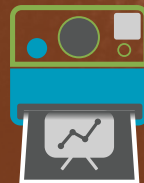
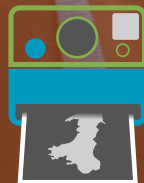
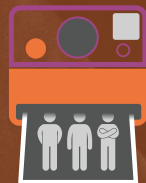
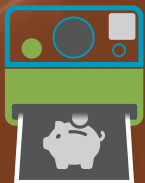
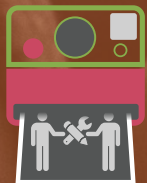


The state of the sector 2019

Key trends for voluntary sector organisations working in the criminal justice system





in partnership with



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Written by Lauren Nickolls, Policy Officer, Clinks; Russell Webster; and Nicola Drinkwater, Policy Manager, Clinks.

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Cover photo: Clinks annual conference 2019



This report is a summary of *The state of the sector 2019*.

You can **download the full report**, with full detailed analysis of our findings, on our website at:

www.clinks.org/publications

Foreword

Anne Fox
Chief Executive Officer



This is the seventh year that Clinks has conducted our State of the sector research looking at how voluntary organisations working with people in contact with the criminal justice system are faring. Organisations in this sector continue to be very diverse but they all share a dedication and commitment to supporting their beneficiaries.

This research always gives us the opportunity to reflect on the successes organisations have had. Organisations continue to show their resilience and determination, in the face of challenging and changing environments, to support as many people as possible. Indeed many say they are trying to expand their services. Organisations are adapting to meet their service users' changing needs and it is great to see that so many organisations are increasing their partnership work to do this. At Clinks we champion the value of partnership work, particularly between organisations with different specialisms, as a way of sharing resources, knowledge and good practice.

Though there is much to be proud of, the findings also give us a number of causes for concern. Some of these are not new to us but reinforce what we have found in previous years, making it all the more troubling that these issues continue to grow. For the third year in a row we report that service user numbers are continuing to rise and that their needs are growing more urgent and more complex. It is especially concerning to see that organisations

providing tailored support for people with protected characteristics – who are often marginalised, face multiple disadvantage and have distinct needs – are being hit hardest by this. This puts increasing pressure on services, staff and volunteers. Many find themselves supporting more people and bigger caseloads – an unsustainable situation that is damaging to staff morale, wellbeing and their ability to continue to support people as effectively as they need to.

The question is, why is this happening? Welfare reforms and cuts to statutory services continue to push people into poverty and a severe housing crisis is leaving people without access to safe, secure and appropriate accommodation. This is sadly all too familiar to us. Last year's State of the sector findings painted much the same picture and people's basic needs are still not being met. The strategies and policies that have been developed to address these issues are simply not keeping pace with their breadth and severity. Nor has adequate resource been allocated to support their implementation. The growing size and complexity of these issues cannot be addressed meaningfully by small-scale change alone. We need bolder action and greater investment if we are to see real and significant improvement.

We also heard more strongly this year from organisations about the crisis situation in prisons, the impact this is having on service users and the strain it is putting on their services. Rising violence and self-harm is impacting the effective delivery of services and the ability of organisations to provide the support that people need. More people in prison are presenting to organisations with unmet mental health needs that they are not equipped to support. A lack of resettlement support is leaving more people in crisis on release. This

year organisations spoke specifically about the impact current sentencing is having on the needs of people they aim to support. Both short sentences and sentences that are too long are exacerbating service user need and are a barrier to providing the right support. This resonates now more than ever given the very swift change we have seen recently in the debate and direction of sentencing policy, as criminal justice takes priority in political spheres.

This year organisations got more funding from local government than central government. A reversal of what we've found in previous years. But altogether this still represents a decrease in overall government funding – a worrying trend given that government funding is the largest source of income for organisations working in criminal justice. Statutory services clearly rely on the services provided by voluntary organisations. Indeed prisons – which are struggling to cope and lack the resources to meet much of people's needs in prison and preparing for release – made up the largest referral source for organisations. However, most organisations fund the work for those referrals entirely or almost entirely from other sources, not the referring organisation. Added to that, organisations delivering under a contract continue to have to heavily subsidise them because they cannot achieve full cost recovery. The reliance on voluntary services, but lack of funding from statutory services, reiterates just how important charitable trusts and foundations are for organisations to continue their vital work.

