

# 2022 State of the sector

**Key trends in the voluntary sector working in criminal justice 2021/22**



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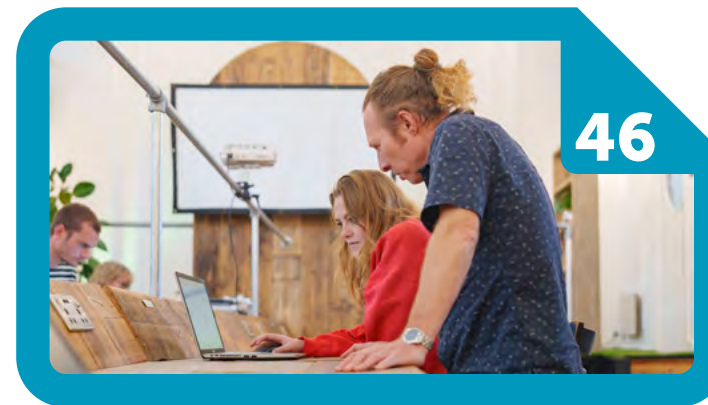
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# Foreword



**Clinks' role is to represent, support and advocate for the voluntary sector working in the criminal justice system and we take that role very seriously. Our annual State of the sector survey enables us to understand what organisations are experiencing and how developments in the criminal justice landscape and wider external environment are impacting them and their service users.**

## State of the sector 20 22

It is never easy to read about the challenges voluntary organisations are navigating to meet the needs of people in the criminal justice system and their families. But this information is vital to us so we can understand trends in the sector and use this evidence as a tool to achieve change and ensure our support meets organisation's needs. As a membership organisation we are also able to share this evidence and galvanise a passionate group of charities to collectively advocate for the sector. Therefore, I want to sincerely thank all those who contributed to this report.

Clinks' strategy, *Creating change together*, committed to providing and improving knowledge and understanding of our sector whilst also identifying emerging trends. This report does just that. The findings of this report are all too familiar, strengthening our resolve to highlight the need for critical support for our sector.

Worryingly, once again this report evidences that the number of people organisations are having to support has increased, the level of need has increased and the complexity and urgency of need continues to grow. While it is reassuring that criminal justice voluntary sector organisations are present when people need them and are responding to need flexibly, it is a concern that so many are experiencing the same critical pressure.

At a time of financial crisis, with pressure on resources across society and political instability leading to another year where those in touch with the criminal justice system and the voluntary sector that supports them is not at the top of the agenda, it is paramount we use our collective voice and tools at hand to push for change. Especially whilst the cost-of-living crisis and mounting pressure on public finances will hurt people in contact with the criminal justice system and their families even further.

At Clinks we will continue to learn what we can about how voluntary sector organisations work with people in the criminal justice system, and we will advocate for the policies, funding and ways of working that will best support those organisations to help people to have the futures they need and deserve.

**Anne Fox** Chief Executive Officer, Clinks





# Executive summary and key findings





**This research explores how the voluntary sector working in criminal justice fared during the 2021/22 financial year. The findings are based on 97 responses to an online survey and eight in-depth interviews, accompanied by analysis of data submitted to the Charity Commission by 'crime and justice' organisations.<sup>1</sup>**

The research was designed by Clinks and the National Council for Voluntary Organisations (NCVO) as partners who led on the analysis of survey respondents, conducted the interviews, and provided analysis of Charity Commission data. The final report is authored by Clinks.

This year, organisations continued to highlight that they are supporting an increasing number of people with greater, more complex, and more urgent needs. This continuing trend comes in the face of challenges around staff recruitment, and the effect of the increasing cost of living.

Organisations also continue to describe problems with the sustainability of contracts. Many did not achieve full cost recovery on contracts and disagreed they provided adequate funding to deliver high quality services. However, organisations were generally positive about their financial sustainability over the next two years. We are cautious about this in the context of the other findings described which indicate that greater resource will be needed by organisations in order to meet needs and increased running costs. In this regard, respondent's views that flexible, unrestricted, multi-year grants and a strong and connected sector are key to organisations long term sustainability are important to note.

## **The people voluntary organisations support**

**The number of people criminal justice voluntary organisations support is increasing and the level, complexity and urgency of their needs continues to grow.**

More than 80% of organisations reported an increase in both the level and complexity of need, and over half of all organisations reported an increase in urgency. Moreover, 69% said their number of service users had increased.

**Organisations are working flexibly and in partnership to respond to changes but larger case loads are becoming a concerning feature.**

When asked how they were responding to the changes in service user need, over half of organisations said they were working more flexibly with clients and increasing partnership working with other voluntary organisations. However, 46% said they were taking on larger case loads, which could have significant implications for service quality and sustainability, and staff welfare and retention.

## **How organisations are delivering their services**

**Face-to-face services are returning, but some organisations have retained remote delivery too.**



Following many organisations shifting to remote models of service delivery during the height of the pandemic, this year, 70% of organisations reported increased in-person services. Most organisations also reported delivering more than half of their services in person, with 26% delivering all their services face-to-face and 46% delivering more than half of their services in-person. However, just over a fifth of organisations said they increased their remote service delivery, with 15% doing so significantly.

Staff levels remain stable but recruiting skilled and experienced staff is increasingly challenging.

This year, 40% of respondents told us that the number of staff they had remained about the same. Just over a quarter said their staffing numbers slightly increased, and 17% said they had seen a slight decrease. Only 1% of organisations said staff numbers had decreased by a lot.

Volunteering numbers are stabilising, although they have not increased significantly enough to return to pre-pandemic levels.

A third of organisations said their number of volunteers had increased, and 38% said they had remained the same. A slightly smaller proportion (29%) said their number of volunteers had fallen. The most common tasks organisations described their volunteers undertaking were organising or helping to run activities or events, befriending or mentoring people, and providing peer support.

Organisations continue to involve people with lived experience in their work, but more can be done to understand the extent to which people with lived experience make up a proportion of the workforce.

Almost all organisations said they involved people with lived experience of the criminal justice system in their work. This was most often done through consultation and by recruiting people with lived experience to paid and voluntary roles. Nearly two-thirds of organisations said they recruited people who accessed their services as staff, volunteers, or trustees. Some also said they worked with other organisations to help with the recruitment of people with lived experience (13%) and 12% said they used internal surveys to understand the involvement of lived experience in their organisations.

## Financial sustainability

Organisations' largest source of funding is evenly split between government grants and contracts, and grants from philanthropic funders. However, smaller organisations are more reliant on trusts and foundations.

43% of organisations said their largest source of funding was government grants and contracts, and 42% said their largest source of funding was grants from philanthropic funders. Our survey found organisations with an income of £500,000 or less were more reliant on trusts and foundations as their largest funding source, with organisations with an income of £500,001 tending to report government contracts and/or grants as their





largest source of funding. Analysis of Charity Commission data found that 82% of crime and justice charities have an income of £500,000 or less.

Overall organisations of all sizes have seen net increases in their funding, but this must be considered in the context of recovery from the pandemic, increasing need, the cost-of-living crisis, and challenges in the value and sustainability of contracts.

48% of organisations said their contract and grant income for 2021/22 had increased compared to the previous year, with a further 24% reporting that it remained the same. However, a quarter of respondents said their overall level of contract and grant funding had decreased.

The cost of living is driving up organisations' operating costs.

Three-quarters of organisations reported their operating costs were rising, with 35% saying they had done so significantly. Interviewees highlighted salaries, freelance rates, and in-person costs as some of the areas where they had seen costs rise. Most interviewees said they were planning to, or had already, increased staff salaries and freelance rates.

Achieving full cost recovery on contracts is an ongoing and increasing challenge.

Nearly half of respondents delivering services under contract said they only achieved full cost recovery on half or fewer of their contracts,

with 23% saying they did not achieve full cost recovery on any. Half of organisations said they responded to this by subsidising shortfalls from their reserves, and 46% said they used other funding sources.

Organisations continue to report concerns with the value and sustainability of contracts – two thirds disagreed contract funding was adequate to deliver services to a high quality.

66% of organisations disagreed that the level of funding they received from contracts was adequate to deliver services to a high quality, compared to 30% who agreed it was adequate. Moreover, 41% of respondents disagreed the financial terms of contracts were sustainable, compared to just 36% who agreed they were. This contrasts with grants where 54% agreed the grant funding awarded was adequate to deliver a high-quality service, and 64% agreed the financial terms of grants were sustainable.

Organisations are more positive about their experiences of grant funding than contracts.

Most respondents agreed there was clarity about payment for grants, that grant funders made payments at the agreed times, that grant managers have been flexible in adjusting requirements for grant funding, and that the ethos/values between their organisations and grant funders are similar. Just over half of respondents agreed there was transparency around reapplying for grants. For each of these statements, a greater proportion of organisations agreed it was the case for grants, than for contracts.



## Long-term sustainability

Organisations are confident about financial sustainability over the next two years, but this confidence decreased the smaller the organisation.

Respondents were more confident than not about their organisation's financial sustainability over the next two years: 49% were confident, compared to 21% who were unconfident. A further 26% were neutral. Confidence about financial sustainability directly correlated with the size of the organisation. The smaller the organisation the more likely that organisation was to feel doubts regards their sustainability with about 60% of organisations with an income below £100,000 saying they were unconfident, did not know, or were neutral about their financial sustainability over the next two years.

Developing new services and working in partnership is key to financial sustainability.

A majority of organisations said they would develop new services, and deliver more services in partnership with other voluntary, private, or statutory organisations. Just under half also said they intended to expand existing services. Just over one-in-five respondents said they would reduce or close services.

Flexible, unrestricted, multi-year grant funding is essential for stability.

Most interviewees highlighted the importance of long-term, unrestricted grant funding, arguing this would provide them with more sustainable finances

and allow organisations to build their capacity. Unrestricted funding gives organisations flexibility to use resources in ways which will have the greatest potential impact on their ability to best meet their beneficiaries' needs.

Long-term stability depends on a strong and connected sector.

Interviewees highlighted the importance of a strong and connected voluntary sector for their long-term stability. It is vital that this includes voluntary organisations feeling able to be critical of statutory services and government policy without fearing loss of access or funding. Associations and other representative bodies can support this, but it is important they themselves feel able to speak up.

Some interviewees noted the importance of networks of similar organisations. These enabled them to support their operations, exchange knowledge, provide professional and emotional support, sometimes separately to mechanisms provided by statutory bodies. However, it was reported that working in an under-resourced environment can make networking opportunities more difficult to take up.





# About this report





**This report provides a snapshot of the voluntary sector working in the criminal justice system across the 2021/22 financial year. It explores the profile of the sector: its size, services, beneficiaries, workforce, funding, and sustainability.**

For the fifth consecutive report we have partnered with the National Council for Voluntary Organisations (NCVO) who collected and analysed the data for this research. Clinks authored the report, based on our analysis and knowledge of the sector, obtained through ongoing engagement and dialogue with voluntary organisations working in criminal justice.

This year, mindful of the backdrop of recovery from the pandemic and concerns raised in last year's report regarding the sector's financial sustainability we expanded the survey's questions to explore this further.

This report draws on three different data sources: a survey, semi-structured interviews, and an analysis of the financial records submitted to the Charity Commission of charities using the new UK-CAT classification system based on an examination of how charities describe themselves. Criminal justice charities are those tagged as 'crime and justice'. This is a change to previous years; prior to 2021 we analysed the latest submissions of financial accounts of criminal justice voluntary organisations submitted to the Charity Commission and compared this data to wider voluntary sector trends found in the latest NCVO Civil Society Almanac. We chose not to follow this methodology this year because the almanac data is based on 2019 financial accounts and given the impact of the pandemic since then we did not believe this would provide a helpful comparison.

## Survey

A survey of voluntary organisations working in criminal justice, including arts organisations and individual arts practitioners, was conducted between June and August 2022, receiving 97 usable<sup>2</sup> responses. Of these, 89 were from organisations and eight from individual art practitioners. The survey included both open and closed questions, allowing organisations to explain the responses they gave. This enabled more detailed insights into the trends behind the data.

Please note percentages in some of the graphs and tables below may add up to more than 100%. This is due to rounding and/or where respondents could select more than one response.

## Interviews

NCVO conducted eight semi-structured interviews with senior representatives of voluntary organisations working in the criminal justice system. The interviews explored the organisations' financial sustainability in the longer term and investigated their experiences of the current funding environment. Interviewees were selected to ensure representation of:

- Organisations led by and focussed on racially minoritised people
- Specialist women's organisations
- Organisations working with families of people in contact with the criminal justice system
- Small organisations





- Large organisations
- Organisations delivering services in Wales
- Arts organisations.

Anonymised quotes from these interviews are included throughout the report; where quotations are used, they may be lightly edited for ease of reading.

## Charity commission data analysis

The UK Charity Activity Tags (UK CAT) project has classified every UK registered charity based upon how organisations describe the activities they undertake. This includes a “crime and justice” classification, made up of five subcategories: offender support and rehabilitation, prevention and safety, road safety, trafficking and modern slavery, and victim support. Using the “crime and justice” classification - excluding the road safety subcategory - as a proxy for voluntary sector organisations working in criminal justice, we have been able to analyse the size of criminal justice voluntary organisations, their income sources, and workforce in comparison to the wider voluntary sector.

## Limitations to the research

### Survey

As with all research, there are limitations. Our survey sample is smaller than in the last four years<sup>3</sup> and self-selecting so not necessarily fully representative

of the sector. In fact, when we compare to the UK-CAT data, we can see that our sample is disproportionately representative of large organisations.

We have also included additional analysis and comparison of the survey data relating to different types of organisations, such as smaller and larger organisations. However, as the response rate for some types was low, we have not been able to represent their experiences for every part of the survey.

In places we make comparisons to the research from previous years. Given that the sample for each years’ research is likely to be different these observations should not be read as direct comparisons but instead the identification of trends and variations year on year.

### Charity Commission data analysis

Where possible, in our analysis we have considered this and triangulated the findings of the survey, interviews and Charity Commission data based on the classifications of the UK-CAT project. However, it is important to note that there are some limitations to this analysis.

First, the Charity Commission does not require registration for charities with an income below £5,000 a year, which means some criminal justice voluntary organisations have not been captured.

In addition, more detailed types of data are only available for charities of a certain size. For example, staffing numbers are only available for





organisations with an income of over £500,000. When this applies to the data we are considering, we have made this clear in the report.

When making comparisons to all charities, this data is for all organisations on the Charity Commission register. This differs from NCVO's Almanac classification of 'general charities' which has been used for comparison in previous years, meaning the 'all charities' group will also include organisations like universities and non-departmental public bodies.

Finally, Clinks considers the criminal justice voluntary sector to include social enterprises in addition to charities. However, because the data source is the Charity Commission register, those social enterprises, such as community interest companies, which are not also registered as charities will not be included. This means the analysis will be offering a best approximation, rather than a complete picture of the criminal justice voluntary sector.







# Who we heard from

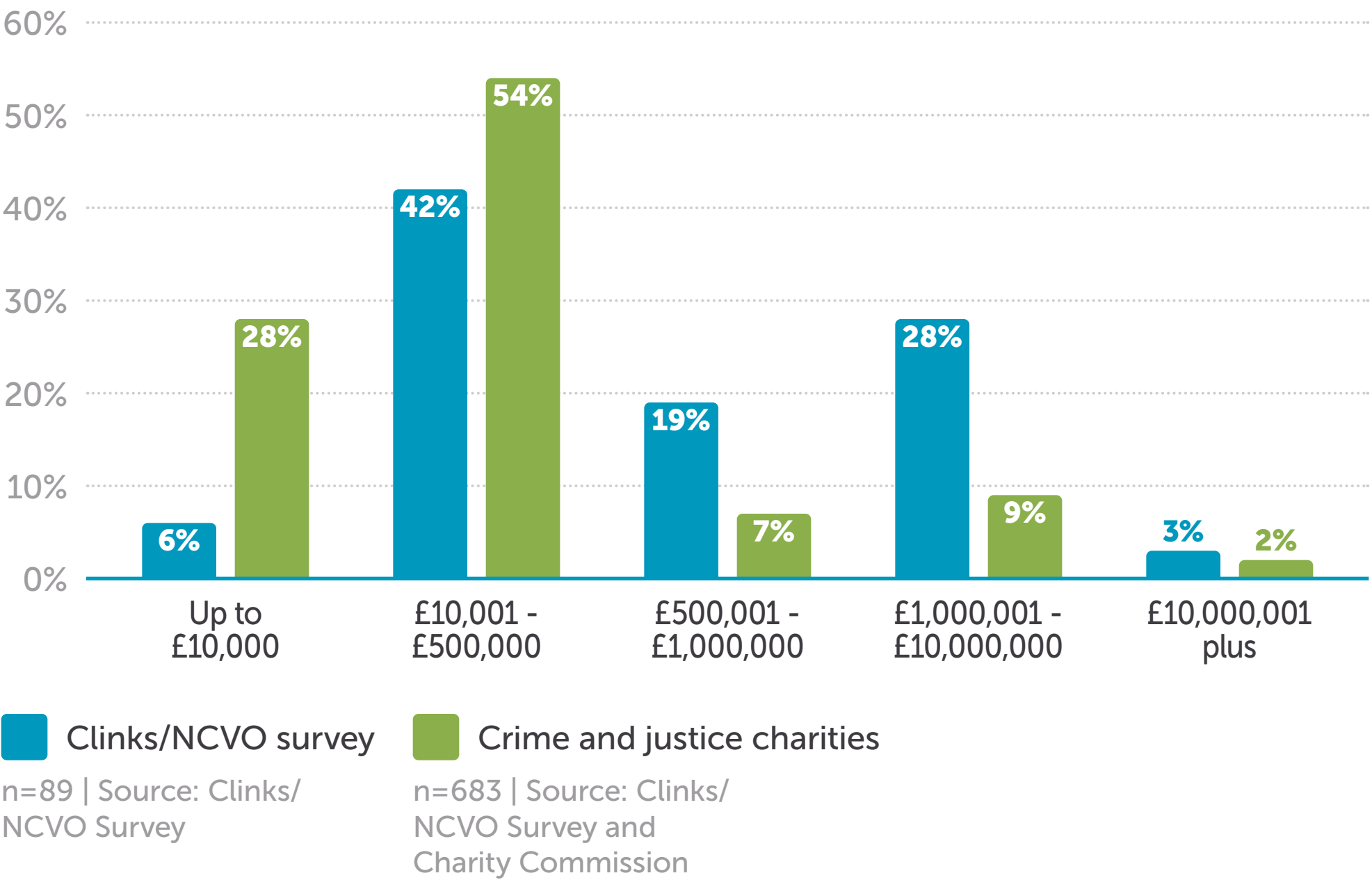




# Size of organisations

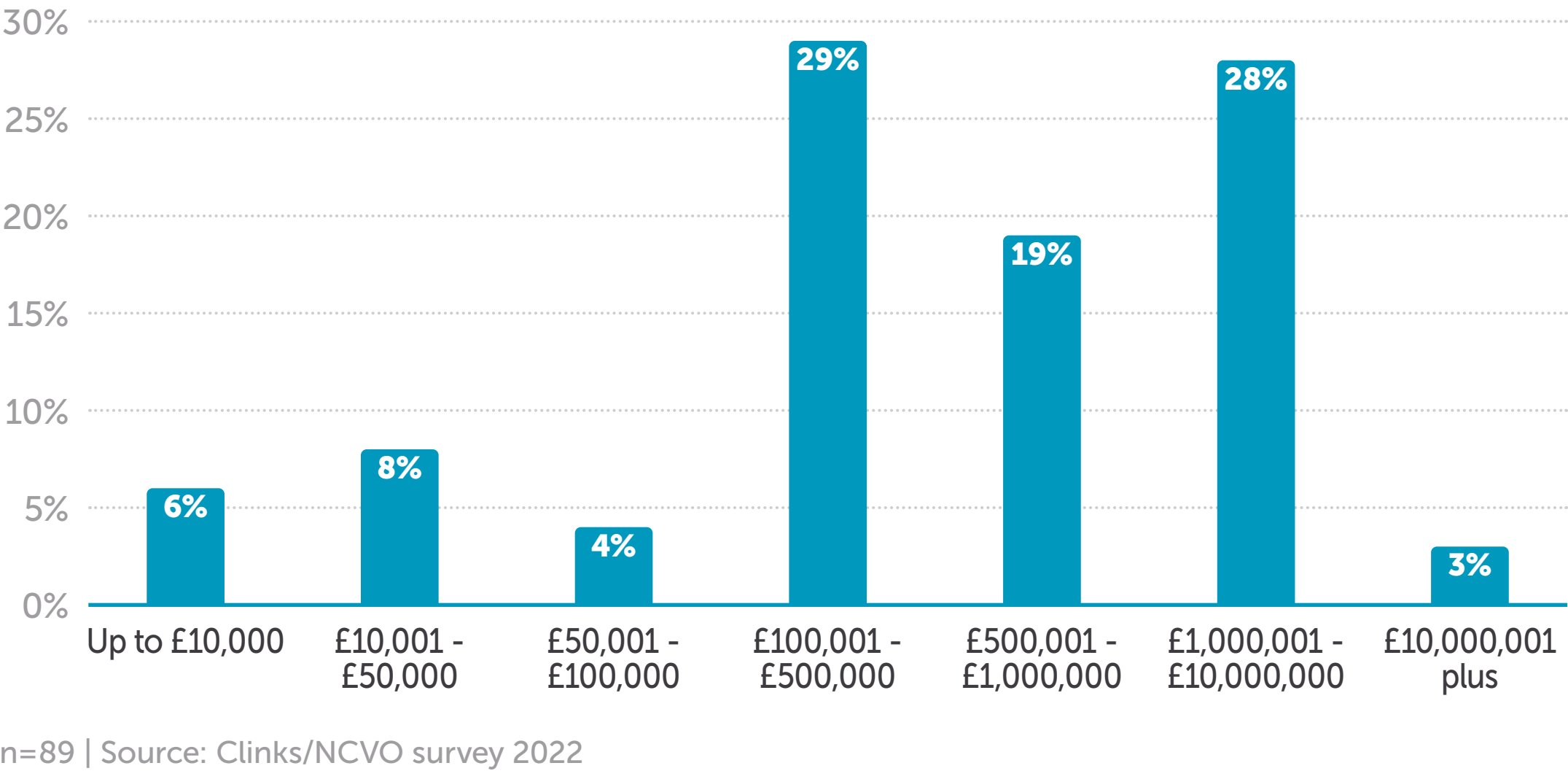
The analysis of charities categorised as ‘crime and justice’ as part of the UK CAT classification project shows that respondents to our survey tended to be larger than the criminal justice voluntary sector as a whole. This is also in line with findings of previous State of the sector reports which have been based upon samples made up of a greater number of organisations.

Size of organisations: Survey/Charity Commission comparison



This skew towards larger organisations in our survey responses may reflect a greater capacity in these organisations to complete a survey of this kind. Despite this we did hear from organisations across the spectrum – from those with incomes under £10,000 a year, to those with an annual income of over £10 million. The largest group were organisations with an income between £100,001 and £500,000, making up 29% of respondents.

