2015

supporting voluntary organisations that work with offenders and their families

The state of the sector

Key trends for voluntary sector organisations working with offenders and their families

centre for economic & social Inclusion

Written by Nicola Drinkwater, Policy Officer, Clinks.

Acknowledgements

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2015

The state of the sector

Key trends for voluntary sector organisations working with offenders and their families

Foreword

This report offers us valuable insight into the voluntary sector working in criminal justice.

It gives us an opportunity to check how the delivery of services to some of society's most marginalised people is faring amidst new policies and financial arrangements. It allows us to understand the environment that many voluntary sector organisations are working in. In turn we can explore the sustainability of important services, and realise the experiences of service users and their families.

We have the Centre for Economic and Social Inclusion to thank for providing their expert advice and guidance on how we collected and reported the data. Although reports of this nature will always raise questions about the sample size and methodology, this should not detract from the story that has consistently been relayed.

The tension between increasing demand for services and decreasing access to funding continues to erode the sector's ability to provide quality at the required scale. The reality of this situation needs to be acknowledged; otherwise it will become too burdensome for staff and the communities they work in. Commissioners can play a key role in addressing this by ensuring that the procurement process is an efficient and accessible one, which does not itself become a drain on resources that diminish rather than enhance delivery. They should urgently act to engage the sector more to overcome the strain on resources.

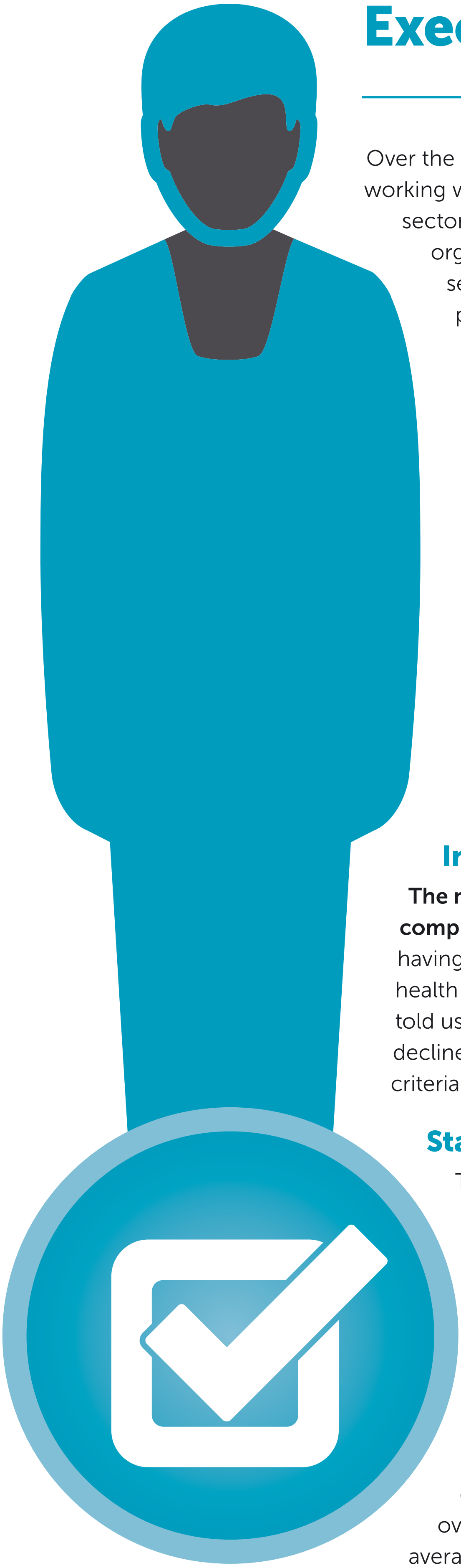
Initiatives such as Payment by Results (PbR) remain relatively limited, but they take up a large amount of policy rhetoric and staff time; and create an unwelcome uncertainty. Clarity is needed about the future role of this funding mechanism including where it is appropriate to implement. Ways to limit the potential risks incurred through PbR should be clearly articulated and its usefulness, in terms of driving up performance, needs to be more robustly demonstrated.

The role of volunteers is increasingly essential. This evidence is important, and should make us ask how the Criminal Justice System (CJS) can reduce systematic delays and inconsistencies in security clearances for volunteers. We remain concerned about the barriers put in front of people with lived experience, who want to contribute to rehabilitation and resettlement. This process remains unclear despite the high level of endorsement for the work. Reforming the way we involve all volunteers would be a relatively low cost way of increasing resources and civic engagement across our CJS.

The information contained in this report assists our understanding of how the voluntary sector can continue to deliver its essential mission. We need to remain vigilant, to observe the changing nature of the voluntary sector, to capture the impact of policy change and the financial climate, to assess where change needs to be made, to predict and counteract any negative impacts on service users and their families.

We will continue to track the experience of the voluntary sector working in criminal justice and will be launching our next survey in the spring of 2015.

Clive Martin
Director, Clinks



Executive summary

Over the last four years, Clinks has surveyed voluntary sector organisations working with offenders and their families to explore how healthy the sector is, the wellbeing of service users and to determine whether organisations are experiencing any new or existing challenges. As the sector is increasingly required to navigate a complex and shifting policy and commissioning environment, collecting this information is more important than ever, as it helps inform the support we give to our members, enabling them to continue their vital work.

For this survey we worked with the Centre for Economic and Social Inclusion (CESI) to support us with the survey questions and data analysis.

What did we find?

The voluntary sector provides a diverse range of services, over a wide geographical area, designed to meet the needs of many different groups. Respondents ranged from small community based organisations that are completely volunteer led, to those with 2,000 members of staff. The majority of respondents were from small (under 10 staff) and medium (11-50 staff) sized organisations.

Impact on service users

The needs of service users are increasing and becoming more complex. Policy changes, including welfare reforms were reported as having a negative impact on service users' financial stability, mental health and ability to access appropriate accommodation. Respondents told us that as the number of organisations providing services has declined, many existing organisations have tightened their assessment criteria, further reducing the support available to service users.

Staff and volunteers

The knowledge, skills and health of staff is crucial for the sector working to support offenders and their families. However, the survey found that **the majority of the sector is having to make redundancies,** with 50 organisations expecting to make 131 redundancies in the current financial year.

Volunteers are vital for the sector, and volunteer recruitment is increasing. Volunteering is a key way through which local communities can engage with and support the sector working with offenders and their families. 50% (n=30) of organisations told us that they had recruited more volunteers over the last three financial years, and organisations now, on average, have 1.7 volunteers for every member of paid staff.

Funding

Many organisations are relying on their reserves, putting them at risk of closure. Clinks found that 69% (n=23) of organisations report that they would use all of their reserves in a year or less if they continue using them at current levels. When analysing this data by size of organisation, we found that this was particularly the case for small organisations (89%).

Organisations are spending more time on funding applications, with 100% of organisations reporting this to be the case. This often means that resources are diverted away from frontline services, ultimately impacting on service users.

Due to the complex and fluid commissioning environment, we found that **whilst needing to close or reduce the capacity of services, organisations have also been able to open new services.** 79% (n=61) of organisations were able to open new services over the last three financial years, whilst a total of 60% (n=49) report that they had to close or reduce the capacity of services. Medium sized organisations were most likely to have closed or reduced the capacity of their services, with 62% reporting this was the case.[1]

The voluntary sector is supported by a very mixed funding portfolio:

- 43% (n=18) of organisations report that they receive 50-100% of their income from grant funding
- 32% (n=12) receive this proportion of their funding through contracts
- 75% (n=27) of organisations receive funding from statutory and/or public bodies and of these, 77% (n=23) receive local funding, with 42% (n=14) reporting this accounts for between 75% and 100% of their total funding
- On average, organisations only receive 1.25% of their funding through public giving.

> *“We’re very proud of what we’ve achieved but we’ve been very frustrated by the lack of funding. The lack of funding remains a constant challenge at the moment.”*

Contracts

Winning new contacts remains challenging for the sector, and **the majority of organisations only sometimes or never achieve full cost recovery on the contracts they deliver.** Indeed, 95% of medium organisations reported this to be the case.

79% (n= 45) of organisations are bidding for new contracts, yet 39% (n=26) report they are not successful in winning them. When analysing this by size, we found that **small and medium organisations are least likely to win new contracts.**

We found that organisations are increasingly delivering contracts as part of a consortium, as many contracts increase in size. When delivering contracts, 26% (n=17) are delivering them as part of a consortium and 26% (n=18) are subcontracted.

> *“It’s a really difficult time and it’s highly competitive with less money around. We have been fortunate that big funders have supported us.”*

Payment by Results (PbR)

The survey shows that **some organisations struggle to deliver services on a Payment by Results (PbR) basis.** In fact, only 27% (n=14) of respondents told us they are delivering services on a PbR basis.

Although Clinks recommends that organisations receive an upfront payment from the lead contractor before results are achieved, the results show that only 14% (n=3) of organisations reported having this. The majority 39% (n=10) of organisations, said they used their reserves to set up and finance running costs before any additional payments (based on PbR) were received, whilst 29% (n=7) cross-subsidised the funds from other work.

