Department for Digital, Culture, Media & Sport

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Dame Meg Hillier MP
Chair, Public Accounts Committee
House of Commons
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Dear Chair

Accounting Officer Assessment: Youth Investment Fund Programme

It is normal practice for Accounting Officers to scrutinise significant policy proposals or plans to start or vary major projects, and then assess whether they measure up to the standards set out in Managing Public Money. From April 2017, the government has committed to make a summary of the key points from these assessments available to Parliament for projects within the Government's Major Projects Portfolio (GMPP).

Background and Context

In February 2022 the Government published the White Paper "Levelling Up the United Kingdom"[1]. The Paper outlined the ambition to level up the UK and close the gap between geographical, social and economic disparities.

The Levelling Up agenda recognises and addresses the requirement for an increase in investment in youth services in key left behind areas where there has been a lack of investment historically.

As part of the White Paper the government reaffirmed its commitment to a £560m investment in young people for new and improved youth facilities, services and experiences in England where they are needed most. This included launching a new National Youth Guarantee so that by 2025 every young person in England will have access to regular out of school activities, adventures away from home and opportunities to volunteer.

[1] HM Government, 'Levelling Up the United Kingdom' (viewed on 11 April 2022)

DCMS launched the Youth Investment Fund (YIF) Phase One in January 2022 (£12m) working in partnership with BBC Children in Need to invest in small scale capital projects for youth provision. This phase was completed in March 2022.

YIF Phase Two investment (£368m) will provide youth facilities and services, including small community youth spaces, youth centres and activity centres in the most underprivileged areas across the country.

This investment will:

- Build/preserve youth facilities that are fit for purpose in areas of need
- Develop environmentally sustainable youth facilities
- Drive improvements in youth sector capability
- Improve access, participation and short-term wellbeing of young people
- Improve the evidence base for the youth sector

This AO assessment considers the four accounting officer standards of regularity, propriety, value for money and feasibility.

Regularity

I assess the Youth Investment Fund as regular. Spending relies on existing powers provided for by primary legislation in section 70 of the Charities Act 2006.

Propriety

I assess the Youth Investment Fund Programme as proper. It is compliant with parliamentary control procedures and expectations. Careful consideration has been given to interaction with other parts of the public sector and the programme's consistency with overall government policy.

Value for Money

The Youth Investment Fund will be delivered in accordance with Managing Public Money guidance to ensure best value for the public sector investment. The cost benefit analysis conducted for the Full Business Case shows that the government investment delivered by the Youth Investment Fund would be justified by the benefits.

The competition process to identify YIF's grant maker took into account value for money and the successful party (Social Investment Business - SIB) came in under our proposed budget. SIB also has a strong track-record of sustainable community investment and leveraging match-funding.

The competitive process to select YIF project bids will also take into account value for money; the fund's criteria will prioritise youth facility projects that deliver high levels of positive activities for young people for the investment made.

Feasibility

The Youth Investment Fund needs to be delivered within a tight timetable of less than three years. Although we have conducted an extensive engagement exercise, the unique nature of YIF, being demand led, means we will not be fully aware of the nature, scale and volume of bids made to the fund until its launch in August. This, coupled with increased construction costs due to inflation, inevitably results in delivery risks. The DCMS Project Delivery Centre of Excellence conducted a blended Gate 0/3 Review in May 2022 and provided a Delivery Confidence Assessment (DCA) of Amber. DCMS and our Intermediary Grant maker will continue to undertake close monitoring of delivery risks and ensure that mitigating actions are taken if necessary.

The demand led nature of the programme, in combination with the truncated timetable for delivery, increases the risk of the programme not hitting the allocated spend profile, particularly in 22/23, which could result in a significant capital underspend. A wide range of steps are being taken to mitigate this risk, but ultimately DCMS will need to work with HMT should this materialise.

To note: from June 2022, YIF has joined the GMPP, and will report into the major programmes committee. The project is 'Tier A' so future assurance activity will be carried out by the IPA.

Conclusion

As the Accounting Officer for the Youth Investment Fund I considered this assessment and approved it on 9th August 2022.

I have prepared this summary to set out the key points which informed my decision. If any of these factors change materially during the lifetime of this project, I undertake to prepare a revised summary, setting out my assessment of them. This summary will be published on the government's website (GOV.UK). Copies will be deposited in the Library of the House of Commons, and sent to the Comptroller and Auditor General and Treasury Officer of Accounts.

Yours Sincerely

Sarah Healey
Permanent Secretary