

The Oversight Trust

Assets for the Common Good

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THE OVERSIGHT TRUST RESPONSE TO QUADRENNIAL REVIEW OF YOUTH FUTURES FOUNDATION

Overview

The Oversight Trust (OT) commissions Quadrennial Reviews as part of its oversight of Youth Futures Foundation (YF), by appointing an independent Review Panel (“the Panel”) to assess YF’s effectiveness in delivering against its objects. This statement sets out OT’s response to the report of the Quadrennial Review of YF (dated 12 December 2023).

OT welcomes the report of the Panel and would like to thank all those involved in its production. OT also welcomes YF’s response to the report [published here: www.oversighttrust.org] recognising the challenges that will need to be reflected on and addressed in particular in the processes for developing their 2025-2028 strategy.

Unlike the previous Quadrennial Reviews OT has commissioned of Big Society Capital (BSC) and Access – the Foundation for Social Investment (Access), this review, like that of Fair4All Finance (F4AF), comes comparatively early in the organisation’s life, so there can only be limited assessment of its overall impact at this stage. However, given that YF is now an accredited “What Works Centre” it is actively engaged in commissioning assessments of the impact of programmes it commissions, including randomised control trials, its focus on impact data is growing and this will become increasingly available.

In summary, the key points of OT’s response are:

- OT recognises the scale, multi-dimensional nature and complexity of the problem of youth unemployment, and that YF works within a large complex eco-system that includes national, regional and local government, employers and voluntary and community bodies. However, YF does not have the scale to deliver on every aspect of this problem and OT agrees that the strategy review scheduled for 2024 is a timely opportunity for YF to review how it can focus and deploy its resources to best effect.
- In order to deliver system change, YF needs to influence policy makers across multiple government departments and different areas of the country. To do this, it is critical that YF can demonstrate how the initiatives it is supporting have an impact on addressing youth unemployment. YF will also need the skills and capacity to communicate this.
- For YF to be successful, it also needs to engage, communicate and influence beyond government, in particular with employers. OT would encourage YF to consider the three broad strategies identified in the report – collaborating through existing networks, engaging

with employers and creating practical tools. This will involve engaging with a multiplicity of sizes and types of organisations at national, regional and local level, and considering the role of entrepreneurship. Strengthened communications planning and capacity will also be vital. Overall, this is a big ask and YF will need to consider its priority and focus in this area as part of its new strategy.

- OT notes the organisational issues highlighted in the report that could helpfully be looked at by YFF, OT and others, including Government. OT commits to exploring the points raised, some of which are relevant to other group companies, to see what can be achieved, including the design and structure of future Quadrennial Reviews.

Introduction

OT's role is to oversee operating companies that have received funding under the English allocation of monies under the Dormant Assets Acts 2008 – 2022 with the aim of ensuring that those four non-governmental entities remain true to their objects. This oversight regime includes commissioning an independent review of the effectiveness of each organisation in delivering against its objects every four years. The first three reviews of BSC, Access and F4AF were published annually, in turn, since 2020.

The Panel for the YF Quadrennial Review comprised: Keith Leslie (Lead); Carey Oppenheim and Magdalene Bayim-Odomako with Fiona Young Priest as Secretariat. In line with the Terms of Reference (appended to the report), they carried out interviews with stakeholders including YF staff and Board members, issued a call for evidence and reviewed background information in order to produce a brief, high level report highlighting achievements in relation to YF's objects and raising issues for further consideration. The Terms of Reference do not include the production of specific recommendations in relation to addressing those issues.

OT is very grateful to the many stakeholders who gave generously of their time and thoughts. We would like to thank the YF team for their support and active engagement in the process. OT would also like to thank the Panel members for their insights into the complex and evolving issues around youth unemployment.

The Quadrennial Review

We encourage all interested parties to read the report in full and reflect on the issues raised in relation to how YF is helping tackle the issue of youth unemployment in England. The YF response to the report highlights some of YF's achievements and comments on the main issues raised by the report. OT welcomes YF's response and, as with previous reviews, will use its ongoing oversight role which includes an in-depth update meeting, scheduled for December 2023, to ensure OT and YF are aligned on how identified actions will be monitored.

