

August 2016



CLINKS
RESPONSE

Clinks' response to the Government's consultation on new policy directions for the Big Lottery Fund: distribution of National Lottery money in England and UK-wide funding programmes

About Clinks

Clinks is the national infrastructure organisation supporting voluntary sector organisations working with offenders and their families. Our aim is to ensure the sector and those with whom it works are informed and engaged in order to transform the lives of offenders and their communities. We do this by providing specialist information and support, with a particular focus on smaller voluntary sector organisations, to inform them about changes in policy and commissioning, to help them build effective partnerships and provide innovative services that respond directly to the needs of their users.

We are a membership organisation with over 500 members including the voluntary sector's largest providers as well as its smallest, and our wider national network reaches 4,000 voluntary sector contacts. Overall, through our weekly e-bulletin Light Lunch and our social media activity, we have a network of over 15,000 contacts, which include individuals and agencies with an interest in the Criminal Justice System (CJS) and the role of the voluntary sector in the resettlement and rehabilitation of offenders.

Background and context

Clinks has submitted this response to the Government's proposed new policy directions for the allocation of Big Lottery Funds in England, the Isle of Man and UK-wide funding programmes.¹ The response was originally in a questionnaire format. We have published the sections of the response that required a written answer below.

The Big Lottery Fund (the Fund) is the UK's largest single distributor of National Lottery money, responsible for distributing 40% of all funds the National Lottery raises for good causes. It is the single largest funder of the voluntary sector across the UK, and as such supports charities and civil society organisations in tackling many kinds of disadvantage, and in building strong and vibrant local communities.

All Lottery distributors are public bodies which are answerable, through Ministers, to Parliament for the stewardship of the public money they distribute. The National Lottery etc Act 1993 (the Act) governs how they do this and what they do, and ministerial responsibilities. The Act requires the Fund to distribute all of its Lottery income to charitable causes or for projects connected with

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health, education or the environment. These criteria are very broad, so although Lottery distributors make individual funding decisions independently of Government, the Act requires distributors to comply with policy directions, which are issued to them by Ministers.

The Minister for the Cabinet Office is responsible for issuing policy directions to the Fund for its distribution of Lottery income both in England, and for its UK-wide funding portfolio, in which all four UK Governments share an interest. The Act requires the Fund to publish its policy directions in its Annual Report and Accounts each year.²

Policy directions for the Fund's distribution of money in England and for UK-wide programmes have not been revised since 2012 and now need to be updated. Public consultation is an opportunity to make sure there is nothing significant that the Cabinet Office and the Big Lottery Fund have overlooked when drafting the policy directions. It also enables them to iron out any lack of clarity identified by customers and stakeholders who review the directions and respond to this consultation.

Clinks' consultation response

Is there anything set out in these directions that the Big Lottery Fund should not be doing?

No. Clinks feels that the breadth of Big Lottery funding should be retained as it allows for a responsive funding environment to support innovation and service development, and delivery for people in a range of communities and with a variety of needs.

Is there anything else the Big Lottery Fund should be doing, not covered by these directions?

Yes. Overall, the Big Lottery Fund should focus on the context in which its funding might be best utilised. Changes in public spending, and in the prosperity or otherwise of the economy, have had an impact on the lives of people in local communities, and disproportionately at times on those already experiencing need. It has also affected voluntary sector organisations' ability to support those needs with responsive services.

It is particularly important at this time that the Big Lottery Fund is conscious of the potential impact of the UK's withdrawal from the European Union (EU) on available funding for voluntary sector organisations' work. Understanding the contribution EU funding makes to current levels of service provision across the country will be essential.

In recent times, we have also been made aware of the challenges facing some of our members who support people to resettle on release from prison to access grant funding, including from the Big Lottery Fund. This is perceived to be due to the impact of the Ministry of Justice's Transforming Rehabilitation (TR) reforms. TR has led to the creation of a National Probation Service (NPS) to support offenders who pose a high risk of harm to the public, plus 21 Community Rehabilitation Companies (CRCs) to support those who pose a low to medium risk.

