

# Change & challenge

The voluntary sector's role in  
Transforming Rehabilitation

May 2016

A partnership between

**CLiNKs** **NCVO** **TSRC**   
Informing civil society



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## The voluntary sector's role in Transforming Rehabilitation

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Clinks has joined up with the National Council for Voluntary Organisations (NCVO) and Third Sector Research Centre (TSRC) to track the voluntary sector's involvement in and experience of recent changes to probation and prison services under Transforming Rehabilitation.

A partnership between

**CLINKS**

**NCVO**

**TSRC**

*Informing civil society*



# Executive summary

# EXEC UTIVE SUM MARY



## TrackTR is a partnership project between Clinks, the National Council for Voluntary Organisations (NCVO) and the University of Birmingham's Third Sector Research Centre (TSRC).

The intention of trackTR is to build a picture of the voluntary sector's experiences of the changes to probation services brought about under the Transforming Rehabilitation reforms, and the impact this has had on their services, their organisations and the people they support.

## Transforming Rehabilitation

The Transforming Rehabilitation reforms have replaced the previous 35 Probation Trusts with a single National Probation Service (NPS), responsible for the management of high risk offenders; and 21 Community Rehabilitation Companies (CRCs) responsible for the management of low to medium risk offenders across England and Wales. The CRCs also have a new responsibility for supervising short-sentence prisoners (those sentenced to less than 12 months in prison) after release. From 1 February 2015 the successful bidders in the competition for CRCs began to deliver probation services.<sup>1</sup>

The role of the voluntary sector has been central to the government's promotion of the Transforming Rehabilitation reforms. When the new CRC providers were announced, the Ministry of Justice stated that "75% of the 300 subcontractors named in the successful bids are voluntary sector or mutual organisations."<sup>2</sup>

## The aims of trackTR

**Successful transformation:** trackTR aims to support the improvement of services for people under probation supervision by advocating for the successful transformation of probation. We believe this includes the effective involvement of the voluntary sector in co-producing services and delivering better outcomes.

### Understanding the role of the voluntary sector:

trackTR aims to understand what role the voluntary sector is undertaking to support the rehabilitation and resettlement of people under new and emerging probation services.

### Supporting the wider ecosystem of services:

the voluntary sector supports a vast range of people in need across England and Wales, all of which adds to the wider ecosystem of services. TrackTR aims to gather the experience of the widest possible range of voluntary sector organisations working alongside probation services.

### Increasing transparency:

trackTR aims to increase transparency, to shed light on which services are being commissioned from the voluntary sector by CRCs or the NPS.

### Informing procurement practice:

the changes to probation under the Transforming Rehabilitation reforms represent one of the biggest public procurement exercises in recent times. TrackTR aims to support improvements in future procurement trends by listening to the views of the voluntary sector organisations involved.

## Methodology

This report has been informed by three main sources of information.

- A survey was designed to capture the views of voluntary sector organisations delivering rehabilitation and resettlement services in the Criminal Justice System (CJS). It was open between August and October of 2015 and gathered the views of 151 organisations.
- A consultation event on the findings of the trackTR survey was held in late January 2016, with over 90 voluntary sector organisations.
- In depth conversations with providers and policy makers were held over the course of the project to better understand the data we were receiving from the voluntary sector, and to place it in the context of wider changes to policy and practice.

## Key findings

The information received has informed key findings, representing the views of those voluntary sector organisations that replied to the survey and those who attended the consultation event.

### 1 / The pace of change is slow

The changes to probation services are taking a long time to embed. Given the scale of reform this is not entirely surprising but the pace of change has still been much slower than many anticipated. The pace of change is reported to be curbing investment in the voluntary sector's rehabilitation and resettlement services, meaning that services run by the voluntary sector are vulnerable and at a greater risk of closure.

### 2 / Voluntary sector involvement in supply chains appears low

Only one quarter of the 151 voluntary sector organisations that responded to our survey reported being funded through a CRC's supply chain. Of those that are being funded through supply chains 70% are delivering pre-existing services. The organisations that are in supply chains are disproportionately larger voluntary sector organisations, with very few smaller or medium sized organisations represented.

However, the contribution of voluntary sector organisations outside of supply chains to rehabilitation and resettlement outcomes is likely to be considerable. Half of the voluntary organisations outside of supply chains still receive and accept referrals from CRCs and the NPS, whilst over two-thirds receive referrals directly from prisons.

### 3 / Poor communication between probation services and the voluntary sector is damaging local relationships

The voluntary sector's relationships with CRCs and the NPS are being negatively affected by a lack of communication about future strategy, service development and commissioning opportunities. Furthermore, many voluntary organisations report a mixture of confusion and uncertainty about what services are being offered through CRCs and the NPS.

### 4 / The NPS needs to work more effectively with the voluntary sector

Only one organisation responding to our survey had a direct funding relationship with the NPS. We heard that the 'rate card' system limits strategic engagement with the voluntary sector, restricts collaboration as well as innovation and increases the cost of services to the NPS.

### 5 / The quality of services and the outcomes for service users require close monitoring

Many voluntary sector organisations could not say whether Transforming Rehabilitation had negatively or positively impacted on services or service users, possibly because the transition to new approaches is still underway.

However, those that had seen a change were more likely to report it as negative rather than positive; in some cases considerably more likely. Additionally, only 3 in 10 organisations funded by CRCs to deliver services in supply chains felt that the level of funding they received allowed them to deliver a high quality service.

### 6 / There is anxiety about current and future funding and sustainability

Although most voluntary sector organisations report that their funding for rehabilitation and resettlement services hasn't been impacted as of yet, there is growing anxiety about the sustainability of services and evidence that the situation needs monitoring. Those outside of CRC supply chains are more likely to believe that their services are unsustainable. Organisations also report that a lack of information about what services the CRCs and NPS are commissioning and/or delivering is putting other funding sources at risk, particularly local authorities and independent charitable funders.

## Recommendations

On the basis of the findings from trackTR we are making the following recommendations for change to address the challenges faced by the voluntary sector. We are confident these recommendations will support the improvement of probation services and develop a better relationship between the voluntary sector, CRCs and the NPS.

### 1 / Publish the commissioning intentions of CRCs and the NPS

CRCs and the NPS should publish annual commissioning intentions, in order to make clear to all relevant stakeholders what services they intend to commission from external providers, whether through grants or contracts, including timescales where possible. This will allow the voluntary sector to plan strategically for the future and support other stakeholders to understand what services CRCs and the NPS plan to invest in.

### 2 / Provide total transparency of supply chain partners

CRCs and the NPS should publish, ideally on a quarterly basis, full details of their supply chains, including: the names and company/charity numbers of tier two and three providers; the amount of funding passed down to sub-contractors; a summary of the service being provided; and where appropriate the contribution that these organisations have made to Key Performance Indicators (KPIs).

### 3 / Support small voluntary organisations

The NPS and each CRC should publish an annual strategy and action plan setting out how they will effectively engage smaller organisations in the delivery of services for people under probation supervision.

### 4 / Support communication and engagement with the voluntary sector

The National Offender Management Service should support significant improvements in the way CRCs and the NPS communicate and engage with the voluntary sector; with the aim of improving local relationships, partnerships and services. This should be achieved by

working jointly with the NPS, CRCs, and voluntary sector representatives to produce a practical toolkit and any necessary training to deliver it.

### 5 / Enable the National Probation Service to engage with the voluntary sector

The NPS should be allowed and encouraged to work directly with the voluntary sector to develop services for offenders that pose a high risk of harm to the public. The current 'rate card' system needs to be reviewed so that the NPS can have a greater role in co-producing and, in some instances, commissioning specialist services for high risk offenders.

### 6 / Closely monitor and assess the quality of services

The National Offender Management Service and Her Majesty's Probation Inspectorate should closely monitor the quality of commissioned services against existing evidence of good practice, working directly with specialist voluntary organisations to contribute evidence of good and poor practice. This should also include an increase in service user involvement to assess their views on the quality of probation services.

### 7 / Support the sustainability of rehabilitation and resettlement services

The Ministry of Justice should support a co-produced review into the voluntary sector's ongoing role in rehabilitation and resettlement services; learning from the process and outcome of the *Joint review of partnerships and investment in voluntary, community and social enterprise organisations in the health and care sector\** supported by the Department of Health, NHS England and Public Health England.

\* To find out more about the VCSE review visit: <https://vcseview.org.uk>



# 1 / Introduction

# INT ROD UCT ION



**This report details the results of Clinks' second survey into the voluntary sector's experience of Transforming Rehabilitation (TR), also known as trackTR. This project is delivered through a partnership led by Clinks, involving the National Council for Voluntary Organisations (NCVO) and the Third Sector Research Centre (TSRC) at the University of Birmingham.**

The aim of trackTR is to provide the best possible data on how the changes to probation and prison resettlement services under the TR reforms have impacted on the voluntary sector working in criminal justice, as well as its impact on the wider eco-system of support for people in contact with the CJS and their families.

## Background

### The Transforming Rehabilitation reforms

TR is the name given to the government's programme for how offenders are managed in England and Wales from February 2015. The programme has involved the outsourcing of a large portion of the probation service in England and Wales.

The reforms have replaced the previous 35 individual Probation Trusts with a single National Probation Service (NPS), responsible for the management of high-risk offenders; and 21 Community Rehabilitation Companies (CRCs) responsible for the management of low to medium risk offenders in 21 areas across England and Wales. The CRCs also have a new responsibility for supervising short-sentence prisoners (those sentenced to less than 12 months in prison) after release.

From 1 February 2015 the successful bidders in the competition for the CRCs began to deliver the programme, with new prison resettlement services (Through the Gate) starting from May 2015. The successful bidders are expected to build supply chains that consist of organisations from the public, private, and voluntary sectors through which they will subcontract delivery of some of the services.

### The trackTR survey

The first trackTR survey was open in May 2015 and was completed by 156 voluntary sector organisations working in the CJS. This informed the report *Early doors: the voluntary sector's role in Transforming Rehabilitation*.<sup>34</sup> The report highlighted five key findings:

- 1 There was very little clarity about the voluntary sector's role in the new probation services
- 2 The pace of change was slower than anticipated, making strategic planning and staff retention difficult
- 3 Some larger charities had secured contracts with CRCs
- 4 There was little clarity about how the NPS would engage with the voluntary sector to support offenders who pose a high risk of harm to the public
- 5 There was a sense of confusion amongst some funders as to what CRCs and the NPS were funding and whether they should fund interventions that support the rehabilitation and resettlement of people in the CJS.

## Methodology

The findings from this report are primarily based on an online survey designed to capture information on the voluntary sector's involvement in the new probation services brought about by the TR reforms. The survey was open between August and October 2015 and covered a number of issues, with over 71 questions that allowed organisations to fully explain their role in and around the new probation services. The questions covered the following issues:

- The size, client group, services and location of voluntary sector organisations
- Their overall experience of the changes in probation services brought about by the TR reforms
- Whether organisations had a funding relationship with CRCs, the NPS, or were funded through other sources
- The impact of these reforms on relationships and partnerships
- The impact of these reforms on their service(s) and clients.

A full summary of the questions asked in this survey can be accessed through the Clinks website.<sup>5</sup>

The survey was promoted through Clinks and NCVO networks and was advertised to organisations both inside and outside of 'supply chains' developed by CRCs. Our intention was to capture the views of the widest possible range of voluntary sector organisations working in the CJS. In total 151 organisations responded to the survey. The data was analysed by the TSRC between November and December 2015.

A consultation event was held with the voluntary sector in late January 2016, with over 90 organisations in attendance. This event provided a preview of the results and gave attendees the opportunity to assess the accuracy of our findings based on their direct experiences. The consultation has also informed the timing and questions of our third trackTR survey.

In addition, in-depth conversations with a range of service providers (from the voluntary, public and private sector) and policy makers were held over the course of the project to better understand the data we were receiving from the voluntary sector, and to place it in the context of wider changes to policy and practice.

## Note on the data and limitations

The sample of 151 voluntary sector organisations is not directly representative of the whole voluntary sector working in criminal justice. For that reason caution must be exercised when making generalisations about the whole sector when referring to the results of this research. The size, location and specialism of organisations that responded to our survey is contained in the report, but we have not attempted to directly compare these organisations with what we know of the whole voluntary sector working with offenders and their families.

We have not attempted to summarise the views of the voluntary sector on a regional basis, or attribute differences between CRCs, for this reason we represent a view that is compiled

from the experience of organisations from across England and Wales to provide one view of the voluntary sector's engagement in TR.

The low response rate from organisations directly funded by the NPS has made it difficult to draw any detailed conclusions on the nature of the voluntary sector working with offenders that are assessed as posing a high risk of harm to the public.

Where we have made conclusions based on the research findings, we have been clear about the percentage and number of organisations that provided that view. The response rates to some of the survey questions vary because some questions will have been skipped or were not relevant for the respondent. Where we received very low response rates we have been unable to make broader generalisations about the voluntary sector's experiences.

All percentages have been rounded, and as a result some totals will exceed 100%.

