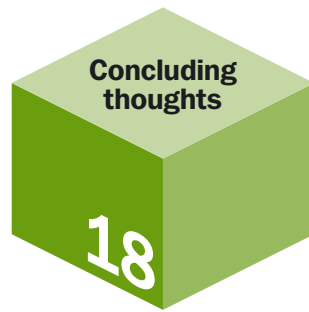
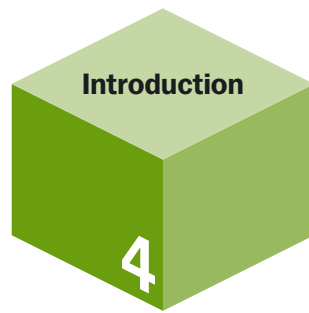
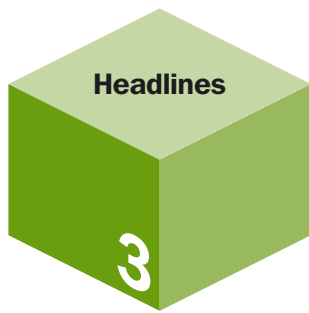


CLiNKs



A changing landscape

A qualitative and quantitative study of the VCS
working to reduce reoffending and address
community safety in changing times



About this report

Methodology

We asked Voluntary and Community Sector providers to write journals of their experiences as the reform agenda is introduced. This included experiences of working in partnership with the statutory sector such as Community Safety Partnerships, local authorities, police, drug action teams, local criminal justice boards.

They submitted four short journal entries over the course of eight weeks to document their experiences, the actions they were taking to ensure sustainability and the support needs that they had either used or would have liked to have seen.

Red Ochre is a leading and independent organisation that worked with Clinks to review the data from the survey and journal articles. We have provided objective analysis and information for this report.

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Headlines

The organisations featured in this report aim to create value for their beneficiaries, communities and for wider society. They do this by using and working with a variety of

resources – or capitals. All these capitals are part of the story of the organisations and have been affected by the current economic climate. The headlines from this report are:

Human Capital	<ol style="list-style-type: none"> 1. There are widespread redundancies across the Sector 2. Redundancies and uncertainty are affecting morale, with potential repercussions on productivity 3. Replacing professionals with volunteers and flexible staffing approaches is being used as an interim solution to redundancies but will have long term affects, including on quality of service
Social Capital	<ol style="list-style-type: none"> 1. The statutory sector remains a crucial source of funding. Effective engagement nationally and locally will be crucial to secure positive outcomes for offenders 2. Delivery and service innovation is compromised due to the uncertainty and lack of understanding about the emerging and evolving agendas 3. Organisations and their beneficiaries are grappling with the geographies of localism. Counter-intuitively, small organisations can see localism as a significant challenge 4. The ability to develop and maintain institutional and personal networks is going to be critical to the success of organisations working with offenders. With redundancies across sectors, building and maintaining relationships is a challenge 5. Opportunities exist for partnership between VCS organisations – when they have the time and resources to make it happen 6. Community Safety Partnerships are a positive part of almost half of the organisations’ work. Involvement is at varying levels and, for some organisations, non-existent. Experience of partnership with the statutory sector is variable for the majority of the Sector.
Organisational Capital	<ol style="list-style-type: none"> 1. Organisations are saving resources in a variety of ways 2. Social Return on Investment (SROI) is frequently discussed but not commonly applied 3. Organisations are reviewing their business models 4. Developing a service or commercially orientated organisation is not always easy, possible or appropriate.
Financial Capital	<ol style="list-style-type: none"> 1. Most organisations have experienced, or expect to experience, a reduction in income 2. There has been a lack of eligibility , and hence success, in applying for the Transition Fund 3. Organisations are interested in, and some are ready for, payment by results. They are looking, however, for more information and confirmation on how this will be established.
Impact Capital	<ol style="list-style-type: none"> 1. Some organisations are concerned that beneficiaries from certain groups will drop off the radar 2. The client group is often perceived by the public as ‘undeserving’ so unlikely to receive popular support, resulting in greater marginalisation / deprivation 3. There is a combined pressure of an increasing need for services with decreasing funding to pay for them and the demands of a changing environment on staff time 4. There is a long term issue about ‘de-valuing’ of the services provided. Will funders / commissioners ever pay for services again once it is being provided by volunteers? 5. The effect of the current economic climate is not only about the organisations and their ability to deliver good services but also about the real effect of this on their beneficiaries.

Introduction

About this report

What are the issues that Voluntary and Community Sector (VCS) providers are facing in a time of spending cuts, changes to the local delivery and commissioning landscape, policy and agenda changes, and the emphasis on decentralisation?

Clinks, our partners and the Home Office wanted to get a real picture of how these changes are affecting service providers. We did this through a range of activities including:

- ★ Asking 18 VCS providers to document their experiences from 14 January to 25 February 2011 in a journal format
- ★ Obtaining the views of organisations through two surveys: one on the economic downturn with 99 results, and a Home Office survey with 196 responses.¹

These two activities give us a range of qualitative and quantitative information, so that the statistics can be illustrated with the experiences of organisations.

This work is part of a Home Office funded project delivered by Clinks, the umbrella organisation for the VCS working with offenders. Clinks partnered with key organisations in Victim Support, the National Council for Voluntary Youth Services (NCVYS), Drugscope, and the Women's Resource Centre to ensure the project reflected Home Office priority areas.

About the organisations we talked to

Of the 99 organisations who responded to the economic downturn survey:

- ★ Just over a quarter had less than five staff
- ★ Almost 28% had 5-20 staff
- ★ Over 46% had more than 20 staff.

It should be noted that the findings in this report are skewed, therefore, towards the larger organisations. Although the surveys were sent to a wide range of organisations, it was the larger organisations who disproportionately completed the questionnaire. The results, however, still provide a good representation of the situation for most and give a picture of what is happening in this Sector.



