Who we are
Catch22 is a forward looking social business; a not-for-profit business with a social mission. We have been at the heart of public service delivery for over 200 years, designing and delivering services that transform disadvantaged lives and build stronger communities.

In 2014/15, we worked with over 33,000 people across every stage of the social welfare cycle. Our reach gives us unique insight into the challenges facing disadvantaged people today.

About this review
We deliver social outcomes in a business-like and transparent way and in this review we want to share those outcomes with you, our stakeholders.

We believe that in an era of reduced public resource it is our responsibility to find new ways to fund and deliver better public services. In this review we explore some of the ways that we are doing this and the challenges and opportunities that they present.

Please note: Catch22’s reporting year has now changed from the financial to the academic year. This means that 2014/15 is a transitional year, running from 1 April 2014 to 31 August 2015. Statistics in this review cover this extended transitional period unless otherwise stated.

The photographs used in this review are of our staff and service users, but are not necessarily related to the services they depict.
Catch22 works with individuals at every stage of the social welfare cycle. This gives us unique insight into the challenges facing disadvantaged people.

It means that we're better at running alternative education schools because we know about the emotional and social issues that troubled families face. It means that we're better at rehabilitating and resettling because we understand why people offend — and the challenge they face gaining meaningful work when they rehabilitate. We're better at getting people into the right jobs because we understand their background, motivation and how to build their skills — and we're better at working within social care because we understand how a cycle of all of these issues can affect a family.
Welcome from Jim McKenna
CHAIRMAN

Catch22 began its new 2015-2018 strategic period with excitement and optimism. In a tough economic environment with continued reductions to spending on public services, Catch22 has continued to thrive. We go forward into the new strategic period with unwavering commitment to our social mission, with confidence in the quality of our services and impact, and a robust plan for the sustainable future of the organisation and the people it supports.

The Standards and Pillars set out in the 2015-2018 Strategic Plan provide the roadmap for how we will continue to make our organisation stronger and achieve greater impact for our service users and their communities.

As we enter a new phase in Catch22’s 200 year history – one in which austerity or reductions in public expenditure are becoming the norm – we want to be among the drivers of transformation and improvement in public services. The landscape in which we operate is shifting as the nature of public services evolves. Collaboration, good governance and innovation will play major roles in ensuring our continued success as an organisation and in demonstrating the capability of our sector to rise to new economic challenges.

Being a social business

Catch22 is a not-for-profit business with a social mission. That means combining both our commercial and our social values. There are numerous examples in the pages ahead that demonstrate how being a social business is enabling us to transform the ways that people-facing public services are designed and delivered.

Growth and reach

We are ambitious in our plans to grow the scale and reach of the services we provide. A professional business-like approach is crucial in demonstrating to funders, commissioners and partners that we have the capacity and financial strength to deliver not just more but better services.

Over the last year we have been successful in growing our reach across the services we deliver. For example, our new Multi Academies Trust offers specialist alternative education provision for children and young people who need it (see pages 16-19). Our justice services now operate in 19 prisons across the country, up from three in 2013/14 (pages 28-31). And in an exciting and unprecedented merger, Catch22 acquired the London-based criminal justice charity Only Connect (pages 38-39).

Innovation

As an organisation we seek to find innovative solutions to stubborn challenges. In a time of tightened budgets and increasing demand for services, doing more of the same with less simply won’t work. We believe in doing things differently. At Catch22 we are imaginative, creative and not afraid to challenge established systems that are no longer fit for purpose.

Project Crewe, our new service for children in need, is supported by the Department for Education’s Innovation Programme. It’s an exciting new model that we explore in more detail on pages 26-27. Another groundbreaking innovation is the Public Services Lab we are developing with partners Interserve, Big Society Capital and Clubfinance. While still in the early stages, the Lab will eventually provide incubator and accelerator opportunities for voluntary sector organisations to build their own capacity so they can bid competitively to deliver large-scale public service contracts. While we are ambitious about growing our own delivery, Catch22 is also truly committed to creating a more diverse and capable social sector.

Partnerships

Collaborating and working in partnership is central to the way Catch22 works. When united behind a shared goal, different partners can bring a valuable range of skills, expertise and insights. We believe in sharing and building on each other’s knowledge to arrive at the strongest possible solutions.

Our start up business incubator in London, Launch22, emerged through a partnership with entrepreneurs Launchpad Labs. We launched a new site in Liverpool in the summer of 2015 and hope to support the opening of more sites across the UK in the future.

Axi, our new young people’s health and wellbeing service, is another exemplary partnership. Catch22 leads a range of specialist local voluntary sector organisations, working with the NHS, the local authority and a young people’s board, to co-design a service that meets a specific local need. We are not just delivering to a specification but truly working together to provide a bespoke service that works for the young people who use it.

Our people

As ever, I am proud to chair this outstanding organisation. On behalf of the Board of Trustees, I would like to thank the staff and volunteers for their ceaseless commitment to transforming people’s lives. We have high expectations of everyone who works with us and the Catch22 Standards will drive us all forward, building on our strengths to transform and improve the way we work so we are the best we can be. At Catch22, we believe relationships are what make the difference in a person’s life. This thinking extends to the way we approach our own relationships. We would not have been able to achieve so much success this year without the support of our funders, investors, commissioners and other partners. We look forward to working with you in the year ahead as we continue on our mission to transform lives and communities.