TR has presented a challenge to the voluntary sector in access to funding via contracts or grants from CRCs and the NPS to support offenders and their families.³ This has led to a need to continue access to funding from charitable funds and trusts, including the Big Lottery, for both core services and to supplement funding from CRCs, the NPS and other sources. There have been some instances where voluntary sector support for people preparing for release



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or being released from prison under supervision has been thought of as a 'statutory service' rather than a voluntary sector activity. Our members have brought to our attention instances where charitable funders have raised concerns about the similarity between some voluntary sector services and the statutory responsibilities of prison and probation services. However, many of these services are needed and address real demand; this may unnecessarily restrict the Big Lottery Fund from being able to provide these services with funding under current rules.

Clinks recommends that the Big Lottery Fund publishes a clear statement on funding services deemed to be a statutory responsibility. In setting new priorities and funding programmes, we recommend the Fund reflects on the changing nature and often gap between the policy intention of recent changes to public services and the levels of need in local communities – which may be best met by voluntary sector organisations.

With regards to specific policy directions, Clinks' suggestions are shown in the table starting on page 4.

Section or direction	What else should the Fund be doing?	Why?
<p>1A1</p> <p>1. In determining the persons to whom, the purposes for which, and the conditions subject to which it distributes, under section 25(1), United Kingdom expenditure (through its "UK Funding Portfolio") and English devolved expenditure, the Fund shall take into account the following matters.</p> <p>A. As required of other England and UK-wide Lottery distributors, under directions given separately to those distributors, the need:</p> <p>1. To involve the public and local communities in making policies and setting priorities.</p>	<p>We suggest changing the text to "to involve the public, local communities and civil society organisations who support them in making policies and setting priorities. In doing so, the Fund should ensure that the most disadvantaged or marginalised people in the community are given opportunities for their views and needs to be considered".</p>	<p>To support the development of needs-led and responsive policy directions, the Fund should be conscious of the lack of engagement and involvement of many of its intended beneficiaries. It is therefore important that efforts are made to engage with those most distanced from traditional services and forms of user involvement. There is value in consulting local voluntary organisations providing services to people experiencing particular disadvantage. Additionally, the Big Lottery Fund may benefit from engaging organisations with expertise in supporting and representing the voices of specific groups and/or marginalised people.</p>
<p>1A2</p> <p>2. To ensure money is distributed for projects which promote public and social benefit and are not intended primarily for private gain.</p>	<p>We suggest changing the text to read "to ensure money is distributed for projects which promote public and social benefit and are not intended in any way for private gain".</p>	<p>We do not believe that the current phrase "primarily for private gain" excludes any potential for private gain. This should be avoided wherever possible, and so we recommend strengthening this language.</p>
<p>1B3</p> <p>B. As required of other England and UK-wide Lottery distributors, under directions given separately to those distributors, the desirability of:</p> <p>3. Requiring an element of partnership funding, or contributions in kind from other sources, to the extent that this is reasonable to achieve for different kinds of applicants in particular areas.</p>	<p>The fund should be conscious of the potential impact of the UK's withdrawal from the EU in terms of loss of potential sources from which to match/provide in-kind support. The Fund should liaise with other funders and consider a cross-sectoral response to how in-kind or matched contribution will be required in the future with a potentially diminished range and level of funding.</p>	<p>The consultation paper states that the Big Lottery Fund is the "single largest funder of the VCSE across the UK". Requiring partnership funding or contributions from other sources may put a disproportionate strain on the voluntary sector in the context of changes to funding and could lead to some organisations not being able to bid for funding due to lack of available funding to use as a matched contribution.</p>

