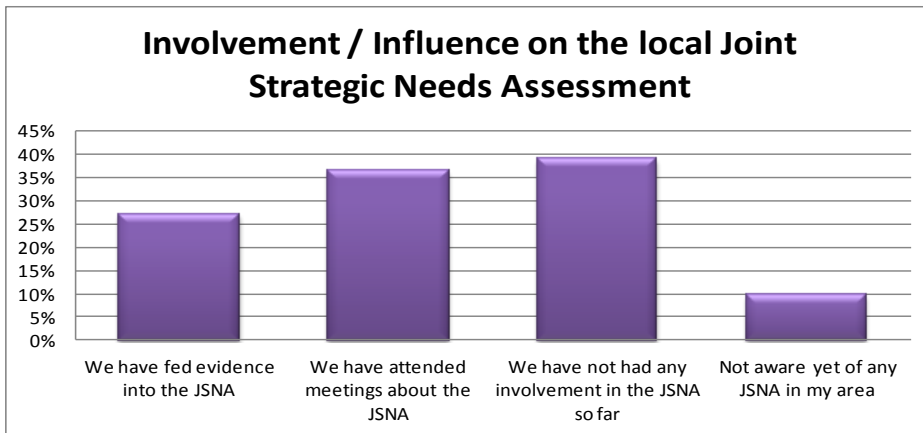
#### 4.14.2 Influence on commissioning processes

We asked agencies to what extent they felt they had been able to influence local commissioning processes.

Only one respondent said 'to a great extent', with a further ten answering 'to a reasonable extent'. It was clear from the additional information provided by respondents that their general lack of success in influencing commissioning processes was not for lack of trying.



#### 4.14.3 Influence on JSNAs



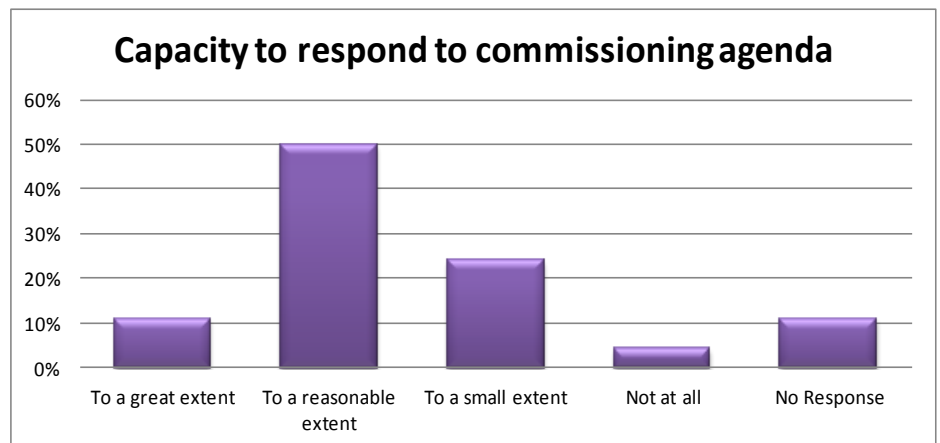
We asked respondents to tell us about their involvement in or influence over local Joint Strategic Needs Assessments (JSNAs).

Nearly four in ten agencies reported not having had any involvement yet in JSNAs, but many had attended meetings or fed in evidence.

#### 4.14.4 Capacity to respond to commissioning agenda

Most respondents felt equipped to respond to the commissioning agenda to a reasonable (50%) or great extent (11%).

However, 39% felt less well equipped or did not respond to this question.



#### 4.14.5 Commissioning support needs

We asked respondents to tell us if there was any further support they would ideally like Youth Access to provide on commissioning.

