



STATE 20 OF THE SECTOR 23



Key trends in the voluntary sector working in criminal justice

Executive Summary

Foreword



This is the tenth year we have surveyed the criminal justice voluntary sector in England and Wales. Key themes emerge each year, and some things don't change. The most important thing, from my perspective is the criminal justice voluntary sector's continuing unwavering commitment to meeting the needs of the people they exist to serve. Despite this organisations tell us every year that though it's hard, they adapt and flex so they can continue to help.

It shouldn't be like this though. The value of the sector is best optimised when it does not have to constantly react and adapt to changing funding environments, commissioning environments, service and policy models, and increasing needs.

Again, this year we hear that more people need voluntary sector support, with more complex and more urgent needs. The most striking result for me in reading this year's results is the majority of organisations have responded to this by increasing staff caseloads. This needs to worry us all if we're interested in providing good services to people for as long as they need them from skilled, empathetic staff. This is a time to invest in and be very focussed on how we ensure that funding is adequate to provide the best quality service and how we look after the people working and volunteering in this sector. They are an asset, and we are lucky to have them. We need to make sure they can continue for as long as they wish to in this work.

I am disheartened to see again the high rates of subsidisation of contracts, especially as we know almost all contracts are commissioned for delivering public services. While there's always an argument for adding value by combining different funding sources to provide the best service to people, there is a point at which subsidisation becomes propping up of underfunded services. There needs to be real scrutiny of how prices are set and an understanding of the impact of under-pricing where it happens.

Finally, there is always hope and always a way forward for our sector. In talking about the general election and what people would like to see pledged in relation to our sector, we're calling for investment in prevention and rehabilitation and the involvement of our sector, with that involvement valued, respected and paid for.

I hope that things ease in terms of pressure; Clinks will be there for your organisations as you're there for the people you serve. To those of you working in funding and commissioning, please talk to us and the sector about how you can work to ensure that you can partner well with them so they can help you get the best outcomes for people in the criminal justice system and their families.

Anne Fox

A handwritten signature in black ink, appearing to read 'Anne Fox', written in a cursive style.

Chief Executive Officer – Clinks

The logo for Clinks, featuring the word 'CLINKS' in a bold, blue, sans-serif font. The 'i' in 'CLINKS' has a dot that is a small circle.

About the Research

Continuing our annual research, Clinks surveyed the voluntary sector working in criminal justice, to understand how it is faring. The survey findings combined with two focus groups with voluntary organisations and three interviews with charitable sector funders, alongside analysis of Charity Commission registered 'crime and justice' organisations, are summarised here.

Key Findings

Three key themes emerged:

1. The voluntary sector working in criminal justice is continuing to operate in a challenging environment.
2. Organisations clearly preferred grant funding over contract arrangements, including for future government commissioning processes
3. Organisations were confident about their financial sustainability over the next two years, but in focus groups, this was qualified by uncertainty as to what service delivery might look like two years later.

In anticipation of the next UK General Election, expected to occur in 2024, we asked organisations what they would like to tell the incoming government.

Organisations and funders said they want to tell a new government to focus on:

- Investment in prevention and rehabilitation
- Leaning on the expertise of voluntary organisations
- Empowering local organisations to deliver in their communities.

Theme 1 | Challenging Operating Environment

Continuing the trend seen for many years in this research, organisations face increasing numbers of new service users, with a greater level, complexity, and urgency of need. Whilst many organisations responded to this by working more flexibly with their clients, increasing partnership working, and sourcing more funding, a majority also said staff were taking on larger caseloads.

The economic environment is a continuing challenge: whilst a majority reported their income from grants and contracts was stable or increasing, inflation across the 2022-23 financial year ranged from 9% to 11.1%, based on the Consumer Prices Index. As such, 78% of organisations said their running costs had increased in 2022-23, compared to the previous year, with 47% saying they had increased significantly.

This follows our findings from last year's research, where 76% of organisations reported increased running costs, with 35% saying they rose significantly.