Transforming Rehabilitation

It remains unclear what impact the Transforming Rehabilitation (TR) programme will have on the voluntary sector but it is taking up a lot of the sector’s time and resource. Organisations told us that the ‘goalposts’ were frequently changing. It has been challenging to remain informed about where possible opportunities for the voluntary sector exist. However, the majority (61%, n=23) of organisations told us that they are still considering delivering services as part of the TR programme.

Introduction

About the survey

The voluntary sector provides a vast range of successful interventions with offenders, both in and outside prison, and has done so for over a century. These interventions compliment statutory services, but are distinct from them; often acting as a safety net for someone when things go wrong or joining up fragmented services.

For the last four years, Clinks has surveyed voluntary sector organisations who work with offenders and their families to collect information about how healthy the sector is, whether there are existing or emerging challenges, the impact of recent commissioning and policy changes, and the wellbeing of service users.

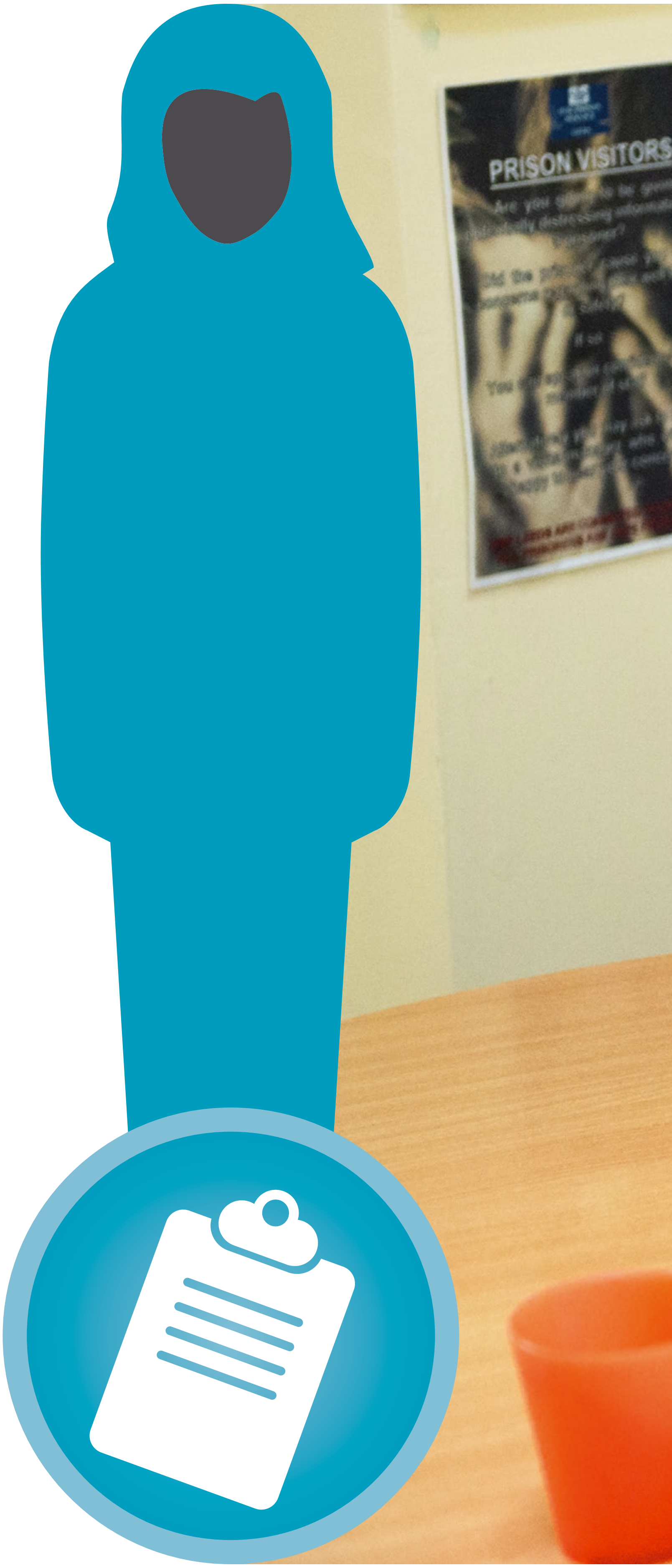
Clinks has over 600 members, including the sector's largest providers as well as its smallest, and our national network reaches 4,000 voluntary sector contacts. Overall, through our weekly e-bulletin Light Lunch and our social media activity, we are in contact with over 12,000 individuals and agencies with an interest in the Criminal Justice System (CJS) and the role of the voluntary sector in the resettlement and rehabilitation of offenders.

We rely on having this up to date information to advocate on behalf of the sector and inform the support we provide to our members, enabling them to continue their vital work.

This report gives the findings from our most recent survey that we launched online in September 2014.[2]

The Centre for Economic and Social Inclusion (CESI) supported Clinks to develop the survey questions and analyse the data, to ensure it is as representative as possible of the voluntary sector working with offenders and their families. To do this, we opted to weight[3] the data using the National Survey of Charities and Social Enterprises (NSCSE).[4] This has allowed us to more accurately reflect the issues affecting the sector, and create a more robust evidence-base to inform our work.

In order to add to the quantitative data we captured through our survey, CESI also carried out interviews with six voluntary sector organisations that did not fill out the survey, which has enabled us to add more



depth to the report. The organisations were selected to fill in the gaps where organisations were under-represented, as demonstrated after CESI weighted the data and compared respondent characteristics to the NSCSE.[5]

Notes on the data

We included three additional questions in the survey which allowed CESI to weight the data. Organisations needed to fill out these questions in full to ensure their responses could be weighted and used at the data analysis stage. This meant that although a total of 107 organisations filled out the survey, only 62 responses[6] were usable. As is common with surveys, the response rate for each question differed. Some questions had a particularly low response rate, which means that for these questions it is not possible to draw sector-wide conclusions. This is indicated in the text, where relevant.

Profile of respondents

A total of 62 organisations provided usable responses to the survey, which were then weighted to better represent the voluntary sector in criminal justice.

Nearly half of the organisations are operating at a local level (47%, n=28) and about a third (32%, n=20) are working regionally. Although not directly comparable, this data is consistent with findings from previous Clinks' surveys.

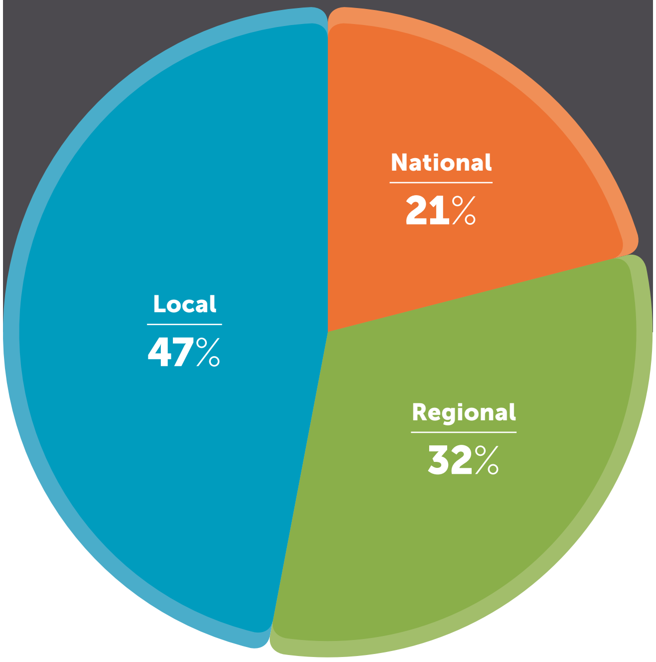
Services are being delivered over a broad geographical area with 15% (n=20) of organisations delivering services in the South West, 13% (n=19) in the West Midlands and 11% (n =16) in the South East. Fewer organisations were delivering services in the North East (8%, n=13), Greater London (7%, n= 12), South Central (6%, n=9) and the East of England (6%, n=11). When answering the question, organisations were able to tick all areas that applied to where they were delivering services.

In addition to this survey Clinks and the Voluntary Organisations' Network North East (VONNE) conducted a survey in 2014 that explored the characteristics and needs of the voluntary sector working with offenders and their families in the North East. The survey achieved a response rate of 54.[7]

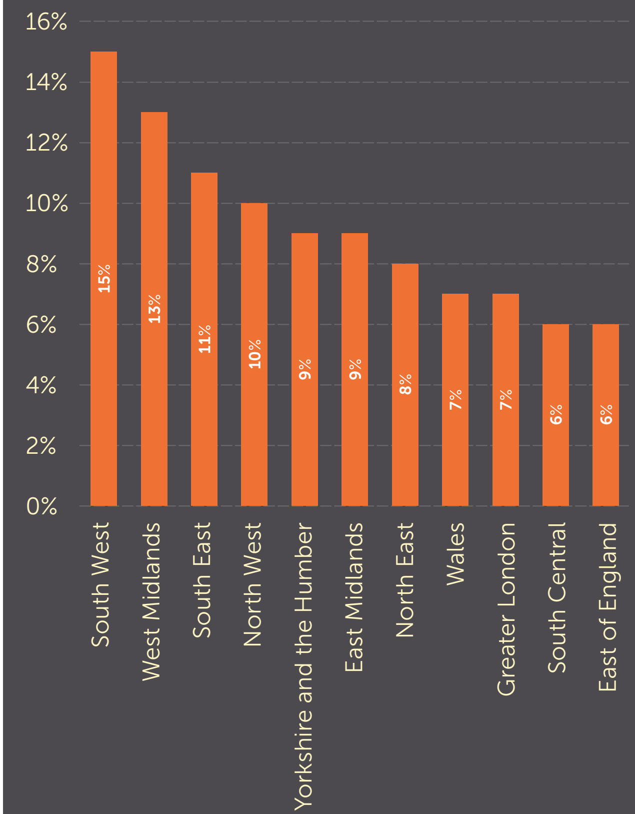
We also conducted a survey, in partnership with the University of South Wales and the Welsh Centre for Crime and Social Justice, of the voluntary sector working in criminal justice in Wales. The survey received a total of 35 responses.[8]

Voluntary sector organisations working with offenders and their families deliver a vast range of services, designed to meet a variety of different needs. Organisations were firstly asked to tick as many responses that were relevant to who they provide services for, and secondly to then select two or three options that represented their main beneficiaries. Of the respondents who filled out the survey; 34% (n=21) say that women are the main beneficiaries of their services; 58% (n=36) of organisations work with people who have mental health needs; 53% (n=33) support people from black, Asian and minority ethnic communities; and 58% (n= 36) work with people who have problematic substance use.