## 2 / The findings

# THE FIND INGS



**At the time of publication, the data presented in this document is the most comprehensive assessment of the voluntary sector's experience of the recent changes to probation services across England and Wales; how it has impacted on their organisations, their services and their service users.**



### The information in this report is presented in the following categories:

- The voluntary sector's engagement in Transforming Rehabilitation:**  
 Who responded to the survey, what services they deliver, their service users, and where they are based.
- The impact on services and service users:**  
 The impact of the TR reforms on voluntary sector services and their service users.
- The impact on relationships, partnerships and communication:**  
 The effect of the TR reforms on the way in which organisations work together, partner, and talk to each other.
- Working with Community Rehabilitation Companies:** The experiences of voluntary sector organisations that are directly funded by CRCs.
- Working with the National Probation Service:** The experiences of voluntary sector organisations that are directly funded by the NPS.
- Working outside of supply chains:** The experiences of voluntary sector organisations that are not funded by CRCs or the NPS.
- The sustainability of the voluntary sector:** An assessment of the sustainability of the voluntary sector working alongside, or delivering, probation services.

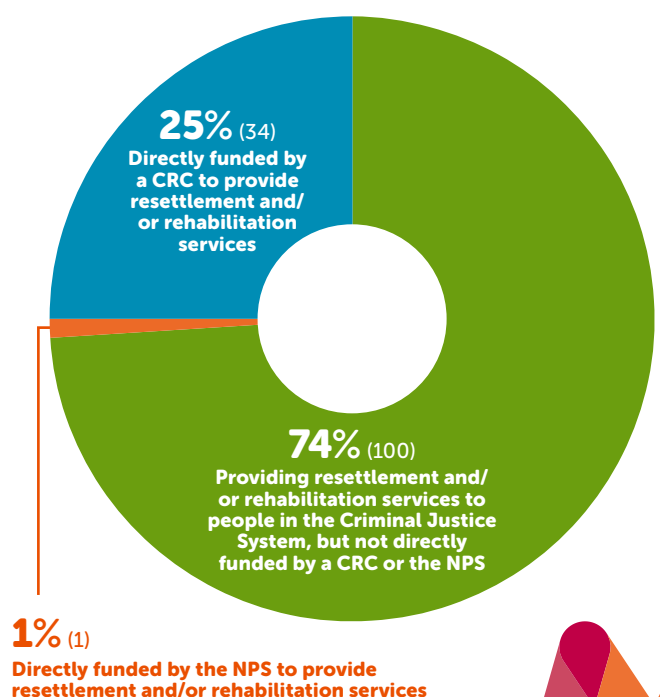
## 2.1 / The voluntary sector's engagement in Transforming Rehabilitation

It is important for us to understand the shape, size, location, service users and specialisms of the organisations that are responding to the survey, as this will help us to judge what sort of contribution they are making to rehabilitation and resettlement of people in the Criminal Justice System.

Overall 151 valid responses were collected through the survey. These are all voluntary sector organisations but they vary in scale, client group, and geographical reach. On the whole the organisations that responded to this survey were skewed towards larger and national organisations, but with a good representation of smaller and local groups. The survey also captured the experiences of specialist organisations providing services to black, Asian and minority ethnic communities (BAME), women, and young adults (18-25 years old).

### Funded involvement in probation supply chains

Graph 1 / What is the main way in which you are funded to support the rehabilitation of offenders? n=135



Only one quarter of respondent organisations are mainly funded by CRCs, and less than one percent by the NPS. In contrast three quarters of respondent organisations provide resettlement and/or rehabilitation services to people in the CJS, but are not directly funded by the CRC or NPS.

This tells us that a relatively small amount of organisations are being funded to deliver services through direct funding from CRCs and the NPS, whereas the majority are delivering services that are funded through other sources, such as other government funding, private investment, or funding from charitable sources such as trusts and foundations or public giving.

The Ministry of Justice reported that there were at least 225 voluntary sector organisations in supply chains.<sup>6</sup> Although some of those organisations may not have replied to this survey, we found that only 35 organisations surveyed were funded by

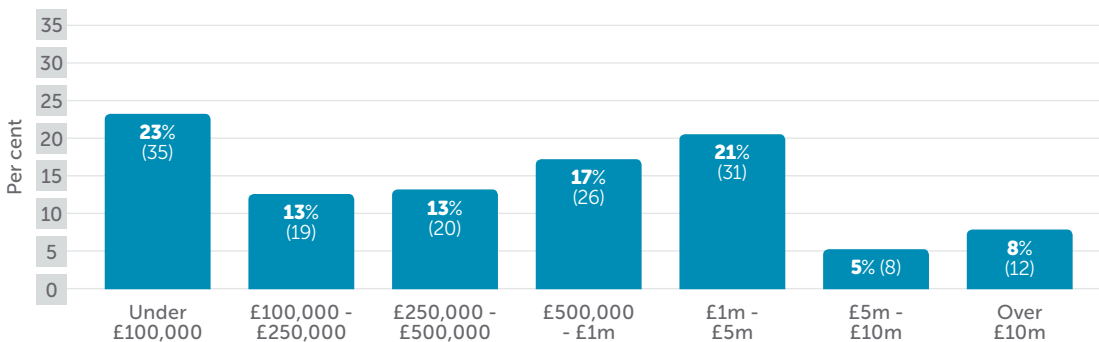
the CRC directly to be in the supply chain, whereas three quarters (100 organisations) were not.

**The size of the organisations**

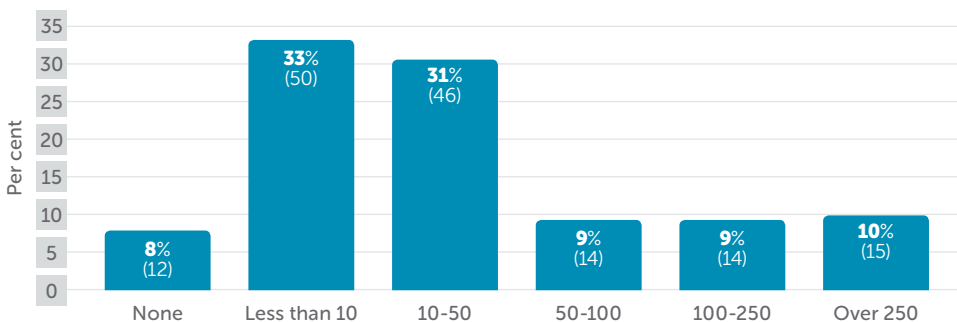
Just over one third of respondents have an annual income of less than £250,000 (and one half less than £500,000), 30% fall between £250,000-£1m, and one third over £1m. Just over two-fifths of respondents have fewer than ten full time employees, and overall around 7 in 10 have fewer than 50 full time employees. Just under a fifth have 100 full time employees or more.

Compared to the voluntary sector as a whole, in which around 50% of organisations have a turnover below £10,000 and less than 1% receive more than £10m income a year,<sup>7</sup> our sample is skewed towards larger organisations. Given the scale and complexity of procurement under TR, this is not surprising, as larger organisations tend to have more capacity and capability to bid for contracts of this type.

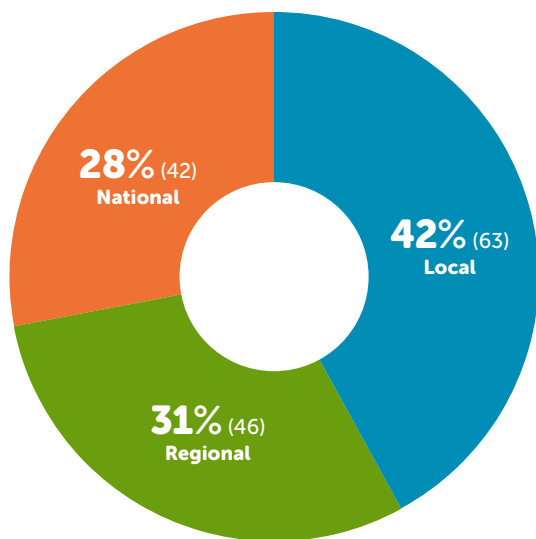
Graph 2 / What is your organisation’s overall income in the last financial year? n=151



Graph 3 / Approximately how many full time equivalent staff does your organisation currently employ? n=151



**Graph 4 / What is the operational footprint of your organisation's delivery?** n=151



Just over one quarter of organisations operate nationally, just under a third operate regionally, and just over two fifths locally. Although local organisations are represented, given that they represent the vast majority of the voluntary sector we might expect to have seen a larger number of them in comparison to national and regional organisations. For example, of the respondents to Clinks' 2016 state of the sector survey only 17% (n=13) reported they worked nationally.<sup>8</sup>

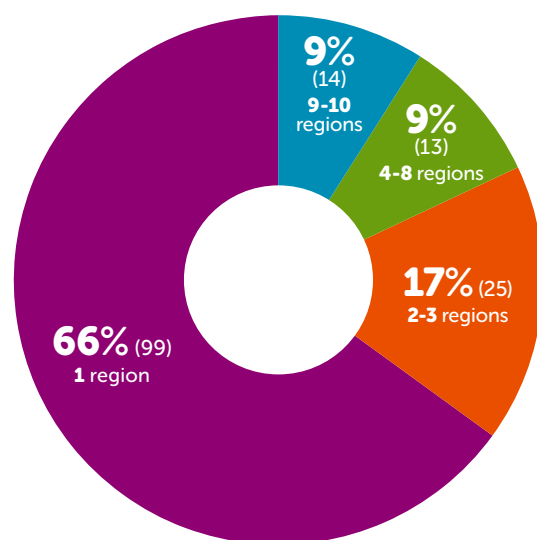
It could be the case that local organisations have chosen not to participate in the survey, or not had the time to complete it. It is also possible that smaller organisations may be less involved in the services being commissioned or delivered in and around new probation services.

**The location of services**

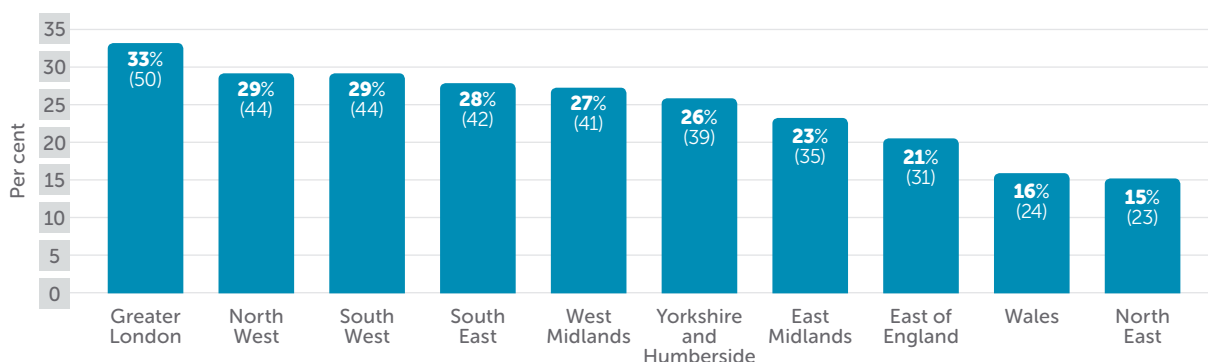
The responses are reasonably spread out across England and Wales, with the highest proportions of respondents reporting that they work in Greater London, the North West and the South West, far fewer reporting that they operate in Wales and the North East.

Most voluntary sector organisations responding to our survey work within a single region, with relatively little cross-regional work. It is also worth noting that 15 of the 42 organisations indicating a 'national' footprint (over a third) say they only actually work in one, two or three regions, meaning most are still working in specific regions rather than across England and/or Wales.

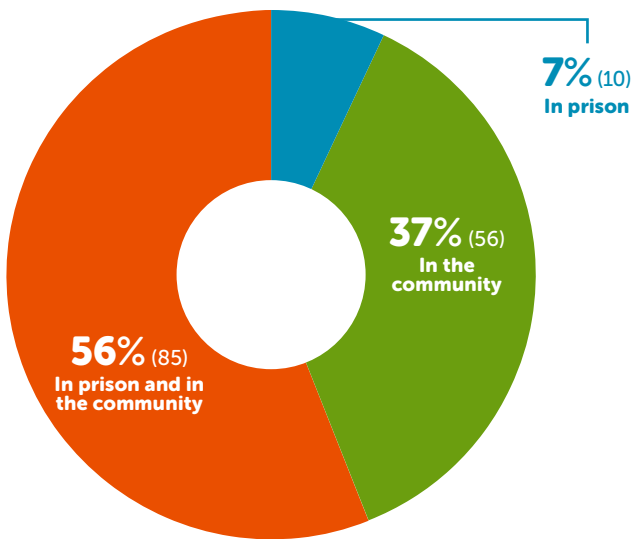
**Graph 6 / What is the operational footprint of your organisation's delivery?** n=151



**Graph 5 / Where do you deliver services?** (tick all that apply)



Graph 7 / Which of the following best describes where you work? n=151



As is normally the case with the voluntary sector working in the CJS, a small number of organisations work solely in prison; this result is consistent with successive state of the sector surveys conducted by Clinks.<sup>9</sup> Over a third work solely in the community and the majority (56%) work in both prison and the community, suggesting that they deliver rehabilitative services in both settings, or may be delivering prison resettlement services.