Achievements

OT is pleased to note the roster of achievements outlined in the report, which include a significant number of programmatic outputs, publications and other resources. The participation of young people, from consultation through involvement in decision making to governance, is identified as central to YF, and demonstrates best practice. OT also welcomes the report's findings on YF's successful external engagement, specifically its connectivity across the multiplicity of government

departments with an interest in youth employment, and its engaged and collaborative approach with the sector.

Issues

OT has the following observations on the issues raised by the Quadrennial Review and YF's response:

1. Focus of YF and its impact within a large complex eco-system

OT welcomes the report's analysis of the complexity and multi-faceted nature of the problem of youth unemployment in England, its helpful outline of the complexity of the eco-system and the numerous organisations engaged with this agenda.

OT recognises that YF acted swiftly to resolve the initial ambiguity about whether its primary focus should be on employment outcomes for young people from minority ethnic groups or for those in "left behind" communities across the country. However, youth unemployment remains a growing and embedded problem which, along with ongoing pressure to expand the remit of the organisation (in particular to extend its scope beyond 16-24 year olds to include 14-16 year olds) emphasises the need to clarify FY's remit in the anticipated strategy review process.

OT concurs that, given the scale and breadth of the problem of youth unemployment and the number of stakeholders involved, there is a need for YF to clearly define and communicate its priorities and focus to all stakeholders, articulating what it **does and does not do**.

It is timely that during 2024 YF will review its strategy for 2025-2028, with the intention of providing more clarity on its ambitions, which should lead to greater focus. OT also welcomes YF's plans to strengthen leadership at both executive and Board level to embed the skills and experience needed for delivery. The proposed emphasis on developing channels of communication and collaboration with the sector is also welcome and will ensure YF becomes better known to these stakeholders than has been the case.

2. YF's capacity for system change by influencing Government

OT acknowledges the enormity of the challenge of addressing youth unemployment and the need to engage with multiple actors including government, employers, practitioners and young people themselves.

System change takes time and can only be delivered through influencing the policies and actions of others. OT recognises the report's analysis of multiple governmental stakeholders which can change the system, or stimulate others, such as employers, to change. YF is well placed to inform and influence here through providing evidence and, as a What Works Centre, by demonstrating how evidence can be turned into action. It can bring Youth Voice to bear in support for this, leverage its networks and act as a catalyst to join-up otherwise siloed government departments to deliver concerted focus on this issue.

Alongside this, YF needs to formulate an engagement strategy for influencing government at a local and regional level and other relevant stakeholders. This will require tailored communications which focus on the issues and practical concerns of those engaged in changing policy and practice.

OT understands that YF intends to address its approach to policy engagement in its strategy refresh in 2024, and its policy and communications work will be strengthened by the newly formed directorate. OT welcomes YF's plan to build a strategic approach to engagement with all levels of government and develop working arrangements with expert partners, working with YF's own enhanced in-house evaluation capabilities, to generate and effectively communicate evidence more quickly, and will follow the development of this strand of YF's strategy.

3. Disseminating and collaborating with employers

OT agrees that real improvements in youth employment will come through action by employers and welcomes the creation of a new directorate with YF to lead this work.

OT recognises the complexities of engaging with the diversity of the employer marketplace, which includes looking beyond large national private sector employers to public sector employers and small and medium sized enterprise networks, at local, regional and national level. The report also suggests that YF should also explore the potential of entrepreneurship for young people.

A key issue from the feedback is that publishing research and evidence is not enough to drive real change in practice, and OT agrees that YF should create practical tools and products which employers find relevant and can be implemented.

OT welcomes YF's emphasis on employer engagement as a key focus of the strategy refresh in 2024. YF's response to the report includes several credible initiatives, including: seeking partner organisations to support engagement with the public sector and small and medium sized enterprises; developing the scope of the Employer Advisory Board; and proposals to scope out employer trials and self-employment options. YF highlights the need to mitigate the risk of being spread too thin, and OT would encourage YF to prioritise and focus this potentially substantial area of work.

