# Crushed by utility costs

## The impacts of utility bills on the youth sector and the opportunity to drive growth, safeguard vital services and accelerate the transition to clean power.

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Social Investment Business

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# Endorsements

"Scout groups from all over the country have told us about the pressure that rising energy bills are putting on their budgets. At the same time, parents and carers are also feeling the strain of increasing household expenses.

Groups are doing everything they can to keep activities affordable, but with prices continuing to rise, we want to see greater support for charities and voluntary groups to ensure young people don't miss out.

Uniformed youth organisations like Scouts provide vital opportunities for young people to develop essential skills for life. Now more than ever, children need these safe spaces to build resilience, foster a sense of belonging, and reduce loneliness."

**Aidan Jones OBE, Chief Executive of Scouts**

"The fact smaller charities are now spending up to half their budgets on energy bills is simply unsustainable. Without action to support charities to meet rising costs, we risk seeing essential services scaled back or lost altogether – at a time when people and communities need them most. We support the call for urgent, targeted support for these groups – including a 0% VAT rate on energy bills and fairer access to energy efficiency schemes. This isn't just about short-term relief, it's about protecting the long-term sustainability of the organisations that hold our communities together."

**Sarah Elliott, Chief Executive of NCVO**

"Local charities and community organisations have been hit by soaring energy bills. Unlike households, our members do not have the protection of price caps, and the temporary government support has been removed. Many of our members operate out of older buildings, they desperately need targeted support to make them more energy efficient. Without this support, the very survival of local community organisations and the services they provide will be under threat".

**Tony Armstrong, Chief Executive of Locality**

"Rising energy costs are putting vital youth services at risk, undermining their work in towns and cities across the nation. Without these groups young people could lose community, confidence and safe places to go. The current structure of electricity bills is regressive and unfair, forcing youth groups, charities, and households in the most deprived areas, to contribute disproportionately more of their income to levies and taxes on energy. Raising that money through a wealth tax instead would be an opportunity to lower bills for everyone, while shifting the burden of the energy transition away from the poorest. The Youth Investment Fund has been a welcome government intervention at a critical time for the sector. The funding is transforming the youth service landscape right across the country, enabling youth centres of all shapes and sizes to enhance their services and reach more young people."

**Nick Temple OBE, Chief Executive of Social Investment Business**

# Executive Summary

This short paper, primarily for policy-makers and funders, highlights the crushing impact of utility bills – particularly energy – for youth charities. The paper places this new analysis in the wider context of energy efficiency data and some of the pressures facing youth groups. We also present a key example of government intervention that is making significant impact on the youth sector.

What emerges as we bring this together is a picture of mounting pressure for youth charities, especially smaller and volunteer-led youth groups. However, available solutions to this crisis could provide policymakers with a triple-win:

1. **Drive growth** by safeguarding vital services that build the confidence and skills of young people, support them into jobs and reduce crime.
2. **Lower bills** for everyone, bringing us closer to the promised £300 per year reduction.
3. **Accelerate the transition to clean energy,** by creating the conditions that allow the youth and community sector to decarbonise faster.

## Key findings:

- Despite delivering vital services at the heart of communities, youth charities are facing crushing utilities costs, swallowing up as much as 50% of their expenditure in buildings with poor energy efficiency.
- Over half of all community buildings in England fall below Energy Performance Certification (EPC) C, the basic level of energy efficiency. The sector continues to fall further behind as other non-domestic properties make improvements
- The youth and community sector is particularly exposed: without some of the protections available to households, public buildings or industry.
- Significant investment can make considerable impact: schemes such as the government-funded Youth Investment Fund is transforming youth centres across England, many benefiting from increased energy efficiency, solar panels and battery storage.

# Introduction

While utility bills are top-of-mind for policymakers and citizens alike, the impacts on youth charities and community organisations can often be overlooked in analysis of both the impacts and the solutions on offer.

Youth charities support millions of young people across the UK, improving their mental and physical wellbeing, providing life skills and reducing anti-social behaviour[1] with recent research showing that for every £1 invested in youth work, the benefit to the taxpayer is at least £3.20, and up to £6.40 of impact, through improved physical and mental health and reduced crime[2].

In this paper, we present new data of energy costs specifically for youth charities. To understand the wider context facing youth groups, we then consolidate recent analysis of energy efficiency standards for the community sector at large. Finally, we present a key example of government intervention that is making significant impact on the youth sector.