Unsurprisingly, offenders and ex-offenders, women and men are identified as the main beneficiaries of respondent organisations. Amongst more specific groups, young adults, people with addiction problems and people with mental health problems are identified as beneficiaries of over 7 in 10 respondents. There were also

Service users

Table 1 / Who are your clients/service users/beneficiaries? (tick all that apply)

Category	Main beneficiaries	Beneficiaries also include
	% (n)	% (n)
Offenders and ex-offenders	59 (89)	25 (38)
Women	54 (82)	46 (69)
Men	57 (86)	25 (37)
Children (aged 15 or under)	13 (20)	14 (21)
Young people (aged 16-18)	22 (33)	19 (28)
Young adults (aged 18-25)	36 (55)	38 (57)
Older people	15 (23)	31 (47)
Families of offenders	16 (24)	28 (42)
Carers/parents/families	17 (25)	24 (36)
Care leavers	8 (12)	25 (37)
People from BAME communities	16 (24)	47 (71)
Lesbian, gay, bisexual or transgender people	7 (10)	34 (51)
People with mental health needs	31 (47)	43 (65)
People with addiction problems (e.g. alcohol, drugs)	33 (50)	40 (60)
Homeless people	31 (46)	30 (45)
People with a particular financial need (including poverty)	23 (35)	33 (49)
People with learning difficulties	14 (21)	38 (58)
People with physical disabilities and/or special needs	13 (19)	36 (55)
Asylum seekers/refugees	7 (11)	19 (28)
Faith communities	7 (10)	20 (30)
Other charities, social enterprises and/or voluntary organisations	17 (25)	15 (23)
Victims of crime	9 (13)	21 (31)



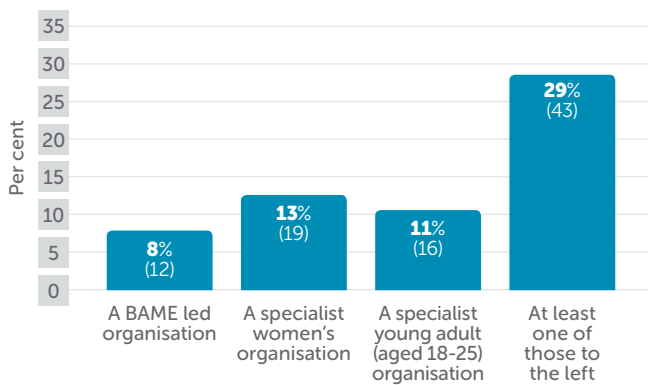


significant responses from organisations that deliver housing and financial support, as well as working with young people. Smaller proportions of respondents work with victims of crime, faith communities and asylum seekers and refugees.

Respondents were also allowed to answer 'other' in response to this question, and the eleven that did so specified working with victims of domestic abuse, long term unemployed, social housing tenants and urban street gangs.

This information shows us the diverse range of people that the voluntary sector support in the CJS.

**Graph 8 / Would you describe your organisation as any of the following? (tick all that apply)**



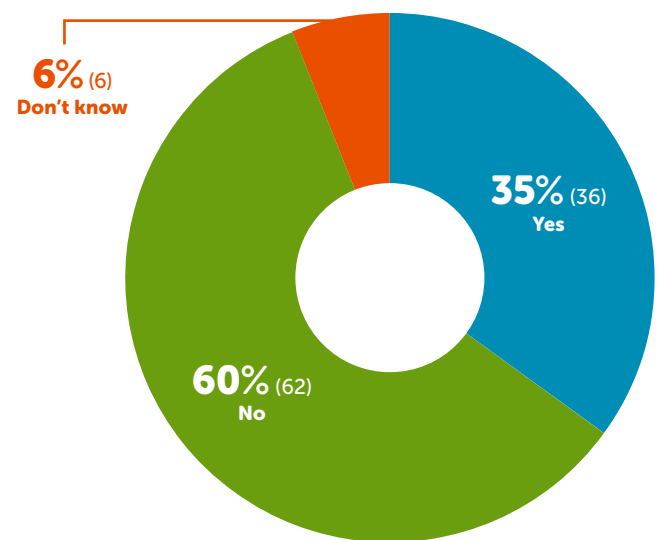
In addition we asked organisations to tell us whether they were 'specialist' organisations. We received responses from organisations delivering services to BAME communities, women's organisations, and specialist young adult services. We analysed the results from these respondents separately but no significant differences in experiences could be identified.

## 2.2 / The impact of services and service users

In this section we present the views of voluntary sector organisations on the impact that TR has had on their services and service users.

### Impact on services

**Graph 9 / Has Transforming Rehabilitation changed the service(s) your organisation delivers? n=104**



The TR reforms have changed the services delivered of just over a third (35%) of organisations that responded to the trackTR survey. For almost three-fifths it had not changed their services (60%). A small minority of 6% did not know what the impact had been on services.

In order to explain their answer the survey allowed respondents to add open-text responses, these have been analysed and highlighted three main themes. These were:

- A significant number of organisations say that it is simply too early to tell, or that neither CRCs nor the NPS has been able to significantly change services.



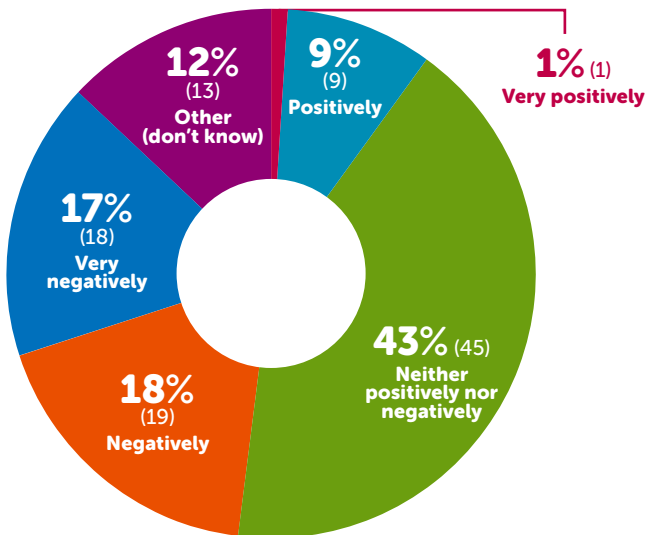
- Some respondents report additional or increased services emerging as a result of, or provided through, TR.
 

***“We can now offer our structured rehabilitation programmes in and out of prison. The assessment tools around mental health and wellbeing will help identify people in need earlier than on release only.”***
- There was concern that services were being ‘narrowed’ or ‘watered down’ by recent reforms, leading services to become ‘lighter touch’, with an emphasis on seeing more clients with fewer resources. Consequently this led to a concern for the quality of service provision.
 

***“... watered it down so it is seeing more people for less money which impacts upon quality. Good offender work always has been built on strong relationships.”***

**Impact on service users**

Graph 10 / How have the changes brought about by Transforming Rehabilitation impacted on your service users? n=105



Just over four in ten voluntary sector organisations surveyed do not identify a positive or negative impact of TR on their service users. Of those that have seen a change, only 10% report a positive or very positive impact on service users, compared with 35% reporting a negative or very negative impact. This means that over three times as many voluntary organisations surveyed feel that the reforms have had a negative impact on service users, rather than a positive one.

Further analysis of the impact on specific service user groups (see Table 2, page 19) shows that on average almost 60% say they do not know what impact TR has had on the services for specific groups, and a further 14% say that there has been no change. This shows that overall the majority are unable to say what impact the changes to probation have had on services.

However, on average only 6% have seen an improvement in services for specific groups, whilst 14% indicate that TR has worsened services. There were particular service users which were reported as more likely to be experiencing a worsening of service delivery under TR, these were:

- Offenders, ex-offenders and their families (49% worsened, 9% improved)
- Men (40% worsened, 10% improved)
- Women (31% worsened, 11% improved)
- Homeless people (36% worsened, 6% improved)
- People with addiction problems (33% worsened, 8% improved)
- People with mental health needs (29% worsened, 9% improved)
- People with a particular financial need (27% worsened, 7% improved)
- Black, Asian and Minority ethnic offender (25% worsened, 5% improved).

These figures show that respondents who had seen a change were more likely to report it as negative rather than positive; in some cases considerably more likely.



Table 2 / From your experience what impact has Transforming Rehabilitation had on the delivery of services for the following groups? (tick all that apply)

Category	Improved %	No change %	Worsened %	Don't know %
Offenders, ex-offenders and their families	9	13	49	28
Men	10	20	40	29
Women	12	21	31	36
Children (aged 15 or under)	5	11	5	78
Young people (aged 16-18)	4	11	5	80
Young adults (18-25)	9	18	21	53
Older people	4	21	17	59
Carers/parents/families	4	10	11	76
Care leavers	3	10	11	77
People from Black, Asian and minority ethnic communities	5	10	26	59
Lesbian, gay, bisexual or transgender people	4	12	9	75
People with mental health needs	6	11	30	50
People with addiction problems (e.g. alcohol, drugs)	8	19	33	39
Homeless people	7	16	36	42
People with a particular financial need (including poverty)	8	16	28	49
People with learning difficulties	5	14	16	65
People with physical disabilities and/or special needs	4	10	14	71
Asylum seekers/refugees	4	9	15	72
Faith communities	3	12	8	78
Victims of crime and/or their families	4	12	7	77
<b>AVERAGE</b>	<b>6</b>	<b>14</b>	<b>21</b>	<b>60</b>

Analysis of the open-text responses provided to explain the impact on service users highlighted three main themes, they were:

- **It's too early to tell for many respondents.**

Some expressed concern that there were signs that changes to services could negatively impact on the outcomes for service users. Others were unaware of the impact on specific groups of service users or have limited information as to what the impact of TR has been.

*"... it is early days for TR implementation but... there seems to be a lack of knowledge about the services available via TR providers, lack of staff to deliver the services, lack of willingness to engage with other organisations to work collaboratively."*

- There was a perception that **uncertainty and confusion during the transition period** between probation trusts and the CRC and NPS structures had led to a reduction in services.

*"Service user feedback has not been positive and the promised Resettlement and Through the Gate support is ad-hoc and patchy and not meeting needs as intended."*

- Some organisations reported that they saw a **'narrowing' of services**, with changes in some areas from one-to-one support to more group work, and from more flexible person-centred approaches to a more process driven or 'box-ticking' arrangements. Some reported that this could be particularly damaging for service users with multiple needs or chaotic lifestyles.

***“Our service users are generally desperate for help and have been unable to access support for their complex needs – substance-misuse, homelessness, financial support, child custody issues – through the channels available to them. Many of them view the extended supervision provisions of TR as just a faster way to end up back in prison without some more supportive provision in the community.”***

### 2.3 / The impact on relationships, partnerships and communication

In this section we explore the effect of the TR reforms on the way in which organisations work together, partner, and talk to each other. This includes how they work with statutory partners outside of probation services, the NPS, CRCs, prisons, or other voluntary sector organisations.

***“Good intentions and some good partnerships are now being set up, but it is still early days (from our perspective).”***

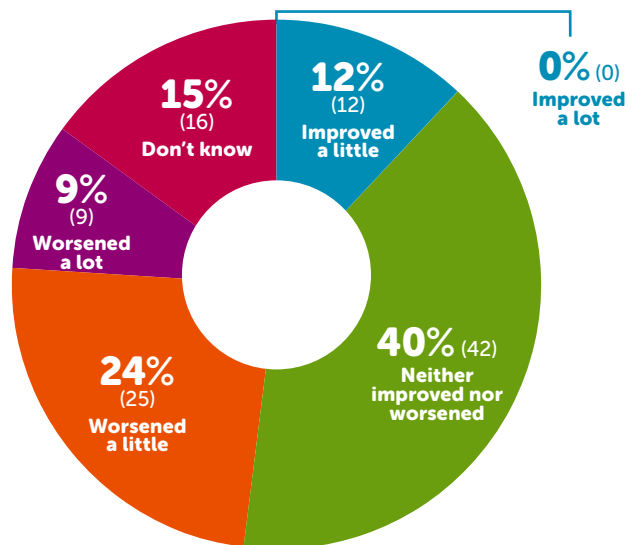
#### The state of relationships and partnerships

Many report that their relationships with the wider statutory sector have remained stable. However, where changes have been observed they are often more likely to have worsened, rather than improved.

***“At present things seem to be in a state of flux. The changeover has created a period when local partnerships lay dormant.”***

#### Partnerships with the wider statutory sector

Graph 11 / How has Transforming Rehabilitation impacted on local partnerships in your area with the wider statutory sector? n=104



A significant number of respondents, 40%, said they had not seen their partnerships with the wider statutory sector improve or worsen. A further 15% said that they don't know whether it has changed. However, for those that have seen a change only 12% said it had 'improved a little', and no one answered to say it had 'improved a lot'. In comparison 24% said that their partnerships had 'worsened a little' and a further 15% said that it had 'worsened a lot'. Therefore, organisations that had seen a change in their local partnerships were over three times more likely to report that the impact had been negative, rather than positive.

In order to explain the changes being reported, the survey respondents were able to provide open text responses to explain how TR had affected their relationships with the wider statutory sector. The analysis of those responses highlighted a number of perspectives:

- Many did report that it was **too early to tell whether relationships had improved or worsened**. However, they highlighted that TR had led to a 'slowing down' of partnership work and development. Often this was attributed to the pressure on CRC and NPS staff to support the transition to new service models, and the pressure on local government staff to manage funding cuts elsewhere in the system.

