

CRIMINAL JUSTICE CHARITIES:
FINANCIAL INSIGHTS

STATE OF THE SECTOR

2025



CLiNKs

Supporting the voluntary sector
working in the criminal justice system

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SAM OSIAN, ASSOCIATE CONSULTANT AT NCVO

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ABOUT THIS REPORT



This report sets out the financial and structural position of the criminal justice voluntary sector using Charity Commission data and classified through the UK Charity Activity Tags (UK-CAT) classification system¹. It examines how organisations are funded, how resources are allocated, and how patterns vary by size. These findings provide the context needed to interpret the sector's resilience, constraints, and future priorities. To note, this analysis only covers charities and not the wider voluntary sector given the data source.

INTRODUCTION

Criminal justice charities do not neatly fit into a single public system. Their work spans interaction with a wide range of statutory provision including policing, courts, probation, prisons, housing, health, and social care, often supporting people whose needs cut across all these areas. Many of the people they support face multiple challenges such as trauma, addiction, insecure housing, poverty, and poor mental health. As a result, organisations in this sector operate in a particularly complex environment, characterised by high demand, significant and complex need, interdependent services, and close public scrutiny.

The sector's financial model reflects this complexity. The financial data illustrates that criminal justice charities are more closely tied to statutory commissioning than many other parts of the voluntary sector. Much of their income comes from government contracts and tightly specified service agreements. Smaller organisations tend to rely more heavily on short-term grants, while larger charities manage substantial commissioned services. This funding structure shapes how organisations operate, influencing their stability, capacity to plan, and ability to invest in prevention, innovation, and long-term support.

METHODOLOGY



The financial analysis presented here is based on Charity Commission register data and annual return extracts. The resulting dataset records each criminal justice charity's latest available return between 2022-2025. Charities were removed from the dataset when a number of data completeness checks were not met.²

The UK-CAT classification system was used to identify Charity Commission-registered charities operating in the criminal justice sector. Charities were assigned to criminal justice organisations if their UK-CAT designation included at least one CJ (Crime and Justice) prefix. A Wales-specific subgroup was derived from organisational headquarters postcodes as recorded in the Charity Commission data. A charity was identified as belonging to the Welsh subgroup if its postcode began in any of the 9 Wales-only postcode prefixes.

Because financial data is generally highly skewed – for example, a few extremely high-income organisations could pull the average up, medians have been presented across this report as an alternative to mean averages. For ease of interpretation, medians may be interpreted as averages.

LIMITATIONS

Smaller charities are not typically required to report detailed financial breakdowns; they often report only topline figures such as headline income and expenses. Therefore, detailed financial analysis (referred to as "Part B" data) is available for only 17.5% of the CJS charities included in this analysis. Further, it is not possible to ascertain how much of charities' income may be shared in partnerships and/or cascaded to subcontractors, and therefore the conclusions are based on headline income figures.

UK-CAT's 'keyword-matching' classification system is unlikely to be perfectly accurate when identifying whether a given charity is part of the criminal justice sector. Existing evaluations suggest that UK-CAT generates a moderate number of false positives when applied across the wider voluntary sector, but its performance has not been specifically assessed for CJS classification. However, UK-CAT remains the most granular and auditable charity classification system to date.³

KEY MESSAGES

- The criminal justice sector is small in number but not small in operational scale. We identified 1,057 criminal justice charities (including 51 in Wales), representing around 0.7% of charities in the wider voluntary sector, but with a higher typical income and expenditure than the sector average.
- The CJS charities are more delivery-funded than donation-funded. Among charities with eligible Part B returns, 70.1% of CJS income comes from charitable activities (vs 52.3% in the wider voluntary sector), while donations and legacies are lower (16.5% vs 30.2%).
- Public funding exposure is a defining feature of the sector. CJS charities are more likely than other voluntary sector organisations to report government contracts (19.2% vs 7.4%), creating greater exposure to commissioning cycles, retendering, and policy change.
- Financial stress is not universally worse than the wider sector, but resilience is uneven. Headline deficit prevalence is almost identical (39.6% vs 39.7%), and extreme stress flags are less common in CJS, but many organisations still operate with limited reserve cover.
- Funding is highly concentrated. A small number of organisations hold a very large share of public income: the top 10% receive 91.5% of contract income and 79.2% of grant income in the CJS. Many individual charities also rely heavily on a single main source of income.
- The sector appears more staff-intensive than the wider voluntary sector. CJS charities tend to rely relatively more on paid staff and less on volunteers per £1m spent, which may increase exposure to funding volatility where staffing costs are fixed.
- There is a clear split between smaller and larger CJS charities. Smaller organisations appear more locally rooted and less state-funded, while larger organisations are more likely to be commissioned providers with more complex structures, greater public funding exposure, and potentially greater system-level impact if disrupted.