What is the operational footprint of your organisation's delivery?



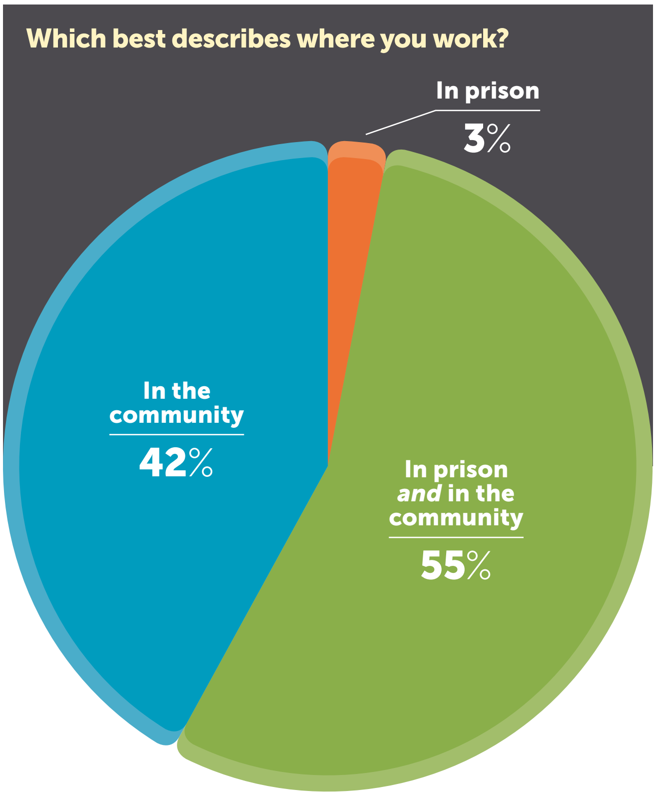
Where do you deliver your services?
(multiple options permitted)

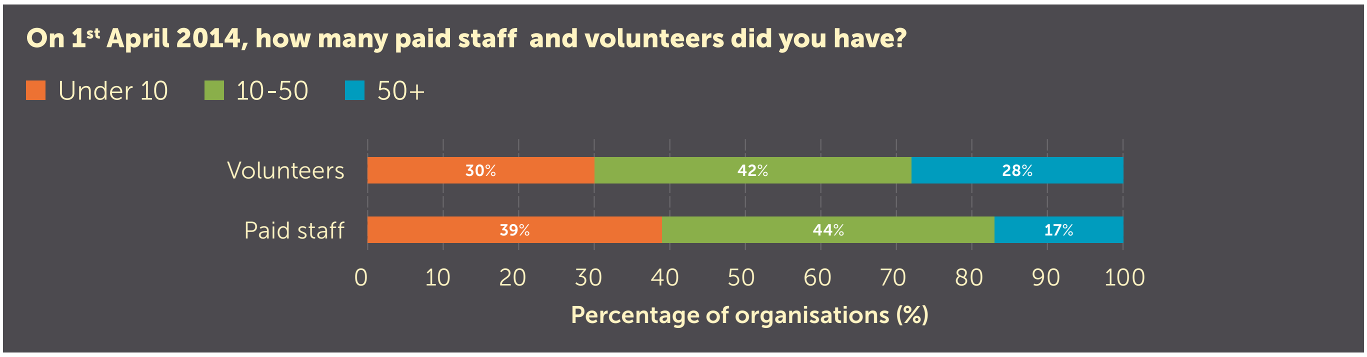


The organisations surveyed deliver a wide range of services, these include:

- 44% (n=27) undertake advocacy, campaigning, representation, or provide information and research
- 58% (n=36) help people to access services or welfare support
- 71% (n=44) provide emotional support, mainly through befriending or mentoring services
- 50% (n=31) work to promote economic wellbeing
- 58% (n=36) deliver training.

When respondents were asked which best describes where they work- in prison, the community, or both- the results showed that the majority 55% (n=31) work in both prison and the community, whilst 42% (n=26) stated that 'in the community' best described their work. In fact, only 3% (n=3) of organisations felt 'in prison' best describes where they delivered their services. This is likely to reflect the fact that many voluntary sector organisations are rooted in local communities and provide support to individuals throughout the criminal justice process – from diversion, to arrest, sentencing, imprisonment, and resettlement.





The majority of respondents, 82% (n= 49) are either small (under 10 staff) or medium sized (11-50 staff) organisations. Many involve volunteers in their work, with 28% (n=14) of respondents having over 50 volunteers, whilst 30% (n=21) have fewer than 10. Interestingly, 50% (n=30) of organisations report that they recruited more volunteers over the last three financial years.

About this report

The organisations featured in this report aim to have a positive impact on their service users, local communities and wider society. They do this by utilising and working with a variety of resources or 'capital'. This 'capital' needs to be maintained and enhanced by voluntary sector organisations if they are to be sustainable, survive, and thrive.

We have chosen to analyse the results using this as a framework because it allows us to represent a broad picture of the issues impacting on the sector, and it has also enabled us to maintain consistency with past Clinks' State of the Sector Surveys.

Clinks' State of the Sector reports analyse the voluntary sector in each of the following areas:

- **Impact capital:** the effect of spending cuts and policy changes on the organisation's service users.
- **Human capital:** the health, knowledge, skills and motivations of an organisation's staff and volunteers.
- **Organisational capital:** the ability of an organisation to focus on their core purpose and maintain their services.
- **Financial capital:** the financial situation of an organisation and the ways in which they are funded.

This is based on work carried out by the 'Forum for the Future'.[9]

At times of changing commissioning and policy environments, such as the Transforming Rehabilitation (TR) programme, organisations need to manage all of these capitals both in the short and long term in order for them to survive.[10] This is a dynamic process through which organisations can begin to achieve a balance between their concerns and activities for their clients, beneficiaries, government, wider society and their staff and trustees.

Findings

Findings
Impact capital

The effect of spending cuts and policy changes on the organisation's clients or beneficiaries.

The needs and welfare of service users should always be at the heart of work undertaken by the voluntary sector. For this reason our survey asked questions about the needs of service users and the effect policy changes have had on them. These have been analysed in the following section.

Key finding

The needs of service users are increasing and becoming more complex.

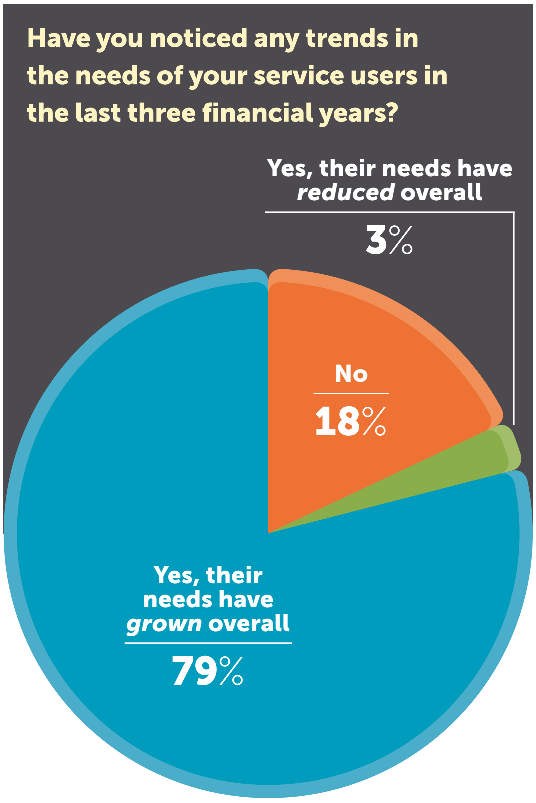
The number of service users seen by organisations has fluctuated slightly for the last three financial years, but the overall numbers remain largely consistent. It was overwhelmingly reported (79%, n=52) that the needs of service users had increased over the last three financial years.

