

**MEETING: 14/07/2016**

**Ref: 13266**

**ASSESSMENT CATEGORY - Resettlement and Rehabilitation of Offenders**

**Spark Inside**

**Adv: Jack Joslin**

**Amount requested: £120,000**

**Base: Camden**

**Benefit: London-wide**

**Amount recommended: £90,000**

**The Charity**

Spark Inside was founded in 2012 to support young people involved in the criminal justice system primarily in London and the South-East. They work with high risk young people aged 15 to 25 providing a programme of life coaching called the 'Hero's Journey' which aims to reduce re-offending and institutional violence. The organisation's initial pilots have seen very positive results and reduced re-offending rates for the young people they work with to 12.5%, which is 60% below the national average. This form of life coaching for young people who are re-entering society has been seen as an effective strategy for improving their life outcomes. The organisation has grown significantly since its inception and is currently going through another period of growth to meet the demand on their service.

**The Application**

Spark Inside is looking for you to contribute to their core running costs as they go through a period of growth. They have seen increasing demand on their services and are looking to offer their programme to more young offenders across London. Funding will contribute to the Chief Executives salary, rent and associated office costs over a three year period.

**The Recommendation**

The work they do fits closely with your priority on Resettlement and Rehabilitation of Offenders, they provide life coaching for young offenders to ensure that they sustainably and successfully resettle in the community and reduce their re-offending rates. If you were to approve the grant it would support the organisation through a period of growth as they expand their life coaching programmes working with high-risk young offenders. Since the original submission – and following a discussion with your officer – the charity has revised its request (Appendix A to the Application form) to reduce the office costs. The amount now recommended equates to grants made by other Trusts and Foundations and will be sufficient for the organisation to fully meet their objectives. Funding is advised as follows:

***£90,000 over three years (£30,000; £30,000, £30,000) to contribute towards the Chief Executive's full time salary, rent and associated office costs.***

**Funding History**

None

**Background and detail of proposal**

Young people who are involved in the criminal justice system are marginalised, vulnerable and face multiple complex needs. Mental health, substance misuse, poor educational attainment, are all consistently identified as risk factors in offending. The cost of a young person to be placed for one year in a secure training centre costs on

average £187,000 and a young offender institution £60,000. Despite these high costs, over 60% of young people reoffend within one year of release.

Since their inception Spark Inside has been delivering life-coaching programmes with high risk young people in prisons and young offending institutes across London. The 'Hero's Journey' is a life coaching programme that involves workshops and individual sessions with young offenders while they transition 'through the gates' back to society. This model of life coaching has had positive results with only 12.5% of young people re-offending in the first year. This has increased the demand on the charity to work with a larger cohort of young people. Your funding will enable the organisation to expand their programme to work with more high risk young people over a three year period. Supporting essential core costs will allow space for the organisation to develop their programmes and improve their sustainability.

### Financial Information

Forecast income for 2016/17 is £545,994, of which £247,917 or 45% has been confirmed by 24th June 2016. The reserves figure in 2016/17 includes an assumed write off against the net restricted funds balance across all three years.

The organisation has just appointed a Director of Fundraising who will be tasked with increasing the organisations income as they target more contracts and grant funding.

Cost of generating funds was not disclosed in the 2014/15 Accounts. I have been advised that this will be included in the future and they have given us a reasonable estimate of this expenditure for the previous and current financial year.

Year end at 31 March	2014/15 Independently Examined Accounts	2015/16 Forecast Outturn	2016/17 Budgeted
	£	£	£
<b>Income and Expenditure</b>			
Income	334,232	399,919	545,994
Expenditure	180,029	322,648	675,749
Unrestricted Funds Surplus / (Deficit)	130,164	15,506	93,235
Restricted Funds Surplus / (Deficit)	24,039	61,765	(222,990)
<b>Total Surplus / (Deficit)</b>	<b>154,203</b>	<b>77,271</b>	<b>(129,755)</b>
Surplus / (Deficit) as a % of turnover	46.1%	19.3%	(23.8%)
Cost of Generating funds (% of income)	0 – 0.0%	£23,191 - 5.8%	£31,380 – 5.7%
<b>Free unrestricted reserves</b>			
Free unrestricted reserves held at Year End	174,638	190,144	146,193
How many months' worth of expenditure	11.6	7.1	2.6
Reserves Policy target	45,007 – 90,015	80,662 – 161,324	168,937 – 337,875
How many months' worth of expenditure	3 – 6	3 – 6	3 - 6
Free reserves over/(under) target	129,631 - 84,624	109,482 - 28,820	(22,744) – (191,682)