Section or direction	What else should the Fund be doing?	Why?
<p>1C</p> <p>C. The need to take into account the following principles:</p> <p>Variety and innovation Distributing funds to a wide spread of projects, primarily those delivered by civil society organisations, in particular small and medium sized charities, or the organisations that support them, backing new and innovative approaches and organisations, as well as tried and tested models.</p> <p>Local engagement Engaging people and local civil society organisations in how funding is used in their communities, enabling and catalysing local partnerships and collaborations between communities, public, private and civil society organisations.</p> <p>Long term benefit Improving the life chances and opportunities of communities and the most vulnerable in society by tackling disadvantage and inequality, promoting social inclusion, and focusing on sustainable benefit for the communities supported through funding.</p> <p>Outcomes and impact Delivering measurable outcomes and impact of funding, sharing data, evidence and learning on what works to help the development of policy and practice beyond the Fund's own activities.</p> <p>Additionality and complementarity Ensuring that the development of programmes and funding of projects is additional to and distinct from government funding, while complementing and adding value to it in areas of mutual policy interest.</p>	<p>In the principles to be taken into account we suggest the following considerations:</p> <p>a. Local engagement: If expertise on a certain topic or in working with a particular group of people does not exist in a local area there may be benefit in bringing in specialist voluntary organisations from outside the area to help develop programmes for local delivery.</p> <p>b. Long-term benefit: We would suggest further consideration be given to the use of the term "sustainable benefit" – as sustainability can be achieved in a variety of ways. It may be of benefit to use sustainable, scalable or replicable benefit".</p> <p>We would also suggest that the following principle is added:</p> <p>c. Responsiveness: Being mindful of the social, economic and political context in which funding is provided and the impact of change on levels of need. This should apply both for local areas and for programmes which will aim to benefit a particular cohort of people.</p>	<p>a. The principle, or its interpretation, should not result in limiting engagement or encouragement of partnerships involving a wider range of voluntary organisations than currently offer support in a geographical area. There may be organisations with specific expertise that could support the development of programmes focused on specific groups of people or types of need. It would be useful to engage with these organisations in the development phase of programmes.</p> <p>b. Sustainability can be poorly understood as a measure and subjectively applied. It is important that consideration is given to other factors which could help the benefit be felt in the longer term – including the replicability or scalability of services which might reach a wider group of people geographically or be applied within a given area to different service areas and cohorts, but not sustainable with the original cohort/area.</p> <p>c. Clinks works with a specialist sector particularly affected currently by political and economic changes in supporting people in the Criminal Justice System. Changes such as those to probation and forthcoming changes to the prison service, general changes in charitable giving from individuals, foundations and trusts, as well as public spending cuts, have changed the nature of needs and the context in which criminal justice organisations operate. As a key funder of the voluntary sector, we recommend the Fund be conscious of the wider policy, social and economic context and how that might impact on the need which the Fund's programmes could support or might need to respond to.</p>



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Section or direction	What else should the Fund be doing?	Why?
<p>2A</p> <p>2. In exercising any of its functions in relation to United Kingdom expenditure through its UK Funding Portfolio, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which, and the conditions subject to which the fund distributes its money under Section 25(1).</p> <p>A. In common with other UK-wide Lottery distributors, the desirability of ensuring equality of opportunity and that all areas of the United Kingdom have access to the money distributed.</p>	<p>We recommend that specific focus be given in ensuring equality of opportunity to understanding the potential impact of the UK's withdrawal from the EU and the impact on regions and localities. Big Lottery Fund programme development should have a test which ensures consideration has been given to whether there is a current reliance on EU funding which may not be replaced from alternative sources.</p>	<p>The potential financial impact on the voluntary sector and on local communities from the UK's withdrawal from the EU is as yet unknown and should be closely monitored and considered.</p>
<p>2B</p> <p>B. The desirability of funding innovative pilots and projects that will inform the Fund's practice across the UK, ensuring benefit to all countries even where the initial funding is not distributed UK-wide.</p>	<p>We suggest changing "funding innovative pilots and projects that will inform the Fund's practice across the UK" to "funding innovative pilots and projects, and helping to scale and or replicate existing good practice across the UK".</p>	<p>Alongside supporting innovative pilots and projects, we believe the Big Lottery Fund can play an important role in helping to scale and replicate existing good practice – such as through the current Realising Ambition programme.</p> <p>There are many examples of established, small-scale social interventions that are successful, but in the current climate they often find it difficult to attract funding to expand their reach and impact, or to support replication in other areas.</p> <p>Whereas some programmes currently encourage and allow replication, this should be considered broadly across the Big Lottery Fund's work.</p> <p>This is especially useful in the context of greater localism and autonomy and with increasing devolution, which creates a different context for the development of projects and services in different areas. In this situation, more support may be needed to disseminate learning and encourage replication.</p>