When asked to give examples, one respondent said the following:

> ***"As many third sector agencies have closed, there are less agencies offering support and advice. Other agencies have tightened their criteria as their service has shrunk and women are presenting with more needs that may have been dealt with by other agencies in previous years."***

59% (n=39) of organisations stated that their services have been impacted in other ways, with an example including:

> ***"More women with housing and finance needs due to Welfare Reforms."***



A recent research report by Clinks into the experiences of community based women offender services over an 18 month period, found that austerity measures, in part, were causing 'shockingly desperate times for women.' Services reported that they had seen an increase in women experiencing financial issues, with debts said to be a result of benefit cuts specifically noted as impacting on women. This was often attributed to the closure of services, or increasing thresholds for getting support.[11] The voluntary sector reported experiencing similar issues across a number of services.

> ***"[There is a] lack of available accommodation for offenders as private sector landlords start to cherry pick their tenants."***

A recent survey of organisations working with people experiencing multiple and complex needs,[12] found that 82% of the 144 organisations who responded said that welfare reforms had a negative impact on service users' access to appropriate housing.

> ***"We are seeing increased numbers of clients with complex needs compared to previous years – as additional burdens such as debt, arrears, benefit changes impact upon their mental health."***

The survey was carried out as part of the Voices from the Frontline (VFTF) project[13] and 88% of organisations reported that welfare reforms had a negative impact on people's finances and 73% on service users' access to appropriate food and nutrition.[14]

Findings
Human capital

The health, knowledge, skills and motivations of an organisation's staff and volunteers.

A well supported and professional staff team, alongside well trained and supervised volunteers are crucial if voluntary sector organisations are going to provide a quality service to offenders and their families. We analysed the number of people employed, potential recruitment, number of redundancies being made, and the recruitment of volunteers across the sector.

Voluntary sector organisations range from the very small, community based and volunteer led, to those that work nationally and employ a significant number of staff. Our results reflect this, with one organisation employing no paid members of staff and having 50 volunteers, to one that employs 2,000 paid members of staff and has 50 volunteers. This demonstrates that the sector is diverse and that organisations have very different needs and interests.

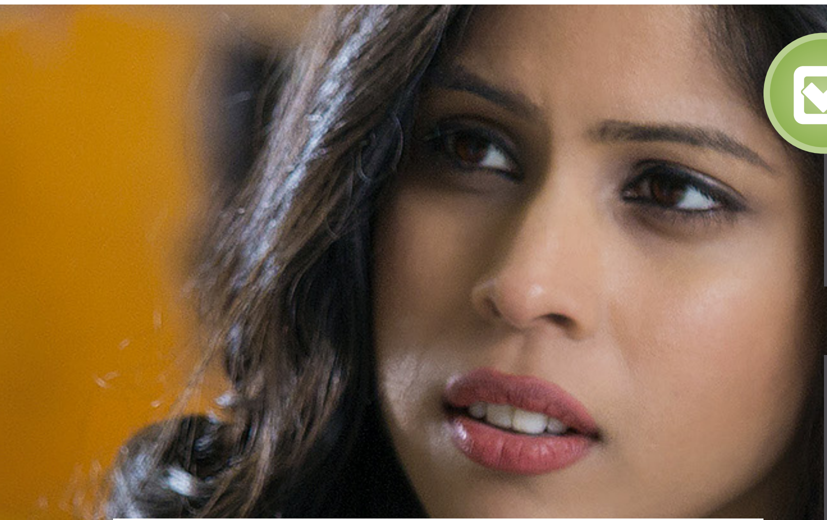
39% (n= 23) of organisations report that they employ a staff team of 10 or under, 44% (n=26) employ between 10-50 staff, whilst 17% (n=10) employ over 50 members of staff. Although not directly comparable, this does support findings from Clinks' previous state of the sector surveys.

The number of redundancies has remained largely consistent, with 38% (n=17) of organisations reporting they have made redundancies in the financial year 2012/13 and 27% (n=14) of organisations expecting to make redundancies in the current financial year. This reflects 131 expected redundancies from 50 organisations for the current financial year. According to the survey there were 390 expected and actual redundancies between April 2012 and March 2015.

When asked about recruiting staff to new posts, the picture has also remained fairly consistent. In the 2014/15 financial year, 26% (n=14) of organisations said that they were not expecting to recruit people to new posts, whilst 69% (n=36) of organisations were intending to recruit fewer than 10 people to new posts.

Key finding

The majority of the sector is having to make redundancies.



Key finding

Volunteers are vital for the sector, and volunteer recruitment is increasing.

What change have you seen over the last three years with volunteer recruitment?

The conflict between high levels of redundancy and recruitment could be explained by an uncertain funding environment, which often leaves gaps in project funding, and requires organisations to make staff redundant. One organisation interviewed explained their experience:

"We did have a gap in funding where one round of funding ended in September 2013 and we couldn't secure anything until the next one was due to start in July 2014, so there was a gap there. Unfortunately staff had to leave. We were trying to sustain them and give them so many hours a week to be able to keep them but that wasn't feasible and I had to lose two good members of staff. We secured the funding again and you have to recruit."

Volunteering is a key way through which local communities can engage with the Criminal Justice System (CJS), and provide local support to offenders and their families. Volunteers are playing an increasing role in service delivery, with some organisations in our survey being completely volunteer led. In contrast another organisation had almost 400 volunteers, supported by a further 850 members of staff. A small number of organisations reported that they had no volunteers. Organisations have a median average of 20 volunteers and 12 members of staff.[15] [16] This represents about 1.7 volunteers for every 1 member of staff.

"I think the whole landscape has shifted. ... It's not just you've got to provide a service for less. You've got to provide a service for people with a higher need for less money."

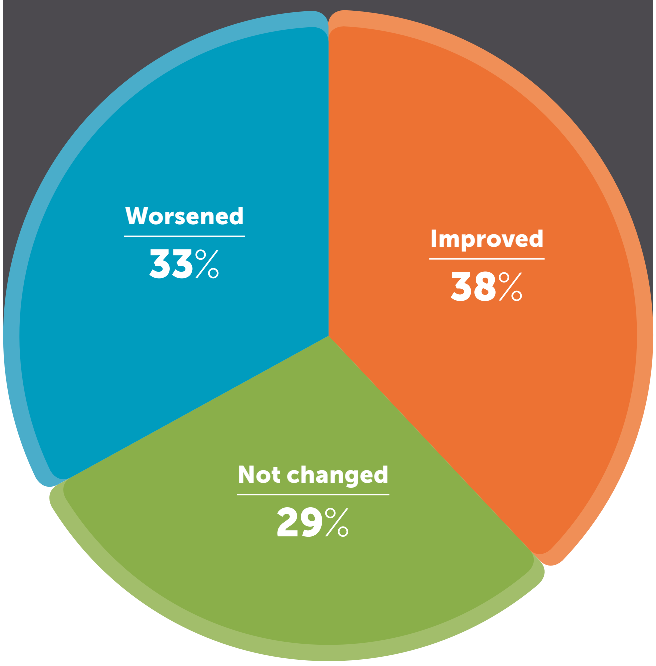
50% (n=30) of organisations report that over the last three financial years they have recruited more volunteers. Taken together with the fact that we are seeing a consistent pattern of redundancies across the sector, as well as an increase in service user need, it may be the case that organisations are increasingly dependent on volunteers to deliver sufficient service within the allocated resources. This is concerning and does question the sustainability of organisations who are being required to operate in this way.

Findings
Organisational capital

The ability of an organisation to focus on their core purpose and maintain their services.

Respondents gave us a mixed picture in terms of their organisational capital. 38% (n=31) of respondents feel that their ability to focus on their core purpose has improved during the last three years, whilst 33% (n=28) feel that this has worsened.

Over the last three years, do you feel your ability to focus on your core purpose has improved, worsened or not changed?



Key finding

Whilst needing to close or reduce the capacity of services, organisations have also been able to open new services.

The majority (52%, n=35) of organisations are expanding their services, whilst 11% (n=9) reported they are at risk of closure. It is important to note that these responses reflect an organisation's prediction for the year ahead, and do not indicate whether funds for service delivery are secured.

76% (n=61) of organisations were able to deliver new services over the last three years. We asked for examples, which include:

> *"Resettlement & Advice services for Probation; services for specific sub-groups of offenders (e.g. women, ex-armed forces personnel and DV [Domestic Violence] Perpetrators)."*

> *"We have been able to create Sports Mentoring Projects and further develop the Education programmes – we have had to expand to survive."*

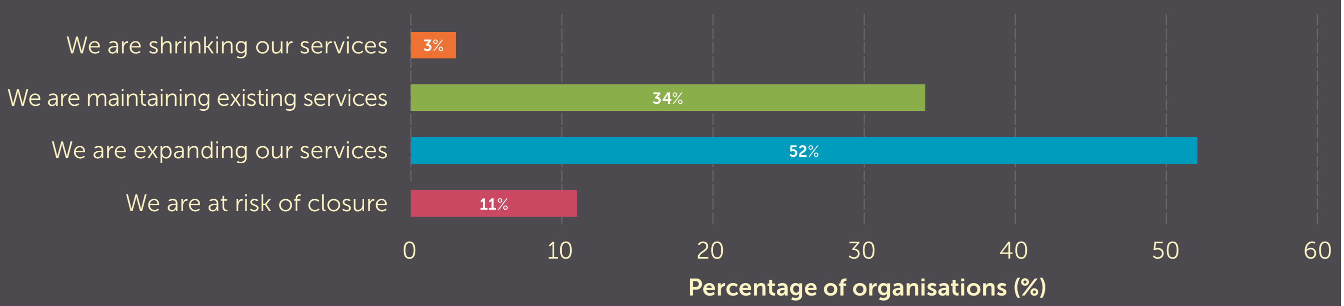
Considering that 33% (n=28) of organisations report that they are struggling to focus on their core purpose, the opening of new services could indicate that organisations are being required to diversify the work they deliver in order to sustain their organisation. This is further supported by the fact that 45% (n=19) of organisations highlight that opportunities for diversifying their income has increased. This may reflect that organisations are accessing new and/or different sources of funding, and could also serve to highlight the fluid and complex funding environment that organisations are operating in.