## Key findings:

- Despite delivering vital services at the heart of communities, youth charities are facing crushing utilities costs, swallowing up as much as 50% of their expenditure in buildings with poor energy efficiency.
- Over half of all community buildings in England fall below EPC C, the basic level of energy efficiency. The sector continues to fall further behind as other non-domestic properties make improvements
- The youth and community sector is particularly exposed: without some of the protections available to households, public buildings or industry.
- Significant investment can make considerable impact: schemes such as the government-funded Youth Investment Fund is transforming youth centres across England, many benefiting from increased energy efficiency, solar panels and battery storage.

## We make seven recommendations for policymakers:

### Safeguard social sector to drive growth

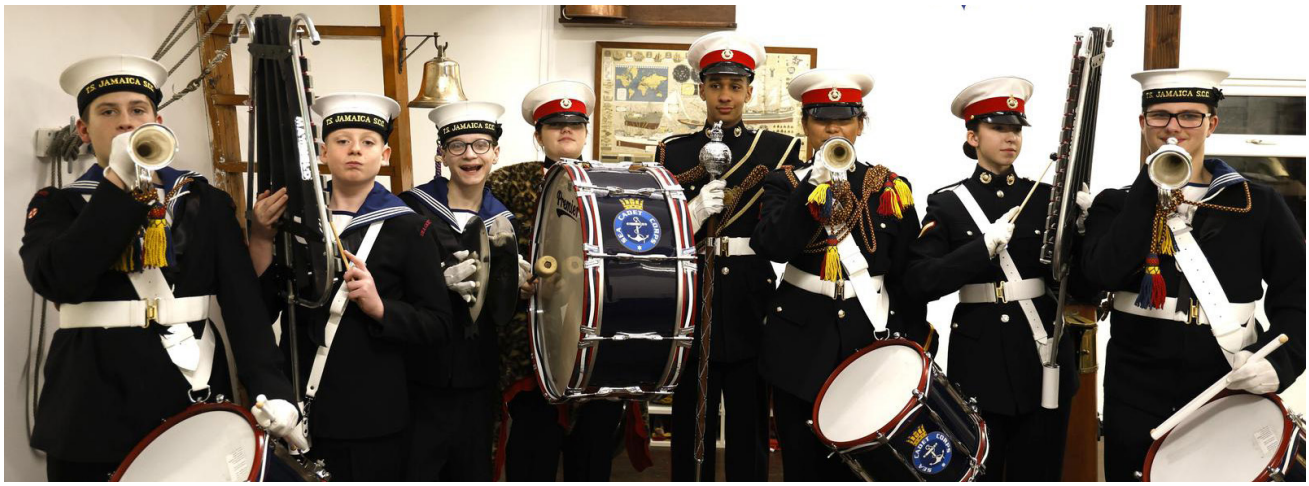
1. Recognise smaller community organisations as particularly vulnerable to energy price spikes, alongside low-income households or energy-intensive industries.
2. Grant an extension to community buildings for meeting new EPC standards to avoid excessively harsh penalties or unnecessary closures of vital services.

### Lower bills for everyone

3. Provide a new 0% VAT charity business rate for energy.
4. Remove most levies from electricity bills, instead raising that money through taxation on the wealthiest.

### Accelerate transition to clean energy

5. Provide targeted support for fabric and energy efficiency improvements for the youth and community sector, who are currently excluded from key schemes.
6. Expand and promote the Boiler Upgrade Scheme to fully incorporate the youth and community sector.
7. Update EPC assessments to incentivise reduction of carbon emissions.



# Impacts of utility bills and the current policy landscape

## Crushing bills

In our analysis of actual usage data from applications to the Youth Investment Fund, we found that smaller youth groups (<£50k expenditure) are spending an average of 13% of their outgoings on utility bills before improvements start. Many are having to spend well above this, peaking at 50% of expenditure.

Smaller youth groups are spending an average of 13% of their outgoings on utility bills, with costs peaking at 50% of expenditure.

For youth charities which provided specific energy data, separate from water costs, they were spending as much as 34% of their expenditure just on energy.

For comparison, the average household spent 6.5% of their weekly spending on energy at the height of the energy crisis in 2022/23, according to the ONS[3]. This rises to 7.9% of weekly spending on utilities if water is added.

