How Youth policy is funded

There is no specific budget allocated to youth policy. Budgetary allocations are made for Cabinet portfolios in the annual budget planning cycle and, as shown in sub-heading ‘Structure of Decision-making’ in the article ‘Youth Policy decision-Making’, responsibility for youth matters is split across these portfolios. Within the overall allocations to portfolios, budgets are then set for policy directorates and other government agencies and public bodies.

**Education Scotland** [1], the national improvement agency for learning and teaching, and one of the main bodies charged with implementing the **National Youth Work Strategy** [2] 2014-19, receives a specific allocation through the budgetary process. This was £28.7m in 2016/17 and in the draft 2017/18 budget is £21.5m, but this figure covers its work in all areas of learning, not just youth work.

Much of the delivery of youth services takes place at local level, either through **local authorities** [3] or third sector organisations. Local organisations may apply for grant funding from central or local government schemes and local authorities receive the majority of their funding from central government.

The ‘block grant’ which local authorities receive from the Scottish Government accounts for around 85% of their net revenue expenditure. The largest part of the block grant is the Revenue Support Grant, which is not ring-fenced, meaning that local authorities have the freedom and flexibility to allocate their resources to meet local needs and priorities.

Local authorities plan the youth services that they will provide through their community learning and development programmes based on an assessment of local needs. They may make direct provision or commission services. Spending on youth services may come from other work carried out by local
authorities in education or social services, for example, and not just from the specific budget which they have allocated to community learning and development.

**What is funded?**

An indication of what are considered to be current priorities in youth services can be gained through looking at some of the specific grant funding which the Scottish Government is making available.

The National Voluntary Youth Organisations Support Fund was set up by the Scottish Government and is being administered by YouthLink Scotland, the national youth work agency. It is intended to contribute to the achievement of the [National Youth Work Strategy](#) 2014-19 ambition that ‘All young people, in every part of Scotland, should have access to high quality and effective youth work practice’.

This fund is open to national voluntary youth work organisations for projects which are likely to lead to:

- improved support and engagement of volunteers
- increased access to workforce development opportunities for paid staff and/or volunteers
- increased access to leadership development opportunities for senior managers and/or senior volunteers
- improved strategic leadership
- improved communication and partnerships with local authorities [3] supporting the delivery of the national outcomes for young people.

[CashBack for Communities](#) is the Scottish Government's vehicle for reinvesting the proceeds of crime back into communities to benefit Scotland's young people. YouthLink Scotland administers the fund which aims to build the capacity of young people and the youth work organisations who work to support them.

There is a separate CashBack for Creativity: Open Arts Fund, which Creative Scotland, the national development agency for the arts, screen and creative industries, is delivering in partnership with YouthLink Scotland. It too is part of the programme to reinvest the proceeds of crime back into communities, and is focused on community-based arts programmes.

In 2017 it was announced that more than £14 million of [funding](#) will support the work of 117 charities helping children and young people throughout Scotland. The money, from the [2018/19 Children, Young People and Families Early Intervention and Adult Learning and Empowering Communities Fund](#), will enable a wide range of projects aimed at improving outcomes for children and young people and supporting adult learning to be delivered.

YouthLink Scotland maintains a [funding directory](#).

**Financial accountability**

The [Auditor General for Scotland](#) is responsible for the audit of most public bodies, except local authorities. This includes directorates of the Scottish Government, government agencies, NHS bodies, further education colleges and most Non Departmental Public Bodies.

The Auditor General reports in public to the Scottish Parliament’s [Public Audit Committee](#).

The [Accounts Commission](#) is the public spending watchdog for local government. It examines how Scotland’s 32 councils manage their finances and helps them to manage their resources efficiently.
and effectively. Through Audit Scotland [11], it carries out annual financial audits of every Scottish local authority. It also carries out best value audits which examine local authorities’ achievements against their duty of Best Value.

The Local Government in Scotland Act 2003 [12] placed a statutory duty of Best Value upon local authorities in the discharge of their functions, defined as ‘continuous improvement in the performance of a local authority’s functions.’ Audit Scotland may undertake a special investigation if there are concerns about aspects of a council’s performance.

Audit Scotland also produces national reports on local government performance. These reports look at performance across Scotland in a particular service area. Audit Scotland submits its reports on local government to the Accounts Commission for Scotland which considers the reports and publishes findings.


Most of the third sector organisations involved in youth work are established as charities. The Office of the Scottish Charity Regulator (OSCR [13]) is established under the Charities and Trustee Investment (Scotland) Act 2005 [14] as the regulatory body.

OSCR monitors compliance with the 2005 Act, including the legal reporting responsibilities which must be met by the trustees of the charity. Charities must submit an annual return, a supplementary monitoring return for charities with a gross income of £25,000 of more, and a set of annual accounts.

One of the powers of OSCR is that of inquiring into cases of apparent or alleged misconduct. The primary purpose of such inquiries is to ensure that charity assets are protected and are being used to achieve a charity’s objects.

Specific grants may have financial compliance conditions attached regarding accounting and reporting requirements.

Other instruments which may be used for individual programmes and policies include progress reviews and evaluation reports which will cover how the funds received have been used.

Use of EU Funds

The Scottish Government receives EU funding under the European Social Fund (ESF) and the European Regional Development Fund (ERDF). Information on the operational programmes [15] for both funds, from January 2015 until 2020, is available from the Scottish Government.

The priorities of the ESF are:

- to increase labour market participation, promote social inclusion and develop the skills of the potential and existing workforce. Young unemployed people, especially those who are not in education, employment or training (NEET) are one of the four groups which are targeted by the programme.

There is no strategic initiative (theme area) directly related to youth in either fund, except for the Youth Employment Initiative (YEI).

In February 2017, the Scottish Government announced a £60 million programme to support young people in South West Scotland into secure and sustainable employment. The Youth Employment
Initiative (YEI [16]) provides funding which is additional to mainstream European Structural Fund allocations. The funds focus on EU regions where youth unemployment levels reached 25 per cent or more based on 2012 figures. Based on these figures, YEI in Scotland is restricted to the South West Scotland region.

The aims of the fund are:

- sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities
- a reduction in the number of unemployed, long-term unemployed and inactive, and socially excluded young people in South West Scotland.

The funding covers the period up to December 2018 and is split between the Scottish Funding Council (£28 million) and local authorities in South West Scotland.