This could mean that organisations are less reliant on one source of funding. But, this could have some negative implications, as different commissioners or funders are likely to require organisations to report back to them in different ways. This can be particularly arduous for small and medium organisations who are likely to struggle to find resources to do this. Further demonstrating this, one organisation told Clinks that:

> ***"On several occasions I've had a phone call saying 'Right, can you fill out this expression of interest, I need it back by tomorrow afternoon' and it can be a huge piece of work. Everybody has different documentation and paperwork that they use. I think it really discriminates [against] a very small organisation like ourselves - its really put us under a lot of pressure."***

When asked whether they have had to make cuts to their services in the last three years, 24% (n=21) of organisations have had to close services, whilst 36% (n=28) have had to reduce capacity in existing services.

Which of the following statements would best describe your organisation?



“In March our day centre went from 7 day opening to 5 day opening.”

We found that medium sized organisations were slightly more likely than small or large organisations to be making cuts to their services or be reducing their current capacity. 28% (n=23) of all respondents indicated that there were medium sized organisations that had either closed or reduced the capacity of their services.

Proportionally, this relates to 62% of medium sized organisations. 52% of small organisations reported they had to close or reduce services, and 53% of large organisations also had to close or reduce the capacity of their services. It may not be possible to draw sector-wide comparisons with this data due to the low response rate, but it does give us a useful picture of the difficult time that many voluntary sector organisations are experiencing.

This will inevitably have a negative impact on service users’ ability to access services, and may well have an equally detrimental effect on their families and the communities in which they live.

“We have had to drop some prison projects and some community outreach and engagement services.”

It may therefore be the case that organisations have been able to open some services whilst simultaneously closing or reducing the capacity of others. This is also supported by responses to questions regarding staffing levels, as recruiting staff to new positions has remained fairly consistent over the last three financial years, whilst redundancies are still being made across the sector.

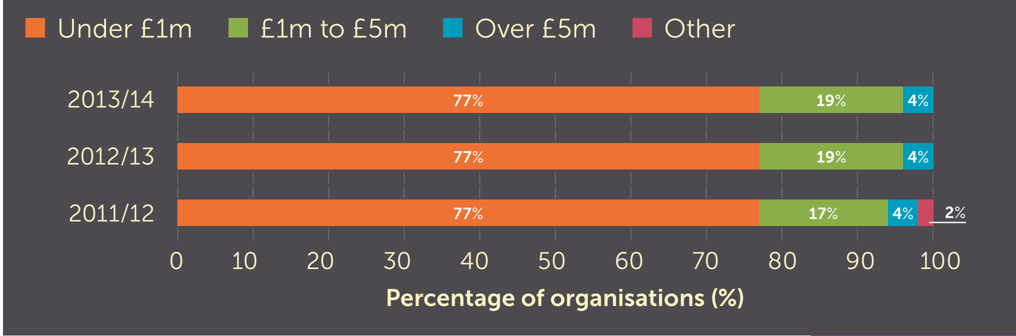
Findings
Financial capital

The financial situation of an organisation and the ways in which they are funded.

In this section we have analysed the different sources of funding that have been accessed, how organisations are using their charitable reserves, and whether or not they are able to deliver contracts that include an element of Payment by Results (PbR).[17]

The total annual turnover for organisations completing the survey for the current financial year is £50.6m.

Annual turnover/income over the last three financial years

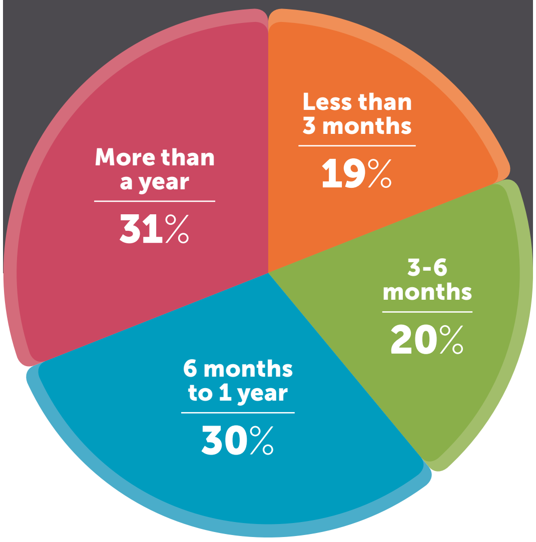


The survey showed that over the last three financial years, there have been few changes to the size of organisations in relation to their annual income. Notably, there remains a consistently small number (4%, n=1) of organisations whose annual turnover is over £5 million. The majority of organisations have an annual turnover of £1 million and under. Indeed, for the financial year 2013/14, 77% (n=29) of organisations had an annual turnover of £1 million and under.

Key finding

Many organisations are relying on their reserves, putting them at risk of closure.

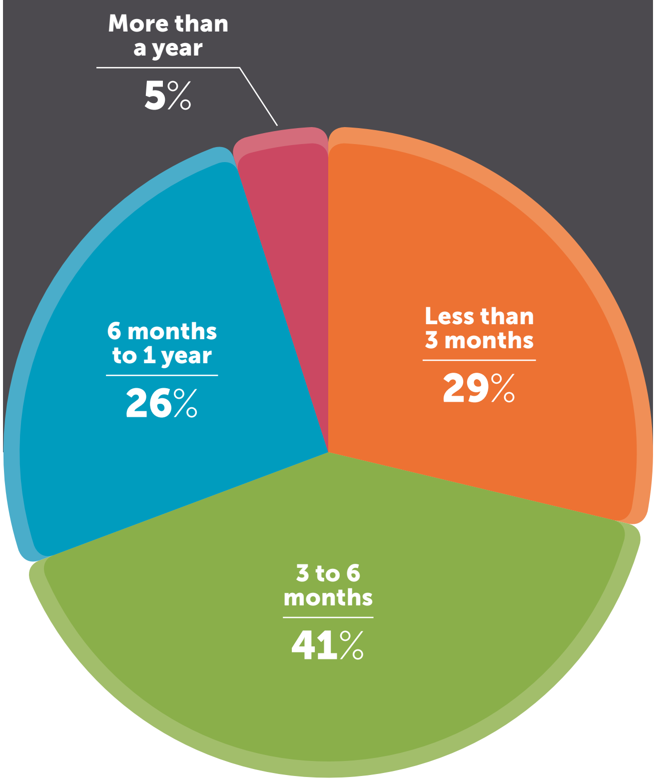
If you continued to use reserves at present levels how long would they take to run out?



69% (n=23) of organisations report that they would use all of their reserves in a year or less, if they continue using them at the current levels. When taking into account the size of the organisation, 89% of small organisations report they would use all of their reserves in a year or less, if they continue using them at the current levels, whilst this is true for 48% of medium and 63% of large organisations.

When asked how long organisations could operate at current capacity on their financial reserves alone, 41% (n=15) could operate for 3 to 6 months and 29% (n=11) could operate for less than 3 months. Indeed, only one organisation said they could operate for more than a year.

How long could you operate at current capacity on your reserves?



Key finding

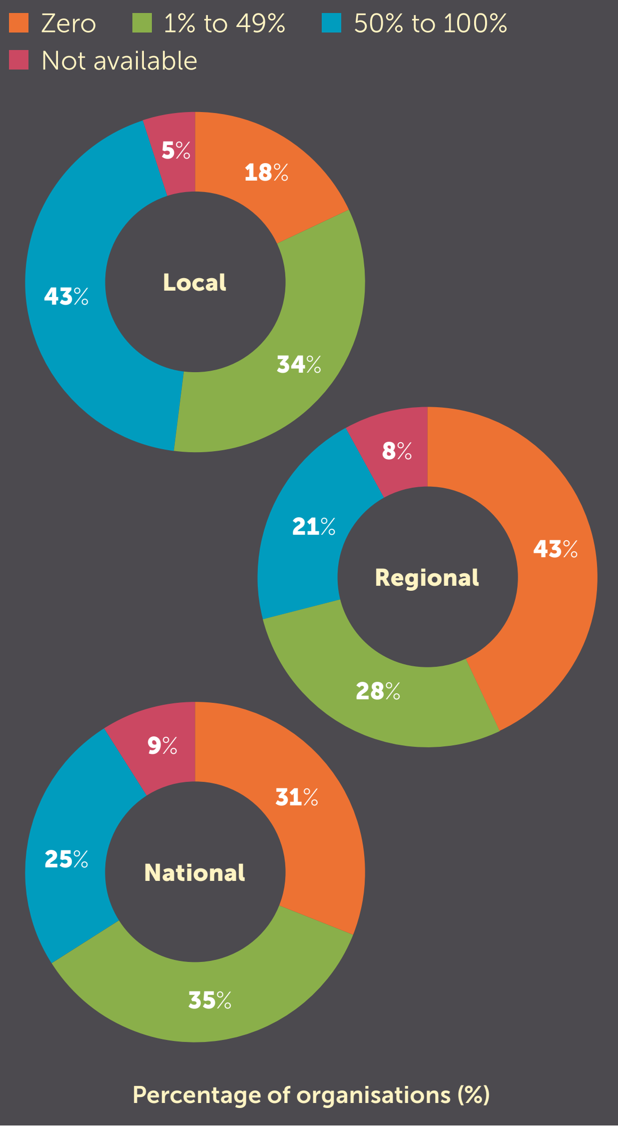
The voluntary sector is supported by a very mixed funding portfolio.