Organisations’ income





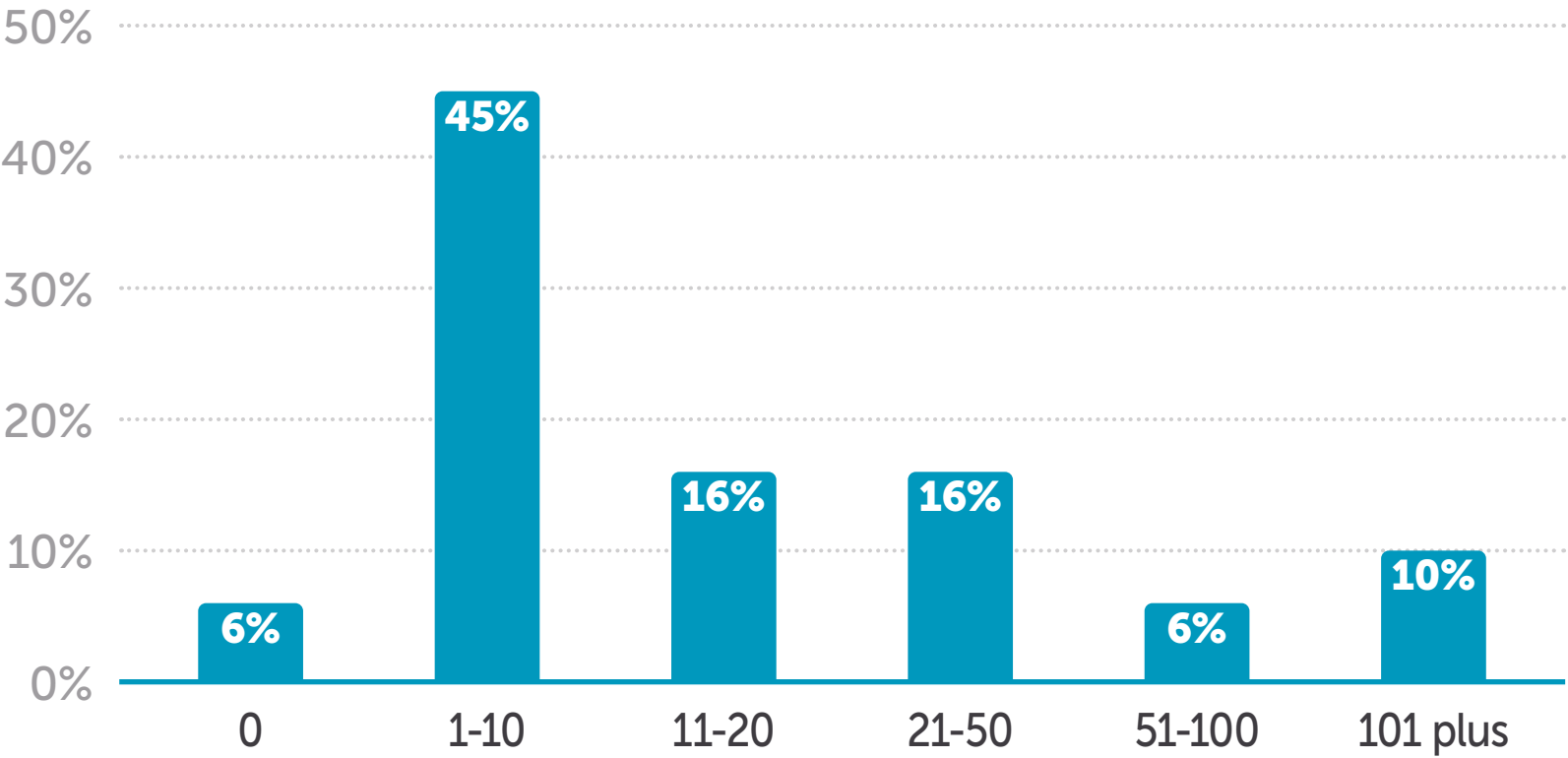
Looking at staffing, just over half of respondents (51%) said they had up to 10 full-time equivalent (FTE) employees, while 6% had no employees. Of the remaining organisations, 16% employed 11 to 20 FTE staff, 16% employed 21 to 50 FTE staff, and 16% employed more than 50 FTE staff.

However, it is important to keep in mind that survey respondents tended to be large organisations, compared to the criminal justice voluntary sector as a whole.

For organisations classified by UK-CAT, staff data is not available for those with a income under £500,000. Data from the analysis of crime and justice charities classified under the UK-CAT project shows that, for organisations with an income of above £500,000,<sup>4</sup> the sector employs almost 30,000 people, or about 2% of charity staff. The median number of employees per criminal justice organisation is 25. This is slightly higher than for all charities with an income of over £500,000, where the median number of staff is 22.

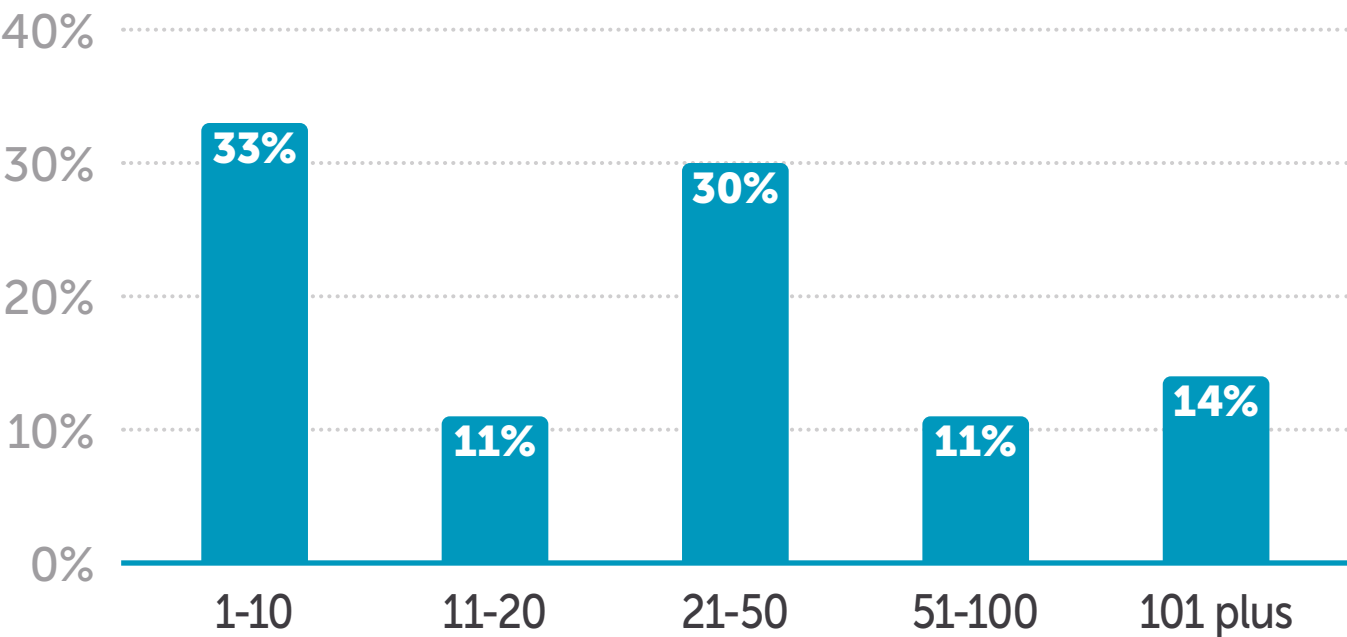
11% of organisations said they did not have volunteers, while 44% reported having between one and 20 volunteers. The data from the analysis of crime and justice charities classified under the UK CAT project shows that, for charities with an income over £10,000, the median number of volunteers is six, compared to five for all charities.

**Number of full-time equivalent staff**



n=80 | Source: Clinks/NCVO survey 2022

**Number of volunteers**



n=70 | Source: Clinks/NCVO survey 2022





## Who organisations support

This year, we revised our questions to gather more detail about who organisations support. This included asking about different age groups (young adults aged 18 to 25, people aged 26 to 49, and older people aged over 50) and about boys and girls rather than children. We also introduced a new category for neurodiverse people.

As previous State of the sector reports have shown, and as we would expect given the characteristics and range of needs of people in contact with the criminal justice system, organisations delivered services to people with a wide range of backgrounds and needs. The most common groups included:

- People with mental health needs (75%)
- People with substance misuse problems (e.g., drugs, alcohol) (64%)
- Young adult women (aged 18-25) (65%), women aged 26-49 (74%), older women (aged 50 and over) (61%)
  - » 9% of organisations working with young adult women do so exclusively
  - » 9% of organisations working with older women do so exclusively
- Young adult men (aged 18-25) (64%), men aged 26-49 (64%), older men (aged 50 and over) (55%)
  - » 18% of organisations working with young adult men do so exclusively
  - » 21% of organisations working with older men do so exclusively
- Young adult women and men (aged 18-25) (64%)
- Older women and men (aged 50 and over) (69%)

- People with learning difficulties/disabilities (57%), and people with neurodivergent conditions (54%)
- Racially minoritised people (55%)
- People who are homeless (54%), and people with financial need (including poverty) (44%)
- Families of people in contact with the criminal justice system (35%).

Some respondents were specialists in supporting a particular group of people or provided specialist services to a group within a broader service offer:

- 16% of respondents said their organisation's main purpose was to provide services for women
- 35% said they provided a specific service for women as part of a broader remit
- 7% of respondents said their organisation's main purpose was to provide services for racially minoritised people
- 15% provided a specific service for racially minoritised people as part of a broader remit.

The proportion of organisations supporting racially minoritised people was up ten points compared to last year. A larger proportion of organisations reported that their main purpose was to provide services for racially minoritised people, or that they provided a specific service for racially minoritised people. We are pleased to see the increases in both these areas. This indicates that we have either captured a greater number of organisations led by and focused on racially minoritised

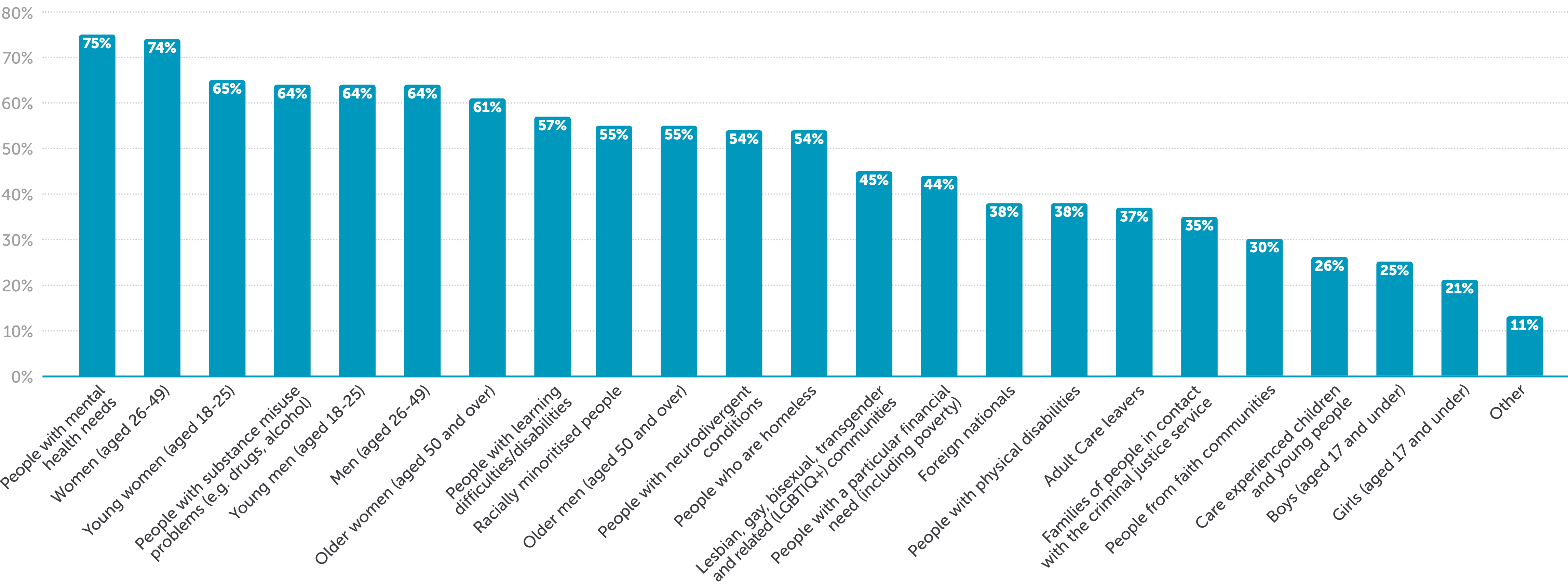




people in our sample; or that these organisations are increasing and that organisations with a broader remit are recognising the need to provide specific services for racially minoritised people in contact with the criminal justice system.

In contrast, responses from organisations working with families of people in contact with the criminal justice system was down 10 percentage points compared last year.

Who do organisations work with?



n=89 | Source: Clinks/NCVO survey 2022





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In contrast, responses from organisations working with families of people in contact with the criminal justice system was down 10 percentage points compared last year.

## The services voluntary organisations provide

Organisations reported varied primary areas of work. This question allowed respondents to select all answers that applied. The most common fields were:

- Attitudes, thinking, and behaviour (62%)
- Education, training, and learning (61%)
- Emotional support (58%)
- Mental health (57%)
- Mentoring/befriending/coaching (47%)
- Employment support and/or placements (43%).

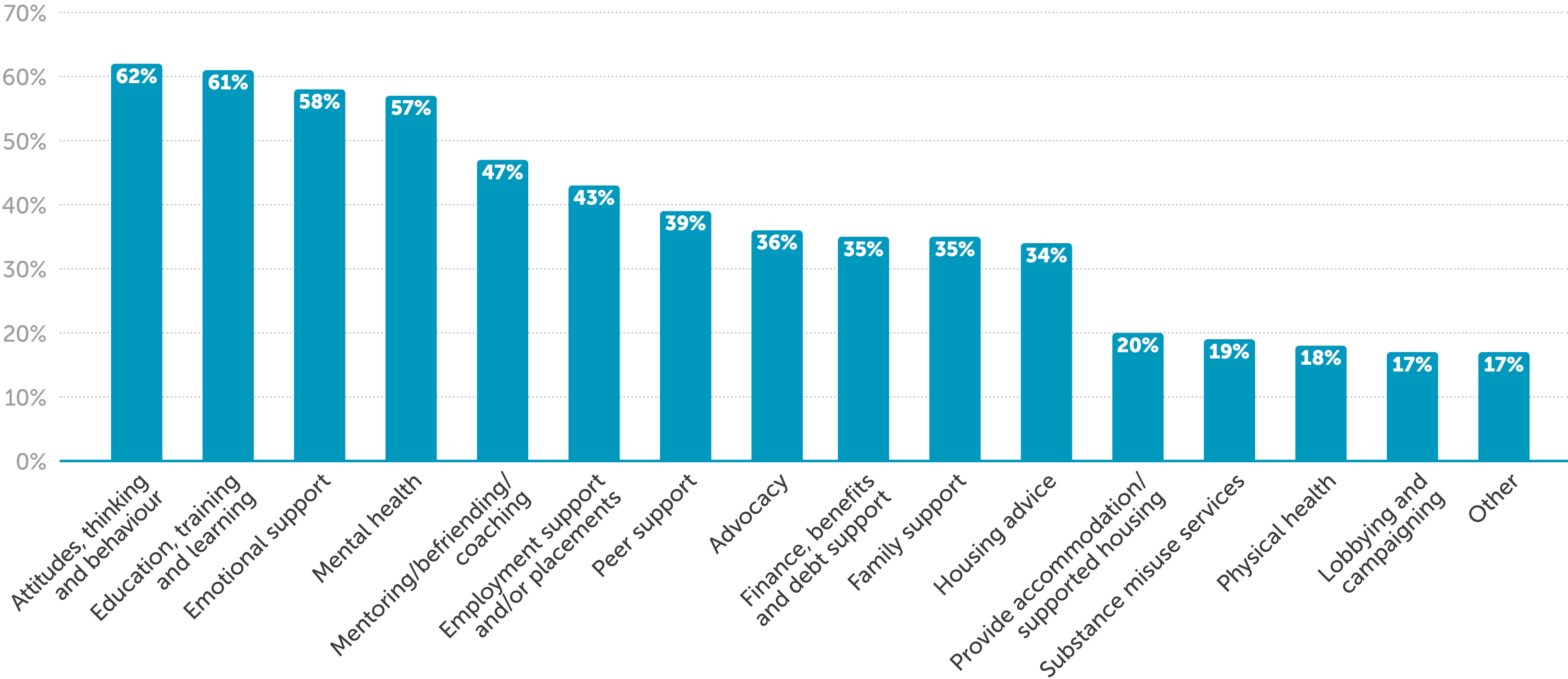
This variety in organisations' primary areas of work is an enduring feature of voluntary sector organisations highlighted year on year by the State of the sector research. It shows the flexible and comprehensive approach to meeting beneficiaries needs that is characteristic of the sector and which has continued through the pandemic and beyond.

One of the areas that has seen the largest growth is peer support, which is up nine percentage points in this year's survey. This could be reflective of continued efforts in the sector to involve people with lived experience, or it could be reflective of the pressures on professional support, meaning that other services could be stepping in to fill the gap.





Primary areas of work of organisations



n=89 | Source: Clinks/NCVO survey 2022

The sample was evenly split between organisations working mainly in the criminal justice sector (48%) and organisations with some service users who were in contact with the criminal justice system (52%).

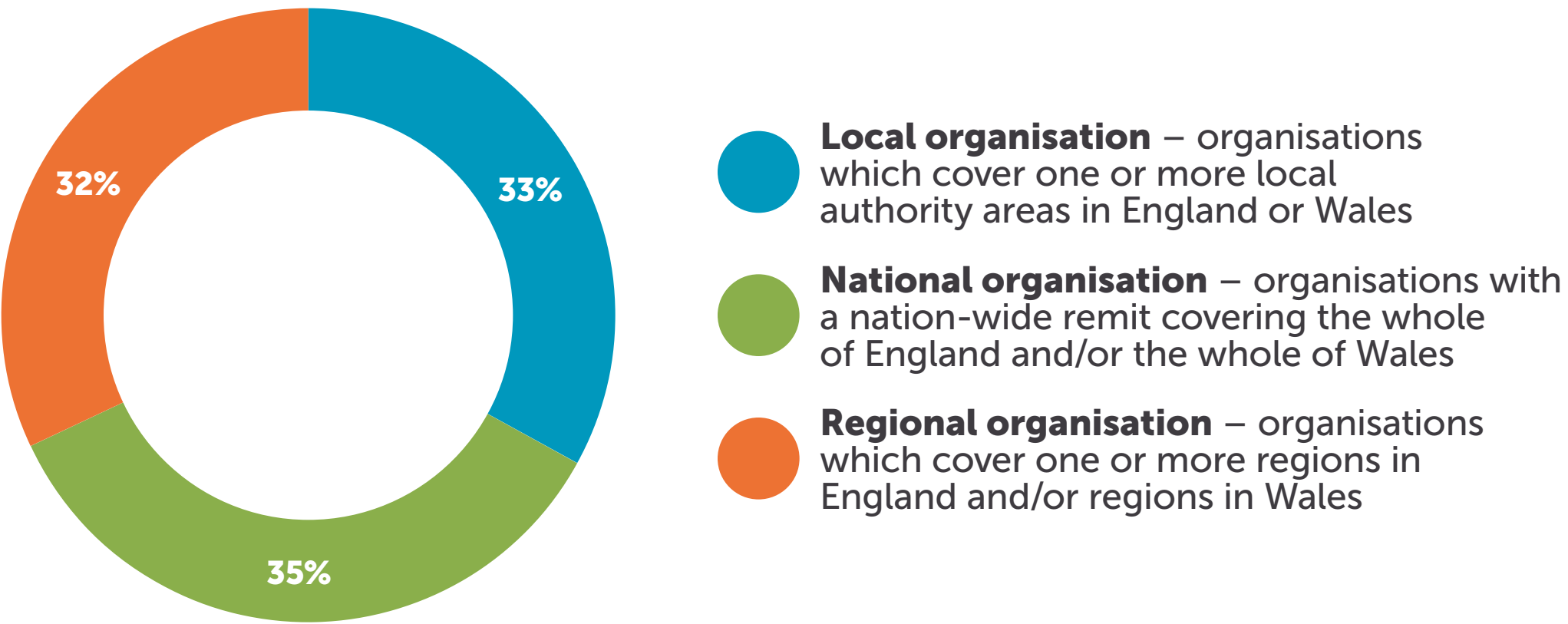




# Where in the country do organisations work

The survey sample was evenly split between organisations providing services at national (33%), regional (35%) and local (32%) level. Respondents reported working across England and Wales, with 92% delivering services in England and 32% delivering services in Wales. Of those delivering services in Wales, 24% (representing 8% of the sample) did so exclusively.