THE SECTOR 'AT A GLANCE'



Our analysis identified 1,057 criminal justice charities in England and Wales, accounting for ~0.7% of organisations in the voluntary sector. 51 organisations were identified as being based in Wales. Welsh CJS organisations account for 4.8% of the total England and Wales count.

Criminal justice charities operate across a wide range of services, from prevention and early intervention to custodial settings, resettlement, and specialist support for people affected by the justice system. That delivery is rarely linear: people move between services, statutory agencies, and voluntary provision, and the same organisation can sit in multiple parts of the pathway depending on local commissioning and partnerships.

This matters for financial analysis because delivery complexity tends to mean complex funding and reporting. A sizeable share of sector income is tied to public contracts and grants (see the income section), which may entail restrictive conditions, onerous performance and reporting requirements, and cash flow issues. Where services span multiple settings or agencies, organisations may need stronger back-office capacity to manage compliance, data sharing, safeguarding, and subcontracting.

The median annual income in the criminal justice sector is £36,865, compared with £21,811 in the broader voluntary sector, while median annual expenditure is £35,317 in the criminal justice sector and £20,966 in the broader voluntary sector. These figures indicate a higher typical operating scale among criminal justice organisations. In terms of total annual income, CJS organisations accounted for £2.3 billion, or 2.25% of the voluntary sector's income as a whole. CJS expenditure totals are identical to income, at £2.3 billion.

These headline figures describe the typical charity, but they do not describe where most of the money sits. Like much of the voluntary sector, income and contract/grant funding are top-weighted, with a relatively small number of larger organisations accounting for a disproportionate share of total resources. The CJS, in particular, is less concentrated in small charities and more represented in larger bands; 10.4% of CJS charities are classed as large or major by the Charity Commission, compared to just 5.8% of the wider voluntary sector.

