



EQUAL PARTNERS?
AN INSPECTION OF THE VOLUNTARY
COMMUNITY AND SOCIAL ENTERPRISE
SECTOR'S ENGAGEMENT WITH THE CRIMINAL
JUSTICE SYSTEM IN NORTHERN IRELAND

May 2019





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Laid before the Northern Ireland Assembly under Section 49(2) of the Justice (Northern Ireland) Act 2002 (as amended by paragraph 7(2) of Schedule 13 to The Northern Ireland Act 1998 (Devolution of Policing and Justice Functions) Order 2010) by the Department of Justice.

May 2019





Contents

List of abbreviations	4
Chief Inspector's Foreword	5
Executive Summary	7
Recommendations	11
Inspection Report	
Chapter 1 Introduction	13
Chapter 2 Strategy and Governance	19
Chapter 3 Delivery	34
Chapter 4 Outcomes	50
Appendices	
Appendix 1 Terms of reference	60
Appendix 2 Department of Justice draft PfG Outcomes	63
Appendix 3 State of the Social Enterprise Sector (Key Facts)	64
Appendix 4 Sources of funding	65

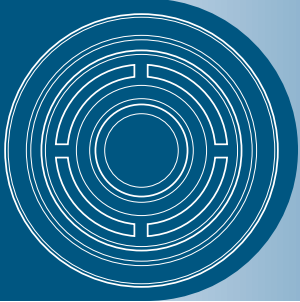


List of abbreviations

AD:EPT	Alcohol and Drugs: Empowering People through Therapy
CENI	Community Evaluation Northern Ireland
CJI	Criminal Justice Inspection Northern Ireland
CJS	Criminal Justice System
CPD	Construction and Procurement Delivery
CYPSP	Children and Young People's Strategic Partnership
DfC	Department for Communities
DoJ	Department of Justice
ECO	Enhanced Combination Order
EU	European Union
IPPR	Institute for Public Policy Research
NICVA	Northern Ireland Council for Voluntary Action
NIHE	Northern Ireland Housing Executive
NIPS	Northern Ireland Prison Service
NSD	New Strategic Direction
OBA	Outcome Based Accountability
PBNI	Probation Board for Northern Ireland
PCSP	Policing and Community Safety Partnership
PfG	Programme for Government
PPANI	Public Protection Arrangements Northern Ireland
PPS	Public Prosecution Service for Northern Ireland
POST	Positive Outcomes for Short Term Prisoners
PSNI	Police Service of Northern Ireland
VSNI	Victim Support Northern Ireland
YJA	Youth Justice Agency

Third Sector:

Also known as the Voluntary Community and Social Enterprise sector. The Third Sector is the term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations that have charitable status or are community interest companies, social enterprises, mutuals and co-operatives.



Chief Inspector's Foreword

Criminal Justice Inspection Northern Ireland (CJI) has consistently reported on the significant contribution being made by the Voluntary, Community and Social Enterprise Sector, hereafter the Third Sector, to the delivery of justice in Northern Ireland. Staff within these organisations bring their life and lived experiences to support the work of the criminal justice agencies.

As a general rule they cost less than the public sector, are less bureaucratic, are more innovative and creative, tend to get much closer to the offender, victim and witness and through their understanding of community, are able to target their services more effectively.

These are by far the most difficult and challenging times for the Third Sector, who more than anyone understand the impact of pressures on the public purse. In addition, the Third Sector is subject to a new regulatory framework being delivered through the Charities Commission for Northern Ireland. This has resulted in a significant reduction in the number of small organisations that exist as many are unable to meet the governance standards now required.

The funding available to the Sector has reduced significantly, yet the demand for the services they provide has increased.

The report shows how adept the Third Sector has had to become in accessing funding outside of the justice family which is spent directly in delivering services in support of the criminal justice agencies. I am grateful that so many organisations and government departments understand the importance of their work and the contribution that they make to delivering social justice.

The public sector on which the Third Sector depends, is itself currently trying to understand and implement the concept of Outcome Based Accountability (OBA) while at the same time, re-define and develop a more sustainable and effective funding relationship with the Third Sector. This is both complex and complicated and the challenges facing the Sector are multi-faceted.



At such times the Third Sector would look to political leadership to advocate on its behalf within government. In the absence of a functioning Northern Ireland Assembly we have made a small number of strategic and operational recommendations to support the Sector and look to the Department of Justice (DoJ) to take the lead in their implementation.

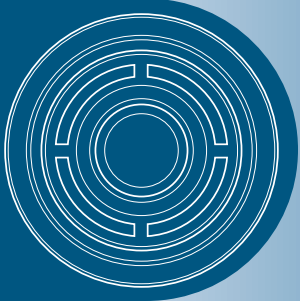
This inspection was conducted by Dr Stephen Dolan, I wish to express my sincere gratitude to all who have supported this work.

Brendan McGuigan CBE
Chief Inspector of Criminal Justice
in Northern Ireland

May 2019

Criminal Justice Inspection
Northern Ireland
a better justice system for all





Executive Summary

What is the Third Sector?

The Third Sector is an umbrella term that covers a range of different organisations with different structures and purposes, belonging neither to the public sector (i.e. the state) nor to the private sector (profit-making private enterprise). Other terms are used to describe such organisations – the voluntary sector, non-governmental organisations, non-profit organisations – particularly in public discussions around policy and politics.

Third Sector organisations include:

- charities;
- voluntary and community organisations;
- social enterprises and cooperatives;
- 'Think tanks' and private research institutes (this does not include universities and colleges); and
- some organisations, such as housing associations, have been spun off from government and are considered quasi-third sector groups, even though they deliver public services.

In Northern Ireland, the Department for Communities (DfC), is the government agency currently tasked with overseeing and managing the relationship between the Third Sector and the government.

What does the Third Sector do?

Typically most Third Sector organisations dedicate themselves either to a particular issue which needs solving (e.g. prison reform or homelessness); or to a particular group in society (e.g. ex-offenders or victims of domestic violence) who require support and representation. They may provide services related to these issues (e.g. running a women's shelter, or providing legal advice) in the past due to an absence of public provided services, although now they are often funded by government (86% of Third Sector bodies in Northern Ireland receive some government funding¹). Some organisations (particularly think tanks and research institutes) may work on a wider range of issues, with a local, national or global focus.

As well as delivering direct services, Third Sector groups will commission or carry out research into subjects that affect the groups and issues they deal with. They also aim to raise public awareness shape public policy through public campaigns, lobbying politicians and influencing government officials.

Funding landscape

When compared to the state of the Sector as reported in the 2013 CJI report *A review of the Voluntary and Community Sector's involvement in the Northern Ireland criminal justice system*²

1 Ulster Bank and Co3 Third Sector Index Quarter Four, 2018; available at

http://www.co3.bz/sites/default/files/Ulster%20Bank%20-%20CO3%20Q4%202018%20Report_0.pdf

2 *A review of the Voluntary and Community Sector's involvement in the Northern Ireland criminal justice system*; CJI, February 2013, available at <http://www.cjini.org/TheInspections/Inspection-Reports/2013/January---March/Third Sector>



Third Sector Chief Executives in 2018 said financial pressures were the most challenging they had faced with difficult decisions giving rise to redundancies, reduced working hours and consolidation of offices and regional centres. Yet, the demand for services to young people and children, victims of domestic and sexual violence, offenders with substance abuse issues and support for offenders in the community had increased³.

The latest Ulster Bank and CO3 Third Sector Index showed that nearly 60% of Third Sector leaders expect it to shrink over the next three years with 28% reporting cash flow problems in 2017. According to the Index, more than 75% of leaders say that the lack of a Northern Ireland Executive is harming their organisations, bringing funding issues, a lack of decision-making and uncertainty. Over 70% said they expected the political situation here to become less stable, while two-thirds said they expect the economic situation to deteriorate⁴.

Between 2009 and 2014 funding to the Third Sector fell by 33% from £742 million to £574 million with an estimated 6,127 bodies operating in the sector⁵. The mix of funding remained diverse with key contributors being Central Government (34%), statutory bodies and other agencies (34%) and public donations (30%).

Funding from the European Union (EU); Big Lottery and philanthropic trusts remained generally stable over this period, although there is uncertainty over EU funding and a major funder Atlantic Philanthropies, has gradually withdrawn.

On a positive note, the Third Sector was adept at attracting funding and the diversity of funding sources was a particular strength. The *Fresh Start*⁶ (now known as Tackling Paramilitarism) and *Social Investment Fund*⁷ (SIF) initiatives provided additional resources.

At the time of this inspection the Department of Justice (DoJ) was proposing a full cost recovery funding model that would eventually replace the current system whereby certain bodies received core funding as well as project funding. This aimed to achieve better value for money and greater transparency. The DoJ model included a transition phase to cushion organisations against a sudden loss of core funding as well as co-ordinating other departments' funding approaches to create a level playing field. There were some critics of this approach who stated that losing core funding would have a negative impact on the Third Sector's capacity to delivery advocacy, critical challenge and leveraging of additional funding.

3 Ulster Bank and Co3 Third Sector Index Quarter Four, 2018; available at http://www.co3.bz/sites/default/files/Ulster%20Bank%20-%20CO3%20Q4%202018%20Report_0.pdf

4 Ibid

5 NICVA *State of the Sector VI*, April 2012 available at <https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKEwi82tWls6TgAhVVr3EKHcSPBvsQFjAAegQICRAB&url=http%3A%2F%2Fwww.nicva.org%2Fresource%2Fstate-sector-vi&usq=AOvVaw0qtafclMM4cq8mXPq6IZj>

6 *A Fresh Start - The Stormont Agreement and Implementation Plan* (also referred to as the 'Fresh Start Agreement') was published by the Executive and the British and Irish Governments in November 2015. The document available at <https://www.executiveoffice-ni.gov.uk/publications/fresh-start-stormont-agreement-and-implementation-plan> set out a wide range of proposals for addressing some of the most challenging and intractable issues that impact upon communities, including commitments to tackle paramilitarism and organised crime.

7 The *Social Investment Fund* (SIF) was set up to deliver social change. It aims to make life better for people living in targeted areas by reducing poverty, unemployment and physical deterioration. The fund will run until March 2020 and all funding has been committed to projects prioritised by local Steering Groups. Further information can be found at <https://www.executiveoffice-ni.gov.uk/topics/social-change/social-investment-fund>

Governance

The introduction of Outcome Based Accountability (OBA) was challenging with its demands for partnership and collaboration requiring alignment of departments' aims and priorities in the absence of Ministers. The overarching governance at departmental level had been developed, but Third Sector bodies varied in their understanding and approach to the outcomes focused regime. Training and guidance commissioned by the departments and the Third Sector had been delivered by a range of providers but evidence was that this needed refreshment.

A key governance development was the establishment of the Charities Commission for Northern Ireland in 2009. The Commission has issued a regulatory framework and guidance on good governance and launched the first register of charities in Northern Ireland.

Scale of the Sector

The scale of the Third Sector depends on its definition. There are over 6,000 bodies registered with the Northern Ireland Council for Voluntary Action (NICVA), some 8,000 not-for-profit bodies registered for tax purposes and over 5,000 charities registered with the Charities Commission for Northern Ireland by 2016, with possibly up to 17,000 bodies loosely falling within the charitable category⁸ although the Third Sector is a sub-set of this and numbers around 6,000.

Whatever the true number, the sector was a significant employer with a workforce in excess of 25,000 people and a quarter of a million volunteers. The criminal justice related bodies were also significant with as many as 1,100⁹ bodies involved in one way or another with the past conflict and related community safety issues in Northern Ireland.

Commissioning Services

The implication of greater competition in the funding process with service commissioners, co-design¹⁰, achievement of best value and OBA, may disadvantage the smaller community-based groups that lacked resources and expertise to effectively operate in this environment. The council-based Policing and Community Safety Partnerships (PCSPs) have engaged in capacity building with local community groups and also simplified the application processes. Although there is still room for improvement, a representative of local authorities said this lies as much in the hands of the community groups as it does the commissioning bodies.

Research into public procurement suggested that the barriers to innovation were restrictive tendering practices, a lack of expertise within the public sector to assess innovative solutions, infrequent use of variant bids, and a lack of use of total life costs. The co-design exercises to date met with a mixed response; some were restrictive and outcomes predetermined, others provided a platform for the Third Sector to have an input in to the process. A staged approach to co-design exercises opening with general input and gradually narrowing focus on an outcome-based specification is a possible development.

8 *The Northern Ireland register of charities - three years on*; NI Charities Commission, 2016, pp5 available at <https://www.charitycommissionni.org.uk/about-us/research/research-reports/>

9 Ibid; pp22. Including community safety/crime prevention, interface areas, ex-offenders and prisoners, victim support.

10 Co-design also known as participatory or co-operative design is an approach that attempts to actively involve all stakeholders, e.g. employees, partners, customers/service users and citizens in the design process to ensure the results meets their needs and is usable.



The capacity within the Third Sector to respond to commissioning exercises varied widely, with larger voluntary bodies being most capable. The introduction of outcome-based commissioning by the public sector was at an early stage and training and development of both the commissioners and the Third Sector could assist this.

The Social Enterprise Sector within the criminal justice system was less well developed than in other sectors such as social housing and working with people with disabilities. There was a distinct need to include social value clauses in commissioning but the absence of the Northern Ireland Executive undermined this as well as any attempts to reform the funding basis to align with an outcome driven timeline.



Recommendations

Strategic recommendation

1

- The introduction of the Full Cost Funding Model should include safeguards including:
- a rolling introduction with core costs being gradually replaced by apportionment of overheads in the bid process;
 - co-ordinating the replacement of the core funding across other funding departments (through the Joint Forum) to prevent unfair advantage; and
 - a comprehensive training programme incorporating a programme covering outcome-based commissioning, using co-design, balancing competition with partnership and capacity building to develop a consortia delivery model into both the Departmental approach and the Third Sector response (*paragraph 3.26*).

Operational recommendations

1

The governance arrangements for updating the Government Funding Database and ensuring completeness and accuracy need revisited. The DoJ should encourage and promote better governance arrangements for the Government Funding Database with guidance agreed through the Interdepartmental Joint Forum being issued to all funding bodies (*paragraph 3.27*).

2

The Small Grants Programme needs to be reviewed in the context of outcome based accountability. The assessment of impact and achievement of outcomes through the small grants programme should be reviewed (*paragraph 3.34*).

3

Although the Department for Communities (DfC) is the Department responsible for developing the sector and has a significant role here, it is recommended that the Department of Justice (DoJ) (through interdepartmental working groups) should assist development of information that can be specific or proxy relating to the achievement of DoJ outcomes (*paragraph 4.45*).

4

Departments should lobby for flexibility within the annual budgetary cycle to reflect the need to continually assess and adapt projects and programmes within the outcome model of assessment (*paragraph 4.47*).



Inspection Report



Introduction

What is the Third Sector?

- 1.1 The 'Third Sector' is an umbrella term that covers a range of different organisations with different structures and purposes. It forms the third sector of the economy alongside the public sector (i.e. the state) and the private sector (i.e. profit-making private enterprise). Other terms are used to describe such organisations – the voluntary sector, non-governmental organisations, non-profit organisations – particularly in public discussions around policy and politics. These terms all describe organisations which share the same fundamental elements:
- **Non-governmental:** although they often work with or alongside government agencies, and may receive government funding or commissions, Third Sector organisations are independent from the government.
 - **Non-profit:** Third Sector organisations raise funds and generate financial surpluses in order to invest in social, environmental, or cultural objectives. They do not seek to make profits as an end in its own right.
 - **Values-driven:** Third Sector organisations pursue specific goals which are often aligned with particular social and political perspectives. They may be associated with or work with political parties, but a political party is not a Third Sector organisation.
- 1.2 Third Sector organisations include:
- charities;
 - voluntary and community organisations;
 - social enterprises and cooperatives;
 - 'Think tanks' and private research institutes (this does not include universities and colleges); and
 - some organisations, such as housing associations, have been spun off from government and are considered quasi-third sector groups, even though they deliver public services.
- 1.3 Third Sector organisations operate at all levels of society, from the very local to the national and the international, and they make a significant – and rapidly increasing – contribution to the health and well-being of society both in the UK and abroad. To this end many Third Sector organisations receive government commissions to provide services on the government's behalf.

- 1.4 The origins of the Third Sector lie in the early part of the 19th Century when charitable bodies provided some essential services at a time when public provision was severely limited. Delivery was characterised by volunteers, church-based work houses and funded through patronage. Over time government took on the responsibility for public health and welfare culminating in the establishment of the welfare state. The Third Sector continued to provide services commissioned by government or where there were perceived gaps in provision. Over time, the direct commissioning of services by government has increased and one aspect of this report looks at proposals to redesign the relationship between the government and the Third Sector.
- 1.5 In Northern Ireland, the Department for Communities (DfC), is the government body currently tasked with overseeing and managing the relationship between the Third Sector and the government.

What does the Third Sector do?

- 1.6 Typically most Third Sector organisations devote themselves either to a particular issue which needs solving (e.g. prison reform or homelessness); or to a particular group in society (e.g. ex-offenders, or victims of domestic violence) who require support and representation. They may provide services related to these issues (e.g. running a women's shelter, or providing legal advice). Some organisations (particularly think tanks and research institutes) may work on a whole range of issues, but apply a particular philosophical and political filter. Their focus may be local, national, or global.
- 1.7 Third Sector groups try to achieve their aims through a wide range of activities. Some, such as fundraising, providing services, or providing other forms of direct support and advice to the groups they help, are about immediate action. They also commission or carry out research into subjects that affect the groups and issues they deal with.

Public campaigns

- 1.8 Third Sector organisations also aim to raise public awareness and shape public perceptions about particular issues. They conduct public campaigns aimed at the general public, or they may be targeted at certain groups or sectors.

