

Local funding flows for youth employment and skills

October 2026



Abigail Taylor, Anne Green, Charlotte Hoole, Maryna Ramcharan, Johannes Read, Scott Grindey, Sara Hassan, Reen Blake-Carr, Alice Pugh, George Bramley

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Acknowledgements

We would like to express our sincere thanks to all the interviewees who generously contributed their time, insights and experience to this project. Their openness in sharing perspectives from across funding, commissioning and delivery roles has been invaluable in enabling a deep understanding of funding flows for youth employment and skills activity in each local case study area. The reflections and examples provided by participants have played a central role in shaping the findings of this report, and we are grateful for their willingness to engage so thoughtfully with the research.

We would also like to thank Anna Round and Andrea Barry from Youth Futures Foundation for thoughtful guidance and support throughout the project, which helped shape the direction and focus of the research. We also extend our thanks to all the Connected Futures Relationship Managers for their support in helping to recruit interviewees and for the valuable insights they shared about each local area.

We are also very grateful to David Kane and the team at 360Giving for their support in accessing, working with, and publishing the data used in the local case studies.

Contact:

Get in touch

Youth Futures Foundation

Fivefields,
8 - 10 Grosvenor Gardens,
London
SW1W 0DH

Email: research@youthfuturesfoundation.org

www.youthfuturesfoundation.org



About the authors

Established in 2015, City-REDI is an academic research institute at the University of Birmingham providing actionable insights to support regional economic development. City-REDI focuses on developing an academic understanding of major city-regions globally to inform and influence local, regional and national economic growth policies, through taking a comprehensive, multi-dimensional approach to advancing regional economic growth, tackling inequalities, and fostering resilience in city-regions. City-REDI work is grounded in rigorous multi-method research and analysis, evidence-based policy advice, and a strong commitment to collaboration and capacity building, with a focus on helping policymakers, businesses, and institutions drive inclusive and sustainable development in city-regions. Key research themes include employment and skills, governance, innovation and sustainability.

Executive summary

This report summarises findings from ten case studies undertaken in local areas participating in the Youth Futures Foundation's *Connected Futures* funding programme. Each local case study examined how funding for youth employment and skills flows from national to local levels, identifying the sources of funding, the organisations involved, the priorities and decision-making structures that shape how funding applications are developed, and the extent to which young people are engaged in these processes. The case studies combined a desk-based review of nearly 60 national, subnational, local and international funding streams with interviews across each local system.

The research involved a comprehensive desk review of academic and grey literature to map key features of funding streams for young people's employment and skills, including funders, delivery models, target groups, programme focus, geographical and temporal coverage, and available evaluation evidence. This review covered almost 60 national, sub-national, local and philanthropic initiatives.

We produced 10 detailed local case studies, which combined analysis of funding flows into each area (using data from the Grantnav 360 website) with findings from qualitative interviews across each case study area, with funders, commissioners and delivery organisations, to build a bottom-up picture of how funding operates in practice. Conducted between 2023 and 2025, these interviews captured perspectives during a period of significant policy and funding change, including the shift towards deeper devolution and more transitory funding arrangements. The interview guide explored funding sources, priorities, decision-making, evaluation, challenges, future prospects and levers for supporting marginalised young people, providing rich insight into how local systems navigate and respond to the current funding landscape.

The analysis enabled a detailed understanding of how funding models operate in practice, how evaluation is used, and what challenges and opportunities exist for improving outcomes for marginalised young people.

Key messages from the case studies for future funding and delivery include:

- There is a **need for greater long-term sustainable funding**, including repeat funding and funding for core costs.
- **Integrated and flexible funding enabling provision of holistic services** to support young people in transitioning successfully into the labour market needs to be prioritised.
- **Funding should** not only focus on getting young people into jobs but also **consider the complexity of individual needs and aspirations**.
- The transition from European-funded projects to UK-funded programmes has created challenges and uncertainties, emphasising the **need for collaboration among different stakeholders to achieve long-term systems change**.
- Funding erosion over recent years has especially resulted in cuts to preventative youth work and careers services, leaving young people with **reduced access to trusted adults, role models and early intervention pathways**.

- Funding and monitoring and evaluation frameworks often **prioritise short-term “quick wins”** such as job entries and qualifications. This often comes **at the expense of** confidence-building, mental health support, ESOL provision and culturally specific engagement - **interventions that** can be **essential for marginalised young people to develop the foundational skills needed to progress into, and in, employment**. There is a clear call from interviewees for a rebalancing of the funding model, to place greater values on outcomes over outputs, better recognise the complexity of individual journeys, and give greater autonomy to those closest to the communities they serve.
- There is value in **funding consortia bids and infrastructure organisations/backbone organisations** since small organisations do not always have the capacity to hold and monitor money.
- **Building the capacity of local institutions** to effectively administer and utilise funding is crucial.
- Place context is important for **developing opportunities for corporate funding from private sector business**. This funding source is more easily accessed in London.
- The **case studies highlight important learning about devolution**. In London, devolving the Adult Education Budget has enabled more strategic provision for young people aged 19 and over. Similar developments were evident in Walsall and in Leeds and Bradford, where the West Midlands Combined Authority (WMCA) and the West Yorkshire Combined Authority (WYCA), respectively, increasingly convene local ecosystems and connect provision more coherently. Strengthening the role of strategic authorities in 16–19 provision could support clearer pathways and integrated regional planning. Since the research for this report was conducted, this has now been proposed as part of the *Rewiring the State* policy paper¹. However, not all functions are suited to devolution: for example, while Combined Authorities can help improve access to apprenticeships, the cross-regional nature of many Levy-paying employers and the need for consistent national standards mean some issues are better managed at a larger geographical scale.

