



**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





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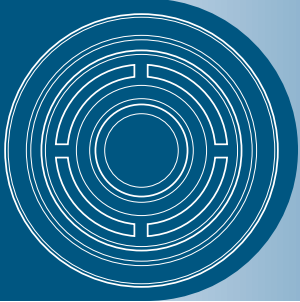


## List of abbreviations

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

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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.

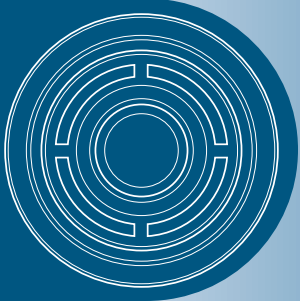
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**Brendan McGuigan CBE**  
**Chief Inspector of Criminal Justice**  
**in Northern Ireland**

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 funding<sup>1</sup>). 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*<sup>2</sup>

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](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 increased<sup>3</sup>.

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 deteriorate<sup>4</sup>.

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 sector<sup>5</sup>. 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*<sup>6</sup> (now known as Tackling Paramilitarism) and *Social Investment Fund*<sup>7</sup> (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](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 category<sup>8</sup> 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 1,100<sup>9</sup> 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-design<sup>10</sup>, 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*).



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