

A photograph of two young women wearing blue helmets, laughing together outdoors. The woman on the left has her hair in two braids and is wearing a grey sweater. The woman on the right is wearing a blue helmet with orange graphics. The background is a grassy field with other people blurred in the distance. The text 'UK YOUTH' is overlaid in white at the top right.

UK YOUTH

**The impact of Covid-19
on England's youth
organisations**

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Introduction

► About UK Youth

UK Youth is a leading charity that exists to ensure all young people are equipped to thrive and empowered to contribute at every stage of their lives. We work with others to ensure that the youth sector is strengthened, supported, and that provision is youth-led, evidence-informed and delivers high-quality outcomes.

UK Youth plays a unique role in addressing; the lack of investment in the youth sector, the lack of cross-sector understanding of how youth work makes a difference and the limited opportunities to embed effective solutions. These factors lead to mass inequality of access to youth services for young people.

UK Youth's vision: All young people are equipped to thrive and empowered to contribute at every stage of their lives.

UK Youth's mission: As a nationwide movement, we work together to deliver innovative youth services, grow effective practice and campaign to increase support for youth work.



► The UK Youth Fund

The UK Youth Fund was launched to address the devastating impact that the Covid-19 pandemic is having on young people and their youth services. We were hearing that many organisations were fighting for survival, whilst still trying to support the young people who need their help. The UK Youth Fund was launched with an initial commitment of funding from Pears Foundation and the Paul Hamlyn Foundation (thanks to match funding from DCMS through the Community Match Challenge). 118 organisations were awarded a grant from the initial funding pot, and the total funding awarded was £1,839,652.

We took the opportunity to launch the new UK Youth Fund with a questionnaire to help us build a more comprehensive picture of the impact the Covid-19 crisis is having on youth organisations, and the support they need to continue their vital work. The eligibility for this funding was restricted to organisations in England, with a turnover under £250,000. However, we encouraged any youth organisation in England to complete the questionnaire to support us to collect this evidence - even if they were not eligible for the fund.

The questionnaire was widely promoted through UK Youth networks of organisations including the National Youth Agency (NYA), Back Youth Alliance and other umbrella youth organisations. Details were sent out through the UK Youth newsletter and regular social media posts promoted the questionnaire publicly. Applications for the fund were open for two weeks from Wednesday 11th November to Wednesday 25th November 2020.

► About the research

The purpose of the collection of this data was first and foremost to enable the grants process. However, this provided a valuable opportunity to gather vital evidence about the current state of the youth sector, and analyse the data that was provided. As such, there are associated limitations to the findings presented in this report.

Firstly, robust sampling measures have not been taken as, whilst the questionnaire was widely promoted, the participating organisations volunteered to submit their data. Furthermore, most met the eligibility criteria of the fund and will have completed the questionnaire in order to apply for funding. Consequently, this report represents these small to smaller medium-sized youth organisations in England and provides a snapshot of the impact of Covid-19 on the youth sector. However, results from organisations engaging in the research that were not eligible for funding align with the findings, suggesting that other organisations in the sector are experiencing the same challenges.

Secondly, the report presents the financial impact of Covid-19 on these youth organisations. They were asked to provide their financial information for the financial year before the Covid-19 crisis, the current financial year and the next financial year. Dates defining these time periods were not stated and it is important to acknowledge that the commencement dates of the participating organisations' financial years will vary; the most common likely to be January, April or September. The financial figures reported consequently convey an overall effect of the pandemic on these youth organisations' accounts, rather than exact numeric changes aligned with a specific timeframe. Despite its limitations, this data provides a valuable insight into the impact that Covid-19 has, and continues to have, on the youth sector.

A shorter executive summary of this report provides a brief overview of the research findings and recommendations and can be found at www.ukyouth.org/useful-resources

► Acknowledgements

Thank you to all those that have made this report possible, including:

- Pears Foundation
- Paul Hamlyn Foundation
- DCMS
- Small Charities Coalition
- Every youth organisation who completed the questionnaire
- Young people and experts who sat on decision making panels for the fund.

The findings

This chapter presents findings from the analysis of the UK Youth Fund application data. Firstly, it outlines the financial details of youth organisations that participated in the research, along with their operational information before the Covid-19 pandemic. It then explores the impact that the pandemic has had on youth organisations and the young people they serve, including steps youth organisations have taken to overcome short-term impact, and the assistance that they require to face the mid and long-term challenges presented by the pandemic.

Overall, the report's key findings are:

1 | The pandemic is having a substantial, negative impact on young people, particularly regarding their wellbeing and mental health. In turn, youth organisations are seeing an increase in demand for their services.

2 | Youth organisations are simply unable to meet the substantial demand for their services, which has been exacerbated by the pandemic. This is due to:

- Covid-19 restrictions, which have significantly limited the services that youth organisations can offer. Youth organisations have both stopped face-to-face provision entirely and reduced the number of young people that can attend.
- Financial implications of the pandemic including reduced income, increased costs as youth organisations strive to adapt their services, and efforts to reduce expenditure leading to a loss in workforce.
- Young people face a range of barriers to accessing provision that youth organisations can offer. This includes digital poverty, poor mental health, lack of clarity regarding the regulations and poor access to safe travel options.

3 | Youth organisations have had a financially difficult year, and their financial health is expected to worsen, with 64% of youth organisations at risk of closure in the next 12 months.

4 | Youth organisations desperately need financial support to continue operating, rebuild their workforce and adapt their services in order to support young people through and beyond the pandemic.

5 | The immediate financial status of smaller youth organisations is highly concerning and must be addressed quickly. However, larger organisations have experienced equally challenging circumstances. They have been more capable of cutting back and whilst this has increased their financial security, their resilience has diminished ahead of another challenging year. They have also had to make greater sacrifices in supporting young people to achieve this short-term security.

The participating youth organisations

A total of 1,759 youth organisations responded to UK Youth's call for data and offer of financial support to youth services struggling in the wake of the Covid-19 crisis. By drawing on operational and financial data offered through the application process, this section outlines who these organisations are and explores their operating circumstances before the crisis hit. This is an important starting point in understanding the impact of the crisis on youth organisations.

► Operational and financial details

UK Youth's State of the Membership report (2018) categorised youth organisations into small (max £100k), medium (£101k - £499k) and large (£500k+) organisations, based on annual income. Due to the criteria of the fund and associated promotional activity, the data presented in this report is representative of small and smaller medium-sized organisations within the youth sector, as 94% of participating youth organisations reported an income of less than £250,000 in the last financial year. However, a significant proportion of these organisations are very small, as almost half (49%) had an annual income below £50,000.

Reflective of the youth sector more generally, the participating organisations are extremely varied. Some examples of the type of organisations involved includes community groups, large youth clubs, religious youth groups, alternative education provision, uniformed groups, indoor and outdoor sports centres and services connected to housing and local government. In terms of their functional status, the majority are either limited companies (28%) or charitable organisations including charitable incorporated organisations (23%), charitable companies (15%) and charitable trusts (14%). 12% of respondents were voluntary or community groups and a small number of formal education providers, local authority organisations and other types of organisations also completed the application form.

The participating youth organisations deliver services in all regions in across England. The smallest proportion of organisations operate in the North East (9%), whilst 29% of organisations deliver services in London. This difference has been considered during analysis to ensure that findings are not London-centric. As expected due to their size, the majority of participating organisations only deliver services in one region (88%).