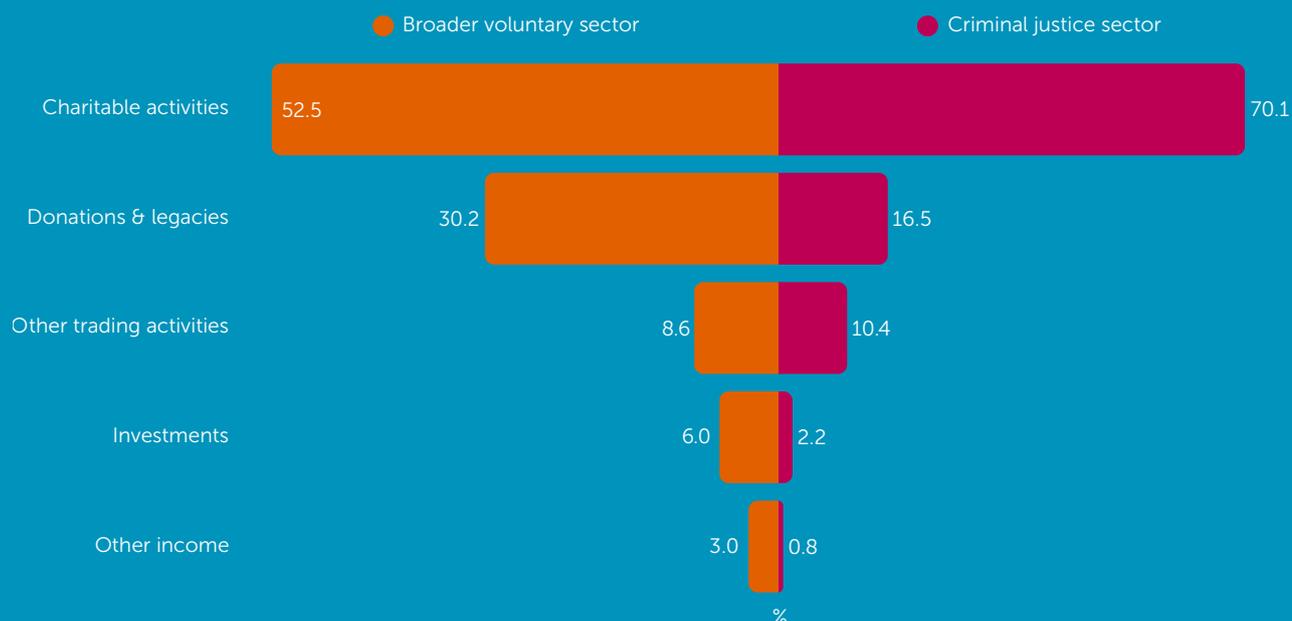
HOW CRIMINAL JUSTICE CHARITIES EARN INCOME: HIGH IN GRANTS, LOW IN DONATIONS

Among CJS charities with eligible Part B returns⁴ (n = 185), the sector accounts for around 70.1% of total income from charitable activities, compared with 52.3% in the broader voluntary sector. Meanwhile, donation and legacy share income is markedly lower in the CJS (16.5% versus 30.2%). Government funding participation is significantly higher in the CJS for both contracts and grants. 19.2% report receiving government contracts versus 7.4% in the broader voluntary sector. For grants, the figures are 27.6% and 20.4%.

This pattern of 'high grant, low donation' income reflects a mission-earned commissioning-led funding model, in which income is tightly linked to outputs and contractual performance rather than voluntary giving. Charities operating in the CJS often face greater challenges in attracting individual donations due to lower public awareness and sympathy with justice-related issues and engagement than other charitable causes. For example, some evidence suggests that comparatively low levels of public donations to the CJS are linked to the unpopularity of work supporting people in contact with the criminal justice system and to hostile public and media attitudes. Research by NPC⁵ notes that these attitudes can constrain what charities are able to raise from individual donors, alongside political incentives for governments to appear 'tough on law and order'.

High participation in public funding is not necessarily a problem, but it does create risks. High dependency means charities are more exposed to policy shifts, retendering cycles, changes to commissioning processes, and payment timing risk. Smaller, place-based organisations can also be disadvantaged in national commissioning based on large geographical areas outside their remit. Smaller organisations who focus on the needs of particular groups of people can be disadvantaged by changes in priorities for funding for specific groups or needs. This makes diversification and healthy reserves more important. A high reliance on a single funder should be treated as an early warning of potential continuity issues. Commissioners can help address this by designing models that reduce volatility, through the provision of unrestricted, multi-year grant funding, and support organisations to build buffers. For other funders, this is where flexible funding (core cost support, reserve-building) can have a particularly strong impact.

Income composition differs sharply between CJS and the wider voluntary sector
Part B income composition. Left: broader voluntary sector (n=14,868; right: CJS (n=185))



Income in the sector is concentrated in two main ways: who holds the money, and how dependent individual charities are on particular income sources. First, public funding is concentrated in a small number of organisations. The top 10% of charities ranked by contract income receive 91.50% of all contract income in the CJS. For grant income, the top 10% receive 79.16% in the CJS.

Second, many charities have a concentrated income mix. Using the Herfindahl index (HHI)⁶ across Part B income categories, the median is 0.814 in the CJS, with around 72% above 0.6, which is considered a high concentration level. Together, this suggests concentration risk sits both at sector level (funding held by a small group) and at organisation level (many charities relying heavily on one main income stream).

HOW CRIMINAL JUSTICE CHARITIES SPEND

When we look at spending (expenditure), charities spend the same amount on their charitable work as the wider voluntary sector, at 87.9%. Spending on raising funds is slightly higher in the CJS (12.2% versus 8.5%), which could reflect the uncertain and volatile funding cycles particularly prevalent within the criminal justice sector. Expenditure routed through institutional grants (money that a charity gives to other organisations to deliver work) is much lower in the CJS (2.9% versus 15.4%).

These spending patterns are most useful as signals of how organisations operate. Higher charitable expenditure shares can signal an intensive delivery model, but they also require strong back-office capacity (contract management, compliance, HR), which may be underfunded. The key consideration is whether overhead allowances and fundraising assumptions match the observed income model, particularly for organisations reliant on restricted grants or contracts.

Finally, when looking at organisations that are both in deficit and have no reserves, the combined “financial stress” flag is 1.08% in the CJS and 3.69% in the wider voluntary sector.

BUFFERS AND FLEXIBILITIES

Standard pressure indicators look similar across the CJS and wider voluntary sector. In the CJS, 39.6% have expenditure that exceeds income, nearly exactly matching the 39.7% in the broader voluntary sector. These figures show high levels of financial pressure in both groups.