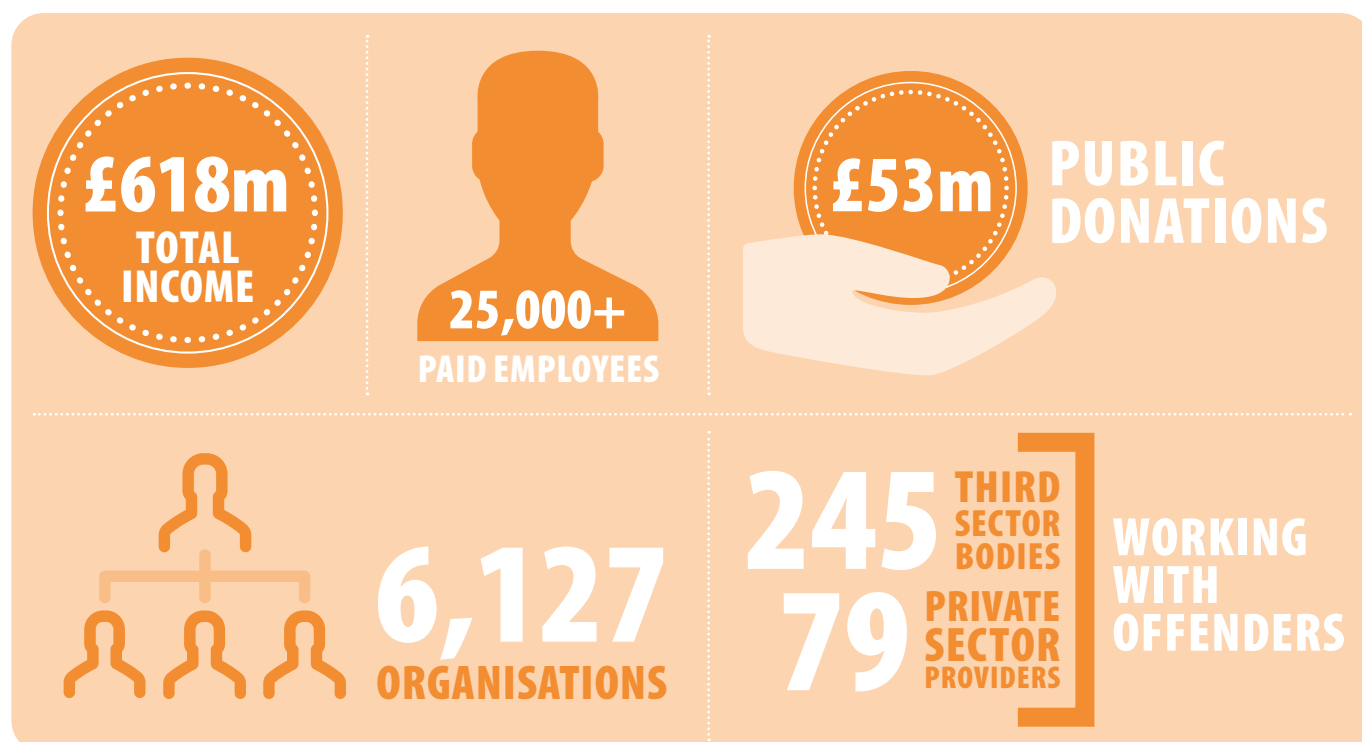
Lobbying or advocacy

- 1.9 Another key aim of Third Sector organisations is to bring about policy change by lobbying politicians, and by influencing government officials and civil servants responsible for the policy areas which impact on the groups or issues they represent. Depending on the organisation's area of interest, they may lobby local MLAs or the responsible Minister, submit evidence to relevant select committees, or brief local or national government bodies.

Scale of the Third Sector in Northern Ireland

- 1.10 In 2014 the Northern Ireland Council for Voluntary Action (NICVA) workforce survey reported that there were 6,127 Voluntary, Community and Social Enterprise (Third Sector) organisations with a total income of £618 million (a decrease of £124 million from 2011(17%)¹¹.
- 1.11 Three years previously, NICVA reported that there were 4,836 Third Sector organisations in Northern Ireland with a total income of £742 million employing 28,000 people in 2011¹². Central government provided £235 million of total funding (38%), with other statutory agencies providing a similar amount £234 million (38%); the general public gave £53m (9%).
- 1.12 Voluntary bodies made up 75% of the sector, community organisations made up 20% and social enterprises the remaining 5%. The Third Sector employed a paid workforce of around 25,000 people with support from some 240,000 registered volunteers. Females make up 75% of the workforce. Over 40% of the workforce is employed by organisations with an income of over £1 million (5.8% of organisations)¹³. A survey of the Social Enterprise Sector estimated some 470 organisations with £500 million a year turnover. The caveat being that a succinct definition of social enterprise bodies was open to debate.¹⁴

Diagram 1 Third Sector in Northern Ireland



11 At time of writing the State of the Sector 7 was out for consultation.

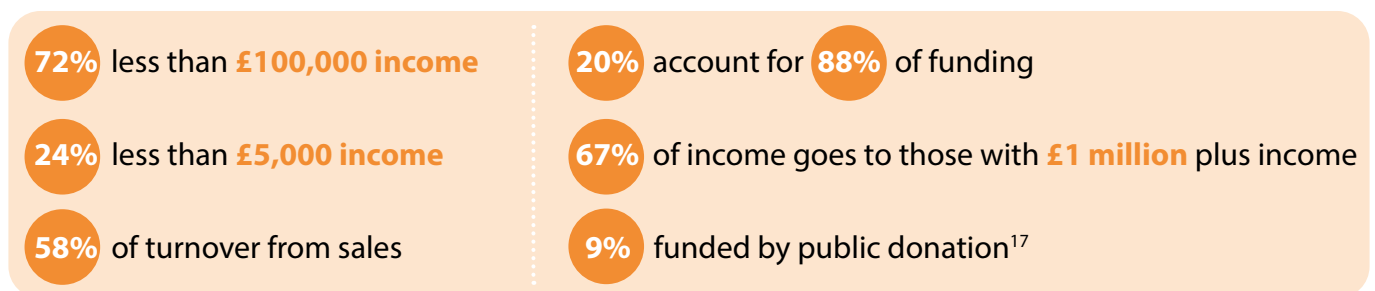
12 'State of the Sector VI'; NICVA, April 2012, available at <https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKEwi82tWls6TgAhVVR3EKHcSPBvsQFjAAegQICRAB&url=http%3A%2F%2Fwww.nicva.org%2Fresource%2Fstate-sector-vi&usq=AOvVaw0qtafclMM4cq8mXPq6lZj>

13 NICVA 2014 workforce survey.

14 PWC survey of the Social Enterprise Sector 2013.

- 1.13 A recent newspaper report quoted findings by the Charities Commission for Northern Ireland that 1,100 various charities were involved in one way or another with issues related to the past conflict and over 200 worked directly or indirectly with ex-prisoners.¹⁵ The Commission continues to develop a register of charities in Northern Ireland and as of October 2016, there were 5,211 registered charities. HM Revenue and Customs (HMRC) registered over 8,000 bodies for tax purposes. The total number of charitable bodies and associated groups operating in Northern Ireland is higher than either of these figures and could be as high as 17,000¹⁶
- 1.14 The Charities Commission for Northern Ireland reported that:
- annual income ranged from £100 to £3 million annually;
 - 72% of charities have income less than £100,000;
 - 24% of charities have income less than £5,000;
 - the top 20% of charities by income account for 88% of the total income; and
 - those with income above £1 million receive two thirds of total income.

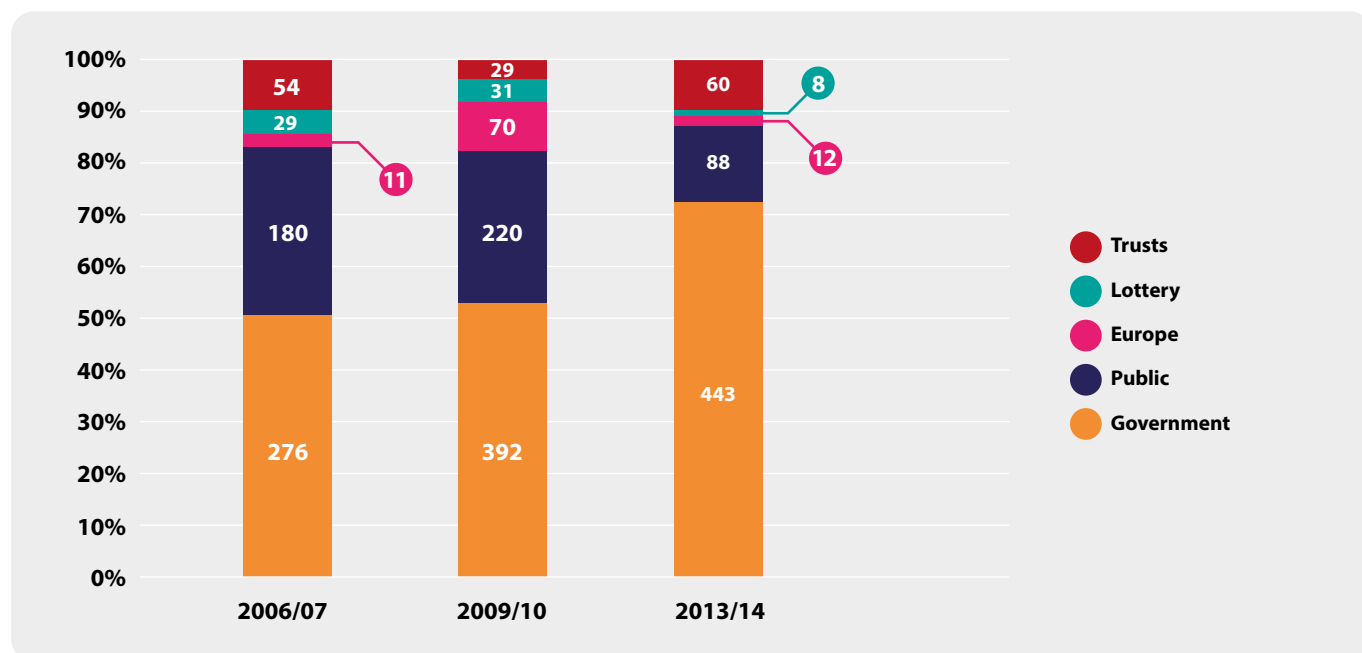
Table 1 Distribution of Income: Northern Ireland Third Sector



- 1.15 As Table 2¹⁸ shows government funding, either central departments or local authorities, is the main source of funding followed by donations from the public with funds from Europe, the Big Lottery and Trusts having a significant role. There are over 800 funding opportunities available on the NICVA grant tracker service in Northern Ireland¹⁹.
- 1.16 The proportion of funding that derives from the provision of services was over 50% across the Third Sector but this was higher in criminal justice system (CJS) linked bodies as charitable donations to these bodies were very low when compared with Third Sector bodies operating in the Health, Education and Children and Young people sectors.

- 15 Belfast telegraph article, 21 December 2016, available here <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKEwi9ubTP68fhAhVHTRUIHVVyAWYQFjAAegQIBB&url=https%3A%2F%2Fwww.belfasttelegraph.co.uk%2Fnews%2Fnorthern-ireland%2F1100-northern-ireland-charities-linked-to-troubles-35310892.html&usg=AOvVaw1Lnu9YAaNC5kLzK3cCj2nW>
- 16 The Northern Ireland register of charities - three years on; NI Charities Commission, 2016, pp5 table including community safety/crime prevention, interface areas, ex-offenders and prisoners, victim support. <https://www.charitycommissionni.org.uk/about-us/research/research-reports/>
- 17 Public funding is much less for criminal justice related bodies less than 1%. NCVO/CAF.UK *Giving 2010: An overview of charitable giving in the UK*, 2009/10, December 2010, available at <http://www.nicva.org/sites/default/files/d7content/attachments-resources/stateofthesectorvi-giving.pdf>
- 18 Analysis of income data for the three years given in NICVA *State of the Sector V* and *State of the Sector VI*. The government figure is sum of central and local government, health and education and NDPBs. Please see <http://www.nicva.org/sites/default/files/d7content/attachments-articles/stateofthesectorvi-incomeexpenditure.pdf>
- 19 NICVA Grant Tracker service. Please see <https://www.grant-tracker.org/>

Table 2 Sources of Income 2006 - 2014 (£'000s)



The Third Sector in the Criminal Justice System (CJS)

1.17 The Charities Commission for Northern Ireland registered 58 charities that specifically identified with the CJS but those likely to be indirectly linked to the CJS was much larger. This is something of an issue as it is difficult to definitively enumerate those Third Sector bodies working with the CJS. In some instances an organisation that hitherto did not work with the CJS may identify a funding stream from a CJS linked organisation that meets their needs and they become, possibly only for the term of the funding, linked with the CJS. Using the activities in Table 3 as a proxy for involvement with the CJS gives almost 4,000; although this may include duplication of activities and the actual linkages may be nominal: the landscape is fluid.

Table 3 Classification of Third Sector bodies by activity

Activities	Number of bodies
Community development	1,691
Cross-community	883
Counselling Support	588
Human rights/equality	378
Welfare/benevolence	289
Criminal Justice	58
Total	3,887

- 1.18 Perhaps a slightly more accurate assessment is to group the bodies by the beneficiaries with whom they work. A search of the Charity Commission for Northern Ireland's database using filters that may have a link to the CJS gives a figure of over 1,500 bodies²⁰. It is worth noting that the DoJ did not provide funding to anywhere near this number and many of the organisations working with addictions or interface issues would not readily identify with the CJS as they are mostly funded through the health and education sources.

Table 4 Classification of Third Sector bodies by beneficiary

Beneficiaries	Number
Community safety/crime prevention	410
Interface communities	382
Addictions support	344
Ex-offenders/prisoners	225
Victim support	182
Total	1,543

- 1.19 If only half of these bodies work with the criminal justice system there were around 800 organisations in the Third Sector working with the CJS. An important point is that these organisations are not necessarily the same in nature. Even organisations that provide similar services can target different client groups and the common theme is that the various bodies arise due to need differentiated by different geography, different clients' needs, different communities and different outcomes. It would be beneficial to undertake an audit of the Third Sector bodies who claim engagement in the criminal justice sector to better understand if there is duplication and the scale of supply of services versus that for demand of services.

20 Source: The Charity Commission for Northern Ireland database. Available at <https://www.charitycommissionni.org.uk/charity-search/>



Strategy and Governance

Governance of the Third Sector

- 2.1 The governance arrangements were layered at the strategic, agency and operational level. There were statutory requirements, the draft Programme for Government (PfG) and associated action plans, strategies at departmental level, overarching strategies across agencies, Agency strategies with actions plans and CJS related programmes arising from Tackling Paramilitarism (formerly *Fresh Start*) and the 'Social Investment Fund'. Of equal importance, but not necessarily equally recognised, was the internal governance of the Third Sector themselves. The constitution of the Third Sector agencies commits them to deliver a specific remit and their Boards and Trusts are legally responsible to do so whilst complying with all relevant regulations, codes of conduct and ethical practice.
- 2.2 One major development since the last CJI report was the establishment of the Charity Commission for Northern Ireland whose vision includes delivery of "...a....well governed charities sector in which the public has confidence....." The Charity Commissioner will act where organisations obviously breach their constitutional boundaries including instances where they do not act as independent agents. Therein lies the potential for conflict where statutory bodies increasingly use Third Sector bodies for service delivery using formalised contracts with government defined outcomes. This challenges independence and the more prescriptive the approach the greater the likelihood of Third Sector bodies displaying *institutional isomorphism*.²¹
- 2.3 This was recognised in a report that surveyed the Third Sector in Northern Ireland with just 21.8% of respondents believing that Government recognised the independence of the sector. This aligned with the view across the United Kingdom that the Government's narrative increasingly characterises the sector as a service delivery agent expected to deliver Government services to a predetermined script.²²

21 Institutional isomorphism is a concept that organisations tend towards standardised structures and processes. In this context the commissioning of services through standard procurement processes will reduce the homogeneity of the third sector as it becomes a delivery agent at the expense of its advocacy and policy development roles. Independence of the Third Sector in Northern Ireland, November 2016, Building Change Trust and Ulster University available at https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwj5qM2gcHaAhVP_KQKHdHXDgwQFggNMAA&url=http%3A%2F%2Fwww.buildingchangetrust.org%2Fdownload%2Ffiles%2FBCTUU_IndependenceReport_Final.pdf&usg=AOvVaw2-88tvBPexMBMUlow6yHt9

22 Ibid

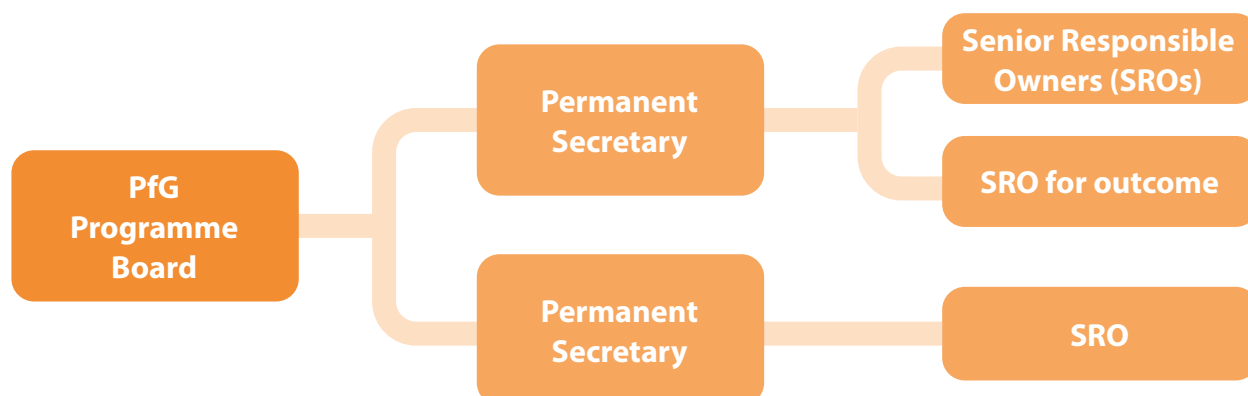
- 2.4 Government departments and agencies bound as they are by financial policies notably, Managing Public Money Northern Ireland (MPMNI) and a commitment to Full Cost Recovery funding, should not replicate a service unless it has to and must achieve value for money when allocating resources. As for focusing on service provision, this is inevitable where a department or agency has to increasingly focus its resources on delivering specific outcomes.
- 2.5 The governance role of the Charities Commission also includes the power to investigate bodies that have come to their attention for one reason or another and although the actual number of organisations that warrant serious action is very low (c0.1%) the impact can be very severe. Using its powers to launch a statutory investigation, the Commission has the power to dissolve an organisation. This was the case with a charity, Growth Adolescent and Positive Support that was dissolved in January 2018 following investigation into alleged fraud.²³
- 2.6 The relationship between the Charity Commission for Northern Ireland's role and those of the other Departments is clearly enunciated, although there is possibly scope for greater clarity around the role of funders to refer bodies to the Commission. There is also scope to place more reliance on the pre-screening of the Commission and to tailor compliance requirements accordingly.
- 2.7 The Department for Communities (DfC) as the sponsor department for the Commission has established working relationships and protocols with it. The DfC is also the lead department for the Third Sector and its draft PfG outcomes reflect its lead role in policy formulation, strategic planning, community engagement and development. The commitment to OBA has defined the DfC's forthcoming engagement with the Third Sector through changes to commissioning of services with greater emphasis on pre-procurement practice, use of co-design and procurement that aims to recognise social value clauses. The widespread implementation of this approach is necessary to effect change throughout the entire sector but the absence of the Northern Ireland Executive creates difficulties for officials without Ministerial imprimatur.