In Leeds and Bradford, **some ethnic minority-led organisations reported feeling disadvantaged in competitive funding processes**. They encountered perceptions of lower capacity and concerns about applying for funding generated through Lottery ticket sales and perceived as ‘unethical’, further limiting access. In Walsall, interviewees highlighted the **WMCA’s Race Equalities Taskforce**, including funding for Aaina Community Hub, **as a positive step towards addressing inequities**. More broadly, improving fairness requires proportional application processes, routine feedback, and protected funding for community-embedded providers.

¹ <https://www.gov.uk/government/publications/rewiring-the-state-cabinet-statement/rewiring-the-state-cabinet-statement.html>

Aims of this report

Youth Futures Foundation commissioned the University of Birmingham's City-Region Economic Development Institute (City-REDI) to undertake research to identify, describe and map the flows of funding for employment and skills for young people from national to local areas (aged 14-24 years) in 10 local case study areas where Youth Futures funded Connected Futures interventions.

The 10 local case study areas are: Blackpool, Bradford/Leeds (which forms part of the West Yorkshire Combined Authority area [WYCA]), Brent, Burnley, D2N2 (Derby, Derbyshire, Nottingham, Nottinghamshire), Hastings, Hull, Lewisham, Tottenham (in the London Borough of Haringey), and Walsall (which forms part of the West Midlands Combined Authority area).

Research questions:

- Sources of funding: where does funding for local youth employment and skills activity come from?
- Organisations involved: what kinds of organisations receive funding locally?
- Economic incentives: What economic incentives exist for youth employment funding, from the government, private entities, partnerships, etc.?
- Aims and priorities: What are the goals/aims/priorities of different funding streams?
- Decision-making: Who makes decisions about funding at national, international, and local level?
- The role of young people: Are young people involved in those decisions?
- Funding models: What funding models are most common in funding local areas for employment and skills?
- Outputs and outcomes: What are the outcomes the funding is aiming to impact on and what outputs are collected/monitored?
- Future prospects: What are the prospects for funding streams in the future? What new funding streams are announced or likely to be introduced?
- Evaluation: Have the funding streams for different initiatives been evaluated? If so, are there any findings available in the public domain?

- Links between funding and outcomes: Is there a connection that is discernible between local funding allocations and young people's outcomes?
- Challenges for marginalised young people: What systemic challenges for marginalised young people may be associated with trends in the allocation and mechanisms of funding?
- Levers: What levers currently exist for local policy makers to focus funding on the most disadvantaged young people?

As outlined in greater detail in the methodology section below, a first phase of analysis involved conducting a desk review of existing studies and data on the flows of national, sub-national, local and international sources of funding to these local areas for young people's employment and skills in England, with a particular focus on funding targeting marginalised young people. This research was conducted between 2023 and 2025, so findings reflect the situation up to and during that period.

The research involved reviewing almost 60 funding sources relating to young people for national employment and skills related schemes or services. A second phase of analysis involved conducting interviews with Connected Futures partners and other key players in the employment and skills system in each local area, including key infrastructure and delivery organisations.

This report summarises findings across the 10 detailed case study reports to identify key challenges faced by local organisations in securing funding for youth employment and skills activities. It examines the relevance of existing funding available in the local areas for the outputs and outcomes desired locally from employment and skills activity for young people. It explores the use of evaluation in current and recent employment and skills projects. It reviews how young people are involved in identifying and developing funding bids for youth employment and skills projects. Finally, it assesses the implications of the findings for future funding and delivery.

Methodology

The desk review of the academic and grey literature in the first phase of the study used a data capture pro forma to record details about funding sources for different programmes or initiatives relating to employment and skills for young people aged 14-24 years.

Features include:

- the funder and commissioner,
- the geography of the programme or initiative,
- the total scale of funding the value of funding for young people,
- the design and delivery model of contracts,
- whether funding is competitive,
- details of deliver partners,
- the focus of programmes or initiatives and the types of services offered,
- target groups,
- temporal and geographical coverage of specific funding flows, and
- metadata and evaluation reports for the different programmes/ initiatives.

Initiatives in scope for the review included key national employment schemes and programmes, further funds suggested by the Youth Futures Foundation as being of interest, and additional funds on the Grantnav 360 website (<https://grantnav.threesixtygiving.org/>) a portal where funders publish open data about who, what and where they fund.