‘The landscape in which we operate is shifting as the nature of public services evolves.’
To affect a real change in people’s lives, there must be significant transformation in the way people-facing public services are designed and delivered.

At Catch22, we are feeling optimistic about the future. While concerns about the state of our public services should be taken seriously, it is equally important to explore the opportunities for innovation and improvement that are emerging as a result of continuing reforms. The last five years of austerity have undoubtedly brought new challenges for many of the people we work with; much has been lost as budgets have tightened. But in order to ensure people still receive the support they need, we must respond to the challenges of the new economics with creativity and optimism. That is not to say we must try to do more of the same with less, but rather we must challenge entrenched old ideas of how public services should be run and find new, more effective, more efficient ways to provide support to people who need it.
To give a personal perspective, I am a probation officer and social worker by training and, like many others who pursue a career in this type of work, I was motivated by a desire to change things, to make things better for those I worked with. Today, I lead an organisation in which every member of staff is united by a shared commitment to transform people’s lives. However, in our experience it is becoming clear that many of the services designed to transform people’s lives are not working as well as they could. While there is encouraging progress in some areas, generally speaking outcomes remain stubbornly poor and there is continued pressure to achieve more with less.

To do the best we can for the people who use public services, whether those services are provided by the public, private or voluntary sectors, we must radically rethink how such services are designed and delivered. I believe that over the next three years Catch22 will play an important role in shaping the future of public service delivery so that the people and communities we work with continue to get the support they need in a challenging economic climate.

While we are ambitious about our potential to lead a change and transform lives, our ambition remains rooted in our experience as a provider and innovator. The scale and breadth of the services we deliver provide Catch22 with real insight into what works for people and communities. As long as we continue doing things in the way they have always been done, improvements in outcomes and efficiencies will only ever be marginal. To affect a real change in people’s lives, there must be significant transformation in the way people-facing public services are designed and delivered. Underpinning these ideas are three guiding principles that must be at the core of a new approach:

1. **Being more human**
2. **Unlocking capacity**
3. **Local accountability**

**Being more human**

I borrow the phrase ‘more human’ from Steve Hilton’s book of the same name which argues that systems, structures and bureaucracy have driven out the basic requirement to treat each other as human beings. He says, ‘If you want to make the world a better place, try a simpler solution. Let people relate to each other as people; on a human scale, in a human way. Things are better when they are more human.’

You can apply this thinking to the whole range of things we do to help people. Our experience teaches us time and time again that what makes a difference in people’s lives is developing strong and meaningful relationships, built around trust, empathy and intimacy, but which remain honest and provide boundaries where necessary.

Our programmes try to encourage independence and agency in those who use them because we know that people respond better to services and interventions that engage them, rather than those that ‘do to’ them. Unfortunately our current systems are not fit for this purpose. We must move away from these increasingly transactional, bureaucratic and risk averse services that are remote from those they seek to support, and move towards the design of services that are more relational. The effectiveness of our interventions is based on the worker’s ability to use the relationship to help service users to identify for themselves the value of positive change and to unlock their own agency. Then, in those ‘teachable moments’ where they want to make changes, we help them navigate away from negative behaviours and start to engage in positive ones. Furthermore, frontline workers and volunteers can be equipped to address a multitude of challenges and, when in need of specialist intervention, to seek assistance. In thinking differently about who delivers and how, we can be both relational and rational.

**Unlocking capacity**

There is far more capacity out there than we currently access, but tradition and orthodoxy tend to get in the way of innovation and improvement. There are numerous examples of people doing things in their spare time that make a

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We must start thinking more imaginatively about who does what. This will allow us to utilise a huge reservoir of untapped capacity.

fundamental difference to the communities in which they live. While volunteers are not necessarily the answer to all our challenges, we must start thinking more imaginatively about who does what. This will allow us to utilise a huge reservoir of untapped capacity.

The statutory framework governing children’s social care is a pertinent example of how orthodoxy can act as a constraint to thinking differently. Contracts are often so heavily specified that our ability to innovate is severely restricted. Yet Catch22 has been able to make a relatively modest change to this framework as part of Project Crewe. Under the current framework, children in need are allocated and directly supported by a qualified social worker. Our Project Crewe model frees up the social worker to work high-risk cases by enabling differently qualified staff or volunteers to support the social worker with the day to day work with the child (see pages 26-27).

Social sector organisations (of all sizes) can deliver much more than they are at present, but so far they have been largely excluded from the biggest outsourced public services. While we acknowledge the need for a strong balance sheet and robust infrastructure, social sector organisations will never be able to absorb as much financial risk as our private sector competitors. This presents a major opportunity for investors to support organisations like ours to build capacity, working capital requirements and financial guarantees. Over the next few years, we want to do the same for smaller charities, as we have done this year through the Catch22 Fellowship with Dr Charlie Howard and MAC UK, and our acquisition of the criminal justice charity Only Connect (see pages 38-39).