Governance and the Draft PfG

- 2.8 Focusing on an outcomes approach, which is looked at later in this report, could lead to a more coherent approach with greater co-operation between the departments and agencies. A governance model was being developed with each outcome assigned an owner but not specifically identified to a department. The governance hierarchy was from Senior Responsible Owner (SRO) to Permanent Secretary through the Head of the Civil Service to the governing board.

23 For further information please see <https://www.charitycommissionni.org.uk/concerns-and-decisions/statutory-inquiry-reports/>

Diagram 2 Governance Model for Draft PfG.



2.9 The governance model emphasised the co-ordinating role of the Senior Responsible Owners (SROs) and purposefully avoided naming the departments in the model. This was intended to reduce silo mentality and balance departmental accountability requirements with the cross-departmental demands of the draft PfG. There are a number of elements to the approach:

- i. No outcome is solely owned by a department;
- ii. The accountability at Permanent Secretary level is not to departmental governance but to the NICS board;
- iii. The measurement of success is not simply linkage between departmental input and output, activity or even indicator.

Figure 1 DoJ Draft PFG Outcome

Draft PfG Outcome 7:
<i>We have a safe community where we respect the law and each other</i>
Indicators: <ul style="list-style-type: none"> • Reduce crime; • Increase the effectiveness of the justice system; and • Reduce re-offending.

2.10 The OBA approach in the draft PfG assigns an outcome to each department (DoJ is responsible for Outcome 7 see above) but this responsibility is not exclusive. The other conceptual novelty is that the indicators are not to be used as targets, but rather weather vanes showing the gradual movement in societal norms as a result of the various programmes and projects being implemented. This is the real challenge for the commissioners of Third Sector services. This requires them to be able to step outside the silo accountability arrangements, resist the temptation to assign short term achievement to the indicators and share resources with other departments and agencies.

2.11 The challenge for the Third Sector bodies is to capture and produce clean datasets that show the impact of their interventions.

Strategies

Draft PfG 2016-21 Delivery Plan

- 2.12 The Delivery Plan addressed the need for the DoJ to develop collaborative approaches to tackle the underlying factors that lead to crime and offending behaviour. The Delivery Plan committed the DoJ to working with the Third Sector fostering collective ownership of reducing crime across and beyond government. The delivery of the Community Safety Strategy, the Northern Ireland Organised Crime Strategy, the Stopping Domestic and Sexual Violence and Abuse Strategy and the Victims and Witnesses Strategy were primary vehicles to achieve these aims.
- 2.13 Consultation with the Third Sector was quoted as a contributory element in the development and delivery of these strategies and Action Plans and the ongoing updates of the Community Safety Strategy and the Victims and Witnesses Strategy are of particular relevance. Some Third Sector groups were of the view that the proposed changes to core funding with greater emphasis on service delivery and full cost recovery mechanisms posed a threat to their capacity to input to the development of these strategies and action plans.
- 2.14 The bodies receiving core funding within the Third Sector expressed this as a serious concern as the removal of core funding will substantially remove the role of a sponsoring department with a loss of a critical friend role, advocacy services and engagement on accountability issues. There were also issues raised about loss of return on investment and the need for increased funding for services on a full cost basis that are explored later.
- 2.15 The overall strategy for the Third Sector falls to the DfC. A consultation on updating the strategy was conducted in 2016 and a revised policy was being developed although ratification relies on appointment of a Minister. The challenge to all of the statutory bodies was to engage the Third Sector in the strategy and policy making without jeopardising the equity landscape by conflicting the independence of the voluntary bodies through over involvement in design. Conversely, the community sector needed more encouragement to engage as they said policy consultations were often requests for confirmation or additional actions with limited scope to analyse particular community needs. The input from the smaller community-based bodies was restricted due to their capacity to respond. Some quarters suggested that mentoring and supporting the community groups to improve their capacity to analyse and respond to the policy and strategy development was needed.
- 2.16 For its part the DoJ stated that *'Policy development has and continues to involve a wide array of stakeholders, particularly the Third Sector in helping to inform policy development by way of pre-consultation, and then further invited (sic) to respond to open formal consultation. The sector role and participation is certainly not considered a "rubber stamp" process.'*

Children and Young People's Strategic Partnership (CYPSP)

- 2.17 The Children and Young People's Strategic Partnership (CYPSP) brings together the leaders of agencies across the whole of Northern Ireland to focus on every aspect of the lives of children and young people. The CYPSP has four core themes: communicating with government; early intervention; resource optimisation; and the integration of planning.
- 2.18 Collaboration between the statutory agencies and the Third Sector is recognised as an essential element of delivery. The family support hubs established as part of the CYPSP strategy are a good example of partnership working between the different sectors.

New Strategic Direction (NSD) on Alcohol and Drugs 2011-16

- 2.19 In 2006 the Department of Health, Social Services, and Public Safety (DHSSPS, now Department for Health (DoH)) launched the New Strategic Direction for Alcohol and Drugs (NSD). This was significant on a number of fronts. Although a health-led strategy, it established advisory groups to provide advice and policy guidance including a specific Law and Criminal Justice group.
- 2.20 It recognised that the original five-year life span needed to be extended for another five years to give time for a public health strategy to be embedded and, particularly, to change culture and behaviours.
- 2.21 This approach ensured consistency and also allowed the NSD to reflect new trends, and re-direct effort to where it was most needed or to where new issues/concerns were emerging.
- 2.22 From the very outset, the development of the NSD benefited from the input and expertise of the voluntary and community sector. This was facilitated through focus group discussions, the Independent Sector Forums, and representation on the NSD Steering Group and the related Advisory Groups.
- 2.23 The NSD also contributed to, and was supported by, a wide range of other government strategies including the DoJ Community Safety Strategy. This integration of strategies was supported by reciprocal involvement in relevant steering groups, and through the overarching lead given by the Ministerial Group on Public Health. As an example of cross sectoral planning and design it had great merit.

Community Safety Strategy 2012 –17²⁴

2.24 The overall aim of the Community Safety Strategy, as endorsed during the consultation, was to help build:

- safer communities, with lower levels of crime and anti-social behaviour;
- shared communities, where each person's rights are respected in a shared and cohesive community;
- confident communities, where people feel safe and have confidence in the agencies that serve them; and
- a partnership approach across government, with the Third Sector and local communities was recognised as one of the critical success factors.

Victims and Witnesses Strategy 2013-18²⁵

2.25 This was a wide ranging and very comprehensive five-year strategy aimed at providing better quality services responding to the needs of victims and witnesses to secure a more positive experience for all those who have contact with the criminal justice system.

There were five broad themes which were:

- Theme 1: Status and treatment of victims and witnesses;
- Theme 2: Communication and providing information;
- Theme 3: Providing support and special measures;
- Theme 4: Involvement and improved understanding; and
- Theme 5: Gathering information and research on the experiences of victims and witnesses.

2.26 The DoJ provides around £2.2 million of funding to the Victim Support Northern Ireland (VSNI) and the NSPCC Young Witness Service to deliver support services to victims and witnesses of crime. The DoJ is continuing the work of the strategy through annual action plans and has delivered a number of positive outcomes to date. As the delivery of the Victims and Witnesses Strategy, the work of DoJ and other partner bodies is the subject of a CJI Inspection that commenced in 2018-19, this report does not look at the outworking of the Victims and Witnesses Strategy.

24 Community Safety Strategy 2012-17, DoJ, July 2012 available at <https://www.justice-ni.gov.uk/sites/default/files/publications/doj/cs-strategy-20122017.pdf>

25 Making a difference to victims and witnesses of Crime. Improving access to justice, services and support: A five-year strategy, DoJ, June 2013 available at <https://www.justice-ni.gov.uk/sites/default/files/publications/doj/making-a-difference-to-victims-and-witnesses-of-crime-strategy.pdf>

The Strategic Framework for Reducing Offending

2.27 Published in 2013 the focus was on a desistance-based approach through effective rehabilitation and resettlement. The strategy had several strategic aims which were:

- reducing the number of new entrants to the justice system;
- reducing the levels of reoffending; and
- recognising and harnessing the wider inputs of other government departments.

Promoting Problem Solving Justice, the framework provided offenders with systems and support to bring them to a point where they could move on and not reoffend in the future. Reducing reoffending was identified as a key outcome and is now one of the three indicators of achievement for the DoJ. A collaborative approach across the statutory bodies and the Third Sector was envisaged.

2.28 Inspectors found little evidence that Third Sector bodies looked to the Framework when engaging with statutory bodies and it did not feature in the commissioning exercises that CJI reviewed. The Framework has been subsumed into the draft PfG and associated Action Plans. The Action Plans reviewed by CJI mentioned the Third Sector but the collaborative approach stated as a feature of the framework was through individual links to the Third Sector to achieve specific actions which weakens the commitment.

Supporting change: A Strategic Approach to Desistance

2.29 In September 2015 the then Justice Minister launched '*Supporting change: A Strategic Approach to Desistance*', which had the vision of a criminal justice system that worked in partnership to ensure that individuals were given every possible opportunity to address their offending behaviour and were supported to live lives free from further offending.²⁶ With reoffending rates just under 40% and higher for short term sentenced prisoners and youth offenders, tackling reoffending is of key importance to the DoJ in meeting its PfG commitments.

2.30 Key parts of the action with relevance to the Third Sector were the commitments to:

- improve through care for prisoners from custody to the community;
- develop *Families Matter*²⁷ style programmes for the three prisons;
- pilot a mentoring scheme to support reintegration into the community; and
- develop an 'exit passport' to assist resettlement, record important information and signpost individuals to appropriate services.

26 *Supporting Change. A Strategic Approach to Desistance*, DoJ, September 2015; available at <https://www.justice-ni.gov.uk/sites/default/files/publications/DOJ/supporting-change-a-strategic-approach-to-desistance.pdf>

27 Barnardo's NI developed the Families Matter programme in Maghaberry Prison in conjunction with NIPS to help improve and maintain relationships between children and their fathers. The residential programme requires fathers to take part in a range of classes and activities aimed at strengthening their parenting skills and improving relations between fathers and their children while they are imprisoned.

- 2.31 The transition from prison to the community is still an issue with adequate provision not being in place. The Prison Fellowship²⁸ reported that they had to collect some prisoners on release and provide short term accommodation. As reported in the CJI report on resettlement²⁹ the 'exit passport' which should include practical support to prisoners making the transition from prison to the community, like identification documentation, GP registration, sustainable accommodation from the day of release, and which CJI Inspectors viewed as a key piece of work, had not been completed.

Reducing Offending Among Women 2013-16³⁰

- 2.32 This strategy was been progressed through a public consultation on the approach to dealing with women and girls who come into contact with the CJS in Northern Ireland. The Female Development Strategy was under development with a public consultation on the approach to dealing with women and girls who come into contact with the CJS. Linked to this were programmes funded under the *Fresh Start* agreement supporting women subject to paramilitary influence and assisting reintegration into communities. One of the most successful collaborations between the Third Sector and the CJS is the *Inspire* project with the Probation Board for Northern Ireland (PBNI) working closely with Third Sector bodies to assist vulnerable women.

Stopping Domestic and Sexual Violence and Abuse Strategy³¹

- 2.33 This strategy and action plan was launched in 2016 committing the DoJ to work with other departments and the voluntary and community sector. The introduction of the domestic violence listing court, the Court supervised perpetrator programme and the development of draft legislative proposals to define an offence of domestic abuse are signs of progress in this area by the statutory bodies. The introduction of the Programme for Perpetrators of Domestic Abuse who have not been convicted in the Western Trust area is an example of good partnership between the statutory and voluntary sectors.
- 2.34 The action plan identified collaboration with the Third Sector to improve integrated working, commissioning and provision of services although the input of the Third Sector draws upon the core funding capacity of the Third Sector bodies and this could be at risk. There was engagement between justice bodies and Third Sector organisations, notably the Public Prosecution Service for Northern Ireland (PPS) and Nexus, and the Stakeholder Assurance Group provided a platform for collaborative working between statutory and non-statutory.

28 The Prison Fellowship is a Christian ministry responding to the spiritual, emotional, social and physical needs of prisoners, released prisoners and their families.

29 *An Inspection of Resettlement in the Northern Ireland Prison Service*, CJI, May 2018 available at <http://www.cjini.org/TheInspections/Inspection-Reports/2018/April-June/Resettlement>

30 *Reducing Offending among women 2013-2016*, DoJ, November 2013 available at <https://www.justice-ni.gov.uk/sites/default/files/publications/doj/reducing-offending-among-women-2013-2016.pdf>

31 A copy of the DoJ/DoH seven-year *Stopping Domestic and Sexual Violence and Abuse Strategy* published in March 2016 can be found at <https://www.justice-ni.gov.uk/sites/default/files/publications/doj/stopping-domestic-sexual-violence-ni.pdf>

- 2.35 A commitment to and funding for advocacy support and services³² was recommended in previous CJI reports, the DoJ reported to Inspectors that it is committed to developing a streamlined advocacy service framework to support victims of domestic and sexual violence and abuse within this current financial term. It is expected that the service will be introduced mid 2019-20. Currently Third Sector bodies - such as Womens' Aid - provide essential services supporting women at risk and in the CJS through a mix of DoJ supported employees and a cadre of volunteers. The value of this volunteered effort was essential although it comes with the usual caveat that reliance on volunteering brings risks around sustainability, capacity and regional consistency.
- 2.36 The engagement with the Third Sector in this strategy exhibited shortcomings around clear agreement of the actual need, (one Third Sector body said that the emphasis on surveillance was not going to alleviate the issues of isolation, an aggravating factor, especially in rural areas) and the imbalance between statutory and non-statutory bodies in the discursive process was presented by the Third Sector as a barrier to having these viewpoints recognised. There were also difficulties with joint funding where individual departments' aims fell short of the combined response that was required.

Prison Review Team recommendations

- 2.37 A number of recommendations to work in partnership with the Third Sector to develop accommodation to manage long-term sentenced prisoners' return into the community were made. Support in the community for released women prisoners was highlighted as well as a statutory, voluntary and community partnership offering an alternative approach for young adult offenders.
- 2.38 The hostels and approved accommodation that provided accommodation for prisoners returning into the community receive referrals and funding from the statutory agencies but this falls short of the strategic aims. Availability of places was the main measure with limited provision of supported accommodation for those with mental health or substance abuse issues. There were also problems in reintegrating sex offenders from the approved accommodation back into the community due to difficulty in sourcing suitable accommodation and opposition from residents.

32 CJI recommended a properly resourced Independent Domestic Violence Advisor (IDVA) and an Independent Sexual Violence Advisor ISVA to support vulnerable women in its previous inspections of Domestic Violence and Abuse (November 2010) available at <http://www.cjini.org/getattachment/1b651b43-657b-471b-b320-101fca7c6930/Domestic-Violence-and-Abuse.aspx> and Sexual Violence and Abuse (Nov 2018) available at <http://www.cjini.org/TheInspections/Inspection-Reports/2018/October-December/Sexual-Violence>

- 2.39 The issue of funding for substance abuse among offenders illustrates how strategies for delivery of services can cut across the achievement of specific outcomes within the offender population. At one time the PBNi provided funding for addiction and substance abuse treatment to the Third Sector and had a statutory responsibility to refer offenders under supervision (Criminal Justice (Northern Ireland) Order 2008). An unintended consequence of the integration of the drug and alcohol programmes under health with the emphasis on clinical assessment led to fewer referrals going to the Third Sector that specialised in addiction services to offenders. The view of these service providers was that the level of service to offenders with immediate needs was reduced.
- 2.40 This will change with the adoption of a problem solving justice approach with outcomes defined in terms of offending behaviour rather than strictly clinical benefits. This is currently being piloted in Belfast Magistrates' Court although a wider roll-out will be curtailed unless there is greater financial commitment from the funding Departments.
- 2.41 Of specific relevance to the CJS and those agencies working within it was the statutory requirement introduced by the Criminal Justice (Northern Ireland) Order 2008 for prisoners to address their offending behaviour before release into the community. The complex needs of prisoners were met by a combination of services from the NIPS, PBNi and Health Trusts with Third Sector partners to help prisoners. Over the last 10 years the move towards more reliance on Third Sector services and community groups working to re-integrate offenders is reflected in the statements of various reports emanating from DoJ and its Arm's Length Bodies with a range of policies recognising the role of the Third Sector in the CJS.
- 2.42 The increased role of restorative justice bodies such as Northern Ireland Alternatives and Community Restorative Justice Ireland are evidence of this. Even so, there is more to be done and the Institute for Public Policy Research (IPPR), said, that in England and Wales there was *"little continuity between provision in custody and provision in the community."*³³
- 2.43 The 2018 CJI report on resettlement of offenders showed that the lack of a joined up approach to interventions meant the approach to Third Sector funding could be inconsistent, short term and with possible duplication. The report also commended the NIPS for involving a range of Third Sector bodies in its service delivery and for adopting an open and innovative approach.
- 2.44 Since the report the NIPS is currently reviewing how best to share vital information to: challenge and support those in our care; address their offending behaviour through interventions; and meet the needs of our prison population. The Third Sector plays a vital key role in this partnership, providing addiction support and expertise to support, stabilise individuals, prepare them for release, and creating a custody community link.
- 2.45 The DoJ Programme for Justice 2015-16 sought to address the lack of co-ordination through the alignment of the NIPS, the PBNi and YJA interventions and initiatives to reducing offending. The three main parties were developing approaches to achieve this.