Findings

Introduction

The organisations featured in this report aim to create value for their beneficiaries, communities and for wider society. They do this by using and working with a variety of resources – or capitals. All these capitals are part of the story of the organisations and have been affected by the current economic climate. Based upon work carried out by Forum for the Future, these are²:

- ★ **Human Capital** consists of people's health, knowledge, skills and motivation. All these are needed in the staff of the organisations for productive work.
- ★ **Social Capital** concerns the institutions that help us maintain and develop human capital in partnership with others and the links between people that make the organisation's work possible.
- ★ **Financial Capital** which includes the financial situation of the organisations and the ways in which they have been funded.
- ★ **Organisational Capital** comprises material goods or fixed assets which contribute to their work, rather than being the output itself – e.g. resources and buildings.
- ★ **Impact Capital** the effect of spending cuts on the organisation's clients or beneficiaries.

At a time of changing funding and regulatory environments, an organisation needs to manage all these capitals both in the short and long-term in order to survive. This is a dynamic process through which organisations can begin to achieve a balance between their concerns and activities for clients, beneficiaries, government, wider society and their staff and trustees.

This report looks at the experiences of the sample organisations over approximately six weeks. It provides a snapshot of what has happened with each of these crucial capital areas of their organisation.

Human Capital

If organisations are going to survive in the current economic climate, they will need people with knowledge, skills, motivation and a positive approach

to their work. We looked at how the people within the organisations are experiencing the changes and what that means for them and their work.

What we found

1. There are widespread redundancies across the Sector.

Almost all of the organisations we talked to are making redundancies. Some staff have lost jobs; others have gone part time; others have left voluntarily; jobs have been merged. In our survey, when asked if the organisation had made any redundancies:

- ★ 63 of the 99 respondents said they had made, or would imminently be making, staff redundant – with four respondents losing all of their staff (either closing down or being entirely run by volunteers)
- ★ 23 said they had made no staff redundant
- ★ 5 said they did not yet know whether redundancies would be required
- ★ 2 said n/a or did not want to say.

2. Redundancies and uncertainty across the Sector are affecting morale with potential repercussions on productivity.

Although organisations are willing to embrace change, the uncertainty over funding, redundancies and the inability to plan for the future seems to be eroding some good will, with potential 'knock on' effects for productivity.

"Staff jobs are at risk, [it is] causing a lot of anxiety within the team."

"We need support ... managing team anxieties and motivating staffing in current climate."

"Over 50 % of our work force is on redundancy notice and [there is a] huge level of uncertainty regarding remaining services and their sustainability."

2. <http://www.forumforthefuture.org/projects/the-five-capitals>

“Uncertainty is difficult to manage for staff and organisations; staff morale drops, as a consequence so does productivity. Staff begin to seek out other employment options as a result and the organisation can lose a strong workforce due to job insecurity for employee.”

Being short-staffed has resulted in strains of another kind for some organisations.

“There is a high emotional strain when we cannot assist individuals and [there is] no real alternative available.”

The issue is not only one of redundancies, as some organisations are also trying to grapple with how they might develop in the future. The uncertainty of the future, with contracts not being renewed until the last moment, has also led to a loss of morale. People have not known if they would have jobs or not; ‘precautionary redundancy’ notices have been given; organisations have not known whether or not they would have the right people in place for a contract.

“We felt we had some of the wrong people for the wrong jobs in view of the future changes to our work.”

One organisation, however, indicated that they were in the fortunate position of recruiting rather than making redundancies:

“Successful bid means we are able to increase the number of staff members to help realise our aims.”

3. Replacing professionals with volunteers and flexible staffing approaches are an interim solution to redundancies but will have long term affects for quality of service.

Many of the organisations we talked to are taking on increasing numbers of volunteers, or changing the way they use volunteers in order to sustain their service. As one organisation mentioned:

“We have noticed that few people want to give through payroll giving but would rather give of their time.”

Some organisations have taken a slightly different approach to finding alternative ways to resource their work:

“We have arranged to provide two trainee social workers with placements, for which we will be paid as assessors. We have also engaged a retired professional trainer who will support clients seeking business start up support on an expenses only basis.”

Several organisations talked about how volunteers have implications for management, training and time. Before taking on a volunteer, they have to have the space that is needed to accommodate the person. They also need a member of staff who is responsible for looking after the induction, training and supervision of the volunteer to ensure the job is done well, and that the volunteer is well supported whilst doing it.

“Increased workload creates a need for us to employ more volunteers as there is also more competition for grant funding to employ paid staff because of the cuts. Volunteers are time consuming in terms of internal training and supervision because they are less qualified.”

In addition, recruiting volunteers with the right skills set is not simple.

“Difficult to recruit for unpaid position (media intern). Limited number of applicants despite wide advertising strategy.”

Meeting the need for more human resources is not always resolved by simply recruiting more volunteers to continue a service. Volunteers are very valuable where used in appropriate roles. But financial pressure may force too great a reliance on volunteers, to the detriment of the service, and their beneficiaries:

“Our organisation pivots on the development of long term relationships with hard to reach young people; trust is absolutely critical to our effectiveness. Yet volunteers can rarely commit to lengthy placements with us. Consequently the young people lose trust in the organisation as they see fewer committed staff members and more unfamiliar faces.”



Social Capital

The current situation is affecting crucial professional relationships and networks in a variety of ways. Social capital is essential to the success of the organisations. Michael Woolcock, a social scientist with the World Bank and Harvard, has helpfully discussed different types of social capital. Using his work, it is clear that the organisations profiled use three different types in order to create an impact.

- ✦ Bonding social capital which denotes ties between people in similar situations, in this case internally in the organisation.
- ✦ Bridging social capital, which encompasses more distant ties of like persons, in this case – partnerships
- ✦ Linking social capital, which reaches out to unlike people in dissimilar situations, such as those who are entirely outside of the community, thus enabling members to leverage a far wider range of resources than are available in the community. This means an innovative approach to providing 'linked-up' services from a variety of different sectors.