4.9% of Criminal Justice Sector charities have low reserves, compared with 9.0% in the broader voluntary sector. However, the median number of reserve months cover is 3.4 months for the CJS, and 4.2 months for the broader voluntary sector. In other words, while CJS organisations are more likely to have sufficient reserves, these reserves are not quite as long-lasting as the voluntary sector average.

Looking at reserve-cover bands shows where this fragility may sit. In the CJS, the shares are:



The broader voluntary sector shows 19.2%, 20.9%, 20.7%, and 39.3% in the same bands.

Looking at net margins (the percentage surplus or deficit a charity makes relative to its total income):

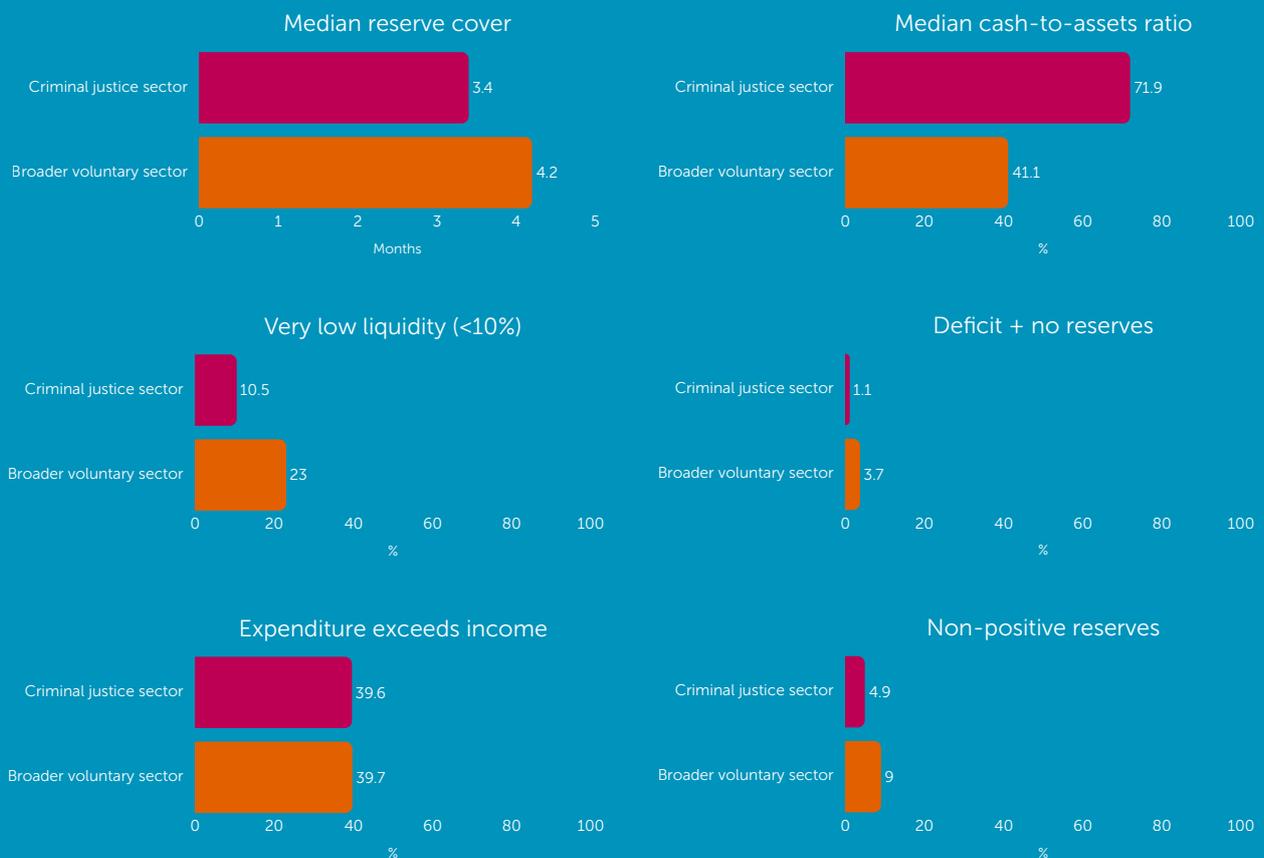
- 31.2% of CJS charities are running a deficit of more than 5%
- 24.3% are roughly breaking even
- and 44.5% are generating a surplus of more than 5%.