In the focus groups, larger organisations mostly highlighted increased staffing costs and rents as increasing their running costs, whilst smaller organisations outlined more various cost pressures including travel costs, higher payments to freelancers, and larger energy bills.

Organisations delivering services under contract, identified cost recovery as a continuing challenge: 61% of respondents said they did not achieve full cost recovery on at least some of their contracts, with one-in-ten organisations not achieving it on any. This continues another trend seen across the previous two year's research. Organisations continued to describe filling these shortfalls by subsidising contracts with money from their reserves, and other funding sources.

Almost all contracted services are commissioned by public sector bodies. This means that where voluntary organisations are being forced to find money to subsidise these contracts, they are using other funding to prop up public service delivery.

Theme 2 | Preference for Grants Over Contracts

For the first time, we included a specific question about organisations' views of government grant funding, in addition to questions about grant funding from charitable trusts, and funding from contracts and sub-contracts. Broadly, organisations were more positive about grant funding than contracting arrangements, regardless of whether the grant was being made by a charitable trust or foundation, or the government. However, respondents were more positive about grants from charitable trusts and foundations than government grants, so it suggests there may be some further examples of good practice that can be adapted to improve further government grant funding processes in the future.

A majority of survey respondents delivered services under contract or sub-contract, and organisations were more negative when asked about their contract funding, than either kind of grant funding. Whilst three-quarters agreed there was clarity about how they would be paid, and just over half agreed they were paid on time, respondents were more mixed about other aspects of their contracts. Just over a third agreed contract managers were flexible in adjusting requirements and outcomes; and nearly half agreed the ethos/values between them and the contractors are similar and that there was transparency about refreshing or retendering for the contracted services. Respondents were negative about contract funding, with a majority disagreeing the level of funding is adequate to deliver a high-quality service, and half disagreeing the financial terms are sustainable.

Turning to grants from charitable trusts and foundations, organisations were positive about their grant payments, agreeing that they were made on time and there was clarity about being paid for work delivered as part of the grant. Moreover, organisations also agreed that their ethos/values aligned with those of the grant funder, and that grant managers had been flexible in adjusting requirements and outcomes for grant funding. A majority agreed the funding awarded was adequate to deliver a high-quality service, that the financial terms of the grants are sustainable, and there is clarity about refreshing or reapplying for grants.

Looking at government grants, respondents were also broadly positive, but less so than for grants from charitable trusts and foundations. Organisations again agreed there was clarity about being paid for work delivered and that they are paid on time. However, respondents were slightly more mixed about the level of funding, with about half agreeing government grant funding was adequate to deliver a high-quality service, and that grant managers had been flexible in adjusting outcomes and requirements. More agreed than disagreed that the financial terms of government grants were sustainable. Organisations were also more mixed about the alignment between their ethos/values and those of government grant funders, with half agreeing there was alignment, and whether there was transparency about refreshing or reapplying for funding, with more respondents agreeing than disagreeing.

Theme 3 | Cautious Confidence about Financial Sustainability

Over half the organisations who responded to our survey said they were confident about their financial sustainability over the next two years.

In the focus groups with voluntary organisations, participants qualified the confidence seen in the survey responses: whilst they were confident their organisation would still be delivering services in two years, there was uncertainty as to the scale and capacity of this service delivery.

Funders, when asked in interviews about the health of the sector, outlined concerns about the capacity and resources to meet demand, so risking staff burnout. To support organisations moving forward, focus group participants called for the streamlining of funding processes, which they viewed as currently too resource intensive. A larger organisation also suggested practical business support, such as developing digital infrastructure, could be beneficial.

General Election 2024

When asked what they would like to tell a new government, following the expected General Election, organisations and funders wanted a new government to understand that investment in prevention was a more effective approach to criminal justice. In addition, they felt the sector held great knowledge and expertise that a new government should utilise. There was also a desire for a new government to recognise that local organisations were often best placed to deliver in their communities. Local organisations were often seen as preferable to national organisations who might come with less knowledge of the local situation. There were also suggestions more decision-making and commissioning should be done locally, rather than centrally from Westminster and Whitehall.