What we found

1. The statutory sector remains a crucial source of funding. Effective engagement nationally and locally will be crucial to secure positive outcomes for offenders, ex-offenders and their families.

In our survey, we found that:

85% of respondents work with the statutory sector locally, including local authorities, youth offending teams, Drug and Alcohol Teams, probation trusts, mental health services and the police

- ✦ 42% work with the statutory sector nationally, including the Ministry of Justice (MoJ), Probation Service, Home Office and Prison Service – though this figure is likely to reflect the previously mentioned bias towards larger organisations in respondents.
- ✦ 60% said their experience of partnership with statutory sector was “variable”.
- ✦ Changes in personal in the statutory sector makes effective engagement more challenging

72% of respondents receive funding from the statutory sector. Locally, this tended to be from local government. Nationally, funders included the National Offender Management Service, MoJ, Cabinet Office and Department of Work and Pensions. Most respondents stated that their funding was not secure. Effective engagement with the statutory sector remains crucial.

2. Delivery and service innovation is compromised due to the uncertainty and lack of understanding about the emerging and evolving agendas.

Participants were asked how much they understood the implications of the Big Society, the focus on rehabilitation and emphasis on localism – and the impact, if any, these ideas and developing policies were having on their organisations.

While eight out of ten respondents reported that the new agenda had brought change to their work, a sizeable minority (45%) said that they only 'partly' understood this agenda, compared to 49.5% who were sure that they understood it. Since these are emerging agendas, we suggest that this reflects a difference in level of need to understand.

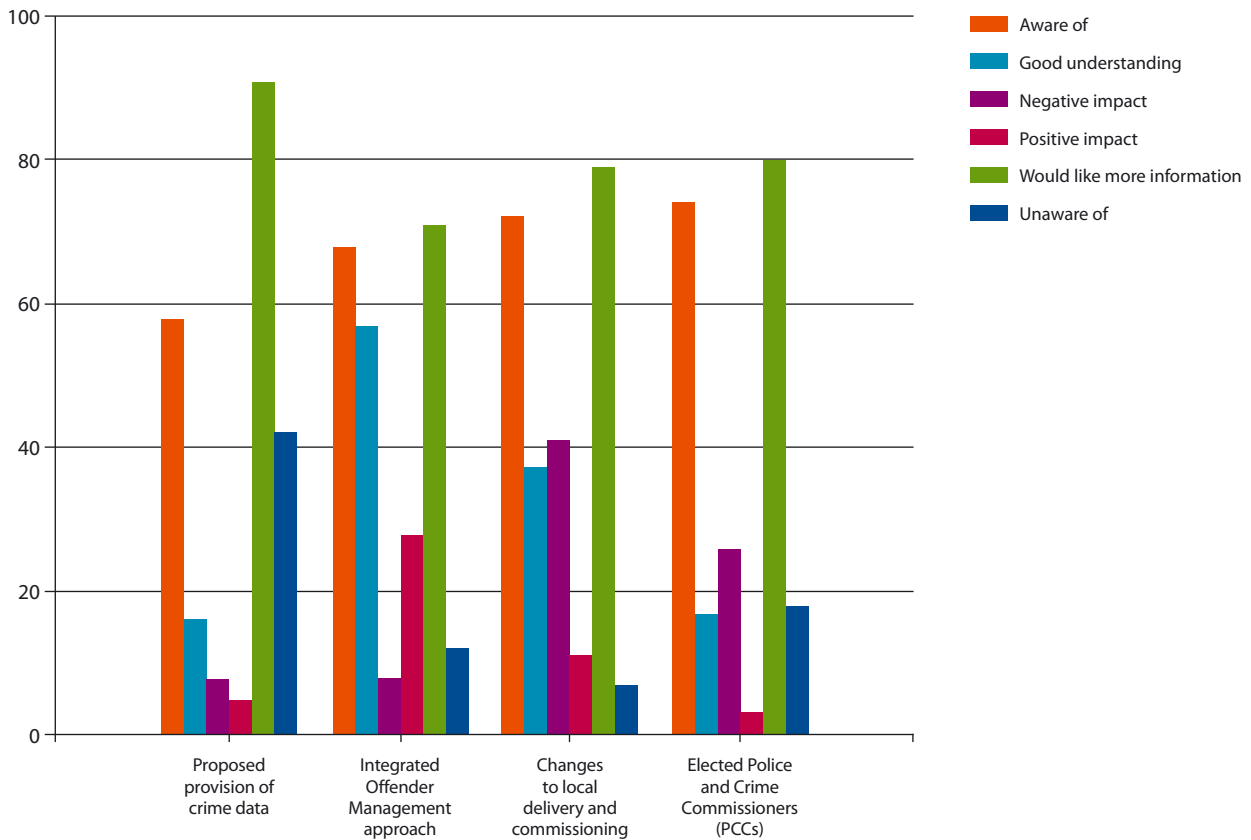
Diagram A highlights the levels of awareness of four policy areas and whether or not this had led to any impact (positive or negative) on respondents' own organisations. These were:

- ✦ The proposed provision of crime data
- ✦ The integrated offender management approach
- ✦ Changes to local delivery and commissioning
- ✦ Elected police and crime commissioners.

When organisations are unclear, it can be argued that they are more likely to have concerns of what the situation will look like in the future.

Diagram A: Policy

“Please tick as appropriate for the following initiatives. Tick all that apply.”



“The majority of community leaders are typically white, middle class ... male. There is a risk that these leaders will not have an awareness of issues faced by the most in need people in our communities (particularly BAMER communities and those affected by issues regarding women and girls and violence against women), and potentially will not prioritise the commissioning of services to support these people.”