33 A whole-system approach to offender management, Marley Morris; IPPR, December 2016 available at <https://www.ippr.org/publications/a-whole-system-approach-to-offender-management>

- 2.46 There had also been work between the NIPS and the PBNI to consider a common interventions framework to be applied across the custodial and community settings and a Joint Programmes Oversight Group had been established co-chaired by the NIPS and the PBNI. A common interventions framework was yet to be agreed or implemented.³⁴

Positive Outcomes for Short Term Prisoners (POST)

- 2.47 This project was a good example of partnership between the statutory and voluntary sectors. NIACRO provided POST support staff who worked alongside the Prisoner Development co-ordinators in the prisons. The support workers carried out assessments and designed programmes to meet the needs of offenders. This included educational and skills needs and signposting to other health related services.

Strategies supporting reintegration of Prisoners into the Community

- 2.48 The 2018 CJI report into resettlement³⁵ looked in detail at the provision of programmes and services to prisoners upon release with evidence pointing towards the need to support prisoners on release from the statutory agencies into the community including support to assist with housing, employment and treatment for mental health problems or substance misuse.
- 2.49 The maintenance of links with families was also regarded as essential to prevent reoffending, increase reintegration and reduce intergenerational crime.^{36 37} NIACRO made proposals to the NIPS to deliver a programme to develop and sustain links between prisoners and their families. This successful programme has been funded regularly from 2014 to present.
- 2.50 In similar fashion, the Housing Rights Service approached statutory bodies with a pilot to assist prisoners upon release. This grew into a mentoring project with prisoners providing support to their peers.
- 2.51 The NIPS Employability Strategy 2013-17 recognised the importance of the Third Sector to the sustained employability of released prisoners and the upcoming review of this strategy should identify partners in the Third Sector to provide sustainable employment opportunities and support.

34 *The management of life and indeterminate sentence prisoners in Northern Ireland: A follow-up review*, CJI, February 2016 available at <http://www.cjini.org/TheInspections/Action-Plan-Reviews-Inspection-Follow-Up-Review/2016/Lifers-Follow-up-Review>

35 *Resettlement: An inspection of resettlement in the Northern Ireland Prison Service*, CJI; May 2018, available at <http://www.cjini.org/TheInspections/Inspection-Reports/2018/April-June/Resettlement>

36 *The Importance of Strengthening Prisoners' Family Ties to Prevent Reoffending and Reduce Intergenerational Crime*. Lord Farmer, Ministry of Justice, August 2017, available at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/642244/farmer-review-report.pdf

37 *Allowing Imprisoned Fathers to Parent; maximising the benefit of Prison based parenting programmes*, Butler. M, Hayes. D, Devaney, J and Percy, A. Queen's University, Belfast and Barnardo's Northern Ireland February 2018 available at <https://www.tandfonline.com/doi/abs/10.1080/13575279.2017.1420038>

Reducing Re-Offending Strategic Outcomes Group (RRSOG)

- 2.52 This was a newly formed group of Senior Management from the NIPS, the PBNI and the Youth Justice Agency (YJA) to provide:
- governance of the Reducing Re-Offending Delivery Plan in the draft PfG; and
 - create new approaches to the PfG and provide a strategic vision for reducing offending across the justice system.
- 2.53 Previously CJl reported that a Joint Programmes Oversight group agreeing common interventions for prisoners across custody and community was still to be implemented³⁸. The Joint Programmes Oversight group has a key role in setting out, in the longer term, how the work of the Third Sector will be integrated with the statutory agencies into the programme to deliver for prisoners from custody to community.

PSNI and PCSPs

- 2.54 The Northern Ireland Policing Plan for 2017-18 recognises the role of the PCSPs supporting delivery of the Policing Plan at the local level. PCSPs are based in each council area and charged with monitoring local police performance and working in partnership with the community and key statutory partners to improve community safety by tackling crime and anti-social behaviour. The PCSPs disbursed an annual £4.248 million budget across a wide range of community and voluntary bodies on projects and interventions that aligned with the aims and outcomes of the DoJ, the NIPB and the PSNI. PCSPs have action plans that reflect their three strategic priorities³⁹ and specifically refer to working with the local community and voluntary and community bodies. An inspection of the PCSPs was included in the CJl Business Plan for 2018-19 focusing on a detailed review of their work. This report is due for publication during 2019.

PSNI drugs strategy and action plan

- 2.55 The strategy clearly recognises that working in partnership with the Third Sector is essential in tackling the harm caused by drugs. The co-operation of the community in identifying those involved with drugs is made clear with the role of community partners emphasised. The main engagement with the Third Sector is through the PCSPs which is the subject of a separate inspection.
- 2.56 The PSNI also work with the Third Sector through the Reducing Offending in Partnership (ROP) initiative introduced in 2011 and is a partnership between the main justice agencies: the NIPS, the PSNI, the PBNI, the YJA and specialist services. Its aim is to tackle those prolific offenders who are at risk of reoffending, and who are causing significant levels of harm within their communities. ROP works closely with community and non-statutory organisations in delivering this approach. For example, in recent times there is significant partnership working with sporting bodies such as the Irish Football Association's 'Stay Onside' initiative, and the Gaelic Athletic Association (GAA).

38 *The management of life and indeterminate sentence prisoners in Northern Ireland: A follow-up review*, CJl, February 2016, available at <http://www.cjini.org/getattachment/db1ad9f6-91cb-49c7-bb02-2358a45cd40c/picture.aspx>

39 Strategic Priority 1: to successfully deliver the functions of the Policing and Community Safety Partnership for the area; Strategic Priority 2: to improve community safety by tackling actual and perceived crime and anti-social behaviour; and Strategic Priority 3: to support community confidence in policing.

Expectations of the Third Sector

- 2.57 Reviewing the websites of a range of Third Sector organisations their claims and aims are primarily presented in relation to specific goals and target groups, often focusing on care and services for marginalised and vulnerable groups in society. The larger umbrella or capacity building organisations extend the aims to include democratic involvement, wellbeing, advocacy and social inclusion.
- 2.58 The DfC takes the lead on the Third Sector and is developing a new Voluntary and Community Strategy and a regional infrastructure support mechanism, both of which have completed the consultation process but were delayed due to the absence of the Northern Ireland Executive. These specific strategies and the ethos of the DfC reflect a desire to build upon the relationships between the Department and the Third Sector with the advent of the draft PfG and OBA. In discussion with DfC officials, they were clear that direct attribution of Third Sector achievement, especially at the community level, to specific outcomes was difficult and that interim measures and narrative or qualitative assessment had value. There was also a strong commitment to the use of social value measures in assessing delivery. This was tempered by the recognition that applying this approach consistently across all the agencies and departments with individual influences required more work.
- 2.59 The DoJ, for its part, was working towards a more engaged and contributory role for the Third Sector through co-design, improving transparency of funding through full cost recovery and a range of commissioning/funding routes from grants, Service Level Agreements to public procurement.
- 2.60 Within the full cost recovery landscape the DoJ also aimed to *“get value for money, more bang for their bucks, ensuring the money is going where it is needed, avoiding duplication of funding and, prominently, achieving the necessary outcomes.”*⁴⁰ The proposal to move to a full cost recovery funding model is more fully discussed in Chapter Three.
- 2.61 Taking all of these aims and aspirations at face value alongside an outcomes approach using co-design and longer term goals indicates a distinct move towards a more strategic level of engagement with the Third Sector bodies. The DoJ is also committed to setting out its intentions for a number of years in advance to prepare the sector for the type of support it will require and alongside possible greater flexibility in longer term funding arrangements this will provide more certainty.
- 2.62 The absence of the Northern Ireland Executive and lack of Ministerial direction means the proposals for commissioning and delivery cannot be signed off and a mix of approaches will prevail. This combined with diverse funding sources, multiple strategies, plans and commissioning approaches in conjunction with the number of Third Sector bodies vying for space complicates the governance arrangements.

40 Summary of meeting between CJI Inspector and DoJ official, June 2017.

- 2.63 The trend to commission services through consortia compelling the Third Sector to collaborate is countered by competitive funding mechanisms. A criticism raised by Third Sector bodies of the co-design exercises to date was a focus on pre-determined outcomes and performance linked to activities. One example quoted tended to create a wish list of activities and projects that the Third Sector wished to see included potentially leading to the specification becoming unaffordable. Third Sector bodies expressed the view that organisations would be reluctant to fully co-operate in a co-design process where they competed with others for funding. The proposed funding approach recognises this by proposing a staged approach to co-design that takes a wide ranging approach with a number of potential partners and gradually focuses on more specific delivery approaches with a smaller number of preferred partners. Thus reducing the risk to delivery bodies of competitive advantage being bestowed on others by virtue of the open design process.

Partnership or Patriarchy

- 2.64 A number of Third Sector bodies expressed the view that the relationship between the funders of the Third Sector and the funded bodies was unequal to the extent that it could not be considered a partnership. This does raise the question as to what is a partnership as they do not always have to be equal. Organisations have different roles but where there is a defined service package with specific outputs and outcomes recognition of the respective roles and responsibilities of the partnering organisations is needed. In this regard a number of Third Sector bodies stated that dealing with statutory agencies was inconsistent. It ranged from a disengaged patriarchal approach (remote commissioning, bureaucratic compliance and specified outputs) to an engaged joint approach (agreed measures, flexible reporting and shared outcomes) delivering real partnership. The DoJ was regarded as one of the better statutory agencies in this regard.
- 2.65 The physical demands of compliance were not the sole issue - although there were many issues raised around this - rather some Third Sector bodies expressed the view that they needed to validate their existence to funders on a recurring basis. One Third Sector Chief Executive commented on the process of open calls and competitive tenders to *"potentially bring new players into the field"* when there were already numerous bodies in existence and one of the aims of the funding bodies was to reduce duplication. The DoJ countered this as.....
*"New needs are identified all the time, and new ways of addressing needs are constantly being developed. Without 'a process of open calls' how do we (the Department) secure innovation, fresh thinking, and address needs in a bespoke way? Furthermore, not to provide opportunity for other organisations would be contrary to equal opportunities, and may stifle the growth and development of the sector."*⁴¹

41 DoJ official interviewed by CJI Inspectors.

- 2.66 The Third Sector bodies consulted by CJI cautiously welcomed the draft PfG and the OBA. The reservations centred on clarification of how the outcomes would be measured, how this would transfer in practice to the funding and compliance mechanism and would co-design and procurement practices assist or hinder the process. Assistance in developing data capture and analysing the data to evidence the achievements of outcomes is needed.
- 2.67 There were contra-indications that compliance demands were increasing, especially where some non-compliance issues had arisen⁴². One organisation reported very high levels of vouching without any obvious reference to proportionality or risk assessment. Where an organisation has internal assurance mechanisms, good governance and reporting standards, no evidence of non-compliance and has third party audit the accountability regime should be proportionate.
- 2.68 There is guidance on reducing bureaucracy in grant funding to the Voluntary and Community Sector in Northern Ireland. The Department of Finance (DoF) issued a Code of Practice dealing with this very issue. It is underpinned by three overarching themes of:
- proportionality;
 - collaboration; and
 - timeliness.
- 2.69 It introduces a common risk-based approach to the administration of revenue grant funding in order to help streamline and align funders' procedures, achieve greater consistency and reduce duplication of effort. Of significance is the definition of small grants for the purposes of the Code as those between £1,500 and £30,000; with micro grants those below £1,500. It also advocates a 'comply or explain' approach.
- 2.70 At the Joint Forum meetings members raised the issue of departments using procurement for every commission. It was agreed that guidance on the variety of commissioning routes would be issued to departments. Inspectors confirmed with the DoJ, CJS agencies and the DfC that there would be a variety of routes to funding and procurement would not be the default position, rather it would be prioritised where there was a need to establish legal relationships.

42 Views expressed at Joint Forum meeting. February 2016; The Garage, Millisle.

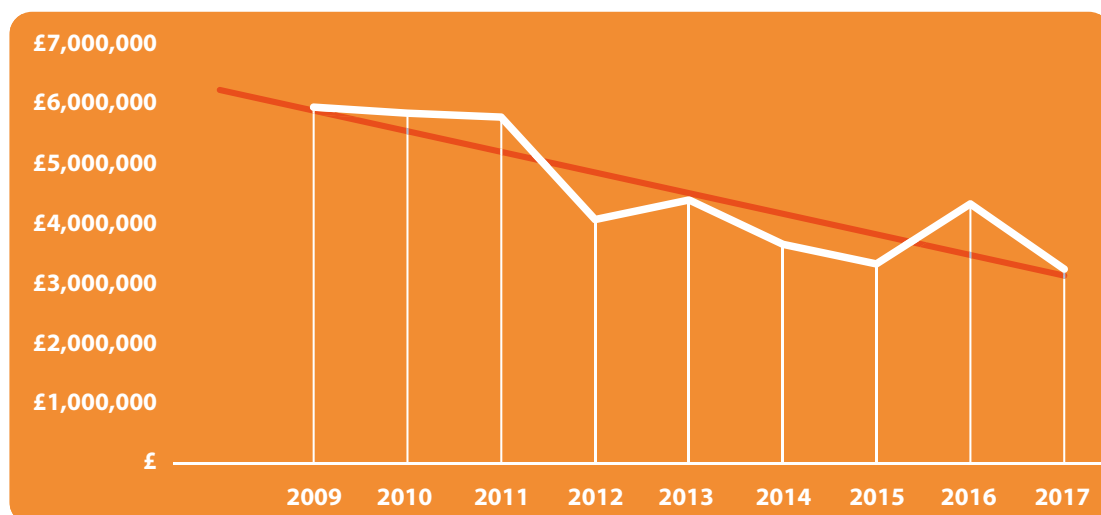


Delivery

Trends in funding

- 3.1 The funding landscape is as diverse as the strategies, policies and plans that drive it. Delivery is a mix of top down implementation to meet policies aims with the Third Sector responding to grant applications and tenders and bottom-up identification of need by the Third Sector to which funders respond. The Housing Rights Service advice to prisoners and the NIACRO *Family Links* project were good examples where policy aims and community needs coincide and funding follows.
- 3.2 Looking at the sources of funding it is hard to visualise a coherent approach. An organisation working to instil awareness of crime through be safe programmes was funded by different branches of the same department year on year or funding was provided through a Non Departmental Public Body (NDPB). Similarly, one statutory body funded another such as a NDPB funding a local authority to provide services related to substance misuse – with the local authority funding a delivery agent.⁴³
- 3.3 There is one constant to the funding landscape: it is falling and will continue to do so.

Figure 2 Direct DoJ funding to the Third Sector



Since 2009-10 DoJ funding to the Third Sector has fallen by 45%.⁴⁴

43 The Government Funding Database contains information on grants that have been awarded to voluntary and community organisations. It is maintained by the Department of Communities and is available at <https://govfundingpublic.nics.gov.uk/Home.aspx>

44 Ibid

- 3.4 The latest Ulster Bank and CO3 Third Sector quarterly survey of Third Sector bodies points to an intensification in cash flow pressures in the sector at the beginning of the year, with more than one-third (34%) of leaders saying that their organisation's cash-flow position is now unstable, double the number recorded at the end of 2017(17%). Cash flow pressures and recruitment difficulties are also cited as challenges for the leaders of some of Northern Ireland's largest charities and social enterprises.

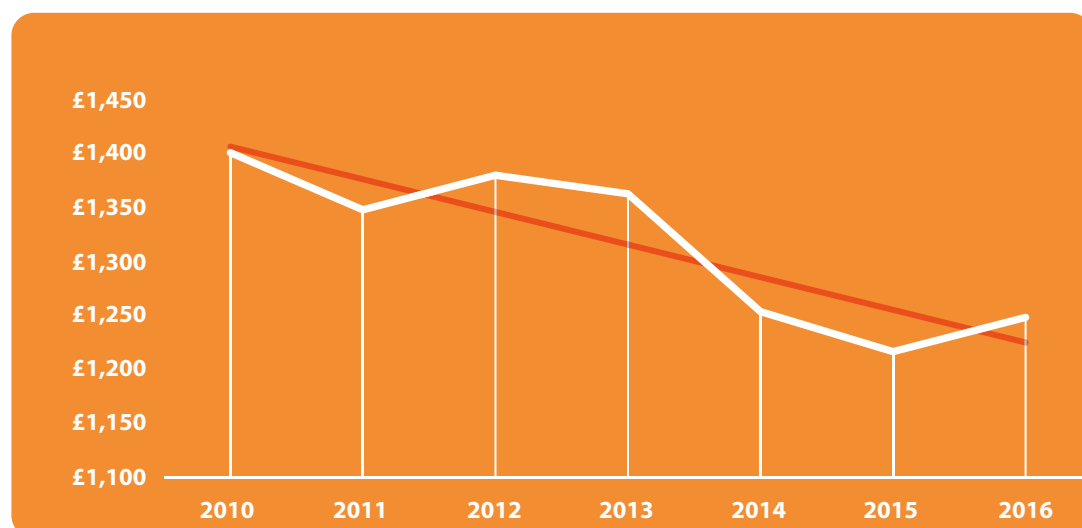
"The reduction in funding is increasing competition between organisations that should be working together"

Community organisation

"This is the worst period of funding since I joined the organisation"

CEO voluntary body

Figure 3 DoJ Budget (£000,000's)



DoJ budget falls by 11%

- 3.5 Despite this the diverse funding sources of the Third Sector remains its strength. The Sector is adept at attracting additional funding and sees core funding as a key element in supporting new investment. The other side of this funding coin is the dedication of funds to core costs may limit the amount available to fund other organisations entering the market.