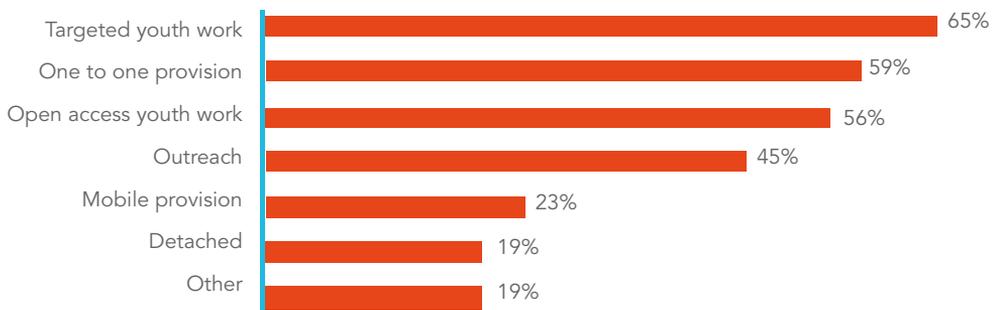
► Reach and services offered by youth organisations

Despite their predominantly small scale, the participating youth organisations have an enormous collective reach. Together, they reached approximately 2,103,475 young people per year prior to the Covid-19 pandemic (based on 1,576 participants). Over half (54%) worked with between 100 and 999 young people annually, and just over a quarter reached less than 100 young people per year (27%), whilst some (5%) reached over 5,000 young people. Most youth organisations involved in the study reached either a high (61-90%) or very high (91-100%) proportion of young people facing barriers, discrimination or additional challenges. 34% of youth organisations reported that 61-90% of the young people they reach experience barriers, whilst 37% reported this was as high as 91-100%.

Additionally, many of these organisations actively work to engage these young people through targeted programming, outreach activity and partnerships with local services. 86% of participating youth organisations report that their work specifically targets young people who face barriers, discrimination or additional challenges. 64% target between one and five of these groups, whilst 22% deliver work tailored to six or more of these groups. The most commonly targeted groups include those that are affected by mental health (58%), Black, Asian or Minority Ethnic communities (50%) and those with experience or at risk of experiencing the criminal justice system (42%).

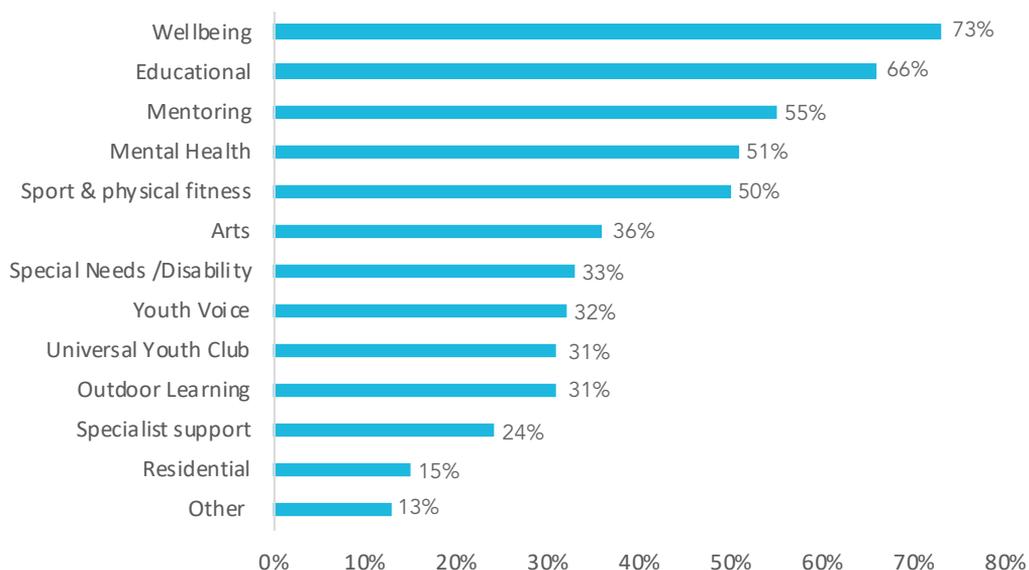
A range of delivery methods are used to reach and support young people to access the services youth organisations provide. The most common methods utilized by the participating youth organisations before the Covid-19 pandemic were targeted youth work (65%), one-to-one provision (59%) and open access youth work (56%). 19% of organisations reported that they utilize other delivery methods than those listed below, which included online delivery and work with and through schools.

The percentage of participating youth organisations that use the following methods (n=1,664)



The participating youth organisations offered a wide range of services to young people, the most common being wellbeing (73%), educational (66%) mentoring (55%) and mental health (51%) provision, as well as sport and physical fitness activities (50%). 13% of organisations reported that they offer other types of provision than those listed below, which predominantly included employability and professional development and volunteering and social action opportunities.

The percentage of participating youth organisations offering the following youth work provision (n=1,681)



In summary, the youth organisations represented in this report are small but deliver a wide range of services to a significant number of young people across England, including those most in need of support. This report goes on to explore the impact Covid-19 has had on these organisations and the young people they serve, as well as the support they need to continue this vital work.

How has Covid-19 affected young people?

This next section explores how Covid-19 and the subsequent limitations of the youth sector have affected young people. It outlines the main areas in which young people desperately require support, from both the youth sector and other services.

Youth organisations report that the pandemic is having a substantial negative impact on young people. They report that young people are more vulnerable to issues such as poverty and domestic violence, and they are more likely to be exposed to negative and risky activities such as gang activity. Moreover, young people are experiencing challenges in accessing safe and reliable employment and are suffering from the financial consequences of this. Opportunities to engage in physical activity and access to positive activities that allow young people to develop their skills have also been limited. Crucially, youth organisations link all these issues to the most cited problem facing young people during the pandemic – poor wellbeing and mental health. As youth organisations play a key role in addressing these issues, youth organisations report that limited access to the services they offer is exacerbating the problem.

It is therefore no surprise that the majority of youth organisations have seen an increase in demand for their services during the Covid-19 pandemic. **66% report that they are experiencing an increase in level of demand, with 32% of them stating that the increase is significant.** One youth organisation explained: “We are unable to meet the increase in demand from referring services; it is a lot higher than anticipated and as the pandemic continues, so does the increase in young people requiring support”.

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The next few pages give further detail of the challenges that young people are experiencing due to the pandemic, and consequent limited access to youth services.

► Increase in poor wellbeing and mental health

Youth organisations report that Covid-19, and the subsequent impact on youth services, is having a significant negative impact on young people's wellbeing and mental health. It has caused social isolation, loss of positive social networks and frustration amongst young people. This, along with loss of routine, fear of infection, uncertainty about the future and lack of control are leading to an increase in a wide range of negative outcomes. Examples given include stress, anxiety, depression, loneliness, self-harm, suicidal thoughts and OCD behaviours. Young people are also experiencing reductions in self-esteem, confidence, sense of identity, self-worth and sense of belonging. Youth organisations also state that young people feel they are being blamed for the spread of Covid-19, which is also negatively affecting their wellbeing. Additionally, poor wellbeing and mental health are linked to many of the other ways in which Covid-19 has affected young people highlighted in this research. This includes issues with employment, increased vulnerability to problems such as domestic violence and inability to access support services and positive activity. Furthermore, youth workers are concerned that young people are unable to access the help that they need, even when it is sought. As one staff member explains:

“

Young people who have taken the courage and grit to ask us for mental health support could only get minimal support; this is a profound pity, as early intervention can prevent mental health scarring.

”

► Issues with employment

Youth organisations report that the pandemic has caused a wide range of issues for young people regarding employment, which youth workers link to an increase in poor wellbeing and mental health. This includes job loss as well as reduced job opportunities and ways of accessing employment for young people and their families. As one youth worker explained: **“Requests for support from young people have skyrocketed. Unemployment has risen, there's lots of uncertainty about entry routes, work experience opportunities have dried up, little access to careers insights from real professionals and things keep changing e.g. exams, interviews etc., leading to increased isolation and more mental health problems”.**

This aligns with findings reported by the House of Commons Library, which state that young people have been disproportionately affected by the pandemic with regards to employment. It is reported that since the start of the pandemic, employment levels amongst young people aged 16-24 have fallen by 7%, which is significantly greater than the drop of 0.5% seen amongst those aged 25-64¹.