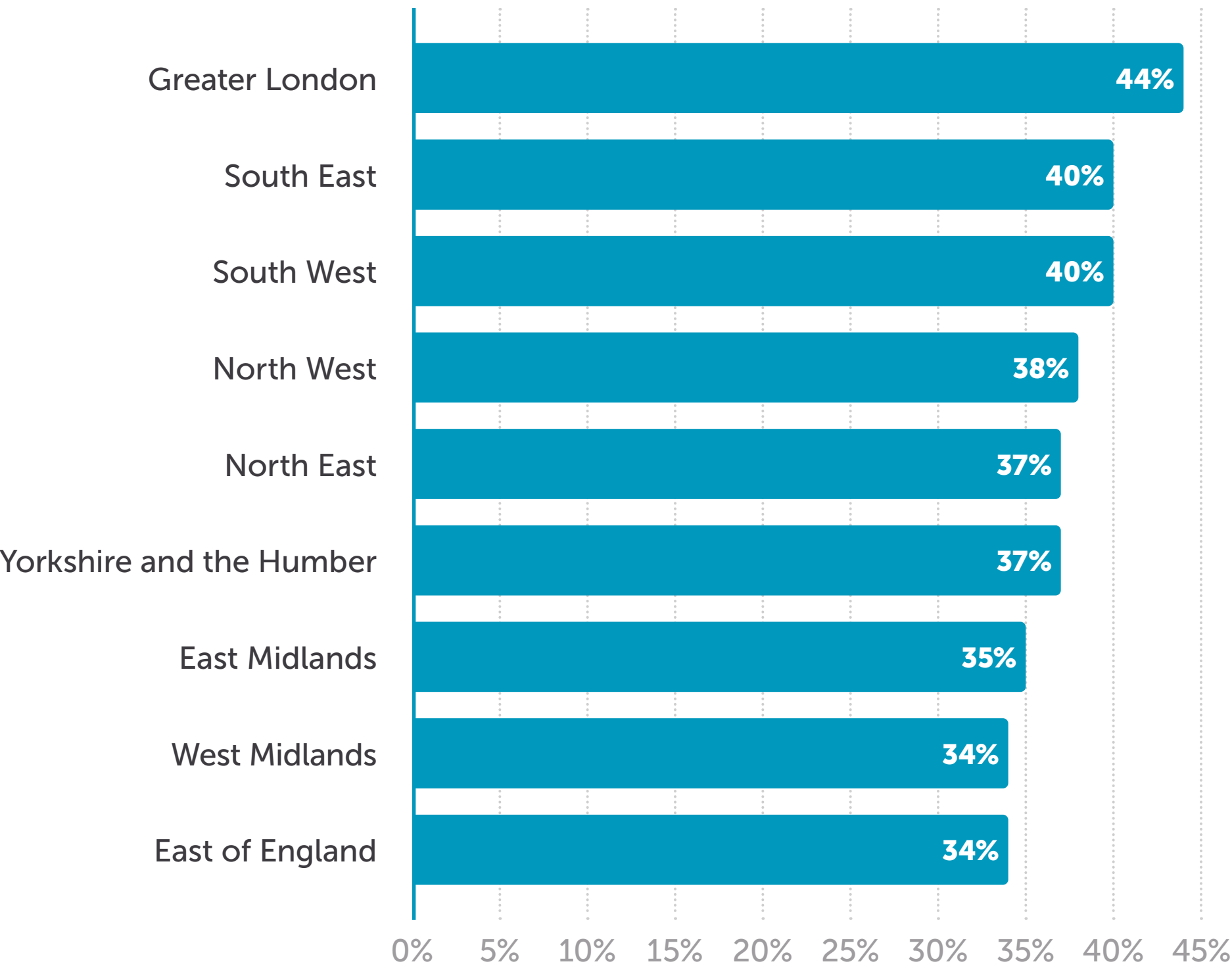
## Geographical remit of organisation's work



n=88 | Source: Clinks/NCVO survey 2022

In England, respondents operated across the country, though more reported working in Greater London, the South East, and the South West than any areas of the Midlands or the North. This does not match the population distribution across England.<sup>5</sup> However it does correspond with findings about the uneven

## English regions where organisations operate



n=82 | Source: Clinks/NCVO survey 2022

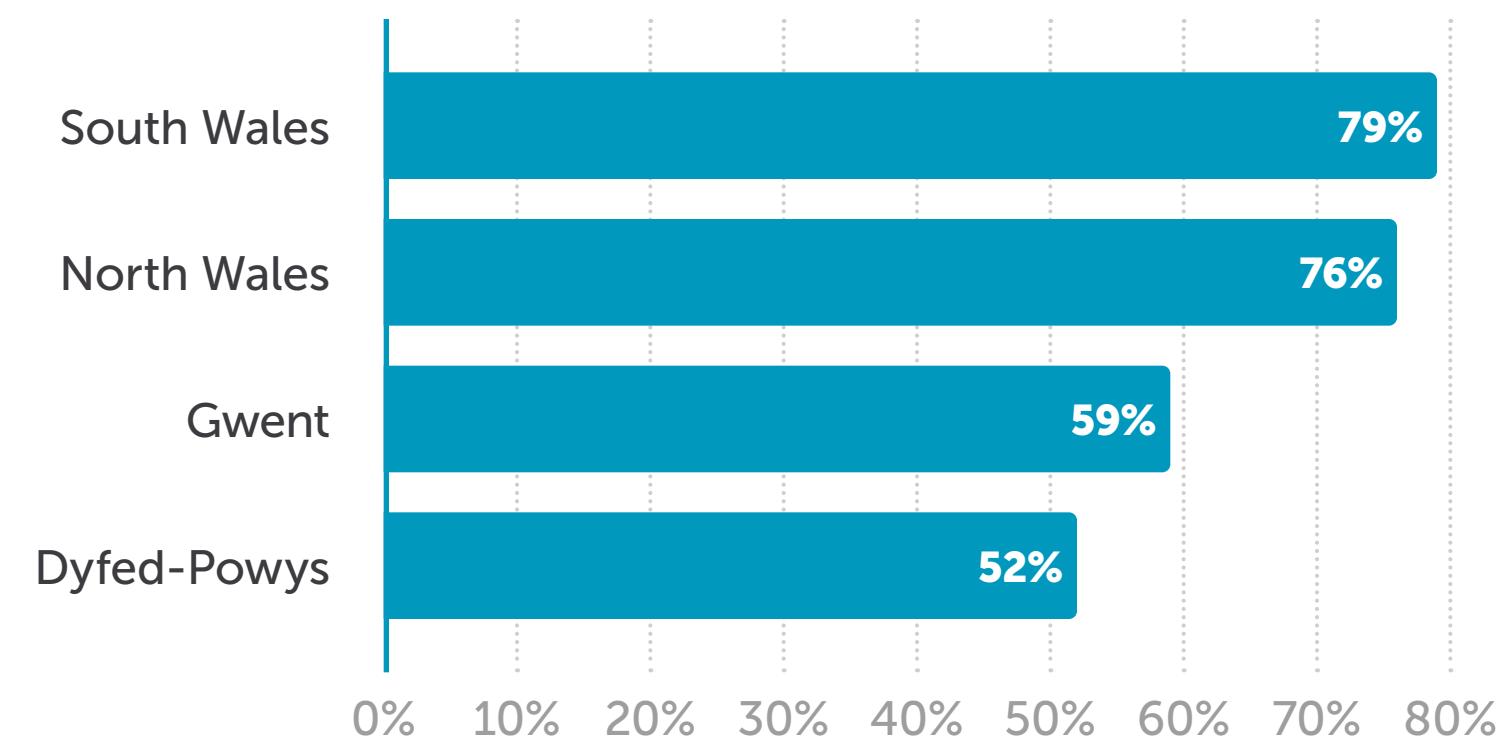
geographical distribution of voluntary sector jobs in the UK.<sup>6</sup> The sample size for this year's survey is smaller than in previous years, so this could also impact the distribution of geographical areas in which respondents operate.





In Wales, a greater number of organisations reported working in South or North Wales, than reported working in Gwent or Dyfed Powys. This would align with the parts of Wales that are most populated and where prisons are located.

Welsh regions where organisations operate



n=29 | Source: Clinks/NCVO survey 2022

Where in the criminal justice system organisations work

The survey highlighted that voluntary sector organisations work with people at every stage of the criminal justice system, including both in prisons and in the community. Organisations reported working with people:

- Under probation supervision having served a prison sentence (79%)
- In the community with a past conviction (73%)
- In prison preparing for release (73%)
- In prison serving a sentence (62%)
- In the community at risk of offending (57%)
- Serving a sentence in the community (49%)
- In prison on remand (49%).

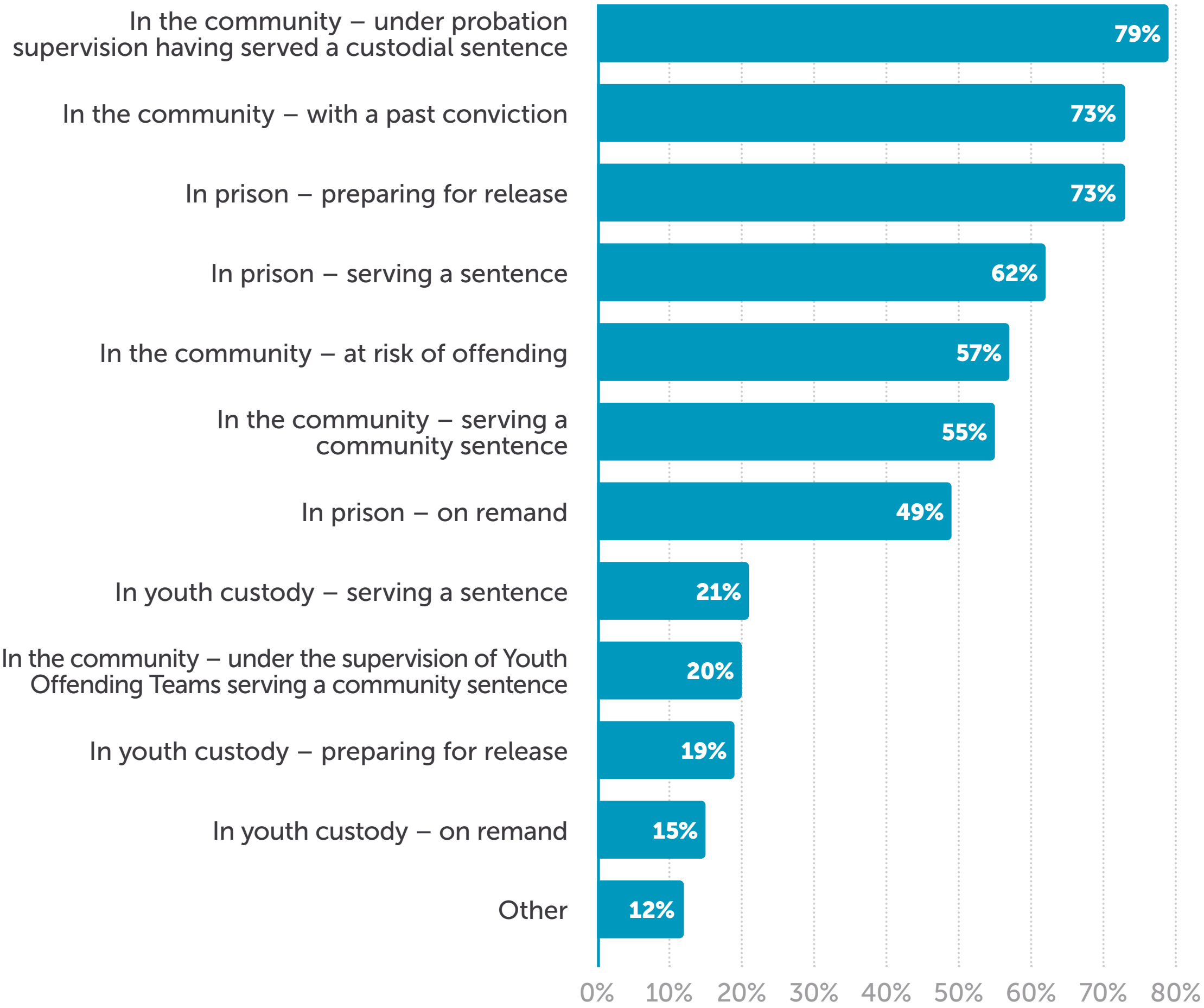
A smaller proportion of respondents are working in the youth justice system. Organisations reported working with children:

- In custody serving a sentence (20%)
- In custody preparing for release (19%)
- Serving a sentence under the supervision of the Youth Offending Team (20%)
- In custody – on remand (15%).





Stage of the justice system of clients/beneficiaries



n=89 | Source: Clinks/NCVO survey 2022

The results here are similar to those we saw last year. There have been some changes which we outline below but we are cautious in the conclusions we draw with regards to these changes given the smaller size of this year’s sample.

The proportion of organisations reporting working with people in prison serving a sentence has recovered since last year but has not yet fully reached pre-pandemic levels. In 2019, 68% reported working with this group, falling to 55% in 2021, and then rising to 62% in 2022. One interviewee provided some insight into how some organisations have structured their services around restricted access to prisons:

*“Yes, I think in the past we’ve worked with people still in a prison setting, but obviously with Covid we haven’t managed, the prisons have been shut, so we tend to, we’re now working with people outside of prison and we’ve found a lot of women come to us further on in their journey.”*

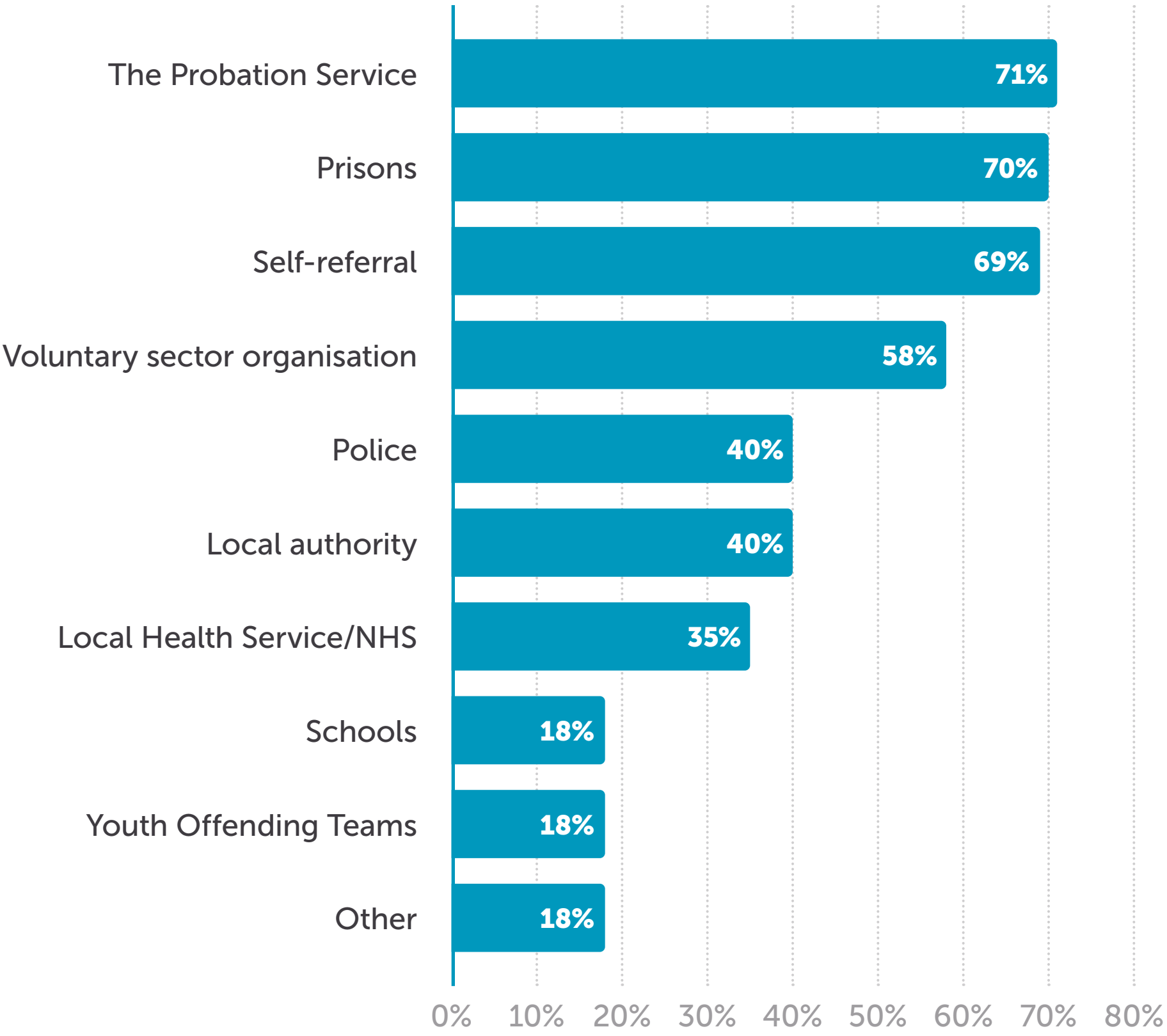
There has been an increase of six percentage points in organisations working with people under the supervision of the probation service having served a prison sentence. However, the proportion of organisations who support people serving a community sentence has remained the same.

The proportion of organisations supporting people preparing for release from prison remained stable, while the proportion of organisations supporting people on remand increased by five percentage points. This may be due to the easing of pandemic restrictions meaning improved access to the prison estate, but it may equally reflect the increase in the remand population





Sources of referrals




n=89 | Source: Clinks/NCVO survey 2022

and increased focus on the needs of this group as a result. Looking back to findings from 2019, 38% of respondents said they worked with people in prison on remand. This increased to 44% in 2021 and now stands at 49%.

Most organisations took their referrals from a mix of statutory criminal justice sources: the most common sources of referral were the probation service (71%) and prisons (70%). These were followed by self-referral (69%), and other voluntary sector organisations (54%). Other sources included local authorities (40%), police (40%), and local health services (35%).







# The people voluntary organisations support





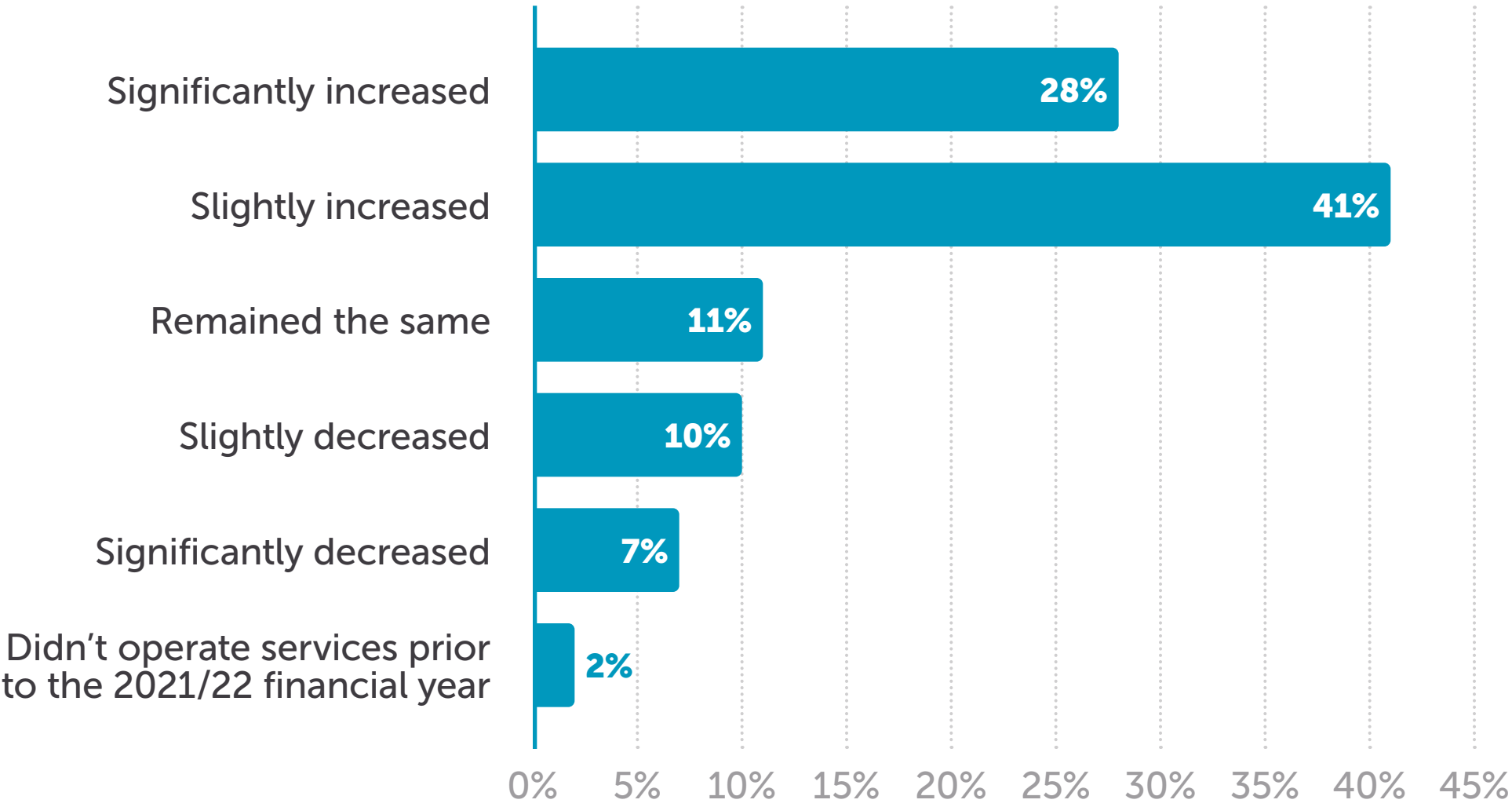
**This chapter explores the needs of criminal justice voluntary sector organisations' beneficiaries. It highlights that demand for services is increasing and how organisations are responding.**

**KEY FINDING**

The number of people criminal justice voluntary organisations support is increasing, and the level, complexity and urgency of their needs continues to grow.

Most organisations (69%) reported a rise in service users, with 28% reporting a significant rise. Just 17% of respondents saw the number of service users decrease, with 7% reporting a significant decrease.

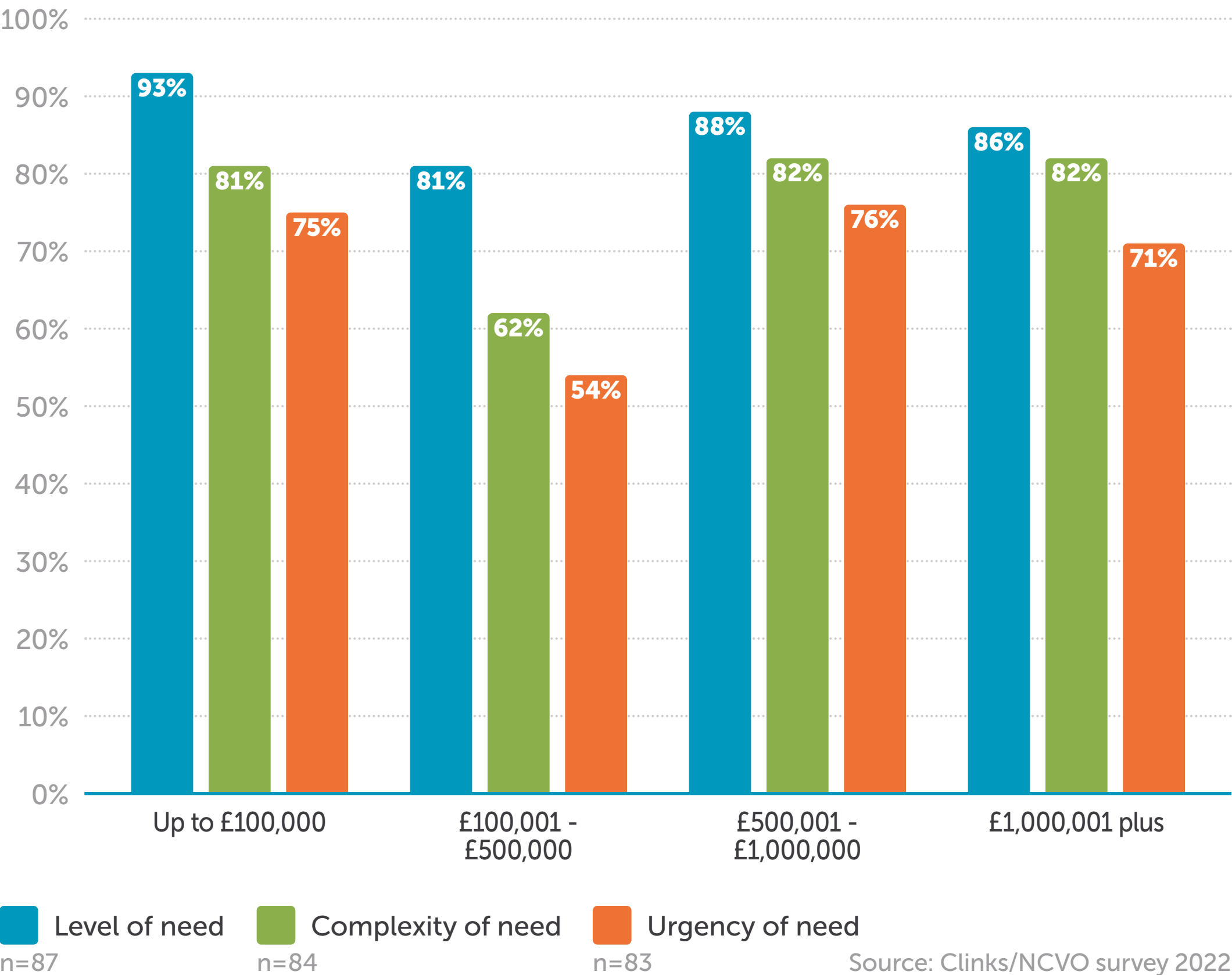
**Change in service user numbers**



n=87 | Source: Clinks/NCVO survey 2022

Organisations of all sizes reported increases in the level, complexity, and urgency of need. More than 80% of all organisations reported an increase in both the level and complexity of need, and over half of all organisations reported an increase in urgency. However, organisations with an income of £100,001 and £500,001 saw a lesser increase.