Competition or collaboration

- 3.6 The theme of better collaboration permeates the literature and discussions throughout the CJS (and all of the public sector). As one official put it: *“Collaboration can harmonise collective efforts towards common goals, it can bring together a collection of separate skill sets to deliver a more tailored provision. It can really contribute to delivering desired outcomes and can mean that we don’t just buy what is on the shelf.”*
- 3.7 This raises the issue of how the engagement among statutory, voluntary, community and social enterprises can be managed to prevent all out competition (where competition is necessary according to compliance sources for value for money assessment) reducing the collaborative effort. This in turn raises questions about how to share resources and aims and objectives where competitive processes work to minimise resources with evaluation based upon differentiating need, delivery and achievement among providers.
- 3.8 The pressure on funding coupled with competition could have a number of impacts on the sector. These include:
- reduced cost of the Third Sector;
 - drive VFM and select those best positioned to deliver;
 - drive out those least able to manage competition, probably at community level;
 - reduce the number of Third Sector bodies;
 - reduce the Third Sector workforce;
 - promote longer term security for Third Sector organisations;
 - ensure scarce resources are targeted towards those in greatest need; and
 - provide a rational approach to the effective use of limited resources.
- 3.9 Depending on one’s viewpoint where competition leads to a more efficient service due to cost reduction or more innovative and effective practice it can be viewed in a positive light. A healthy degree of competition is also beneficial to individual organisations in the longer term by maintaining their motivation and competitive edge. A reduction in the number of Third Sector bodies could ostensibly be deemed positive in light of the number of Third Sector bodies in Northern Ireland as a decrease in possible duplication.
- 3.10 Alternatively, as some examples show, a reduction in costs can be negative as a limit is reached where productivity begins to fall due to loss of skilled staff and adoption of contractual conditions favouring short-term working. In extreme circumstance, this can lead to a failure of the service. A report by the Commissioner for Older People for Northern Ireland (COPNI) criticised the provision of domiciliary care, specifically, the inconsistency in standards of delivery, pay and training for providers.

Example 1: Domiciliary Care Services in Northern Ireland

Domiciliary care services in Northern Ireland were commissioned through a competitive process. The initial bids were very competitive and evidence brought to the Commissioner's office outlined significant differences between what was paid across the statutory and independent sectors and also within the independent sector. This resulted in two groups of workers providing a similar service but with very different pay and conditions. Initially, the shift from statutory provision to independent provision was rapid and significant. Ultimately, the low rates of pay in the independent sector proved unsustainable as many of the employees found other employment.

% of Delivery	Statutory (%)	Independent (%)
2016	30	70
2015	32	68
2014	32	68
2013	33	67
2012	36	64
2011	42	58

The Commissioner described the service provision as fragile and the loss of an indigenous skilled workforce was identified as a risk to the sustainability of the service. *"...much more needs to be done to ensure the sustainability of the domiciliary care workforce in Northern Ireland."*⁴⁵

3.11 In a similar vein, the contracting for supervision of offenders services in England and Wales was subject to a number of criticisms in a report by Her Majesty's Inspectorate of Probation. The 2017 report stated:⁴⁶

"Regrettably, none of government's stated aspirations for Transforming Rehabilitation have been met in any meaningful way."

"There are few signs of innovation in resettlement work, or in other casework. Instead, well established evidence-based approaches are on the wane...."

"There is no clear evidence that payment by results linked to reoffending rates has made any difference to the life chances of these or others under probation supervision."

"Voluntary sector involvement appears to be diminishing rather than flourishing"

⁴⁵ *Domiciliary Care in Northern Ireland*; A Report published by The Commissioner for Older People for Northern Ireland, October 2015 available at <https://www.copni.org/media/1119/domiciliary-care-in-northern-ireland.pdf>

⁴⁶ HMPI Annual Report 2017. Published by HM Inspectorate of Probation, 2017 available at <https://www.justiceinspectorates.gov.uk/hmiprobation/corporate-documents/annualreport2017/>

- 3.12 Looking at the key aims of these commissioning exercises there was no emphasis on achieving any specified outcomes and reducing costs was prevalent. The companies bidding for these services underestimated the resources required to deliver the contracts where the risk of variable demand was transferred to them. The criticism by the Chief Inspection of Probation that the contracting arrangements produced few signs of innovation is particularly relevant. There was also little evidence of the main contractors engaging with the Third Sector delivery partners. As a result of this, the service is being brought back into public sector control.
- 3.13 Some other examples illustrate potential difficulties in procurement for services as outlined in Example 2:

Example 2: Visitor Services to Northern Ireland Prison Establishments

Visitor services to the prison establishments were tendered. The Third Sector bodies raised issues around the tender specification, the tender clarification process and what was subject to tender evaluation and award with concerns that their input was not taken into account. A departmental review found the tender process to be compliant and current delivery was deemed to be successful with respect to the terms of the tender specification.

Inspectors spoke with visitors to Maghaberry Prison who felt the quality of the service provided had lessened (specifically, the loss of the voluntary bus service from the Visitor Centre) with a negative impact on visiting. They also felt that some of the signposting and awareness raising provided by the previous incumbents was lost. Although there are many variables at play (most importantly, the fall in prisoner numbers by 19% over the period) there was some support for their view with a fall of one third in visitors' numbers from 80,000 in 2014 to 54,000 in 2017.

Fashioning the procurement on an outcomes base with visitor satisfaction or quality of visitor engagement to the forefront might have legitimised the additional services offered in a variant bid from one tenderer. This could have been justified as reflecting the DoJ's desistance strategy to achieve the overall safer society outcome in the PfG.

- 3.14 Another example of tendering for services appeared to place emphasis on achieving a restructuring of the service model to diversify delivery whilst, arguably, making it more difficult for service users to navigate the system.

Example 3: Services to Young People in Care

Three elements of services for young people in care were provided by a single voluntary body. The tender stipulated only two services could be provided by a single provider. Although the incumbent provider won all three service contracts, one of the contracts was awarded to a provider that placed lower in the assessment. Both providers were existing local providers and costs remained roughly the same. This was another example of a procurement strategy that was not focused on the achievement of overall outcomes to service users.

- 3.15 What these examples show is that with the best of intentions, straightforward procurement exercises can give rise to the lowest cost prevailing as it is the easiest decision for a commissioner to defend. Also companies bidding for contracts can fall into the trap of under estimating the costs to sustain a contract that includes risk transfer of variable demand. The DoJ has recognised these issues and is proposing a revised funding model using a commissioning approach that incorporates, grant funding as well as procurement, does not simply focus on payments by results and uses co-design to identify the desired outcomes.

DoJ funding model proposals

- 3.16 The DoJ is proposing a new funding model for the Third Sector that aims to support OBA and ensure that funding reflects outcomes focused services. The new funding model is designed to:
- increase flexibility and responsiveness to priorities;
 - provide greater transparency in funding decisions;
 - promote and secure the development of high quality services and best value; and
 - develop opportunities for collaborative work and better partnership arrangements.
- 3.17 There are novel aspects to the new approach including co-design during commissioning to provide greater transparency regarding the objectives being sought, to promote open and informed competition and assist Third Sector organisations in understanding what the DoJ wishes to secure.
- 3.18 Arguably, the most significant aspect of the proposed funding model is the introduction of longer term - three to five year - funding models. This would immediately address any of the criticisms raised about annual funding programmes not supporting the long term delivery and evaluation of programmes that will have meaningful impacts. Inspectors would strongly support the move to provide a longer term funding base, even if it was through greater use of easements and funding transfers rather than a formal budget with departmental level end-year funding. The recognition of flexibility around the year-end compliance requirements would carry more weight with Ministerial support.

- 3.19 The final element of the proposed funding model is a shift from core funding arrangements into full cost recovery funding for specific projects, programmes or services. The views of the Chief Executives to whom Inspectors spoke was that the sector is facing its biggest funding crisis. The amount of time spent on maintaining or gaining resources is increasingly occupying the time of senior management and core funding makes a significant contribution to the costs of management. Their concern was that removing core funding would place additional pressure on staff resources. Chief Executives of bodies that do not receive core funding were of the view that a revised funding approach was needed to “level the playing field.”
- 3.20 The DoJ policy proposes that full cost recovery would cover a proportion of management costs and there would be a transition period where the new costing mechanism would be phased in. The full cost recovery model is aimed at providing a level playing field that will allow new entrants and possibly smaller organisations into the market place.
- 3.21 The other issues around core funding include recognising the leverage DoJ achieves for its funding. The breakdown of funding from EU funds, Big Lottery and philanthropic Trusts was very significant and arguably greater than that of the DoJ⁴⁷. Other departments take into account that certain bodies receive core funding begging the question ‘will they increase their programme funding to replace any lost core funding’? As full cost recovery is national policy (since 2006) where larger Third Sector organisations provide services to several departments, each department should contribute to make up the core funding as part of its full cost recovery system. Inspectors see this as a key component of the successful introduction of full cost recovery.
- 3.22 The new model aims to involve the Third Sector from an early stage to help develop the specifications through engagement events that will help identify the key issues with the outcomes the department wishes to achieve. This would overcome the difficulties in defining services in terms of an outcome and complications in evaluating delivery options. It also aims to provide transparency behind the costs of a given service and allows different organisations to be compared on a more equal footing, promoting equality of opportunity.
- 3.23 A further tenet of the funding model involves securing best value. The Department uses the term ‘best value’ to encapsulate the need to secure an overall benefit which is greater than value for money or the most economical way of doing something. In securing best value, commissioners will be expected to make arrangements to achieve “*continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.*” This will include recognising the social value of a service, where a service will “*improve the social, environmental and economic well-being of a given population or area.*”

47 An example can be found in Appendix 4 of this report which shows the sources of income for one major agency working exclusively in the Criminal Justice field. The DoJ contribution ranges from 31% to 47% with the biggest variable being EU funding.

- 3.24 This new approach to commissioning and funding could overcome the barriers to successful commissioning of innovative solutions identified in a report sponsored by NICVA.⁴⁸ This report recognised aversion to risk as well as the infrequent use of tendering and commissioning practices that encourage innovation such as 'Competitive Dialogue' and 'Forward Commitment Procurement' and the absence of outcome focused tender specifications as potential obstacles. As part of this report suppliers identified four barriers to innovation. They were:
- restricted tender specifications;
 - insufficient expertise to score innovation in the procurement process;
 - lack of use of total life costs; and
 - no appetite to consider variant bids.
- 3.25 The EU regulations permit pilots prior to procurement, consideration of variant bids and Construction and Procurement Delivery ((CPD), formerly the Central Procurement Directorate) has advocated 'proof of concept' procurements giving scope to commissioners to adopt a variety of approaches.⁴⁹
- 3.26 The commissioning of DoJ services should also have a role in identifying the contribution of other departments to the DoJ outcomes and aggregate their budgetary contributions into joint commissioning exercises. Dealing with individuals' offending behaviour through a problem-solving justice approach is a case in point where cross-departmental and commissioning through consortia, to meet a variety of needs, is required. This would also increase the scale and complexity of commissioning. The proposals are ambitious and reflect the DoJ's wide-ranging engagement in their development, including drawing upon advice from the Cabinet Office's Commissioning Academy.

Strategic recommendation 1

The introduction of the Full Cost Funding Model should include safeguards including:

- **a rolling introduction with core costs being gradually replaced by apportionment of overheads in the bid process;**
- **co-ordinating of replacement of core funding across other funding departments (through the Joint Forum) to prevent unfair advantage; and**
- **a comprehensive training programme incorporating a programme covering outcome-based commissioning, using co-design, balancing competition with partnership and capacity building, to develop a consortia delivery model into both the Departmental approach and the Third Sector response.**

48 *Fostering Innovation through Public Procurement*, A report for NICVA by Envision; published by The Centre for Economic Empowerment, 2016 available at http://www.nicva.org/sites/default/files/d7content/attachments-resources/nicva_cee_report_eleven_finalwebv.pdf

49 Guidance on innovation and public procurement; Construction & Procurement Delivery Procurement Policy Branch, June 2015, available at <https://www.finance-ni.gov.uk/articles/guidance-innovation-and-public-procurement>

Government Funding Database

- 3.27 The recording and publication of all funding awards on the Government Funding Database aims to provide transparency and prevent duplicate funding. During the course of this inspection doubts were raised about the reliability and completeness of the data on the database. In a number of instances it was not possible to reconcile the figures for grant awards on the database with those presented in the accounts of the recipient organisations. Analysing the data also presented challenges as there were multiple entries for individual bodies due to variances in nomenclature.

Operational recommendation 1

The governance arrangements for updating the Government Funding Database and ensuring completeness and accuracy need revisited. The DoJ should encourage and promote better governance arrangements for the Government Funding Database with guidance agreed through the Interdepartmental Joint Forum being issued to all funding bodies.

Large Grants vs Small Grants

- 3.28 Over the five year period 2014 to 2018, almost £18 million was distributed through DoJ funding (see Table 5). Of this individual grants of less than £5,000 constituted 7% of the total amount. The number of grants less than £5,000 awarded fell from 240 to 42 over the period. The total awarded also fell from £460,000 to £130,000 although the value of the average grant rose from £1,900 to £3,093.
- 3.29 Over the same period grants greater than £5,000 constituted 93% of the total; amounting to £17.59 million. A total of 33 grants were awarded in 2014 falling to 26 in 2017 with the average amount constant at £120,000.

Table 5 DoJ Funding

Year	Grants less than £5,000			Grants more than £5,000		
	No.	Avg. Value (£)	Total (£'000)	No.	Avg. Value (£)	Total (£'000)
2014	240	1,900	460	33	120,000	3,940
2015	128	1,828	233	36	95,000	3,420
2016	64	3,851	246	24	128,000	3,077
2017	90	3,240	292	69	58,000	4,041
2018	42	3,093	130	26	120,000	3,111
Total			1,361			17,589
Percentage of total			7%			93%

- 3.30 Looking at the funding profiles of two agencies, the YJA and the PBNi from 2012 to 2016, the number of grants has fallen and average size has increased in the former but not the latter. In 2012-13, the YJA made just under 100 awards under its small grants programme totalling £128,000 and average of £1,400 by 2016 it made 28 grants totalling £128,000 with an average of £4,600. At the same time, the YJA reviewed its Early Intervention Programme and launched the Community Diversion Project using an OBA framework for monitoring and reporting. The YJA also adopted and adapted a 'Common Metric' tool to try and measure the impact of services and supports on the individual children who receive them.
- 3.31 Whatever the approach to funding small grants, attempts to translate these grants into an outcome framework was difficult and, in many cases, by drawing a line between the funding and an activity with an indicator that in turn linked to an outcome. Attempts to assign a 'turning the curve' prediction to small grants did not appear to be feasible as by its nature, 'turning the curve' requires longer term large scale projects that are measured in societal terms.
- 3.32 The smaller scale projects need outcomes assessed against the delivery pathway rather than binary measures for every project. Belfast City Council has reduced its application process and assessment for small grants to single pages focusing on delivery and an assessment of impact. Even with this simplification there were many instances of incomplete returns and consequent difficulties in assessing the impact or otherwise of the funding.
- 3.33 There is a need to review the role of a small grants programme and its place within an outcome based approach. Perhaps coralling them under specific headings - young people issues, domestic violence, intergenerational issues, substance abuse and so on and evaluating the outcome of the cumulative programme rather than project by project is one approach.

- 3.34 Community based groups stated that the value of small grants lies as much in the engagement of the community as it does in the achievement of a specific outcome. Small grants account for less than 10% of total funding and balancing the need for an outcomes assessment against community engagement is a delicate balance.

Operational recommendation 2

The Small Grants Programme needs to be reviewed in the context of outcome based accountability. The assessment of impact and achievement of outcomes through the small grants programme should be reviewed.

Communities' and Voluntaries

- 3.35 The community sector differs from the voluntary as it tends to be less service oriented, closely defined by local need, more dependent upon some element of volunteer support and (in the instances reviewed by Inspectors) less likely to have direct contact with departmental or statutory agencies. The governance and funding requirements are often the same for all with little evidence of proportionality in compliance returns.
- 3.36 A positive upshot of this was the larger voluntary bodies in some instances offering support to community groups be it in funding applications, providing venues for events and upward referrals. The other important relationship between voluntary and community was establishing standards governing interventions, training and awareness raising.
- 3.37 The large number of charitable bodies estimated at between 6,000 and 17,000 was consolidated to some extent with umbrella bodies and networks such as the Womens' Information Network, Intercomm, Community Foundation Northern Ireland and Women's consortia acting as co-ordinators and disseminating information alongside the more obvious exponents such as NICVA. These community umbrella bodies gave the community sector some capacity to identify common issues and to reduce the potential to duplicate what has gone before. One issue raised by the community sector representatives was the lack of mainstream follow-up to successful community development work. As an example, the resolution of conflict and interface issues by community groups were supported but there was no real effort to alleviate the underlying issues that lead to the problem in the first place.
- 3.38 The NIPS and the PBNi both recognised the value and contribution of the Third Sector assisting with the integration and rehabilitation of offenders into the community. The community-based restorative justice groups, exemplified by Northern Ireland Alternatives and Community Restorative Justice Ireland were especially important in terms of community engagement and linkages between the police and the community. The restorative justice bodies also promote and develop non-violent community responses to the issues of low-level crime and anti-social behaviour in areas across Northern Ireland.