To supplement the desk research and analysis of funding flows in the first phase, the second phase of the study employed a bottom-up approach including qualitative interviews conducted in each of the case study areas with funders, commissioners, and delivery organisations. Most interviews were conducted online, with a small number taking place face-to-face. All interviewees were given a participant information sheet outlining the purpose of the research. Interviews were recorded with the permission of the interviewees to aid transcription and detailed analysis. Interviews lasted between 30

and 60 minutes, with most being a least 45 minutes in length. Ethical approval was sought and received from the relevant committee at the University of Birmingham.

The interviews were conducted at different points in time over the period from 2023 to 2025. The Bradford/Leeds and Walsall case studies were undertaken in 2025 and so capture findings from later in the journey towards devolution. These temporal variations are important because of a significant shift in the funding landscape between 2023 and 2025, and the replacement of a Conservative Government with a Labour one after the General Election of July 2024. This period sees a continuation of the national policy direction towards deeper devolution for local governance, alongside a move to more transitory (often annually renewed) funding arrangements while policy is developed.

- The themes in the interview guide reflected the research questions:
- Interviewee's role and experience, and information about the role of their organisation in relation to employment and skills for young people.
- Key features of funding sources: main funding sources for the organisation (including whether allocated or competitive), whether primarily capital or revenue in nature, the extent of reliance on payment by results in core funding for delivery organisations
- Changes in sources of funding over the period 2015 - 2025: nature of changes, quantification of changes, impact of ending of the European Structural and Investment Fund (ESIF) and whether able to access alternative funding if ESIF was previously important
- Aims and priorities off different funding streams: currently, and any changes since 2015 (to 2025), any identified gaps between the aims and priorities of the funding available to support young people's employment and skills and local needs, and the extent to which delivery organisations shift the activities delivered according to funding available
- Decision-making and outcomes: how decisions are made about what funding streams to prioritise and who makes those decisions, whether young people are involved in decisions about funding applications, managing funding, and/or evaluating funding, what local actors are incentivised to care about and count, what outcomes are measured and why, whether certain types of funding lead to better employability outcomes
- Evaluation: the extent to which different funds and/or initiatives are evaluated and whether evaluation is a formal requirement

- Challenges of current system: whether any constraints prevent delivery organisations obtaining funding for key projects
- Future prospects: funding priorities, factors influencing ability to secure funding
- Levers: which levers currently exist that allow local policy makers to focus funding on the most disadvantaged young people
- Policy implications: two things that the interviewee and/or their organisation would like to see changed about funding for young people's employment and skills activity.

Connected Futures Programme

In 2022, Youth Futures Foundation launched 'Connected Futures'. This large-scale funding programme supports young people to find and sustain good work through pioneering local partnerships, working together to address key issues in local support systems and to drive systemic change.

Connected Futures grants aim to support the development and testing of new models of support and collaborative action, to tackle the structural barriers facing disadvantaged young people. The programme seeks to stimulate local 'systems experiments', exploring new solutions and creating exemplars that can be leveraged to shift wider policy and practice.

Funding has been targeted at areas in England with some of the highest NEET rates and deprivation indicators: Blackpool, Brent, Burnley, D2N2 (Derby, Derbyshire, Nottingham, Nottinghamshire), Hastings, Hull, Lewisham, Tottenham, Leeds and Bradford, and Walsall (West Midlands). See Table 1 which summarises the aims of the 10 Connected Futures local partnerships.

Table 1: Connected Futures partnerships

Partnership	Aim
Blackpool	Investigating how local communities experience the education and employment support system, and supporting the transformation of services for young people who are not in education, employment or training (NEET) or at risk of becoming NEET.
Brent	Providing support to young people living on three Brent estates with majority Black populations , characterised by high youth unemployment despite strong levels of academic attainment.
Burnley	Investigating why young people are not accessing jobs in Burnley's expanding tech sector, with particular focus on those of Bangladeshi or Pakistani heritage, care experienced young people , and those facing long-term unemployment .
D2N2 (Derby, Derbyshire, Nottingham and Nottinghamshire)	Supporting young people with autism and learning difficulties to contribute their strengths in workplaces across Derbyshire and Nottinghamshire.
Hastings	Investigating the experiences of young people aged 14+ who are NEET or at risk of becoming NEET , with a Young Person Research Group playing a central role in the partnership.
Hull	Investigating the disconnect between the city's substantial vacancy levels and the large share of young people who are NEET .
Lewisham	Establishing a more integrated and innovative model for youth unemployment support across the Lewisham/Downham area.
Tottenham	Convening schools, employers, providers and young people to investigate the obstacles to providing high quality, locally tailored careers guidance in schools .
Leeds and Bradford (West Yorkshire)	Addressing workplace discrimination and improving employment opportunities for young people with Bangladeshi and Pakistani heritage .
Walsall (West Midlands)	Improving employment outcomes for 16 – 24-year-olds with Bangladeshi and Pakistani heritage by widening access to skills and training opportunities and building employer-led momentum for change.

Key challenges for local areas

Challenges across case study areas

The research identified several challenges around funding for young people's employment and skills development that were raised across different case study areas.