The impact of bills is particularly clear on smaller charities, whereas large organisations allocate smaller proportions of the budget to utilities. For youth charities with expenditure over £250k, average utility spend comes in at 2.4% of their budget.

Low-income households and energy-intensive industries are often identified as vulnerable groups impacted by price spikes, and we have been encouraged by the expansion of the Warm Homes Discount and the £2bn funding announced for the Warm Homes Plan.

From our analysis, the youth sector – and particularly smaller and voluntary led groups - should also be recognised as vulnerable to the impacts of high prices and further action taken to protect them from price shocks.

## CASE STUDY:

Margate Sea Cadets provide activities for young people aged 9-18 including rowing, sailing, adventure activities and parades. As energy prices have risen, they've had to allocate 49% of their entire budget just to cover utility bills like energy and water.


Paul Holton, Chair of Margate Sea & Royal Marine Cadets, says:

"The unit is at the heart of the community and always has been, it's been here for over 100 years. Some of the cadets really struggle with school but they find a family here, grow in confidence, make friends and work hard.

When we're raising funds, we're constantly aware that half of that money is going to just pay for the bills. It's very demoralising, we're thinking about that constantly.

If bills were lower it would make a massive difference, we could focus on giving the young people the best activities to progress their training and build their confidence.

Local youth provision here is under risk from rising bills and funding cuts, some on the brink of closure. What would the young people do without these groups? The social problems that would come out if these groups are lost will cost much more than if we get support now."

## Poor energy efficiency

The problem of high energy bills is compounded by the poor energy efficiency of many community buildings.

Our analysis of publicly available EPC data found that over 50% of community buildings in England fall below EPC C, the basic level of energy efficiency and commonly suggested as the minimum required for sale or let.

Just 18 buildings have achieved the top-tier EPC rating of A+, meaning that they are ready for Net Zero. Meanwhile, a staggering 790 buildings languish at the G rating, the lowest band available.

In the most deprived areas, this figure rose to 3 in 5 buildings not meeting basic levels of energy efficiency, with a general trend that in neighbourhoods with higher levels of deprivation, the community buildings are more energy inefficient.

Meanwhile across Northern regions of England, there is the highest proportion of inefficient community buildings, with 60% having an EPC rating of D or less. The North of England also has fewer energy efficient buildings, and more that are very inefficient (EPC rated F and G).

The most poorly insulated buildings are often in more deprived areas and operating without substantial financial reserves or income. Without targeted support, they cannot make necessary improvements.

Addressing this requires significant investment, as outlined in our previous paper[4], because the community sector simply doesn't have the resources to make this shift alone. The most poorly insulated buildings are often in more deprived areas and operating without substantial financial reserves or income. Without targeted support, they cannot make the necessary improvements.

Since 2008, other non-domestic properties have improved their energy efficiency 60% more than community buildings[5]. This gap has widened in recent years, with other non-domestic buildings improving at more than double the rate of community buildings.

Not only is this a concern for reducing bills and improving the quality of community buildings and youth centres, but without action vital services could risk fines or closure from being unable to comply with increases to required efficiency standards.

The last set of Minimum Energy Efficiency Standards (MEES) were set for both domestic and non-domestic buildings, and we expect it is likely that the government's intention to raise the minimum EPC standard of rented domestic buildings to C will also be set for both non-domestic and domestic buildings.

Without support to improve energy efficiency, youth groups and community organisations could face unfair penalties for non-compliance, face difficulties securing funding, or be unable to rent and use their spaces, all of which could put their work at risk.

## Overlooked by protections

Since the election, the government has built significant momentum, announcing a range of welcome financial support packages to drive decarbonisation and energy efficiency across households. Yet much of this excludes some, or all, of the youth and community sector.

While specific packages – such as the Youth Investment Fund – are making considerable impact, the regular exclusion of the youth and community sector from other energy and efficiency schemes risks them falling even further behind commercial and residential buildings in the race to decarbonise. In turn, this will burden them with unsustainable energy bills for longer.

There is desire within the sector to become leaders in the transition to clean heat and power, indeed many are working with young people passionate about creating a more sustainable future. Without additional support, any further efforts to decarbonise would come at the expense of their vital services, at a time when they're already burdened with unsustainable utility bills.

Without additional support, any further efforts to decarbonise would come at the expense of their vital services, at a time when they're already burdened with unsustainable utility bills.