- 3.39 On a positive note both the restorative justice organisations have expanded their operations across Belfast, North Down, Newry and Derry and make a positive contribution to the Enhanced Combination Order programme in partnership with the PBNI. Previous inspections by CJI of the restorative justice bodies are positive and recommended accreditation by the statutory authorities.
- 3.40 The funding squeeze had hit smaller community bodies as they had less resilience than the larger bodies in terms of working capital and diversified funding sources. Although it was difficult to quantify there were many small community groups that were self-funding. The completion of the Charities Commission register will identify these and complement the Government Funding Database.
- 3.41 Other changes in funding patterns can influence delivery. The channelling of funding through PCSPs focused on community-based rather than overarching programs. For example, intergenerational programmes commissioned through central funding were previously delivered through a large voluntary body. Where individual PCSPs identified intergenerational work as a priority in their local strategic assessment and action plan, they commissioned and funded specific local projects and local community initiatives.

Sustainability

- 3.42 Aggregation within the community sector usually through network affiliations was one trend in sustainability. The creation of Womens' Information Networks was one such example. Foyle Womens' Information Network was supported by the local council to join up community activity supporting women. Twenty-four years later it had grown to 800 members and delivered information, training, policy contributions and also interfaces between communities.
- 3.43 The diversification of funding streams within the Voluntary Sector is another mechanism to mitigate the impact of any one funder withdrawing support. Many of the bodies in Northern Ireland have sought to diversify their funding from central government but uncertainty around EU and Philanthropic trusts' funding hamper this. Appendix 4 of this report features an example of the funding sources of a voluntary organisation working in the field of Criminal Justice. The key points are the huge diversity in funding, the annual variations in sources and total funding and that criminal justice accounts for less than 50% of the total for what is a criminal justice focused organisation.
- 3.44 The pressures on funding, increased competition within the sector and the development of market oriented commissioning could all have implications for the sector. Although there was a keenness to stress the importance of the sector as a partner in design and delivery of policy and programmes, the increasing focus on service delivery countered this. Certainly, some organisations have a credible voice through long standing relationships and an ability to evidence results. The view of the core funded element of the sector was that a move away from core funding to service delivery on a full cost recovery basis would limit the autonomy and influence of organisations. In mitigation, the DoJ held the view that full cost funding including a proportionate bid for funds to cover management overheads, would not undermine the autonomy or influence of such organisations.

- 3.45 The approach of public servants was and will be increasingly a desire to harness the sector to deliver the outcomes that departments want but with less resources. The squeeze on resources and focus on service provision could drive out some organisations and force others to merge. This organic approach to rationalisation - a form of 'financial Darwinism' - was criticised as unrealistic because the competitive environment and an unwillingness to have 'difficult conversations' render it unlikely.⁵⁰ Alongside this, the Third Sector in Northern Ireland realises and accepts that there will be pressure on funding and this will require adapting to the changing landscape.⁵¹
- 3.46 Leaving rationalisation of a sector that arose out of market failure to market forces could result in an inequitable landscape. The sector saw the role of government to work with it to better formalise the relationship between smaller and larger organisations. However, the service oriented procurement route runs the danger of confusing subcontracting with partnership or equitable consortia: it's not. Smaller organisations found that sub-contracting could be extremely inflexible as they were tied into highly specified roles for inadequate recompense. Balancing the demands for innovation, value for money, partnership, competitiveness and delivery of outcomes would test any procurement process.
- 3.47 Sustainability will also be influenced by the move to funding based on evidence of impact. Post-conflict Northern Ireland with a vibrant Voluntary and Community Sector, peace dividend funding and restricted access to state agencies led to rapid growth in the sector.
- 3.48 The quest for funding saw various manifestations of the same organisation with a slight name change but the same registered address and same officers redefining themselves to fit in. The change in funding away from activities to impact will challenge organisations that have to some extent developed a sense of entitlement. The assumption that there is intrinsic value in the Third Sector versus the statutory or private sector is challenged by the increasing view point that the Sector is an extension of the state and an instrument to achieve government objectives. Balancing this instrumentalism with sectoral independence is another challenge for commissioners.^{52 53}
- 3.49 Sustainability of individual bodies was also influenced by party politics⁵⁴. Examples of lobbying local MLAs whenever changes to funding were indicated could be disruptive to longer-term goal setting and causing duplication of delivery.

50 *Independence of the Third Sector Northern Ireland, Building Change Trust*; Final Report, November 2016 available at https://www.buildingchangetrust.org/download/files/BCTUU_IndependenceReport_Final.pdf

51 Discussions with Chief Executive in Third Sector.

52 *Independence of the Third Sector Northern Ireland, Building Change Trust*, Final Report, November 2016 available at https://www.buildingchangetrust.org/download/files/BCTUU_IndependenceReport_Final.pdf

53 *Third sector independence in an age of austerity: relations with the state in an age of austerity*, Edinburgh Napier University Research Output, 18 May 2017 available at <https://www.napier.ac.uk/research-and-innovation/research-search/outputs/third-sector-independence-in-an-age-of-austerity-relations-with-the-state-in-an-age-of>

54 *Independence of the Third Sector NI, Building Change Trust*, Final Report November 2016, available at https://www.buildingchangetrust.org/download/files/BCTUU_IndependenceReport_Final.pdf

- 3.50 In the future, it is highly probable there will be a move away from historical funding patterns to a system of funding that is needed rather than what is available. How the sector adapts to this is an issue. A bottom-up rationalisation may not happen but if it does, it will most likely be haphazard and not necessarily result in a more efficient and effective sector. Government intervention is needed here, the issue is whether a market based competitive process will achieve this?

"A lot of the politicians will come in and jump on a short term crisis situation and that can sometimes perpetuate some of the unhealthy things. Money is constantly found to bail out particular organisations that may not be delivering what is in line with broader objectives....short term funding initiatives can duplicate responsibilities of other departments and that can get in the way of sensible planning sometimes."

Government official

Social Enterprise

- 3.51 One kind of business structure that has grown rapidly in the United Kingdom in recent years is the 'social enterprise'.
- 3.52 The government definition of a social enterprise is '*a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.*'
- 3.53 There are around 80,000 social enterprise bodies in the United Kingdom, employing 950,000 people with estimated turnover of £24 billion. Some key facts from the Survey of the Social Enterprise Sector are as follows:⁵⁵
- 27% of social enterprises have the public sector as their main source of income, an increase on 2013 and 2011;
 - 59% of social enterprises do some business with the public sector;
 - innovation pioneers: The number of social enterprises introducing a new product or service in the last 12 months has increased to 59%. Among Small and Medium Sized Enterprises (SMEs) it has fallen to 38%; and
 - 49% of social enterprises operating in public sector markets say they're yet to see a Social Value clause in tender documents.
- 3.54 The United Kingdom figures would suggest there would be around 2,000 social enterprises operating in Northern Ireland but the actual figure is around 470⁵⁶. There are many examples of social enterprises working with people with disabilities but less so with offenders, and ex-offenders. The social enterprise sector of the Third Sector in Northern Ireland is not only much less than in England and Wales its representation in the Criminal Justice field is also very low. The low level of public giving to criminal justice activities may also impact upon any social enterprise associated with justice.

55 Leading the world in social enterprise: State of Social Enterprise Survey 2015; Social Enterprise UK available at <https://www.socialenterprise.org.uk/Handlers/Download.ashx?IDMF=828443a9-2f80-4c2a-ab2b-81befed6ed05>

56 A Survey of Northern Ireland's Third Sector and its Potential to Become More Enterprise Driven, Final Report, PwC for Department of Enterprise Trade and Investment and the Department of Social Development, May 2013 available at <https://www.economy-ni.gov.uk/sites/default/files/publications/deti/deti-dsd-3rd-sector-final-report-july-2013-v1.pdf>

- 3.55 The PBNi and the NIPS - especially at Hydebank Wood - do engage with the social enterprise sector and the experience is positive. The *Mugshots* initiative is a social enterprise operating out of Hydebank Wood Secure College providing printing services. The reoffending rate of young offenders on this project is 17% which is less than a quarter of the rate among the young offender general population. The NIPS and the PBNi also work in partnership with the *Turnaround* social enterprise project.
- 3.56 *Turnaround* involves the provision of transitional work experience and employment opportunities for the benefit of people serving custodial or community sentences. Turnaround staff work closely with the NIPS, the PBNi and the Third Sector organisations to co-ordinate individual work experience plans and any other desistance or resettlement plans to utilise all available opportunities. By creating 'circles of support' of at least four community mentors around each group of participants it engages people in the wider community. This is an innovative self-financing approach to supporting individuals aimed at reducing reoffending.
- 3.57 The barriers to social enterprise in the United Kingdom apply even more so in Northern Ireland. The absence of any social value legislation in Northern Ireland restricts access to government funding and this was quoted as a major barrier. Local authorities in Northern Ireland, such as Belfast City Council and Derry and Strabane District Council do provide some financial support to prospective social enterprises but it is limited. As well as some financial support, the DfC's Voluntary and Community Division has a number of work areas that support the Social Enterprise sector including the Regional Infrastructure Support Programme, Community Asset Transfer, the Social Innovation Working group and highlighting the role of Social Enterprise in Community Plans.
- 3.58 The Northern Ireland Housing Executive (NIHE) has committed to invest in social enterprise growth to increase sustainability in the social housing and broader community sector. This is a strategic commitment that the DoJ and its partner agencies could also adopt to expand the role of social enterprise in the CJS. The development of a supply chain from the statutory bodies through the voluntaries to the community and social enterprises would be difficult but providing employment is a key component in reducing re-offending. Social enterprise bodies can provide employment to complement the development of employment skills provided by other Third Sector bodies. Some CJS bodies such as Extern already do this, but commissioning on an outcome focused basis could target consortia of Third Sector bodies and use social value clauses to increase collaboration between sectors and develop the social enterprise sector.

- 3.59 A report commissioned by the Department of Enterprise, Trade and Investment ((DETI) now Department for the Economy (DfE)) recommended that:⁵⁷

“DSD (Department for Social Development) should establish a pilot programme to identify and target community and voluntary organisations with the potential to transition to social enterprises.” The report says: “This pilot programme should include a needs assessment, organisational review and skills assessment to discover if the organisation has the capacity and capability to become a social enterprise.”



- 3.60 Accepting that there are major challenges to developing the role of the social enterprise sector in the criminal justice field, and that the lead falls to the DfC and DfE, the DoJ should collaborate on any opportunities that promote the role of social enterprise in the criminal justice field.

57 A Survey of Northern Ireland's Third Sector and its Potential to Become More Enterprise Driven, Final Report, PwC for Department of Enterprise Trade and Investment and the Department of Social Development, May 2013 available at <https://www.economy-ni.gov.uk/sites/default/files/publications/deti/deti-dsd-3rd-sector-final-report-july-2013-v1.pdf>



Outcomes

Reporting of Outcomes

- 4.1 The adoption of the draft PfG and the associated OBA was seen as a positive step in moving towards delivering positive impacts to communities. In 2015-16 the major Third Sector agencies working with the CJS moved towards reporting more outcome-based measures. Alongside the familiar report on activities during the year, Third Sector bodies such as Extern reported success rates for early intervention programmes and NIACRO reported statistically significant improvements in employment opportunities for the *Job Track* initiative.
- 4.2 Whilst the level of activities continued to be recorded and reported it was evident that more measurement and reporting of the quality of the services provided, the views of participants and the achievement of intended outcomes was happening. During a transition period, easy comparisons year on year were difficult as was reporting of the achievement of societal outcomes. Not surprisingly, the high level indicators used in the PfG - namely offending and reoffending - had not decreased as per the PSNI recorded crime figures as these are long term.
- 4.3 The successful measurement of outcomes, evidenced by NIACRO and Community Evaluation Northern Ireland (CENI), required an investment in defining in advance, the possible outcomes that could be achieved and the datasets that would show achievement or otherwise. Comparative statistics required accurate datasets that were cleansed to remove outliers and irrelevant data. This is further complicated as outcomes are measured at the operational and the societal level and take a number of years to become apparent.
- 4.4 The key point is that a significant effort was required to provide meaningful information on the achievement of outcomes that will be beyond many Third Sector organisations without support.

The Top 10

- 4.5 Whilst accepting that outcome analysis remains to be developed, looking at the major Third Sector bodies that contribute to the DoJ aims gives some idea of the achievement of the DoJ objectives. Over the last four years the DoJ has consistently funded the following organisations.

4.6 DoJ funding to the top 10 Third Sector bodies 2014 – 2017⁵⁸

1. Barnardos;
2. NIACRO;
3. Extern;
4. Victim Support NI;
5. Include Youth 2014-15 and 2015-16;
6. NSPCC Young Witness Service;
7. Colin Neighbourhood 2015-16;
8. CRUSE 2014-15;
9. Housing Rights 2014-15; 2015-16 and 2016-17; and
10. Prison Arts Foundation 2015-16 and 2016-17.

4.7 The aims of these organisations covered the following areas:

- stronger families;
- safer childhoods;
- positive futures (for young people);
- to reduce anti-social and offending behaviour among those perceived to be vulnerable to offending, through our work with children, young people and their families;
- to reduce offending by supporting families and children of those in prison;
- to contribute to a reduction in offending and re-offending through appropriate and effective support for both adults in the community and those leaving prison; and
- reducing offending and the impact of offending on victims and the community.

4.8 Referring back to the strategy aims of the DoJ presented in the various policies, the Reducing Re-offending Framework, the NIPS Employability Strategy, the desistance approach⁵⁹ and the aims of the statutory agencies that fund the various Third Sector bodies, there is a high degree of correlation. Not surprising really, as the work of the DoJ, its agencies and the Third Sector all recognise and respond to common needs.

4.9 At the highest level we can say that the activities of the Third Sector funded by the DoJ are pointed towards the DoJ aims and objectives and that they contribute to achieving those aims.

4.10 The challenge is to develop more sensitive measures of impact with some form of common metrics and use these to prioritise what works best.

58 The Government Funding Database contains information on grants that have been awarded to voluntary and community organisations. It is maintained by the Department of Communities and is available at <https://govfundingpublic.nics.gov.uk/Home.aspx> This data was extracted using filters for the largest grant recipients in the relevant financial year.

59 Desistance describes the process by which those engaged in a sustained pattern of offending give up crime. Maruna S (2001) *Making Good: How Ex-Convicts Reform and Rebuild their Lives*. Washington DC: APA Books in Ministry of Justice (2014) *Transforming Rehabilitation: a summary of evidence on reducing reoffending* (Second Edition) London. MOJ <https://www.google.com/url?sa=t&rc=t=j&q=&esrc=s&source=web&cd=5&cad=rja&uact=8&ved=2ahUKewjat5Ce-qbgAhWLDuWkHew6DA8QFjAEegQIBRAB&url=http%3A%2F%2Fmcnevaluation.co.uk%2Fwpfb-file%2F2014-moj-transforming-rehabilitation-a-summary-of-evidence-on-reducing-reoffending-2nd-ed-pdf%2F&usg=AOvVaw03EQGrbDmuJ3fyNGYHr3r>

OBA in Action

- 4.11 Although at a relatively early stage, with the planning phase showing most progress, there are good examples of the OBA approach in action.
- 4.12 The *Social Investment Fund* was an initiative sponsored by the Northern Ireland Executive to directly engage with disadvantaged communities through a range of projects that would be designed and delivered with strong community representation and input. There were 68 projects: 50 capital and 18 revenue funded. Inspectors only reviewed the small number of revenue projects that had some relevance to criminal justice aims.
- 4.13 Inspectors were aware that there have been concerns raised about the governance arrangements of the funds, including the planning processes, the operation of steering groups and the selection and prioritisation of a number of the projects. These issues were the subject of a NIAO report⁶⁰. Whilst acknowledging this, Inspectors noted a number of positives in the mechanics of the funding and assessment processes of the projects it reviewed.
- 4.14 For each of the schemes an OBA approach was adopted with the projects having to produce a report card with defined outcomes and interim measures. A wide range of data was collected with statistical analysis that was presented in a dashboard fashion.
- 4.15 Although the data was in the standard form of activities with numerical analysis of participants, the following key questions were asked:
- how much did we do?
 - how well did we do it? and
 - is anyone better off?
- 4.16 Across the projects common metrics were identified and aggregated to give an overall assessment of outcomes, although it is too early to say whether these have been achieved.
- 4.17 The projects were co-designed with significant input from the community representatives giving a high degree of ownership. If there is one caveat to this approach it is the delegation to steering groups and management out with the departmental boundary could create some tensions within the governance requirements of Managing Public Money Northern Ireland.⁶¹
- 4.18 The funding profile for the projects in this programme typically runs for a three year period and although funds are never guaranteed, there is less of the annularity associated with other funding programmes. Another positive was post project evaluation by an independent observer.

60 *The Social Investment Fund*; Northern Ireland Audit Office, November 2018 available at

https://www.niauditoffice.gov.uk/sites/niao/files/media-files/NIAO_Social%20Investment%20Fund%20Report.pdf

61 *Managing Public Money NI*, Department of Finance and Personnel NI, January 2013, available at <https://www.google.com/url?sa=t&ct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKewiphfWu-6bgAhXF2qQKHUmyBHMqFjAAegQIABAB&url=https%3A%2F%2Fwww.finance-ni.gov.uk%2Farticles%2Fmanaging-public-money-ni-mpmni&usg=AOvVaw3IGmOCdI1kLodZi8LBZ2dS>

- 4.19 The *Fresh Start* (now known as the *Tackling Paramilitarism* initiative) funding proposals similarly adopted a longer term approach to funding. The programme combines long term prevention, building community capacity, building confidence in the justice system and law enforcement to combat the influence of paramilitaries and is based on strong collaborative working between statutory agencies and the VCS. Individual Departments/statutory agencies are responsible for leading delivery of individual actions, with delivery through partners with VCS organisations, acting individually or in a consortium arrangement. The DoJ leads on the commitment to deliver a public awareness campaign, #Ending the Harm, which has been developed and delivered through close partnership working with the VCS.
- 4.20 The essential requirement to deliver longer term change and combat the haemorrhage of staff from the Third Sector is the longer term commitment of funding. Although there are longer term planning processes in the public sector through the Public Expenditure Survey, the authority to spend is still constrained to the annual letter of offer. There are efforts within the DoJ to introduce some flexibility through the use of in-year and year-end easements, but in the absence of a Northern Ireland Executive, the annual budgetary cycle has become an even bigger barrier to long term planning and the inflexibility it imposes will present a risk to the implementation of the draft PfG. Unfortunately, (as stated earlier) a politically driven initiative to better align funding to outcomes can challenge the status quo.