A key message from the interviews is that local funding levers are limited. Interviewees described a lack of meaningful local funding levers for youth employment support (and wider employment and skills initiatives), which in turn can mean limited access to good quality education and training programmes. This is particularly marked in areas without a Combined Authority. In local areas with a Combined Authority, local levers tended to be more available.

It was suggested that the transition from European-funded projects to UK-funded initiatives has introduced fragmentation of funding pots. Interviewees said that they were increasingly expected to 'do more with less'. The withdrawal of European Social Fund (ESF) funding following Brexit² has left a significant gap in the local employment and skills infrastructure, particularly for wraparound and re-engagement work. In turn, our analysis emphasises how competition for trust and foundation funding has increased in the context of reduced funding from the ESF and central and local government post-Brexit and the Covid-19 pandemic. Reduced funding allocations and associated moves from multi-year to single-year funding have had the effect of limiting opportunities for experimentation in service design, and in some cases mean that the delivery of services has ceased. The findings indicate that the funding landscape for young people's employment and skills activities is becoming increasingly competitive and complex. There is evidence that this environment is prompting some organisations, particularly smaller ones, to apply for calls which are less well aligned to their organisational priorities.

Interviewees reported that funding is now less focused on the individual and the barriers to development that they face. Rather, it is more commonly focused on 'prescriptive' programme-based work. The erosion of local authority funding, particularly for preventative youth work and careers support for young people was felt to have created a gap in youth provision. They also noted a lack of funding for courses that do not lead

² Eligibility for new UK projects under the European Social Fund (ESF) formally ended on 31 December 2023. Although the UK left the EU in January 2020, a transition arrangement allowed programmes from the 2014–2020 ESF cycle to continue operating until the end of 2023, when all remaining projects were required to close.

to qualifications (reflecting their experience over the period 2-15 – 2025). Since the completion of the primary research, youth services and youth employment have been the subject of substantial and ongoing change and planning for change. This includes an increased focus on earlier intervention and prevention, as well as linking youth services and youth employment support (for example in the DWP's 'Youth Hub' model of co-location). To date this has focused more on specific target cohorts rather than the comprehensive redesign of systems.

It is important to remember that young people are not a homogenous group. Interviewees suggested a need for more specialised and clearly defined pathways for different groups of young people. There was general agreement that with nationally allocated funding there are limits to some ways of working, including personalised support for marginalised groups, and work that takes full account of local place needs across employment and skills alongside other policy domains. Interviewees indicated that funding is particularly needed to tackle employment and skills challenges faced by young people who are Not in Education, Employment or Training (NEET) and are 'hidden' from the welfare system because they are not claiming out-of-work benefits, as well as those with special or complex needs and mental health issues. Despite examples of innovative practice in some of the local areas, overall, across the case studies, we identified a gap in personalised quality careers provision for young people.

Some community organisations across different case study areas described similar challenges in securing funding, including issues with impact measurement, governance, and the complexity of public procurement processes. We also found some evidence of structural barriers and unconscious and conscious biases that community organisations can face, which impact their ability to secure funding. We found that some organisations choose not to apply for funding generated through Lottery or alcohol sales because these sources are viewed as "unethical", and can consequently face limitations on the funding they can apply for. There is some evidence from the West Yorkshire case study that some ethnic minority-led organisations feel that they can face discrimination when applying for funding – where they encounter a perception that they are poorly run (compared with other third-sector organisations).

Another key challenge across the organisations interviewed is how capacity constraints have restricted the ability of some organisations to connect and partner with each other, even though funding proposals may be stronger if they involve local partnerships.

Challenges in individual case study areas

As well as challenges common across the case study areas, we also identified several challenges that were specific to individual areas, as summarised below.

The relative complexity of the funding landscape appears to vary across the case study areas. There is complexity everywhere, but our analysis shows that it is generally greater in large urban areas, particularly London Boroughs, where a multiplicity of funders, delivery organisations and funding pots are involved. This is in comparison to areas with a smaller population or a rural context.

The scope for use of Section 106 (S106) contributions raised through contributions from developers to mitigate the impact of the development on the local community varies across the case study areas. Scope for using such contributions for employment and skills activities for young people appears to be greater in urban areas with high development potential than in rural areas, or in urban areas with more limited economic opportunities and growth potential.

Our analysis suggests that the patchwork nature of devolution in England is important in understanding specific challenges in some case study areas. Historically, English devolution has been implemented on different timelines in different local areas, with two-tier local government remaining in some parts of the country. Plans are now in place to extend devolution across England, with strategic authorities in all areas by 2028; our findings relate to the 2015 – 2025 period. For example, in Hastings stakeholders suggested that the two-tier local government system has created some disjuncture between geographical scales of decision-making and local needs. In contrast to some of the other case study areas (e.g. West Midlands, West Yorkshire), Hastings and East Sussex did not have a combined authority at the time of interview in October 2023. The lack of devolved powers was felt to have limited local policy levers to target funding at specific local employment and skills challenges for young people. In Burnley and Blackpool, interviewees argued that plans for future devolution across Lancashire provide opportunities to develop greater support for young people's employment and skills. Historically, uncertainty over the timescale for devolution had also created challenges.