The Public Services Lab that we are developing with partners Big Society Capital, Interserve and Clubfinance aims to build capacity in the social sector while trying to influence fresh thinking around corporate social responsibility. The Lab is comprised of three elements: capacity building and bid support to help providers to win contracts, back office infrastructure to overcome structural barriers, and a fertile meeting ground where services can be co-commissioned and co-designed differently. The Lab aims to work across sectors and silos – with commissioning, corporate, voluntary, community and social enterprise organisations – to reimagine how public services could be delivered outside of the normal arrangement, and ultimately to produce better public service outcomes. The Lab will be run as a commercial venture but with a clear social mission.

Local accountability

The State needn’t do everything itself. Its role has to change. It must become an enabler and a convener. At present, decision making takes place too far from the impact of the decisions and consequently leads to breakdown in trust and ownership. As devolution deals are discussed, we need to explore how we might be able to use different governance models to oversee the delivery of public services. Could we use the academy methodology, for example, to oversee children’s social care, as was announced by the Prime Minister in 2015? How about local prisons being governed by local people to create a sense of ownership and responsibility for what happens to those who end up incarcerated? These ideas might seem bold, but they may unlock the way to better address social challenges.

Looking ahead

While we don’t have all the answers and we still have a long way to go to get this right, I am still optimistic. In our own work and further afield, I am seeing a greater openness to new ideas and finding new ways to tackle old problems. I recognise that when tested we may need to develop this thinking further, but this is the time to be bold. If we enter into the challenge with optimism and a sense of adventure, the future of public service delivery need not be bleak.
Catch22 provides support for vulnerable people across four key markets. In this section, we will explore each of these markets – where they are now, where they are heading – and look at Catch22’s role in shaping the future of their delivery.

**Education**
- Providing high-quality alternative education
- Spotlight on our alternative education blueprint

**Apprenticeships and Employability**
- Creating meaningful employment
- Spotlight on our partnership with J.P. Morgan

**Young People and Families**
- Supporting young people and their families
- Spotlight on Project Crewe

**Justice**
- Promoting rehabilitation and reintegration
- Spotlight on HMP Doncaster
Providing high quality alternative education

Tracy Pepper
Director of Education

Catch22 provides young people aged four to 18 years old with alternative education so they can progress and succeed in sustained education or employment.

The market for education has been accelerating since the Academies Programme opened up in 2010. As the need and opportunity has grown, so has our alternative education offer. In 2012, we operated a single small grant-funded programme in schools. Today, we deliver primary and secondary alternative provision nationwide, with 300 staff working across 11 schools. We were approved as an academy sponsor in 2014, and we converted our first academy that year. 2017 will see us open another alternative provision academy and a special school.

The successful academy model is now moving beyond education and influencing other public service markets, including justice. We are proud of the part we’ve played so far in building the market for alternative education provision, and remain ambitious about our growing role in the future.

Yet alternative education has a long way to go before it works for everyone. Provision is growing unequally amidst a backdrop of economic contraction. Funding has not kept pace with demand, leading to huge variations in critical service components such as curriculum, teaching standards, data and evaluation collection.

To counter this, we’re committed to making sure we’re not just doing more, but that we’re doing it better too. This year we’ve been supported by Impetus-PEF to deliver a review, analysing not just our strengths and areas to build on, but what great alternative education provision could, and should, look like. We call this our blueprint (see pages 18-19).

The blueprint has set the standard for our services. It sets a new benchmark for the outcomes that commissioners, pupils and teachers alike can expect us to achieve. Funding this vision remains a challenge, but one we are excited to work with our investors and network to deliver.

Every day I see the transformative power of education. For 2016, I am just as excited about the transformative power of our blueprint, and the impact it will have on the young lives we serve.

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Multi Academies Trust: 19% above the national average for alternative provision for attainment of A* - C in English.¹

Multi Academies Trust: 10.5% above the national average for attainment of 5 A* - C grades including English and Maths.²

NCS: 11,663 young people took part in the NCS programme with Catch22, with 11,200 completing the programme (96%).

¹, ² 2014/15 academic year
In 2015, Catch22 partnered with Impetus-PEF to develop a blueprint for excellent alternative education provision.

Impetus-PEF brings strategic management support and funding to high-potential charities and social enterprises working to improve the lives and prospects of children and young people from disadvantaged backgrounds. In 2015, Impetus-PEF partnered with Catch22 to provide their unique package of support, giving us the opportunity to enhance the design and delivery of our alternative education provision across the UK.

The process started with a structured review of Catch22’s data from our existing alternative education provision. This informed a series of workshops led by Impetus-PEF and delivered to a cross section of Catch22’s Education team. The workshops focussed on designing a model that would drive long term and meaningful education outcomes for the young people whilst also developing the right skills and mindset for successful and sustained employment.

The strategic challenge brought by Impetus-PEF enabled us to develop a detailed new blueprint for alternative provision (shown in The Model, adjacent). This is reflected at the highest level in our refined mission to provide young people aged four to 18 years old with alternative education in order for them to progress and succeed in sustained education or employment. We do this through high quality teaching and learning based on effective relationships that enable the achievement of life skills and meaningful qualifications.

Catch22 has high aspirations for the young people in its alternative education provision and is committed to collaborating with partners in the public, private and third sectors to bring new thinking and approaches to achieve this.