***"Staff time has been diverted into the transition to CRC and NPS, so there are fewer liaison meetings. Also, generally the strategic overview in most areas has been badly hit by council funding cuts."***

- Some organisations mentioned **the development of closer partnership working** between the voluntary sector and probation providers, particularly CRCs. This occurred most frequently when organisations were already being funded by the CRC.

***"Partly due to TR and partly due to the economic situation, partners are working closer together to address reoffending"***

- Some felt that there had been a withdrawal from, or **a reduction in relationship and partnership development**. This was compounded by a sense that organisations were unsure as to who they should be talking to.

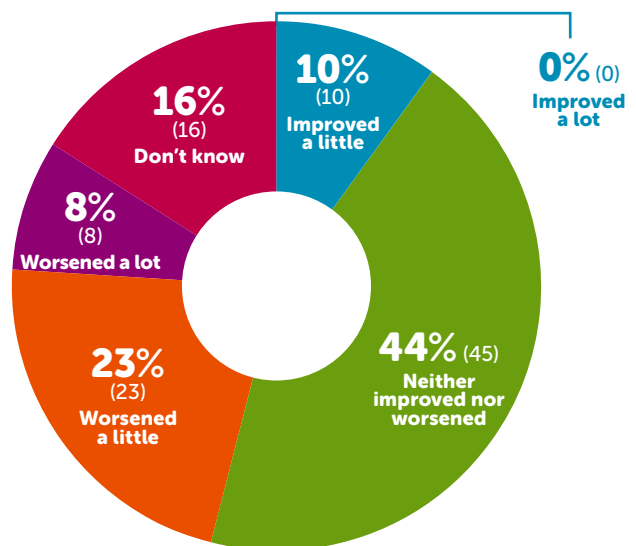
***"[W]e are plugged into the rehabilitation, recovery and homeless prevention pathways, enabling a joined-up response to supporting our clients with their multiple problems. With our reduced relationship with [the CRC], this is harder to justify. There is less of a joined up approach in the statutory sector too as no one is sure who to talk to at the moment."***

- Other organisations mentioned **increasing competition** between agencies, such as a protectionist approach to clients and/or resources.

***"People seem nervous of 'revealing' any information or referring on as they are trying to ring-fence their client group as a form of protection against the reduction of referrals due to the TR agenda."***

### Partnerships with other voluntary sector organisations

Graph 12 / How has Transforming Rehabilitation impacted on local partnerships in your area with the wider voluntary sector? n=102



TR has not for the most part impacted negatively or positively on local partnerships with the wider voluntary sector: 44% do not identify an improving or worsening situation and just over 16% said that they don't know what impact it has had. However, 23% say TR has worsened local partnerships with the voluntary sector 'a

little', and a further 8% say they have 'worsened a lot'. This is in comparison with just under one in ten who felt it had improved local partnerships 'a little', while no respondents felt that it had improved them 'a lot'.

The open text responses to this question do provide some explanation for why respondents feel that their partnerships with the rest of the voluntary sector are, for the most part, staying the same or getting slightly worse.

- Many still felt that it was **too early to tell what was changing**; respondents reported a significant amount of confusion and lack of clarity, but no direct changes as of yet. There was a sense that the lack of clarity in the commissioning process for new probation services was impeding the improvement of local relationships.

***"Some voluntary sector providers are working together better and more collaboratively, but as CRC intentions regarding commissioning are not yet known, the levels of trust between potential partners has not improved significantly."***

- There was a sense that there has been **some increased partnership** amongst voluntary sector organisations in the wake of TR, but not necessarily as a direct response to it or as a result of it.

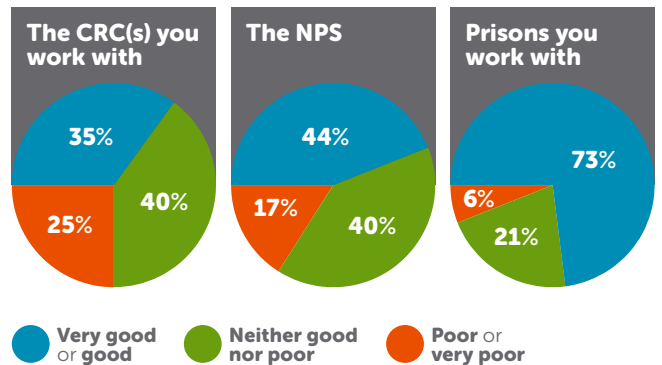
***"We are certainly building on partnerships with other voluntary organisations and have strong working relationships with referral, housing, food provision, legal and other charitable or voluntary organisations. This has been developed (from our point of view) outside any consideration of TR currently and from our own understanding of the needs of this client group."***

- **Competition amongst providers for funding, and for service users**, was creating a lack of trust between providers and some longstanding relationships between voluntary sector organisations were being undermined.

***"Previous voluntary sector partners now view us with some suspicion and potentially some relations have been damaged."***

## Relationships with CRCs, the NPS and prisons

Graph 13 / How has Transforming Rehabilitation impacted on local partnerships in your area with the wider voluntary sector? n=102



Nearly three quarters of respondent organisations rated their relationships with prisons as good or very good, compared to only just over two fifths who reported the same of their relationship with the NPS and just over one third with CRCs. Likewise only 6% rate their relationships with prisons as poor or very poor, compared with 17% with NPS and 25% with CRCs.

In order to better understand how these relationships are changing, we analysed the open responses and grouped them into the relationships with CRCs, the NPS and prisons.

## Relationships with Community Rehabilitation Companies (CRCs)

- There was a sense of services being in transition, making it difficult for respondents to assess current relationships with CRCs. Many responses highlighted that CRCs were still trying to develop their delivery models amidst considerable internal restructuring.

***"All parties are still in transition so it's too early to say categorically what the relationship is like."***

- Some good relationships were reported - particularly with individual staff at a local level, especially those staff who have transferred over from the former probation trusts to new CRCs.

***“We have contact with staff from the new CRC’s during ‘on the ground work’ and they are accommodating of the work we do.”***

- A significant number of respondents report limited or no communication from CRCs despite attempts to make contact and earlier promises of joint working. In many cases this included organisations that were either named in bids, or were given the impression that they would be part of the CRC’s supply chain.

***“Before TR we worked hand in glove with the Probation Service. Since TR we have very little (almost none) direct contact with senior CRC managers. We are left to ‘paddle our own canoe’. Communication is a one way street.”***

- Respondents expressed concerns about funding cuts in the pipeline, and that a lack of transparency about how these might be implemented could damage future relationships.

***“We currently deliver residual probation contracts for two CRCs and have been engaged in discussions regarding ongoing provision - but as yet nothing has materialised. My concern though is that existing funding may be slashed but expectations for throughput are increased.”***

### Relationships with the National Probation Service (NPS)

- Longstanding (often individual) relationships with local staff were reported to have endured for the most part.

***“There is good communication and sharing of information between staff around the areas of risk. This relationship has been built up over a number of years of working positively together.”***

- Some difficulties were reported due to ongoing restructuring and re-organisation. The national, or centralised, nature of the NPS was referenced as one of the possible reasons for these difficulties.

***“Changing staff and changes in priorities have made it difficult to know who to stay in contact with.”***

- Most relationships with the NPS are based on referrals into local services, where managing people assessed as being a high risk of harm to the public continues to require close relationships that support direct work with the client.

***“I have an excellent relationship with Probation [NPS] and despite the movement in staff they are still referring clients to me regularly.”***

### Relationships with Prisons (both public and private)

- Overall the respondents reported some good relationships with the prisons where they worked. However, it was reported that this can vary depending on the attitude of the prison governor, or how inclusive the overall prison culture is to working with the voluntary sector.

***“Great relationships with the prisons in general. It greatly varies from prison to prison. Some can be very inclusive and open to ideas and changes while others can be very guarded.”***

- Some comments suggested that changes brought about by TR have affected prison governors’ discretion to commission work, especially in regards to rehabilitation and resettlement activity.

***“We have always had an extremely positive relationship with our local prisons, and if anything, this has strengthened since TR went live. Unfortunately prison governors have no say in TR, and appear to be passive recipients of a provision without consultation or discussion, so our relationship with prison governors is limited to provision outside of TR / supplementary to it.”***

- Some respondents stated that they felt services had been affected by recent staff shortages, prison restructuring, and prisons having limited or no available budget to purchase or commission services from the voluntary sector.

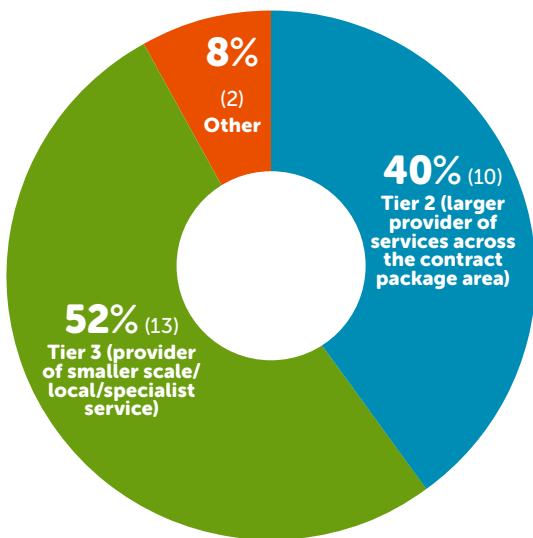
## 2.4 / Working with Community Rehabilitation Companies (CRCs)

This section summarises the experiences of voluntary sector organisations that are directly funded by CRCs.

Only 34 respondents indicated that they are directly funded by CRCs. Of these 25 answered the question about their role and subsequent questions. As such, care is needed in this section in interpreting these results as they are based on very low numbers. Further caution must be used when interpreting these results as several respondents indicated that it was a little too early to make a judgement on the current state of CRC services or their behaviour, particularly as many of the contracts were new and just getting off the ground.

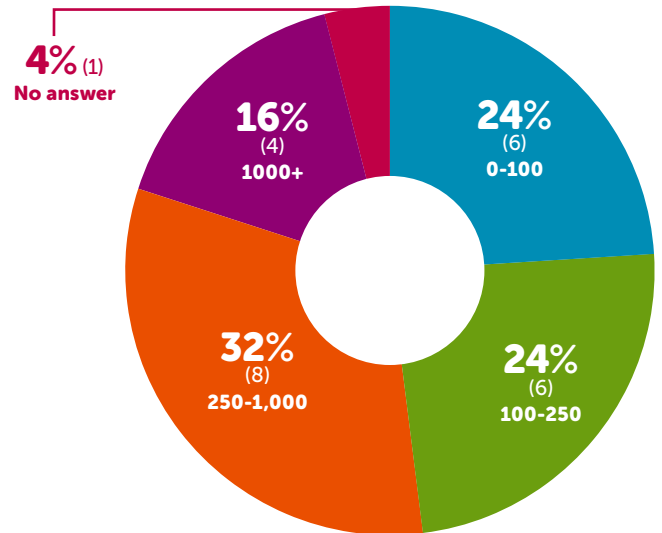
### The shape and size of organisations funded by CRCs

Graph 14 / How would you describe your organisation's role? n=25



As can be seen from Graph 14 above (How would you describe your organisation's role?) 40% of those that responded would define themselves as a tier 2 provider, or someone who is providing services on a large scale to a CRC. The majority of the remaining respondents defined themselves as tier 3, or a provider of smaller, more local or specialist services.

Graph 15 / In the next 12 months, approximately how many service users are you expecting to support as a result of this funding? n=25



Of those organisations that are funded to deliver services by the CRC, it appears that the majority are supporting a large number of service users. When asked how many service users these organisations were expecting to support as a result of their funding, almost half of them expect to support more than 250 service users, with a further 24% expecting to support between 100 and 250 service users. A further 24% of respondents expected to work with less than 100 clients, and of those only two expected to work with between 10-50 clients.

Table 3 (page 25) compares the income of respondents in CRC supply chains (or those funded by CRCs) to all the respondents. Respondents that are in CRC supply chains were 2.5 times more likely to have an income of over £5 million per year, and they were almost four times less likely have an income of under £100,000. This shows us that organisations in CRC supply chains have disproportionately larger incomes than those who are not funded by CRCs.

Research into the shape and size of the voluntary sector conducted by NCVO and compiled into the UK civil society almanac suggests that of the 160,045 charities registered in the UK, just over 83% are micro or small organisations with an income of £100,000 or less.<sup>10</sup> The trackTR survey showed that those with an





income of £100,000 or less made up only 6% of the organisations that are funded by CRCs. Clinks' 2016 state of the sector report found that 81% of respondents had an income of less than £1 million, yet the trackTR survey found that of the voluntary organisations funded by CRCs, 56% had an income of over £1 million.<sup>11</sup>

Comparing the income of the organisations that receive funding through CRCs against the income of the wider voluntary sector helps us to see that the voluntary organisations which have got funding from CRCs are disproportionately larger organisations. This raises questions about the extent to which the majority of the voluntary sector, who are much smaller in size, have been able to engage with new probation services delivered by CRCs. Our data suggests that they have not, as of yet, been able to engage with CRCs in any substantial way.