**Size of organisations: Survey/Charity Commission comparison**



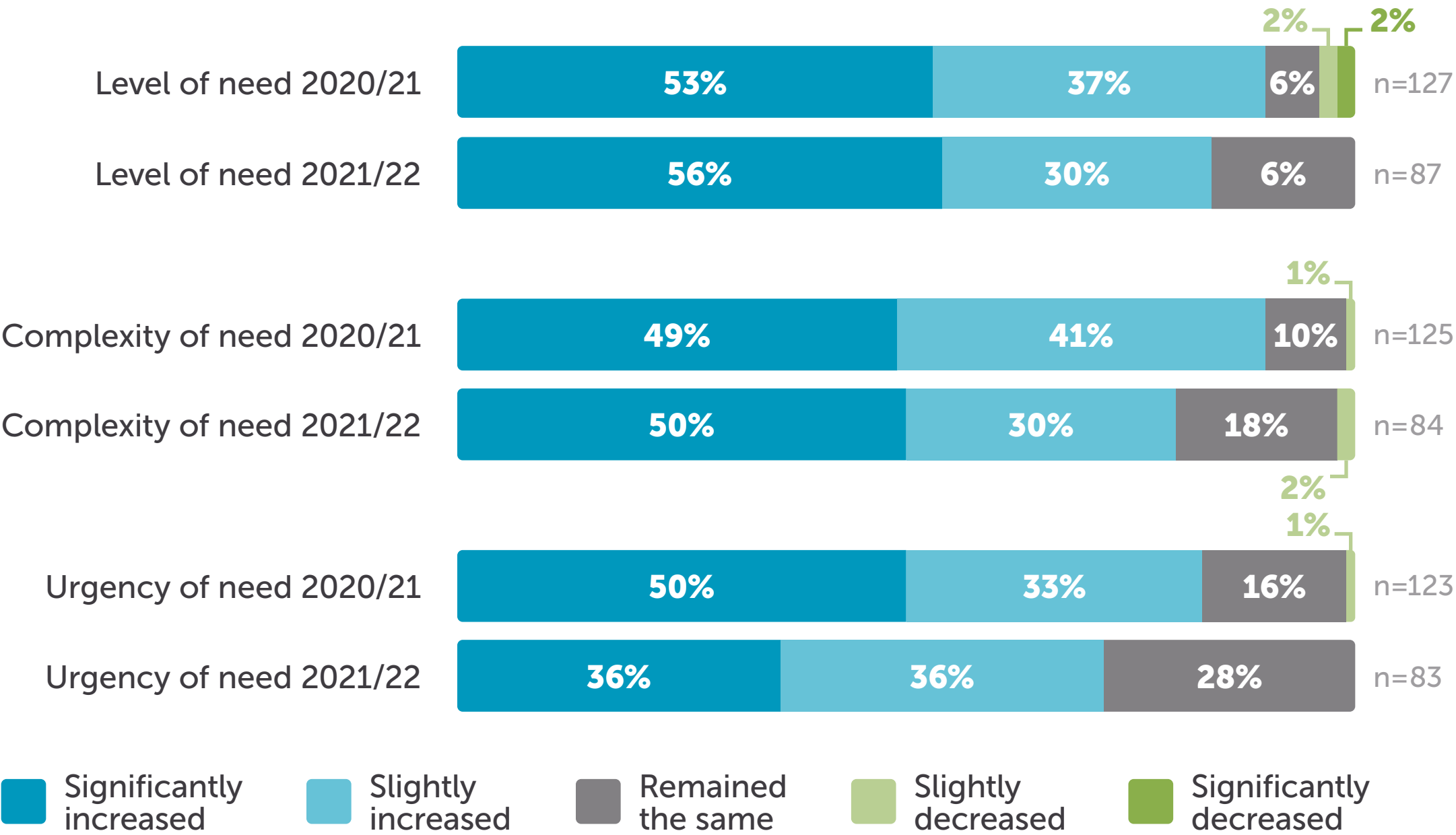
Source: Clinks/NCVO survey 2022





This continues a trend we have seen year on year. For the last five consecutive surveys, respondents have reported increases in the complexity and urgency of need they are seeing amongst their beneficiaries. In 2021 we introduced a further question exploring the level of need and, for the second consecutive year, organisations reported an increase in this too.

Change in the level, complexity, and urgency of need amongst service users, 2020/21 and 2021/22 comparison



Source: State of the sector 2021 and Clinks/NCVO survey 2022

Though it is not possible to make direct comparisons due to the differing samples we can see that, year-on-year, more organisations are reporting increased need than not. A slightly greater number of organisations reported this in 2021 which may indicate a spike in the overall upwards trend in 2021 due to the impact of the pandemic. Smaller organisations reported the greatest increases in level of need. In previous years increases in urgency and complexity of need were also more likely to be reported by small organisations, but we are now seeing this reported by organisations of all sizes. The impact of these increases is likely to be felt more immediately and acutely by smaller organisations who are often the most agile and so able to quickly respond flexibly to changes in need, but also the least able to absorb additional draws on their resources. It is possible that they may have been the first to recognise this trend which has now been picked up more widely.

KEY FINDING

Organisations are working flexibly and in partnership to respond to changes, but larger caseloads are becoming a concerning feature.

When asked how they were responding to the changes in need, most respondents said they were working more flexibly with clients (63%) and increasing partnership working with other voluntary organisations (53%). Respondents also said they were improving staff skills through training (47%), developing new services (47%), sourcing more funding (44%), and employing more staff (43%). Just 4% reported narrowing client criteria, 3% had reduced services, and 2% had closed services.

A significant proportion of organisations (46%) reported staff were taking on larger caseloads. This has significant potential implications for service quality and sustainability, and staff welfare and retention.







# How organisations delivered their services





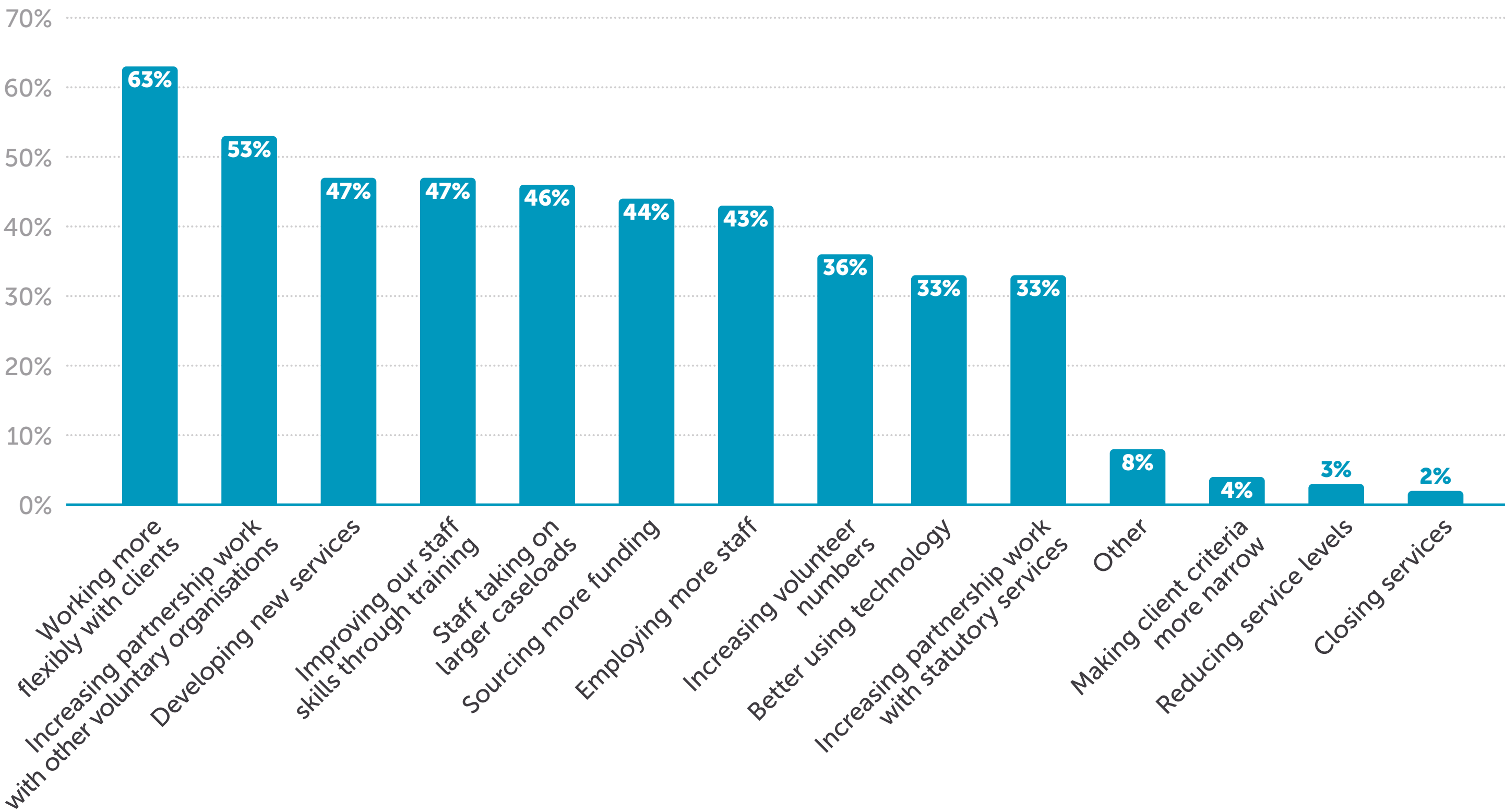
This section looks at models of service delivery, considering how services have recovered from the pandemic and lessons learned. It also explores the workforce of organisations considering their staff and volunteers and the ways in which they continue to involve people with lived experience of the criminal justice system in the delivery of their services.

KEY FINDING

Face-to-face services are returning, but some organisations have retained remote delivery too.

Last year, we saw how the voluntary sector quickly adapted delivery models to respond to the pandemic. Many organisations reported better utilising technology to make previously in-person services available remotely, and some even developed new services. Following this sudden change in service delivery models, data from this year’s survey reveals a reversion from remote delivery to face-to-face services.

Responses to increased service user need

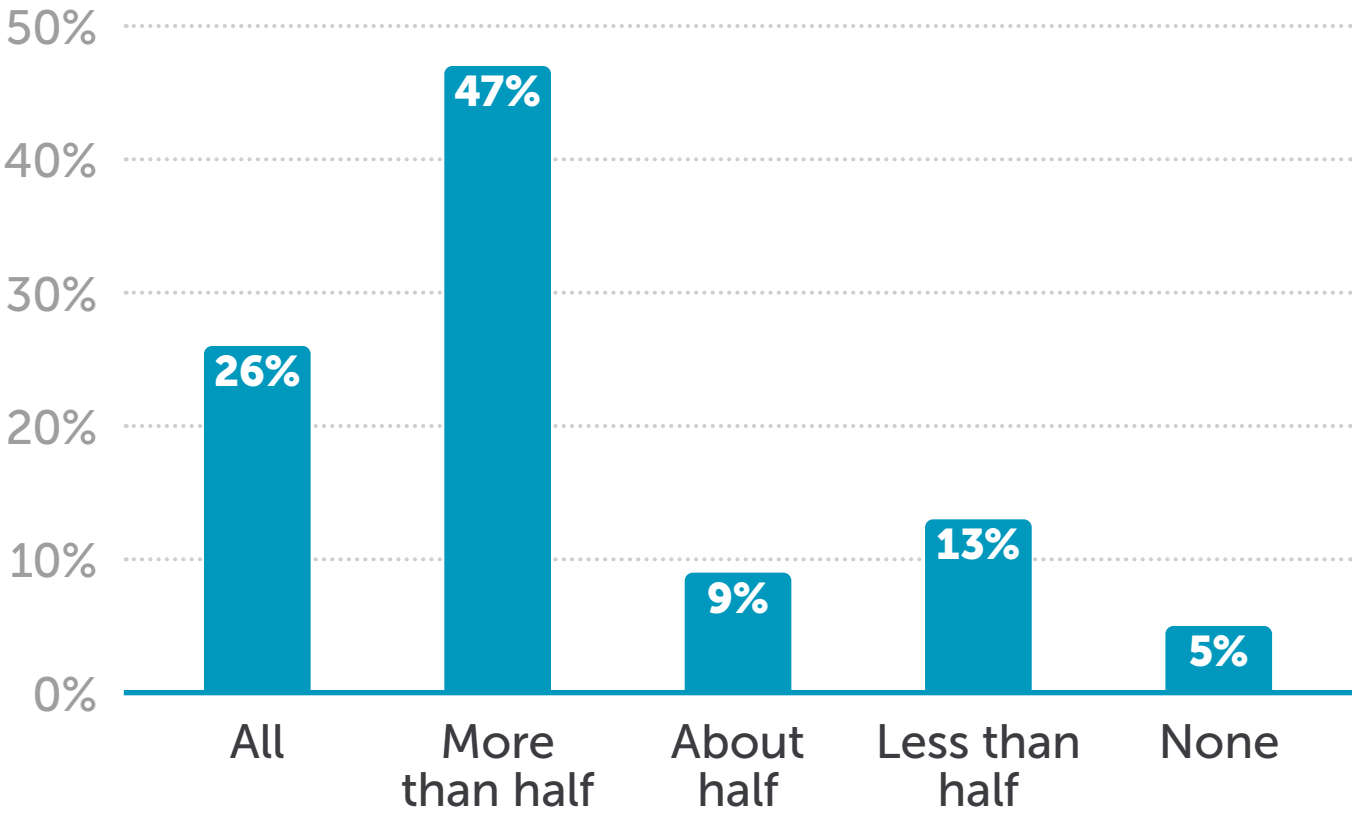


n=89 | Source: Clinks/NCVO survey 2022





Proportion of services delivered in-person

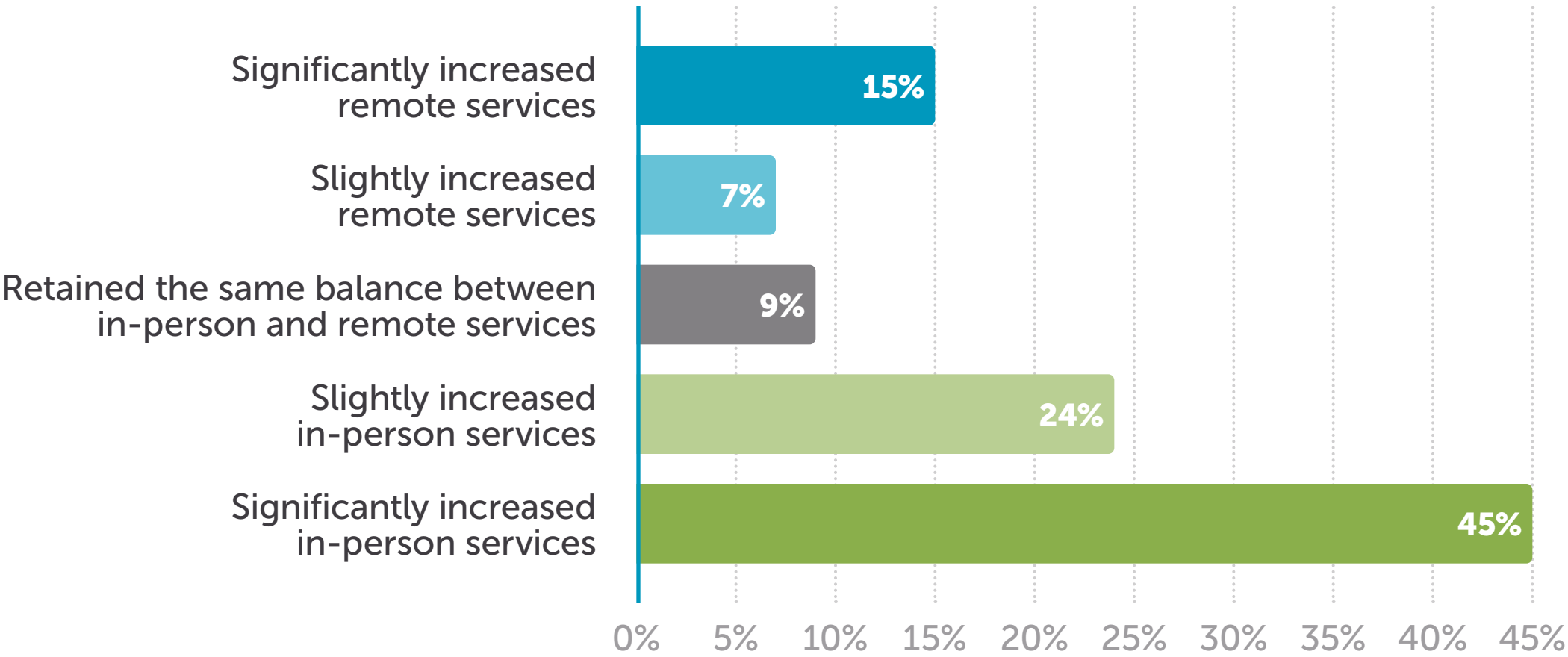


n=85 | Source: Clinks/NCVO survey 2022

Overall, 70% of organisations reporting increased in-person services, and 45% had increased them significantly. Most organisations delivered more than half their services in person: 26% delivered all services face-to-face, and 47% more than half in-person. Only 5% delivered no services in-person. Interestingly, 22% of organisations said they increased remote service delivery, 15% significantly so.

Last year, we saw there were barriers to accessing remote services for some groups of people. These were mostly due to digital inequality, digital illiteracy, and the lack of digital infrastructure in prisons. As such, a return to in person delivery is unsurprising and it is likely that greater operation of in-person services will help these groups to access voluntary sector services more easily.

Change in mode of service delivery



n=82 | Source: Clinks/NCVO survey 2022

However, we also learnt, from last year’s interviews, that some organisations were finding benefits to remote service. Interviewees described remote service delivery as enabling participants to feel more able to engage well with the service and disclose information when working one-to-one with voluntary sector staff online, rather than in a group setting. This may explain the continued increase in remote service reported by 22% of organisations. In addition, while we are now working towards recovery from the pandemic, we face new challenges including significant increases in costs of living which might impact beneficiaries’ ability to travel to access services. The learning from the pandemic will be particularly helpful to organisations in this context.





# The people delivering services

## KEY FINDING

Staff levels remain stable but recruiting skilled and experienced staff is increasingly challenging.

Many organisations reported that staffing levels over the last year have remained the same and these findings are similar to responses in 2021.

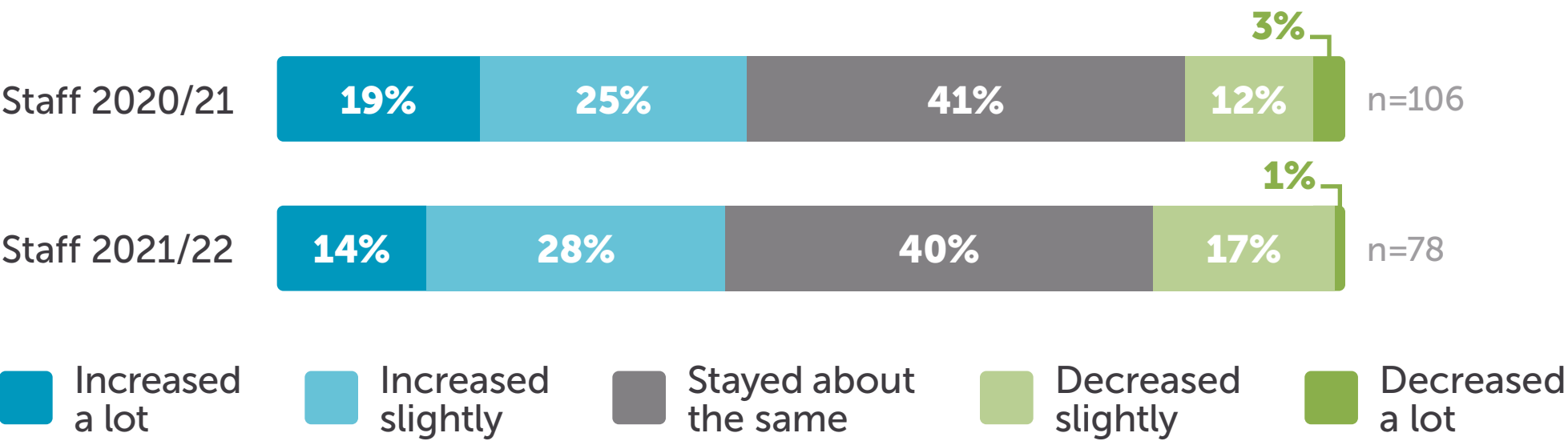
Interviewees also reported they were not making staff cuts, but several participants referenced difficulty recruiting skilled staff.

*“We’ve had massive problems recruiting staff. We have really struggled to get key posts in, so an HR manager, for example, a fundraising post, we’ve really found difficult to get in.”*

*“Yeah, we’re seeing it is much trickier to fill vacancies, particularly London and south-east region where we’re definitely seeing wage rises, so we’ve tried to mirror that with market supplements and look at what the prison service and probation are doing in terms of how they structured their salaries, but yeah, we are definitely finding it a lot more competitive.”*

In 2021, interviewees discussed concerns about staff exiting the voluntary sector permanently and were particularly concerned about the loss of specialist staff who are difficult to replace. This loss of specialist staff was seen as a greater threat to sustainability than finances.<sup>7</sup>

## Changes in staffing levels of organisations



Source: State of the sector 2021 and Clinks/NCVO survey 2022

Challenges in filling vacancies with skilled and experienced staff are likely to be further exacerbated as the sector attempts to keep up with inflation which at the time of writing, as measured by the Consumer Prices Index (CPI), stood at 11.1%.<sup>8</sup> This is against a backdrop of recruitment presenting a particular challenge in the wider voluntary sector. Research from Pro Bono Economics<sup>9</sup> found that, across their working lives, employees in the charity sector are paid an average of 7% less per hour than those in similar roles in the rest of the economy.

## KEY FINDING

Volunteering numbers are stabilising, although they have not increased significantly enough to return to pre pandemic levels.