YF's plans to develop its broader communications and engagement, which involves tailoring communications for different audiences and using its convening ability to harness and influence the power of its networks, should lead to it reaching out not only to employers but also to other stakeholders. OT agrees with the Panel's assessment that the planned refresh of the YF website will be a vital part of this communications strategy, and could help make the information provided more accessible and foster more information sharing across employers and the wider sector.

4. Organisational Challenges

The report highlights organisational challenges faced by YF, some of which are shared with the other operating companies funded by the Dormant Assets Scheme. The Ministry responsible for Dormant Assets, the Department of Culture, Media and Sport (DCMS), has indicated its willingness to engage in consideration of changes to governance structures for the operating companies OT oversees.

In the context of the practical issues around establishing a new organisation and OT providing any guidance and advice about governance questions that may be raised by an operating company, OT will do all it can to help facilitate information sharing across the

group. As a whole, the OT group now has experience and resources that were not available in 2019/20 when YF was first established.

The issues for setting up new Dormant Asset entities are noted, although there is currently no anticipation of a need to add new operating companies to the group. OT agrees that it is essential for YF to have clarity of mission, and that DCMS should guard against “mission creep” when it is specifying what Dormant Asset funding directed to YF can be used for.

The report highlights the issue of YF’s limited lifespan given the scale and long-term nature of the issue it was set up to tackle. YF was established before the expansion of the Dormant Assets Scheme, so any future funding sources were uncertain and its lifespan was defined by the anticipated length of time it was projected it would take to spend its endowment. OT would expect YF to consider its timespan and resources required as part of the forthcoming strategy review.

Lifespan also came up in Access’ Quadrennial Review. Access was deliberately established with a limited life so that its continuation and on-going strategy would be fully considered in the light of experience. The process for Access of considering a further phase involved an independent review and significant engagement with stakeholders which led to an endorsement of the continuation of the need for blended finance, with Access best placed to deliver this. This decision will be reviewed periodically, along with potential sources of finance. OT anticipates that similar considerations would apply to YF.

Multiple funding steps, drawdown rules and pressures to get funding “out of the door” quickly are not issues OT can address. However, in relation to the suggestion that up-front funding may be more appropriate than phased cash drawdowns, we are advised that this approach is not possible for two key reasons. Firstly, the sums allocated to each OpCo are based on a forecast of future sums likely to come from the Dormant Asset Scheme over a number of years. Consequently, only a portion of the total allocation can be made available at any point in time. Secondly, the comparator organisations that are mentioned in the report were established some time ago, were funded from Lottery funding and under different legislation than that which applies to Dormant Assets funding. Furthermore, since those organisations were established the government has introduced government grant principles which oblige all public bodies offering grants not to make grants “significantly ahead of need”. It is not therefore within the power of OT, DCMS or the National Lottery Community Fund to substantially modify the timing of cash provision.

OT concurs with the Panel’s view that one of the most striking achievements of YF as an organisation has been its ability to engage directly with young people, and that having a strong and clear Youth Voice within YF’s governance gives credibility. OT also agrees with points made about the need for executive and Board capability to reflect the organisation’s strategic needs, and notes YF’s existing and planned steps in this regard.

The report draws an interesting distinction between YF’s lack of connection with the financial services sector relative to the other OpCos in the group. OT would encourage YF to engage with financial services organisations with two aims: to demonstrate how it is deploying its resources, thereby encouraging more participation in the Dormant Assets Scheme from which YF could further benefit; and as an industry which represents a major employment opportunity for young people across the UK.

OT learnings from the YF Review

Having now commissioned a Quadrennial Review of all four of OT's operating subsidiaries, we will review and take stock of what has worked well and what could be improved in the process, reflecting on where the reviews have proved helpful to the operating companies and other stakeholders. We will engage with OT's stakeholders to decide how the review process needs to evolve in the future for the next set of reports over the coming four years.

Having published this Review and responses from YF and OT, we would welcome any comments from interested parties and commit to looking to enhance the review process, where possible, including for the review of Big Society Capital in 2024.

Signed:

A handwritten signature in dark ink, appearing to be 'S. Etherington', written in a cursive style.

Sir Stuart Etherington (Chair)