### The services being delivered for CRCs by the voluntary sector

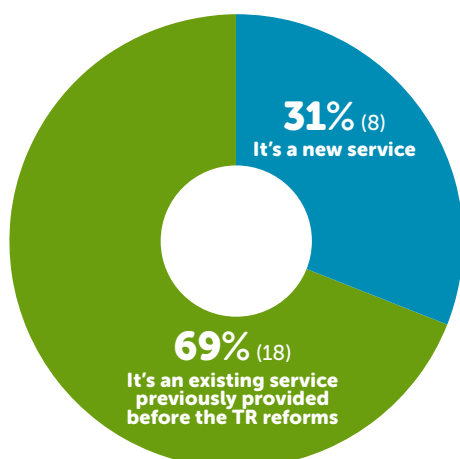
The voluntary sector reported delivering a range of services, which included:

- Housing advice
- Debt advice
- Resettlement services in prison
- Through the gate work
- Unpaid work placements
- Running attendance centres
- Mentoring
- Restorative justice interventions
- Supporting clients with multiple needs
- Volunteer involvement
- Women specific interventions.

Table 3 / The income of respondents as a whole compare to the CRC funded respondents

	Respondents as a whole <small>n=151</small>		CRC-funded respondents <small>n=34</small>	
	Frequency	%	Frequency	%
<b>Under £100,000</b>	35	<b>23</b>	2	<b>6</b>
<b>£100,000 - £250,000</b>	19	<b>13</b>	3	<b>9</b>
<b>£250,000 - £500,000</b>	20	<b>13</b>	6	<b>18</b>
<b>£500,000 - £1m</b>	26	<b>17</b>	4	<b>12</b>
<b>£1m - £5m</b>	31	<b>21</b>	7	<b>21</b>
<b>£5m - £10m</b>	8	<b>5</b>	4	<b>12</b>
<b>Over £10m</b>	12	<b>8</b>	8	<b>24</b>

Graph 16 / Is this a new or an existing service? n=26



Overwhelmingly the CRCs were reported to be funding pre-existing services, with only a third of respondents reporting that they were delivering a new service that was not delivered or contracted previously by the Probation Trust.

These results may reflect the pace of change in developing probation services. We might have expected to see the voluntary sector delivering new and different services through newly developed supply chains, rather than providers delivering pre-existing ones. On the basis of this evidence it is reasonable to question how far probation services have been transformed by new CRCs, and to what extent delivery represents a 'business as usual' approach.

**The funding for service delivery**

The reported value of contracts does vary dramatically, between £12,500 to almost £15m. The majority of contracts tended to be below £80,000, with almost 60% reporting this to be the case. Only three (17%) of the contacts were valued at over £5m and the largest of those is valued at over £14m over seven years. Existing spend appears to be either very large in nature, for a small number of organisations, or much smaller for the majority. The length of these contracts also varied, with some being for as long as seven years, a proportion being for three years, and others which were 3 month extensions to existing contracts.

The payment mechanism also varies: 15% of CRC-funded organisations are funded by grants, three-fifths by 'fee for service' contracts, and only one-fifth by a 'payment by results' contract. It is positive to see limited use of payment by results mechanisms and some grant funding.

Comments on funding arrangements from respondents reveal some more complicated situations. For example, one respondent cites the following contract arrangement:

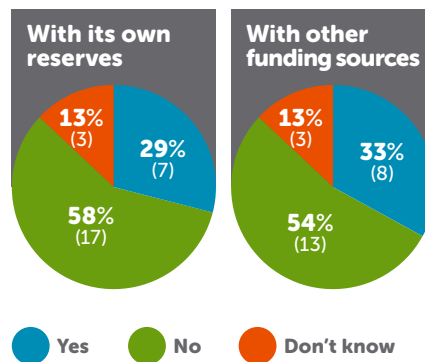
***"80% guaranteed plus 20% if contracted 'face to face' hours are delivered – not really clear if this is PbR [payment by results] as the above is not impacted if we do not deliver the KPIs [Key Performance Indicators] – stranger than fiction!"***

Another organisation cites the following:

***"The contract has penalties in it for failure to deliver parts. There is no incentive payment built in and no reward for doing well!"***

Of the organisations that reported they were being funded through payment by results, eight were able to identify a performance percentage element in their contracts that was at risk subject to meeting certain targets, these were as follows: 7%, 20%, 30% (2 cases), 75%, and 100% (3 cases). Evidence around the efficacy and efficiency of payment by results contracts is limited<sup>12</sup> and we would always recommend against passing down significant elements of financial risk to contracted voluntary sector providers, especially when they are unable to cope with the ramifications if services were to underperform or not deliver to the anticipated targets.<sup>13</sup> Having said this, in general respondents tended to think that contractual risk is being appropriately managed by CRCs, with half agreeing or strongly agreeing that it was.

**Graph 17 / Has your organisation had to subsidise service delivery with its own reserves or with other funding sources? n=24**



Nearly two thirds of organisations responding to our survey believe there is clarity on how their services will be paid for, and the majority of organisations were able to deliver the services they were funded to without needing to subsidise service delivery either with their reserves (58%) or from other funding sources (54%).

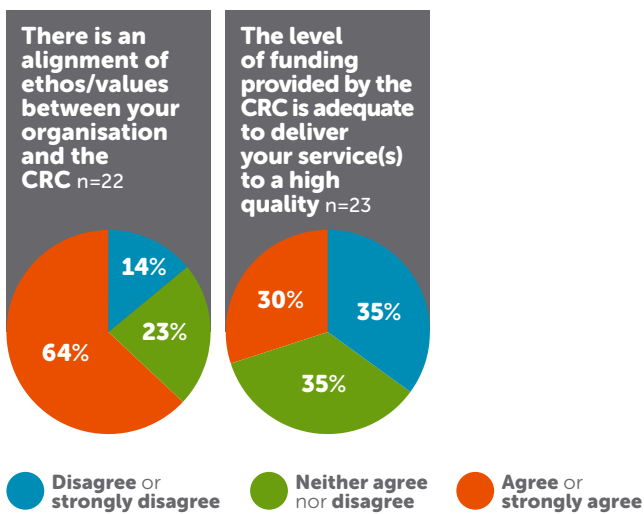
However, a significant amount of CRC-funded organisations still said they would have to subsidise their funding with either their own

reserves (30%) or from other sources (33%). By way of example, one organisation noted that they were not funded using a 'full cost recovery'<sup>14</sup> model, whilst another estimated having to find an additional £15,000 per year to support their contracted service. One respondent noted that:

***"... in order to deliver results for which we are to be paid we have had to use other team members to support delivery other than those agreed in the contract, which is clearly costing us more money."***

It is possible that these funding difficulties have been compounded by a lack of clarity about expected volumes in services. Nearly all the respondents had already received referrals from the CRC as part of their service delivery, although only a slim majority of organisations believe that the CRC has been clear (or was able to be clear) about the volume of service users they were expected to support under their existing agreements. If the voluntary organisations are to calculate whether services are financially viable, they will need to have clarity about the volume of service users they are expected to support.

**Graph 18 /** How has Transforming Rehabilitation impacted on local partnerships in your area with the wider voluntary sector?



Although nearly two thirds of respondents believe there is an alignment of ethos and values between their organisation and those of the

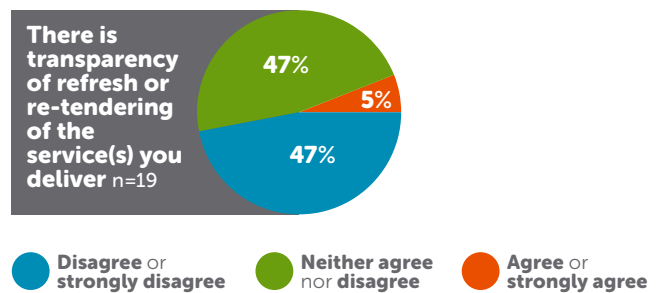
CRC, there is mixed opinion on whether funding is adequate to deliver a high quality service. The responses are evenly distributed, however, only 3 in 10 felt they were able to say that they had been provided with adequate funding by the CRC to deliver a high quality services.

It is concerning that so few felt they were funded to an adequate level to provide a high quality service, and that almost 35% felt that it was not adequate.

Many voluntary sector organisations are experts in their area of delivery, such as housing and debt advice, women’s services, through the gate, mentoring and volunteering. The voluntary sector’s opinion of what represents quality in service delivery, and whether that is being achieved, should be taken seriously by relevant departmental policy makers, contract managers, commissioners, and independent inspectorates. The performance of these organisations cannot be properly judged if they do not feel that they are being resourced to deliver a high quality service. Ultimately the negative effect of insufficiently funded services will be felt by service users, their families, and the communities in which they live.

**The tendering process**

**Graph 19 /** Based on your experience, to what extent to you agree or disagree with the following statement? n=19



The future of CRC funded services was unclear to many in supply chains. Given that probation services are still developing, it is perhaps unsurprising that 94% of CRC-funded organisations do not agree that there is transparency of contract renewal or re-tendering for the services they are delivering.

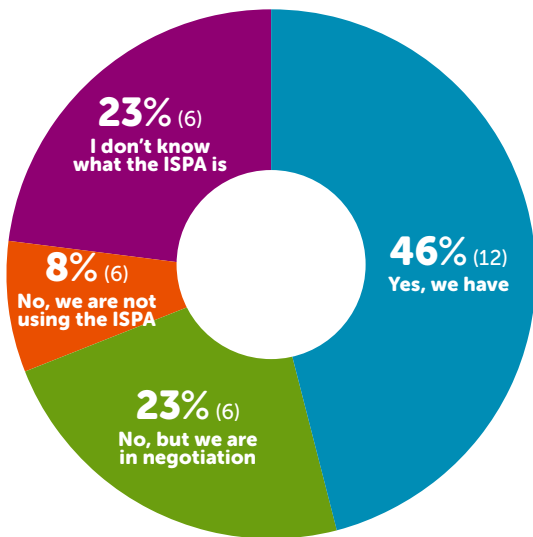


Uncertainty about the renewal of contracts and the continuation of services, especially those that are due for renewal in the near future, will place stress on an organisation’s strategic capability and its ability to retain skilled staff. This will hamper the ability of many voluntary sector organisations in CRC supply chains to plan for the future and is highly likely to place a strain on organisations.

### The Industry Standard Partnership Agreement (ISPA)

To protect and strengthen the position of Tier 2 and Tier 3 providers working with CRCs, the MoJ and NOMS drew up a set of market stewardship principles, which can be found in the *Principles of Competition* document, as well as an *Industry Standard Partnership Agreement (ISPA)*,<sup>15</sup> that were intended to guide the terms and conditions of any contracts or grant funding given to sub-contracted partners. CRCs are required to sign an ISPA with larger Tier 2 organisations in their supply chain, and it is intended to be seen as good practice for working with smaller Tier 3 organisations.

Graph 20 / Have you signed an Industry Standard Partnership Agreement (ISPA)? n=26



When we asked whether funded organisations had signed an ISPA, nearly half responded to say they had and a further quarter were in negotiation. Surprisingly, a quarter of CRC-funded respondents do not know what the ISPA is. Unfortunately we were unable to

ascertain why this was the case, but it might be because organisations had signed an ISPA but were unaware that this was the document they had agreed to, or they may not have signed an ISPA for their current funding arrangement.

Organisations had mixed responses to the ISPA, with one respondent saying they found the process helpful:

**“[The ISPA] made us feel that we were less likely to be caught by an unexpected [contract] clause”**

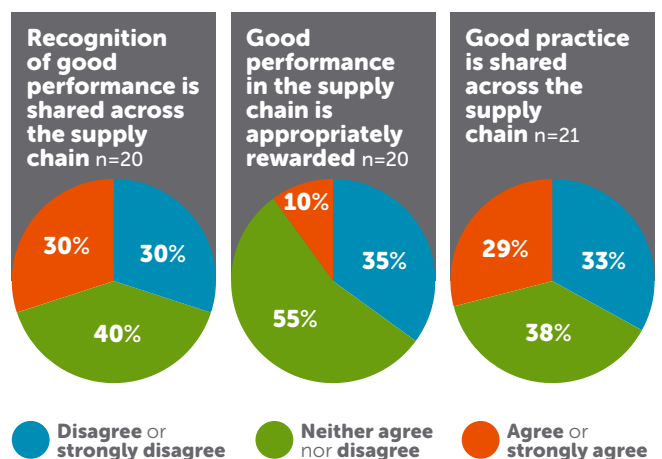
But a more common response was that it represented a disproportionate ‘flow-down’ of risk compared to the contract size:

**“[The ISPA] has proved extremely difficult to negotiate without significant legal support and is still causing disagreements with our Board of Trustees.”**

**“[The ISPA is] too over bearing – overkill!”**

### Sharing good practice, reward and recognition

Graph 21 / Based on your experience, to what extent do you agree or disagree with the following statements?



During Clinks' consultation with voluntary sector organisations ahead of the TR reforms a question was frequently raised about whether sub-contracted providers from the voluntary sector would be rewarded for good performance, as well as penalised for poor performance under a payment by results funding mechanism. Although it is positive to see that many organisations are not being asked to take the financial risks associated with poor performance, it is also noticeable that 9 in 10 did not believe that good performance in the supply chain was appropriately rewarded.

The sharing of good practice will be essential to the improvement of probation services. However, only 3 in 10 of the CRC-funded respondents believed that recognition of good performance is shared across supply chains, and just under 40% felt that good practice was pro-actively shared. We also recognise that it may be too early to tell whether good practice has emerged.

