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## **RESPONSE TO THE SEERA SELECT COMMITTEE REPORT ON POVERTY AND INCLUSION**

Thank you for the opportunity to comment on the select committee report. The Prince's Trust is experienced in helping harder to reach young people to overcome barriers and get their lives working, and we are naturally interested in both the social and economic inclusion agendas. I have several observations which I hope you will find useful.

As a former member of the SIPSE action group much of the regional socio-economic picture has changed and crystallised since the original Inclusion Statement was published and there is a clear requirement to now review its contents. This is particularly timely as a raft of new policy issues is coming more to the foreground - homelessness, VCO infrastructure, capacity-building, the Youth Green Paper, refugee populations, the development of Muslim communities post 9/11 and new financial and charitable structures - and they are likely to affect the nature of the Statement. It is also essential to review the layer of organisations including LSCs, Connexions, Job Centre Plus and Children's Trusts which have been established after the publication of the Statement, but have no direct ownership of its objectives. The review should focus on their impact and efficacy in dealing with inclusion objectives. In this context, part of this work should look at the balance of funding between attainment of hard outputs and delivery of progression routes through soft outcomes and related to distance travelled. The latter is not currently recognised within formal educational and training priorities. Many of the young people we work with have a long way to travel before they are either work ready or ready to commit to participation in their communities.



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There is a growing emphasis on the involvement of voluntary organisations in delivering public services but the plethora of funding agencies and partnership bodies make it difficult for organisations such as ourselves to engage. For example in the South East we have only 35 full and part-time staff, mostly working directly with clients, it is not easy to commit resource to the huge number of committees and local groupings that have arisen - 55 LSPs and a dozen AIFs, plus interface with 6 different LSCs, 6 different Connexions, 6 Job Centre Plus managers. The fragmented approach makes it hard to tell how well their efforts support social and economic inclusion objectives. On top of these formal organisations there is now a further explosion of initiatives embodied by Local Area Agreements, Local Enterprise Growth Initiatives, Community Learning Testbeds, ODPM Sustainable Communities for the homeless, all accelerating at an abnormal pace towards mainstream provision. Whilst these should help to streamline and create freedoms for action, the speed and simultaneous implementation of these schemes would need to be reviewed going forward, particularly in terms of fit to IRF and overall cohesiveness – where are regional level organisations and strategies reflected in this developing local picture?

The growth of regional level infrastructure has been organic and in response to identified needs. Regional bodies such as RAISE, Regeneration Networks, Rural Partnerships, Change Up networks are just another reflection on the complexity and diversity of issues facing the voluntary sector at every level. These should not be left behind to wither as the focus moves closer on local community level activity. They provide valuable points of reference for smaller charities and a voice for the sector to address issues on a regional and sub-regional level which LAAs or AIFs would miss. Regional policy should reflect the influence and impact that the diverse voluntary sector can provide at regional, sub-regional and local levels. For instance, the Prince's Trust would welcome any discussion about how we can make our regional and sub-regional presence felt, particularly on the Young People's block in LAAs and the newly announced Economic and Enterprise block, where we are a significant regional provider for moving young people from social and economic inactivity to positive contributors. How do organisations like ours engage?

In terms of new financial models, I would also like to draw the committee's attention to the new funding streams which are being made available to the VCO sector, but which are omitted from the report – Futurebuilders and CDFIs spring to mind. Financial loan models are fundamentally different to grants which have supported traditional charitable objectives. This shift in emphasis should be fully examined and its impact understood within the context of the region.

Inclusion policy should be underpinned by a set of strategies and plans which are adequately funded. The current ESF co-finance arrangements for instance present often dubious value for money considerations. Firstly, the allocation of funds into small top-sliced pots of money make it very difficult for organisations to produce outputs for the inputs required, and to provide the models really needed to address social issues. Full cost recovery is often not possible within the set budgets as a consequence. Secondly, the nature of specifications often requires partnerships to meet all the outputs, yet the nature of competitive tendering doesn't easily support the creation of true partnerships. The Local Area Agreement model might support the development of commissioning which would be more valuable to the sector if these are negotiated to give real freedoms for partnership and action. They will need real leadership and a review of LSPs would help to determine which ones are suitable to take on that leadership role. I understand that new funding streams such as LEGI

will be directed through LAAs into areas of multiple deprivation on a targetted basis. If so we need to understand these new funding streams and determine how they will impact on the priorities we need to include in the new inclusion Statement. Is it reasonable to expect the sector to address the Statement's current issues, if funding is targetted narrowly at particular communities and skill groups. The transition from ESF funding to local arrangements should play a major part in the review of the new Statement – what sustainable funding will be available to the sector for the period in question?

The Social Inclusion Team within SEEDA has no Executive Director. The transition from SRB single pot funding to AIF management has not been without issues of clarity between AIFs and LSPs, availability of funding and clarity of purpose. The Social and/or economic inclusion agenda (truly aimed at the most excluded) has not in my view been prioritised adequately, with most funding directed to large enterprise hubs and hi tech business parks. Awareness of Social Inclusion across the agency is only one factor, and resource should be directed more equitably to deal with the objectives of the new Social Inclusion Statement.

I hope you find these points constructive.

Yours sincerely,

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Regional Director