The degree of churn and instability in staffing and organisations has varied between the case study areas. For example, Hull appears to have benefited from greater stability, whilst Brent and to some extent Lewisham were notable for the frequency of change. Interviews emphasised how this can hamper consistency in delivery.

The sub-groups of young people who are the focus of programmes varied by local area, reflecting local socio-demographic profiles. For example, the focus is on young Black

men in Brent, young people of Bangladeshi and Pakistani origin in Leeds and Bradford and in Walsall, young people with autism and learning difficulties in D2N2, and young people Bangladeshi or Pakistani heritage, and care experienced young people, in Burnley. Blackpool has a highly transient population, which has implications for engagement and monitoring. There are significant place-based variations in skills and productivity across the D2N2 districts.

There are few large employers in Lewisham, which limits local job opportunities. The lack of investment in transport infrastructure, especially in the south of the borough, hinders residents in finding employment outside Lewisham. Mental health, antisocial behaviour and drug trafficking rates were also cited as key challenges which mean that some young people in Lewisham require intensive support to enter and maintain employment. There is also a need to improve soft skills.

Across the case study areas, projects addressed different types of barriers, and combinations of barriers, to employment. These included:

- structural and deep-rooted issues around unemployment, low pay, low job security, and poverty
- low and/or declining educational attainment
- insecure housing
- family circumstances, including an expectation that young people will take on caring responsibilities
- crime and anti-social behaviour
- poor mental health, isolation and/or substance abuse
- low self-esteem and low self-belief
- limited career awareness and planning

Outputs and outcomes

Interviewees in many of the case study areas indicated that decisions about which outputs and outcomes are measured are often driven by funder requirements rather than necessarily responding to local priorities.

Walsall Council's experiences of delivering Walsall Works illustrates how the Council has had to continually adapt programme parameters and delivery methods to meet the requirements and availability of different grants, which often have varying target groups and outcome measures.

Across the case study areas, interviewees suggested that the current funding system for youth employment and skills activity often places too much focus on 'outputs' rather than 'outcomes'. Experiences across the local partnerships illustrate how the emphasis placed by some funders on counting outputs rather than achieving meaningful outcomes can undermine effective delivery and is misaligned with the realities of supporting individuals with complex needs and barriers to employment at the local level. Heavy data collection requirements were described as a particular barrier, demanding significant resourcing in many cases for little gain. Although these indicators help track engagement, interviewees felt they do not reflect the real depth or complexity of the work involved in support disadvantaged young people to develop their skills and move closer to employment. Further, they suggested that current approaches tend to reward 'quick wins' instead of supporting deeper, longer-term progress into employment.

Interviewees argued that going forward it would be beneficial if funders placed greater emphasis on measuring soft outcomes, and on mechanisms to allow for more reflection on wider unplanned outcomes. There was also a general call from interviewees to redefine success in youth programmes to move beyond narrow metrics like job starts or qualification completions to include outcomes relating to confidence, wellbeing, skills for life, and job readiness. In particular, placing more value on the distance travelled towards employment for those furthest away from the labour market could be a way of ensuring outcome metrics are more meaningful.

Where hard outputs are still prioritised by funders, interviewees suggested that it is important for these outputs to relate closely to present-day experiences and opportunities for young people, rather than simply replicating measures used in previous programmes.

Local delivery organisations have a key role to play in identifying locally appropriate outputs and outcomes to measure given their understanding of the local area. In

Lewisham, Circle Collective was encouraged by a funder to begin recording data on education and training outcomes during the Covid-19 pandemic, whilst the Construction Youth Trust was asked to measure education and training outcomes by the Merchant Taylors' Foundation. This shows how funders can be a positive force in encouraging delivery organisations to expand the range of outcomes they seek to achieve. In both of these examples, the additional outcomes collected aligned with wider organisational priorities. The funders also had an in-depth understanding of the local work of the delivery organisation enabling them to push the delivery organisation to widen their outcomes.

Lewisham also illustrates how Social Impact Bonds can be used as a form of outcomes-based commissioning to enable collaboration between public, private, and voluntary sectors to address youth employment and skills challenges. A significant Social Impact Bond project – 'I-Aspire (Lewisham)' – was targeted at three London Authority areas including Lewisham between 2018 and 2022. Also known as the 'Care Leavers Social Impact Bond' in Lewisham, I-Aspire was a service delivered by Depaul UK to support care leavers in Lewisham, Greenwich and Bromley to achieve better education, training and employment outcomes. This was one of three projects commissioned nationally by DfE to support young people who were leaving care or had left care, and who were not in education, employment or training (NEET), or who were at risk of becoming NEET. An evaluation published by DfE in 2023, indicates that costs of the Care Leavers SIB Programme to the DfE for I-Aspire were £2,180,994. Social Impact Bonds are a form of outcomes-based commissioning that enables collaboration between public, private, and voluntary sectors to address societal issues.