¹ House of Commons Library. (2020, December 18). Coronavirus: Impact on the labour market. Retrieved from House of Commons Library: <https://commonslibrary.parliament.uk/research-briefings/cbp-8898/>

However, young people have also been affected by a requirement to work in conditions in which they don't feel safe, as well as reduced working hours and reduced income in the home, which has led to increased financial hardship and poverty. As one youth worker explains: **"Many young people and their families have been pulled into poverty as a result of losing their jobs and increased financial pressures during this time"**.

► **Increased vulnerability and engagement in negative activities**

Youth organisations report that the Covid-19 pandemic and the subsequent reduction in positive activity and safe spaces offered by youth organisations has made young people more vulnerable. They report increased vulnerability amongst young people to gang recruitment, family conflicts, domestic violence, poverty and exposure to negative activities. Youth organisations state that they are seeing an increase in engagement in negative activities such as gang activity, anti-social behaviour, negative online activity, drug use, criminal activity and risk-taking behaviours. As one youth worker explains:

“ We have witnessed a rise in Anti-Social Behaviour, seen more cases of Child Sexual Exploitation and gangs targeting young people

”

Again, youth organisations make a connection between this outcome of the Covid-19 pandemic and the reported increase in poor mental health and wellbeing. One staff member states that the pandemic and inability to access support: **"...increases feelings of isolation, hopelessness and deteriorates their mental health and wellbeing, thereby increasing vulnerability to engaging in gang activity, substance misuse and more harmful practices"**.

► **Reduced physical health**

Youth organisations report that the physical health of young people has been affected by the pandemic. This is due to reduced access to sport and exercise, as well as lower motivation to engage in physical activity available to them. When asked about Covid-19's impact on young people, one staff member cited the **"reduced opportunity to be physically active, less time outdoors, and more time spent being sedentary indoors"**.

It is reported that young people are losing fitness and gaining weight and this reduction in physical activity was also regularly considered to be detrimental to young people's wellbeing and mental health.

▶ Reduced opportunity for personal development

Youth organisations report that the pandemic has significantly reduced opportunities for personal development amongst young people. They express concern about the barriers to consistent education and reduced informal learning opportunities and emotional and social development through the youth and education sectors. Young people are missing out on opportunities that build a range of developmental, practical and soft skills including computer skills, motor and sensory skills, leadership skills and communication and social skills. As one staff member explained, young people are **“not able to participate in projects that develop life skills. [They are] missing opportunities for communication, self-development, and participation in projects at the heart of our community”**.

▶ Conclusion

It is evident that the Covid-19 pandemic has exacerbated the need for the youth sector. Young people are experiencing increased and new challenges during this time and are actively seeking support from trusted adults. Youth organisations are consequently seeing an increase in demand for their services. Importantly, the next section explores the impact of the Covid-19 crisis on the youth sector’s ability to meet the increasing needs of young people.



How has Covid-19 affected youth organisations?

The next section explores how Covid-19 has affected the participating youth organisations. This analysis identifies two clear and significant findings from numerous data points. Firstly, it is evident that youth organisations are simply unable to meet the substantial demand for their services and offer young people the support they desperately need. Secondly, without financial support, this problem will worsen substantially over the next 12 months, with a large proportion of these youth organisations forced to close.

Despite an increase in demand, youth organisations report a significant reduction in the support they are able to offer young people. 65% of participating youth organisations report that they are working with fewer young people now than before the pandemic, which increases amongst organisations with a turnover of £250k+ (75%). Furthermore, 58% of youth organisations are currently operating at a reduced level, with a further 20% temporarily closed or preparing to permanently close. As one youth worker explains: "The young people we work with lost these services overnight".

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Further analysis shows that it is the smaller organisations with an income of less than £50,000 that are more likely to be temporarily closed (26% report being temporarily closed vs. an average of 19%). Meanwhile, organisations offering targeted youth work, one-to-one provision, outreach and mobile provision are significantly more likely to report that they are operating at an increased level. It is proposed that this is as these methods of delivery are better suited to Covid-19 restrictions than others such as open access youth work. They are also more well-established than other appropriate methods such as detached youth work.

This widespread reduced level of operation, along with statistics showing an increase in demand, demonstrates a huge gap between the needs of young people and the youth sector's capacity to meet them. This is due to the impact of the Covid-19 pandemic and the cause is three-fold:

- 1 Firstly,** financial implications of Covid-19 include increased costs and income loss, which has led to a need to reduce expenditure. Most notably, youth organisations report that they have been forced to reduce their number of paid staff members and the hours they work. They must also focus on fundraising to address significant gaps in income instead of frontline youth work. This has left youth organisations without enough youth workers to deliver their vital services.
- 2 Secondly,** Covid-19 restrictions put in place to manage the pandemic have led to the need to reduce, adapt or discontinue services. Services that can be adapted require financial investment and staff time and access to both is limited.
- 3 Thirdly,** young people are experiencing a range of barriers to accessing provision that youth organisations are able to offer, including digital poverty and poor mental health.

64% of youth organisations report that they are financially at risk of closure within 12 months.

The overall picture for the youth sector is stark. In the short-term, youth organisations have struggled to find the balance between making sacrifices to allow them to survive financially, whilst continuing to support young people and meet increasing needs during the pandemic. This year, they have consequently relied on secured income, access to reserves and Covid-specific funding, and the flexibility to reduce their expenditure to stay afloat. In the longer term, their reserves have diminished, Covid-specific funding and support may soon come to an end and they have not been able to generate secure income for the upcoming year. Forecasted income in the upcoming financial year remains similar to that received in the current year,

whilst expenditure is expected to return to pre-Covid levels. Subsequently, 44% of youth organisations anticipate a shortfall between income and expenditure in the next financial year, with 64% reporting that they are financially at risk of closure within 12 months.

► Young people are experiencing barriers to accessing youth organisations' services

The barriers that youth organisations are experiencing to supporting young people during the pandemic are extensive, however they report that young people have also experienced barriers to accessing the support that they are able to offer.

The pandemic's effect on young people's wellbeing and mental health is a key barrier to engagement in youth services. Young people are losing self-confidence, feeling disconnected and experiencing anxiety. This includes Covid-related health anxieties and more generalized anxiety, exacerbated by the pandemic and associated issues such as social isolation. As expected, Covid restrictions and regulations such as requirements to self-isolate are affecting young people's ability to access youth services. However, some young people also lack understanding and clarity regarding Covid-19 guidance and what they are allowed to do. This has created a barrier to accessing youth services, along with the consequent fear of the police and fines for not adhering to restrictions and regulations. Critically, many youth organisations report that young people cannot access their provision as they do not have digital equipment and resources, or a suitable environment to engage in online provision. As one youth worker explains:

"A large proportion of estate residents live in crowded conditions and young people often share rooms with younger siblings. They have struggled with online learning due to lack of space and internet/computer access."

Finally, young people are unable to or express concern about accessing transport to attend face-to-face services.

Youth organisations also highlight that this gap in normal, consistent, face-to-face provision is causing vulnerable young people to disengage, and work will be needed once services are available again to encourage them to return. One staff member explains:

“

Our services are often the only support our young people will actively engage with and the loss of these means young people that are currently engaged would lose stability, continuity and the support we provide for them, resulting in the risk of disengagement and impact on their mental wellbeing.