What's more, the current EPC system is failing to provide the guidance needed on how best to decarbonise the sector.

For the last decade, community buildings have been 14% less likely to be recommended a heat pump than other non-domestic buildings, seeing lower recommendations in 9 out of the last 10 years. In fact, just 1 in 3 non-domestic buildings have been recommended a heat pump recently, and this figure has stagnated since 2017, despite the Climate Change Committee's recommendation for a 15x increase in heat pump installations by 2035.

The youth and community sector faces unique vulnerability to rising utility bills and lacks the necessary ongoing support to bring down bills, decarbonise and improve energy efficiency. Yet there is huge opportunity to accelerate our green transition if adjustments are made to existing schemes to fully incorporate youth and community organisations. We explore how this could be delivered in our policy recommendations.

# Stories of success

For more than 100 youth centres across England, significant government investment has transformed their buildings, and for many it could reduce their energy consumption.

## Youth Investment Fund

The Youth Investment Fund (YIF) is over £300m of capital and revenue grants, funded by the UK Government.

Phase 1 was launched in 2022 by Children in Need on behalf of the UK Government, delivering £12 million of funding for small-scale projects. Phase 2 is a fund to provide grants for youth services across England, and is delivered by Social Investment Business, in partnership with the National Youth Agency (NYA), Key Fund and Resonance.

> "The Youth Investment Fund has secured the future of our Scout group for future generations, and is enabling us to grow, delivering more essential skills for life to more young people."
>
> **Tom Hague, Assistant Group Scout Leader at Sheffield (High Green) Scout's Group**

As the case studies below demonstrate, large scale investments like these can make a huge difference to youth services, revitalising their assets and expanding their work in the community. This not only builds the confidence and skills of young people but also helps to drive growth by equipping and supporting young people into jobs while reducing crime.

## Birmingham

Stirling Sea Cadets in Birmingham provide activities for young people including sailing, windsurfing, rock climbing and camping, but as energy prices rose, they had to allocate 50% of their entire budget just to cover utility bills like energy and water.

Following their application to Youth Investment Fund, Stirling Sea Cadets received a refurbishment grant of £59,000 from YIF to help bring down their bills. The investment is enabling them to add a kitchen, make the building warmer and usable throughout the winter, and even begin hiring out their renovated space to generate new income.

## Sheffield

In Sheffield, a brand new, state-of-the-art Scout HQ has been built thanks to a £1.8million grant from YIF.

The new 105th Sheffield High Green Scout HQ is one of over a hundred youth facilities to benefit from YIF and is now equipped with solar panels, a heat pump and battery storage. It was designed to be a Net Zero building, a long way from their previous 60-year-old scout hut, which was falling apart, with no insulation, making it expensive to heat.

Tom Hague, Assistant Group Scout Leader at Sheffield Scout's Group, said: "The Youth Investment Fund has secured the future of our Scout group for future generations, and is enabling us to grow, delivering more essential skills for life to more young people. The renewable technology in our new building; including solar PV, battery storage and air source heat pumps enables our running costs to be kept as low as possible.

> As a charity with limited income, ensuring overheads are kept to a minimum are essential to allow us to survive, and it means we can spend more money on activities for young people instead of energy bills.
>
> Targeted support and further funding is needed across the Youth Sector, to enable building owners (such as Scout Groups) to fit out their facilities with renewable energy technology, not only lowering their carbon impact, but lowering their bills, helping sustain their futures and support the work they carry out with young people."

## Norfolk

In the Norfolk countryside sits the Hautbois Activity Centre, an outdoor activity centre providing residential and day activities including paddleboarding, kayaking, climbing, archery, and a wide range of team-based activities.

> We had a poorly insulated old building using high carbon energy, and we were worried about soaring energy prices."
>
> **Fiona Hunter, Centre Manager for Hautbois Activity Centre**

They received a £128,000 Youth Investment Fund grant for a range of improvements including better insulation, solar and battery storage. As a result, their energy consumption has fallen significantly, and during summer months up to 100% of their office's energy use is generated by the solar panels. These changes have relieved some of the worry of meeting those bills, allowing them to reinvest savings into their youth activities – although with energy prices still climbing for youth charities, the financial savings from reduced energy consumption haven't been as much as hoped.