Outcomes

**01 Improved behaviour**
- Inappropriate behaviour is challenged every time it occurs.
- Therapeutic studies and reflection sessions at beginning and end of day.
- PSHE lessons help students develop as members of their families, social groups and the community.

**02 Meaningful attainment**
- All are taught the national curriculum for 5.5 hours a day.
- Staff to student ratio of 1:8 (KS3+) and 1:4 (KS1&2).
- All students can undertake work experience and vocational learning.

**03 Successful transition**
- Transition to an agreed destination occurs only after assessment of attainment, behaviour and employability.
- For six months after transition, we maintain contact and hold ourselves accountable for the student.

| Independent schools: 90% of learners achieved at least one qualification.1 |
| Independent schools: 84% of learners achieved at least one functional skill.2 |
| Post-16 Study Programme: 71% of learners who completed learning towards a core aim achieved the qualification.3 |

**2014/15 academic year**

Daniela Barone-Soares, CEO
Impetus-PEF

It’s an honest, challenging and true partnership with young people at its heart. Catch22 has amazing aspiration and ambition for the young people they work with, and a sense of accountability.

'Daniela Barone-Soares, CEO, Impetus-PEF'
Creating meaningful employment

Asi Panditharatna
Director of Apprenticeships and Employability

Catch22 is an award-winning provider delivering high quality and responsive apprenticeships and employability programmes. We deliver programmes relevant to the needs and aspirations of learners and job seekers, as well as the needs of employers and the economy, today and in the future.

I believe that strong partnerships between employers, providers and learners are the only way to deliver high quality apprenticeships – and that these relationships will become even more important as employers gain increasing control over the way apprenticeships are designed and delivered.

Catch22 is working closely with employers and the Government to shape this new market. We offer practical insights based on our experience of training over 1,000 learners. We keep employers and partners updated about the apprenticeship reforms and the implications they carry, we respond to consultations, and we are refocussing our apprenticeship offer to specific occupational roles and industries to meet the requirements of employers and local enterprise partnerships.

While the national unemployment rate has fallen to pre-recession levels, there still remains considerable challenge in the delivery of work ready and employability provision. In 2015, the Government announced that the Work Programme and Work Choice would be replaced by the Work and Health Programme – a voluntary programme to help those with health conditions and disabilities get back to work. Although funding will be at 20% of the level available under the previous programmes, we can align our provision to devolution deals and other programmes, such as skills and apprenticeships, to enable us to continue to help those furthest from the labour market to access jobs and progress into careers.

Catch22 is uniquely positioned to support those not in employment, education or training (NEET) into employment and apprenticeships because we can draw upon our experience working at every stage of the welfare cycle. My ambition is to build upon this track record by offering a more human approach to apprenticeships and employability that focuses on improving individuals’ job readiness and work ready behaviours. This will only be achieved by developing and maintaining genuine partnerships with employers that are brave enough to step up and play a part in building stronger communities around them.
SPOTLIGHT ON

Our partnership with J.P. Morgan

How our partnership with J.P. Morgan has helped to unlock capacity in business and communities.

Catch22 is a key partner in J.P. Morgan’s New Skills at Work initiative, which aims to connect labour market policy with practice, supply with demand, and employers with the workforce. Over the last five years, our partnership with J.P. Morgan has demonstrated how organisations can work together to unlock capacity, improve outcomes for communities and futureproof our economy.

Working together, Catch22 and J.P. Morgan set up the Office Apprenticeship Service to address the high rate of youth unemployment in Bournemouth. Local businesses gained office administration, telemarketing and outbound call services, while unemployed young people were trained by Catch22 in a Business Administration or Customer Service Apprenticeship. After two years, J.P. Morgan scaled up the service to enable it to offer more young people and their families real jobs and life chances.

Now, in 2016, we have launched ‘Lift Off’, a sector skills programme to prepare 18-30-year-olds in East London for careers in the health and social care sector. A need for health and social care training was identified following discussions with local job centres. This new programme was developed with support from J.P. Morgan and is based on our successful ‘work ready’ methodology and ongoing commitment to work closely with employers to ensure they can recruit well-prepared and talented individuals.

Catch22 works with partners like J.P. Morgan to create new solutions to old problems. Lift Off meets workforce needs to build a better economy, something that will be felt by both business and communities. It unifies policy and analysis with a practical solution - real jobs and quality work ready provision. This in turn helps to unlock the latent capacity within business and community to think about profit and purpose simultaneously.

Local communities are offered training, apprenticeships and jobs, while businesses and employers can recruit well prepared and talented individuals into their organisations.

Lift Off will become a template for Catch22 to deliver similar work ready and employability programmes with employers from a range of other sectors, including those aligned to the Government’s new apprenticeship standards.

Apprenticeships: 94% of employers reported noticeable improvements in technical skill levels, attitudes and mindset qualities in learners.

Apprenticeships: 84% were still in a job, apprenticeship or higher education (HE) six months after completing their apprenticeship.

Work Ready: 1,500 vacancies created through partnerships with employers.

Apprenticeship completion rate 9.1% higher than national average.

Apprenticeships: 89% progressed into work, a higher apprenticeship, or further or HE.