“At the moment, we can only hope that the commissioners recognise true partnership working and innovation when they see it... It is difficult to assess where the MoJ is on this agenda. We have been told that MoJ money will at some point be incorporated into the Work Programme to strengthen work with offenders but we do not know what the mechanism for this will be or when it is likely to start.”

The danger of these perceptions is that organisations run the risk of becoming stagnant and not delivering as much social impact as they might. There is a sense of ‘being in limbo’ and waiting until there is greater clarity of the future, but also an opportunity to contribute to defining agendas.

Over half the respondents of the survey reported they understood the implications of the Big Society and localism agenda. This is interesting, given how emergent this agenda is and how much discussion/ lack of clarity there still is in the government, public and civil sectors. The implications of this supposed understanding of the Big Society agenda is that the organisations risk carrying out work that will not sustain them in the future. What matters is that organisations fully understand the agenda; the more clarity from government, the better



organisations will be able to plan for the future. It can also be seen as an opportunity to help define what Big Society means, if the Sector can get involved at a strategic level.

3. Organisations and their beneficiaries are grappling with the geographies of localism. Counter-intuitively, some small organisations can see localism as a significant challenge, while others see it as an opportunity.

The organisations' journals reflected that the move to a more local service is creating concerns depending on the size of the organisation. For some, they see the future as one where the big organisations are the 'go-to's', whilst smaller organisations have to exist in a challenging world of referrals and subcontracting. Some already feel they are restricted by boundaries such as a £5 million insurance limit. For others, it is about ability to access the right connections, or simply the structure of the commissioning process.

Smaller organisations comments:

"Larger organisations are more able to make regional connections quickly and provide services at lower cost, although actually the offer is different, i.e. our programmes have greater added value."

"We are in interesting discussion with a large prime contractor currently. We have been offered a sub-contract which is weighted heavily against us i.e. they can terminate for relatively minor breaches or defaults whilst obliging us to accept a large amount of financial liability including removal from other contracts we might have with the prime."

Their argument is that they are merely passing down clauses they are committed to with the funding body. Our argument is that is why they were offered the contract – because they could take this risk and they shouldn't just pass the risk further down to us. This discussion is ongoing but we may well pull out of the contract if we cannot get significant concessions from the prime on these issues."

"We are a small charity, and the commissioning process benefits the large charities and organisations."

The larger, national organisations we surveyed have a different perspective. The changing geography means they will have to shift the way in which they negotiate, scale and assert their influence at different levels. One organisation explains this counterpoint as follows:

"As a national charity, we have developed national agreements and partnerships with government agencies i.e. our national managers meeting with national managers in government. With the change to localism, the focus needs to be on regional/local staff investing more time in meeting face-to-face with local government contacts. This is extremely time consuming."

The changing geographies are affecting some organisations' beneficiaries. For one smaller organisation, localism presents a challenge as beneficiaries do not fit neatly into local agendas and are very mobile; for another organisation, they suggest that their beneficiaries are not being considered.

"We are making local links to try to connect to local funding, but do not consider this a long term solution. London is not a local city and our community move too much and need specialist support not available locally to truly benefit."

For some organisations, they see localism as an opportunity to forge new relationships and to have an impact on how services are delivered in the community.

"Members of the Clinks network might be able to share out the work associated with meeting local authorities e.g. through an agreed menu of offers from the Sector."

"We are part of a new local consortium which has secured funding to draw together local provision, agree assessment criteria and hopefully provide a seamless service for clients."

"Placing emphasis on becoming more commercial in our business approach."

One organisation asked:

"Is there opportunity for us to work with the private sector, to act as brokers between the private and public sector?"

Their concern, however, is:

"...the recent announcement that the public sector will be opened up to the private Sector to bid for and run public services. Our concern is that this will destroy local community based provision as private organisations will have the reserves and capacity to undercut local VCS providers."

4. The ability to develop and maintain institutional networks as well as personal networks will be critical to the success of organisations working with offenders. With reductions and challenges in the public sector, building and maintaining relationships is a challenge.

Contracts and partnerships with local authorities often rest on having one contact that can link the service to the VCS. Recent changes and redundancies in local authorities mean many of the organisations we researched find it hard to know who to talk to – there is a risk, therefore, that services suffer as a result. This is particularly true at a time when capacity is being stretched by a number of issues including a lack of time to network and rebuild relationships.

In particular, organisations are uncertain about who is responsible for what in local authorities – yet the statutory sector remains a crucial source of funding. Effective engagement at a strategic level (not just as service provider or point of referral) nationally and locally is crucial to secure positive outcomes for offenders, ex-offenders and their families.

The survey showed the majority of organisations viewed their relationship with local authorities as "variable" – dependant on individual personalities and their understanding of the VCS. There was a sense from the organisations that they are waiting to see what happens in the shake-up of local authorities and who ends up in place. Some realise the importance to "keep lobbying".

"Since our remit has evolved, more joint working with statutory agencies has developed and continued. Joint care-planning and 3 way meetings. This requires educating teams on both sides to recognise treatment journey planning."

"Partnerships with the statutory sector are under pressure and changing rapidly e.g. police, probation and prisons. Difficult to know who to talk to and who is accountable for decisions as the process of devolution takes place."

"We have found out that the Council Gang and Serious Youth Violence Prevention Officer has been made redundant. We had a good relationship with this individual and again this has affected our partnership working as he linked us to the strategy of the police in the borough. He acted as a consultant to us and vice versa. We are unsure how this will affect crime by young people in the area with fewer resources available for strategy. We worry about duplication of services etc with no overall coordinator."

"It has been difficult to define who to keep partnership relationships with as structure within their organisations are changing as a result of the financial cuts they are facing. New relationships are tentatively being forged with a 'just in case' measure. This is work, time for something that may or may not fall through – time wasting when nothing is actually certain."

"We face challenges working in many different local authorities and understanding the different structures and priorities and main contacts. This challenge will potentially deepen with the localism bill."