Evaluation

Interviewees valued the practice of evaluating youth employment and skills projects and programmes and being able to understand what works and what does not.

However, responses to interview questions about evaluation practices and expertise, indicate a general lack of expertise in, and capacity for, evaluation among the organisations interviewed. As a result of the short-term nature of much funding and the need for organisations to constantly bid for new fund pots, interviewees in general described focusing more on responding to funder monitoring requirements than on developing evaluative capacity to feedback learning into policy design. Our analysis suggests that impact evaluations tend to only occur for projects and programmes when external funders commission the evaluation.

Under-resourcing in many public and third sector organisations creates a disconnect between monitoring conducted and strategic learning or long-term planning. A recurring concern is that evaluations are often reduced to verifying whether numerical outputs have been met, rather than exploring the deeper, qualitative impact of services. Stronger data collection and greater capacity is needed to enable meaningful impact evaluation beyond basic outputs. Experiences in Burnley illustrate how developing an ethos of cross-organisational evaluation support (Lancashire-wide organisations, such as Lancashire County Council and Lancashire LEP, have played a significant role in supporting wider monitoring and evaluation of their own projects and programmes) can help strengthen capacity and expertise where gaps exist.

There is evidence from some of the case studies that monitoring requirements can vary hugely between funders, sometimes in apparently arbitrary ways. Large scale programmes such as ESF were reported as requiring the most onerous monitoring of evaluation and impact. Voluntary and community groups indicated that most trusts and foundations generally just require relatively high-level, narrative reporting.

Experiences in Hull illustrate how continuity matters to promote tacit and informal learning. Interviewees emphasised how Hull benefits from being 'quite a close-knit community' with 'a reasonable amount of continuity in regard to people and where they are'. Such stability was identified as an important factor in enabling much learning over time and across different projects, letting the city benefit from previous experiences. This may be difficult to achieve in areas where there is greater complexity and/or high rates of staff churn. Effective dialogue between organisations is important for fostering collective learning, which facilitates sharing of insights, collaborative understanding of challenges, and leads to more coherent approaches over time.

West Yorkshire regularly evaluates its youth employment and skills programs, but the focus so far has been on tracking targets and meeting compliance rules rather than figuring out how to improve them. Expanding participatory, developmental, and context-sensitive approaches, which foster the knowledge held within communities, centring the voices of young people, could enable more targeted learning, adaptation and investment in youth employment and skills provision over time. The Outcomes Framework associated with the West Yorkshire Integrated Settlement was valued from an evaluation perspective. Bringing project performance and policy teams together was seen as a deliberate shift toward more coherent, system-level evaluation.

Several interviewees noted that the West Midlands Combined Authority has considerably improved its use of evaluation and evidence-based decision-making in the period since its establishment. Nonetheless, they suggested that it is important to continue to develop evaluation practices, increasing the focus on assessing impacts on learners as well as meeting funding requirements. More comprehensive formative and impact evaluation will help build understanding of the effectiveness of programmes undertaken. Developing formative evaluation, where independent evaluators assess programmes throughout their implementation, was considered important in enabling timely adjustments and ensuring that programmes are on track to achieve their goals. This underscores the need for improved data collection for deeper impact evaluation.

The Blackpool case study demonstrates the need to develop a more comprehensive framework for understanding young people's journeys through participation in skills projects and programmes, and into employment. A clear theory of change and measurement framework is also important in developing more 'sophisticated' discussion of the extent to which the qualifications that young people are currently encouraged to gain respond to local employment needs. Delivery organisations also noted the importance of funders providing funding to conduct and participate in evaluation.

A further concern related to what happens to learning after evaluations are conducted. Several interviewees noted that evaluations often "sit on the shelf" rather than being used to inform future project and programme design. Implementing learning from evaluations was also reported to be challenging in the context of short funding cycles and a constant need for organisations to bid for new funding rather than having to reflect on previous projects and programmes. Interviewees argued that consequently, reflection and improvement frequently depend on organisational memory and, in practice, on the same staff being in place when similar funding streams reappear. This emphasises the need to ensure effective sharing, embedding, and acting on learning across organisations, supported by appropriate capacity and skills to make this possible.

The role of young people

The importance of youth involvement in decision-making about service provision is generally recognised but challenges in implementation exist in practice. While there is a general appetite for youth involvement across local case study area, the extent to which it is realised often varies between organisations. The consensus is that there is room for improvement.

Mechanisms used for youth involvement vary in accordance with resources available and by programme. Examples of good practice include The Warren in Hull where young people are actively involved in decision-making, and the Iqra Supplementary School in Walsall, where, with the support of a young graduate project officer, young people met with funders to discuss their experiences and proposals as part of an application process for a grant. Young people at Iqra Supplementary School have been actively involved in engagement with the local authority as a funder on programme design and adaptation based on delivery. This demonstrates the value some funders place on youth-led involvement and meaningful participation in decision-making.

