

Exit closed?

by Helen Johnson

Addendum

This addendum follows the main report and examines in detail the policy the underlying reasons behind the decommissioning, closure or funding uncertainty of several specialist services offering exiting support.



THE CHRYSALIS PROJECT EVALUATION

2 YEARS ON

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Addendum to the main report;

The closure of Eaves and challenges to specialist exiting services

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Addendum: The Closure of Eaves and Challenges to Exiting Services

Eaves Housing For Women closed on 30th October 2015, having been operational since 1977. Eaves was a large provider of VAWG-related services in London with reach and influence across the UK. Significant activities included:

- The Poppy project: supporting trafficked women and helping to bring traffickers to justice
- The London Exiting Advocacy project for women exiting prostitution
- The Alice project supporting women with multiple and complex disadvantage and combatting homelessness

The majority of Eaves services have moved in their entirety to The NIA Project in Islington, including the London Exiting Advocacy project and the Alice project. However, the Poppy project has not survived and was already under considerable pressure from the loss of funding. They are currently waiting to see if they receive funding from an EU source. In addition, Eaves had already been forced to return refugees because they could not deliver the services with the funding available.

Despite the move to the NIA Project the closure has not been without impact or disruption, in particular:

- Issues with telephone and other contracts which have meant that important emergency phone numbers have been out of use for service users
- A loss of appropriate space for service users
- A loss of appropriate space for meetings and trainings
- Changes in locality and therefore the ability of some cohorts of women to use the services

However, overall there has been little disruption to providing services aside from the loss of the Poppy Project. Funding that was targeted at women from specific local authorities has been carried across and these women are still being accessed through the existing infrastructure of support. Many of the funds remain allocated to the existing projects and there is continued support available for service users.

East London Women's Project and Chrysalis

The East London Women's Projects (ELWP) and Chrysalis Project are both facing funding issues. ELWP ran out of funding in December but has a number of funding bids in the pipeline, including a promising one with MOPAC. Chrysalis continues to be funded but is potentially facing cuts from Lambeth relating to third stage funding. However, Lambeth have stated that they are reviewing their funding but do not anticipate any changes to the current situation for the next year. At present, therefore, the funding situation for both is uncertain and neither could comment on whether services would continue in the same form for the foreseeable future. However, there was general optimism that some funding would be found, despite an acknowledgement of very challenging circumstances in the sector more generally.

Both the Chrysalis Project and ELWP acknowledge that changes to the way services are delivered are almost inevitable as funding becomes more and more squeezed. This is likely to mean working with other sectors and/or specialist organisations on shared aims. Further, Chrysalis and St Mungos more generally are seeking to gather stronger data on the impact of their services and communicate this to funders. Their main aim is to influence commissioners to understand need and the ways in which their services are supporting many people who are falling through gaps in the statutory system. They state that this has been a very effective approach when influencing individual decision makers. Due to changes in the funding environment, generic providers like St Mungos are considering bidding for women-only funding within their generic services, whereas their preference would ordinarily be to support or work with specialist services.

Summary of Causes and Implications

The Closure of Eaves and the uncertainty relating to ELWP and Chrysalis have a strong strategic and systemic impact regardless of the fact that Eaves and Chrysalis continue to run. In fact, within the voluntary sector more generally there is a threat to quality, independence and political impact. The joined up working that Eaves offered has been lost and there is more and more a move to reducing unit cost and funding going to larger, generic organisations who do not possess the expertise or political focus that Eaves offered. Further, voluntary organisations are increasingly unable to fund their core costs and survive. The case must be made for the cost effectiveness of providing specialist services, though even where the evidence for this can be developed and communicated, it may be met with resistance in a system that does not currently think in a joined up way.

Despite these issues, the closure of Eaves cannot be solely attributed to the current political and financial climate. A number of internal issues with leadership, staffing, and existing practice, meant that the organisation could not be responsive to the mounting pressures. Chrysalis, ELWP and St Mungos more generally do not appear to be experiencing the same internal issues and demonstrate more general optimism about their ability to remain responsive to the current financial climate. However, the potential loss of ELWP and third stage Chrysalis could have a strong impact on the overall ability of services to support exiting women due to there being a bottle-neck effect where women become stuck in one stage of support with no clear pathway of exit.

Causes and Implications

There are a number of causes of the closure of Eaves and the precarious funding situation for Chrysalis and ELWP, which centre mostly on two issues: the type of services that are provided and funding issues. These reasons and the implications for the women's sector more widely are discussed below. Interviewees mainly wished to remain anonymous. Therefore, the majority of quotes below are unattributed. Permission has been given for certain content to be attributed to particular organisations and this is indicated at the relevant points in the text.