In the broader voluntary sector, the equivalent figures are 33.6%, 18.3%, and 48.2%.

Liquidity measures (indicators of how easily a charity can pay near-term bills using cash or cash-like assets) tell a similar story. The typical cash-to-assets ratio is 71.9% in the CJS, compared with 41% in the broader voluntary sector. About 10.5% of CJS charities have very low liquidity (cash under 10% of assets), compared with 23.0% across the wider sector.

Finally, when looking at organisations that are both in deficit and have no reserves – a combined “financial stress” flag – the share is 1.08% of CJS charities versus 3.69% in the broader voluntary sector.

Financial health comparison: CJS vs broader voluntary sector
Includes margin, reserve-cover and liquidity indicators.



Overall, the CJS looks broadly similar to the wider voluntary sector on headline deficit rates, but with a slightly different resilience profile. Extreme financial stress appears less common, and liquidity is typically stronger, yet a substantial minority have limited reserve cover, with fewer charities sitting in the “six months plus” bracket.

This suggests the key risk is not widespread fragility, but a long tail of organisations with thin financial buffers. These organisations may struggle to absorb commissioning delays, grant gaps, or short-term cost shocks.

PEOPLE AND DELIVERY

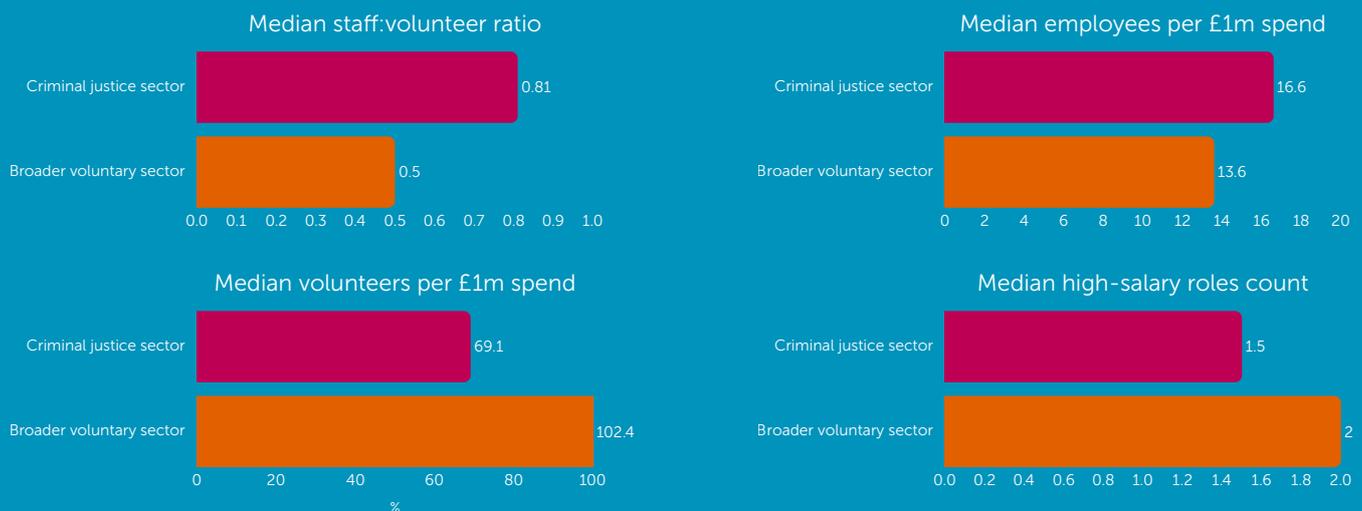


The median employee count in the CJS is 21, and 19 in the broader voluntary sector. The median volunteer count per group is 6. The median staff-to-volunteer ratio is 0.81 in the Criminal Justice Sector and 0.50 in the broader voluntary sector.

Looking at intensity metrics (how organisations involve individuals in relation to their spending) adds more detail: the median number of employees per £1m of expenditure is 16.6 in the CJS and 13.6 in the broader voluntary sector. The median number of volunteers per £1m of expenditure is 69.1 and 102.4, respectively. Taken together, this suggests CJS organisations tend to rely more on paid staff and less on volunteers per £1m spent than the wider voluntary sector.

Senior-pay proxies are mixed. The share reporting at least one salary above £60,000 is 24.5% in the CJS and 13.9% in the broader voluntary sector, though this likely reflects the fact that the average CJS organisation is larger in income than the wider voluntary sector. The median count of high-salary roles among eligible charities is 1.5 and 2.0, respectively. The share with five or more high-salary roles is 20.6%, versus 25.7%.