The Third Sector and Positive Outcomes for Offenders

- 4.21 A major area of engagement between the Third Sector and the CJS dealt with reoffending behaviour. The NIPS worked in partnership with the Third Sector towards a common goal of reducing reoffending. The reoffending rate is a major indicator for the DoJ draft PfG outcomes and over time will show progress allowing decisions to be made about what is working best. The overall rate has remained fairly level for the last number of years (see Appendix 2) with the highest levels arising from short term sentenced prisoners.⁶²
- 4.22 A number of initiatives with Third Sector involvement were aimed at this group of prisoners. These included the Enhanced Combination Order (ECO), an intensive community sentence, piloted by the PBNI. This focused on rehabilitation, victim issues, restorative practice and desistance. It included a focus on mental health, parenting/family issues and psychological assessment. The ECO required offenders to complete unpaid community work, participate in victim focused work, and if possible, a restorative intervention.⁶³
- 4.23 Evaluation of the pilot showed impressive results for this high risk of reoffending group: there was a 40% reduction in the reoffending rate for those who completed the order.

62 The reoffending rates for adult short-sentenced prisoners were significantly higher than the average. In Northern Ireland adults serving prison sentences of less than 12 months had a reoffending rate of 45.8%, which was much higher than the comparable figure for those serving prison sentences of 12 months or more (18.9%); in England and Wales almost 60% of those who served sentences of 12 months or less had a proven reoffending rate compared to 33.6% for those who served 12 months or more.

63 *Evaluation of the Enhanced Combination Order Pilot*, PBNI and NISRA, June 2017 available at <https://www.pbni.org.uk/evaluation-shows-reduction-in-reoffending-and-decrease-in-prison-numbers/>

- 4.24 The CJI report on resettlement in 2018 highlighted other initiatives to mentor and support prisoners on release, for example the resettlement and rehabilitation project for mentoring prisoners (RESET) and achieving Positive Outcomes for Short-Term prisoners (POST) had also shown successful outcomes.⁶⁴
- 4.25 Barnardo's provided a range of parenting programmes, individual support and 'Big Visits'⁶⁵ for prisoners with families in each of the prisons and this had displayed very positive results,⁶⁶ although at the time of writing Inspectors understood that the funding was under review.
- 4.26 A funding agreement with NIACRO to provide families with support through Family Links for referral, telephone contact and information provision to prisoners' families and home visits, and to signpost to support services was in operation. In addition, information was provided at prisoner induction sessions. Prisoners' families and relatives on prison visits were given opportunities for families to speak to prison officers and Third Sector support staff⁶⁷.
- 4.27 A Family Strategy Board at Magilligan Prison that brought all prison, support, chaplaincy, Independent Monitoring Board and voluntary and community sector agencies together to share information and discuss how best to address issues relating to prisoners and their families was deemed successful. As was a programme, funded by the NIPS, to promote better outcomes for the children of prisoners through four full-time Family Liaison Workers being recruited for an 18-month period.
- 4.28 All of these initiatives were aimed at better preparing prisoners to resume their role within the family on release leading to a reduction in re-offending. The key success factor here will be evidence of the actual rate of re-offending falling.

Integrating Third Sector delivery for better prisoner outcomes

- 4.29 Integrating the work of Third Sectors and the NIPS exhibited the same positive and negative issues as other CJS bodies. Housing advice was provided by the Housing Rights Service, partly funded by the NIPS and the NIHE. The service was augmented by the Peer Advice Project where prisoners had been selected and trained to provide housing advice to their peers and to all new committals to prison. This was a positive experience for prisoners.

64 RESET: an opportunity to enhance offender resettlement and rehabilitation through mentoring. Hamilton, S. The Irish Probation Journal. Volume 13, October 2016.

65 Big Visits were family-focussed visits for prisoners on the Barnardo's programme which provided more family contact than the standard prisoner visiting arrangements.

66 *Strengthening Family Relations? Review of the Families Matter Programme at Maghaberry Prison*. Butler, M., Hayes, D., Devaney, J., & Percy, A. (2015). Strengthening Family Relations? Review of the Families Matter Programme at Maghaberry Prison. Belfast: Barnardo's NI. Queen's University Belfast and Barnardo's Northern Ireland. 2015 available at [https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKewjPzrWX_KbgAhUP2qQKHAVEdm4QFJAAGQIBBAB&url=https%3A%2F%2Fpure.qub.ac.uk%2Fportal%2Fen%2Fpublications%2Fstrengthening-family-relations-review-of-the-families-matter-programme-at-maghaberry-prison\(11e620b7-ccc5-4f82-9d83-03f11cfa8ca0\)%2Fexport.html&usg=AOvVaw0ZtZqmPz382ucqoqlyJ6Fc](https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKewjPzrWX_KbgAhUP2qQKHAVEdm4QFJAAGQIBBAB&url=https%3A%2F%2Fpure.qub.ac.uk%2Fportal%2Fen%2Fpublications%2Fstrengthening-family-relations-review-of-the-families-matter-programme-at-maghaberry-prison(11e620b7-ccc5-4f82-9d83-03f11cfa8ca0)%2Fexport.html&usg=AOvVaw0ZtZqmPz382ucqoqlyJ6Fc)

67 See also Report of *Unannounced Inspection of Magilligan Prison* CJI, HMIP, RQIA and ETI, published 12 December 2017 available at <http://www.cjini.org/TheInspections/Inspection-Reports/2017/October-December/Unannounced-Inspection-of-Magilligan-Prison>.

- 4.30 Similarly, NIACRO provided a money advice service and the advice worker attended the prisons on a part-time basis. NIACRO also offered support for prisoners' families in the community although budget cuts had created a gap in service provision.⁶⁸
- 4.31 The service to provide assessments, interventions and to manage programmes for prisoners with substance abuse problems was delivered by AD:EPT (Alcohol and Drugs: Empowering People through Therapy). This was commissioned by the South Eastern Health and Social Care Trust (SEHSCT).
- 4.32 Although referrals to AD:EPT by Prisoner Development Programme co-ordinators worked effectively there was limited interaction between AD:EPT caseworkers and Prisoner Development Unit staff. The CJI report on prisoner resettlement concluded more needed to be done to fully integrate the Third Sector support organisations into the Prisoner Development Programme.
- 4.33 *Mugshots* a social enterprise in Hydebank Wood secure college providing printing services has recorded re-offending rates of 17% against population averages of 70% plus.
- 4.34 Other initiatives that are tangential to the CJS outcomes are developing an outcomes based approach. The Childrens' and Young Peoples' Strategic Partnership (CYPSP) established a comprehensive performance profiling approach using an outcomes based approach. The CYPSP is taking a lessons learned approach to adopt best practice from other initiatives such as *Families Matter*, the family support hubs and the Early Intervention Transformation Programme. Workshops with representatives from a range of organisations including government departments, statutory organisations and the Third Sector discussed the evidence base and suitable outcomes in both the short and longer term. This Partnership is publishing performance data in a variety of formats including longer term comparative analysis that will reflect movement along an outcomes path. It is a commendable approach.
- 4.35 The Early Intervention Transformation Programme was another example of cross-departmental and Third Sector working. The Departments of Employment and Learning, Education, Justice, Health and Social Development in conjunction with Atlantic Philanthropies and the Delivering Change fund agreed to jointly fund the initiative. Extern provided a significant level of input working with over 320 families as part of the Early Intervention Scheme. A range of assessment tools have been developed and a report card is published showing a range of high level indicators and outcomes.⁶⁹
- 4.36 MACS⁷⁰, an organisation that supports children and young people implemented a system (known as the outcome star) to record young people's individual journey and distance travelled throughout the duration of their support. They also developed SPIN, a bespoke online database system which monitors hard outcomes linked to five higher level strategic areas of the outcomes framework⁷¹.

68 Report of *Unannounced Inspection of Magilligan Prison*, CJI, HMIP, RQIA and ETI, 12 December 2017, <http://www.cjini.org/TheInspections/Inspection-Reports/2017/October-December/Unannounced-Inspection-of-Magilligan-Prison>.

69 Regional EISS, *Is anyone better off?*, Early Intervention Support Service, December 2016, available at <https://www.health-ni.gov.uk/sites/default/files/publications/health/eitp-regional-report-card.PDF>

70 For further information please see <https://www.macsni.org/>

71 Further information on this approach is available at <https://www.macsni.org/about-us/measuring-impact/>

Challenges of the OBA Approach

- 4.37 The aims and goals set forth by the Third Sector bodies have always gone beyond changes at the individual level to include changes at the aggregate or community level and reference the 'added value' provided by the Third Sector. The advent of an outcomes based PfG that places positive impact at population level on a par with that on the individual aligns the statutory and voluntary sectors as never before. As stated earlier the major challenge is measuring contribution to outcomes and ultimately impact at population level. This will also place further demands upon the Sector to develop assessment that goes beyond the immediate activity measures - that until now have satisfied funders' compliance demands.
- 4.38 The *Inspiring Impact*⁷² initiative has gone some way to putting outcomes at the heart of the Third Sector whilst recognising much needs to be done on co-design and responding to outcomes aligned funding.
- 4.39 Although there was no cross-cutting comprehensive strategy for the Third Sector⁷³ within the Northern Ireland departments there were shared aims, some shared strategies and the draft PfG provides a high level outcome with associated indicators to which the DoJ could aspire. This provided a primary focus for the various DoJ strategies (Section 2 of this report) whilst highlighting the challenges in measuring the success or otherwise of the various strategies.
- 4.40 The other factors that contribute to a move to the outcomes regime is the statutory imperative imposed by reporting to the Executive. The outcome owners are tasked with working cross-sectorally to achieve the outcome, including outside the government departments, agencies and NDPBs. This explicitly included the Third Sector.
- 4.41 The move to OBA shifted the areas the DoJ seeks to influence outside the justice arena. Thus, in an environment where offending rates for drug offences and sexual violence were rising whilst others such as car crime were falling with static reoffending rates, the debate centres on what are the wider issues that influence the justice outcomes and how does the DoJ influence them?
- 4.42 The indicators for the DfC in respect of poverty and confidence in communities resonate with the DoJ's outcome for safer communities. The challenges are to agree consistent measures that show change with the issue that the many and different stakeholders involved with third sector work makes it hard to find a common evaluation framework that would please all stakeholders' interests and requirements.⁷⁴

72 'Proving the Difference you make', an article on the Inspiring Impact NI project; published by NICVA, November 2015 available at <http://www.nicva.org/article/inspiring-impact-ni-background-proving-difference-you-make>

73 Bearing in mind the caveat at para 2.2

74 *Impact and Evaluation in the UK third Sector: reviewing literature and exploring ideas*, Dr Malin Arvidson, Third Sector Research Centre, December 2009 available at https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKEwjEnuyUhafgAhUMKlAKHXSRAC4QFjAAegQICRAC&url=https%3A%2F%2Fwww.birmingham.ac.uk%2Fgeneric%2Fsrc%2Fdocuments%2Fsrc%2Fworking-papers%2Fworking-paper-27.pdf&usg=AOvVaw1DEJqjAW8UROo7IAx_7ykn

- 4.43 It is encouraging that the DfC are engaging in public debate to define 'bottom up' measures of poverty and social cohesion. In conjunction with structured meetings with other departments and the Joint Forum with the Third Sector, acceptance of the syntax around OBA and agreement on evaluation is progressing.
- 4.44 The challenge is population changes are long term as are changes to the indicators. Many of the projects and the project funding are shorter term with performance measurement being conflated with the indicators which in turn are treated as targets. It is not hard to understand how this happens as a target mentality has driven accountability for some time and commissioners, delivery agents, stakeholders and others that hold them to account expect to see a return for the resources, usually within the year of funding. The most recent round of funding in the absence of the Executive saw some Third Sector organisations being asked to complete annual performance returns by the end of the financial year to prevent funders acting *ultra vires*.
- 4.45 The DfC are advancing 'self-efficacy' as one means of assessing achievement. Poverty, confidence, fear of crime, reoffending themes can share commonality on a 'self-efficacy' framework. Using capacity building, self-awareness and upskilling as part of the 'self-efficacy' framework would give equivalence between DoJ and DfC outcomes.

Operational recommendation 3

Although the DfC is the department responsible for developing the sector and has a significant role here, it is recommended that the DoJ (through interdepartmental working groups) should assist development of information that can be specific or proxy relating to the achievement of DoJ outcomes.

- 4.46 Also agreement that indicators and outcomes are only effectively measured by external assessment over time periods that exceed the Government's budgetary cycle requires strategic changes to the funding and accountability regimes. The governance of the draft PfG moves the outcome based accountability regime away from silo concentration but funding is still short term and governed by a legacy of annual returns on expenditure. The Public Expenditure Survey process does plan longer term but there were still the structural barriers posed by accountability rules and annual funding returns that were hierarchical and reinforced silo thinking. Other Departments were collaborating through a variety of pathways such as All Departments Officials' Meetings and 'Narrowing the Gap' meetings but these focused on agreeing plans without the flexibility of sharing, or carrying over resources.
- 4.47 A change to the annual budgeting cycle aligned to longer term planning and assessment can only be achieved with political will which is unlikely in the absence of an Executive.

Operational recommendation 4

Even so, **Departments should lobby for flexibility within the annual budgetary cycle to reflect the need to continually assess and adapt projects and programmes within the outcome model of assessment.**

Orphan Outcomes

- 4.48 The move to shared outcomes calling for cross-departmental collaboration and, presumably, shared funding, raises a possible consequence where the funding streams, purported outcomes and sponsoring departments do not easily line up. Substantial funds were given to Third Sector bodies that specifically support offenders - both in prison and in the community - by departments and statutory bodies with responsibility for housing, education, employment and health issues related to substance abuse and mental health. All contributory factors in the achievement of the DoJ draft PfG outcome and associated indicators.
- 4.49 The issue here is that the governance of funding allocations might not be as easy to reposition as the linkage between funding and outcome. A department or Minister with an under pressure budget may not be overly willing to transfer or share funds leading to some 'orphan' outcomes.
- 4.50 The counter to this is the governance approach to the draft PfG which is aimed at breaking down the silo approach that has characterised departmental working. The Executive acts as the overall guardian of the shared outcome model and in its absence the prerogative of individual departments might be more difficult to manage.



Appendices



Appendix 1: Terms of reference

Introduction

Criminal Justice Inspection Northern Ireland (CJI) proposes to undertake an inspection of the provision of services by the Voluntary Community and Social Enterprise sector (Third Sector) to the Criminal Justice Sector (CJS). Previous inspections in 2006 and 2013 found *'a well-developed voluntary and community sector...that compared favourably with elsewhere in the United Kingdom (UK), and while there were tensions, these were mostly healthy'*. There were a number of improvements recorded over the period of the inspections including, better involvement of Voluntary and Community Sector (Third Sector) organisations with formal criminal justice structures, restorative justice schemes becoming more secure with improved relationships with operational agencies and greater Third Sector participation in relevant consultations and working parties.

The earlier inspections concentrated on organisations that received or administered core funding for a criminal justice purpose - Community Restorative Justice Ireland (CRJI), Extern, NIACRO, Northern Ireland Alternatives (NIA), Quaker Service, Victim Support Northern Ireland (VSNI), the Department of Justice (DoJ), Northern Ireland Housing Executive (NIHE), Northern Ireland Prison Service (NIPS), Probation Board for Northern Ireland (PBNI) and Youth Justice Agency (YJA). This inspection will revisit these areas but also other funding streams, such as Policing and Community Safety Partnerships, and a more detailed review of the role of the Community Sector and the Social Enterprise organisations.

Context

The Northern Ireland Council for Voluntary Action (NICVA)⁷⁵ estimated that in 2009 there were nearly 5,000 voluntary and community sector organisations in Northern Ireland with a total income of £742 million. The sector employed a paid workforce of around 28,000 people (4% of the Northern Ireland total and on a par with the construction industry) with support from some 240,000 registered volunteers. A total of 1.8% of the Third Sector workforce (equivalent to 500 full-time employees) was directly engaged in community safety and criminal justice activity. By 2011, there were at least 245 Third Sector organisations, social enterprises and charities which supported the rehabilitation of offenders in prisons, and a further 79 private sector organisations supporting rehabilitation activities in prison. A recent newspaper report quoted findings by the Charities Commission for Northern Ireland that 1,100 various charities were involved in one way or another with issues related to the past and over 200 worked with ex-prisoners.

Placing an exact figure on either the scale of funding or the scope of the sector is difficult as funding comes from a variety of sources and Third Sector bodies work across a range of activities. They also generate significant funds outside those provided by the statutory agencies. There are also changes to the Third Sector and the CJS landscape arising from funding pressures, new approaches

75 NICVA *State of the Sector VI*, April 2012 available at <https://www.google.co.uk/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKEwi82tWIs6TgAhVVr3EKHcSPBvsQFjAAegQICRAB&url=http%3A%2F%2Fwww.nicva.org%2Fresource%2Fstate-sector-vi&usg=AOvVaw0qtafjclMM4cq8mXPq6lZj>

to commissioning services and the implementation of Outcomes Based Accountability (OBA) with implications for performance evaluation. Significant changes in England and Wales giving rise to payments linked to results, increased use of outsourced contractors for offender supervision and localised contracting arrangements provide some insight into potential impacts on the Northern Ireland Third Sector.