1. Quality of Service

Despite the fact that many of Eaves services continue to run, there have been losses. Lambeth Council states:

'I think it's definitely true that it's a loss, Eaves going, because they did have the pan-London service, our smaller service was able to talk to them about our issues, and we also had the Lilith project – the research side, which informed the work... the team has become separated, our Beth Centre was sat alongside the other staff and that was really beneficial'

As such, a significant loss is the joined up and co-ordinated work that Eaves was doing, which enhanced the quality of the services overall. Another practitioner noted that this also seriously erodes the political and critical focus that the organisation offered, which had a strategic impact for the sector more widely, and which fed into

other services such as EWLP and Chrysalis. Further, there has been a loss of resources available to non-specialist services who would look to Eaves for specialist guidance.

Pressures on Eaves to provide quality services in light of more and more restricted funding were the main reason for its closure. For example, the refuges did not obtain funding because Eaves felt that the funding available was inadequate to carry out the work required. Larger, generic organisations with little understanding of specialist service provision and larger financial reserves were able to undercut Eaves and offer to provide services at a cost that Eaves themselves felt would undermine the quality of services to an unsatisfactory level and in fact did not account for all the aspects of service delivery that would be necessary for adequately carrying out the work. This kind of issue is beginning to emerge throughout the voluntary sector. For Eaves, quality is closely entwined with safety and they simply could not justify offering services that would undermine this for their service users.

Relatedly, there is less and less accountability as the localism agenda encourages organisations to engage with Local Authorities on these issues when in fact what is needed is a higher level, joined up strategy. One practitioner noted that this also impacts funding, whereby one department or funder may cut a service to save money and another department of funder will effectively pick up the bill because of the impact of this loss:

'One organisation's balance sheet may be healthy but there is an overall cost to the public purse. We need to be thinking more strategically about overall impact but that is not always in the interests of a particular department or organisation'

Commissioning practice is becoming of increasing concern. Commissioners do not seem to be aware of, or to at least appreciate, the importance of how to assess a bid for overall value and impact. Instead, there is a focus on lowering the unit cost with very little regard to quality. Eaves states:

'This is evidenced by the fact that large, generic, non-specialist organisations are winning tenders, expanding, accumulating vast reserves and specialist, smaller organisations with 40+ years of history with high levels of self referrals from women (a sure sign

of the value of the service to the women) – are shrinking and having to use their scarce reserves to survive.'

The Panel on the Independence of The Voluntary Sector¹ has produced a report that outlines the issues that the voluntary sector is facing and that have a potentially huge impact on both smaller and specialist services. In summary they cite the following barriers to independence and note a worrying decline:

- The Lobbying Act
- 'Gagging clauses' in public service contracts (i.e. keep silent about any political or policy issues)
- New restrictions on the ability of voluntary organisations to use the courts to overturn poor Government decisions
- Truncated government consultations
- Commissioning and procurement for public services that does not support independence and diversity in the voluntary sector
- Weakened safeguards to protect the sector's independence

2. A Lack of Suitable Pathways

As funding is squeezed, many providers are unwilling to fund the kind of pathways that actually ensure people have their needs met, instead funding only a first stage of emergency support – a risk that EWLP and Chrysalis are both facing. This completely erodes the ability of women to exit/change their lives in other ways. Instead of observing women move through a process of change, they see their peers stuck in one form of support with nowhere to move. Services become bottlenecked and new service users cannot access the first stage of support, whereas those who are ready to move on have nowhere to go. This often leads to women cycling through the system. One of the key demands of services is to create an environment that fosters change and this shortsighted approach derails the process in its entirety. Generic providers suffer from this change as they have nowhere to move their own service providers onto.

A major problem with funding is that the qualifying thresholds to obtain support get higher and higher at both a statutory and wider level. Eaves found that they were

¹ <http://www.independencepanel.org.uk/an-independent-mission-the-voluntary-sector-in-2015>

offering support to women outside of the funding remit due to their overall commitments within the organisation to support women most in need – for example, women with no recourse to public funds. In addition, higher statutory thresholds mean that organisations like Eaves have a greater burden to support those who are not receiving statutory support. As such, resources were stretched and funding did not match this. Chrysalis and ELWP have also experienced this phenomenon.