Most organisations wanted to see reforms to commissioning and funding processes, including reducing the bureaucracy and demands placed on organisations seeking funding; longer contracts and grants, especially for organisations with a proven track record of delivery; and increased investment in the sector.

Other key messages included placing more emphasis on arts provision and paying voluntary sector organisations for the expertise they provide, rather than assuming they will provide it for free.

Recommendations

With organisations facing increased numbers of new service users, and service users having greater need, the pressure on organisations is becoming ever more acute. Whilst organisations did say they were responding to this through increased flexibility in the way they worked with people and more partnership working, most also said staff were taking on larger caseloads.

Clinks recommends that all commissioners and grant-makers are aware of the increased pressures and challenges that voluntary sector organisations and their staff are facing and consider how they can commission and fund to avoid placing additional burdens on already stretched staff. Organisations delivering services, along with commissioners and grant-makers, should explore how voluntary sector staff can be supported to stay well in their roles, and ensure that the burden of increased pressure on the voluntary sector as a whole is not pushed onto individual members of staff.

The voluntary sector working in criminal justice is particularly reliant on funding from the government and other statutory bodies and agencies. This means government commissioning processes can have a disproportionate impact on the landscape of the criminal justice voluntary sector.

Clinks recommends government commissioning processes offer realistic timeframes for applicants and timely decision making and access to funds. The processes should also ensure that small and specialist providers are also able to meaningfully engage with them and apply for government funding.

Voluntary organisations are continuing to subsidise contract delivery through their reserves and other funding sources, at the same time as they are facing increased service user numbers, greater service user need, and rising operating costs.

Clinks recommends contracts reflect the true value of the services being delivered under them, and they are appropriately uprated each year to reflect things like inflation and changes in the demand for services. Alongside this, a formal test or mechanism needs to be developed and implemented by the government to assess whether the costs of delivering the services set out in the specification is covered by the amount of money offered to potential providers for the delivery of those services. This is especially the case in funding processes that are exclusively open to the voluntary sector.

Voluntary organisations expressed overall negative views about their experience of contract funding. However, organisations were broadly positive about their experience of government grant funding. This suggests that generally the mode of funding plays a more significant role in the voluntary sector's experiences, rather than the funder itself.

Clinks recommends the government and other statutory agencies should look to make funding available through multi-year, unrestricted grants wherever possible. These grants should be awarded to best support the sector to deliver high-quality, sustainable services that enable service users to transform their lives.

Organisations were broadly positive about their experiences of grant funding, from both the government and from charitable trusts and foundations. However, there are still ways to improve grant making processes, especially for smaller and specialist organisations.

Clinks recommends that charitable trusts and foundations, the government, and other statutory funders work together to provide the most effective funding to the voluntary sector to deliver high-quality services for people in contact with the criminal justice system. This should include learning from one another about best practice, and considering opportunities for the pooling of money and co-commissioning.

Moreover, Clinks recommends the complexity of the commissioning processes is proportionate to the amount of funding that is to be awarded, and the outcomes that the funding aims to achieve. To ensure small and specialist organisations are able to compete for funding, complex paperwork should be kept to a minimum, and the size of the minimum award should be considered so these organisations are not de facto excluded. This is particularly important when providing funding for specialist services for people with protected characteristics.

State of the Sector 2023

The full results from our 2023 research are published on the Clinks website, and are available to view at <https://www.clinks.org/state-sector-2023>. You can also find previous year's reports at <https://www.clinks.org/state-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 £80 per year and is free for organisations with little income

CLINKS

Published by Clinks March 2024 © Clinks 2024. All rights reserved. Clinks is a registered charity no. 1074546 and a company limited by guarantee, registered in England and Wales no. 3562176