Workforcer profile comparison: CJS vs broader voluntary sector Includes staffing intensity, volunteer model indicators, and high-salary exposure.





Workforce indicators show how funding and financial pressures affect an organisation’s ability to deliver. Staff-heavy models tend to carry higher fixed costs and are more sensitive to contract volatility, for example, if contracts change or funding drops. Charities that rely on volunteers may find it harder to scale up their maintenance of specialist expertise.

The practical implication is not that one workforce model is preferable, but that funding terms, reporting requirements, and commissioning lead times need to be designed to be workable for the model being funded.

UNIQUE NEEDS OF SMALLER CRIMINAL JUSTICE SECTOR CHARITIES

The data shows a split within the CJS. Smaller organisations tend to look more community-scale and locally based, with lighter administration. Larger organisations appear more state-facing and operationally complex.

A key distinction is the extent to which organisations rely on government funding. Smaller CJS charities report much lower levels of government contracts (8.5%) than larger CJS charities (56%), and the same pattern holds for government grants (18.8% versus 56%). This suggests that as organisations grow, they are more likely to shift into commissioned or publicly funded service-delivery models, bringing both opportunities (stable income streams) and vulnerabilities (contract concentration, commissioning change risk, and greater compliance burden).

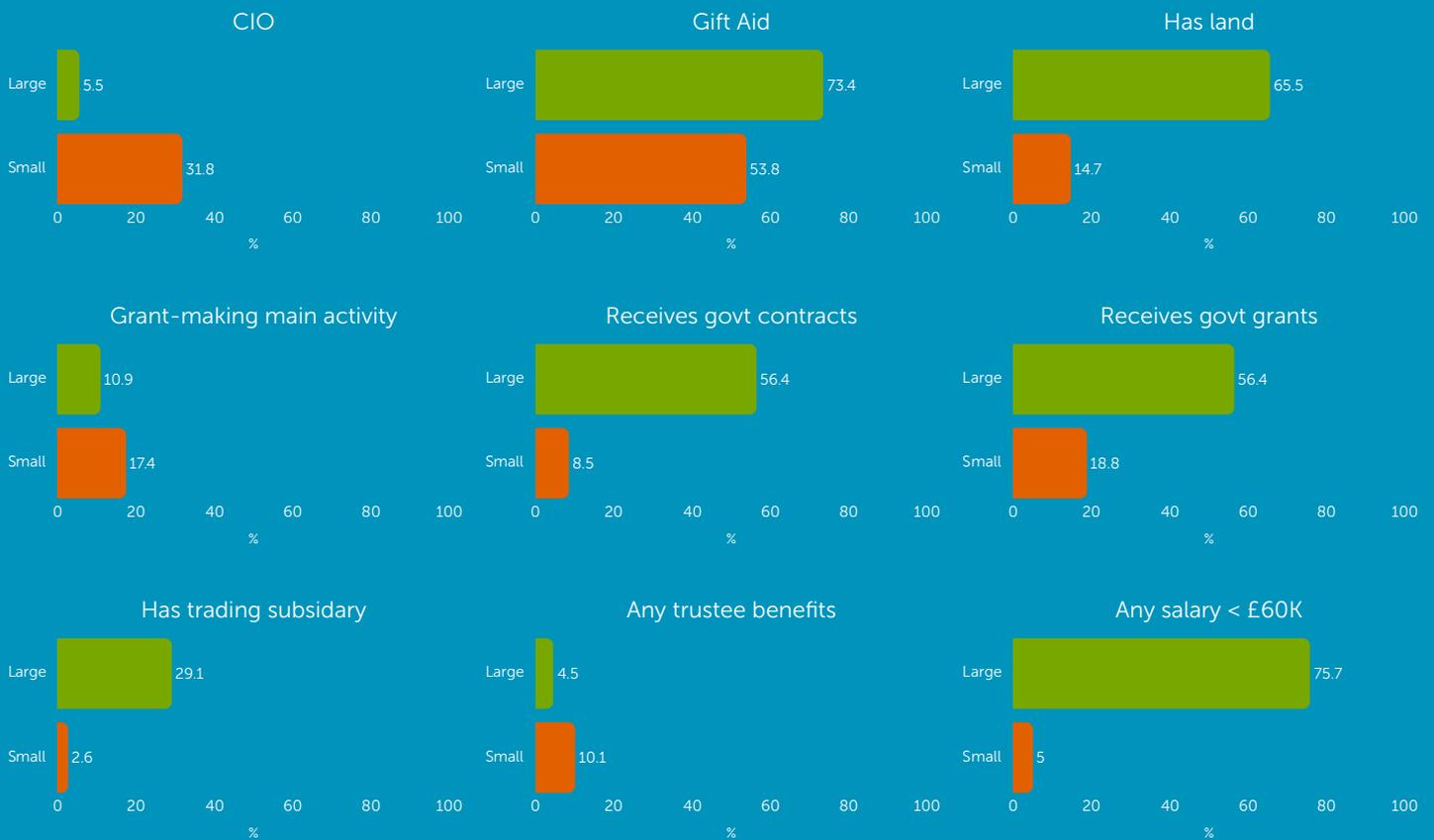
Smaller organisations also show fewer signals of organisational complexity. Trading subsidiaries are rare among smaller CJS charities (2.6%) but are far more common among larger ones (29%), while property and land ownership rises from 14.7% (smaller) to 66% (larger). This indicates that larger organisations hold more assets, run more formal group structures, and manage more complex operating models. In practice, this often implies higher fixed costs and greater governance and reporting requirements.