Our State of the sector research over previous years has highlighted the central role played by volunteers in delivering services. During the pandemic volunteer



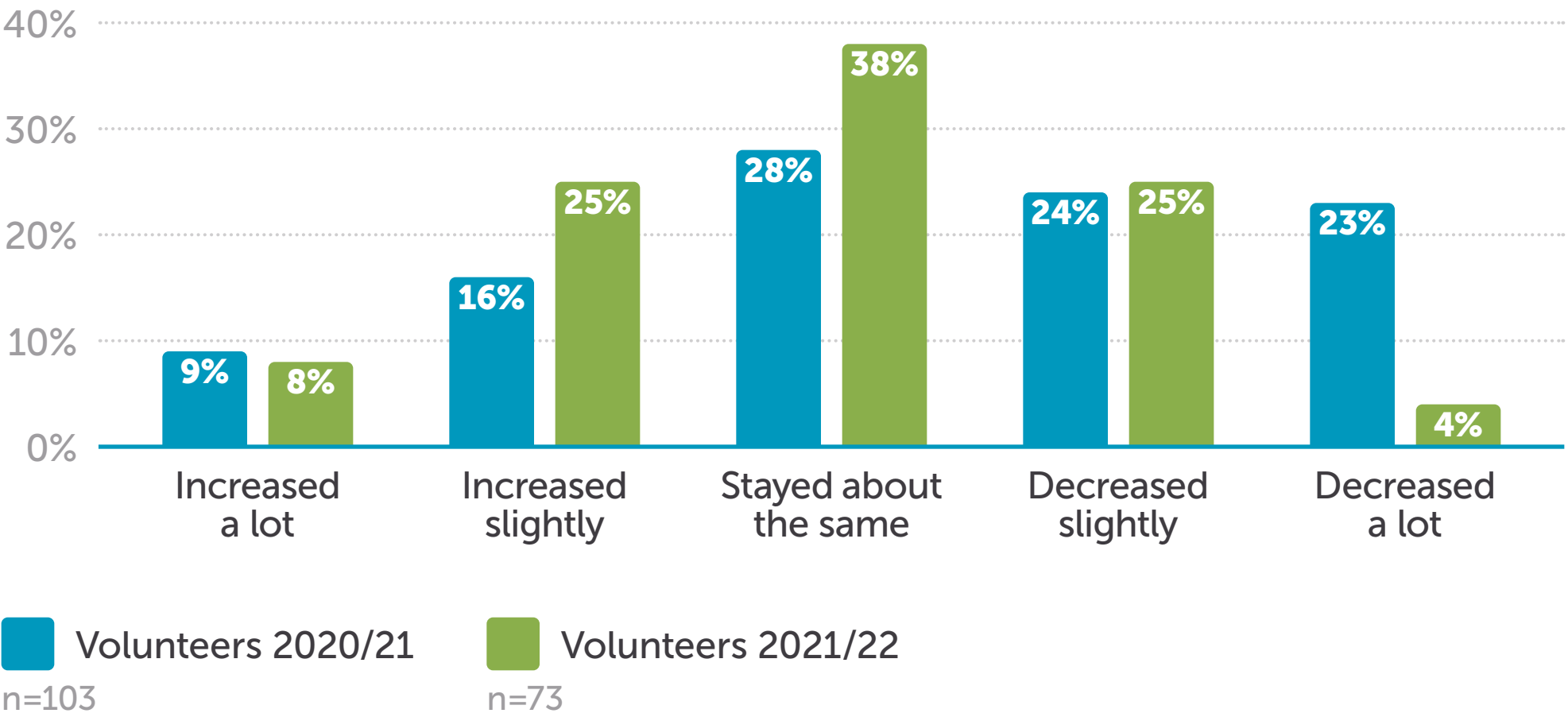


numbers decreased with 47% of organisations reporting this in 2021. This year 38% of organisations said their number of volunteers remained the same, with 33% reporting numbers increased, and 29% reporting numbers decreased. This stabilisation, while not representing a full return to pre pandemic levels, is positive to see.

Organisations explained that volunteers carried out a range of tasks for organisations. The most common tasks were organising or helping run activities or events (42%), befriending or mentoring (42%), and peer support (40%).

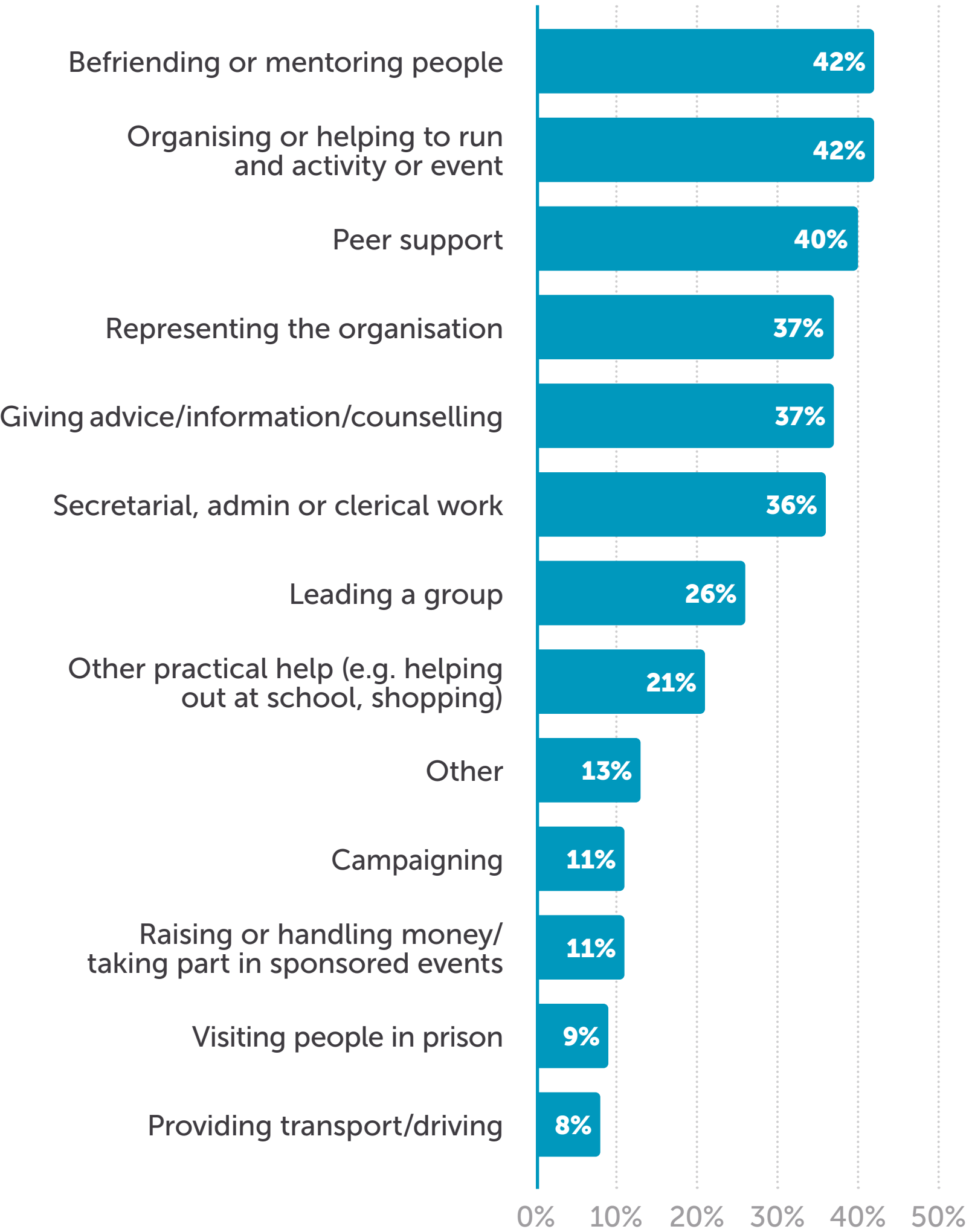
The top three activities undertaken by volunteers in this year’s research, remain the same as those found last year. Across the other categories we asked about, the proportion of respondents this year was down in almost all.

Changes in volunteer levels of organisations



Source: State of the sector 2021, Clinks/NCVO survey 2022

Activities undertaken by volunteers



n=89 | Source: Clinks/NCVO survey 2022





KEY FINDING

Organisations continue to involve people with lived experience in their work, but more can be done to understand the extent to which people with lived experience make up a proportion of the workforce.

Most organisations (94%) said they involved people with lived experience of the criminal justice system in the design and delivery of their services – most commonly through consultation and recruitment to paid and voluntary roles. Two thirds of organisations said they consulted people who had used their services about their design and delivery, and 41% had consulted people with lived experience to inform policy, influencing, and campaigns work. Most (60%) organisations said they recruited people with lived experience as volunteers, 57% as staff, and 35% as trustees.

We wanted to understand how organisations encourage and monitor the level of lived experience involvement in their work. 64% said they recruited people who accessed their services as staff, volunteers, or trustees, and 13% told us they worked with other organisations to help with the recruitment of people with lived experience. 12% said they utilised internal surveys to understand the involvement of lived experience in their organisations.

The involvement of people with lived experience in the work of the criminal justice voluntary sector has continued and we encourage organisations to build on this. We are keen to support the sector to consider how and when it asks individuals to disclose their lived experience to ensure that

Involvement of people with lived experience



n=89 | Source: Clinks/NCVO survey 2022





disclosure requirements do not present unnecessary barriers – 28% of organisations said they ask for disclosure when recruiting staff and/or volunteers, and 26% said they ask for disclosure only where the job involves regulated activity. It is positive to see organisations are recruiting people with lived experience as trustees, including applying for a waiver for a prospective trustee who was disqualified because of a criminal record.





A photograph of three women smiling outdoors. The woman in the foreground has long brown hair and is wearing a dark blue patterned shirt. Behind her, a woman with dark hair and bangs is looking slightly to the side. To the right, another woman with dark hair and sunglasses on her head is smiling. The background shows greenery and a white umbrella. Large, stylized, colorful graphic elements (orange, green, pink) are overlaid on the right side of the image.

# Financial sustainability





This chapter explores organisations’ level and sources of income and the challenges and opportunities they are seeing for their financial sustainability.

KEY FINDING

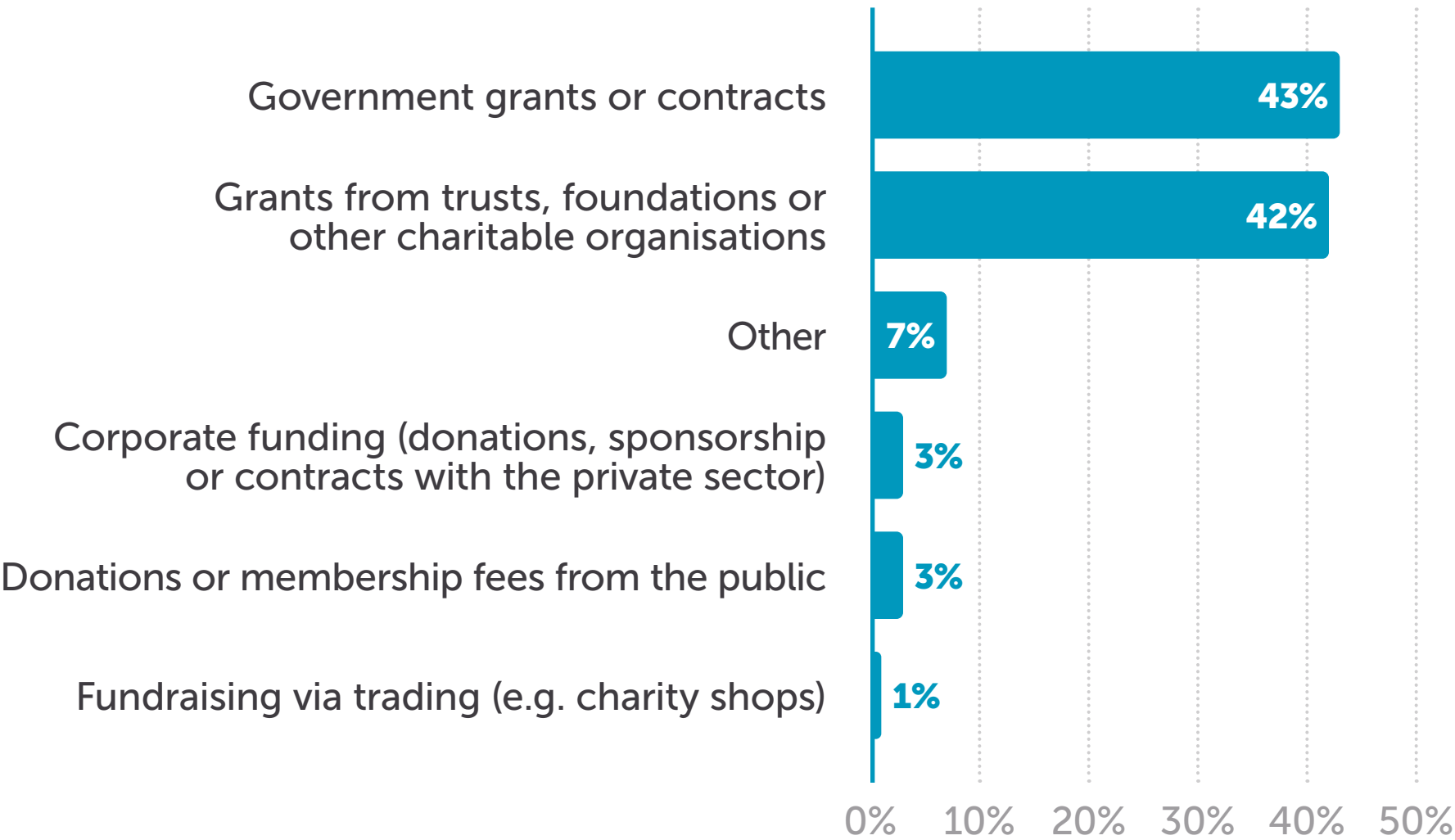
Organisations’ largest source of funding is evenly split between government grants and contracts, and grants from philanthropic funders. However, smaller organisations are more reliant on trusts and foundations.

There was an even split between organisations whose largest source of funding came from government grants and contracts (43%), and those whose largest source of income was from grants from philanthropic funders - trusts, foundations, and other charitable organisations (42%).

The analysis of the charities categorised as ‘crime and justice’ in the UK-CAT project shows that, in comparison to the wider voluntary sector, criminal justice voluntary organisations with an income over £10,000, were significantly more likely to receive government contract funding than other charities of a comparable size. In total, 17% of criminal justice charities received government contract funding, compared to just 7% of all charities. The median number of government contracts for a criminal justice organisation was three, compared with two for all charities.

Looking at government grants for charities with an income of over £10,000, a similar proportion of criminal justice voluntary organisations received government grants (37%) as all charities (36%). The median number of government grants received by both criminal justice charities and all charities was two.

Largest source of income for criminal justice voluntary organisations



n=88 | Source: Clinks/NCVO survey 2022

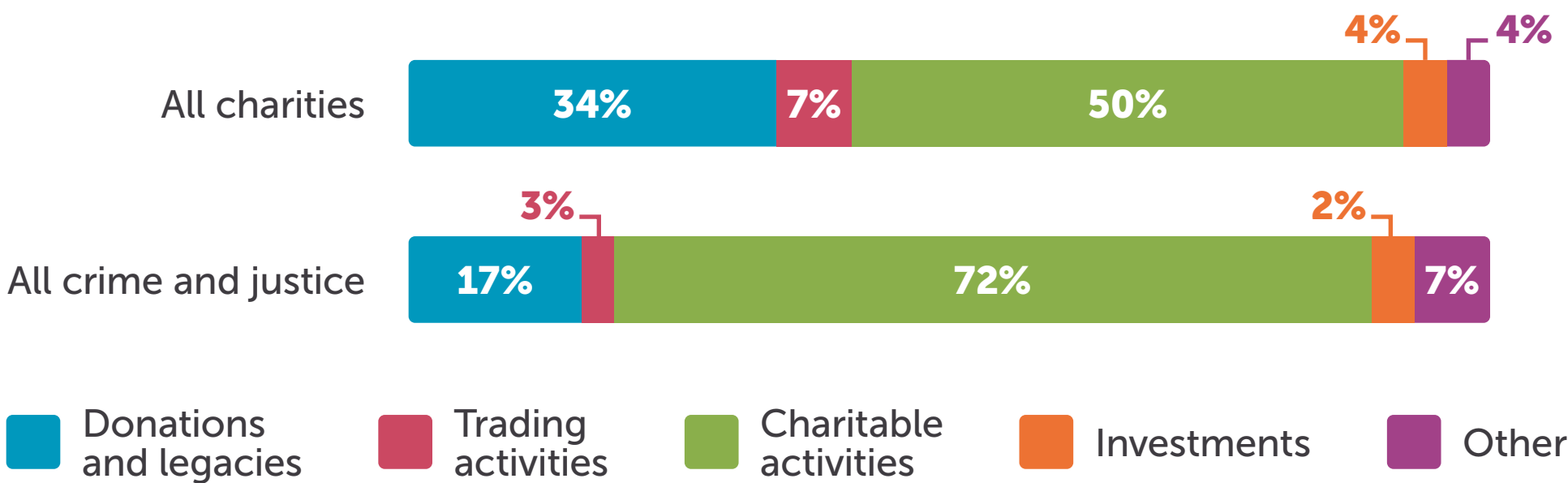
The largest criminal justice voluntary organisations, with an income of over £10 million, received, on average, a significantly larger number of government grants and contracts than all charities. On government contracts, these largest organisations received an average 53, compared to 13 for the largest charities as a whole. On government grants, criminal justice voluntary organisations with an income of over £10 million received an average of 25 grants, compared to five for all charities of a comparable size.





This analysis also provides a breakdown of the proportion of source of income for charities with an income of over £500,000. This reveals that criminal justice voluntary organisations are significantly less reliant on donations and legacies than all charities. Criminal justice organisations also receive a smaller proportion of their income from trading activities and investments than all charities. The biggest source of income for criminal justice voluntary organisations is charitable activities, with these organisations receiving nearly 50% more of their income from charitable activities than charities as whole.

Income sources of charities with income over £500,000



Source: Charity Commission

Our survey found organisations with an income of £500,000 or less were more reliant on trusts and foundations as their largest funding source, whereas those with an income of £500,001 or more said government contracts and/or grants tended to be their largest source of income. This finding is consistent with previous years’ State of the sector research. Analysis of data from the UK-

CAT project found that 82% of crime and justice organisations have an income of £500,000 or less.<sup>10</sup> This highlights that most criminal justice voluntary organisations are likely to be dependent on grants from trusts and foundations.

Charitable trusts and foundations remained the largest source of grant income for organisations, with 40% indicating they applied for, and 64% saying they were awarded, such a grant in the 2021/22 financial year. The next largest grant-funders were local authorities (21% applying for a grant and 26% awarded one), and lottery funding (20% applying and 26% awarded one).<sup>11</sup>

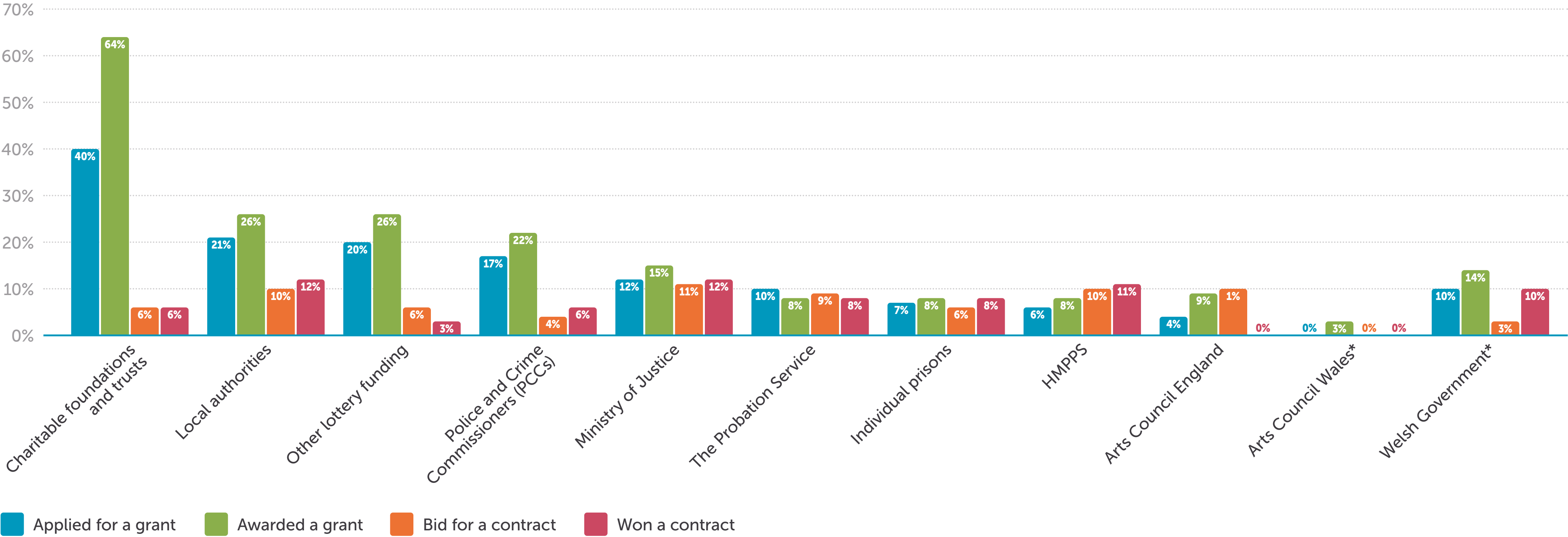
For organisations operating in Wales, the Welsh government was the biggest funding source for both grants (10% applied and 14% awarded), and contracts (3% applied and 10% awarded). Analysis of data from the UK-CAT project also found that a similar proportion of Welsh criminal justice voluntary organisations received government contracts as all criminal justice voluntary organisations and all charities. However, a greater proportion of Welsh criminal justice voluntary organisations received government grants (44%) compared to all charities (36%). This further evidences the important role that government grants play for criminal justice voluntary organisations operating in Wales.<sup>12</sup>

Just over half of all organisations (57%) said they delivered services under contract or sub-contract. A third bid for one contract, 40% between 2 and 5, 10% from 6-10 and 18% for more than 10 in the year.