More broadly, in the West Midlands Combined Authority area there is a Young Combined Authority bringing together young people aged 16-25 years from across the region to get involved and help shape the future of the region. Elsewhere it was noted that such authorities/ boards take resource to maintain. In Tottenham, the North London Partnership Consortium operates a Youth Advisory Board that enables young people to play a role in shaping, managing and evaluating services, and offers opportunities for training as community researchers. Yet there are challenges in sustaining the Youth Advisory Board as young people's lives change. Despite other examples of good practice in other local areas – especially in grassroots settings with community organisations, as in the cases of the Bangladeshi Centre and the Highfield Community Association in the Leeds/Bradford area – young people's role as active agents in shaping provision for young people appears to be underdeveloped.

Across local areas, other methods were used to consult/involve young people in funding decisions. Methods cited included collating priorities for funding through surveys/online forms, outreach using youth workers and employment of young people with relevant lived experience. In some local areas, there are concerns that some sub-groups of young people are less likely to be involved in decision-making. Here, personal contacts and word-of-mouth communication were cited as important in generating effective engagement,

The most frequently cited reason for not involving young people and/or minimal consultation/ involvement is operational challenges. Project-specific and short-term funding, and a narrow window in which to bid for funding, mean that it is difficult to run youth engagement activities in a real and authentic way over the long-term – for example, through the establishment of a youth board. Where funding is for very specific purposes the value of taking account of youth voice was questioned due to lack of flexibility to consider alternative priorities. Furthermore, youth involvement requires managerial support, which is not always forthcoming to the extent needed given insufficient organisational capacity and managers' competing priorities.

Other barriers mentioned less frequently included that it would not be appropriate for young people to be involved in decision-making relating to funding given the complexities involved, including ethics and confidential issues. Some questioned whether some young people have the necessary skills and interest to be involved.

To encourage and support more engagement of young people in funding decision-making, and as designers and evaluators of specific initiatives, funding programmes could set formal expectations around this in funding prospectuses and award letters – as in the case of the Connected Futures programme, while recognising the challenges and ethical considerations around engaging youth voice.

Conclusion and implications

Longer-term sustainable funding

A key message from interviewees across the local case studies relates to a need for greater long-term sustainable funding, including repeat funding and funding for core costs. This is especially the case when local partners face a 'double whammy' of a reduction in potential sources of funding at a time when cost of living pressures fuel greater needs for support. Current funding models reinforce short-termism, make it difficult to develop and nurture partnerships, and put up barriers to recruitment and retention of staff.

Interviewees argued that moving to 5–10-year funding awards with greater flexibility over what money can be spent on allows for infrastructure investment and would help them to build up strong relationships locally facilitating collective working, reduce administrative burdens associated with more frequent changes and achieve greater impact. It would also enable provision of more consistent support for those young people who need more time to make progress towards employment.

The example of the John Lyon's Charity in London shows what can be achieved with different parameters and points to the importance of funders offering longer-term trust-based funding and developing stronger relationships with delivery organisations to support more strategic, locally responsive outcomes. Funders need to recognise that further investment in existing projects and associated partnerships can make sense where interventions are working well, rather than seeking innovative new solutions. A more streamlined and predictable funding process would help to avoid disruptions in service delivery. Ensuring stable and sufficient funding over the long-term is crucial for sustaining successful interventions. This implies that funding programmes should provide certainty and continuity, especially for organisations planning strategic interventions.

Funding that is integrated and flexible

Integrated and flexible funding enabling provision of holistic services to support young people in transitioning successfully into the labour market needs to be prioritised.

This suggests that funding priorities should focus on comprehensive approaches rather than narrowly defined goals. There is a need for greater funding to develop wraparound, personalised and culturally competent support for the most disadvantaged young people. Intensive, flexible support is often required for young

people to achieve sustainable change into employment. A more trauma-informed approach across organisations was cited by some interviewees as desirable.

Interviewees emphasised that funding should not only focus on getting young people into jobs but also consider the complexity of individual needs and aspirations.

Success in youth employment programmes should be measured not only by job placement but also by outcomes like work experience, training, apprenticeships, qualifications, and volunteering. This chimes with the shift in direction towards earlier intervention and prevention that takes account of a wider range of outcomes.

Funding models that support and evaluate meaningful outcomes

Interviewees across the case study areas argued that current funding models for youth employment and skills place disproportionate weight on outputs rather than meaningful outcomes. They noted that funding and monitoring frameworks often prioritise short-term “quick wins” such as job entries and qualifications, which can crowd out the confidence-building, mental health support, ESOL provision and culturally specific engagement that many marginalised young people need to build the foundations for sustained progression. They emphasised the need for funders to give greater recognition to soft outcomes and to create space for reflecting on wider, unplanned impacts. Overall, participants called for a rebalanced approach that values progression over tick-box metrics, acknowledges the complexity of young people’s journeys, and gives more autonomy to those working closest to communities.

Stakeholder collaboration

The transition from European-funded projects to UK-funded programmes has created challenges and uncertainties, emphasising the need for collaboration among different stakeholders to achieve long-term systems change. In the context of reduced resources, there is merit in prioritising how resources could be better harmonised across organisations involved in the youth employment and skills ecosystem.