Workforce structure reinforces the same divide. Only 5.0% of smaller charities report any employees with salaries over £60k, compared with 76% among larger charities, indicating that smaller organisations are less likely to operate professionalised senior staffing models. Where employee counts are available, medians increase sharply with size (12 for medium, 36 for large, and 328 for major), consistent with a transition from volunteer-led or lightly staffed delivery towards large-scale, labour-intensive service provision.

There are also signs that smaller organisations may be newer or adopt simpler legal forms. Smaller CJS charities are more likely to be Charitable Incorporated Organisations (CIOs) (31.8%) than larger organisations (6%), consistent with CIOs being a common legal form for newer or smaller charities seeking limited liability and simpler governance arrangements. Gift Aid participation also rises with size (53.8% in smaller versus 73% in larger), likely reflecting stronger administrative capacity, more developed fundraising infrastructure, or both.

Overall, the implication is that “small CJS charities” form a large base of organisations with distinct operating constraints: lower statutory-funding exposure, simpler structures, and leaner administrative capacity, but also potentially more local flexibility and community embeddedness. Efforts to improve resilience are likely to differ by size: smaller organisations may benefit most from capacity-building and partnership models that reduce administrative burden and open access to funding, while larger organisations may need monitoring and mitigation focused on commissioning exposure and funding concentration risk.

Small vs large CJS organisations: structural and funding model contrasts



WALES: INDICATIVE INSIGHTS

8

Criminal justice is not devolved to the Welsh Parliament / Senedd Cymru (The Senedd), but many services that shape justice-related outcomes – including health, social care, housing and education – are devolved. This creates a distinctive operating context for Welsh criminal justice charities, which may need to work across both Westminster-reserved justice systems and devolved public services.

51 Welsh CJS organisations were identified through this analysis. Because of the relatively small number of organisations, interpretations should be made with caution and not explicitly compared to CJS organisations at large. Despite this, they offer some indicative insight into the CJS in Wales. A clear pattern is that the Welsh CJS organisations are predominantly small-scale:

■ 48 in 51 falls below £500k income. This group includes:

■ 26 micro-organisations (£0–10k)

■ 22 small organisations (£10k–£500k)

■ 2 organisations were in the £500k–£1m band

■ 1 organisation is in the £1m–£10m band

■ 1 organisation has income above £10m+.

This means most Welsh CJS insights are, in practice, insights about smaller organisations.

The Welsh CJS group also appears to include a substantial CIO presence (17 in 51). Gift Aid is recorded for 25 in 49 organisations with available data, and land ownership for 8 in 50. At the same time, some features associated with larger organisational infrastructure are rare in this sub-sample: for example, 0 in 25⁷ eligible organisations report a trading subsidiary, and 1 in 22 reports any employee salary over £60k.

On funding and delivery model, the picture is mixed but still informative. Among the 24 to 25 Welsh CJS organisations eligible for the relevant questions, 7 in 25 report government grants and 3 in 24 report government contracts. 6 in 24 are recorded as grant-making as a main activity. These figures suggest some engagement with public funding, but within a very small eligible group and alongside a predominantly small-scale sector overall.