Grant and contract income sources

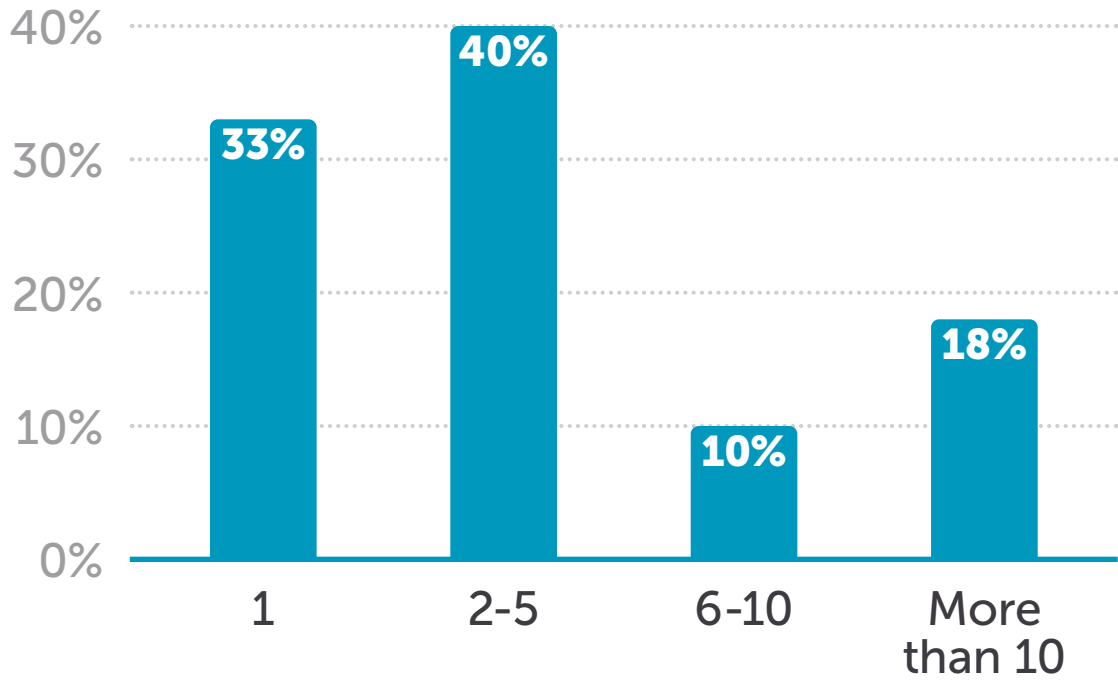


n=89, \*n=29 (measured against respondents who operate in Wales) | Source: Clinks/NCVO survey 2022



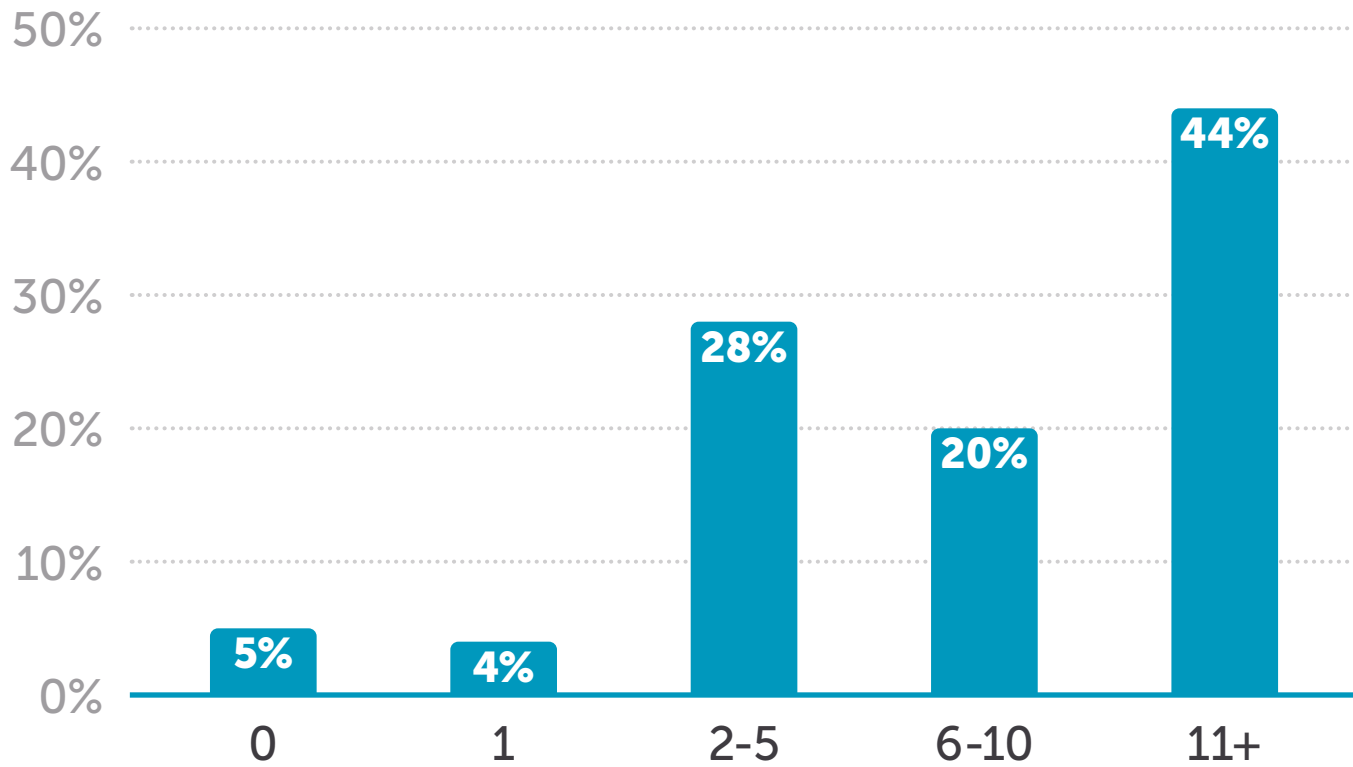


Number of contracts for which organisations bid



n=40 | Source: Clinks/NCVO survey 2022

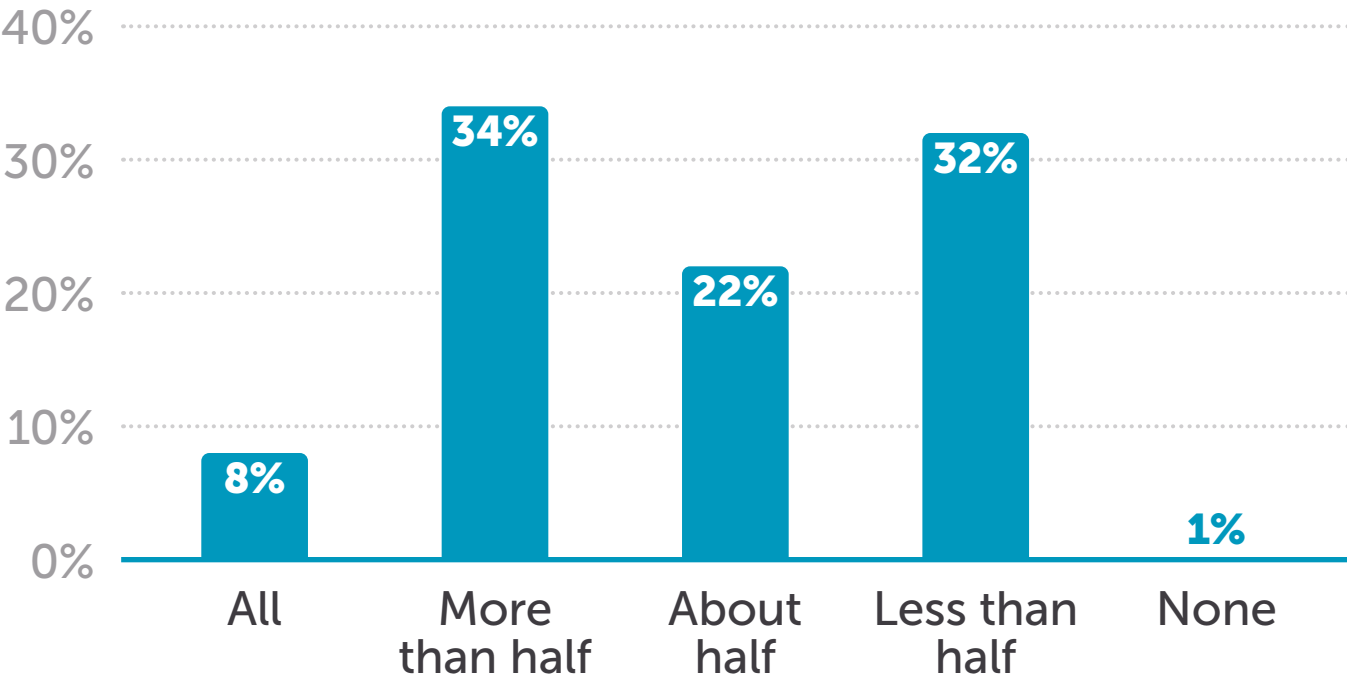
Number of grants for which organisations applied



n=82 | Source: Clinks/NCVO survey 2022

Most respondents (95%) applied for at least one grant in 2021/22, and all respondents received grant funding in that year. In addition, 48% of organisations applied for between two and ten grants, and 44% applied for 11 or more. Overall, organisations were quite successful with their grant applications: 8% were awarded all the grants they applied for, 35% secured more than half of the grants, and 23% said they were awarded about half. As such, 66% of respondents secured at least half of the grants for which they applied.

Proportion of grant applications that were successful



n=77 | Source: Clinks/NCVO survey 2022



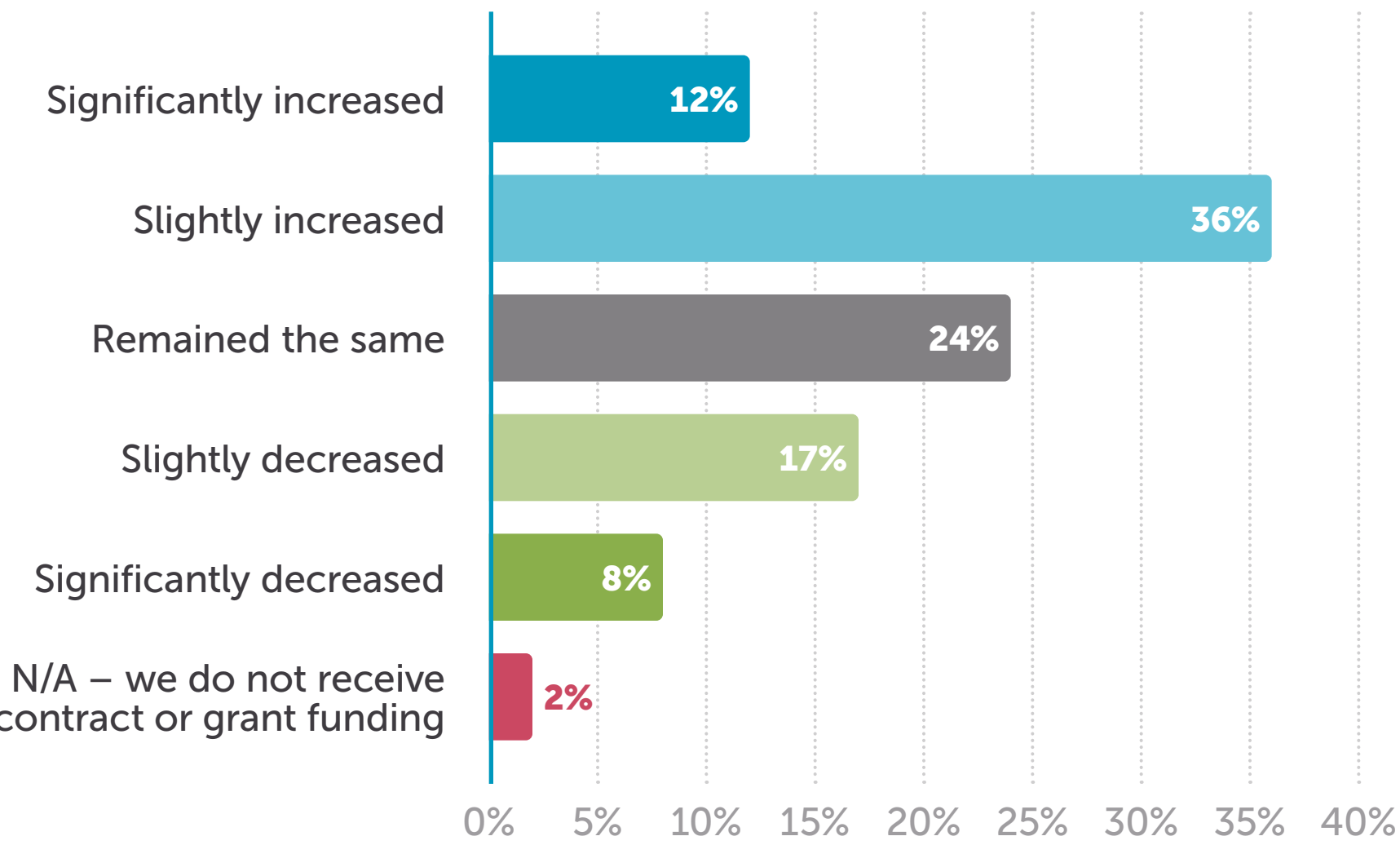


**KEY FINDING**

Overall organisations of all sizes have seen net increases in their funding, but this must be considered in the context of recovery from the pandemic, increasing need, the cost-of-living crisis and challenges in the value and sustainability of contracts.

More than half of respondents said their level of funding was stable or growing in 2021/22, compared to the previous financial year: 48% of organisations said grant and contract funding had increased (12% said it significantly increased), and 24% said it remained the same. However, a quarter of respondents said their overall level of contract or grant funding had decreased.

**Change in overall level of contract and grant funding for services**



n=87 | Source: Clinks/NCVO survey 2022

A majority of the smallest organisations – those with an income of less than £100,000 – and larger organisations – those with an income of over £1 million – saw net increases. This is positive and something to celebrate after the last two years of uncertainty. However, increases must be understood in comparison to the previous year and the impact the pandemic had on funding. In addition, we must consider any increase in funding in the context of the increasing needs already highlighted and potential future challenges. These include the cost-of-living crisis, and issues with the value and sustainability of contracts, including a continued inability to achieve full cost recovery.

**KEY FINDING**

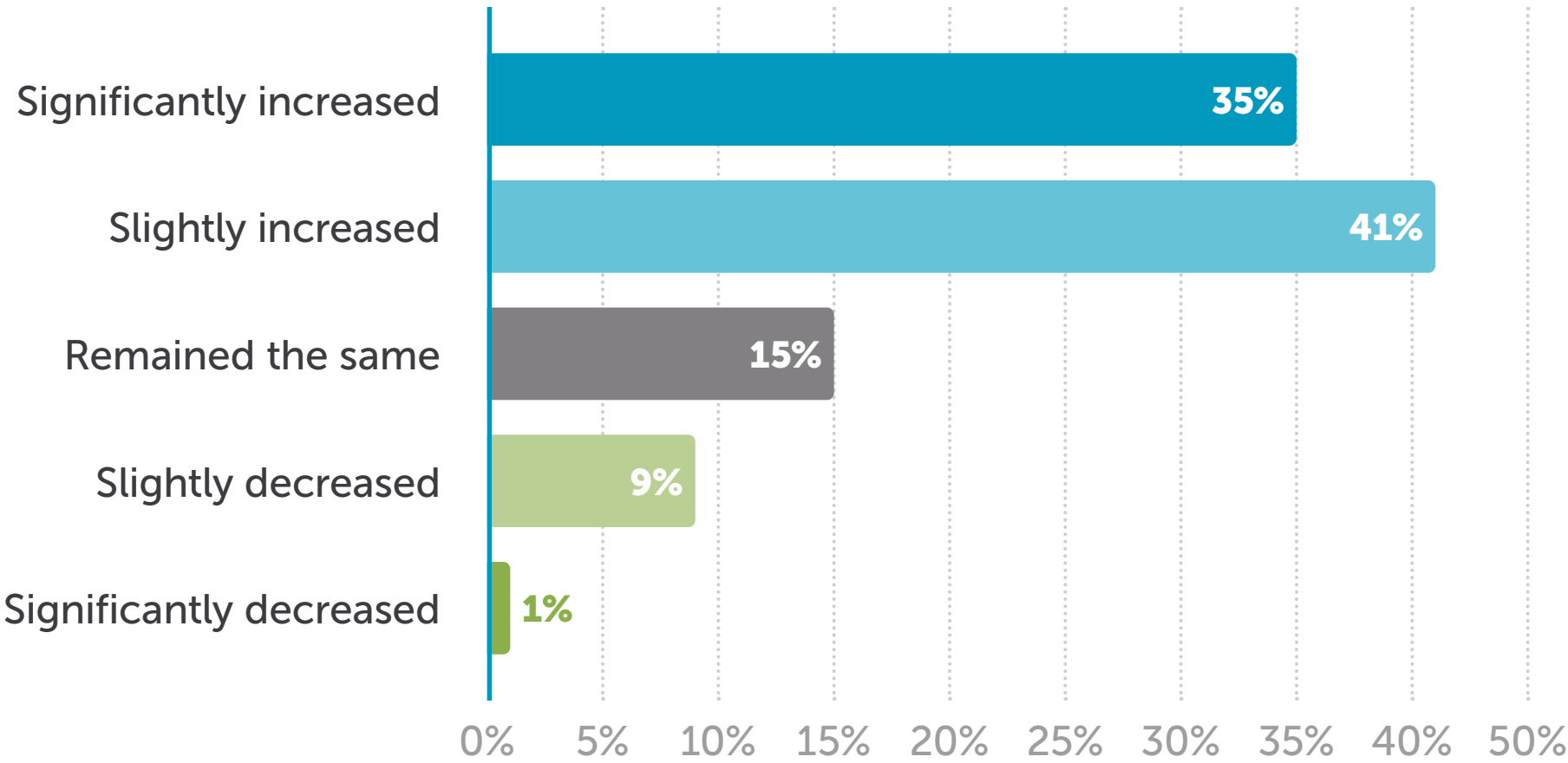
The cost of living is adding increasingly critical pressure to organisations' operating costs.

Most organisations (75%) reported that their operating costs were rising, with 35% saying they had risen significantly. Our survey ran between June and August 2022; inflation and energy costs have increased further since then and are forecast to continue rising, meaning this is likely to have a further and ongoing impact.





Change in organisations' running costs



n=81 | Source: Clinks/NCVO survey 2022

Several interviewees highlighted rising costs including salaries, freelance rates, and in-person costs such as fuel and accommodation. Most interviewees were planning to, or had already, raised staff salaries and freelance rates, to remain competitive, help meet rising cost of living, or both.

*“We did a pay review earlier in the year, February, March time and gave everyone what we thought at that point was a generous pay rise but then looked at it again over the summer and added in an additional amount for those people on the lower bands which were typically doing the frontline services. And obviously that’s taken a bit of a financial hit this year because, yes, it’s been expensive to do but we felt it’s the right thing to do.”*

*“So, we also pay for the [freelancers] mileage, so we’re paying 0.45 [pounds] a mile and when people are travelling from either London, Liverpool, Manchester area down to Bristol, for instance, their expenses for their fuel is incredibly high, much higher than it was. So that impacts us massively, it’s cut our margin. We haven’t had a price increase since 2016 so that’s going to happen now-ish, in the next couple of weeks to try to absorb some of these rising costs.”*

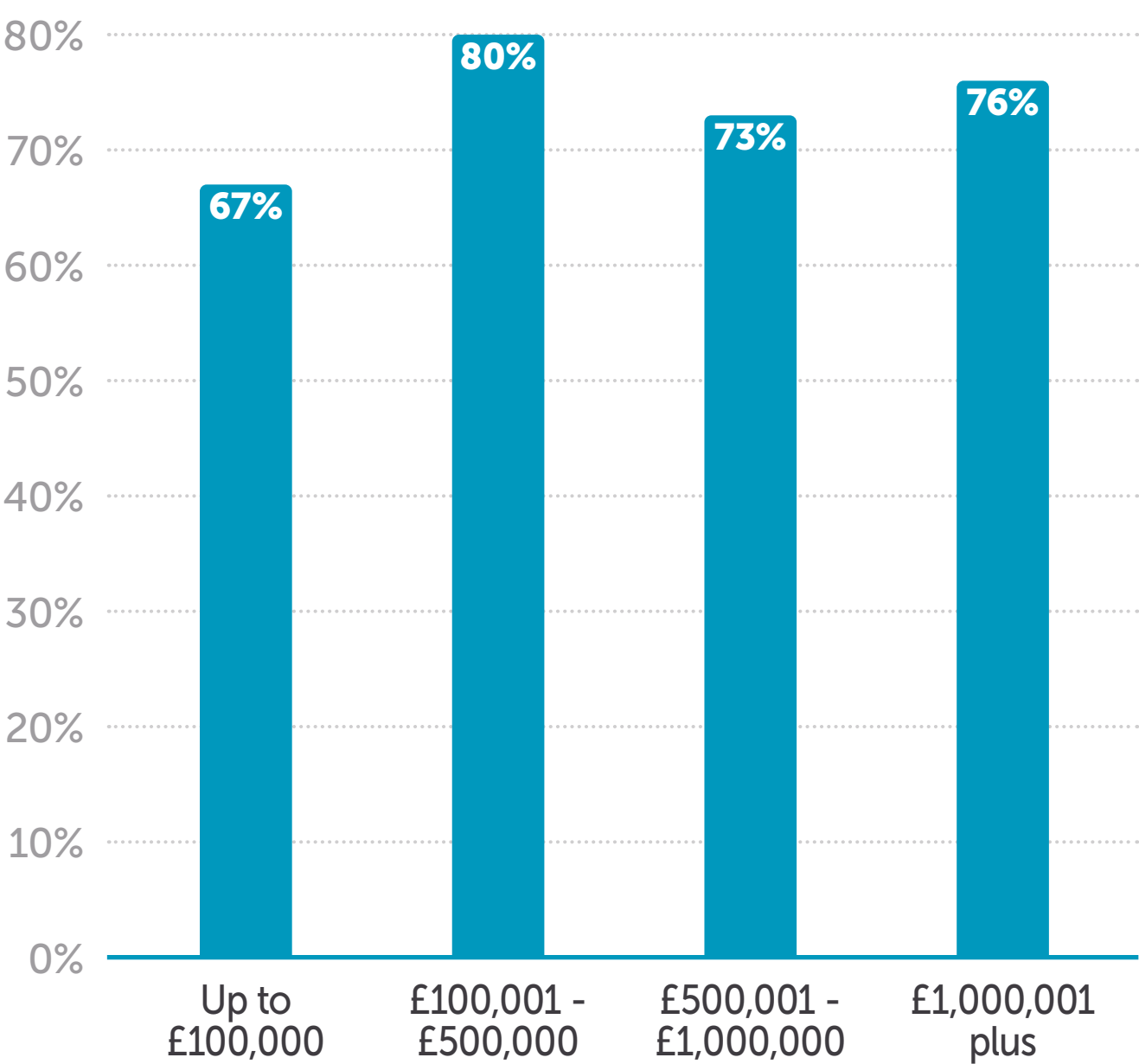
*“We were able to do the frontline staff, but we weren’t able to like my salary for example. My salary is still the same. I struggle just as much with the cost of living, but because core costs are harder to cover, then it’s always like the founder CEO, I will take the financial hit in order to ensure that the employees have the money, because the contracts tend to be around service delivery. So, they have to be prioritised.”*

A significant number of organisations of all sizes reported increases in running costs with medium sized organisations (those with an income of £100,001 to £500,000) the most likely to report increased operating costs, followed by larger organisations (those with an income of over £1 million). A slightly smaller percentage of small organisations (with an income of under £100,000) reporting an increase in costs.