## 2.5 / Working with the National Probation Service (NPS)

The trackTR survey only received one response from an organisation that was directly funded by the NPS, therefore no analysis has been possible for questions related to its funding of voluntary sector organisations. However, we know that voluntary sector organisations do work with and support high risk offenders that the NPS manage; the survey also highlighted that many organisations still have a working relationship with NPS staff.

Subsequent to the survey analysis, the trackTR project held a consultation event with over 90 voluntary sector organisations in late January 2016. At this event we asked the voluntary sector to provide their perspective on our survey results. The sector provided feedback as to why so few organisations are funded through the NPS, giving rise to suggestions about how this could be improved upon.

### Strategic changes

The NPS has been undergoing a national change programme called E3, which stands for **effectiveness** in better delivering on performance targets and securing the outcomes of reduced reoffending and public protection, **efficiency** in ensuring that every penny spent by the NPS makes the greatest impact, and **excellence** in the way that the NPS operate as an organisation and the outcomes they deliver. This programme has been looking at the design and resource allocation for six priority areas:

- Court delivery
- Community supervision
- Custody
- Victims services
- Approved premises
- Youth offending services.

The scale and scope of this change, much like the internal changes to CRCs, should not be underestimated. It may well be the case that the E3 programme has limited the NPS' ability to engage with the voluntary sector.

***“It’s still difficult to get any joint working or partnership working discussions started as budgets and other significant factors aren’t clear yet. My point of contact doesn’t want to waste our time until they understand their own organisational position.”***

**The limitations of NPS funding and commissioning**

We understand that the NPS has limited ability to commission services directly from the voluntary sector, as well as limited funding to do so. The voluntary sector mentioned that the budgetary position of the NPS could act as a barrier to involvement, recognising that the majority of current funding was being allocated to the delivery of ‘core’ offender management services, with limited funding to purchase specialist services.

The NPS is required to purchase services through the ‘rate card’ produced by CRCs. This essentially limits the NPS to purchasing services that are listed by individual CRCs, including services that CRC staff run themselves as well as services delivered by sub-contracted providers from the voluntary sector. We suspect that this is the main reason for the low response rate in the survey.

Organisations felt that the way the system is currently designed, with the NPS required to access the market in this way, creates an unhelpful barrier between the NPS and local or specialist providers. Voluntary organisations also questioned whether the NPS was getting value for money, because it was having to pay transaction fees to CRCs in order to purchase their services through the rate card. This could mean that the NPS is paying above market rate for voluntary sector services that they may otherwise be able to purchase at a cheaper rate if they were able to have a direct relationship with the voluntary sector.

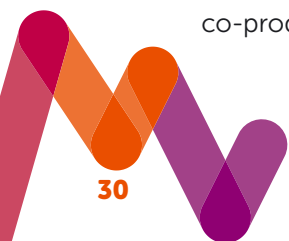
Although day-to-day relationships between the NPS and the voluntary sector were reported to be working, it was also felt that the rate card system had created a strategic divide between the sector and the NPS which hindered longer-term planning and co-production of services with the NPS.

Some also felt that the rate card system could, in the future, have the consequence that services would not be designed for NPS clients. There were questions about what incentives, other than financial gain, CRCs had to develop high quality services for high risk offenders, and whether CRCs would prioritise services for NPS clients ahead of CRC clients when necessary; especially where resources were limited.

**Future engagement opportunities**

As services begin to settle and the E3 programme concludes, the NPS may have an opportunity to review its engagement with the voluntary sector. This should include discussions about the NPS’ commissioning framework for 2017-18, whether changes are needed to the rate card system and how services for high risk offenders could be developed in a more collaborative way with voluntary sector organisations. The NPS needs to be able to purchase appropriate services, and ensure value for money by having a direct relationship with providers.

The NPS would need to consider how it creates a direct dialogue with the voluntary sector – allowing organisations to approach the NPS directly and ensuring that the limited NPS resources are allocated in the most efficient way. This would require the NPS to have clear lines of communication, be able to highlight priority services for their clients, identify space for negotiation, and clearly state where those services are needed. This should cover community services, services in non-resettlement prisons, and effective through the gate resettlement services for high risk offenders.



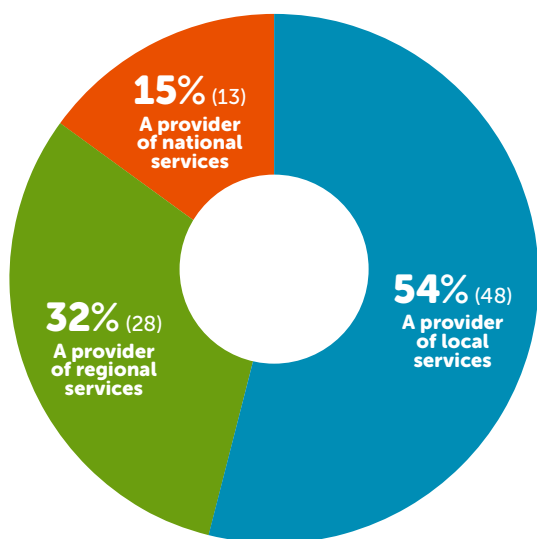
## 2.6 / Working outside of supply chains

In this section we explore the experiences of voluntary sector organisations that are not funded by CRCs or the NPS.

The majority of respondents to the trackTR survey were not being funded by CRCs, and were 'outside' of supply chains. This means that they are funded through other sources to provide services that support the rehabilitation and resettlement of people in the Criminal Justice System.

### The shape and size of organisations outside of supply chains

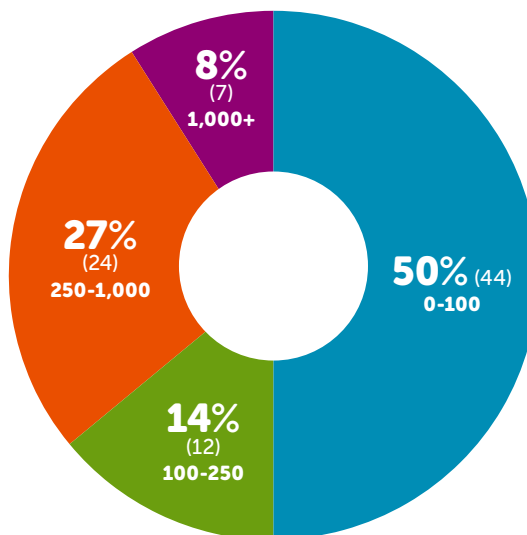
Graph 22 / How would you describe your organisation's role in the Criminal Justice System? n=89



Voluntary sector organisations delivering services outside of supply chains tended to be smaller and more local, with over half working at a local level, 3 in 10 providing regional services and 1 in 6 working nationally.

These organisations offer a wide range of services in the community as well as in prisons, including through the gate provision, supported accommodation, advice and support, mentoring, arts based activities, family support, parenting programmes, education and employability work, and motivational work.

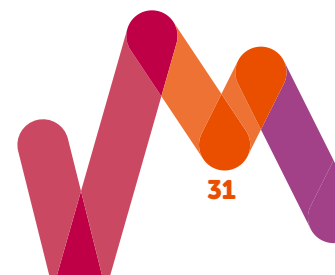
Graph 23 / In the next 12 months, approximately how many service users are you planning to support? n=89



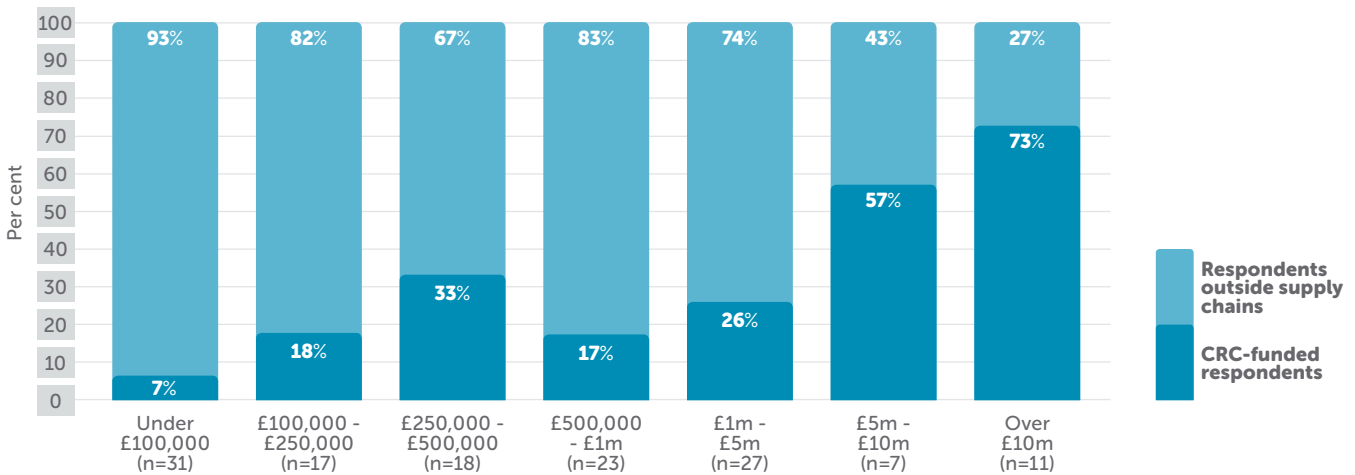
These organisations, in keeping with their more local nature, also delivered smaller scale services. 64% of the respondents expect to support less than 250 service users in the next 12 months, whilst only 35% expect to support more than 250 service users. In comparison, 50% of organisations in CRC supply chains expected to support more than 250 services users. This suggests that the organisations outside of supply chains are likely to be smaller than those within them.

From Graph 24 (page 32) we can see that smaller organisations with an income of less than £100,000 per year were most often found to be outside of the CRC supply chains, and significantly under-represented in them. In contrast many of the larger organisations with an income of over £10 million were far more likely to be in supply chains than they were to be outside of them.

This raises questions for CRCs about the make-up of supply chains, and why (according to this data) they have not been able to include smaller organisations in the delivery of rehabilitation and resettlement services.



Graph 24 / Income of CRC-funded respondents compared with the income of respondents outside of supply chains



**The services being delivered by the voluntary sector outside of supply chains**

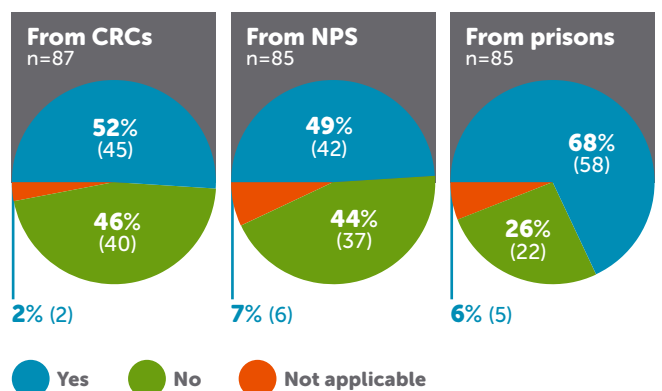
The type of service users supported by both CRC funded organisations and those outside supply chains were strikingly similar, with almost no difference between the two. The types of services being delivered by organisations outside of supply chains were also similar in nature to those that were being funded by CRCs, with some notable differences. The services that appeared more frequently outside of supply chains include:

- Employment, education and training
- Accommodation
- Supporting the families of people in prison
- Arts interventions
- Floating support for high risk offenders.

It should be noted that because we had almost three times more responses from organisations outside of supply chains (100 in comparison to 34), it is difficult to compare the two groups of organisations and services.

**Referrals into services outside supply chains**

Graph 25 / Have you received referrals from the CRC, the NPS or from prisons?



There is a mixed picture as to whether these services are being actively referred to by CRCs and the NPS, but around half of the respondents receive referrals from CRCs and the NPS. In addition, over two-thirds receive referrals directly from prisons, suggesting that this is still a significant route to clients for these organisations.

These figures show the extent to which probation and prisons utilise the services provided by the voluntary sector, without contributing financially to the delivery of those services. This highlights the need to think carefully about the how to sustain these services, which are being referred into by





probation and prison staff. It also suggests that many of these services contribute to the rehabilitation and resettlement outcomes, and is therefore likely to have an impact on overall re-offending rates. However, these services may get little or no recognition as part of the probation service's supply chain, and their contribution may go unmeasured.

Although most respondents appeared unconcerned about where referrals were coming from (and for some this is their main route for accessing potential service users), there were some concerns raised in open-text responses.

***"We have closed our referral system as we can't manage our services without additional resource and funding support."***

Concerns were mainly around capacity and the ability to provide a service to all those referred in, as well as the fact that their service did require funding which it was not receiving from either the CRC or the NPS.