Further, the problem with higher thresholds also affects the kind of holistic work that many support services are attempting to do – it becomes harder to get the support needed from other sectors and can even lead to a resistance to engaging with specialist support services like Eaves, Chrysalis and ELWP due to their own financial pressures. Overall, therefore, there are increasing systemic issues at a time when the voluntary sector needs to be working together more intelligently and holistically to meet needs.

3. Specialist Service Provision

Lambeth Council remain hugely supportive of the sector and have been described by both Eaves and Chrysalis as exemplary when it comes to VAWG services. Lambeth stated that when they found out that Eaves was going into administration they worked really hard to ensure their funded service – the Beth Centre, which supports women in the Criminal Justice System and includes an Exiting Outreach service - would continue and be sustainable. Although Lambeth are having to annually review their spending and reconsider their priorities, making reductions inevitable, they do not anticipate significant changes to their VAWG funding. The majority of Eave's activities continue to be funded – mainly by the Big Lottery but also Local Authority funding – with only Poppy failing to get their funding off the ground. However, even this may be saved if they are able to secure European funding, which is currently in process. Chrysalis state that their third stage funding may be under threat but they are waiting to find out whether this is the case.

As touched upon above, specialist service providers are under increasing competition from generic providers. Generic providers do not necessarily consider themselves appropriate for this kind of service provision but may themselves be forced through circumstances to bid for the funding. Subsequently, they made find themselves unable to adequately deliver and surprised at the complexities they

encounter. In the meantime, as these generic providers win funding, the experience and expertise of specialist services is lost.

In order to respond to this threat, it is suggested that the focus of the specialist sector will need to shift with the focus on the funding environment more generally. Namely, it is important for specialist services to understand that they must engage with the concept of 'needs' as opposed to cohort as funders become less and less willing to make funding decisions based on cohort. This poses a challenge for specialist services who will have to demonstrate that their particular group of service users is most in need. The sector must place pressure on commissioners to approach needs based funding in a practical, intelligent way so that adequate provision is available. For example, although there may only be a few women who have specific needs in each Borough, there may be a strong Pan-London need that calls for service provision in specialist areas such as exit. The aim should be to see a portfolio of services funded that meet complex and multiple needs instead of funding services that may not be meeting the right needs in the right places, or abandoning services because the demand in that particular context is not there whereas widening or changing thresholds would meet existing unmet needs.

4. Economic Benefits

At present there are Local Authorities who are now looking to fund only what they have a statutory duty to provide. In general, it seems that services must appeal to economic arguments in order to sustain interest in funding specialist and non-statutory services. Due to the current economic climate, a convincing case must be made of how these services save money by reducing pressure on other forms of provision – i.e. cost savings. As such, stronger monitoring of costs and benefits must be put into place that demonstrates clear unit costs and recording outcomes against a framework that measures these cost savings. Lambeth themselves will be introducing a very new evaluation framework from April 1st and organisations will be required to report on need in terms of other services such as health and housing.

Local Authorities will spend their funds where there is the highest level of need and efficiency. However, worryingly, practitioners have noticed that even where this information is communicated, funders may not be willing to pay the upfront costs despite the future savings. This is partly due to short-term thinking and partly because the impact of failing to fund one service may not be on that particular

provider's purse and instead impact other providers. There is therefore also a challenge in shifting to a more holistic approach more generally.

This also indicates that specialist services may need to think strategically about how they work alongside other sectors – such as health and criminal justice – who are under similar pressures to reduce costs. The consideration will be what people are collectively trying to achieve as opposed to just one strand. There are perhaps creative opportunities here and new thinking is called for in order to avoid the trap of eradicating specialist services altogether. In addition to making this financial case, it is necessary to lay out case studies in order to illustrate the actual level of local need. In particular, commissioners may be unaware of the number of people who have been displaced from statutory services because those thresholds are going up. The use of data and case studies are the best strategy we have for protecting funding in making sure that a strong argument can be made (*St Mungos*):

'An information system geared towards demonstrating the favourable and preventative impact of these services on local expenditure will help safeguard against further budgetary attrition'

5. Lack of Funding for Core Costs

In terms of commissioning, an additional issue is the complete lack of funding for core costs, which is described as near impossible to raise. It is rare for any funder to allow for more than 10% of core costs, sometimes 12-15% and sometimes lower (even as low as zero). The reality of providing women's services is that there are a number of residual functions that need to be accounted for in order to provide an adequate service. For example phone calls, fundraising, equipment, IT support, unexpected barriers that need to be overcome, rent, and other general running costs. Due to this lack of adequate funding, it becomes more and more difficult to provide the quality of service that is required, not to mention the loss of any room for added value or creativity – the aspects of service delivery that significantly raise its quality:

'It does feel like a regression because of that'

One of the main barriers Eaves faced was in finding sources of unrestricted funding to cover these core costs, with targets having such a narrow focus that residual activities were unaccounted for. They invested in a fundraising team who used up a

lot of time and resources in exploring avenues that did not get off the ground – for example setting up a social enterprise. Eaves were also obliged to give back their refuges due to the lack of funding available (as discussed above) – this meant that a regular source of income was lost, which reduced cash flow in the organisation.

6. Unit Cost and Funding Expectations

Local authorities are saying that specialist organisations need to find a cheaper way of running their services, which may include looking at pay, terms and conditions. Eaves, who stated that they simply found this unconscionable, confirmed this. Pay in the sector is already low, with many women working as single mothers and being subject to the high living costs of London. Additionally, arguments about the ability to run services at low cost, will be met with the answer at both Local and National Government level that business models need to change in order to be sustainable – referring to mainly staff and central running costs. As such, in order to take this approach it is necessary to look at staff costs, efficiency and business support functions:

‘Across the board we are being asked to find savings, by its very nature we are going to need to be more creative, increasingly it’s hard to provide the services with the funding that is available.’

Unfortunately, for all three services this call for cost savings is a reality that has led to limitations in how services are delivered – an inability to offer the ‘added benefits’ discussed above in relation to core cost. Eaves were unable to make the necessary changes to their business model that would meet these changing demands on organisations. Firstly, for the reasons outlined above, they were ideologically opposed on the basis of women’s rights to further penalising women by reducing their wages. Secondly, the location of their premises entailed extremely high running costs and their funding was tied to the Borough of Lambeth and it was also necessary for existing service users to be able to visit an accessible, relatively safe and familiar part of London. In fact, this is now a major concern for the organisation who can still operate for a short while for workshops on the premises of the Beth Centre (which will soon move) and leaves a gap in suitable locations to receive service users for both informal and formal contact. The high rent in Lambeth that was increased by a disproportionate amount (130% for one of the organisations in the building!) and left them unable to sustain their core costs even when they tried to mitigate against this by moving into cheaper rooms in the building.

7. Internal Issues

Eaves was also suffering from significant internal pressures that were unrelated to the external funding environment. Their CEO Denise Marshall became very ill and recently passed away. In addition, the Chair of their Board took a new job that conflicted with her duties towards Eaves. As such, the two key positions of leadership in the organisation were under strain. This was then compounded by some poor staffing decisions, particularly an ineffective fundraising team due to a lack of understanding of how to communicate with funders on the importance of this kind of specialist provision. This underlines the absolute importance of ensuring that those working within the women's sector are fully versed with its ethos, importance and structure, including the political environment in which it resides.

Additionally, as with any long-standing organisation, the possibilities for restructuring are limited both in willingness and in resources. Firstly, many practices become entrenched and an organisational culture emerges that then becomes resistant to change. Secondly, its operations and structures are more difficult to radically transform on a practical level. There was some acknowledgement that Eaves simply could not withstand the level of changes being demanded by a shifting funding and political climate. On the other hand, both Chrysalis and ELWP are being proactive in anticipating potential changes and attempting to respond to the current pressures. The effectiveness of this can only be ascertained once their funding situation has been more clearly defined.

Conclusion

In short, it appears that the closure of Eaves was caused by a rapidly changing political and funding environment that is demanding cost savings and changes in organisational structure that simply could not be sustained by Eaves, as well as due to the organisation itself having leadership and internal issues. Chrysalis and ELWP are now facing similar uncertainties in relation to their funding situation.

There are a number of key issues that have been highlighted, not least that the lack of funding of clear pathways is negatively impacting the potential for women to change their lives who are instead become stuck in one place and demotivated. A lack of understanding on the part of commissioners of the importance of quality and specialist services, with a tendency towards simply demanding lower and lower unit

costs; a lack of funding for core costs; financial pressures across the voluntary sector acting as a barrier to effective holistic support; a depoliticization of the voluntary sector in general. Responding to these changes involves firstly, thinking creatively about cost savings, secondly, making a strong case for the financial savings that benefit Local Authorities who commission these services, and thirdly, a more coordinated approach that is able to respond to need and shared aims across the sector and London Boroughs.

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