> Our number one priority was to make the space greener and more sustainable. Girl guides are passionate about getting to Net Zero and the Youth Investment Fund gave us a golden opportunity to make this ambition a reality."
>
> **Fiona Hunter, Centre Manager for Hautbois Activity Centre**

> The impact has been amazing. The insulation has made so much difference, and everyone says that the building is so much warmer. And it's much more efficient, in fact our energy consumption has reduced significantly."
>
> **Fiona Hunter, Centre Manager for Hautbois Activity Centre**


*The new Scout HQ in Sheffield, built with YIF funding.*

# Opportunity for policymakers

There is huge opportunity in the youth and community sector to accelerate the transition to net zero, and desire from them to be part of the solution – but a current crisis of high bills and poor insulation is putting their work at risk.

As outlined, this is particularly true for smaller and volunteer-led groups. With small budgets and margins, relatively small adjustments could bring significant relief to these groups. Below we recommend a range of policy interventions to lower energy prices for small youth and community organisations.

However, the most energy-inefficient buildings are often larger youth and community centres in more deprived areas. To decarbonise these while lowering bills will require significant fabric renewal and capital outlay. We have therefore also included recommendations on energy efficiency and the Boiler Upgrade Scheme which, although beneficial to the whole sector, could particularly benefit these larger buildings.

In total, the seven recommendations could change the playing field for the youth and community sector: delivering much needed support, bringing down costs for both targeted groups and bill-payers more widely.

By seizing this opportunity, the government could secure a triple-win:

- Drive growth by safeguarding vital services that build the confidence and skills of young people, support them into jobs and reduce crime.
- Lower bills for everyone, bringing us closer to the promised £300 per year reduction this term.
- Accelerate the transition to clean energy, by creating the conditions that allow the youth and community sector to decarbonise faster.

## Safeguard social sector to drive growth

1. **Recognise smaller community organisations as particularly vulnerable to energy price spikes, alongside low-income households or energy-intensive industries.**

The government rightly recognises that Energy and Trade Intensive Industries (ETIIs) are particularly vulnerable to high energy prices due to their energy intensity and trade exposure. For ETIIs, a higher level of support is available including the British Industry Supercharger, EII Renewables Levy and Capacity Market Exemption scheme and the Energy Bill Discount Scheme.

Low-income households, social housing and those in fuel poverty are also rightly identified as particularly vulnerable, with support including the Warm Homes Discount and the Household Support Fund from local councils.

From our analysis of the costs of energy, and proportion of expenditure required for utilities, we urge the government to recognise small youth and community organisations, defined as either volunteer-led or with expenditure under £50k, as an additional vulnerable group and to be fully considered in the development and review of support schemes, especially ahead of the winter.

Youth charities support millions of young people across the UK, improving their mental and physical wellbeing, providing life skills and reducing anti-social behaviour[1] with recent research showing that for every £1 invested in youth work, the benefit to the taxpayer is at least £3.20, and up to £6.40 of impact, through improved physical and mental health and reduced crime[2].

2. **Grant an extension to community buildings for meeting new EPC standards to avoid excessively harsh penalties or unnecessary closures of vital services.**

Our research has shown that community buildings have worse energy efficiency than other non-domestic buildings, while lacking the necessary support to improve. Thus, putting them at risk of being penalised harshly.

With over 7,300 community buildings not meeting EPC C standards, it is crucial the sector is not overlooked in decisions concerning future EPC requirements. To safeguard vital services, we urge the government grant a considerate extension for the whole community sector, alongside the support packages outlined below to help them come up to standard.

## Lower bills for everyone

3. **Provide a new 0% VAT charity business rate for energy.**

Charities and non-profit organisations are entitled to a VAT reduction, from 20% down to 5%, on energy used for 'non-business' purposes, as well as exemption from the Climate Change Levy (CCL). These reductions provide welcome support, but our analysis of the huge costs being faced by the sector demonstrates the need for further intervention.

By introducing a 0% VAT rate for charity energy, government could provide the much-needed breathing space for charities at a critical time, releasing as much as £16-29 million to invest in services[6].

If the new 0% rate was targeted specifically for smaller organisations, defined as volunteer-led or with expenditure under £50k, it would equate to a marginal decrease in tax revenue for HM Treasury while providing significant additional funding into the most vulnerable section of the third sector, freeing that money to be invested in local services, such as supporting young people, their development, confidence and skills.