Aims of the Inspection

The broad aims of the Inspection are to:

- review the scale and scope of funding to the Third Sector bodies working with the CJS with reference to the previous inspection. Assess changes to the scale and scope of the Third Sector contribution;
- look at the approach to engaging the Third Sector in service delivery including the role of commissioning frameworks, procurement, grant funding and developments in the methodologies such as co-design;
- assess the impact of outcome based accountability on performance metrics across the sector and the readiness of the sector to deliver outcomes based evaluations of performance;
- examine the strategy(s) behind the continuing and developing involvement of the Third Sector in delivering services and associated outcomes to the CJS. Reference examples of changes in practice - such as England and Wales;
- identify any improvements in the compliance requirements arising from the recent exercise to reduce bureaucracy across the Third Sector; and
- make recommendations based upon the findings of the inspection.

Methodology

The inspection will be based on the CJI Inspection Framework for each inspection that it conducts. The three main elements of the inspection framework are:

- strategy and governance;
- delivery; and
- outcomes.

Constants in each of the three framework elements and throughout each inspection are equality and fairness, together with standards and best practice. CJI inspection methodology can be found at www.cjini.org

Design and Planning

A scoping exercise with a number of Third Sector organisations, the Department of Justice (DoJ) and CJS agencies to develop the terms of reference was carried out in April and May 2017. Draft terms of reference were circulated and finalised reflecting input from the Third Sector, statutory bodies and the DoJ.



The terms of reference were informed by research papers and articles reviewing the implications of outcomes based accountability, measuring social impact and added value of the Third Sector including *Embracing Change*⁷⁶, *Making a Difference*⁷⁷ and *Adding Value to Northern Ireland's Criminal Justice Sector*⁷⁸

Fieldwork

- A representative consultation list of Third Sector bodies will be developed using input from the Charities Commission for Northern Ireland, NICVA and Department of Communities databases.
- Inspectors will plan a programme of structured interviews through lead contacts from the Third Sector bodies, statutory agencies and relevant departments.
- Referrals from Third Sector, statutory agencies or departments and self-referral arising from awareness of the inspection will be accommodated within the timescale and resources available during the inspection.
- Interviews and focus groups will be conducted with the Third Sector bodies, community bodies, and relevant stakeholders to give an insight into the issues affecting Third Sector and the CJS.
- Progress in the development of management information and performance management data in the context of outcomes based approach will be examined.
- Evidence of planning and decision-making leading to development of engagement with Third Sector to deliver co-design, collaboration and recognition of future development will be gathered.
- Where appropriate benchmarking and identification of alternative approaches within and outside Northern Ireland will be referenced.

Feedback and writing

Following completion of the fieldwork and analysis of data a draft report will be shared with the relevant organisations for factual accuracy check. The Chief Inspector will invite those organisations for whom recommendations are made to complete an action plan within six weeks to address any recommendations. If the plan has been agreed and is available it will be published as part of the final inspection report. The inspection report will be shared, under embargo, in advance of the publication date with the relevant organisations.

Inspection publication and closure

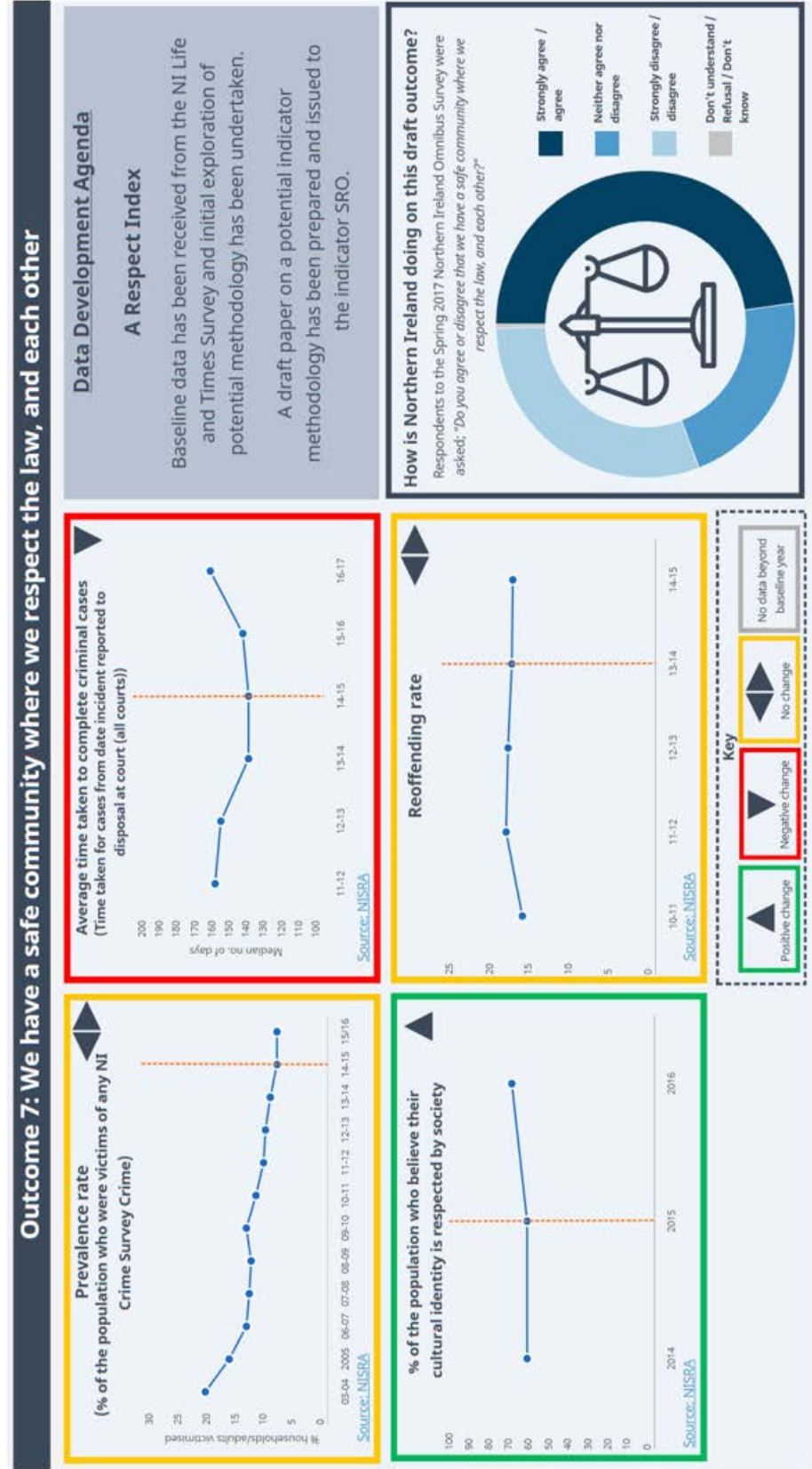
- The final report is scheduled to be completed by December 2017.
- A report will be sent to the Minister of Justice for permission to publish.
- When permission is received the report will be finalised for publication.
- Any CJI press release will be shared with the DoJ prior to publication and release.
- A suitable publication date will be agreed and the report will be issued.

76 *Public sector readiness for outcomes-based funding*; Inspiring Impact NI, June 2016 available at https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=2ahUKewibhLLvh6fgAhUJZFAKHbiGCXcQFjAAegQIBBAB&url=https%3A%2F%2Fwww.ceni.org%2Fnews%2Finspiring-impact-ni-scoping-study-examines-public-sector-%25E2%2580%2598readiness-outcomes-based-funding%25E2%2580%2599&usq=AOvVaw0Mirs_fDk7LKEt9ie9_54u

77 *Making a difference*; a 32 page look at social impact, The View, Issue 38, June 2016, available at <http://cl.ly/gYZi>

78 *NIACRO: adding Value to Northern Ireland's Criminal Justice Sector*, Fitzpatrick and Walker May, 2016 available at www.niacro.co.uk/publications

Appendix 2: Department of Justice draft PfG Outcomes





Appendix 3 State of the Social Enterprise Sector (Key Facts)

- Close to half (49%) of all social enterprises are five years old or less.
- 35% are three years old or less - more than three times the proportion of SME start-ups.
- The proportion of social enterprises that grew their turnover over the past 12 months is 52%.
- A greater proportion of social enterprises are growing than mainstream SMEs (40%).
- 50% of social enterprises reported a profit, with 26% breaking even. Almost all use the majority of those profits to further their social or environmental goals.
- 31% of social enterprises are working in the top 20% most deprived communities in the UK.
- 73% of social enterprises earn more than 75% of their income from trade.
- 27% of social enterprises have the public sector as their main source of income, an increase on 2013 and 2011.
- 59% of social enterprises do some business with the public sector.
- Innovation pioneers: The number of social enterprises introducing a new product or service in the last 12 months has increased to 59%. Among SMEs it has fallen to 38%. An inclusive and diverse leadership: 40% of social enterprises are led by women; 31% have Black Asian Minority Ethnic directors; 40% have a director with a disability.
- Job creators: 41% of social enterprises created jobs in the past 12 months compared to 22% of SMEs.
- Not just any jobs: 59% of social enterprises employ at least one person who is disadvantaged in the labour market. For 16% of social enterprises, this group forms at least half of all employees.
- Paying fair: The average pay ratio between social enterprise CEO pay and the lowest paid is just 3.6:1 – for FTSE 100 CEOs, this ratio stands at 150:1.
- Not getting in on the Act: 49% of social enterprises operating in public sector markets say they're yet to see it arrive in tender documents – there is much to do before the Social Value Act works as intended.
- Appropriate funding and finance still key: 44% of social enterprises sought funding or finance in the last 12 months and 39% believe its lack of availability is a barrier to their sustainability. Just 5% of SMEs think access to finance is a barrier.

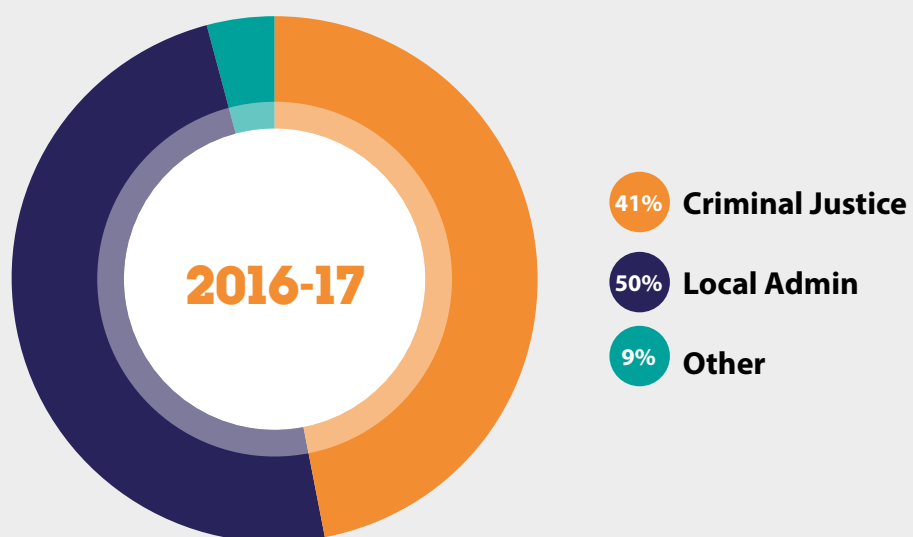
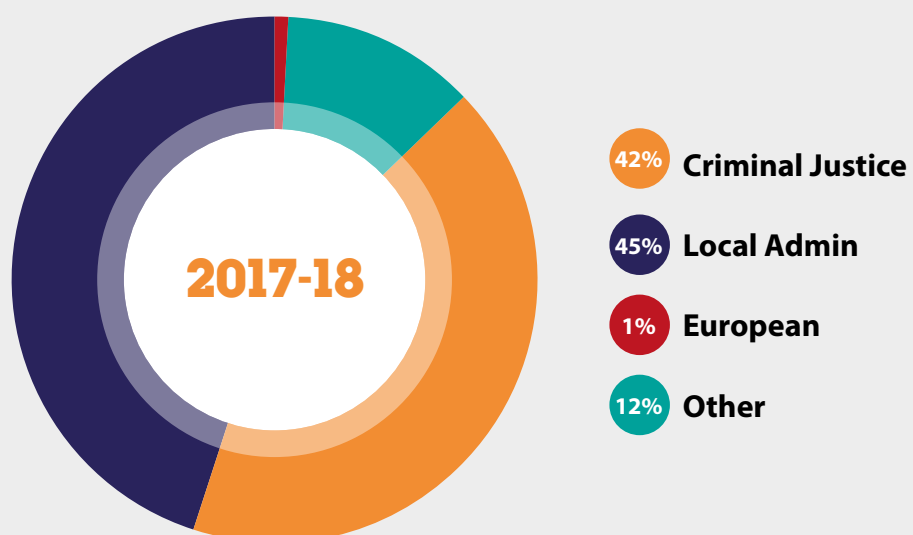
Appendix 4: Sources of funding

Source of Funding ⁷⁹	2014-15 £	2015-16 £	2016-17 £	2017-18 £
Banbridge PCSP	7,000	7,000	7,000	-
Belfast Health and Social Care Trust	59,463	77,641	77,966	79,550
Big lottery fund	89,907	86,033	117,449	142,616
Daphne program	2,429	-	-	-
Belfast City Council	-	4,012	-	-
Department for Employment and Learning	237,930	-	-	-
Community Relations Council	-	2,348	-	-
Department of Justice	512,400	327,075	322,169	270,588
Children in Need	-	-	5,014	33,257
Money Advice Service	-	-	66,110	112,138
European Social Fund – DEL	1,282,166	-	-	-
Health and Social Care Board	465,196	446,262	446,528	446,797
NI Housing Executive	366,951	367,074	373,774	367,074
NI Prisons Service	537,984	415,695	262,770	359,974
Office of the First and deputy First Minister	27,432	31,168	7,463	4,849
Pilgrim Trust	-	3,175	2,797	-
Probation Board for Northern Ireland	283,800	456,481	491,119	581,564
Public Health Agency	-	201,920	305,040	305,932
Social Security Agency	20,000	20,000	-	-
South Eastern Health and Social Care Trust	21,636	21,636	21,636	21,636
Southern Health and Social Care Trust	57,823	64,077	66,572	66,822
St Martin in the fields	3,157	-	-	-
Voluntary agencies	167,754	18,212	33,353	23,829
Western Health and Social Care Trust	10,212	9,871	9,895	10,265
Special EU Programmes Body	-	-	-	39,833
Services Income	167,179	-	12,297	8,665
Investment Income	5,778	-	6,916	4,412
Other	-	-	-	11,778
Total	4,326,197	2,559,680	2,635,868	2,891,577

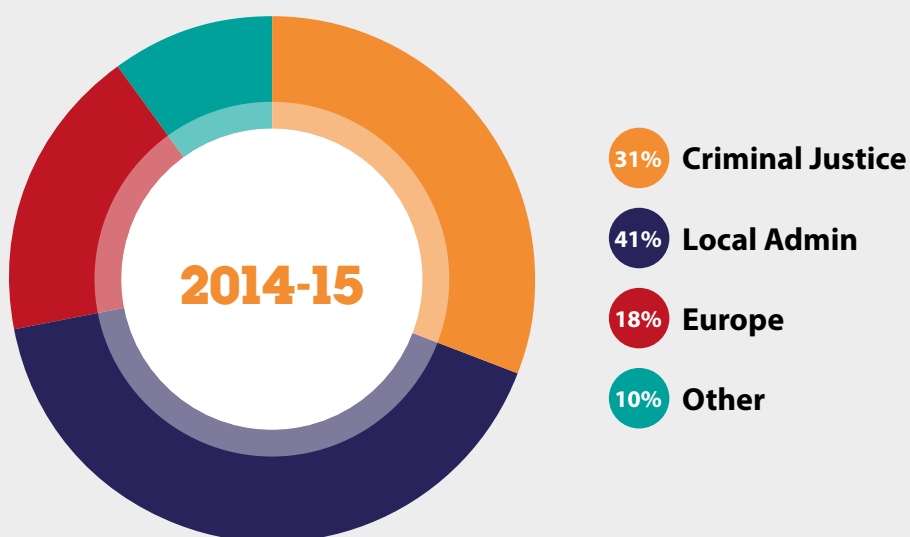
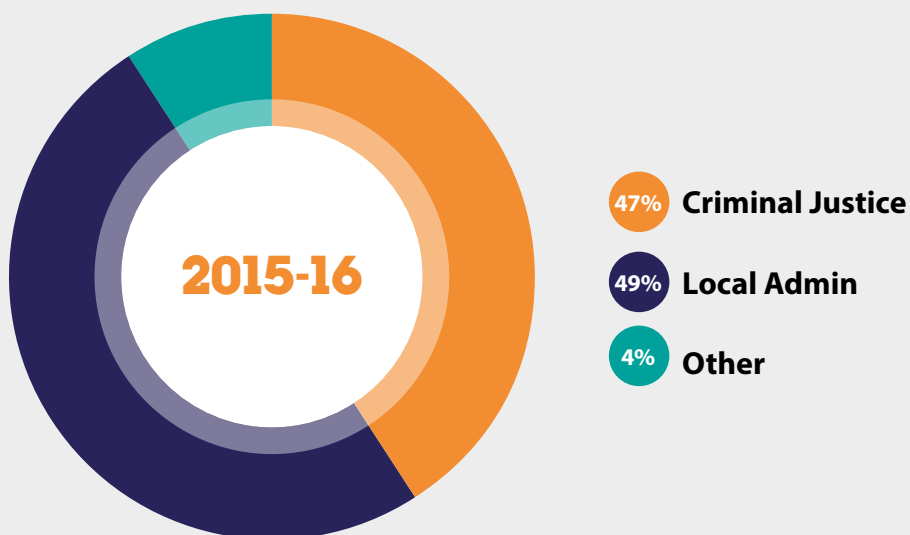
79 NIACRO annual reports




Distribution of Funding 2014-15 to 2017-18



Distribution of Funding 2014-15 to 2017-18





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