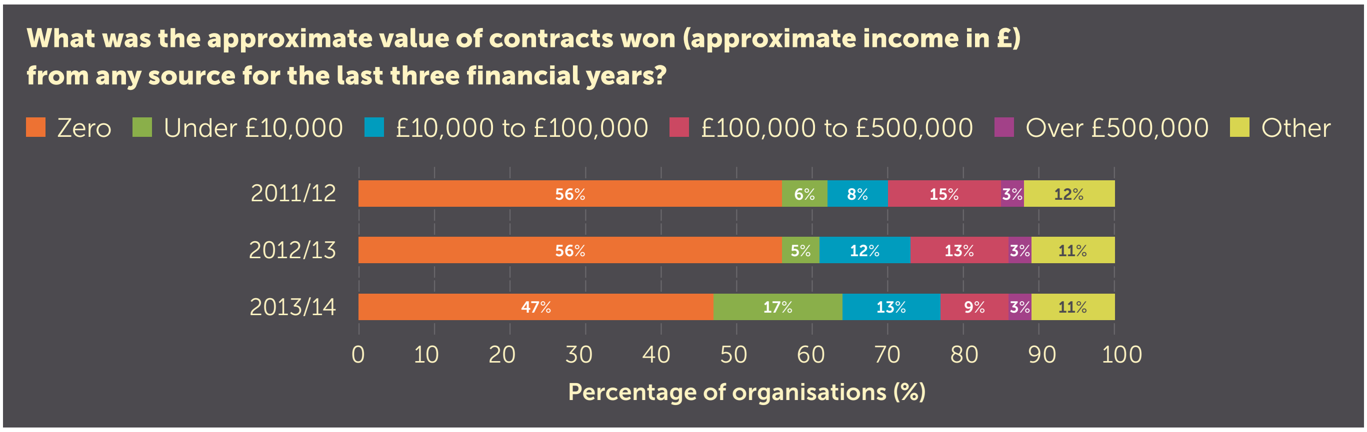
Respondents reported a mixed picture in terms of where they received their funding from for the financial year 2014/15, with 43% (n=18) of organisations receiving 50-100% of their income from grant funding and 32% (n=11) receiving this proportion of their funding through contracts. A similar proportion of organisations, 32% (n=10) report they are receiving no funding from contracts for this financial year.

When asked about the value of contracts, only 3% (n=2) of organisations reported winning contracts of over £500,000, whilst 30% (n=9) of organisations who won contracts said the value of the contracts they received was under £100,000 for this financial year.

There was a notable rise from previous years in organisations receiving contracts under £10,000. In the 2011/12 financial year, 6% (n=2) of organisations had contracts of this value, but this rose to 17% (n=5) of organisations in the financial year 2013/14. Whilst this is a small percentage, it is possible that small funding pots that were previously offered as grant funding, are now being tendered as contracts.[18]

If you receive statutory/public funding, approximately what funding would you say is local, regional or national?

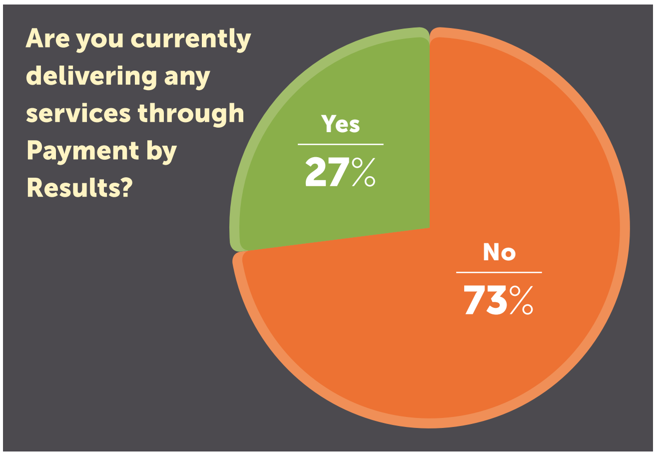


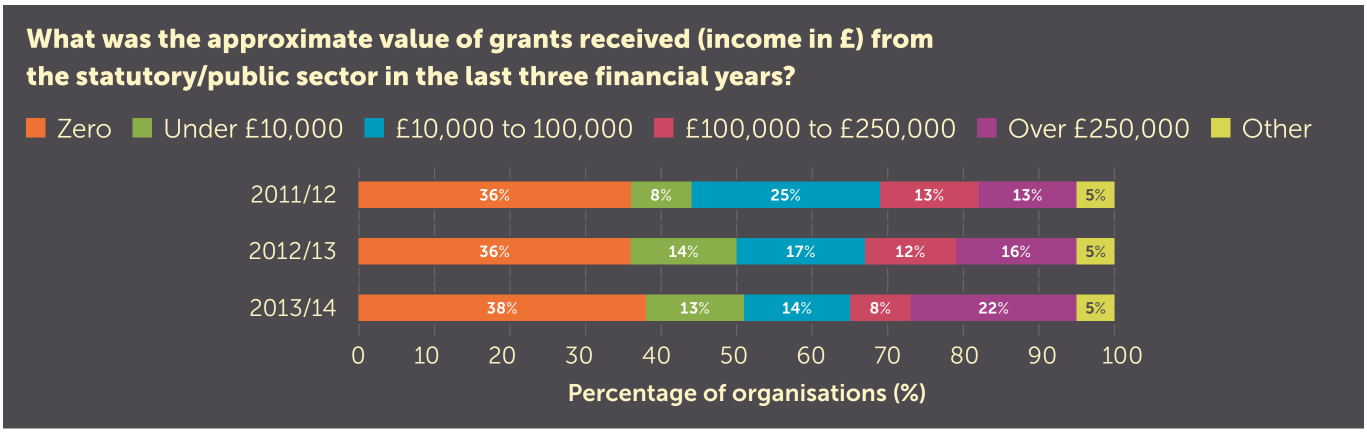


Public giving represents the lowest source of income for organisations, with 40% (n=9) of respondents reporting that they receive no funding from public giving. The median average shows that organisations receive 1.25% of their funding from public giving. There were a few exceptions, notably from the faith based voluntary sector organisations, that reported a higher than average level of income from public giving.

The majority of organisations, 75% (n=27), reported that they receive funding from statutory and/or public bodies. In a subsequent question we asked what percentage of their statutory funding came from local, regional and national sources. 43% (n=14) of organisations report that 50-100% of their total funding comes from local statutory sources, whilst a similar proportion of organisations, 43% (n=8) told us that none of their income comes from regional statutory sources. Indeed, only 25% (n=5) of organisations report that more than 50% of their income comes from national sources. This indicates that the voluntary sector working with offenders and their families are often locally based, and working across a relatively small geographical footprint. This might explain why many organisations find it challenging to access national, or even regional, funding.

Over the last 3 years the voluntary sector has reported a consistent picture about the level of income they receive from charitable trusts and foundations (in the form of grants). In terms of grants received from statutory and/or public bodies, the picture remains relatively stable, with a slight increase in the value of grants received in 2014/15.

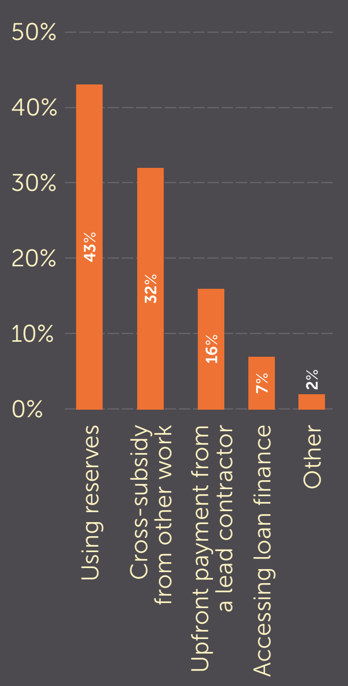




Key finding

Some organisations struggle to deliver services on a Payment by Results (PbR) basis.

How do you finance set up and running costs before Payment by Results are achieved? (multiple options permitted)



27% (n = 14) of organisations are currently delivering services under Payment by Results (PbR). For those organisations who said they are not delivering services under PbR, when they were asked if they would consider delivering services on this basis, 75% (n=32) said yes. We were provided with a diverse range of reason as to why organisations are considering delivery of PbR contracts, for example:

> ***"We are confident and have evidence to support the successful delivery of our services."***

> ***"We'd be very sceptical and would want to be very clear of the terms, but we wouldn't dismiss it."***

> ***"Because shortly there will be no choice!"***

25% (n = 15) of organisations said they would not consider signing a Payment by Results contract.