4. **Remove most levies from electricity bills, instead raising that money through taxation on the wealthiest.**

The high cost of electricity, inflated by current levies, is keeping bills high and causing a drag on achieving Net Zero. Reforming electricity levies across business and household rates could lower bills for everyone, without loss of income for the vital schemes currently funded via levies. Removing levies would also present an opportunity to deliver on the key manifesto commitment to reduce bills by £300 per year this term.

The wholesale cost of electricity only accounts for around a third (36%) of a household electricity bill[7] and around 45% of business energy rate[8, 9], with the costs of maintaining and operating the network, as well as VAT and levies, added on. While charities are exempt from paying the Climate Change Levy, their bills are still inflated and for households an additional 16% is added onto their electricity bills.

This current structure means that poorer households and organisations - especially those with inefficient electric heating - are forced to pay disproportionately more of their income on levies. This is fundamentally unfair and regressive.

The high cost of electricity is also creating a drag on our transition to clean energy, acting as a disincentive for the community sector and households to transition to clean heat. Removing levies, and thus reducing bills, would make heat pumps much cheaper to run, providing further incentive to switch by increasing competitiveness with gas boilers.

We recommend the removal of some levies from electricity bills, instead raising that money through general taxation. If raised through a wealth tax, government could ensure it was the broadest shoulders contributing the most to our energy transition, shifting the burden away from the poorest and providing everyone with lower bills.

Lower bills would then incentivise further investment from households and businesses to support the transition to clean heat.

## Accelerate transition to clean energy

As the government rightly argues, to reduce energy bills for good our first priority must be to end our reliance on gas. We are grateful for the government's leadership on this, and we encourage them to continue at pace with decarbonising the grid, accelerating the transition to clean heat, and upscaling energy storage.

Our three final recommendations would enable the youth and community sector to accelerate their transition to clean heat. Efficiency measures would particularly benefit organisations with large and inefficient buildings but would be beneficial to the whole sector.

5. **Provide targeted support for fabric and energy efficiency improvements for the youth and community sector, who are currently excluded from key schemes.**

There are a suite of interventions and schemes, some listed below, designed to improve the energy efficiency of buildings across the UK, but these regularly exclude the youth and community sector. This is despite other non-domestic properties having improved their energy efficiency 60% more than community buildings since 2008.

For households, the recently announced £2bn of funding for the Warm Homes Plan will have a considerable impact for low-income households and tenants living in social housing. Alongside the Warm Homes Plan, the existing Energy Company Obligation continues to support those in social housing or in private rented accommodation and claiming certain benefits.

For public buildings, Salix Finance delivers government funding schemes to support councils, schools, housing associations, hospitals and universities to boost their energy efficiency.

And for ETIIs, the Industrial Energy Transformation Fund (IETF) helps businesses with high energy usage cut their consumption through investment in energy efficiency measures and low carbon technologies.

Targeted support for the youth and community sector to improve fabric and energy efficiency is needed to ensure they are not left further behind as households, industry and public buildings continue to make progress.

**6. Expand and promote the Boiler Upgrade Scheme to fully incorporate the youth and community sector.**

The Boiler Upgrade Scheme's (BUS) financial subsidy and limit on size is geared towards homes, making it unsuitable for some youth and community buildings.

Applications for heat pumps are limited to those smaller than 45kWth, and only air-to-water heat pumps are funded. While this makes sense for households, it inadvertently excludes between 10-30% of community buildings due to the size of their buildings.

Our calculations suggest the maximum heat pump allowed through BUS could work for some poorly insulated youth and community buildings if they are just 430m$^2$. For better insulated buildings, this could cover more like 800m$^2$ of floor area. However, the median youth or community building[10] is 400m$^2$, and between 10% and 30% could therefore be excluded from applying.

The exclusion of air-to-air heat pumps also punishes community buildings, as they would often be more suitable than air-to-water systems.

Air-to-air heat pumps can be programmed to only turn on at certain times. This is useful for community buildings which may have, for example, a yoga class in the morning, a gap in use during the day, and then a youth club in the evening. Only heating a building in these times can save money and energy.

Expanding BUS by increasing the size of eligible heat pumps and extending support to air-to-air heat pumps would enable youth community buildings to reap the benefits of this technology and decarbonise more quickly.

The scheme is an important policy and has huge potential to continue reducing emissions. We believe appetite is there in the community sector and with the right amendments, and greater promotion, uptake could accelerate.