There is value in funding consortia bids and infrastructure organisations/backbone organisations since small organisations do not always have the capacity to hold and monitor money. Grassroots organisations benefit more when supported to collaborate rather than merge. It is also important to support development of more strategic holistic approaches through systems change programmes which bring together a range of partners.

Capacity building

Local institutions need opportunities to build capacity to use funding effectively. Building the capacity of local institutions to effectively administer and utilise funding is crucial for programme success. This includes providing the necessary expertise for programme evaluation and management. Employment and skills programmes should provide funding for direct capacity building as well as networking opportunities between partners in the programme to share good practice. Funders could better support capacity building in community organisations, including through providing training, support for governance development, and addressing gaps in skills and confidence. Funding for consortia and partnerships, and/or for local infrastructure organisations, can play an important part in capacity building.

There are examples of activity in this space. This can take various forms, as exemplified by the local authority taking a leading role in Lewisham and a third sector organisation (Right to Succeed) in Blackpool, John Lyon's Foundation Brent). In the context of a reduction in funding available locally, Lewisham Council is taking a proactive role, facilitating introductions to both local and national funders for delivery organisations, sharing funding opportunities, and convening partners to develop funding bids. When Lewisham Council has funding to distribute locally, it prioritises allocating funding to small local organisations to develop enhanced governance practices. Nonetheless, some interviewees reported it can be difficult to engage with relevant local authority teams. Elsewhere, partnership working is strong, as in the case of Burnley where the Calico Group and Burnley Bondholders are distinctive in their partnership approach to achieve shared and often interconnected goals around employment, skills, housing, health, and community. The example of Burnley Bondholders illustrates the importance of collaborating with employers and engaging them in local employment and skills-based activities for young people.

Place context is important in developing opportunities for corporate funding

Experiences in Lewisham demonstrate the importance of close proximity to corporate funders to establish strong relationships. Delivery organisations in Lewisham have responded to increased competition for trust and foundation funding and declining funding from national and local government by increasingly focusing on securing corporate funding. Providers in Lewisham are particularly looking to corporate funders to fill gaps in unrestricted funding. Securing multi-year corporate funding has required extensive networking and intensive relationship building.

While there has been some progress in developing corporate and philanthropic funding models in case study areas outside of London, opportunities remain limited, particularly

compared with London where there is a greater range of corporate businesses and individuals with wealth to share locally.

Different levels of administration

The case studies provide useful learning about the opportunities of devolution, and about the kinds of function that work well at different levels of administration.

For example, in Greater London, the devolution of the Adult Education Budget (AEB) has enabled strategic conversations around local provision for young people aged 19 years and over. Similarly in Walsall, and in Leeds and Bradford, the West Midlands Combined Authority (WMCA) and the West Yorkshire Combined Authority (WYCA), respectively, play an increasingly significant role in convening the ecosystem in the 19 plus space and connecting services more coherently at a place-based level. Strengthening the role of strategic authorities in 16–19 provision could help develop sector-based pathways and integrated regional planning.

In West Yorkshire the fact that the WYCA area is geographical coterminous with the Integrated Care Board and the Violence Reduction Partnership area is cited as aiding work across different policy domains. This is important in providing an architecture to facilitate joint working given the intersectionality of agendas relating to young people's employment and skills.

The new multi-year funding settlement as part of the WMCA Integrated Settlement is welcome in terms of providing assurance over the budget but interviewees suggested the overall quantum of funding provided is insufficient given the scale of needs in the West Midlands. The increase in devolved powers passed to the WMCA has enabled the adoption of a more holistic approach to tackling employment and skills issues for young people. But despite their collaborative intent, discussions with local partners reveal how combined authorities can face delays due to local political dynamics and the time needed to build trust across stakeholders. In Walsall financial constraints and governance complexities continue to pose challenges to effective joint working across different tiers. In a similar vein, despite ambitions for strategic coherence and better alignment with community needs in the context of devolution, interviewees from both local and regional levels in West Yorkshire expressed frustration that the current funding system reflects a patchwork of short-term contracts, rigid national priorities and limits on local discretion. They argued that without more integrated, long-term, and locally controlled funding mechanisms, many of the deep-rooted challenges around youth employment and skills are likely to persist.

Yet there are functions where devolution to the local level may not be the most appropriate way forward. For instance, while there may be merit in strengthening the

role of Combined Authorities in helping to improve access to apprenticeship programmes, the complexity associated with the number of Levy-paying employers that cross multiple regions, and the importance of maintaining national quality standards, suggest that some issues are best dealt with at a larger geographical scale.

In Walsall, interviewees pointed to the establishment of the Race Equalities Taskforce by the WMCA and in particular the way in which the taskforce provided £100,000 of funding for Aaina Community Hub as part of Youth Futures' Connected Futures project as an example of how the WMCA is seeking to drive systemic change and address local needs.

More generally, to strengthen equity and fairness in funding access it is important that application requirements are proportional to the quantum of funding and processes are simplified accordingly, that feedback is provided as standard and that some funding pots are protected for community-embedded providers.