”

► The financial implications of Covid-19

The pandemic has had a significant impact on the finances of the participating organisations. They report a reduction in income and an increase in costs, which has forced them to reduce their expenditure. Most notably, this has included a reduction in their paid staff members and the hours they work, which has led to a reduction in the services they are able to provide. Whilst youth organisations report a reduction in expenditure, many have found that their outgoings have not been sufficiently flexible. Consequently, 44% of participating organisations report a shortfall between income and expenditure in the current financial year.

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Together, these 583 organisations report a loss of £13,674,209. Overall, the 1,268 organisations that provided financial information reported a shortfall between income and expenditure of £3,161,947.

N.B. The participating youth organisations were asked to provide their financial information for their financial year before Covid, the current financial year and the next financial year. Dates defining these time periods were not stated as this information was collected as part of an application process for grant funding. It should therefore be noted that the financial year for these organisations will be highly varied, for example some of the organisations run their financial year from January, March and September.

Impact of Covid-19 on income

Youth organisations have also struggled to meet the increase in demand for their services due to reduced income across key sources of revenue. The impact of Covid-19 on income has been assessed using two methods. Firstly, youth organisations were asked to submit their financial information for the previous, current and next financial year. This data showed that 64% of youth organisations have experienced a reduction in income in the current financial year, when compared to the previous year. These organisations experienced a reduction in income of £34,578,413 versus the last financial year (from £96,438,917 last year to £61,860,504 in the current financial year) (n=809).

This is a considerable decrease in income in a sector that the YMCA (2020) found has already suffered a 70% cut in its funding from local authorities since 2010². Secondly, youth organisations were directly asked how their income had been impacted since the Covid-19 crisis.

² YMCA (2020) "Safe Space" "https://www.ymca.org.uk/wp-content/uploads/2020/03/ymca-safe-space-report_FINAL.pdf

83% of youth organisations report that their income has decreased since Covid-19 hit.

83% of youth organisations report that their income has decreased since Covid-19 hit. This loss of income is attributed to both the current and next financial year, which explains differences in the two data points. Voluntary and community groups (93%) and organisations with an income of £250,000 or more (93%) are significantly more likely than average to report a reduction. It is reported that this loss in income has led to cuts in the support available to young people, as youth organisations have been forced to reduce their services and opening hours and consequently struggle to meet the needs of young people.

One staff member explains: **“Lack of funding has forced us to stop our book club and therapy sessions as we do not have enough resource to buy laptops to engage with members online”**. Another youth worker states that: **“Many of our referrals are unable to start their courses because of lack of adequate funds”**. Many participating organisations report a reduction in income across the youth sector’s main sources of income, including community fundraising (63%), grant funding (55%) and trading income (54%).

Trading income (54%)

“Reduced workshop bookings from schools led to a loss of income. We envisaged workshop bookings raising far more income than they have so far.”

- Youth worker

Community fundraising (63%)

“We were planning to develop a range of fundraising activities such as sponsored walks, fun days, car washes etc to raise funds for our work. This was stopped due to Covid.”

- Youth worker

Grant funding (55%)

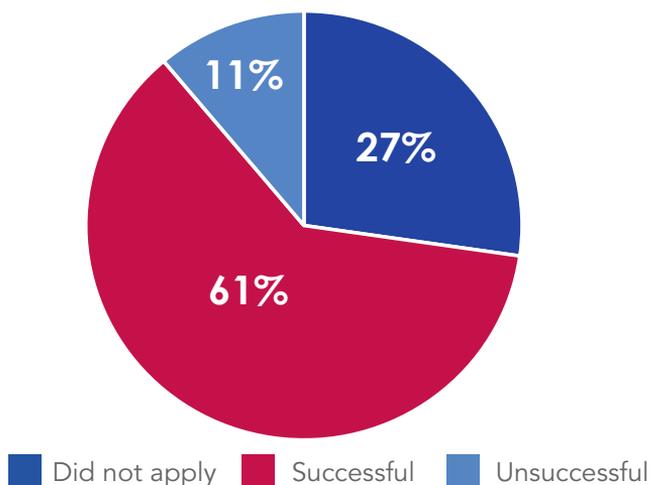
“The loss of the lottery grant for this year means the loss of half our income. With Covid, funders have put some applications on hold.”

- Youth worker

Further compounding the loss of income from traditional fundraising sources, 19% of youth organisations also report a decrease in income from other sources such as donations, events, and membership fees. This loss of income from traditional sources has also created a need for youth workers to dedicate time to fundraising instead of supporting young people directly. One staff member explains: **“Increased staff time has been diverted to emergency fundraising rather than frontline youth work with young people”**.

Furthermore, this loss of income would be significantly greater without access to Covid-specific financial support. Youth organisations report that it has enabled them to endure the current financial year, as one staff member states: “We have had no revenue from subscriptions, but we have covered costs through a local authority grant of £10K”. 61% of participating youth organisations were successful in accessing Covid-related financial support (other than the furlough scheme). In total, 893 youth organisations were awarded £20,066,017 – an amount exceeding the total reduction in income reported by youth organisations (£17,578,134). This suggests that without emergency funding, the income loss in the sector could have more than doubled and qualitative analysis suggests that it has been vital for the organisations that have accessed it.

The percentage of participating youth organisations that have accessed Covid related financial support other than the furlough scheme (n=1,454)



Voluntary and community groups and small youth organisations with an income of less than £5,000 and £5,000-£49,000 were significantly more likely to report that they did not apply for funding (*voluntary and community groups: 49%, income less than £5,000: 56%, income £5,000-£49,000: 33% vs. average of 27%*). Furthermore, they were significantly less likely to be successful when they did apply. This suggests that the Covid-specific funding available so far has not been accessible to small youth organisations or voluntary and community groups, despite average or above average reports of decreased income amongst these organisations. This may also be due to limitations in staff capacity or skills in applying for funding within smaller organisations and voluntary and community groups. Organisations that offer targeted youth work (67%) and detached youth work (71%) were significantly more likely to report they had been successful in accessing Covid-specific funding, presumably as they have benefitted from established methods of delivery that are well-suited to Covid-19 restrictions.

Impact of Covid-19 on costs

Despite a loss of income and a reduced level of operating, only 17% of youth organisations report a reduction in costs. **57% stated that the cost of delivering their services to young people has increased** since the Covid-19 pandemic began, whilst 26% report that it has remained stable. Qualitative data suggests that this is due to the need to adapt and invest in ways to deliver services to young people in a Covid-secure manner. Only 3% of youth organisations state that they have not needed to adapt their service delivery. Consequently, youth organisations report a variety of ways in which they have innovated and adapted to the pandemic, but most of which have required investment of both staff time and money.

The most significant changes that youth organisations have made include applying Covid-19 guidance and moving to digital delivery, outdoor activities and detached youth work. Where possible, youth organisations have also increased staff members or hours to meet demand and providing training to enable them to support young people through the pandemic. However, it is important to note that most have not had this capability. The following pages provide more detail on these changes.

Additionally, youth organisations report greater partnership-working with other youth organisations, charities, local community, and parents. Together, these groups and organisations have been better equipped to provide, signpost, and refer young people to the appropriate provision. As one staff member explains:

57% of youth organisations stated that the cost of delivering their services to young people has increased.

“

We expanded our networking with the sector and connected to support groups and services for ease of potential sign posting opportunities

”

Meeting and applying Covid-19 guidance

The majority of youth organisations report that the critical changes they made focused on meeting regulations, ensuring they are safe and Covid-19 compliant. This included adapting premises to enable social distancing, changes to risk assessments, increased cleaning measures, reductions to group sizes for face-to-face activity and introduction of processes such as track and trace. Associated costs include increases in staff time due to the reduction of group sizes and cleaning measures and investment in personal protective equipment and updates to buildings to support social distancing. One youth worker explains:

“The face to face programmes have adapted to incorporate social distancing, which splits the group in two....Because of this though, the cost of delivery has increased as it’s doubling the time we need the educators and coaches on site. This is not sustainable, and we have had to reduce some of the delivery time to ensure the most cost-effective method of delivery whilst not dropping the standards to the young people.”