**7. Update EPC assessments to incentivise emissions reductions.**

EPC assessments play a critical role as we work to decarbonise buildings, and we welcome the recent proposals in the consultations for reforming EPCs to better reflect the carbon intensity of non-domestic buildings.

Our research has found just 1 in 3 non-domestic buildings have been recommended a heat pump recently, and this figure has stagnated since 2017, while community buildings specifically, such as youth centres, have been given this advice even less. We found that since 2015 recommendations for a heat pump have been 14% less likely for community buildings than for other non-domestic buildings. Based on this data, we estimate that 75% of community buildings are currently not recommended to get a heat pump by their EPC.

Including a headline heat system metric and an additional carbon-based metric alongside actual energy use in new EPCs, would further increase the focus on transitioning to clean heat and should drive an increase in recommendations for heat pumps in future EPCs for youth and community buildings.

# Conclusion

The policy recommendations outlined above present a range of measures that could both reduce emissions and safeguard vital youth and community services. If combined, they could change the playing field for the youth and community sector.

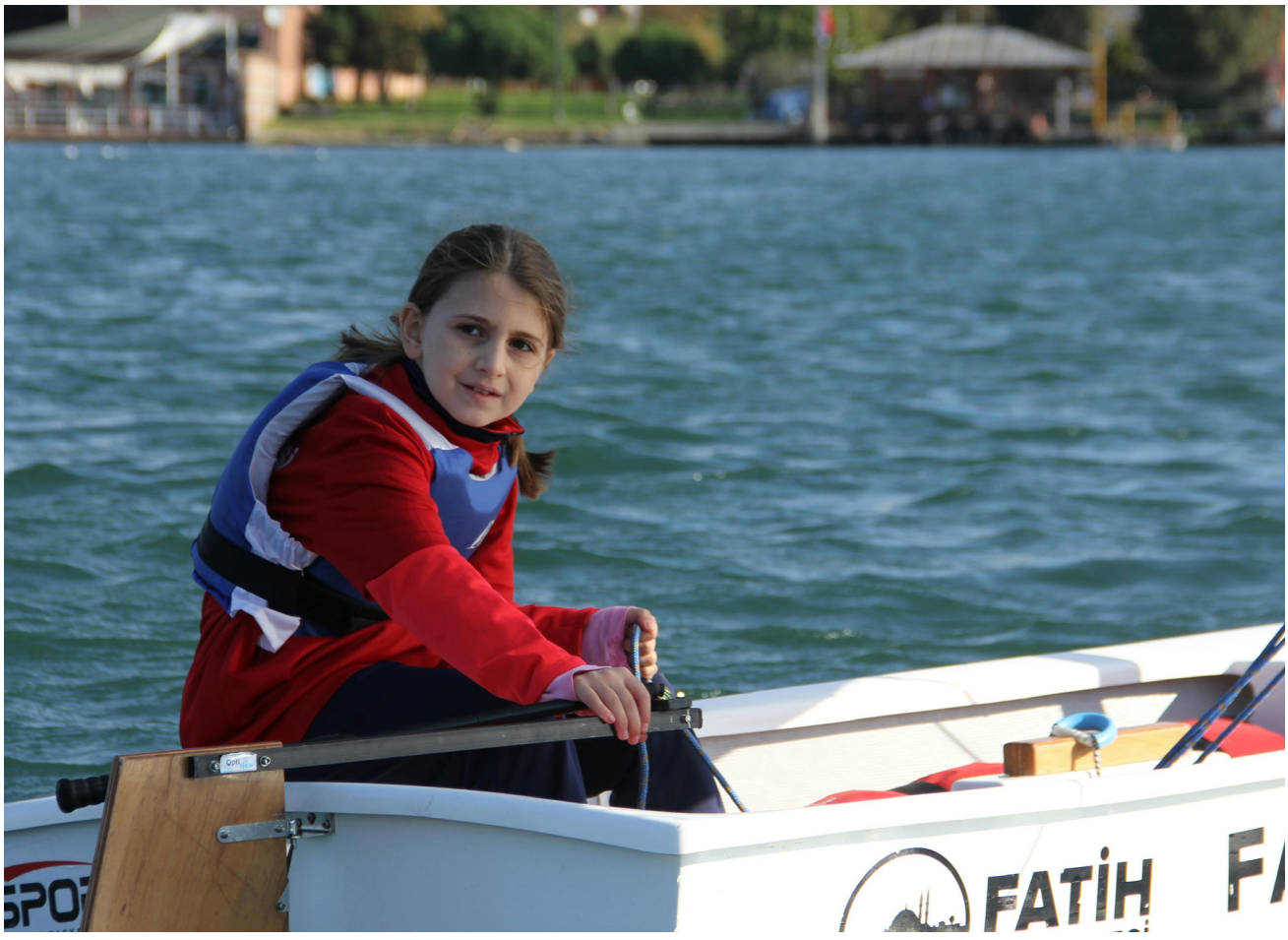
Despite delivering vital services at the heart of communities, youth and community charities are particularly exposed, facing crushing utilities costs, swallowing up as much as 50% of their expenditure in buildings with poor energy efficiency.