> ***"I don't think we are in a position to offer [Payment by Results] as it would put us at risk financially."***

When asked how organisations manage the finances of the PbR contracts they are in, the majority of organisations (39%, n=10) said that they use their reserves to provide cash flow.[19] This can be risky for organisations with low levels of reserves, especially given that 69% (n=23) of organisations report that they would use all of their reserves in a year or less if they continue to use them at the current levels.

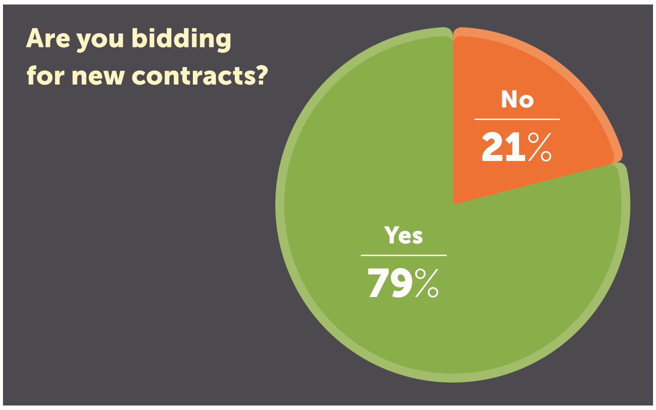
29% (n=7) of organisations said that they cross-subsidised the contract with funds from other sources to set up and finance the running costs before any payments based on results could be made. There is a danger that this behaviour might affect the price of some services, and result in contracts being re-tendered at a value lower than what it actually costs to deliver them because they had previously been subsidised from elsewhere.

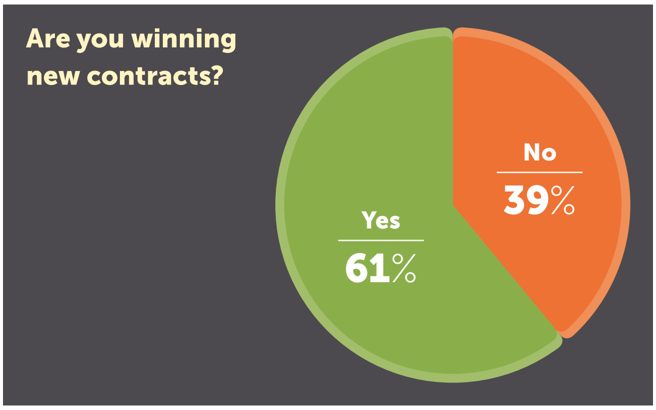
Clinks recommends that organisations receive an upfront payment from the lead contractor.[20] It should be concerning that only 14% (n=3) of organisations managed to secure an upfront payment.

Key finding

Small and medium size organisations are least likely to win new contracts.

The majority of organisations, 79% (n=45) are bidding for new contracts, yet 39% (n=26) report they are not successful in winning new contracts. We found that small and medium sized organisations are less likely to win new contracts than large organisations. 54% of the small organisations who filled out the survey said they did not win any new contracts, 29% of medium sized organisations report this is the case whilst only 17% of large organisations were failing to win the contracts they bid for.





The Ministry of Justice (MoJ) and National Offender Management Service (NOMS) have expressed a clear desire to see the voluntary sector play a role in the Transforming Rehabilitation (TR) programme. For the majority of voluntary sector organisations this will likely mean that they will need to be contracted to deliver services (although some might be grant funded). When taking into account the results from this survey, it is likely that small and medium sized organisations will be less successful in winning new contracts compared to larger organisations, which could limit the diversity of voluntary sector organisations that are able to become involved in new TR contracts.

Key finding

The majority of organisations only sometimes or never achieve full cost recovery on the contracts they deliver.

When asked whether they achieve full cost recovery on the contracts they deliver 62% (n=27) of organisations told us this occurs sometimes, whilst 10% (n=6) of organisations said that they never receive full cost recovery. It is concerning to see that the majority of voluntary sector organisations only 'sometimes' or 'never' achieve full cost recovery on the contracts they are delivering.

We found that small and large organisations reported more success in terms of achieving full cost recovery. Only 5% of medium sized organisations reported that they always achieved full cost recovery on contracts they deliver, this is compared to 56% of small organisations and 43% of the large organisations we surveyed. Please note that due to the sample size, it may be not be possible to draw sector wide comparisons with this data.

Key finding

Organisations are spending more time on funding applications.

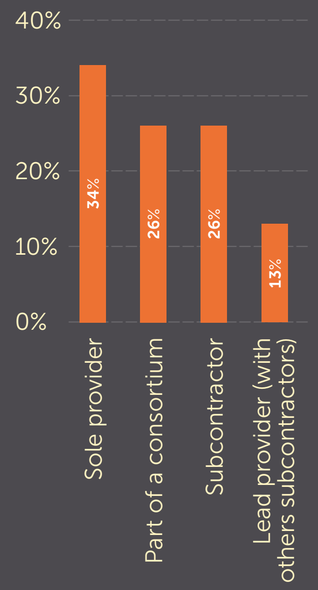
100% (n=62) of organisations report they have been spending more time on funding applications over the past three years.

> ***"Trying to regain the contracts, the amount of time that went into the tendering process was unbelievable. It took a massive resource away from mainstream activities."***

This is likely to impact on small to medium size organisations more acutely, as they divert funding from frontline services into fundraising. Larger organisations are more likely to have the resources available to have dedicated fundraising teams, or to employ fundraisers on a temporary basis, with minimal impact on service delivery.

However, many organisations report that they are not successful in winning new contracts, which is likely to mean that an increasing amount of time and resource are being invested in the process of trying to win contracts, but few (especially small and medium sized organisations) are being successful.

If you are winning contracts what is your status within them? (multiple options permitted)



Key finding

Organisations are increasingly delivering contracts as part of a consortium, as many contracts increase in size.

In only 13% (n=10) of cases were organisations the lead provider on contracts, with a role in subcontracting to other organisations. Some voluntary sector organisations indicated that contracts were simply too large to bid for.

"Big contracts make it very difficult for voluntary sector organisations and are cutting them out."

"Local authorities are wanting to deal with fewer contractors. It's almost all or nothing. You either win a big contract or lose everything you did have."

26% (n=18) of organisations say they are subcontracted, whilst 26% (n=17) of organisations told us they were delivering contracts as part of a consortium. In the previous Clinks State of the Sector survey, published in October 2013, only 15% of organisations were operating as part of a consortium.[21] This could show that due to the changing commissioning environment, and increasingly large contracts (such as those likely to be commissioned through the TR programme), organisations have partnered together more frequently to enable them to bid for contracts. Interestingly, 63% (n=47) of organisations said that their opportunities for partnership working had increased over the last three years.

Key finding

It remains unclear what impact the Transforming Rehabilitation programme will have on the voluntary sector but it is taking up a lot of the sector's time and resource.

The TR programme is the largest reform of the CJS in recent history, and is likely to have an impact on many voluntary sector organisations delivering services to offenders and their families. As such, we opted to introduce some new questions into the survey related to the TR programme.

"It's taken a lot of energy and resources to keep on top of a frequently changing and complicated agenda."

Using resources to remain informed about this consistently changing policy programme could mean that organisations are required to divert resources away from directly supporting their service users. This is likely to have a greater impact on small and medium sized organisations.

"The goalposts have moved so much throughout TR. We were very excited when we first saw it thinking this is a really good opportunity for us. There was lots of talk about small charities being involved and I think from what I can see at this stage it's all very large. There probably will be scope to build in smaller specialist providers but it's going to be a very long way down the line."

Some organisations reported that the changes under the TR programme are making it more challenging to access funding from other sources. This could be caused by the uncertainty about new services, and what their scope and remit would be; thereby making it difficult for funders (both charitable and statutory) to assess where they could usefully invest in resettlement and rehabilitation services.

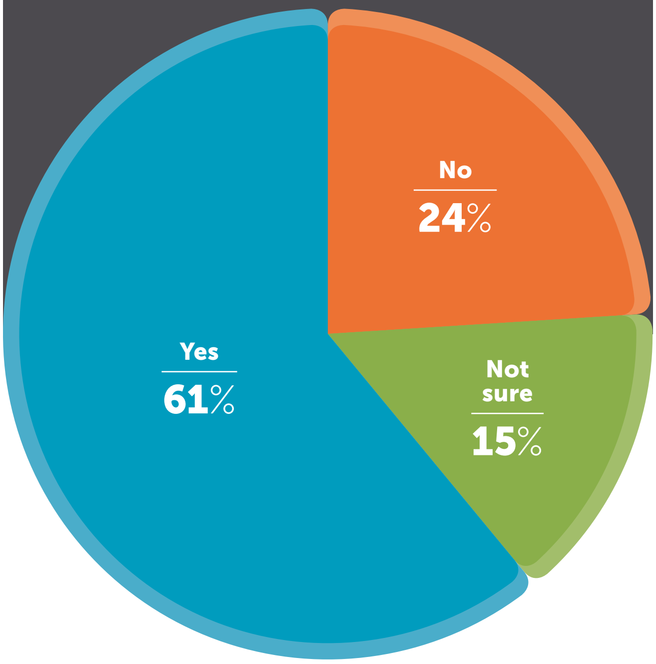
“With what's going on in Transforming Rehabilitation it's been very difficult for us to get funding from statutory bodies.”