We've also seen a huge shift in the funding profile that comes from individuals. Just eight years ago, more than half of the funding that came from individuals came in the form of donations. But now the majority of that funding comes from fees for services such as including a social enterprise element to their work. This is an example of how organisations are adapting their services to diversify their funding sources in response to a reduction in grant funding. Whilst this shows that organisations are being responsive to

change, the reduction in grant funding is concerning, particularly for small criminal justice specialist organisations that rely on this type of funding. It is concerning if organisations are being pushed into more commercial models or services that, if not right for their organisations, could risk diluting their core mission. It could also force organisations into more competitive approaches and behaviours with other voluntary sector organisations to secure funding, undermining important collaboration and partnership working.

This year we had the highest ever response rate to our survey and I want to thank the 245 organisations that shared their story. Your valuable contributions make this work possible. I would also like to take this opportunity to thank NCVO (National Council for Voluntary Organisations) for their work analysing the survey responses and the financial data of 1,475 charities. This has provided us with the most up-to-date, detailed information we have about organisations in criminal justice. It helps to inform our work and make sure we are meeting the needs of our members and advocating effectively on your behalf.

Through such political turbulence, swiftly changing policy environments, and with the future transformations in the design and delivery of criminal justice services on the horizon, this is even more important. Equipped with this information, throughout all of this change and upheaval, we will be better able to determine the impact of potential policy, commissioning and design changes on organisations. We will work to ensure the concerns and experience of our sector are represented in those processes and to support members through these transitions so that they can continue to be resilient and deliver their vital services.



Executive summary and key findings

Photo: Clinks member, 1625 Independent People

Clinks has been collecting information about how voluntary organisations working in the criminal justice system are faring for the last seven years. The research has enabled us to build an in-depth picture of the successes of the voluntary sector, the challenges organisations have been facing, and how Clinks can respond to the needs of organisations to ensure we are providing the best possible support to our members.

This report is based on our 2019 research exploring the people organisations support, the services being delivered, the people delivering the services and how organisations are funded. This year we worked with NCVO who have helped us to continue to refine our methodology so that we are able to build an even better and more detailed understanding of organisations, their challenges and their successes.

This year we used two data sources – a survey and an analysis of the financial information that voluntary organisations have submitted to the Charity Commission.¹

The term 'organisations' is used throughout the report to refer to voluntary organisations working with people, and their families, in contact with the criminal justice system.

Key findings

Voluntary organisations working with people in contact with the criminal justice system continue to be diverse and provide a wide variety of services to meet the needs of a range of people. These include emotional support; advocacy; arts-based provision; housing advice and accommodation; education, training and learning support; peer support; and family support.

The organisations we heard from have a fairly even geographical spread across England and Wales and half of them said they deliver their services at a local level. Over half (60%) said they work both in prisons and in the community supporting people to transition through the prison gate. 52% said they work in the community with people serving a community penalty and the largest proportion (68%) said they work in prison with people who are sentenced.

The people that organisations support

Organisations continue to tell us that they are supporting increasing numbers of people, with 57% of organisations telling us that the number of people accessing their services has increased slightly or a lot. **Organisations set up specifically to provide tailored support to, or have a tailored service for, people with protected characteristics² are more likely to say service user numbers have risen.** Organisations that indicated they were a specialist service for people with protected characteristics were far more likely (39%) to say that their number of service users had increased a lot over the last financial year compared to services that deliver to a broad range of people (14%).

For the third year in a row, we found that service user need is becoming more complex (72%) and more urgent (71%). Organisations told us about a range of factors that are behind this increase in need. In particular,

organisations spoke about the poor conditions, overcrowding and lack of resources in prisons creating an unsafe environment for people and leading to higher levels of violence and self-harm. Combined with a lack of resettlement support, this is making it increasingly difficult for people leaving prison to access support and for organisations to meet their needs.

Organisations continue to tell us that welfare reforms are pushing people into poverty and that cuts to statutory services and a severe lack of housing are still a significant problem for people, as their basic needs fail to be met. This has left voluntary organisations trying to plug the gap in statutory provision. It is concerning that **over a third (35%) continue to report that staff are having to take on larger caseloads to meet growing service user need**. This puts greater pressure on staff and volunteers and is unsustainable.