However, many organisations have not been able to afford increased staff hours. 56% have been forced to reduce the number of young people who can attend their services, and many have had to focus on delivering essential services to the most vulnerable young people.

Move to digital delivery & engagement

The majority of youth organisations report that the move to digital and online delivery was a critical change that they have made during the Covid-19 crisis. 57% of youth organisations report that their delivery is now partly online or by phone and a further 22% have moved entirely to these digital methods of delivery. The use of phone calls and social media to engage and check in with young people has been a crucial form of communication during the crisis. However, the move to online and digital methods has been challenging, with many organisations reporting difficulties such as lack of infrastructure and lack of expertise and use of digital platforms among youth workers. One staff member explains:

“This has been a steep learning curve, particularly for our volunteers who might not be tech savvy...We have minimum equipment available to carry out online sessions which makes the process longer and more arduous”.

This has resulted in a need for additional training, investment in IT equipment and adaptation of appropriate services and resources. This is a process that is still ongoing for many, as one youth worker states “The other area of change is moving the service from face to face to online. This was a positive thing to do as young people praised the move. However, due to shortage of equipment, the move was not complete, and we hope this grant will enable us to move all our service online”.

There are also significant concerns about digital equality amongst young people, as youth organisations report issues such as limited IT proficiency, equipment, and appropriate environments in which to join sessions. As one youth worker explains: **“Zoom sessions work for some young people however not many of our young people have access to computers or have internet”**. Despite these challenges, some youth organisations state that they will continue to utilise digital elements of delivery. Overall, youth organisations describe online delivery as adequate and beneficial in some areas of service provision, however they express a preference for face-to-face or blended engagement.

Move to outdoor activities & detached youth work

Youth organisations report that they have offered as many outdoor activities as possible. This has included sports activities, arranged walks, wellbeing sessions, picnics and support sessions.

Youth organisations also report an increase in their detached youth work offer, which included providing advice on remaining safe, supporting the most vulnerable and helping young people to manage personal problems and issues. As one youth worker explains: **“We started operating a detached service and a community garden project, making use of outdoor spaces and splitting young people into smaller groups so that we could observe social distancing. The detached project has allowed us to engage with hard to reach and isolated young people that were not coming to the Youth Project before the pandemic”**.

Adjustment of services to meet urgent local need

Youth organisations have adjusted their services to meet local needs resulting from the pandemic. This included a wide range of services including provision of food packages, help with childcare, employment support, homework or schoolwork help and support to manage issues related to family, isolation and wellbeing. They also offered Covid-specific sessions, educating young people in aspects such as how to stay safe, understanding the restrictions and how to access the support available to them. As one youth worker explains: **“We did not participate in furlough given the need to restructure our operations to address the severity of Covid on the most vulnerable families on the estate. We prioritised the immediate and obvious shortages of food and hygiene goods”**.

Impact of Covid-19 on expenditure

For any organisation, a reduction in income requires a reduction in expenditure. However, the unexpected nature of the pandemic, as well as increased costs and demand amongst young people, has made this challenging. 56% of youth organisations reduced their expenditure when compared to the previous financial year, whilst 42% reported an increase and 2% saw no change. Of note, the percentage of organisations that were able to reduce their expenditure increases in line with the size of organisation. This suggests that the larger the organisation, the greater their capacity to reduce expenditure.

Overall, the participating youth organisations report a 7% reduction in expenditure when comparing the previous financial year to the current financial year. This reduction in expenditure totaled £9,268,833 across 1,268 organisations. The reduction in the number of young people that youth organisations are currently able to support gives context to the drop in expenditure, despite increased costs of delivery for many organisations.

Reduced staffing has been key in reducing expenditure

The most common method used to reduce expenditure has been changes to and financial support with staffing. The youth sector's workforce has consequently been significantly impacted by the pandemic. 54% of participating youth organisations state that they have had to, or it is likely that they will have to, reduce their number of paid staff. This is particularly common in community benefit companies (61% vs. average of 54%) and larger organisations. Furthermore, many organisations have also had to reduce staff salaries or the number of hours their staff members work, as one youth organisation explains:

“We had to change the staff composition by reducing the number of staff from 12 to 5. The staff left are the Director, Administrator and 3 Youth Workers. The Director took 60% salary reduction and the Administrator took 50% salary reduction with the 3 Youth Workers taking 50% reduction in hours worked. That’s why this grant will increase the hours worked and provide more service”.

Youth organisations report that this has had a substantial impact on the services they can provide and the number of young people they are able to support, with one youth organisation stating:

“We have lost 5 members of staff which has reduced our ability to take on new cohorts of vulnerable young people”.

Furthermore, 34% have taken part in the furlough scheme. Organisations that were least likely to participate in the furlough scheme included those that operate in London (26% vs. average of 34%), small organisations with an annual income of less than £5,000 (6%) or £5,000-£49,000 (15%) and understandably, voluntary or community groups (13%). Small organisations and voluntary and community groups were also significantly less likely than average to report they have or will reduce their paid number of staff.

Further research is needed to understand this fully, but it is proposed that smaller organisations, and particularly voluntary and community groups, are more reliant on a voluntary workforce alongside a very small number of paid staff. Consequently, furloughing or reducing the few paid members of staff these organisations do have is simply not a viable option for reducing expenditure. Furthermore, many youth worker roles may be unsuitable for the furlough scheme as many are short-term or zero-hour contracts or linked to the delivery of specific programmes, which may have been stopped during the pandemic. It is proposed that other short-term financial support schemes such as deferring VAT payments or payment breaks on loans may have also aided youth organisations to reduce expenditure.

Whilst it is positive that many youth organisations were able to respond to the crisis and reduce their expenditure, it is crucial to consider the impact this has had on the young people they serve. A reduction in staff and the services they provide is believed to have exacerbated the negative impact of the pandemic. As one youth worker explains:

“ We know that reduced services have impacted on the mental and physical health of young people we teach. There is no relief from the bullying, racism and loneliness our students experience in deprived areas. ”

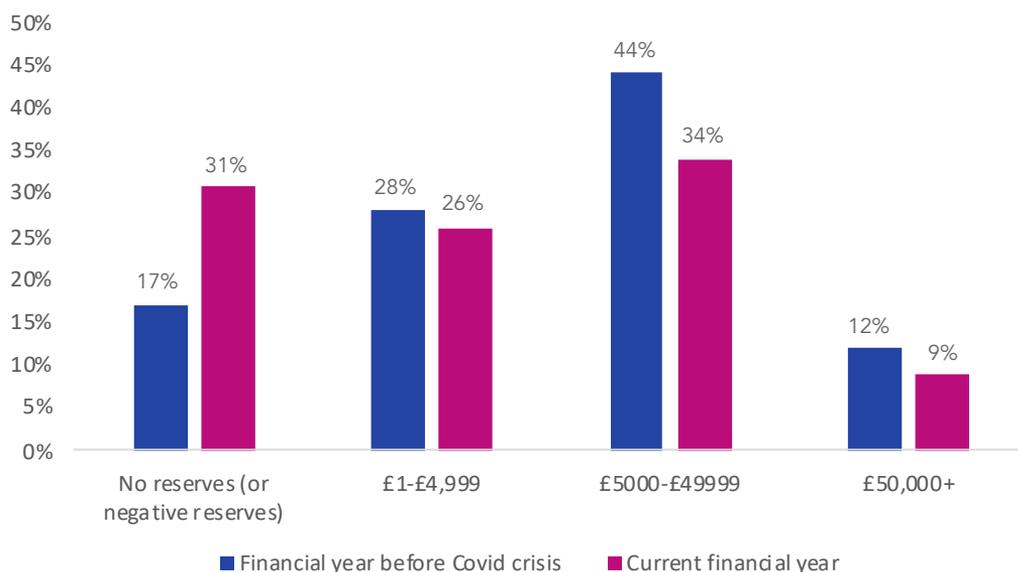


Impact of Covid-19 on free reserves

It is key to consider youth organisations' reserves when assessing financial health. They increase the resilience of youth organisations by protecting them from major risks such as unforeseen costs or income loss. They also support youth organisations to respond to sudden urgent changes in needs or demand amongst young people. As outlined in this report so far, the youth sector has experienced all of these eventualities during the Covid-19 crisis, so it is not a surprise to see that youth organisations' reserves have diminished. 62% of participating youth organisations state that they have had to spend some, or all of their reserves due to the Covid crisis. These organisations report a projected loss in free reserves of £9,329,119, a 38% loss in the value of their free reserves (n=899). Average reserves across all participating youth organisations fell from £23,687.56 before the pandemic to £16,889.04. On average, youth organisation's reserves were 41% of their annual expenditure before the Covid crisis, which has dropped to 29% based on predictions for the end of the current financial year.