Reported overall increase in costs by size of organisation



n=81 | Source: Clinks/NCVO survey 2022

There are several possible reasons for this difference in response between organisations of varying sizes. Smaller organisations might have fewer premises and a smaller workforce, and so rising costs may impact them less. Alternatively, it could be the case that they do not have the financial stability to increase staff costs and so are unable to support their workforce with the strain of increased costs of living.

As well as impacting organisations finances, increases in the cost of living will also impact service delivery and service users’ need. In future, some organisations might find that remote services are the only way they are able to continue to operate certain activities because of the increased cost of physical infrastructure. Alongside this, the increases in service user need already highlighted in this report are likely to continue and may well increase further because of the cost-of-living crisis.

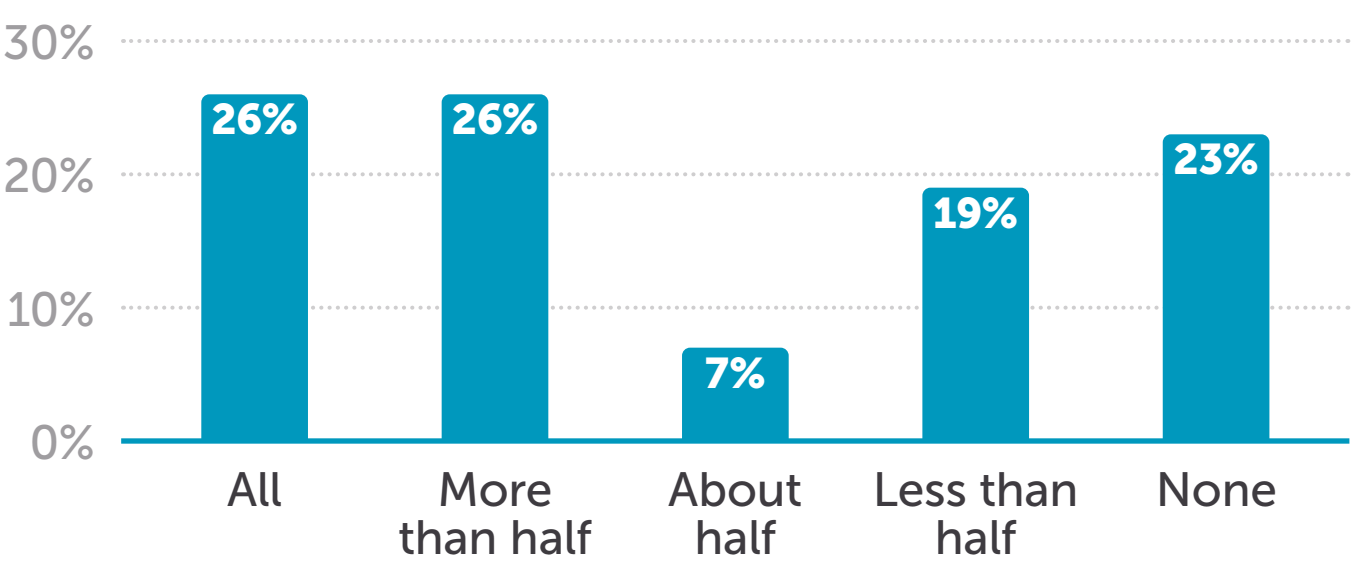
KEY FINDING

Achieving full cost recovery on contracts is an ongoing and increasing challenge.

Almost half of respondents reported only achieving full cost recovery on half or fewer of their contracts; 23% did not achieve full cost recovery on any contracts. Just 26% of organisations reported full cost recovery for all their contracted services.

This is a larger proportion of the sample than was reported in 2020/21, when 16% of respondents reported not achieving full cost recovery on all their contracts.

Proportion of contracts on which full cost recovery is achieved



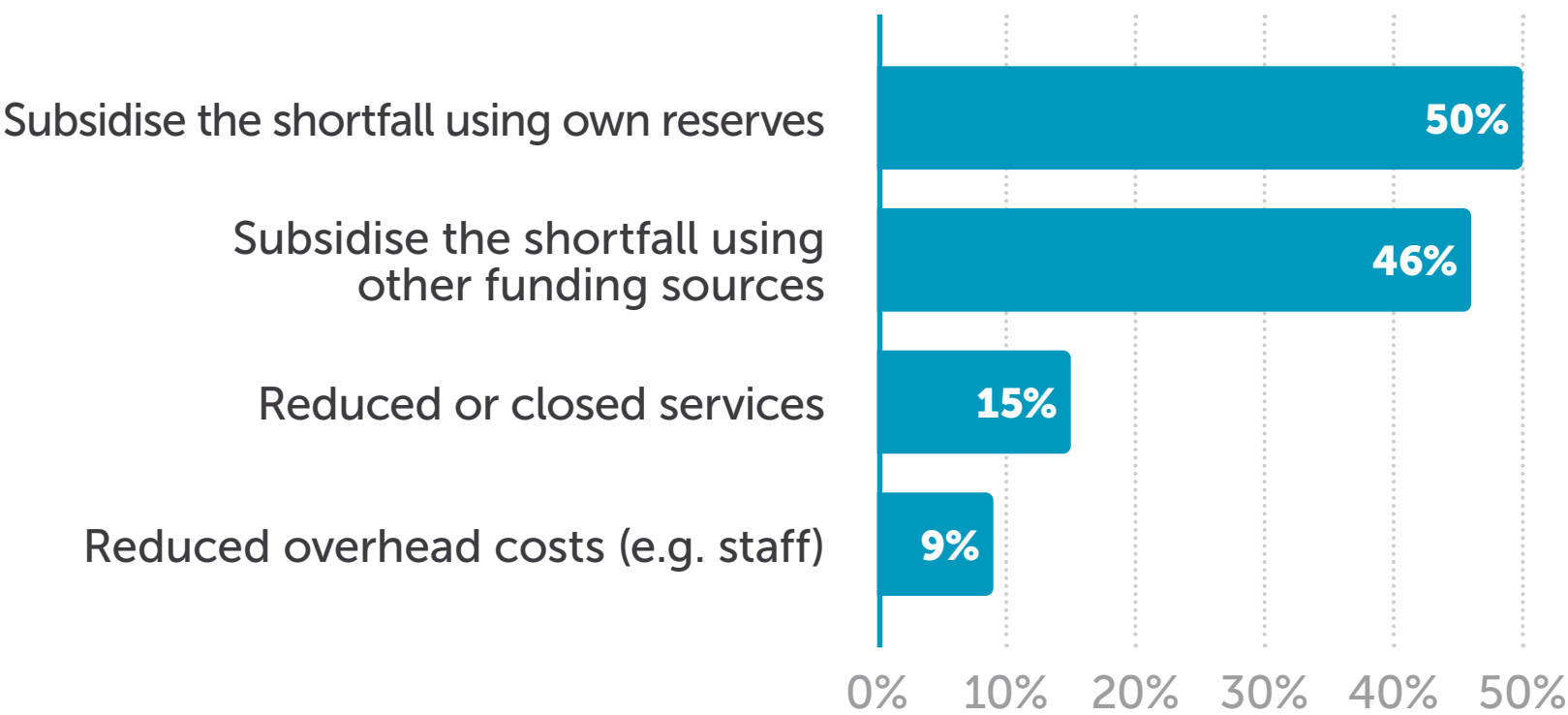
n=43 | Source: Clinks/NCVO survey 2022





Organisations had responded by subsidising the shortfall with reserves (50%), or through other funding sources (46%). This subsidisation of contracts with other charitable funds was a key finding of Clinks TrackTR research into the impact of the Transforming Rehabilitation on the voluntary sector,<sup>13</sup> and it is therefore concerning that, despite those findings being recognised by MoJ and HMPPS, this challenge is still being reported. In addition, this is likely to be a key reason smaller organisations are less likely to be funded through contracts as they are less likely to be able to subsidise contracts with charitable funds.

**Response to not achieving full cost recovery on contracted services**



n=46 | Source: Clinks/NCVO survey 2022

A small number of organisations said they reduced or closed services (15%), or reduced overhead costs, such as staff (9%), in response to this challenge. A slightly larger proportion of organisations with income between £500,000 and £1 million reported closing or reducing services. Among specialist organisations,

racially minoritised led organisations were slightly more likely than average to close or reduce services, while women’s organisations were less likely to do so.

Where organisations have been delivering contracts on which they have not received full cost recovery for several years, continuing to make up the shortfall is likely to become more difficult in the short to medium term due to the increasing rate of inflation. This could see organisations using a greater proportion of their reserves or other income to cover the costs of contracted services. Our analysis of UK-CAT project data shows that criminal justice voluntary organisations typically have smaller levels of reserves than all charities. For charities with an income of over £500,000, the median reserves for criminal justice voluntary organisations was £533,202, whereas for all charities it was £583,380. This suggests that pressures on organisation’s reserves could be more acute for criminal justice voluntary organisations than the sector more widely.

**KEY FINDING**

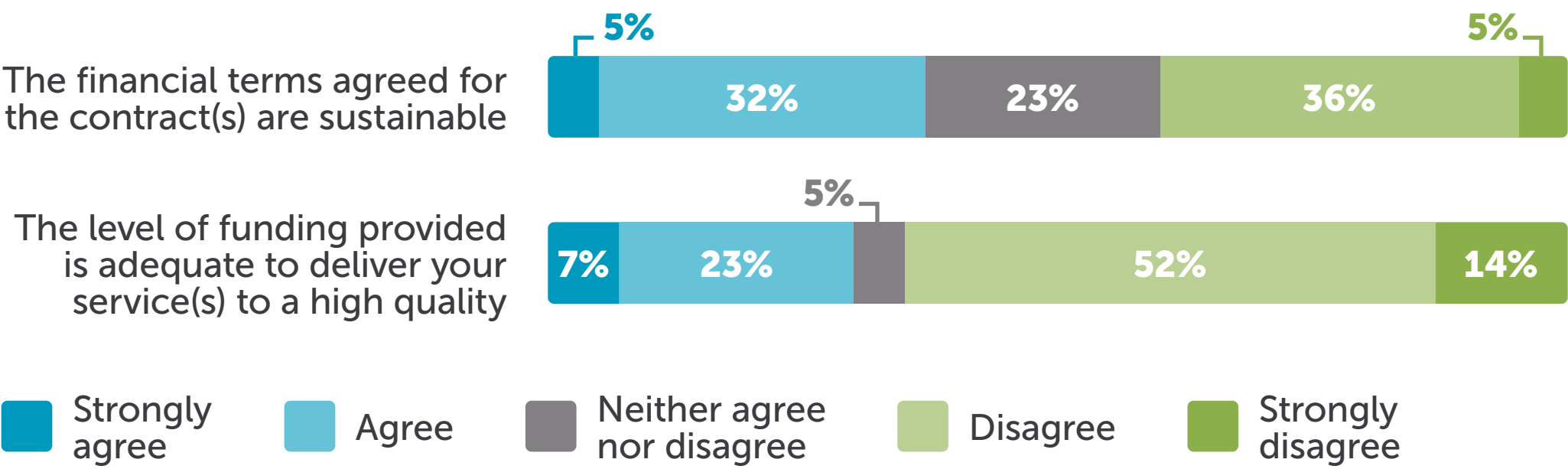
Organisations continue to report concerns with the value and sustainability of contracts – two thirds disagreed contract funding was adequate to deliver services to high quality.

Organisations were critical about the levels of funding provided for contracts. 66% disagreed that the level of funding is adequate to deliver their services to a high quality, compared to 30% who agreed. The proportion of organisations who disagreed saw a sharp increase this year, rising 20 points. The proportion of respondents who agreed remained broadly the same, but a smaller proportion strongly agreed this year – 7% compared to 28% in 2020/21.





Statements about aspects of contract funding



n=44 | Source: Clinks/NCVO survey 2022

In addition, 41% of organisations disagreed that the financial terms of contracts were sustainable, compared to only 36% of organisations who agreed. This is compared to 64% agreeing that the financial terms agreed in their grants were sustainable.

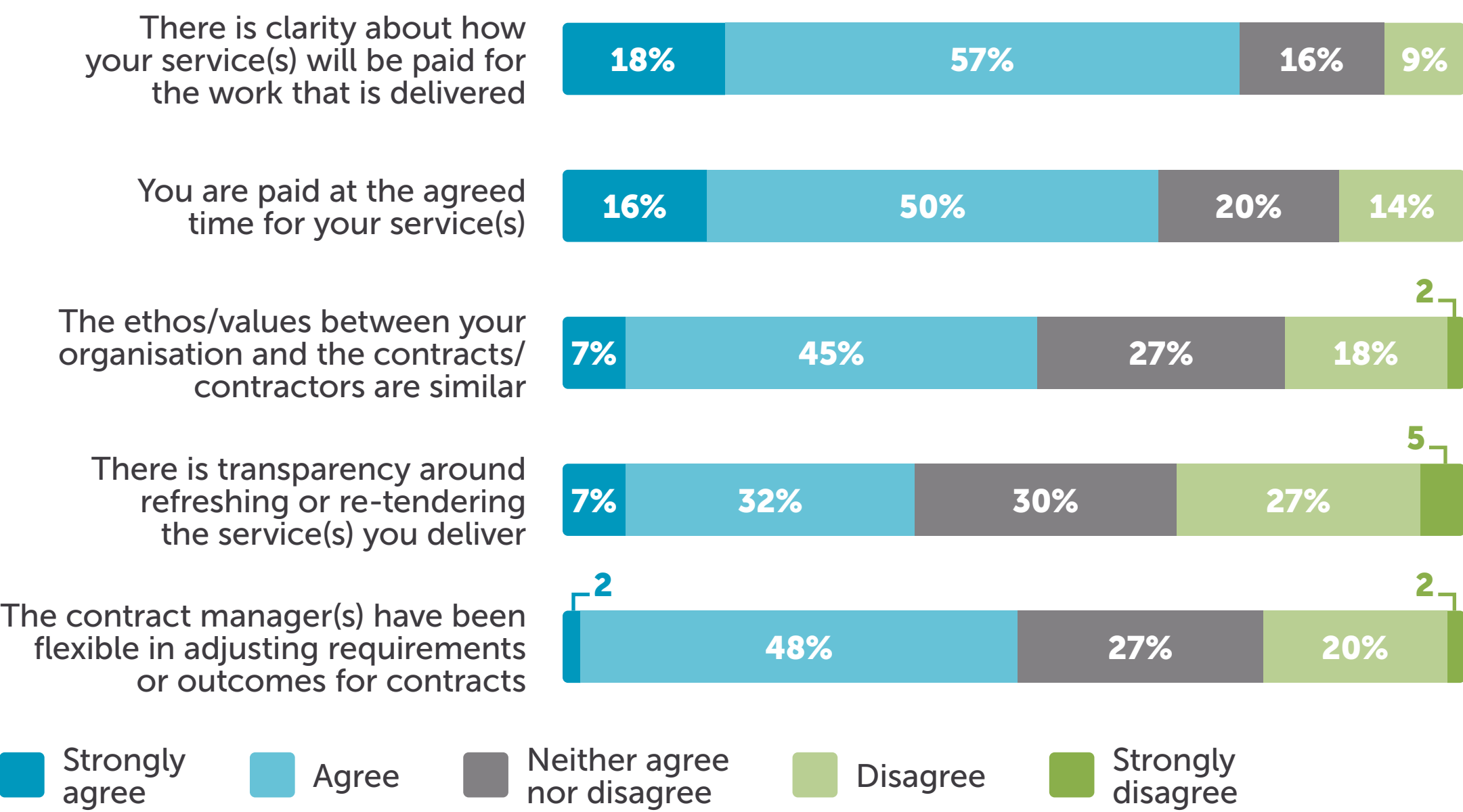
There was a slight increase, compared to last year, in the proportion of respondents who agreed the financial terms for contracts were sustainable, the number who disagreed remained almost the same.

KEY FINDING

Organisations are more positive about their experiences of grant funding than contracts.

Organisations were more positive about relationships with grant funders (either statutory or philanthropic) than they were about relationships with contract funders. Most organisations (86%) agreed with the statement that there is 'clarity about payment of grants', and 79% agreed that 'grant funders made payments at agreed times'. This is compared to 75% of organisations who agreed with the statement that 'there is clarity about contract payments' and 66% who agreed that they were paid at the agreed time.

Statements about aspects of contract funding

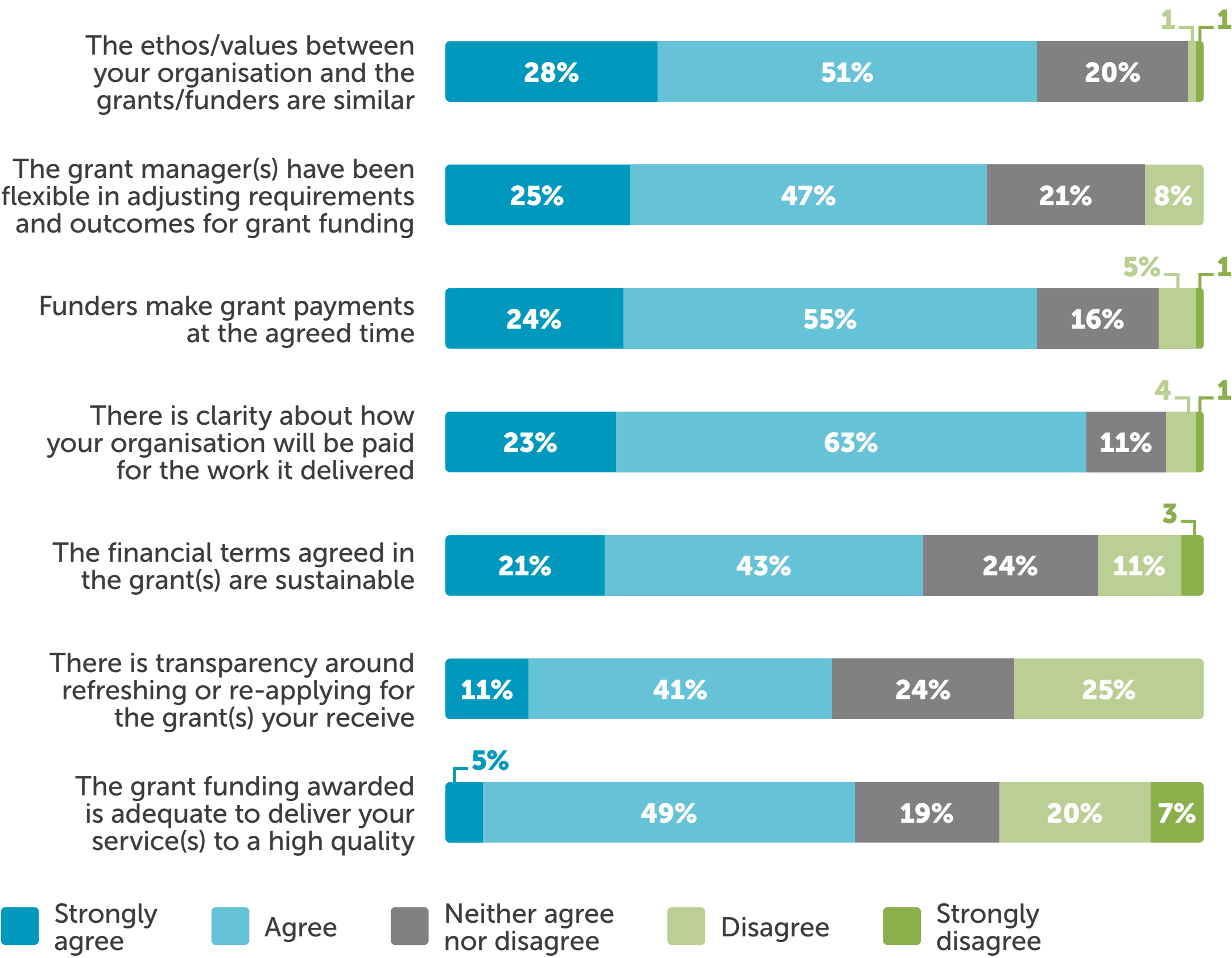


n=44 | Source: Clinks/NCVO survey 2022





Statements about aspects of grant funding



n=76 | Source: Clinks/NCVO survey 2022

Respondents were also more likely to report that grant managers have been flexible in adjusting requirements for grant funding (72%), compared to half reporting this for contract managers. Similarly, 79% agreed that the ethos/values between their organisations and grant funders are similar, compared to just over half agreeing with this for commissioners of contracts.

52% agreed that there was transparency around refreshing or reapplying for grants. Again, this was higher than the proportion who agreed with this statement about contracts. While most respondents agreed with both statements, a significant minority were neutral about both issues.

The importance of shared values was highlighted in interviews, where organisations indicated that relationships with contract funders varied between contracts. One interviewee explained that they were able to continue developing and cultivating the relationships they built with officials and government procurement teams during the pandemic, leading to more discussion around service delivery.