"We are opening our doors to the statutory and public sectors by offering innovative ways of working, but all key stakeholders are hesitant to commit as they are not sure of their own role."

5. Opportunities exist for partnership between VCS organisations, when they have the time and resources to make it happen.

Working in partnership is well established amongst Clinks members; it has become a characteristic of the Sector in recent years. However, not only is the current economic climate affecting their own organisations, it is of course affecting potential partners. Partnerships



with similar organisations (as well as the public sector) become difficult to create when organisations are asking, "Who will our future partners be?" This makes organisations wary of entering into negotiations as they do not know who is still going to exist, and in what form. It is also time consuming when management are already time constrained managing their own organisations.

"We aim to develop new relationships and structures, and think this is still possible, but expect it to be harder because local organisations will be fewer and smaller. In addition we are finding partners are nervous about making new commitments because they are uncertain about the future."

"We are trying to be part of consortium but the time needed is substantial and deflect away from delivering our services."

"Cluster of partners working well to develop the structures in Gosport. It's a small group – isn't it always? But it seems clear the cuts are reducing capacity for involvement – e.g. regional director of large voluntary org is committed to working with us but is fully occupied managing heavy cuts within his own organisation"

"One positive effect is that other organisations that are being hit by the public spending cuts are now having to look at other options of joint working and really having to look at how we can all work together in a multi-disciplinary approach."

Some organisations have begun the process of merging. As one organisation stated:

"Progress is underway for merging with another charity, which will be in place by 1st April, and then the integration process will happen over the following year."

6. Community Safety Partnerships are a positive part of almost half of the organisations' work.

In the survey we found that:

- ★ 48% reported that they work with a Community Safety Partnership (CSP)
- ★ 52% said that they don't work with a CSP.

When asked to give an account of their experiences with CSPs, the 79 responses to this question were

variable with a mix of positive, ambivalent and negative. This leads to a question around the actual degree of involvement of the organisations – is it at a strategic level, or only service delivery and referral? It may be that it depends very much on the individuals involved.

"[They] can be narrow in thinking and very police driven. DAAT partnership is much more flexible and responsive."

"Positive and supportive. Good vehicle to exchange information."

"Very good, concerned that they may close down in April."

"Difficult to make your views heard; too many professionals at the higher end who have already set the agenda for reducing crime."

Organisational Capital

All the organisations we spoke to have a range of resources and assets that they use in order to create an impact. This is another area in which they are making changes and exploring how to use these more effectively in the future.

What we found

1. Organisations are saving resources in a variety of ways.

Changes have been made in a variety of ways to services and resources – for example:

- ★ One organisation has invested in a new server and trained staff in the computer systems so that they can access documents more efficiently. This means they will not need a systems administrator in the future
- ★ Another has reviewed all of its suppliers to see if it can make savings
- ★ One organisation has looked at relocating its service, or having it as a satellite or session based (rather than full organisation) provision only

- ★ Another organisation has cut staff travel, attendance at conferences, and external events.

We also found that changes in government funding are affecting the way in which organisations provide their services and, of course, have implication on their resources. For example:

"Government efficiencies have resulted in the closure of a magistrate's court. Clients will now be tried out of borough."

2. Social Return on Investment (SROI) is frequently discussed but not commonly applied.

About half the organisations mentioned SROI as something that is in their thoughts or that they are aware of and think might be useful to help them quantify, understand and communicate their impact. However, as recent research has shown, there needs to be attention paid to whether organisations will have the resources or support for SROI and the way in which they use the ratio and results.³ This is particularly pertinent when even now, when there have been more financial resources available, organisations have not been using SROI.

"SROI is a tool we should be using."

"We are also looking at Social Return on Investment models and at rolling out our service, possibly through licensing."

3. Organisations are reviewing their business models.

For the vast majority of the organisations we spoke to, the current climate is a chance for them to review their approach and seek to fund their work in other ways. In order to make sure that they are 'fit for purpose', organisations are holding strategic reviews, primarily looking at their business model, i.e. what it is they do and how they can get paid for.

"We anticipate many services in the North and Midlands to be cut and are making plans accordingly e.g. a project in Nottingham working with gangs is likely to close."

"We are reviewing our leaving prison mentoring project to see how it can better meet the needs of the criminal justice sector (prison /probation targets) as well as the young people. In addition we have met with the MoJ team that oversee women's services to see if we can tailor some of our programmes for female offenders. Also looking at our work with care-leavers and having meetings with the National Care Advisory Service and the Careleavers Association."

The comment about women's services is of concern as it indicates a lack of awareness of recent developments in the women's sector, and the Corston report, which stressed that women offenders need services designed for them. As one organisation said:

"We know that young women in the Youth Justice System need a welfare response (see Corston Report) and an alternative to the offending programmes established for young men."

The implication of this is that organisations will adapt their business models, resources permitting, to respond to this particular need around women.

There is general unease in the Sector about the implications of the evolving public sector business model and how this will impact them, with knock-on effects on the business models of VCS organisations. Over the past few years, the VCS has had an increasing role in public service delivery, and the Coalition government seems keen to extend this. With statutory funding cuts, questions are being asked about where the funding is to come from to deliver the Government's aims. There are also discussions around what this means in terms of additionality, quality of service and the ethos of the Sector.

"There seems to be confusion between cost-cutting "efficiency" and storing up long-term problems that will cost far more to solve."

"Statutory partners who would previously have been possible commissioners have informed us that they have no money and therefore there is a sense that all options are closing down to us in the statutory sector."



"Re-structuring in statutory services means that whole service areas are being cut (especially prevention services). This has a direct impact on the quality of multi-agency work we work will be able to do."

"Increasing reliance on alternative funding streams as we look to reduce our government funding by 48% over the next two years."