Work Ready: 2,500 jobs and apprenticeship starts for NEET young people.
Supporting young people & their families

Frances Flaxington
Strategic Director

I have seen the positive impact that fresh thinking can deliver.

Catch22 supports vulnerable young people and their families to feel safe, cared for and find a purpose in life. Maintaining high standards in public services remains a huge challenge as demand for children’s social care increases and austerity becomes the norm. Yet I have seen positive strides in the sector as organisations are enabled to innovate to address the problems facing young people and families. I am pleased this momentum looks set to continue with reforms to local authority care and youth justice because I have seen the positive impact that fresh thinking can deliver.

In Cheshire, South Yorkshire and Merseyside I have seen the benefit of delivering integrated models that reach across local authority boundaries to protect children at risk of or experiencing sexual exploitation. These pan-authority models not only offer efficient use of resources, but also a more joined-up and effective approach to protecting vulnerable people.

In Camden, Catch22 is working in partnership with local providers to deliver Axis, an emotional health and wellbeing service for young people. To ensure the project is relevant to local young people, a Young People’s Board has been involved throughout the design and implementation. By co-creating services with those who use them, we are better able to engage and support them and meet their different needs.

I also see great potential in unlocking investment through social impact bonds. These bonds help commissioners fund new approaches today through the savings they will yield in the future, using finance from social investors to fund the start-up costs. It is an exciting area, and one that I expect to see used more widely over the coming years.

If services continue to be commissioned and delivered in the same way while the environment around them changes it is bound to lead to strain in the sector. But as I have seen, innovation and change is already helping to focus delivery, unlock investment and drive improved outcomes. Our staff are innovators, ready to test new ways of working and keen to take and create opportunities to do so. I believe that over the coming years, this dedication will continue to drive meaningful, positive change.

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Spotlight on Project Crewe

How Catch22’s staffing and delivery model is unlocking the potential of local people to meet local challenges.

The goal for this pilot is simple: to improve outcomes for children, young people and their families in Cheshire East. Nationally, demand for children’s services is rising while increased pressure on resources means that new thinking is vital. Getting this right is not about doing more with less; it is about giving providers the freedom to do things differently.

We worked in close partnership with Cheshire East Council to develop Project Crewe, a whole-family approach that supports children and their families. This pilot is designed to free up social workers to manage their high-risk caseloads while focusing other resources on lower risk children on the cusp of the system.

Supported by the Department for Education’s Innovation Programme, Catch22 has been able to trial a new delivery model within the existing statutory framework governing children’s social care. Our teams are organised into ‘pods,’ with each child allocated a qualified social worker and supported by differently qualified staff and volunteers from diverse backgrounds. This model combines the expertise of social work professionals with the experience and flexibility of other frontline staff.

We support each family through a strengths-based approach to meet their different needs and goals, including through the use of personalised budgets. Volunteer family role models and peer mentors work alongside our staff, helping families to sustain positive changes. Our approach helps to prevent the escalating needs, risks and costs associated with intervening too late.

When we talk about unlocking capacity, it’s about more than unlocking capital from different sources; it is about making use of the capacity that already exists within communities. By taking this new approach to engaging children and families and drawing in different skills and experience, including volunteers, Project Crewe will not just improve outcomes for families, it will also improve their communities.

I’m pleased you’re helping me and not just telling me what to do.’

Parent supported by Project Crewe

Youth violence: A sample of cases from our Dawes Unit in Wolverhampton showed a 67% reduction in offending.

Substance misuse: 84% significantly reduced or stopped using substances (April - Dec 2015).

Youth justice: 1,340 hours of unpaid reparation work completed by our Suffolk and Bristol services (Apr 14 – Aug 15).

Missing & CSE: 41% reduction in the number of missing children incidents in Cheshire since 2012.

Family support: 90% of children supported by our edge of care rapid response service have stayed with their family at the end of the intervention.

The model:

Pod Structure

- Social work qualified manager
- Personalised budgets for families
- Holistic, whole family approach
- Five differently qualified practitioners from diverse backgrounds
- Family role models and peer mentors
- Administration

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<td>Reduce the number of children escalating to child protection status</td>
<td>Deliver statutory services at a lower basic operating cost</td>
<td>Reduce the number of ‘repeat referrals’ to children in need status</td>
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41% 90%

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Promoting rehabilitation and reintegration

Mat Ilic
Strategic Director

Catch22 seeks to make the justice system work by delivering effective rehabilitation through effective relationships.

2016 will be a landmark year for the British justice system. It is hard to imagine a market where the purchaser and the consumer are two very different people, with very different needs and priorities. The current system – and we are part of it in its present form – focuses on punishment, containment and management. A key challenge is its transactional and compartmentalized nature. A prisoner might work with 15 different organisations on his or her path to rehabilitation – and this chopped up model means that far too many people emerge through the prison gates and swiftly fall through the cracks.

I am encouraged by the Ministry of Justice’s reform programme, which looks beyond the height of prison walls to the people within. I’m also incredibly proud of my team, working across the prison estate all over the UK. They successfully deliver in some very hard conditions; they are brave, diligent and committed. Their optimism is key to delivering our shared ambition: the successful rehabilitation of the people we serve.