Organisations are increasing partnership work with other voluntary organisations to meet the growing complexity and urgency of service user need. 63% said they are increasing partnership work with other voluntary organisations. Working in partnership enables organisations to share resources, knowledge and good practice so they can work more effectively to meet the diverse and complex needs of their service users. Responses show that organisations continue to be creative and flexible so that they can meet service user need. 54% said they are working more flexibly with clients and 47% told us they are developing new services.

Organisations continue to prioritise the involvement of service users in the design and delivery of services. The majority (67%) of organisations told us they consult service users about the design and delivery of their services and 37% said they have a service user forum, panel or council to facilitate engagement. There are still improvements to be made with involving service users in strategic decision making, with **only 12% indicating they have recruited service users to their board of trustees**.

The services being delivered

The majority of organisations said they are expanding their services and doing so in a variety of ways. Just over half (56%) of organisations surveyed said they are expanding their services. This includes expanding the geographical area that they deliver across, taking on more staff or volunteers to deliver more of their service, expanding the criteria of who they deliver to and expanding the types of services they offer. Those who agreed or strongly agreed that service users' needs are becoming more complex and more urgent are also more likely to be reducing their services, at risk of closure or changing the way they deliver. Whilst responses indicate it is a struggle to maintain services, only 1% said they are reducing their services, which shows the commitment of organisations to continue to support their service users.

The majority of referrals to voluntary organisations' services come from prisons, making up the largest source of referrals (74%). The percentage of organisations that said they receive referrals from probation services and local health services also increased slightly from the previous year. However, despite the reliance of statutory services on organisations' services, we also found that **most of these referrals are funded entirely from other sources, not the organisation making the referral**. The proportion of voluntary organisations having to cover funding for referrals from statutory services from other sources has grown.

The people delivering services

The workforce of voluntary organisations working in criminal justice is rising. The workforce of specialist criminal justice organisations has increased by 37% between 2008/09 and 2016/17, compared to 32% for non-specialist organisations. In the financial year 2016/17 specialist criminal justice organisations employed a total of 13,081 people, whilst non-specialist organisations employed 132,271 people.

Voluntary organisations working in criminal justice rely on volunteers.

Our survey findings suggest that the majority of organisations have volunteers, and that for many their numbers outstrip staff. Specialist criminal justice organisations had 15,162 volunteers in the financial year 2016/17, a decrease of 12% from the previous year. For non-specialist organisations the number of volunteers rose by 6% to 526,152 volunteers.

Volunteers undertake a variety of important roles for organisations, including working directly with services users such as giving advice, information, and counselling (52%), or providing peer support (45%), as well as office support such as secretarial, admin or clerical work (51%).

Larger organisations are more likely to be recruiting more volunteers.

61% of organisations with 100 or more volunteers are recruiting volunteers, compared to 23% of those with between 1 to 9 volunteers, which suggests they may be experiencing a higher turnover of volunteers. Recruiting and retaining volunteers can be resource intensive and challenging for organisations who need to ensure they are providing the right support and training for volunteers.

How services are funded

Our financial analysis splits organisations into two groups:

- Specialist criminal justice organisations – whose main purpose is to work in criminal justice
- Non-specialist criminal justice organisations – whose service users might include people who have a conviction, but working in criminal justice is not their main purpose.

Analysing the financial data, alongside the survey results, there are a number of consistencies with previous State of the sector findings, building a detailed picture of funding for voluntary organisations in criminal justice between the financial years 2014/15 and 2016/17.*

Specialist criminal justice organisations remain smaller than non-specialist criminal justice organisations.

Consistent with previous years, we find that 29% of specialist criminal justice organisations have an income of less than £100k compared to 14% of non-specialist organisations. 33% of non-specialist organisations generate more than £1m, compared to only 27% of specialist organisations.

Government is the largest source of income for organisations.

In 2016/17, government income made up 66% of the total income of specialist criminal justice organisations and 51% of non-specialist organisations. However, government funding is decreasing. This year specialist criminal justice organisations also experienced an increase in funding coming from individuals. The majority of this was from fees for services which is income earned through charities providing charitable services. This increase may indicate that to adapt to less government funding, organisations are changing the way they work to generate funds from alternative sources.