As shown in the graph on page 26, there has been a shift in the value of free reserves amongst youth organisations, with a greater percentage of them reporting low levels of reserves versus pre-Covid. The percentage of youth organisations reporting that they have no free reserves, or even a negative value, significantly increased from 17% in the last financial year to 31% this year, based on projections. This means that **almost a third of participating youth organisations have no free reserves**. Moreover, the percentage of youth organisations reporting reserves of between £5,000 and £49,000 significantly decreased, falling from 44% before the pandemic, to 34% in the current year. Whilst the percentage of youth organisations reporting reserves between £1 and £4,999 remained relatively stable, this is a large bracket for smaller organisations, and considerable change can occur within it. Overall, these figures suggest that financially, youth organisations have had a difficult year, but crucially, they are now much less resilient against future risks to their finances, whether they are related to the pandemic or not.

Participating youth organisations' levels of reserves before Covid-19 versus end of financial year



The longer-term financial impact of Covid-19

In the current financial year, youth organisations have struggled to find the balance between making sacrifices to allow them to survive financially, whilst continuing to support young people and meet increasing needs during the pandemic. They have consequently relied on secured income, access to reserves and Covid-specific funding, and the flexibility to reduce their expenditure to stay afloat, with a significant percentage reporting a shortfall in the current year. Concerningly, they are now about to enter a new financial year with depleted reserves, concerns that Covid-specific funding and support may soon come to an end and lower levels of secured income. One youth worker explains: **“As our current funding runs out at the end of March 2021 and we have not been able, over the last 8 months, to apply to the trusts and foundations we had planned to as they had withdrawn their normal funding operations and timetables, this leaves us with the possibility of not being able to pay salaries after Easter.”** They also face uncertainty regarding the ongoing need to adapt their provision and the associated costs.

Consequently, despite increased need amongst young people, 64% of participating youth organisations report that they are financially at risk of closure within the next year.

The next financial year

Financially, the future looks bleak. Overall, youth organisations' predictions for income in the next financial year only increase by 3% versus the current year. This is a drop of over £14m versus their income in the year prior to the crisis. Meanwhile, as shown in Table 1, youth organisations predict a near return to previous expenditure levels, only 0.5% below expenditure prior to the pandemic. Consequently, **44% of youth organisations anticipate a shortfall between income and expenditure in the next financial year.** Together, these 559 youth organisations predict a total shortfall of £16,601,097. Overall, the shortfall between income and expenditure reported across all the participating organisations is £8,336,565, which although smaller is still a highly concerning figure. As seen in Table 1, this is greater than the shortfall predicted in the current

Table 1: Total income, expenditure and profit of all participating youth organisations across previous, current and next financial years (n=1,268)

	Income	Expenditure	Surplus/Loss
Previous year	£138,140,714	£132,993,360	£5,147,354
Current year	£120,565,580	£123,724,527	-£3,161,947
Next year	£124,043,062	£132,379,627	-£8,336,565

Further research is needed to fully understand these figures, but it suggests that **youth organisations anticipate that income will not return to its previous levels and the methods they have utilized in the current year to reduce expenditure will no longer be available to them.** It may also be a reflection of the increased costs that youth organisations are incurring and an anticipated increase in the number of young people they are able to support as restrictions are lifted. Additionally, youth organisations expect costs associated with re-engaging vulnerable young people that have been lost during the gap in services. For example, one youth organisation explains

“

As our offer has been significantly affected, we will need to do outreach, publicity and marketing work to initially re-engage young people...This will be an unforeseen and new cost that has not been budgeted for in these unprecedented times.

”

This demonstrates that the negative financial impact of Covid-19 on youth organisations will not only continue into the next financial year, but it will worsen. Many organisations report concerns about the upcoming year and how they will continue to operate. One youth organisation explains

“Although we have had a good year financially, Covid has stopped our ability to deliver, resulting in us having no money for 2021 to continue our work”.

It is therefore essential to consider the real risk that a significant percentage of the nation’s youth organisations may have to close within the next 12 months.

Most participating youth organisations face closure within 12 months

64% of participating youth organisations reported that they are financially at risk of closure within the next year.

At the time of data collection in November 2020, 31% of participating youth organisations reported that they are financially at risk of closure within six months, with 9% of these organisations believing they would be closed within three months. A further 33% reported that they were at risk of closure due to financial reasons within 12 months. In total, 64% of participating youth organisations reported that they are financially at risk of closure within the next year. As one youth worker reported: **“We are severely concerned that without funding we will struggle to remain sustainable, and it’s very likely we will be forced to close our doors”.**

Further analysis shows that smaller youth organisations, with an annual income of less than £50,000, are most at risk of closure within three months (17% for those with an income of less than £5,000 and 12% for those with an income between £5,000 and £49,999). In contrast, youth organisations reporting income of £250,000+ are significantly more likely to report that they are not at risk of closure within the next year (50% vs. an average of 36%), whilst those reporting an annual income of between £200,000 and £249,999 are significantly more likely to report they are at risk of closure within 12 months (51% vs. an average of 33%). Whilst this suggests that these larger organisations have been more financially resilient to the Covid-19 crisis, the longer-term impact is still critical if support is not provided.

The financial implications of Covid-19: Conclusion

Firstly, this conclusion summarises differences in the effects of the pandemic on larger versus smaller youth organisations. Youth organisations of all sizes have been negatively affected by the Covid-19 pandemic. They have all had to balance significant financial challenges with an increase in demand and the need to drastically adapt their services. However, this data does point to some differences between very small (less than £50k) and larger organisations (£250k+) in how Covid-19 has affected them. Smaller organisations, with an annual income below £50,000 have been less able to access Covid-specific funding and minimise their expenditure, for example by reducing staff. They are also more likely to be temporarily closed and report more imminent risk of closure. Meanwhile, despite greater access to Covid-specific funding and greater ability to reduce expenditure, larger organisations have reported a relatively greater proportion in income loss. Consequently, although their problems diverge, the percentage of organisations reporting a shortfall between income and expenditure does not differ across these organisations. Nor does the proportion of reserves they have had to spend.

More resilient, larger organisations may have weathered the storm more effectively, in that they are less likely to be facing imminent closure. However, they have made greater sacrifices in the support offered to young people in order to achieve this short-term security. They are also now unprepared to face yet another challenging year. However, it is important to note the varied nature of the participating organisations and that the categorization of organisations based on income in the previous year is simplistic. Organisations of all sizes have experienced and responded to the pandemic in many ways. It is therefore recommended that funds focus on the reasons why organisations require funding, instead of their size.