Without an extension of protections available to households, public buildings or industry they will continue to struggle, and could be at risk of closing or scaling back due to insufficient funds to meet rising bills and energy efficiency standards.

Change is possible, and the government-funded Youth Investment Fund has been transforming hundreds of youth centres, many benefiting from increased energy efficiency, solar panels and battery storage. The funding is revitalising local services and bringing the sector closer to Net Zero.

While the impact of this funding should rightly be celebrated, the wider youth and community sector urgently needs to see policy reform and support to meet the challenge of rising bills and poor energy efficiency. As outlined, the right interventions could provide a triple-win for policymakers:

- Drive growth by safeguarding vital services that build the confidence and skills of young people, support them into jobs and reduce crime.
- Lower bills for everyone, bringing us closer to the promised £300 per year reduction this term.
- Accelerate the transition to clean energy, by creating the conditions that allow the youth and community sector to decarbonise faster.



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6: This estimation of £16-29 million is for all charities, not limited to youth organisations and assumes the details from 2021/22 NCVO almanac applies on charity income today (we uprate for inflation). We apply our median spending on energy as a % of income, we also apply our mean spending on energy as a % of income across our sample (3 - 5% ish) for charities which earn under £10million. This delivers what we estimate these charities to be spending on energy. We apply the study we did which found 33% of charities own assets, in this case we assume these are the ones who pay bills. We take 5% of this total to get a total saving across the sector.

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# Methodology and Data

Data Collection: We gathered data from our CRM managing Youth Investment Fund, focusing on application and assessment records as our main sources which include full accounts of charity income, expenditure and detail actual utility payments.

Financial Information: Applicants provided self-reported management accounts and financial statements during application, detailing their utility spending.

Scope of Data: Our dataset included information from 259 YIF sites across the UK.

We thoroughly reviewed these records to extract financial data on utility expenditures, focusing on actual and projected costs across various sites.

Utility expenditures were categorised based on the labels provided by grantees. Entries labelled as "utilities" or "light and heat" were grouped under a general utilities category. Additionally, specific categories included water, energy, heat, gas, electricity, and the combined total of these expenditures.

For each site, we collected details on actual and projected utility expenditures, gross area in square footage, building type, and turnover amounts.

## Anonymised data set of the top 10 organisations

| | Utility category | Utilities spend | Income | Expenditure |
|---|---|---|---|---|
| A | Utilities actual spend | 12,006.00 | £24,445.00 | £24,172.00 |
| B | Electric & water | 7,033.15 | £28,606.00 | £14,347.00 |
| C | Electric & gas | 448 | | £1,315.98 |
| D | Utilities actual spend | 2,701.60 | £13,905.00 | £11,476.00 |
| E | Utilities actual spend | 2,688.00 | £20,283.00 | £12,364.00 |
| F | £216.41 – light & heat, £190.44 – water | 406.85 | £20,358.00 | £1,905.38 |
| G | £17,981 – light & heat, £2,049 – water | 20,030.00 | £156,834 | £136,969.00 |
| H | Utilities actual spend | 5,018.55 | £33,467.00 | £40,451.00 |
| I | Water, electricity and gas | 1,137.42 | £23,069.20 | £10,114.87 |
| J | Heat & light | 35,335.00 | £305,498 | £326,991.00 |

Social Investment Business

# Acknowledgements

A report by Social Investment Business

We believe in the power of the social economy to build a more equal society. Social Investment Business is one of the oldest and largest social investors in the UK, providing finance and support to charities and social enterprises to build stronger and fairer communities. Since 2002, we've deployed and managed over £0.7bn of loans and grants, directly supporting more than 3000 charities and social enterprises.

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