Small specialist criminal justice organisations are more reliant on government grants than contracts.

Specialist criminal justice organisations with an income of £100-£500k receive 50% of their government funding in grants compared to just 5% of those with an income between £10m-£100m. Further to this, we continue to find that the **smaller the organisation, the more reliant they are on grant funding from charitable trusts and foundations.**

* Due to the nature of the Almanac data, the most up to date financial information we have is retrospective. Further, we have financial information that dates back further than 2014/15 and relates to the financial year 2008/09.



Photo: Clinks annual conference 2019

For the third consecutive year we have found that organisations are subsidising contracts because they cannot achieve full cost recovery. Of the organisations delivering under contract or sub-contract, only 28% said they always achieve full cost recovery on the contracts they are delivering. 50% said they sometimes receive it and 16% never receive full cost recovery. The majority of organisations told us they subsidise contracts with their own reserves (61%) or by using funding from other sources (63%).

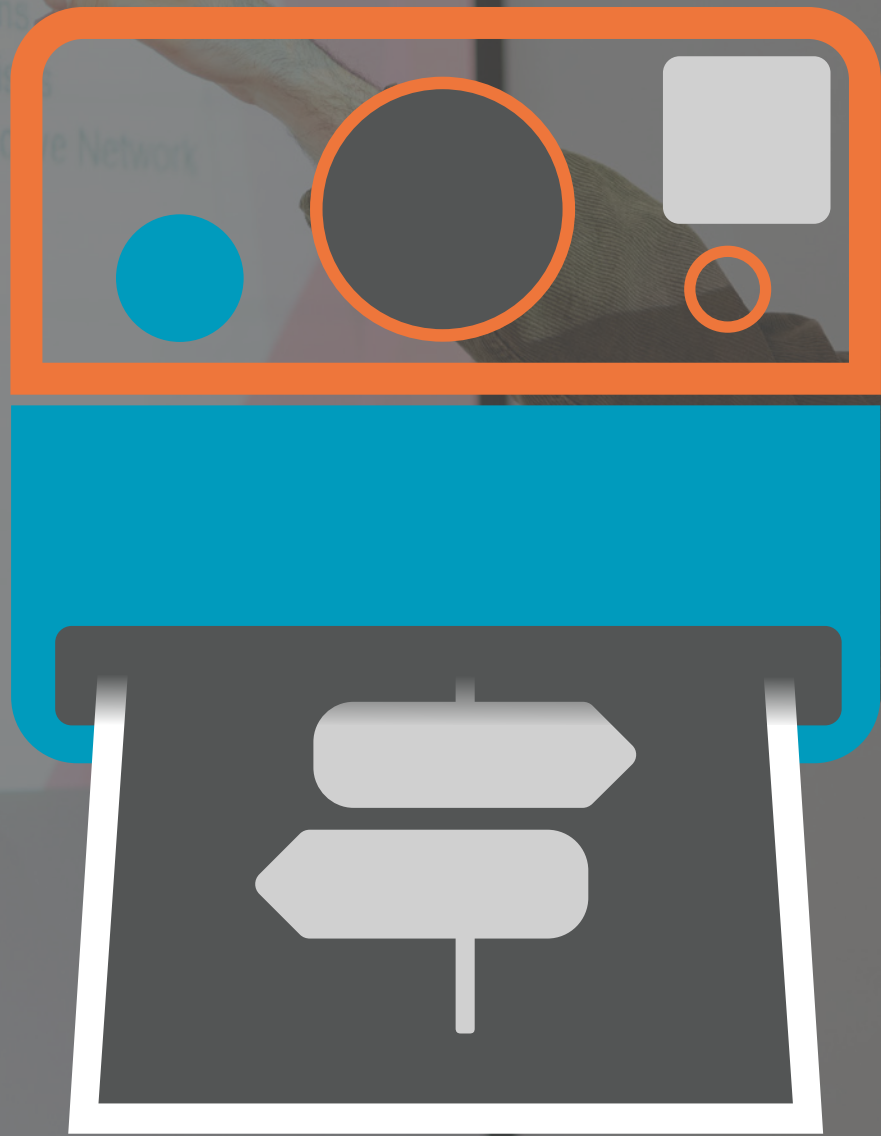
As well as these continuing trends, a number of new findings emerged:

Specialist criminal justice organisations receive more funding from local than central government. In 2008/9, 64% of statutory funding came from central government compared to 36% from local government. The situation reversed in 2016/17, with 54% of funding for specialist criminal justice organisations coming from local government, compared to 45% from central government.