Catch22’s view is that a good public services market is one that is human, unlocks capacity, and delivers local accountability. Within Justice, this would mean the system engaging with prisoners as human beings and offering them a viable and continuous relationship through their journey in the system – and also out of it, onto better things. We have already seen the success of this approach in reduced reoffending rates in HMP Doncaster (pages 30-31).

It is this which spurs Catch22 on to grow. By increasing our reach, we put ourselves in a position where we can shape a larger part of the service user’s journey towards a more purposeful future. An important part of our success will rest on hiring the most empathetic staff, connecting with organisations outside of the traditional justice space that are able to offer jobs and opportunities, and by designing and delivering specific local solutions in every area we operate, dependent on the cohort, local need and opportunities.

Far too many people emerge through the prison gates and swiftly fall through the cracks.

Head of Violence Reduction at HMP Thameside

Our reach

The Gangs Service is a huge asset to Thameside. The team often conduct mediations between prisoners who have been involved in incidents of violence, which helps maintain the good order of the establishment.

Head of Violence Reduction at HMP Thameside

HMP & YOI Doncaster
- Offender Management and Resettlement
- Support from entry to prison through to release

HMP Leeds
- Individualised approach
- Focuses on establishing high-quality relationships with offenders

Victim services

Community rehabilitation

Resettlement services

77%
Gangs in custody: The number of violent incidents at HMP Thameside has fallen by 77% since the service was implemented.

88%
Gangs in custody: The number of gang-related violent incidents at HMP Thameside has fallen by 88%.

94%
Resettlement services: Our work in HMP Leeds has seen 94% of prisoners released into settled accommodation.
Spotlight on HMP Doncaster

Focussing on relationships in rehabilitation to drive unprecedented results.

Catch22’s reoffending pilot at HMP Doncaster remains the only evidence-based prison pathfinder to have effected real change amongst the short-sentenced prisoner group. The Ministry of Justice identified that it had reduced reoffending rates amongst all released prisoners by 5.7% against a 2009 baseline. More specifically, among the short sentence prisoner group, the pilot delivered an 8.4% reduction in post-release reoffending.

Delivered in an alliance with Serco, the aim of the HMP Doncaster pilot was to replace a multitude of process and output metrics with a single goal: to reduce reoffending through better rehabilitation.

A key element of our success was unlocking capacity outside of the prison. Community-based support was provided to those who were sentenced to less than 12 months, addressing a previous gap in provision. Upon release, those community-based case workers provided user-led support and helped coordinate interventions from other agencies and partners. Importantly, these volunteers included ex-prisoners and ex-servicemen who supported veterans. The volunteers provided practical support and mentoring, resulting in more productive discussions and an effective allocation of resources.

All staff interviewed regarded the proactive case management approach to be a strength of the delivery model.’

Ministry of Justice evaluation

Gangs in custody: 87% of prisoners who had reported involvement with the Gangs Service found it to be helpful.

Gangs in custody: Only 11% of the sampled population reported a motivation to return to gang involvement on release from custody.

Offender management: 80% drop in recalls to custody for Imprisonment for Public Protection service users in the first six months of release.

Never had help like this before. First time in 45 years. Already feel it’s making a positive difference to my life.’

Former inmate, HMP Doncaster
Catch22 does not take a traditional approach to delivering our work. We do things differently. We are piloting new service models, exploring innovative ways of funding services and acting as a platform to support other organisations.

- Social investment
- Social enterprise
- Building capacity in the sector
- Finance
- Local accountability
Austerity is challenging us all to look for more effective ways to deliver public services. An empowered voluntary sector could build a different kind of relationship with users and enable communities to become agents of change. The reforms now in motion promise the necessary autonomy to make this a reality. We need to be ready – as Catch22 and as a sector. But as a non-profit organisation operating on tight margins, our quandary is how to front the initial costs and risks involved in this transformation. We believe that social investment is the key.

So far we have looked to social investment to unlock new ways of paying for delivery. It has enabled us to build social enterprises like Launch22 – paid for by trade – that can operate alongside public services (see page 37). It is also a key ingredient in social impact bonds (SiBs), Catch22 is currently developing SiBs to replicate our successful ‘Project Crewe’ intervention (see pages 26-27) and our gangs work in the West Midlands (see opposite page). SiBs offer radically more room to innovate in how we can achieve outcomes. With social investors underwriting the upfront costs and risks they also make more early intervention possible, with a profound effect on vulnerable people and offering substantial savings to communities down the line.

Change is never easy. Social investment only removes one of the barriers. Meaningful reform will also need brave commissioners, a vibrant mix of providers, and a willingness to work together across sectors.’

Gangs social impact bond

Catch22 was awarded development funding from the Big Lottery Fund’s Commissioning Better Outcomes to undertake a feasibility exercise to determine the viability of delivering a new preventative service targeted at youth violence. The resulting model (below) is designed to support the police and other local organisations to reduce the amount of money they spend as a result of youth violence. We are actively seeking partnerships to implement this innovative model which draws on the expertise of our Dawes Gangs Unit and partners.
Social enterprise can build sustainable community infrastructure and go beyond what public services can achieve alone. It can integrate with public services to improve routes into work and self-employment.