Several agencies praised the support they had already received:

*"I don't think so, the support that we've had has been good, and the reports that you've produced have been brilliant to get commissioners on board with particular agendas. The challenge is finding the time to meet with everyone who we know we should be meeting with."*

*"Youth Access has already supported us by way of providing references for our funding applications, and also via its newsletters. Perhaps most importantly by understanding our challenges and showing real empathy with us and the young people we work with. Youth Access are a very sound organisation which we trust completely."*

*"I have attended the training by Youth Access which was very useful."*

Ideas / requests for further support on commissioning included:

- *Provision of public law advice and advocacy*
- *Training and good practice guidance*
- *Updates, training and tailored support where possible.*
- *Support re payment by results / national clustering and implications for young people's counselling services.*
- *Maybe more on tendering and procurement*
- *continue updating us on the development of commissioning framework and the opportunities for YIACS*
- *provide guidance on the most appropriate outcome and impact measures in relation to future commissioning of services*
- *a briefing about the JSNA (for advice service providers, not counsellors) and how we can work within this?*

#### 4.14.6 Experiences of commissioning

Comments on local commissioning processes reflected a far from positive experience, including: "mixed", "muddled", "sporadic", "unfair, unclear and at times even possibly illegal", "an uphill battle", "up in the air" and "in a state of flux".

*"If services haven't been cut they are just rolling them forward whilst they establish the 'bright new world!'"*

*"Quite a lot of issues about timescales, specs. & processes. We are now part of a working group drafting the borough's new commissioning strategy."*

*"In our area, commissioning is not always seen as transparent."*

*"The County have just delayed the commissioning process by a year by extending the interim one year arrangements for a further year. There are too many meetings, too much information to absorb and too much vested interest resting with a few organisations/individuals."*

*"Structures and the personnel involved are frequently changing. We are promised greater clarity by the Autumn."*

*"A lot of the same people sit down together as it is a small local authority. The pot is small so co-*

*operation is key. However, youth services will have to represent strongly to get increased funding. Over-stretched managers might not be able to do this.”*

*“We were re-commissioned this year for 1 more year simply because the Local Authority has postponed decisions about re-tendering. Attempts by the IYSS commissioning manager (in Children Schools and Families) to get other departments (e.g. social care, housing) to agree to joint commissioning for young people/pooling resources have not worked so far.”*

*“Historically our funding has always been rolled over to the next year with the promise (following a review) that it will be put on a firmer footing, but this has yet to happen...”*

*“Attempting to link in to developing commissioning framework, with limited success so far, mainly due to the uncertainty around local arrangements and the people who are / will be involved.”*

*“Local authority services: one contract cut by 50% with initially 8 days notice (extended to 3 months); little collaboration about how we could work together.”*

#### **4.14.7 Future health commissioning**

Comments from many respondents highlighted the significance of the public health agenda to the future of many agencies – but also a high degree of uncertainty about how the NHS changes, mental health/public health commissioning and Clinical Commissioning Groups will operate in practice.

*“Biggest uncertainty looking ahead is the future of our health funding with the transition to GP commissioning.”*

*“The majority of our funding is in the form of an SLA with the PCT. Due to the current changes there is a high degree of uncertainty for the future of this funding. If significantly reduced it will impact on clients with lower incomes and reduce the accessibility of our services.”*

*“PCT funding has been rolled forward for this year pending re-commissioning by the CCG.”*

*“The latest we have from NHS is that our funding will remain for next 2 years rolled over with a full service review in the second year and then on to tendering.”*

*“NHS funding currently in place only goes to the end of March 2013. No one locally knows what the set up will look like post that time. We may not know about any repeat/extended funding from them until very close to the end of the present funding. As they are our main funding stream, this leaves a very uncertain future.”*

*“The crunch issue will be whether existing PCT contracts are renewed under CCG arrangements.”*

*65% of our funding is from PCTs and at present there is no information about future commissioning intentions post March 2013.”*

*“We are told that all our commissions (including the LA ones we hold) will be the remit of the NHS as we are told our interventions are considered to be 'treatment' based and so will not go to the LA when they pick up Public Health.”*

*“Keeping close eye on new Health and Wellbeing agenda now that LA will have responsibility for public health. Managers at the table with commissioners (particularly GP consortium).”*

*“The Clinical Commissioning Group have little knowledge of the voluntary sector - this is being addressed by CVS. Health and Wellbeing Board still being set up.”*

*“Reduction in Heath Authority funding due to restructuring and reallocation of public health funding.”*