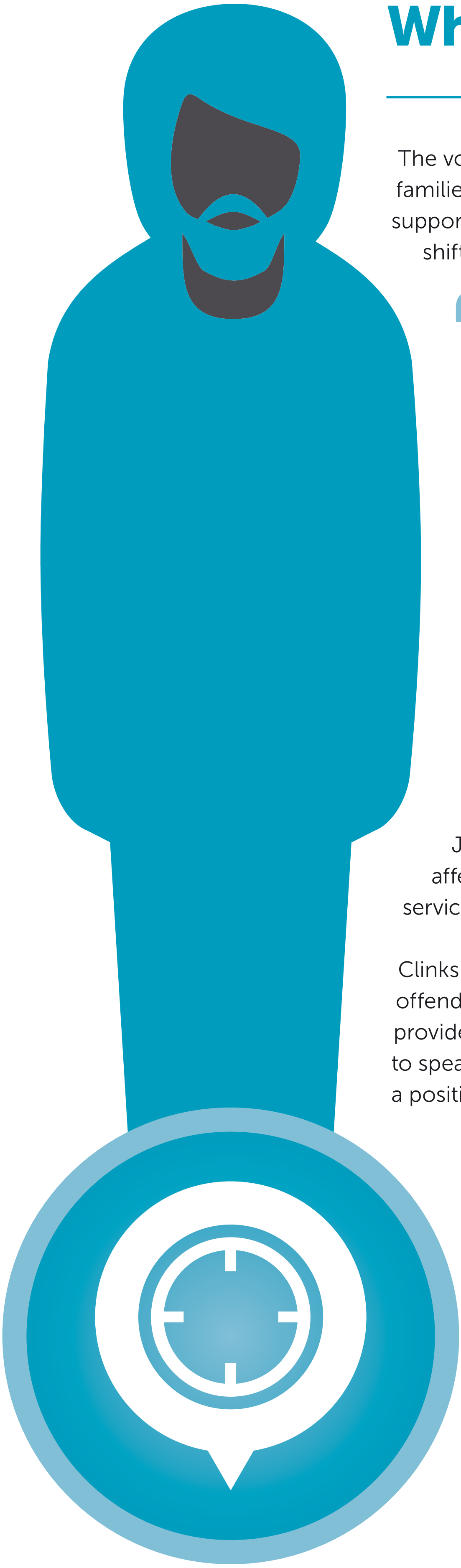
In terms of delivering services as part of TR, 61% (n=23) of organisations said that yes, they were considering this, whilst 15% (n=7) said they were still not sure. This shows a general interest from the voluntary sector in the emerging arrangements for probation services, and a desire to engage positively. It is yet to be seen what the role of the voluntary sector will be in new the new probation landscape.

“What happens if the TR provider is not bothered about us and feel they can do it themselves?”

Of those that said they were considering how to engage with new probation providers, the majority hope to deliver services at either Tier 2 or Tier 3. It is worth noting that although we do not have a complete definition of what constitutes a Tier 2 or Tier 3 provider, or indeed what the differences between the two are, those delivering services at Tier 3 are very likely to be small community based organisations, whereas Tier 2 providers are likely to be larger organisations with a wider geographical reach and more strategic input.

Are you considering delivering services as part of the Transforming Rehabilitation changes to probation and rehabilitation services?





Where next?

The voluntary sector working with offenders and their families continue to provide successful and much needed support to their many beneficiaries in a challenging and often shifting policy and commissioning environment.

> *“Change is what drives us. Change is what allows us to reinvent ourselves appropriately to address need. If we didn’t change and the political will didn’t change, then we wouldn’t have the opportunity to keep influencing that agenda. We’d just be stuck going round in circles.”*

The key findings from this survey outline where the sector is experiencing challenges, including achieving full cost recovery on contracts they are delivering, winning new contracts and responding to the changing and increasingly complex needs of service users. We have heard that services are reducing as the need of service users is increasing, which should be cause for concern. This is likely to have the most detrimental impact on people who are socially excluded, with multiple and often very complex needs. The right services are required to support people’s desistance from crime, work alongside families affected by the Criminal Justice System, and improve the communities that are worst affected by crime and poverty. There is a danger that many essential services will be difficult to access, or become unavailable altogether.

Clinks will continue to survey the voluntary sector working with offenders and their families and use the results of future surveys to provide in depth information on the state of the voluntary sector, help us to speak out on behalf of the sector on issues that matter, and provide a positive catalyst for change by influencing government at all levels.

Appendix: Methodology and weighting the data

As has been highlighted earlier, Clinks commissioned the Centre for Economic and Social Inclusion (CESI) to help us take steps to ensure the data collected from this survey is as representative as possible of what we know about the voluntary sector working with offenders and their families. To do this, we chose to weight the responses we collected to match those gained from the National Survey of Charities and Social Enterprises (NSCSE).[22]

The NSCSE is funded by the Office for Civil Society that sits in the Cabinet Office and gathers the views of voluntary sector organisations in England. The most recent survey was carried out between September and December 2010 and had a response rate of 44,109 organisations.

The NSCSE survey is weighted to a sample frame based on a range of data sources including social enterprises as well as Charity Commission data.[23]

CESI extrapolated data from the NSCSE survey and focused on the results from organisations who said that one of the main groups they worked with are offenders, ex-offenders and their families and compared this to Clinks' database, focusing on voluntary sector organisations only. Please note that the information from Clinks' database referred to non-members as well as Clinks members. The data was found to be a relatively good fit, and provided a good basis for weighting the responses from Clinks' State of the Sector survey to those from the NSCSE survey.

To enable the data to be weighted, we included three new questions from the NSCSE survey. Only the data for organisations that filled out these three questions in full could be used for the final data analysis. So, although we had a response rate of 107, only 62 were usable as some organisations skipped these questions. We will make these questions mandatory for future surveys.

CESI also carried out interviews with six voluntary sector organisations that did not fill out the survey, which has enabled us to add more depth to the report. These organisations were selected after CESI weighted the data and are organisations that were under-represented in the survey responses. This should again ensure that the report is as representative of the sector's experiences as possible.

Analysing the data in this way means that previous Clinks' State of the Sector Surveys are not directly comparable to this survey. However, future Clinks surveys will be comparable and we hope that we will be able to determine trends in the data and more accurately reflect what the sector is experiencing.

Notes

1 Due to the low response rate, it is not possible to draw sector-wide comparisons when analysing the data by size of organisation.

2 Please visit http://www.clinks.org/eco-downturn to see past State of the Sector survey reports.

3 When data is weighted, it takes into account the proportional relevance of each statistic, rather than just measuring each individual statistic equally.

4 For more detail about the data analysis and methodology, please see the Appendix.

5 Please refer to the Appendix for more information

6 Ibid

7 VONNE and Clinks (2013) A snapshot from the North East: The voluntary sector working in criminal justice, Online: http://www.vonne.org.uk/policy/criminaljustice/saferfuturecommunities/cjs_mapping.php

8 Clinks, the University of South Wales and Welsh Centre for Crime and Social Justice (2014) A snapshot from Wales: The voluntary sector working in criminal justice, http://www.clinks.org/sites/default/files/A%20snapshot%20from%20Wales%20-%20the%20voluntary%20sector%20working%20in%20criminal%20justice%20-%20March%202014.pdf (last accessed 13.02.2015).

9 The Forum for Future (2015) The Five Capitals, Online: http://www.forumforthefuture.org/project/five-capitals/overview (last 6.01.2015).

10 For more information about Transforming Rehabilitation please visit http://www.clinks.org/criminal-justice/transforming-rehabilitation

11 Clinks (2014) Who Cares? Where next for women offender services? Online: http://www.clinks.org/resources-reports/who-cares-where-next-women-offender-services (last accessed 21.01.2015)

12 Multiple and complex needs are where someone experiences more than one problem at a time, including drug use, poor mental health, homelessness and contact with the CJS.

13 Voices from the Frontline is a project delivered through the Making Every Adult Matter (MEAM) coalition, of which Clinks is a partner along with Drugscope, Homeless Link and Mind.

14 VFTF (2014) Evidence from the frontline, Online: http://www.clinks.org/resources-reports/multiple-and-complex-needs (last accessed 21.01.2015).

15 The median average is the number that lies in the mid-point in a distribution of numbers.

16 The median average was selected as the response rate for the questions relating to staff and volunteer numbers differed, and there were a few responses that were very high relating to staff numbers, and were likely to skew the average number of responses.

17 We would advise taking caution when drawing sector-wide comparisons for this data, as the response rate for these questions was particularly low.

18 These figures are based on a small number of respondents, so caution is advised when interpreting them.

19 Please note that organisations were able to tick as many options as were applicable to them.

20 Clinks (2013) Clinks response to Ministry of Justice Transforming Rehabilitation Payment Mechanism, Online: http://www.clinks.org/responses (last accessed 13.02.2015).

21 Please note that for this question, organisations could tick all the answers that applied to them.

22 More information about the National Survey of Charities and Social Enterprises can be found here: http://www.nscsesurvey.com/ (last accessed 18.02.2015)

23 For more information on the NSCSE questionnaire and discussion on its weighting system, please access its technical report.

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