4. Developing a service or commercially orientated organisation is not always easy, possible or appropriate.

The appetite to become more commercially orientated is certainly there in many of the organisations in this study, as one explained:

"We are addressing internal policies which might allow us to save money internally and increase productivity. We are developing our training arm of the organisation and exploring ways that we can increase our capacity to deliver training and consultancy for income generation."

However, as organisations seek to survive and improve their service, it is often a difficult process and not always desirable in terms of creating effective organisations.

"Greater emphasis on becoming more commercial in our business approach – which can be a challenge for small charities which do not have the resources to dedicate to influencing and income generation. A need to address how we generate income – ie. Developing training and consultancy, working in partnership with other VCS organisations and larger national charities."

"Tendering for sub contracts is extremely labour intensive – I have personally written 10, working all weekends and Bank holidays."

"Fundraising events and activities - individuals still engaged and want to attend these events, including our upcoming Pub Quiz."

"We have already been hit once by the recession, and reduced staff to skeletal core staff; and project staff only, making redundancies to 1/3 of staff. We are trying to develop a trading arm, but after two years of consultants, courses and studies, have not yet come up with a viable option for the kind of organisation we are, without selling out on our users. We now have plans to enforce membership fees; and to trial a social media trading arm to bring in something near to 5% of our turnover within the next year."

Some organisations struggle to fundraise and end up doing so through any way they can. However, 'low level' philanthropy is not a replacement for sustainable funding. In this sense, it is important not to conflate 'commercial' with 'professional'. For some organisations, the move to become more commercial is associated with so many problems and issues that it risks leading them to become less professional – with potential implications for their beneficiaries.

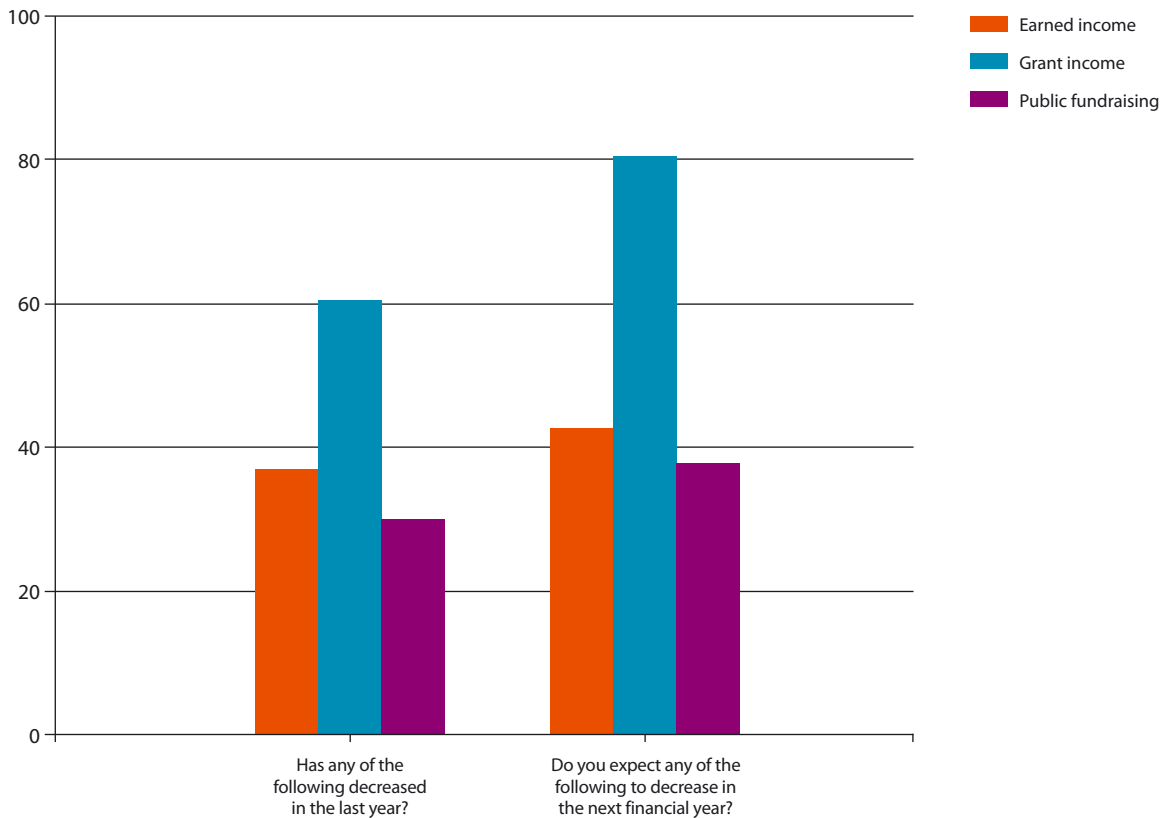
"Finance committee cautious about proposal to work on fundraising from individuals, wanting to see what we can do with small amounts of money, and to consolidate existing trusts and foundations fundraising before embarking on new work. The rationale is reasonable, but I'm concerned that this shorter term thinking introduces different risks, and that too small or short an investment may make success in securing funds from individuals harder to achieve, because I think it needs a fairly chunky resource up front."

Financial Capital

Financial capital is an obvious capital to examine, but one that, in the current economic climate, is often labelled with assumptions. The statistics and narrative show that there is widespread change in the financial landscape of the organisations we spoke to. This has potential effects that ripple throughout the organisation.

Diagram B: Income

“Let us know how your income has been affected. Tick all that apply.”



What we found

1. Most organisations have experienced, or expect to experience, a reduction in income.

Diagram B (page 14) illustrates the total number of responses to a question about how these organisations’ incomes have been affected over the past year.

This shows that out of 96 respondents, 76% had seen a decrease in grant income over the past year, with 87% expecting decreases, or further cuts, in grant funding for the coming financial year. Voluntary and Community Sector groups also report diminishing income from their own fundraising efforts and earnings – and they expect to lose more income from these sources over the next year.