CONCLUSIONS: TOWARDS UNDERSTANDING THE SECTOR

Despite the complex and often politically sensitive environment within which CJS charities operate, they continue to play an essential role in supporting individuals and communities. However, the sector remains structurally reliant on public funding, whether through contracts or grants. Because donations and legacy income are relatively low, there is comparatively less unrestricted funding available to build reserves or invest in long-term development.

The CJS financial landscape is characterised by delivery-oriented income models and greater engagement with public contracts and grants than in the wider voluntary sector. The sector is also top-heavy, with a small number of organisations holding much of the financial capacity. This combination implies that sector continuity risk is shaped by both dependency (for contract-led providers) and concentration (where a small number of large organisations account for a large share of activity).

These results therefore suggest two things happening at the same time: many organisations are small and rooted in their local communities, while a smaller number of large providers account for a disproportionate share of total capacity.

This matters because the sector can appear stable overall, even when a large number of micro or volunteer-led organisations remain fragile to relatively small shocks such as delays in funding, rising premises costs, or losing a local grant. At the same time, if too much service delivery relies on a few large 'anchor' organisations, the whole system becomes at risk if any of those big providers run into difficulty. It also risks crowding out smaller, specialist organisations that, as this report has set out, are more embedded within local communities.

FUTURE WORK

Strengthening financial sustainability may require both external and internal responses. Externally, the CJS sector will need to continue engaging with government and commissioners. Government and commissioners also need to recognise the funding challenges faced by the sector and structure how they fund the sector, accordingly. This includes enabling a greater proportion of public funding to be made available for small, specialist organisations. Internally, organisations may seek to diversify income sources where feasible, such as through collaborating on joint bids and developing partnership models that enable smaller organisations to access opportunities that would otherwise be out of reach. A more coordinated approach across the sector – including support from infrastructure bodies – may help mitigate concentration risk and improve resilience, particularly for small and medium-sized organisations.

CJS charities are not a monolith, and future work may wish to develop a more granular segmentation of charities within the CJS according to their financial circumstances/status. For example, at a minimum, future analysis should distinguish between:

- (a) the long tail of small organisations where fragility shows up as low reserves and intermittent deficits
- (b) large providers where concentration risk and contract exposure can create system-wide impact.

Other ways of segmenting CJS organisations could include funding model, growth trajectory, delivery role, governance structure, or similar subgroups. This would allow for more targeted analytical insights beyond sector-wide averages.

In addition, there is scope to strengthen the analytical infrastructure that underpins this work. Developing live, interactive dashboards based on financial indicators would allow key measures, such as deficits, reserves, income concentration, and funding dependency, to be tracked over time rather than viewed as isolated snapshots. Trend monitoring could help identify early warning signals, for example, a gradual erosion of reserve cover among smaller organisations or increasing concentration within public funding streams, before these pressures translate into service disruption. A more systematic and technically driven monitoring approach could support infrastructure bodies, funders, and commissioners to anticipate emerging risks and target support proactively rather than reactively.

FOOTNOTES

1. The UK-CAT classifies every UK-registered charity according to a shared taxonomy. This was a collaboration between NCVO Research, Dr Christopher Damm, and David Kane.
2. From 395,616 charities in the initial Charity Commission extract, we excluded those not officially registered (n=210,612), linked/subsidiary charities (n=13,836), those with reporting status “New” (n=7,605), and those with missing or out-of-date financial information (n=5,621), leaving 157,942 charities.
3. [Classifying UK charities’ activities by charitable cause: a new classification system in: Voluntary Sector Review Volume 15 Issue 2 \(2024\)](#)
4. Charity Commission “Part B returns” are the Part B section of the Annual Return (England and Wales) where charities provide a detailed, structured breakdown of their finances (income sources, spending, assets, and funds), typically required for higher-income charities.
5. NPC, Breaking the Cycle: Charities Working with People in Prison and on Release, <https://www.thinknpc.org/wp-content/uploads/2018/07/Breaking-the-cycle.pdf>
6. The Herfindahl-Hirschman Index (HHI) is a measure of concentration. Here it is calculated across each charity’s Part B income categories using income shares, with values closer to 1 indicating greater reliance on a small number of income sources (and 1 indicating all income from a single source). Lower values indicate a more diversified income mix.
7. These variables are only assessed for charities above £10k income, leading to a small denominator.



Supporting the voluntary sector
working in the criminal justice system

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State of the Sector: Key trends in the voluntary sector working in criminal justice 2024/5

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