***"We receive requests EVERY day from contractors to send us the people they are mentoring ... There seems to be a complete lack of understanding that our work needs funding like everybody else."***

There was also a perception from respondents that voluntary sector organisations outside of supply chains were being sent clients who were particularly chaotic, or who presented with multiple needs. Below are some selected quotes from respondents that illustrate how those organisations felt they were being utilised:

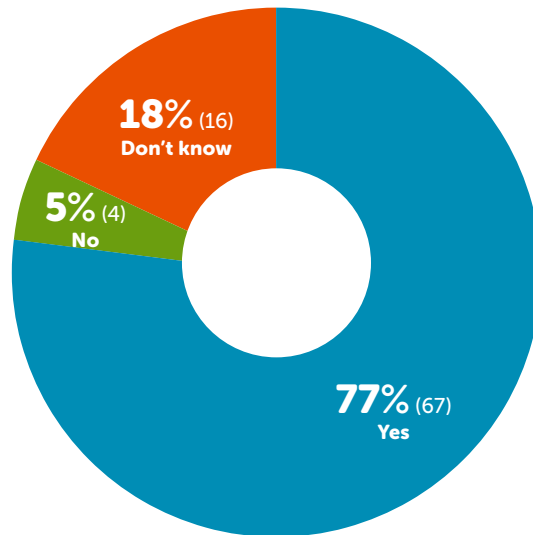
***"It seems that we are being referred clients so we can support them to find housing or clients who are extremely chaotic as the CRC worker may not have time to support them effectively."***

***"Since the inception of PbR the most able candidates are dealt with by the [CRC], these have been the hardest to reach clients they have."***

***"The complexity of referrals has massively increased while the quality of information on the referrals has massively decreased. It feels like we now get all the impossible cases."***

## The funding for service delivery

Graph 26 / Do you think your service(s) should be funded through Transforming Rehabilitation? n=87



Over three quarters of organisations outside of supply chains felt that their services should be funded through TR, either by CRCs, the NPS, or both. For the minority that don't think they should be funded through CRCs or the NPS, some gave statements such as, "We do not seek statutory funding and as such are not seeking to deliver either a grant or contract from TR". This highlights that for some organisations staying outside of public service supply chains is a conscious, strategic, or ethical decision.

For those that did feel they should be funded through this route it was largely because they felt that their services were directly contributing to a reduction in re-offending, and therefore supporting CRCs and the NPS with their overall aim. Some organisations also felt that TR had raised the expectation of smaller voluntary sector organisations that they would be able to find opportunities to deliver services with funding from the newly formed CRCs and the NPS, but that this had not come to fruition.

***"Given that that was the Government's plan, it should be material ... We have been told the premise of TR was the meaningful involvement of small and local [voluntary sector] organisations. In reality, the exact opposite to that has happened."***

However, many organisations acknowledged that neither CRCs nor the NPS had the budget to purchase their services. They suggested that the TR reforms had been unrealistic, or over-ambitious, in their aim to involve such a breadth and depth of providers given the allocated resources and the increasing number of service users that CRCs and the NPS would have to support.

***“The reality is that in the CRCs, and even more so in the NPS, there is not enough resource (financial or human) to cope with the demand and as such the slack will need to be picked up somewhere.”***

Other organisations commented that some services were struggling with a lack of clarity about whose responsibility it was to fund them. There persisted a feeling amongst these organisations, reported in our last survey, that other charitable and statutory funders were dis-investing in rehabilitation and resettlement services on the assumption that CRCs or the NPS would fund them.

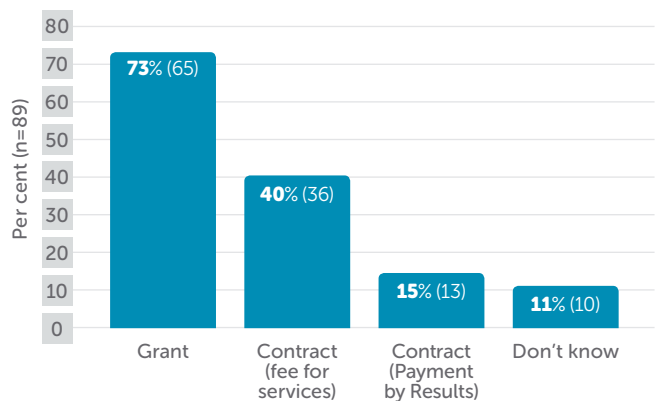
***“More and more the local authority is questioning the outcomes and suggesting that they are actually NPS priorities rather than LA ones.”***

We asked how organisations outside of supply chains funded their services, and although they

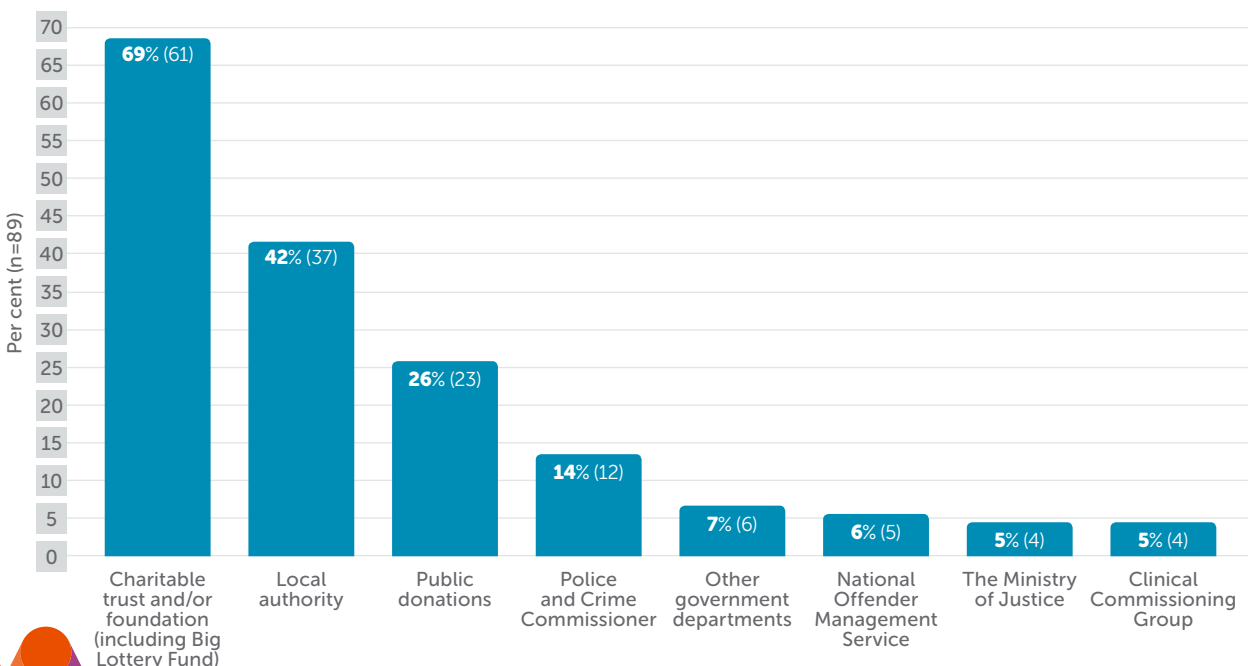
were often funded through multiple sources, over two thirds were funded by charitable trusts and foundations, including the Big Lottery Fund. This shows a considerable investment from the charitable sector to fund organisations to undertake resettlement and rehabilitation work.

A significant amount has also been contributed by local authorities, despite the pressure on their budgets in recent years, and a quarter reported that they receive some funding through public donations. A wider range of other funding sources are cited, including earned income generated through rents and trading, legal aid, housing benefit, and from private companies.

Graph 28 / How is the service funded? (tick all that apply)



Graph 27 / How is the service funded? (tick all that apply)



Nearly three quarters of the services outside of supply chains receive their funding in the form of grants, compared to only 15% of those funded by CRCs. This shows the importance of grants to the voluntary sector in delivering their services.

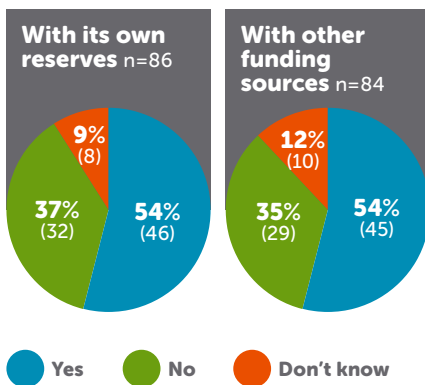
However contracts are also important, with 55% reporting that they are funded in this way. Two fifths are funded through 'fee for service' contracts, compared with three fifths of those funded by CRCs. Less than 1 in 6 are funded through 'payment by results' contracts, compared with 1 in 5 of those funded by CRCs. Nine respondents were able to identify a performance percentage element in their contracts, as follows: 10% (2 cases), 20% (2 cases), 30%, 45%, 50%, 90% and 100%. Again we would advocate against the passing of significant financial risk to voluntary sector organisations who may be unable to manage that risk.

important finding regarding the viability of funding sources, but caution should be exercised, as the figures for organisations funded by CRCs are based on a relatively low number of respondents.

The explanations that respondents offered for subsidising their work through reserves and other funding sources include:

- Funding sources do not provide full cost recovery
- Subsidies pay for additional capacity to meet demand
- Payment for add-on services that complement delivery
- To pay for back-office overheads
- To cover start-up costs
- To cover costs for transitional periods whilst awaiting funding decisions
- To cope with late payment by funders.

**Graph 29 / Has your organisation had to subsidise service delivery with its own reserves or with other funding sources?**



The financial sustainability of services being provided by the voluntary sector outside of CRC supply chains is questionable. Over half of respondents reported that they have had to subsidise delivery with their own reserves, and half with other funding sources. In total, 58 organisations (67%) have had to subsidise their service delivery with either reserves or other sources.

This situation compares strikingly with that for CRC-funded services, where the figures are reversed – around 3 in 10 have had to subsidise services with reserves or other funding sources, while over half have not in either case. This is an



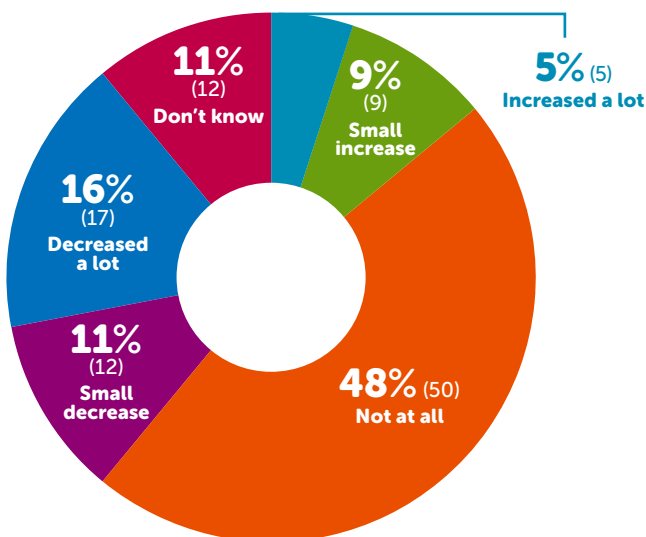
## 2.7 / The sustainability of the voluntary sector

The majority of organisations report that funding hasn't been impacted as of yet, however, there is growing anxiety about the sustainability of voluntary sector services, and evidence to suggest that the situation needs close monitoring. There is also ongoing uncertainty as to who should be funding which services. Organisations continue to report that this is impacting on their funding from statutory bodies, such as local authorities, and independent funders such as charitable trusts and foundations.

In this section we also highlight a difference in outlook between organisations that are funded through CRCs – which tend to be more positive about future sustainability – and the majority of organisations that are outside of supply chains – who tend to be more negative.

### Impact of Transforming Rehabilitation on overall funding

Graph 30 / How has Transforming Rehabilitation affected the overall funding for your services? n=105



The changes to probation services under TR have not had any apparent impact on their overall funding for almost half of the respondents (48%). For just over 13% there had been an increase in funding, almost a third (28%) had seen a

decrease in their funding, and just over 1 in 10 did not know what impact TR had on their funding.

***“We expected some contractual work to have been secured but nothing came to fruition. We need to reassess our business plan and strategic vision.”***

It is worth noting that 16% reported that their funding had ‘decreased a lot’, in comparison to only 5% that had seen their funding increase a lot. For those that are losing out under new structures, they reported that funding was being cut, or that they were losing out to other providers who were now commissioned to deliver services that they had previously delivered.

***“Fierce competition means we have got no further funding and everything seems in flux, people not wanting to commit until there is an understanding of what is going on.”***

For many organisations, even those who predict an increase in funding, it is simply too early to tell, with respondents reporting that they are waiting for news on contracts, commissioning opportunities, or other negotiations.

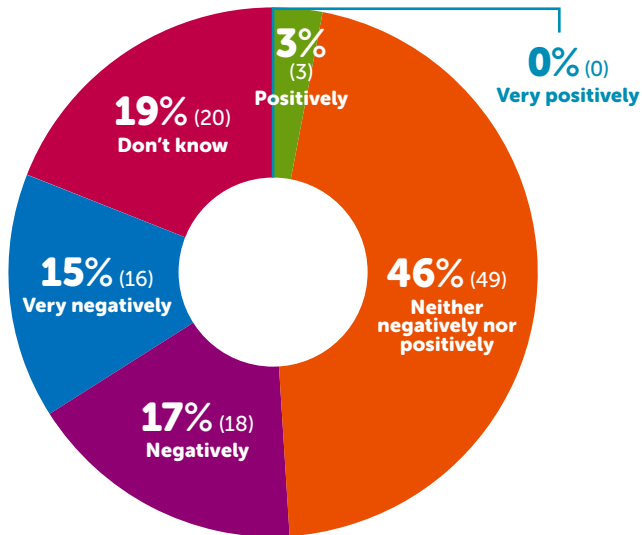
***“If contracts we’re negotiating with CRCs are signed this will significantly increase our turnover, however these are not yet secured.”***

### Impact of Transforming Rehabilitation on funding from elsewhere

For almost half of the respondents there has been little impact on their ability to access funding from other sources, and a further 19% say that they don't know whether it has had an impact. This potentially points to the fact that the pace of change has been slower than anticipated and many are still waiting for any significant changes to current funding.