2. There has been a lack of eligibility, and hence success, in applying for the Transition Fund.

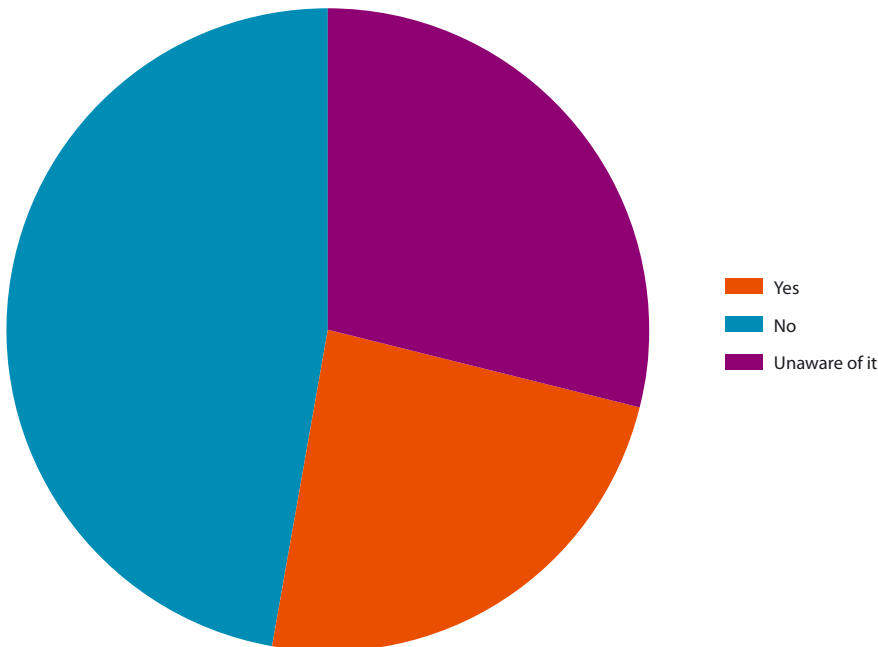
The survey also asked about respondents’ knowledge of the Transition Fund, set up by government to provide £100m to VCS organisations at risk from a reduction in government income.

Diagram B (page 15) shows responses to the question ‘Were you eligible to apply for the Transition Fund’, and indicates that 28.5% were unaware of it. Almost 24% said that they were eligible and 47.4% said that they were not.



Diagram C: Transition Fund

“Were you able to apply for the Transition Fund?”



A total of 23% of respondents had made an application to the Transition Fund; those who had not, largely cited a lack of awareness or eligibility. The survey also asked – ‘Will your organisation continue to work on the community safety reducing re-offending agenda?’ – 94.5% responded ‘yes’.

What this means is that for those who did not get Transition Fund money, there are various scenarios:

- ★ Controlled contraction, where the organisation makes considered reductions in staff and/ or services in order to survive
- ★ Uncontrolled contraction or closure, where the organisation is forced to make rapid redundancies or cut backs that may lead to closure
- ★ Mergers and collaboration, where organisations link more strategically with others or merge completely
- ★ Opportunities for growth, where organisations are able to grow or stay stable, due to gaps produced by the decline of other organisations or their own ingenuity.

In some parts of the country, local authorities work on a timescale whereby delivery contracts are renewed close to the termination date. This means that organisations have not been able to plan forwards efficiently. They have had to put staff on ‘precautionary termination/redundancy notice’ which has had a knock-on effect on morale. As one organisation said:

“Provide more time for Sectors to make and prepare for solutions instead of waiting until the middle of March (near end of the financial year).”

3. Organisations are interested in, and some are ready for, payment by results. They are looking, however, for more information and confirmation on how this will be established.

There is a lot of interest in payment by results, but delays in implementing systems are frustrating for organisations.

There are concerns from small and specialist services. These are specifically around whether they will be able to capitalise their operations or services within this approach; whether it will lead to organisations choosing the 'easiest' beneficiaries to get results from; and whether large organisations will be at an advantage. There is concern that organisations from the private sector will win contracts on low price and cherry pick to work with the easier client groups. This will make it extremely difficult for VCS organisations left to work with those with greatest and most complex need. There is a sense, too, that payment by results gives the message that commissioners are advocating supporting the low hung fruit first, rather than address the needs of the whole client group.

"Still no clear information about opportunities or reforms to CJS. Payment by results will only enable large (maybe private) companies to front load costs leading to a completely different type of service provision e.g. cherry picking clients to ensure payment."

"Within the last 6 months, there has been a lot of discussion about payment-by-results. We understand these sorts of financial investments will most likely be led by large organisations who can take the financial risk. Smaller organisations will need to align themselves with the larger organisations."

"Concern over up front capital and what counts as a result"

Impact Capital

This report has looked at how the current economic climate affects organisations, their staff, their resources and their relationships to the public and voluntary Sectors. Whilst this study is not an impact report, it is clear that at the heart of all the organisation's concerns are their beneficiaries or clients.

1. Some organisations are concerned that beneficiaries from certain groups are dropping off the radar.

Organisations share a concern that the number and scope of beneficiaries is being purposefully decreased

as a way to decrease public spending. As a result, it is clear that the most vulnerable beneficiaries are in danger of 'losing out' and will no longer qualify for support.

"Prevention services being cut and a focus on enforcement. Specialist services (for example those for young women) are being cut, fewer support services to engage in multi-agency support for the most vulnerable and at risk young people ... We know that young women in the YJS need a welfare response (see Corston Report) and an alternative to the offending programmes established for young men ... Some partners have informed us that due to a focus on enforcement, they will only be working with the 'top 100' offenders in their area. Invariably, these are all young men, therefore the young women who are at risk and vulnerable in the context of youth crime (gangs/ serious youth violence), are not identified, slip through the net and potentially only come to light when their case escalates and they are involved in a high risk incident ... For example, following the murder of 16 year old young woman in Hackney, we learnt from local sources, that she was associated with gang involved young men, but she herself had not been identified by any statutory services as being at risk."