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<p>2B</p> <p>B. The desirability of funding innovative pilots and projects that will inform the Fund's practice across the UK, ensuring benefit to all countries even where the initial funding is not distributed UK-wide.</p>	<p>After "innovative pilots and projects", we suggest adding "and the organisations that support them".</p>	<p>Alongside distributing money to projects that benefit local people and local communities, the Big Lottery Fund has a role to play in ensuring those projects are well-supported by the wider voluntary sector, including by infrastructure organisations.</p>
<p>3C2</p> <p>3. In exercising any of its functions in relation to English and Isle of Man devolved expenditure, the Fund shall take into account the following matters in determining the persons to whom, the purposes for which and the conditions subject to which the Fund distributes money:</p> <p>C. The need to ensure that the distribution of money addresses one or more of the following priorities:</p> <p>2. Supporting and strengthening volunteering, social action and community action, with a particular focus on engaging young people in this activity to give them opportunities to develop vital skills for life and work.</p>	<p>We suggest changing the text to read "with a particular focus on engaging young people and those distanced from the labour market".</p> <p>We also suggest that the terms "volunteering", "social action" and "community action" be specifically defined.</p>	<p>In addition to supporting younger people for future life and work there is benefit in the Fund considering how programmes can support people of working age who are out of work, especially those with multiple needs, through access to volunteering, social action and community action.</p> <p>There is potential for subjective interpretation of the aforementioned terms and there would be benefit in having clear definitions from the Fund. This would be of specific benefit to voluntary organisations who aim to offer services which also offer volunteering opportunities. We have heard concerns from members that volunteer-involving programmes are not always well understood by a range of funders, especially the costs associated with good volunteer recruitment and management.</p>
<p>3C3</p> <p>3. Supporting communities to become stronger, more resilient and safer; including by promoting fundamental British values that support integration and unite communities, helping them become more cohesive, inclusive and tolerant.</p>	<p>We suggest amending the language to read "supporting communities to become stronger, more resilient and safer; celebrating diversity".</p>	<p>The specific mention of promoting British values in this particular section without reference to diversity should be avoided. The Big Lottery Fund should ensure it is encouraging programmes and activities which seek to work specifically with Black, Asian and minority ethnic communities facing exclusion and disadvantage.</p>



Section or direction	What else should the Fund be doing?	Why?
<p>3C4</p> <p>4. Enabling communities to improve their health, education and environmental outcomes and multiple benefits across these areas.</p>	<p>We suggest expanding this point to cover other important areas of social policy, for instance:</p> <p>“Enabling individuals and communities to improve their health, housing, social, educational and environmental outcomes, recognising that many individuals will have overlapping multiple needs which require specialist support.”</p>	<p>As currently expressed, the scope implied here would exclude projects addressing critical outcomes such as housing, and rehabilitation for people in contact with the Criminal Justice System. We also think that it is important to make reference to the multiple needs that many individuals face and which current Big Lottery Fund programmes are seeking to address.</p>
<p>3C7</p> <p>7. Supporting and strengthening organisational infrastructure, capability and provision, particularly the youth sector.</p>	<p>We suggest changing “particularly the youth sector” to “across all relevant areas of policy, including the youth sector”.</p>	<p>While supporting young people is a vital part of the Big Lottery Fund’s work, the need for strong organisational infrastructure, capability and provision spans all age groups.</p>
<p>3E</p> <p>E. The need to collaborate, partner and match-fund with other social sector funders, private, public and civil society organisations in order to increase the scale and scope of public and social benefit achieved.</p>	<p>We suggest amending the language to read “partner and match-fund in cash or kind with other social sector funders”.</p> <p>We suggest adding: “This includes helping to scale and replicate initiatives supported by other funders.”</p>	<p>It is important to be clear that in-kind contributions can be utilised from other funders – including using learning from another funder’s programmes to sustain or scale a project with the Big Lottery Fund’s support. There are also a number of social sector funders who provide non-cash support, either exclusively or in addition to funding, which could be regarded as a contribution which would add value to a Big Lottery Fund project.</p> <p>The Big Lottery Fund’s resources and national reach mean it is well-placed to help develop pilot or small-scale projects that have been supported by other funders.</p>

Is there any part of these directions that is not immediately clear or that you do not understand, either in terms of the language used or the intent behind the direction?