In 2012 we set up our first social enterprise, Auto22, a small garage business in Kent. The motor trade offers good prospects in a field where young people who did not get on in the classroom can have the chance to shine. Auto22 creates apprenticeships for young people from disadvantaged backgrounds who have the right aptitude and passion to succeed, but who would not otherwise get this opportunity.

From our research on gangs we know that enterprise can play a key role in desistance by offering a viable and attractive alternative. In 2015 we partnered with Launchpad Labs to enable them to take their non-profit business incubator model to Liverpool. This partnership created Launch22, offering entrepreneurs a co-working space among a community of peers and expert mentors who provide essential structure and support. Paying members cross-subsidise scholars from disadvantaged backgrounds, who are able to use the service for free. Once this scholarship model is proven in Liverpool, we will be seeking other social investors to come in alongside us to bring this to more regional centres.

I also see significant potential in community enterprises linked to prisons. These could offer prisoners the opportunity to gain work experience inside the prison that turns into a real employment opportunity upon release.

I know starting any small business is resource-intensive and risky. Goodwill only gets you so far, and the competitive landscape does not stand still. I believe this may be easier with the right corporate partners involved from the start. What is clear is that we have to be brave and try new approaches so that we can find new, sustainable ways to deliver more for people and communities.

As a social business, Catch22 seeks out new ways to deliver and fund services that can improve outcomes for our users. Social enterprise offers innovative and self-sustaining opportunities to build on young people’s strengths while opening up routes into work and self-employment. Below are examples of three of our social enterprises.

**Wayne Orr**
Commercial Director

**From our research on gangs we know that enterprise can play a key role in desistance**

**Launch22**
Launch22 is a business incubator that supports young entrepreneurs. Launch22 is open to anyone starting a business, with ‘scholars’ from less advantaged backgrounds going for free.

**Auto22**
Auto22 is our motor repair garage in Kent, offering young people a first step into the automotive industry. This can offer a highly rewarding career, making the most of strengths that can be under-used in academic contexts.

**Propeller**
Propeller is an employability tool, developed with support from Google, which helps young people turn life experiences like volunteering into the key skills that employers value.

89% of our Auto22 apprentices have moved on to positive destinations

89% of our Launch22 scholars in London and Liverpool

[Propeller] is an excellent tool for increasing the diversity of your workforce as you can signpost Propeller to candidates who may traditionally find job interviews challenging.

The Chartered Institute of Personnel and Development
Catch22 is in a privileged position. We are a stable organisation with a strong heritage of original thought. We understand the value of innovation, and the time, cost and resource needed to truly be innovative. We know there are exceptional thinkers out there with the ability to transform systems and lives, but they are often held back by a lack of cash or time.

Last year, we decided to actively use our position to support selected organisations and individuals, providing them with the platform and the resources to do what they do best – make positive change.

In June 2014 Dr Charlie Howard, founding director of MAC-UK became the first Fellow in social entrepreneurship. The Fellowship is an 18 month programme established to financially support outstanding individuals who have already demonstrated success in tackling a social problem, and who are now looking to take their ideas to scale. Charlie’s work focuses on the idea of ‘streetherapy’ – delivering mental health provision in places that suit the service users. Over the last year, Charlie’s work has delivered positive change at every stage of the mental health commissioning cycle – from educating policy makers, through to launching The Integrate Movement, a social enterprise that trains large organisations in delivering integrated emotional wellbeing services.

In October 2015 Only Connect joined the Catch22 Group. A small London-based charity, Only Connect is recognised for its radical and human approach to rehabilitation. The deal, which sees Only Connect remain an independent charity, was explicitly designed to foster innovation in public service delivery and we hope it will pave the way for a new type of relationship between smaller and larger sized charities.

We are ambitious about reforming public services. We don’t believe that we hold all of the answers, but we remain committed to enabling great ideas to bring positive change into the sector, into communities, and into people’s lives.

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**Tom Lewis-Reynier**

Communications Director

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**Only Connect**

Only Connect is London’s creative criminal justice charity, rooted in community. Its vision is a more connected, human and just society, where we all choose a crime free life.

In 2014/15, over 65% of Only Connect members progressed into education or employment or training.

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Clinical Psychologist Dr Charlie Howard founded MAC-UK in 2008. Charlie wanted to take a youth-led approach to make mental health accessible to excluded young people within their own community. What emerged was ‘INTEGRATE’, an asset-based approach which co-produces activities and services alongside young people and offers flexible support from staff that take a mental-health informed approach.

MAC-UK is now recognised at a local and national level. The fourth INTEGRATE pilot site, funded by the Big Lottery Fund, is being delivered in partnership with various services in and beyond London to place INTEGRATE ideas, learning and approaches into a range of initiatives led by others.
As a social business, we are driven to deliver a strong financial performance. This performance allows us to reinvest within the communities we serve, in ourselves to ensure quality delivery, and in innovation which benefits the whole market.

2014/15 was another year of strong financial performance and the Catch22 group goes into 2015/16 with a strong consolidated balance sheet. A strong balance sheet not only protects our service users by ensuring we can withstand economic challenge, but gives us a sound base on which to build our future success and growth.