Organisations are increasing their earned income to adapt to reductions in grant funding. For specialist criminal justice organisations, voluntary income – which includes grants – is a very important source of funding. However, between 2008/09 and 2016/17 it declined by 17%. Over the same period specialist criminal justice organisations experienced a 22% increase in earned income, which includes both contracts and fees for service. This could also involve organisations expanding their work to include a social enterprise element. In comparison, over the same time period non-specialist organisations experienced a 53% rise in voluntary income but a 13% reduction in earned income.

Criminal justice organisations spend more money on charitable activities and less on generating funds than the wider UK voluntary sector. In 2016/17, specialist criminal justice organisations spent 96% of their total expenditure on charitable activities compared to 85% of the UK voluntary sector as a whole. Small specialist criminal justice organisations spent less of their total spending on generating income (3%) than non-specialist criminal justice organisations (11%) and the UK voluntary sector as a whole (14%).

Criminal justice organisations have less reserves on average than the UK voluntary sector as a whole. On average, specialist criminal justice organisations have just 1.4 months of reserves and non-specialist criminal justice organisations have 3 months. This is significantly lower than the 6.3 months of reserves held on average by the UK voluntary sector as a whole, which indicates that specialist criminal justice organisations are more vulnerable to external shocks.



Where next?

Photo: Clinks annual conference 2019

This is the seventh year that Clinks has undertaken our state of the sector research and, year on year, organisations continue to demonstrate how diverse and driven they are. The findings give us a lot to celebrate, but the picture we've built up over the years shows there are a number of deep-seated and systemic challenges facing organisations. To ensure a vibrant, independent and resilient voluntary sector these need to be addressed.

Last year our State of the sector research had a thematic focus on supporting people with protected characteristics. From our findings we made three commitments and we've undertaken a range of work over the last year to meet these:

1 / To promote a better understanding of tackling inequalities in the CJS

We are members of HM Prison and Probation Service's (HMPPS) external advice and scrutiny panel for implementation of the Lammy Review recommendations and the Advisory Board for Female Offenders (ABFO). This enables us to represent the experiences of those groups, and the organisations that deliver tailored support to them, to officials and key decision makers and to provide challenge to the government. We continue to seek out opportunities to promote a better understanding of tackling inequalities amongst key stakeholders and capitalise on opportunities for organisations in the sector to engage in policy in this area. We have submitted a number of consultation responses this year which raise the impact of policy and practice on people with protected characteristics. We are committed to working in partnership with and alongside tailored services in this work and wherever possible we engage with our members to feed into our responses.

2 / To support good partnership working with organisations that provide tailored services to particular groups with protected characteristics

We have hosted a number of networking opportunities for the voluntary sector to encourage collaboration. These include regional criminal justice forums throughout England and Wales and our women's networking forum which connects organisations that provide tailored support to women, enabling them to share challenges, solutions and best practice. We will review the women's networking forum in the coming year to ensure that it continues to respond to the needs of our members delivering services to women. Our 2019 annual conference also included a plenary session, entitled 'Race Equality: being the change we want to see', to highlight how working in partnership with the BAME-led sector can help ensure that the needs of BAME service users are met.

3 / To advocate for organisations delivering tailored services, demonstrating their essential value and the need for them to receive sustainable, long term grant funding

We continue to proactively work with stakeholders to do this, including charitable trusts and foundations. We have presented at a roundtable of funders about funding and supporting BAME-led organisations. We continue to advocate for people with protected characteristics, and the role of small organisations that support them, in the government's review of probation. This includes working to ensure that service design meets the needs of people with protected characteristics and highlighting the need for grant funding and commissioning requirements for services that meet the needs of these groups.

Responding to this year's findings

Our State of the sector research provides an important source of evidence on the challenges that organisations working with people in contact with the CJS are facing. We have used the intelligence gathered over the last seven years to inform Clinks' priorities and the support we provide to our members, including the development of our 2019-22 strategy *Creating Change Together*. A number of key systemic issues have been highlighted year on year and it is clear that they require sustained and ongoing challenge.