Section or direction	What is not immediately clear?	Why? How could it be improved?
<p>3A</p> <p>A. The need to operate within the Big Society policy context in England, adding value where appropriate to the aim of creating a fairer, freer and more responsible society where everyone has a part to play in improving their community and helping one another.</p>	<p>The reference to the "Big Society policy context" here could cause some confusion, particularly in the voluntary sector.</p>	<p>The "Big Society" is closely associated with the work of the 2010-15 coalition Government. It might be more helpful to refer to current Government strategy, such as recent discussions about social justice.</p>
<p>3C2</p> <p>2. Supporting and strengthening volunteering, social action and community action, with a particular focus on engaging young people in this activity to give them opportunities to develop vital skills for life and work.</p>	<p>This section refers to "volunteering, social action and community action". It does not however state whether these terms are interchangeable or different and provides no definition.</p>	<p>The Big Lottery Fund could clarify its definition and meaning of each term. If there is no difference intended then the Fund should consider whether it needs to use all three. This will help potential applicants to understand the terms and how they apply to their own work.</p>

In conclusion, is there anything else you wish to say about these policy directions?

Organisations working in criminal justice

Clinks supports voluntary organisations working with people in in the Criminal Justice System and their families in England and Wales. They do this in a range of ways, including through provision of specialist services and support, and supporting people in prison, on release and in the community. We especially focus on small- and medium-sized organisations.

Responding to challenges

We are responding to this consultation on Big Lottery Fund priorities at a particular time of challenge for the voluntary sector working in criminal justice. The sector has experienced unprecedented change presenting a number of challenges in recent years. Our annual *State of the sector* report⁴ has consistently painted a picture of a diverse, resilient, creative, and inspirational voluntary sector that works hard to support people to desist from crime.⁵

The voluntary sector working in the Criminal Justice System has had to adapt to a great deal of change in policy and in the needs of their service users. It is having to plan around more change in the future; think about fundraising in a changing climate; stay true to its



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mission; and maintain quality staff and volunteers who make the work possible. The last year has not been without its challenges, but the voluntary sector is responding to them.

Voluntary sector organisations tell Clinks they are working under increasing pressure to meet a complex range and rising level of need among their service users. Demand for services is high, the range of assistance people need is diverse, and the routes towards desistance from crime remain complex and require a person-centred and flexible package of support.

Many organisations are increasing their partnership work to address increasingly complex needs, and are developing new services and approaches. But they tell us this is challenging. For example, the sector has raised concerns that it is often unable to focus on its core purpose. It is also spending far more time on fundraising than ever before, which for smaller organisations might mean that frontline staff have less time to deliver vital services.

Getting the right staff and volunteers, skilling them up and then retaining them is crucial to developing a healthy voluntary sector. The sector has reported a mixed picture of stability, growth and decline; some organisations are having to make redundancies and others are taking on new staff.

Volunteers remain a consistent feature in the workforce. However, pressure on staff in other areas can make the training and retention of volunteers more challenging than ever.

Worryingly, organisations are telling Clinks they are concerned that they will not have sufficient resources to operate for another whole year. This is particularly concerning given the pace and scale of change in the Criminal Justice System, especially in our prisons, ongoing changes to probation, and anticipated changes to youth justice. This level of change can distract organisations from delivering support to their service users, because they have to instead spend time on understanding the changing landscape around them. As a sector we must try to protect vulnerable service users from any negative experiences associated with these changes.

At a time like this we believe that the voluntary sector, and other partners in the Criminal Justice System, must look to increase genuine service user involvement. The voluntary sector has led the way in developing service user involvement in the design, delivery and management of services – but more could be done.

Despite the challenges, the voluntary sector remains focused on delivering creative solutions and responding to changing need, developing new services where possible. Clinks remains focussed on supporting the sector in the years ahead in what looks to be another period of considerable change.