In order to ensure we remain a financially strong organisation, our board focuses on:

- ensuring that our services fully recover all their costs and do not run at a deficit, except where Trustees have chosen to invest
- ensuring support services are efficient and cost effective – to this end during the financial period we have undertaken a restructure of our core support services so that they are now provided centrally to all companies within the group
- managing our reserves in line with our policy.

In the wake of some highly publicised charity governance failures, we’ve worked doubly hard to ensure that we lead the way in transparency and risk management. This priority is reflected in our senior team, and we’re very pleased to have promoted Elaine Floodgate to the board as Catch22’s Director of Governance & Risk.

Catch22 has an ambitious strategy which seeks to ensure public services embrace the opportunity to be bold and innovative. This is reflected in the way that we ourselves do business. This year we will continue exploring the ‘new world’ of charity finance, and consider the ways in which social investment could benefit our business for the long term. It’s a new frontier for us, but an exciting one.

Find our financial statement at www.catch-22.org.uk

Central to our vision for a good public sector is a move away from central policy making and budgetary accountability. In our experience, decision making takes place too far from their impact and consequently leads to the breakdown of trust and ownership. As devolution deals are discussed, we need to explore what true devolution might look like and how we might be able to use different governance models to oversee the delivery of public services.

Devolved models with greater local accountability would have implications across all of our work. Our experience of working throughout the disadvantage cycle gives us a strength here - the ability to be model agnostic and look at what works across different sectors and how we can learn from it.

We are excited, for instance, about the potential for the academy methodology to be used within youth justice. We have long advocated for local prisons to be governed by a governor supported by an entire local community, creating a sense of ownership and responsibility for what happens to those who end up incarcerated. These ideas might seem bold but we only need to look back in history to see how communities took responsibility for dealing with social challenges.

There is no ‘one size fits all’ – that’s part of the reason that responsibility must be devolved. But this also relates to where power, budget and accountability should be devolved to. Whether it’s to a prison governor, a head teacher, or a Police and Crime Commissioner, the benefits for community devolution are clear: reduction of the administrative costs of Whitehall, more efficient and effective commissioning, faster and better decision-making and service innovation.

Effective devolution creating local accountability is the answer. While social problems come from the breakdown of communities, so too will social answers come from empowered communities.
Catch22 delivers in challenging and difficult situations. We work confidently in situations where society does not shine its light - in prisons, in alternative provision schools, among the jobless and throughout social care. Our success in these situations is down to one thing: our exceptional people, our staff and volunteers. They are our greatest asset.

We employ 1,170 staff, the majority of whom work directly with our service users, and more than 450 volunteers, generating over 25,000 volunteering hours this year alone.

The challenges that we face every day and the responsibility that we have to our service users and our partners means that we have high expectations of our colleagues. We expect them to see the person behind the situation and build strong relationships. We expect them to be collaborative, to partner with others, to build networks and to share our learning and successes with other organisations to benefit the whole sector. And we expect them to be results driven - to look at what we’re trying to achieve and find the most cost effective way of getting there.

At the same time, our long term focus remains on transforming public service delivery. We start with our own operational excellence, highlighting the improved outcomes that are delivered by doing things differently. We support staff to be entrepreneurial, fearless and open to new approaches. This way we build a culture of creativity and are able to design and advocate for a new public sector, one that has volunteering, social innovation, and local accountability at its core.

All of this is supported by strong leadership. Catch22 benefits from the energetic and forward thinking leadership of directors with experience across the public, private and third sectors. They ensure that we deliver effectively, while looking to the future to design services that transform lives and communities. Our trustee board has this year continued to help shape and drive operational improvements, making sure that we remain a strong, stable and capable organisation.

What we’re made of

1,170 staff
450 volunteers
24,874 volunteering hours

Our greatest asset

Our staff and volunteers are our greatest asset. They make all of this possible. They provide high quality support to people in some of the most challenging conditions, working across a diverse range of sectors and services - as shown in the diagram below.
Catch22 is committed to delivering high quality public services that meet local needs. We build strong relationships with our commissioners and partners, and draw on our depth and range of experience to create meaningful change in people’s lives.

We have a strong track record of delivering impact, and have been at the frontline of public service delivery for over 200 years. We take our role seriously and ensure our services are underpinned by safeguarding best practice and robust procedures. We are focused on providing ‘more human services’ which recognise that the people we work with have strengths which when unlocked can contribute to the common good. That means we strip out bureaucracy where we can and prioritise strong, productive relationships built on collaboration and innovation. We believe that there is considerable capacity in our communities that can add value to delivery.

We work with over 80 local authorities and our network of services span the country, from Newcastle to Cornwall. We also work with a wide range of other commissioners, from venture philanthropists to Police and Crime Commissioners which enabled us to reach over 33,000 people in 2015/16.

As you will have read earlier in the Review, we are exploring ways to improve the delivery of public services through pilot schemes, partnerships and impact investing. The ‘new economics’ make this a necessity, but we’re optimistic about how this new environment could catalyse change and believe we have the credentials and capability to contribute to reform. If you are interested in working with us to transform lives and build stronger communities please get in touch.

Naomi Hulston
Director of Business Development

If you would like to discuss working with Catch22, please contact Naomi Hulston.

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