This year, the findings continue to indicate that organisations providing a tailored service for people with protected characteristics are being hit the hardest. This suggests people with protected characteristics are being disproportionately pushed into a place of greater need and vulnerability. People with protected characteristics often experience multiple disadvantage and worse outcomes in the CJS and can be excluded from mainstream services. Tailored support delivered by services designed for them is vital. But from our ongoing dialogue with the sector, this is often provided by smaller, locally-embedded organisations who lack the resources to navigate complex commissioning processes and face being squeezed out by larger organisations. **Clinks will continue to raise the experiences and unequal outcomes of people with protected characteristics and advocate on behalf of organisations that provide tailored support for them.**

There are increasing numbers of people accessing organisations' services and they have needs that are growing more urgent and complex. This is putting inevitable pressure on organisations and their staff and volunteers. Alongside this we are seeing a reduction in grant funding. Organisations continue to tell us that they are covering the cost of referrals from statutory services from other sources and that those delivering under contract cannot

achieve full cost recovery. A number of organisations also told us about how they are struggling in a complex, competitive and changing commissioning environment. When we consider these findings alongside each other, it indicates that organisations are having to meet an increasing demand on their services with less resources. **To support organisations in navigating these challenges, we will continue to help them explore alternative fundraising options, advocate for grants, and represent the needs and experiences of the sector in the design of commissioning processes – especially important as the probation system undergoes reform.**

This year's findings reinforce the concerns raised in our *State of the sector 2018* report, which highlighted the damaging impact of welfare reforms, Universal Credit and lack of housing for people who have been in contact with the CJS. These concerns are exacerbated for people being released from prison due to a lack of resources in prison, lack of resettlement support and increasing challenges around arranging accommodation, bank accounts and Universal Credit on release. Welfare reform and the roll out of Universal Credit continues unimpeded but much more needs to be done to improve policy and practice, and address the issues and challenges highlighted by the sector. The government has also published its Rough Sleeping Strategy in 2018 to reduce the number of rough sleepers in England, which includes a specific focus on people leaving prison. This is welcome and there is an urgent need for its implementation but rough sleeping is only the tip of the iceberg of homelessness. The MoJ and HMPPS have engaged well with the voluntary sector in the development of an accommodation strategy, but progress in addressing these issues is still too slow.

Policy change is not keeping up with the urgency or breadth of these issues. The resource attached to the strategies and policy change designed to address these challenges is not nearly enough to implement them

effectively and to achieve large scale change. Over the last two years welfare and accommodation for people in contact with the CJS have become an increasing area of focus for our policy work and we will continue to look for opportunities to influence change. **We will be working with our members in the coming year to revisit our policy priorities in *Clinks Thinks*³ to make sure they are responding to our members' needs and experiences.**

Forthcoming changes to sentencing, prisons and the probation system will present further challenges to organisations, the majority of whom our surveys have shown work with people in custody, through the gate or under probation supervision. It is important during this turbulent time to know the health and experiences of the sector so we can advocate for organisations in those reform processes, represent their experiences, make sure key decision makers hear the issues that matter most to our members, and support them through these transitions. **We will continue to monitor how organisations in criminal justice are faring and will be launching our next State of the sector research activity in 2020.**

End notes

- 1 More detailed information about our methodology can be found in the full report *The State of the sector 2019*, available at: www.clinks.org/publication/state-sector-2019.
- 2 Protected characteristics are those protected from discrimination under the Equality Act (2010). These include: age; disability; gender reassignment; race; religion or belief; sex; sexual orientation; marriage and civil partnership; and pregnancy and maternity.
- 3 Clinks (2017) *Clinks Thinks: criminal justice policy and the voluntary sector*. Online: www.clinks.org/publication/clinks-thinks-criminal-justice-policy-and-voluntary-sector





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 500 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.

Membership starts at just £20 per year and is free for organisations with little income.

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Tavis House
1-6 Tavistock Square
London WC1H 9NA
☎ 020 7383 0966
✉ info@clinks.org
🐦 @Clinks_Tweets
💻 www.clinks.org