The voluntary sector in criminal justice in 2016 – a snapshot from the 'State of the sector' 2016 survey⁶

- The majority of organisations work either locally or regionally rather than nationally. The majority of organisations are small and employ fewer than 50 members of staff.
- 71% of organisations told us that the variety of their clients' needs has changed in the last financial year, while 55% told us that the severity of their needs has increased.
- A small minority of organisations (3%) told us that they have not facilitated any service user involvement in the last financial year. On the other hand, 35% of organisations have consulted service users about the design and delivery of services. 31% have recruited service users as staff and/or volunteers, 22% have a service user forum/group/panel/council and 9% told us that they have recruited service users to their board of trustees.



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- 80% of organisations told us that they have spent more time on income generation over the last financial year compared to previous years.
- Increasing time spent on income generation is more likely to have a negative impact on small and medium-sized organisations. 36% of the small organisations that responded to our survey said that the increasing time they spend on funding applications and income generation is having a negative impact on their organisation. This was also true for 35% of medium-sized organisations.
- Given the range of services the voluntary sector delivers, it is unsurprising that organisations continue to receive funding from a range of sources, including the statutory, voluntary and private sector.
- Organisations that receive statutory funding are more likely to report that it is from a local source, indicating that many voluntary sector organisations provide support to local communities.
- Grant funding continues to be important with 98% of organisations receiving grants.
- Organisations are also reliant on contracts as 77% of organisations are funded this way. Organisations are unlikely to achieve "full cost recovery" on the contracts they deliver though – only 11% of organisations reported achieving "full cost recovery".

Supporting equalities groups

The Big Lottery Fund should be mindful of the impact on inequalities its programmes can have. Many equality and minority groups are overrepresented in the Criminal Justice System and a large proportion of those in the system face some form of discrimination or disadvantage because of being from an equality and/or minority group. The overrepresentation of young Black and/or Muslim men in the justice system highlights this. There is also a need for the Criminal Justice System to develop a more gender-specific approach that meets the different needs of women. In both these aspects, as well as across the range of inequalities people can experience, the Big Lottery Fund's future direction can have a positive impact.

The Big Lottery Fund should also be aware in its programme development of the range of ways in which people's needs might be best met. Through its programmes it should encourage a diverse range of interventions rather than seek to be prescriptive. In a criminal justice setting this must include diverse approaches, including for example the arts as a transformative force for change.

Clinks has welcomed the opportunity to contribute to this consultation. The Big Lottery Fund is an important part of the funding landscape for voluntary organisations working in criminal justice. This is also a time when the sector has already experienced significant changes to policy direction, which is likely to have a significant impact on Clinks' members, presenting both challenges and opportunities.

We would be very happy to contribute further to this process in any way we can, including facilitating contact with our members.



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Notes

1. Cabinet Office. 2016. *Consultation on new policy directions for the Big Lottery Fund: distribution of National Lottery money in England and UK-wide funding programmes*. Online at: www.gov.uk/government/uploads/system/uploads/attachment_data/file/524816/blf_pd_consultation.pdf (Last accessed 29 August 2016)
2. Big Lottery Fund. 2015. *Annual Report 2014 to 2015*. Online at: www.gov.uk/government/publications/big-lottery-fund-annual-report-2014-to-2015 (Last accessed 29 August 2016)
3. TrackTR, Clinks, National Council for Voluntary Organisation and Third Sector Research Centre. 2016. *Change and challenge: the voluntary sector's role in Transforming Rehabilitation*. Online at: www.clinks.org/resources-reports/change-challenge-voluntary-sector-role-transforming-rehabilitation (Last accessed 29 August 2016)
4. Clinks. 2016. *The State of the sector: key trends for voluntary sector organisations working with offenders and their families*. Online at: www.clinks.org/eco-downturn (Last accessed 29 August 2016)
5. Desistance theory emphasises the need for a holistic, flexible and person-centred approach to supporting people who have offended and who wish to stop; an approach the voluntary sector has successfully developed and promoted.
6. Ibid



Clinks supports, represents and campaigns for the voluntary sector working with offenders. Clinks aims to ensure the sector and all those with whom they work, are informed and engaged in order to transform the lives of offenders.

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