"One of our intensive intervention projects working with most 'high end' young people with very challenging behaviour will stop in March. There is no service that will replace this so we assume the young people in that area will not be supported. Many of these young people will not meet threshold for other services despite serious issues e.g. gang involvement."

2. The client group is often perceived as 'undeserving' so is unlikely to receive popular support/funding, resulting in greater marginalisation and deprivation.

Many of the respondents expressed concerns about the Sectors' client group generally being perceived as 'undeserving' by the public. Until now, funding for this Sector has been ring-fenced by statutory bodies; this will no longer be the case. The impact of this is that, potentially, spending cuts and localism will severely disadvantage those most in need.



"Because of the unpopularity of our client group, there are some boroughs which do not feel responsible for them. This means that localism potentially squeezes out some of the most vulnerable and disadvantaged. Whilst attaining short term efficiency savings, this can have a long-term devastating impact on vulnerable groups, which will ultimately cost councils more in the long run as more people face destitution and poverty."

"Project manager told me they will need to tighten the criteria for access to the service so only the most needy can access. However, it is already very high need and for young people under 18."

3. There is a combined pressure of increasing need for services with decreasing funding to pay for them.

The loss of statutory services means organisations feel like they are meeting the extra demand without extra funds to do so. In the survey, 63% of respondents reported that the needs of those seeking their services had not changed, while 37% said they had. Those who did report a change in client needs highlighted, in particular, more referrals owing to financial hardship and rising unemployment, making it harder for ex-offenders to find work, with demand for voluntary or other placements outstripping the number of work placements available.

"[There is an] increasing need for services with ever dwindling amounts of money. The real victims are the client group."

"There is an increase of referral to our service by providers with substantial contracts - with little or no support provided to assist clients 'because of the notation of being community based' and DAAT promoting our service as 'BME community led' but offering limited support to meet the increasing demand."

4. There is a concern about the longer term issue of devaluing of the services provided. Will funders /commissioners ever pay for services again?

Some organisations, although appreciating the need for funding cuts because of the economic climate, were concerned about the longer term issue of the services being de-valued and this lower level provision

becoming the norm. This was particularly relevant to services being provided by non-professional and appropriately skilled volunteers who, although a 'free' resource, could not deliver the same service as now.

"... we believe if we lose these grass roots services that are the big society projects then we may never get them back again as it is easier to continue a service but near impossible to restart an existing provision due to the inherent cost of recommencing the delivery of the project."

"There is a very real risk that they will not have the specialist knowledge to work with particular groups in society."

5. The current economic climate is not only about the organisations and their ability to deliver professional services but also about the real effects to their beneficiaries, and community safety.

Beneficiaries or clients are the reason for the organisation's existence. This report has examined the effect on the organisations themselves, but this impact ripples out to affect the people that are most important to them.

The current economic climate is ultimately about the impact of real people in need, sometimes with stark consequences.

"For us, the real victims are our client group. These remain our main concern. Foreign national, BMER, migrant and asylum seeking women in prison and the community and especially those with children, those who have been trafficked and/or abused and the long-term problem posed for them should grass-roots support disappear."

"The women we see (c. 100 annually) in these situations are destitute. They can't afford legal fees, but if they don't now pay them they won't get a place in a refuge since they have No Recourse to Public Funds. This puts women in a very dangerous position – of risking her life to stay with the abuser, or facing destitution, debt and insecurity."

Concluding thoughts

“Previously we have received funding in the form of ‘Youth Opportunities Fund’ from the local council for these individual activities (such as a cooking group). It is becoming increasingly difficult to access these funds from the council. Cuts to the overall council budget mean there will be far less provision for these sorts of youth-led projects to emerge. This means we cannot offer the same level of support to the youth-led activities and is having an impact on our ability to work with young people.”

“The impact of cuts to ESOL will be that far fewer migrants living in and settled in the UK will be able to navigate the system, understand services, bills, laws or contracts, British culture or able to integrate with people other than other migrants, or able to enjoy employment other than in low paid service work. The result will be greater ghettoisation, poverty, debt (court orders, bailiffs and homelessness), and far less understanding of UK culture or society. Community groups will be far much more needed than before, yet also face funding cuts.”

We appreciate that the five capitals outlined are crucial to the effectiveness of the organisations in providing solutions to the issues and problems faced in the Criminal Justice System and the lives of offenders and ex-offenders. It is also evident that every organisation in this Sector is being challenged, tested and strained in each of these capitals. Whether it is the combination of increased demand on services, having to spend more time fund-raising and networking, changes in staff, low staff morale, reduced funding to do what they do best, a sense of ‘de-valuing’ the professionalism of the service, all organisations in this Sector are facing an extremely challenging environment. Underlying all of this is the deepest concern that it is the beneficiaries of their services who are going to suffer most – and this will impact on society generally in the future. The client group is generally perceived as ‘undeserving’ and so will not be seen as a high priority for limited financial resources.

Organisations in this Sector are willing, ready and able to make changes. They are looking at their services in refreshed ways in order to better serve their clients on reduced resources. They are streamlining services, cutting costs and beginning to look at joined-up services, partnerships and consortium working. If they are supported to do this with not only professional advice but also resources, the organisations will be able to continue to effectively support those in the criminal justice sector.







supporting voluntary organisations that
work with offenders and their families

Clinks supports the Voluntary and Community Sector working with offenders in England and Wales. Our aim is to ensure the Sector and all those with whom it works, are informed and engaged in order to transform the lives of offenders and their communities.

Clinks:

- ✦ Provides representation and voice
- ✦ Promotes the Sector
- ✦ Influences policy and campaigning
- ✦ Provides information and support
- ✦ Undertakes research and development.

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