*“We’ve worked really closely with colleagues in the families team and safer custody in HMPPS, and the procurement teams, and it feels like the last couple of years that’s been a much more open and supportive relationship rather than previously a bit more of a commissioner-contracted party, there’s a contract in place, you should get in with it. There’s been much more of a dialogue, and I think that’s probably one of the really positive things that’s come out of Covid, is that we’re all sat there looking at each other going, none of us have got the faintest clue so we’d better talk about it then, rather than there’s a contract in place so we’d better follow it.”*





Another interviewee described the power dynamics involved in the relationship between voluntary sector organisations and commissioners:

*“We have issues with the way that the Ministry of Justice run this. So, we’re beholden to everything that they do and say. So, they put a contract out, they have all the T&Cs, we have to sign up to that contract. We can’t put a contract in front of them that says you must also adhere to this in order for us to, you know, we get none of that. We can’t put a contract in front of them, we have to sign up to what they say. Which is not great, you wouldn’t say that’s a great business partnership, that we can’t go well, if you don’t fulfil your end then you can’t expect to punish us type of thing.”*





# Long-term sustainability



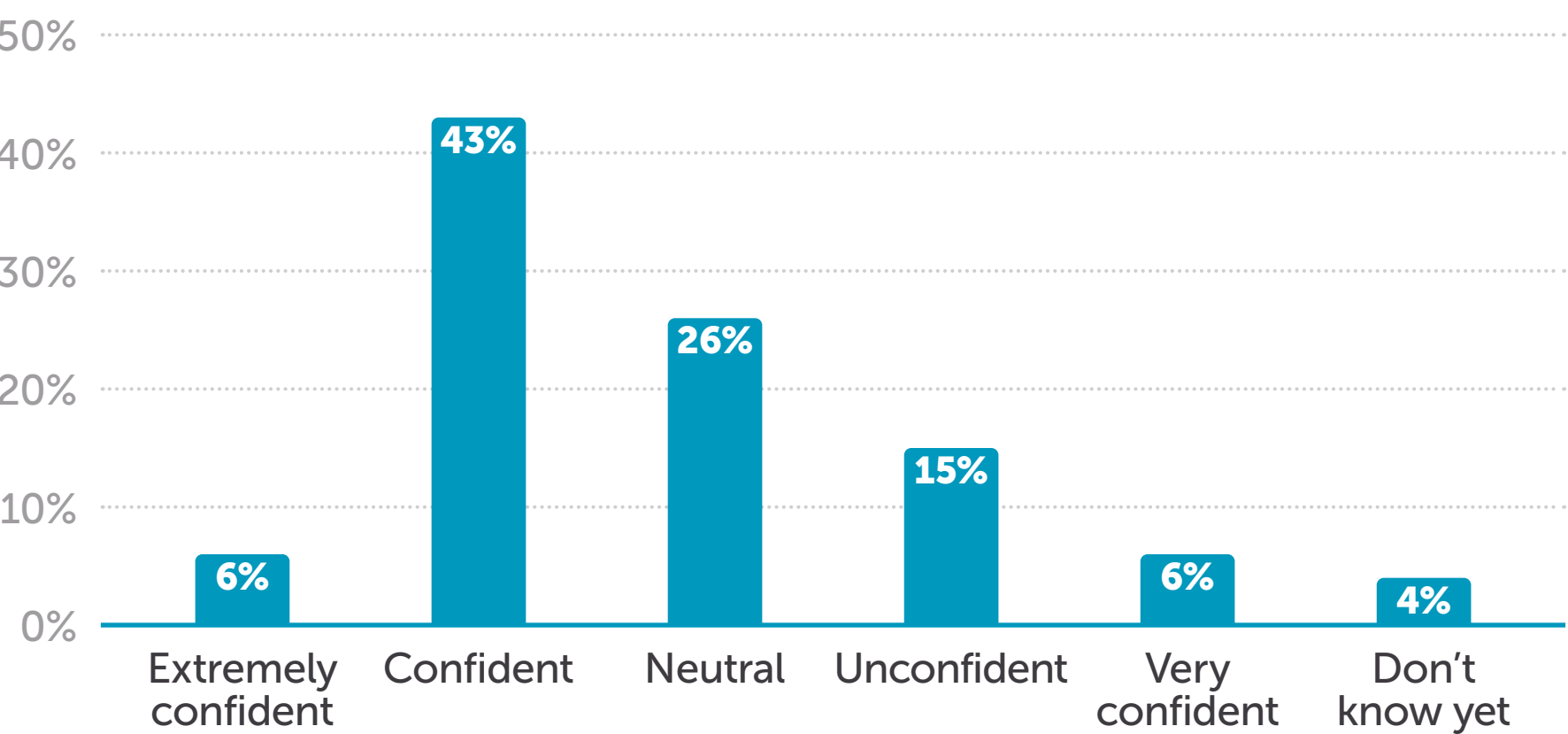


**KEY FINDING**

Organisations are confident about financial sustainability over the next two years, but this confidence decreased the smaller the organisation.

In 2021, a major theme that emerged was uncertainty around the availability of funding in future years, following the release of emergency funding during the height of the pandemic. This year, respondents were more confident than not about their organisation’s financial sustainability over the next two years: 49% were confident, 6% being extremely confident, compared to 21% who were unconfident, with 6% being very unconfident. In addition, 26% were neutral and a further 4% did not know yet.

**Confidence on long-term financial sustainability**



n=81 | Source: Clinks/NCVO survey 2022

Confidence of financial sustainability decreased the smaller the organisation. About 60% of organisations with incomes below £100,000 reported either not being confident, not knowing, or being neutral about their financial sustainability over the next two years, whereas this decreased to 45% for organisations with an income of between £1 and £10 million.

Interviewees broadly reflected the survey responses, but the level of confidence appeared to link to the certainty of income. While some were confident with currently secured income, others were less certain about long-term income. When asked, some talked about the nature of short-term funding.

*“I’m looking at budgets now and my budget column for 24/25 is zero because there is no secured income for that year. So, it feels like definitely moving towards more yearly grant funding rounds and applying for funding on a yearly basis which is rubbish for financial sustainability.”*

*“I think there are definitely things we can do to sustain ourselves better and reach out to those other types of monies, because obviously the difficulty with the government monies or the grant monies is you’re continually stuck in a cycle of, we’ve got money, oh no, it’s all running out again. You get to the edge of the cliff; the cliff edge comes nearer each time. And also, I think what can be an issue for small organisations is that potentially you get offered a big grant, let’s say you get a Big Lottery pot or a one-off grant, then again you put yourself in a difficult position financially, because you’re gearing up with all this money, and then suddenly this money that’s larger than anything you’ve had before is gone.”*





Interviewees who were more confident tended to mention new income, strong reserves, and secure long-term funding.

*“We’re really positive actually. I think the family services contracts and knowing we’ve got that stability for five years and that it’s got the possibility of a further two years extension, that’s £5 million of known income for up to seven years, which is amazing.”*

In other cases, organisations’ confidence rested in the specialisms of the work they were delivering.

*“I’m fairly optimistic that we can sustain our current level of operation, because we’re not huge, and I think there are opportunities for us to grow. We’re working on visual arts in prisons and there aren’t that many organisations doing that. There’s a lot of organisations working with music and theatre in prisons, but not many working in visual arts and writing. So, there’s a huge need there.”*

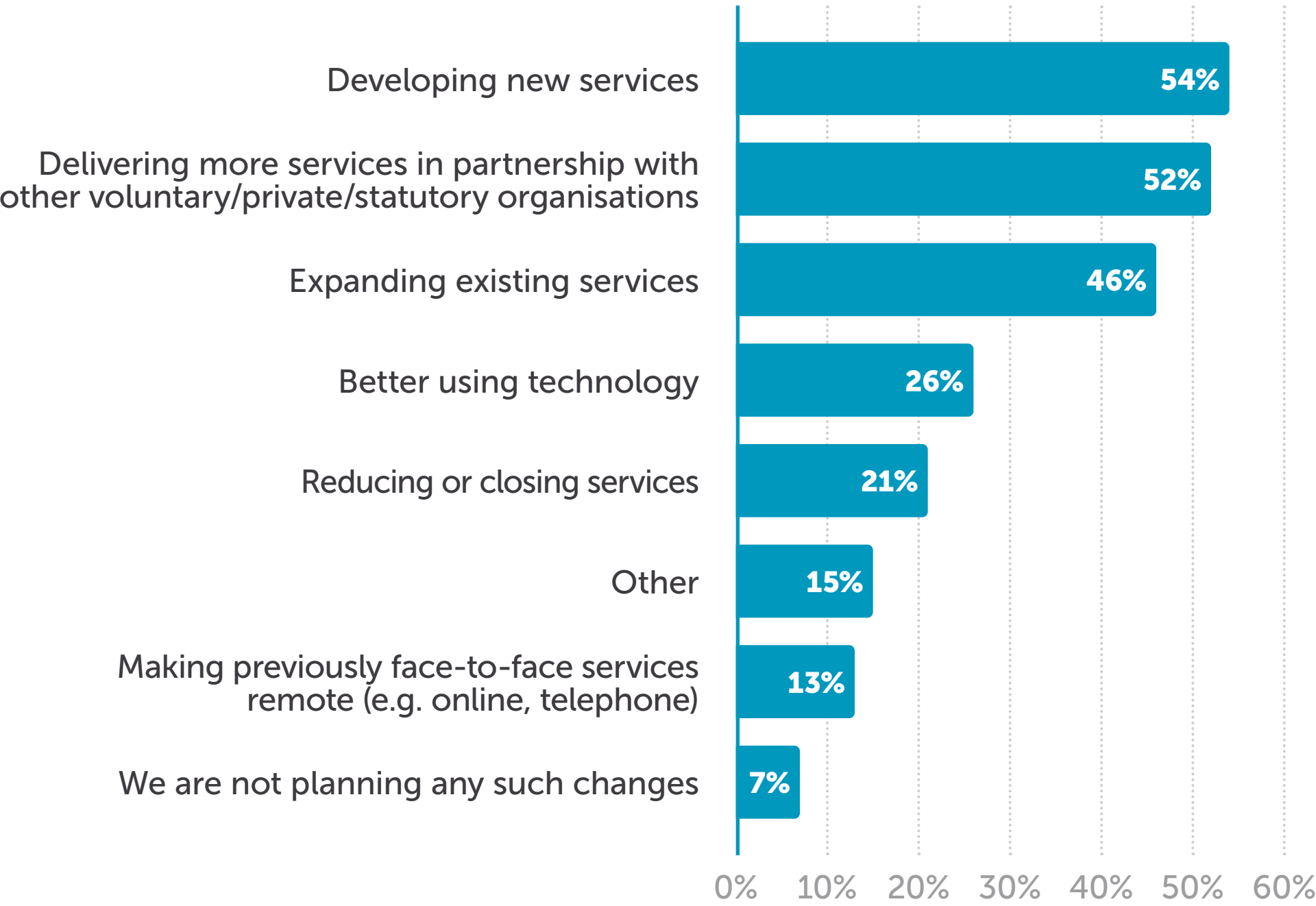
KEY FINDING

Developing new services and working in partnership is key to financial sustainability.

When asked what steps they would take to secure long-term financial sustainability, respondents envisaged developing and expanding services, rather than making cuts, or closing some operations down. Majorities said they would develop new services (54%) and deliver more services in partnership with other voluntary, private, or statutory organisations (52%). A significant proportion of

organisations also said they intended to expand existing services (46%). Just over one in four planned to make better use of technology, and 13% planned to make previously face-to-face services remote. This compares to just over one-in-five respondents who said they would reduce or close services. Fewer smaller organisations envisaged having to reduce or close services, but a slightly higher proportion of women’s organisations reported considering this option.

Actions envisaged to secure long-term financial sustainability



n=89 | Source: Clinks/NCVO survey 2022





Interviewees supported the survey findings about organisations' desire to expand, discussing plans for new services through income diversification or growth strategies, with some organisations planning to hire dedicated fundraising staff. Others reported trading activities to raise income were being expanded or resumed.

*"The only other thing we're looking at, at the moment, is we have a donations hub, and we get a lot of donations in of furniture and clothes and toiletries and things. We are actually from September, going to be opening a small charity shop around the corner. That will offer employment, placement opportunities for the women, but hopefully also a revenue stream. And looking at selling stuff on eBay as well."*

*"So, one of the young adults we work with at [prison] has developed an amazing range of cards. I don't know whether your familiar with the canteen sheet and criminal justice, but basically you can only buy things that are on this canteen sheet, and that includes everything you might need; food, toiletries, cards, etc., and the cards that you can buy are not very nice. So, we've developed our own range, working with young adults."*

*"We've designed all the job specs for an income manager or someone to help generate income, and we've got someone who's working with us pro bono to raise the money to fund a position for an income generator for a year, two years, and then working with them to sustain their own position and bring in more income to the organisation that way. So, we're looking more about growth than reduction."*

### KEY FINDING

Flexible, unrestricted, multi-year grant funding is essential for stability.

When asked about the type of financial support needed, most highlighted the importance of long-term, unrestricted grant funding. They argued this would provide them with more sustainable finances and allow organisations to build their capacity, whether through office space, training, additional staff, or building an evidence base as a foundation to raise more income.

*"So, by not having just unrestricted funds in the organisation, it is a lot more difficult to grow, and it's more difficult to provide our staff with opportunities to grow, because a lot of delivery contracts won't put in money for evaluation. They won't put in money for staff training. So, all that has to come out of money we make elsewhere."*

*"We've been doing a lot of work with trusts and foundations around testing new ideas, new models of services, so things like [a government commissioned report] recommended [a specific method of supporting people], so we secured funding to test and evaluate that [in the relevant part of the criminal justice system] to be able to see the impact on that and whether that's something that we can then feed into MoJ to say, 'You signed up to the policy base that this was a good idea, you said you were going to do it and here's the evidence, maybe you might like to do so.'"*





Unrestricted funding gives organisations flexibility to use resources in ways which have the greatest potential impact on the organisation’s ability to meet its beneficiaries’ needs.

Alongside broadly positive findings about grant funding, interviewees reported some concerns about the sustainability of their future income from trusts and foundations due to, for example, funders re-evaluating their priorities.

*“...a lot of funders seem to have been reviewing their strategic priorities, so we’ve had a lot of feedback that we no longer fit some of the strategic priorities of funders that we have done in the past, so that has meant that we’ve had to shift and look for different funders. So, there is a bit of that and then there is in the mix of that there’s been one that’s supported us for eight years and they’ve just come to the end of their time with us, sadly, I think they really like what we do but it’s just felt that it’s been too long a period.”*

Another highlighted that existing challenges around seeking grant funding persisted.

*“I think it’s about 40% of our funding comes from charitable foundations, but we do find that we are running out of them. You know what it’s like, you can only apply two or three times to the same funder, so we are starting to exhaust the number of foundations that we can go to.”*

Criminal justice voluntary organisations, especially smaller ones, are particularly dependent on funding from trusts and foundations. Given this dependence, the limited pool of charitable funders working in this area, and the risk this number might decrease further as philanthropic

funders re-evaluate their priorities and consider where their resource might make the most impact, the landscape is extremely concerning.

Other interviewees highlighted instances where government funders were responding to evidence regarding how to fund sustainably.

*“We had a one-year grant from the MoJ for our domestic violence worker, and they listened as well and said, ‘OK, we can see that three-year grants are much more sensible than one-year grants,’ so they moved to that as well. That’s really good.”*

It is heartening to hear about more cases where the Ministry of Justice are listening to the organisations that they commission and responding to the evidence that those partner organisations provide to them.

Similarly, another interviewee highlighted that one charitable grant funder had been developing their application processes to make it easier for organisations to apply for funding.

*“The 2017 bid, the number of questions was just vast, it was just this massive form. This one, actually they’ve really thought about what they were asking for. The form was much shorter. It still took a lot of time because they wanted supporting documents, three-year plans, and stuff that we didn’t have in place, we had to put them together, but we can do them in our own format, it wasn’t like a big form as such. If we’d had those documents already, we could have just attached them essentially.”*





## KEY FINDING

Long-term stability depends on a strong and connected sector.

One interviewee expressed concern that existing support for voluntary organisations in the criminal justice is not sufficiently independent of HM Prison and Probation Service.

*"I think there's a lot of space for like an entity to be able to support organisations like mine. I don't think the current organisations out there do it. I think the current organisations are too intertwined with HMPPS to be able to support the voluntary charity sector. You need someone that's independent from the system, who's not going to worry about their relationship with the system, because a lot of it is like, you kind of feel like you get told to shut up because you're creating too much trouble, and that they can only ever do so much, that you should settle down and be okay with what's being done to you."*

This raises an important point: it is vital that voluntary organisations can be critical of statutory services and government policy, without being in fear of losing their access or funding. Associations and other bodies that represent organisations can support this. However, it is important that these organisations themselves feel able to speak up and challenge both the government, and those bodies, when needed.

Another, while discussing networking opportunities, raised the challenge of working in an under resourced operating environment.

*"I think the networking aspect, we definitely should do more, because we don't have the luxury of lots of salaried staff, and I think being a very small organisation working in criminal justice, the pressure is high. The prisons we work in are very much under-resourced, so a lot falls back on us, and that's not a reflection of those prisons [...]. So as a result of that, we are working really, really hard, and we don't really have much spare time to be networking, and we don't have lots of salaried staff, so every day that we spend networking or meeting new people, or that kind of thing, reaching out for support, and I'm sure there's lots of stuff we don't use, but there's just not really any capacity to do that."*

Some interviewees highlighted the importance of networks of similar organisations to support their operations; provide and exchange knowledge, best practice, and professional and emotional support; and even provide a space for organisations to support each other separately to mechanisms provided by statutory bodies.

*"We did a board swap, so [another CEO] sat on our board and I sat on their board, which then allowed our expertise, because they are a much bigger organisation, it allowed our expertise as a grassroots organisation, and us to bring our expertise to them, but also provide the learning for us, and get a lot of resources. We have a peer support group. So, it's a good emotional space for me to go to, especially being such a young CEO in the sector, to get advice but also just to get emotional support when I'm feeling frustrated about working in the criminal justice system."*





# Conclusion





**Clinks hopes the findings of this report to be widely read and used by the sector and decision makers. The more people in position of influence understands and the more our collective works together on the challenges facing us, the greater chance we have to overcome them. This is vital for enabling our organisations to support more people to transform their lives.**

We want to put this research, and the time given to us by those who responded, to efficient use and the evidence in this report will inform our work for the coming year. The following three areas are of particular interest:

## **How organisations delivered their services**

Clinks are pleased that organisations have been able to return to face-to-face delivery while retaining elements of remote working where this best meets people's needs. It is reassuring that staff and volunteer numbers appear to have stabilised. However, volunteering has not returned to pre-pandemic levels, and staff recruitment remains challenging. This is a picture we also see across criminal justice statutory services. In this environment, strong partnership working across sectors will be necessary to ensure positive engagement between organisations and understanding when staffing levels impact service delivery.

Clinks will continue to work with the sector on these challenges and to share learning across organisations about how to support staff retention and recruitment.

We are also pleased to see organisations involving people with lived experience in their leadership and delivery. Clinks will work with the sector to help increase and monitor this involvement in ways which do not reinforce stigma or present unnecessary barriers. We simply cannot create change and have conversations without those with experience involved.

## **Financial sustainability**

It is encouraging to see the overall increases in funding, but this should be viewed carefully in the context of pandemic recovery and the current and future challenges facing the sector. Organisations repeatedly report increasing caseloads and running costs, so slightly easier access to funding (for a particular cohort of organisations) – though welcome – will not alone be sufficient to meet these challenges. It is positive to see some philanthropic funders responding with cost-of-living payments to grantees and we encourage others follow suit and for government to consider how reacting to inflation and reduced 'real' disposable income can be considered in their grants and contracts, as this will have an immediately positive impact.

Funding from philanthropic funders remains vital to maintain the diversity of the criminal justice voluntary sector and ensure the sustainability of small and specialist organisations. Clinks will continue to work with the trust and foundation community and share evidence of the impact they can have through prioritising criminal justice.





Again, this report evidences organisations' challenges with contracts, and an overall more positive experiences with grants. Achieving full cost recovery on contracts is an ongoing and increasing challenge. We are pleased to have seen recent instances of the government responding to evidence from the sector in relation to commissioning, such as with the new probation grants programme and the recently announced grants for specialist women's services. We hope that the Ministry of Justice continues to listen to the evidence shared with it through voluntary sector partners and continues to make decisions and develop policy programmes, which are supported by that evidence and insight. Clinks will continue to reiterate our recommendations that grants should be the default mechanism from government for commissioning the voluntary sector and urge that full cost recovery for organisations is considered when contract values are set.

## Long-term sustainability

Respondents and interviewees were broadly positive about their organisations' long-term sustainability, but we are concerned that smaller organisations and their ability to survive the current climate. Clinks recognises that the key factors for sustainability identified by survey respondents – developing new services, working in partnership, flexible multi-year grant funding, and a strong and connected sector – are all the more important and often harder to attain for smaller organisations. This strengthens our commitment to supporting smaller and specialist organisations. The sector's voice is one of its key strengths and Clinks will continue to work to make sure it is heard. As the current holders of the HMPPS infrastructure grant, we strive to be

a critical friend to the government, supporting it to engage with evidence and expertise from voluntary organisations, while also standing up for the sector as it works hard to enable people to transform their lives. To do this, Clinks will continue to ensure that we also seek independent funding from trusts and foundations, enabling us to speak freely on behalf of the sector.

Over the coming year Clinks will continue to work tirelessly to advocate for improved commissioning practices; to share learning amongst the sector and provide opportunities for connection; and to provide a strong platform from which the sector can come together to speak out on the issues that matter to it and its service users.





# End notes

- 1 The UK Charity Activity Tags (UK CAT) project classified all UK registered charities based on how organisations describe their activities. The 'crime and justice' classification includes five sub-categories. Using this classification as a proxy, and excluding the road safety sub-category, we analysed the size of criminal justice voluntary organisations, their income sources, and workforce in comparison to the wider voluntary sector.
- 2 Usable responses were those which reached a specified point in the survey beyond the first few questions.
- 3 In 2021, we received 132 responses, in 2019 there were 245 usable results, in 2018 there were 193 responses, in 2017 there were 224, and in 2016 there were 73.
- 4 The Charity Commission data on staff numbers is only available for charities with an income over £500,000. This includes 18% of organisations with the crime and justice tag.
- 5 Data from the 2021 census show that the South East is the most populated region, followed by London, and the North West, the East of England, and the West Midlands. The North East is the least populated region. Office for National Statistics. (2022). Population and household estimates, England, and Wales: Census 2021. [Online]. Available at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/populationandhouseholdestimatesenglandandwales/census2021> Accessed: 11 October 2022.
- 6 NCVO (2022). *UK Civil Society Almanac 2022: Data. Trend. Insights*. Available at: <https://www.ncvo.org.uk/news-and-insights/news-index/uk-civil-society-almanac-2022/workforce/#/> Accessed: 18 November 2022. Although this is based on pre pandemic data it is unlikely that voluntary sector jobs increased in areas where there were previously low levels during the pandemic.
- 7 Clinks. (2022). *State of the sector 2021*. [Online]. Accessed: 11 October 2022. Available at: [https://clinks.org/sites/default/files/2022-04/clinks\\_state-of-the-sector-2021.pdf](https://clinks.org/sites/default/files/2022-04/clinks_state-of-the-sector-2021.pdf) (p. 49)
- 8 Office for National Statistics. (2022). *Consumer Price Inflation, UK: October 2022*. [Online]. Accessed: 17 November 2022. Available at: <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/october2022>
- 9 Pro Bono Economics. (2022). *The Price of Purpose*. [Online]. Accessed: 11 October 2022. Available at: <https://www.probonoeconomics.com/the-price-of-purpose>
- 10 As set out in the limitations above, the Charity Commission does not require registration from charities with an income of under £5,000. This means there could be additional organisations with income under this threshold who are not included in this figure.





- 11 Where the proportion of organisations seeking a grant or contract is smaller than the proportion awarded or won, this is likely to be because funding applications, decisions, and/or the receipt of funds fall across different financial years. Some respondents may have also included a contract as being won/a grant as being awarded in the 2021/22 financial year if they received part of a multi-year funding award in that year, even if the application was in a previous year.
- 12 A criminal justice organisation's headquarters being located in Wales was used as a proxy for operating in Wales for the purpose of the Charity Commission analysis. This revealed a total of 24 charities with the crime and justice tag whose headquarters were located in Wales on the Charity Commission register.
- 13 Clinks. (2022). *Under represented, under pressure, under resourced*. [Online]. Accessed 11 November 2022. Available at: <https://clinks.org/publication/under-represented-under-pressure-under-resourced> (pp. 7, 33-34, 41-42, 61)







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## Our vision

Our vision is of a vibrant, independent and resilient voluntary sector that enables people to transform their lives.

## Our mission

To support, represent and advocate for the voluntary sector in criminal justice, enabling it to provide the best possible opportunities for individuals and their families.

## Join Clinks: be heard, informed, and supported

**Are you a voluntary organisation supporting people in the criminal justice system?**

Join our network of over 600 members. Clinks membership offers you:

- A voice to influence change
- Practical assistance to be effective and resilient
- Support from a community of like-minded professionals.

**[www.clinks.org/membership](http://www.clinks.org/membership)**