***“TR has been seen by some local authorities and Police & Crime Commissioners as providing an answer to their own budget difficulties, with at least one county council citing this as a reason for withdrawing funding for homeless offenders.”***

**Graph 31 /** How has Transforming Rehabilitation affected your ability to access funding for offender services from other sources? (For example, has Transforming Rehabilitation led other funders to increase, reduce, or withdraw their funding) n=106



Organisations that did report a change in their ability to access funding from other sources were significantly more likely to report a negative impact. Only 3% of organisations felt that TR had positively affected their ability to access funding from other sources. On the other hand 32% felt it had negatively or very negatively affected their ability to do so. The open text responses provide some explanation for this, with many pointed to a lack of clarity or transparency about what services are being commissioned as a result of TR, and that this is leading to confusing and/or disinvestment by some funders.

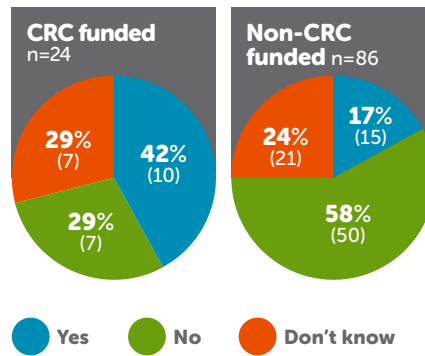
***“Because our commissioners are also unable to get a clear picture from the CRC they have simply cut our funding in line with their own budget cuts. Over the next few months ... we fear we will lose the majority of LA funding.”***

**Different experiences of sustainability**

Just over two fifths of organisations funded by CRCs believe the financial terms they have agreed to be sustainable, and around 3 in 10 believe that the terms they have signed up to are unsustainable. However, just over three fifths of respondents funded by CRCs say their funding agreement is

**Graph 32 /** Funding sustainability

- Do you consider the financial terms you have agreed **with the CRC** to be sustainable?
- Do you consider the funding of your service(s) (**non-CRC funded**) to be sustainable?



‘viable’ for the whole period of the contract. Almost a third (29%) of the CRC funded organisations stated they ‘don’t know’ whether their services are sustainable. In the open text responses many organisations said this was because it is too early to take a view on these new funding arrangements. One organisation said that:

***“They have not told us yet how much they are offering, all we know [is] that it will be less.”***

In other instances organisations delivered multiple contracts with multiple CRCs, one respondent stated that their experience varied from contract to contract:

***“This varies. Some contracts are reasonable (if challenging) – some contracts are still under negotiations because the terms offered are not viable and others are relatively sound financially.”***

In comparison only just over 1 in 6 (17%) organisations outside of CRC supply chains consider their funding to be sustainable. Nearly three fifths (58%) believe their funding is unsustainable, compared with 29% of CRC-funded organisations.

***“Currently we are facing cuts in adult learning, cuts in the arts, and a reduced amount of funding from trusts and charities and local authorities. Unless we can find and create alternative funding streams and raise income through our activities, we are not sustainable.”***



Analysis of the open responses suggests that there are a number of reasons for this, including:

- Large single-funder grants that are coming to an end
- A limited range of funding streams for rehabilitation and resettlement work, leading organisations to rely heavily on a small number of funders
- Lack of full cost recovery leading to the need for services to be subsidised
- Increasing demand on services and reliance on volunteers due to staff shortages
- Cuts to existing funding streams
- Uncertainty as to whether they can or will access funding from CRCS or the NPS.

***“Funding periods appear to be reducing due to uncertainty about TR provision, so funders are giving short (6 month/12 month) extensions rather than re-commissioning at this time.”***

This suggested that organisations working outside of CRC supply chains, who also tend to be smaller in size, may be experiencing more challenges in securing longer-term sustainability than those who are funded by CRCs.

# 3 / Conclusions

CON  
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**There have been major changes to probation services, and with that has come significant challenges for the public, private and voluntary sector. The Transforming Rehabilitation reforms have been implemented at pace, with large-scale structural change, new payment mechanisms, the introduction of new providers and new supply chains. We need to bear this in mind when assessing how far we have come in transforming probation services across England and Wales, and how far we still have to go.**

Clinks, NCVO and TSRC have been able to gather a substantial amount of information from the voluntary sector to gauge their experiences of, and involvement in, new probation services. Through this we have been able to come to some conclusions about the voluntary sector’s current involvement as well as make constructive recommendations for change.

## Key findings & recommendations

### 3.1 / The pace of change is slow

The changes to probation services are taking a long time to embed. Given the scale of reform this is not entirely surprising but the pace of change has still been much slower than many anticipated. The pace of change is reported to be curbing investment in the voluntary sector’s rehabilitation and resettlement services, meaning that services run by the voluntary sector are vulnerable and at a greater risk of closure.

**Recommendation 1 / Publish the commissioning intentions of CRCs and the NPS**

CRCs and the NPS should publish annual commissioning intentions, in order to make clear to all relevant stakeholders what services they intend to commission from external providers, whether through grants or contracts, including timescales where possible. This will allow the voluntary sector to plan strategically for the future and support other stakeholders to understand what services CRCs and the NPS plan to invest in.

### 3.2 / Voluntary sector involvement in supply chains appears low

Only one quarter of the 151 voluntary sector organisations that responded to our survey reported being funded through a CRC’s supply chain. Of those that are being funded through supply chains 70% are delivering pre-existing services. The organisations that are in supply chains are disproportionately larger voluntary sector organisations, with very few smaller or medium sized organisations represented.

However, the contribution of voluntary sector organisations outside of supply chains to rehabilitation and resettlement outcomes is likely to be considerable. Half of the voluntary organisations outside of supply chains still receive and accept referrals from CRCs and the NPS, whilst over two-thirds receive referrals directly from prisons.

**Recommendation 2 / Provide total transparency of supply chain partners**

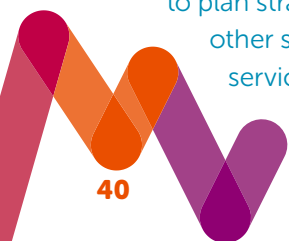
CRCs and the NPS should publish, ideally on a quarterly basis, full details of their supply chains, including: the names and company/charity numbers of tier two and three providers; the amount of funding passed down to sub-contractors; a summary of the service being provided; and where appropriate the contribution that these organisations have made to Key Performance Indicators (KPIs).

**Recommendation 3 / Support small voluntary organisations**

The NPS and each CRC should publish an annual strategy and action plan setting out how they will effectively engage smaller organisations in the delivery of services for people under probation supervision.

### 3.3 / Poor communication between probation services and the voluntary sector is damaging local relationships

The voluntary sector’s relationships with CRCs and the NPS are being negatively affected by a lack of communication about future strategy, service development and commissioning opportunities.





Furthermore, many voluntary organisations report a mixture of confusion and uncertainty about what services are being offered through CRCs and the NPS.

#### **Recommendation 4 / Support communication and engagement with the voluntary sector**

The National Offender Management Service should support significant improvements in the way CRCs and the NPS communicate and engage with the voluntary sector; with the aim of improving local relationships, partnerships and services. This should be achieved by working jointly with the NPS, CRCs, and voluntary sector representatives to produce a practical toolkit and any necessary training to deliver it.

### **3.4 / The NPS needs to work more effectively with the voluntary sector**

Only one organisation responding to our survey had a direct funding relationship with the NPS. We heard that the 'rate card' system limits strategic engagement with the voluntary sector, restricts collaboration as well as innovation and increases the cost of services to the NPS.

#### **Recommendation 5 / Enable the National Probation Service to engage with the voluntary sector**

The NPS should be allowed and encouraged to work directly with the voluntary sector to develop services for offenders that pose a high risk of harm to the public. The current 'rate card' system needs to be reviewed so that the NPS can have a greater role in co-producing and, in some instances, commissioning specialist services for high risk offenders.

### **3.5 / The quality of services and the outcomes for service users require close monitoring**

Many voluntary sector organisations could not say whether Transforming Rehabilitation had negatively or positively impacted on services or service users, possibly because the transition to new approaches is still underway. However, those that had seen a change were more likely to report it as negative rather than positive; in

some cases considerably more likely. Additionally, only 3 in 10 organisations funded by CRCs to deliver services in supply chains felt that the level of funding they received allowed them to deliver a high quality service.

#### **Recommendation 6 / Closely monitor and assess the quality of services**

The National Offender Management Service and Her Majesty's Probation Inspectorate should closely monitor the quality of commissioned services against existing evidence of good practice, working directly with specialist voluntary organisations to contribute evidence of good and poor practice. This should also include an increase in service user involvement to assess their views on the quality of probation services.

### **3.6 / There is anxiety about current and future funding and sustainability**

Although most voluntary sector organisations report that their funding for rehabilitation and resettlement services hasn't been impacted as of yet, there is growing anxiety about the sustainability of services and evidence that the situation needs monitoring. Those outside of CRC supply chains are more likely to believe that their services are unsustainable. Organisations also report that a lack of information about what services the CRCs and NPS are commissioning and/or delivering is putting other funding sources at risk, particularly local authorities and independent charitable funders.

#### **Recommendation 7 / Support the sustainability of rehabilitation and resettlement services**

The Ministry of Justice should support a co-produced review into the voluntary sector's ongoing role in rehabilitation and resettlement services; learning from the process and outcome of the *Joint review of partnerships and investment in voluntary, community and social enterprise organisations in the health and care sector\** supported by the Department of Health, NHS England and Public Health England.

\* To find out more about the VCSE review visit: <https://vcsereview.org.uk>

## Notes

- 1 To find out more about Transforming Rehabilitation visit Clinks' website: [www.clinks.org/criminal-justice-transforming-rehabilitation/what-transforming-rehabilitation](http://www.clinks.org/criminal-justice-transforming-rehabilitation/what-transforming-rehabilitation)
- 2 Ministry of Justice press release [www.gov.uk/government/news/voluntary-sector-at-forefront-of-new-fight-against-reoffending](http://www.gov.uk/government/news/voluntary-sector-at-forefront-of-new-fight-against-reoffending)
- 3 A list of the successful bidders can be found here: [www.clinks.org/sites/default/files/table-of-new-owners-of-crcs.pdf](http://www.clinks.org/sites/default/files/table-of-new-owners-of-crcs.pdf)
- 4 *Early doors: the voluntary sector's role in Transforming Rehabilitation*, Clinks, NCVO, TSRC (2015), [www.clinks.org/resources-reports/early-doors-voluntary-sector%E2%80%99s-role-transforming-rehabilitation](http://www.clinks.org/resources-reports/early-doors-voluntary-sector%E2%80%99s-role-transforming-rehabilitation)
- 5 To download the survey questions please visit: [www.clinks.org/resources-reports/change-challenge-voluntary-sector-role-transforming-rehabilitation](http://www.clinks.org/resources-reports/change-challenge-voluntary-sector-role-transforming-rehabilitation)
- 6 Ministry of Justice press release [www.gov.uk/government/news/voluntary-sector-at-forefront-of-new-fight-against-reoffending](http://www.gov.uk/government/news/voluntary-sector-at-forefront-of-new-fight-against-reoffending)
- 7 NCVO *UK Civil Society Almanac* (2016), <https://data.ncvo.org.uk>
- 8 Clinks (2016), *State of the Sector: Key trends for voluntary sector organisations working with offenders and their families*, [www.clinks.org/eco-downturn](http://www.clinks.org/eco-downturn)
- 9 Clinks state of the sector reports, [www.clinks.org/eco-downturn](http://www.clinks.org/eco-downturn)
- 10 NCVO, *UK Civil Society Almanac* (2016), <https://data.ncvo.org.uk>
- 11 Clinks (2016), *State of the Sector: Key trends for voluntary sector organisations working with offenders and their families*, [www.clinks.org/eco-downturn](http://www.clinks.org/eco-downturn)
- 12 NAO, [www.nao.org.uk/wp-content/uploads/2015/06/Outcome-based-payment-schemes-governments-use-of-payment-by-results.pdf](http://www.nao.org.uk/wp-content/uploads/2015/06/Outcome-based-payment-schemes-governments-use-of-payment-by-results.pdf)
- 13 See NCVO, *Payment by Results and the voluntary sector* (2014) for evidence showing the difficulties that voluntary sector organisations can have when managing PbR contracts
- 14 NCVO's Funding Central describes full cost recovery as "... recovering the total costs of your project or activity, including the relevant proportion of all overhead costs", [www.fundingcentral.org.uk/Page.aspx?SP=6238](http://www.fundingcentral.org.uk/Page.aspx?SP=6238)
- 15 See Clinks information for sub-contractors under Transforming Rehabilitation: [www.clinks.org/criminal-justice-transforming-rehabilitation/contracting-deliver-services-under-transforming#marketstewardship](http://www.clinks.org/criminal-justice-transforming-rehabilitation/contracting-deliver-services-under-transforming#marketstewardship) [last accessed 05.04.16]






trackTR, a partnership project of Clinks,  
NCVO and TSRC, monitors voluntary sector  
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