More generally, the disruption that Covid-19 has caused has had a significant negative impact on youth organisations. Action must be taken to support these organisations to address the pandemic's short and long-term effects on their operating status, financial stability, workforce, and the services they offer. Youth organisations are well-placed to support young people to address the potentially long-term implications of the pandemic. However, many are currently unable to access the support they need to cope with challenges with poor mental and physical health, limited employment and personal development opportunities and the many associated with increased vulnerability to negative activities and experiences. The next section consequently explores the financial and non-financial support youth organisations need to continue and restart this vital work.

What support do youth organisations need?

Finally, we asked youth organisations what financial and non-financial assistance they need to overcome the challenges they are facing due to the Covid-19 pandemic. Overall, the data pointed to a desperate need for sustained and consistent financial support to enable them to continue operating, fund staff to deliver vital services and invest in adapting delivery.

► Sustainable financial support

Youth organisations desperately require funding to overcome financial difficulty and address increased demand and the need to adapt their services. As part of their application for funding, 1,348 youth organisations reported that their combined funding need in the current financial year (between 1st January 2021 - 31st March 2021) was £17,990,282. The average request for this period was £13,346. During this initial period of funding, youth organisations asked for financial support in three main areas: support with salaries for staff, centre running costs and digital infrastructure.

The total additional funding need across 1,314 organisations in the next financial year (1st April 2021 – 31st March 2022) was £34,271,888, with an average of £26,082 per organisation. As seen in requests for the short-term grant, youth organisations cited the need for financial support to cover their staff and running costs in the longer-term. However, in the second funding period, the need for digital infrastructure was reduced, possibly as their needs would be met in the first funding period, or as youth organisations anticipate a return to face-to-face delivery.

In total, the funding need amongst the participating organisations from January 2021 to the end of March 2022 is £52,262,170. Table 2 shows the average additional funding need for both time periods based on income of youth organisations in the previous financial year.

Table 2: Average grant size requested based on income of organisation in previous financial year (n=1,314)

Annual income in financial year before covid (grouped)	Average additional funding need for 1st January 2021 - 31st March 2021	Average additional funding need 1st April 2021 - 31st March 2022
Less than £5000	£8,806.85	£13,127.56
£5000 - £49999	£10,813.28	£20,287.30
£50000 - £99999	£11,925.03	£27,296.79
£100000 - £149999	£13,466.66	£30,5959.86
£150000 - £199999	£16,281.94	£34,750.07
£200000 - £249999	£19,935.74	£36,807.20
£250000+	£31,254.97	£49,946.21

Crucially, youth organisations report that financial support would enable them to continue to support young people and respond to their increasing needs. It will allow them to adapt and continue services that were previously on offer, as well as develop and deliver new provision for which the need has become apparent during the pandemic. One staff member explained:

“We currently have waiting lists in our three locations of young people who are feeling lost, lonely and just want to get the support they need to work and find their purpose. With additional funding, we can engage with more young people, provide the holistic and intensive support to help prepare them for the world of work”.

A significant number of youth organisations specifically mentioned that additional funding would allow them to address the increasing demand for support with mental health and wellbeing.

As previously addressed in this report, they state that many young people are struggling and, with adequate funding, youth organisations are well-placed to offer support and help tackle mental health challenges amongst young people.

Funding would allow youth organisations to meet the needs of young people in three critical ways. Firstly, it would support them to rebuild their financial security and prevent many youth organisations from closing. Funding would cover basic running costs and stop youth organisations from being forced to use money put aside for the future or emergencies. As one youth organisation explains:

“Funding would mean that the organisation is able to plan ahead beyond Covid-19 knowing that we are not using up reserves and vital resources. It would enable us to keep the lights on for the most vulnerable young people in the community”.

Secondly, funding would allow youth organisations to maintain, or even increase and develop, their workforce, who are so crucial in the delivery of their services. As one staff member reports: **“If the rate we’re operating at continues, we will soon lose more of our workforce and slowly come to an end. An input of funding will reignite our delivery and save us from losing our workforce and closing”**. Financial support would allow youth organisations to pay staff wages, prevent redundancy and reductions in working hours and relieve concerns about job security. It would also provide opportunities for training to upskill staff, supporting them to deal with the challenges they are facing. In turn, youth organisations will be able to invest time in adapting their offer and delivering the services that are so desperately needed.

This would also reduce the pressure staff are currently under and allow them to focus on supporting young people. As one youth organisation explains:

“Retaining our current staff and volunteers by paying wages and expenses is a priority. Many have given up a lot of time and resources for free to help through this difficult time, but we cannot rely on this indefinitely. Funding also means we can pay for ongoing training Costs for staff and volunteers”.

Finally, it would facilitate digital delivery. As the pandemic has significantly reduced or put a stop to face-to-face services, digital delivery is often the only way that youth workers can engage with young people. Whilst many youth organisations have already switched to digital delivery, many are facing significant challenges in using this method to continue supporting young people. This includes poor access to digital infrastructure and digital skills amongst both youth workers and young people. Additional funding would enable youth organisations to access training, resources, equipment and improved infrastructure. This would both improve the digital provision youth organisations have been able to offer, as well as support youth organisations to continue services that have been unavailable for almost a year. As one youth worker explains:

“This would enable us to transfer all our syllabus content online, to upskill our staff in delivering online (which will be a first) and to roll out the programme”.

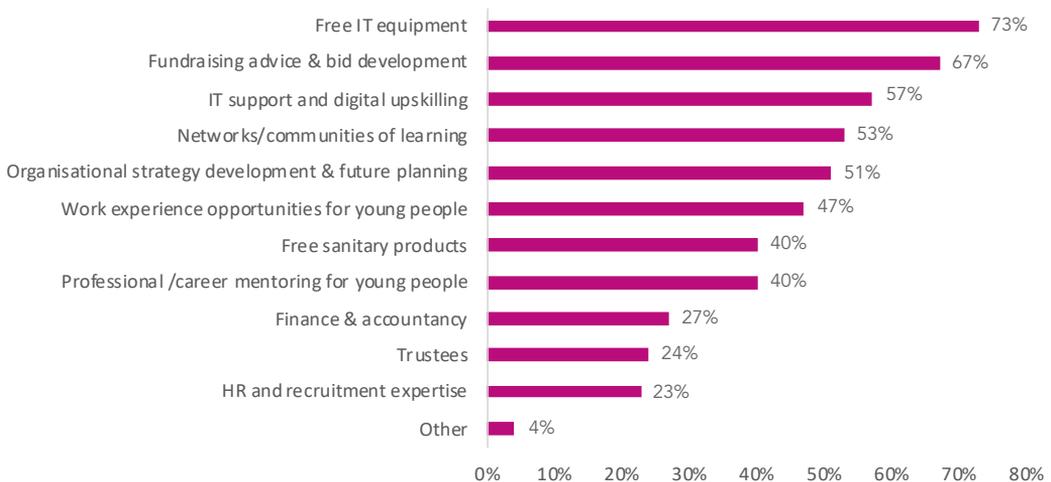
Funding would also allow youth organisations to provide young people with the IT equipment they need to access youth services and crucial support during this challenging time. As one youth worker explains:

“We can support more of our service users by offering them equipment such as computers and headphones so that they can access our online training programmes”

► Non-financial support

Finally, youth organisations also report that they would benefit from a wide range of non-financial support. Reflecting the challenges that youth organisations have reported throughout this report, the most popular forms of non-financial support included free IT equipment (73%), fundraising and bid development advice (67%) and IT support and digital upskilling (57%). Many youth organisations state they would also benefit from networks or communities of learning (53%) and support with organisational strategy development and future planning (51%). 4% of youth organisations suggested that they would benefit from other support than what was listed. This included marketing and communications support (including digital and social media) and volunteers, which reflects the challenges youth organisations are facing in funding the necessary staff to deliver their services.

The percentage of participating youth organisations that would benefit from the following non-financial support (n=1,454)



Recommendations

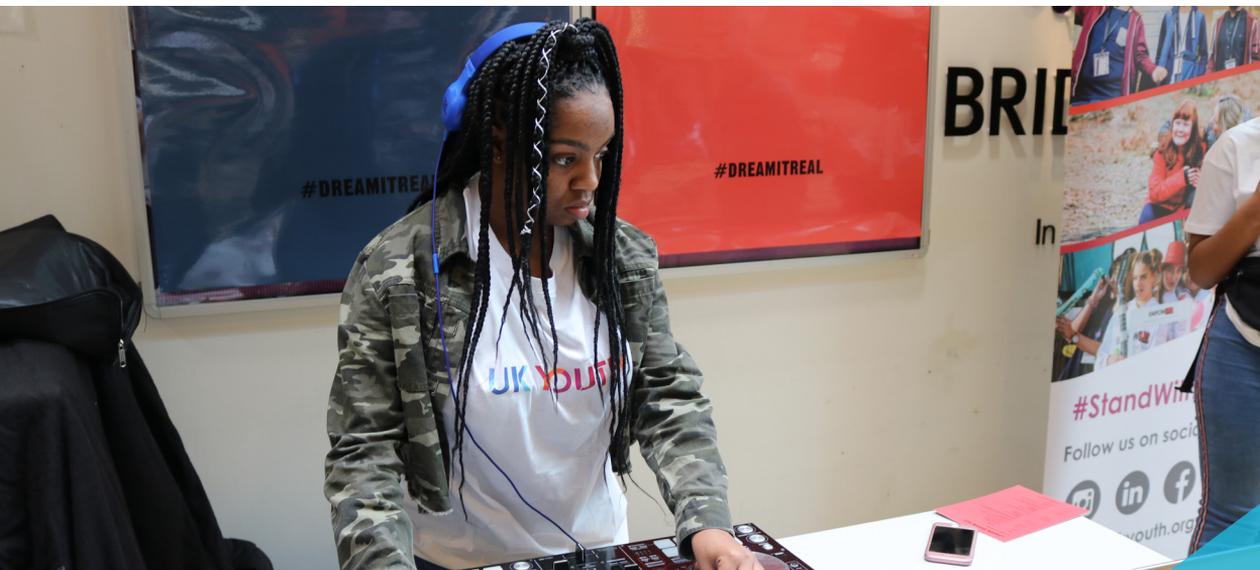
The youth sector is struggling to support our vulnerable young people, and many organisations face imminent closure. To remedy this, this report recommends key areas in which these organisations require both financial and non-financial support to survive and thrive during and beyond the pandemic.

The youth sector is struggling to support our vulnerable young people, and many face imminent closure. To remedy this, this report recommends key areas in which these organisations require both financial and non-financial support to survive and thrive during and beyond the pandemic.

Sustainable financial support

This report makes a significant recommendation focused on the financial health of the youth sector. It is clear that the need for funding is urgent and considerable. This sample of youth organisations reported a combined funding need for January 2021 to April 2022 of £52,262,170 (n=1,314). As this report presents a snapshot of the sector, it can be assumed that the total need across the sector is much greater. It is recommended that unrestricted funding is made available to the youth sector in order to address three main areas:

- Covering operational costs and responding to local need
- Rebuilding the workforce
- Facilitating adaptation of services, including investment in digital infrastructure.



Covering operational costs and responding to local need

1 Firstly, long-term funding should be made available to cover the ongoing core and operational costs of the youth sector. This will plug gaps in income and depleted reserves, allowing youth organisations to pay bills, avoid closure and rebuild their financial resilience. It would ensure that youth organisations continue to support young people through and beyond the Covid-19 crisis. Moreover, long-term core funding would allow youth organisations to address the potentially long-term impact of Covid-19 on young people. Whilst it is likely that this will respond to increasing needs in mental health, employment, physical health, and vulnerability to negative activities, unrestricted funding would allow youth workers to tailor provision to the needs of the young people they work with. This would also break the constant cycle of fundraising to survive instead of focusing on frontline youthwork and would provide security for these services that are even more crucial during challenging times.

Rebuilding the workforce

2 Secondly, the youth sector needs financial support to rebuild their workforce. Youth organisations have been forced to reduce the number of paid staff members they employ and the hours they work. They have also lost frontline workers to the urgent need to fundraise and the sector risks losing remaining staff due to burnout and pay cuts. This has left youth organisations without enough youth workers to deliver their vital services. Financial support would allow youth organisations to pay staff wages and re-recruit a workforce capable of responding to young people's needs. It will support them to prevent further loss of staff and reductions in working hours or pay and relieve concerns about job security.

Facilitating adaptation of services, including investment in digital infrastructure

3 Finally, this report has demonstrated that there is definitive need for funding to support youth organisations to continue to innovate and adapt to a new way of living. Most notably, youth organisations require funding to build their digital infrastructure so that they can continue to serve young people when face-to-face provision is not possible. Investing in digital infrastructure is about more than buying laptops for young people. Staff need upskilling to deal with the challenges they are facing from a new style of delivery and youth organisations need to invest time in adapting their offer and delivering the services online that are so desperately needed. Furthermore, both staff and young people also require access to the internet and a suitable environment to engage in online activities. Funding to facilitate adaptation should also support youth organisations to ensure that the spaces used by young people and staff are Covid-secure and utilize youth work methods better-suited to government regulations such as detached and mobile youth work.

Non-financial support

Non-financial support such as in-kind, pro-bono and capacity-building opportunities would also benefit the youth sector. This could include partnership-working to offer development opportunities to young people and youth workers. Equipment and resources would also be extremely beneficial, as well as volunteered time across a range of skills to account for a reduced workforce within these organisations.

It is consequently recommended that fund distributors offer a funder plus model. This non-financial support should address the challenges that youth organisations are facing, specifically:

Delivering digital services (e.g. digital equipment*, training opportunities)

Accessing funding (e.g. training and pro-bono work in fundraising and bid development, advice, and communications regarding funding opportunities)

Developing an updated organisational strategy and future planning (e.g. advice, training, and pro-bono work)

Overcoming a reduced workforce (e.g. volunteers, training to replace lost skills)

Responding to the increased needs of young people during the pandemic (e.g. staff and volunteer training in key issues such as vulnerability to negative experiences, partnerships to facilitate referral to specialised support and employment partnerships providing mentoring and work experience opportunities.)

**In kind donations of equipment such as laptops would be extremely valuable, but it is important to note that this is not a complete solution. Young people also require access to the internet and a suitable environment to engage in online activities.*

Conclusion

In conclusion, the youth sector is well-placed to support young people to overcome the increased challenges they face due to the Covid-19 crisis. However, Covid-19 restrictions, the financial implications of the pandemic and a variety of barriers to accessing youth services have limited the youth sector's capacity to meet them.

Youth organisations have strived to adapt to a new way of supporting young people, but efforts have been stunted by a lack of funding. Furthermore, a reduction in income and increases in costs have depleted the financial resilience of many youth organisations. This has left them in a precarious position, with almost two-thirds at risk of closure in the next year. A loss of youth services on this scale could have a devastating impact on young people. The sector consequently requires urgent support to continue their vital services.

Unrestricted, long-term financial aid should focus on supporting youth organisations to rebuild their workforce, adapt their services, and cover core and operational costs to enable them to stay open and respond to local need. Meanwhile, non-financial support should help the youth sector to adapt and overcome the challenges created by the pandemic. Support to address challenges in delivering services digitally and accessing funding would be particularly beneficial.

This report is representative of youth organisations with an income under £250,000. However, as results from larger organisations engaging in the research tell a similar story, it is proposed that this snapshot reflects the impact of Covid-19 on the wider youth sector.

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