

Nacro

WE **CHANGE** LIVES

ANNUAL REPORT

for the year ended 31 March 2019

Successes 2018–19

3,500 

learners engaged with Nacro Education services

3,414 

We housed and supported 3,414 people across our accommodation services

Good 

Ofsted rated Nacro Education services as ‘Good’ across all eight judgement areas for 16–18 year olds, adults, apprentices and High Needs

3,634 

Our justice services ensured that 3,634 people left custody with safe and secure permanent accommodation to move on to

12,867 

Our Resettlement Advice Service and Employer Advice Service handled 12,867 enquiries

Two thirds

of veterans who took part in our full Venture service moved into work or training last year

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Who we are

We are a national social justice charity with more than 50 years' experience of changing lives, building stronger communities and reducing crime.

We house, we educate, we support, we advise and we speak out for and with disadvantaged young people and adults.

We are passionate about changing lives.
We never give up.

Our mission

We deliver social justice by positively changing lives, strengthening communities and preventing crime.

Our vision

A socially just country where people feel safe, are supported to reach their aspirations and communities are crime free.

Our values

We focus on outcomes

We work effectively to deliver the right results. We support people to achieve meaningful outcomes.

We are courageous

We have bold aims which we are determined to achieve. We seize opportunities and deliver results.

We are inspiring

We motivate and inspire people to reach their full potential and aspirations. We encourage people to think differently.

We are reliable

We keep our promises. We provide consistent support and we stick with people.

We are proud

We celebrate the collective strength that our diversity brings. We promote, celebrate and share the achievements of our team ahead of our own.

Why our work is needed

Some of the most vulnerable members of our society are not getting the help they need. Too many people still fall through the gaps and don't have access to the same opportunities. Poor mental health, inadequate education, drug and alcohol addiction, a low income, and a lack of affordable and secure housing all contribute to a life of chaos and hardship that can be very hard to change.

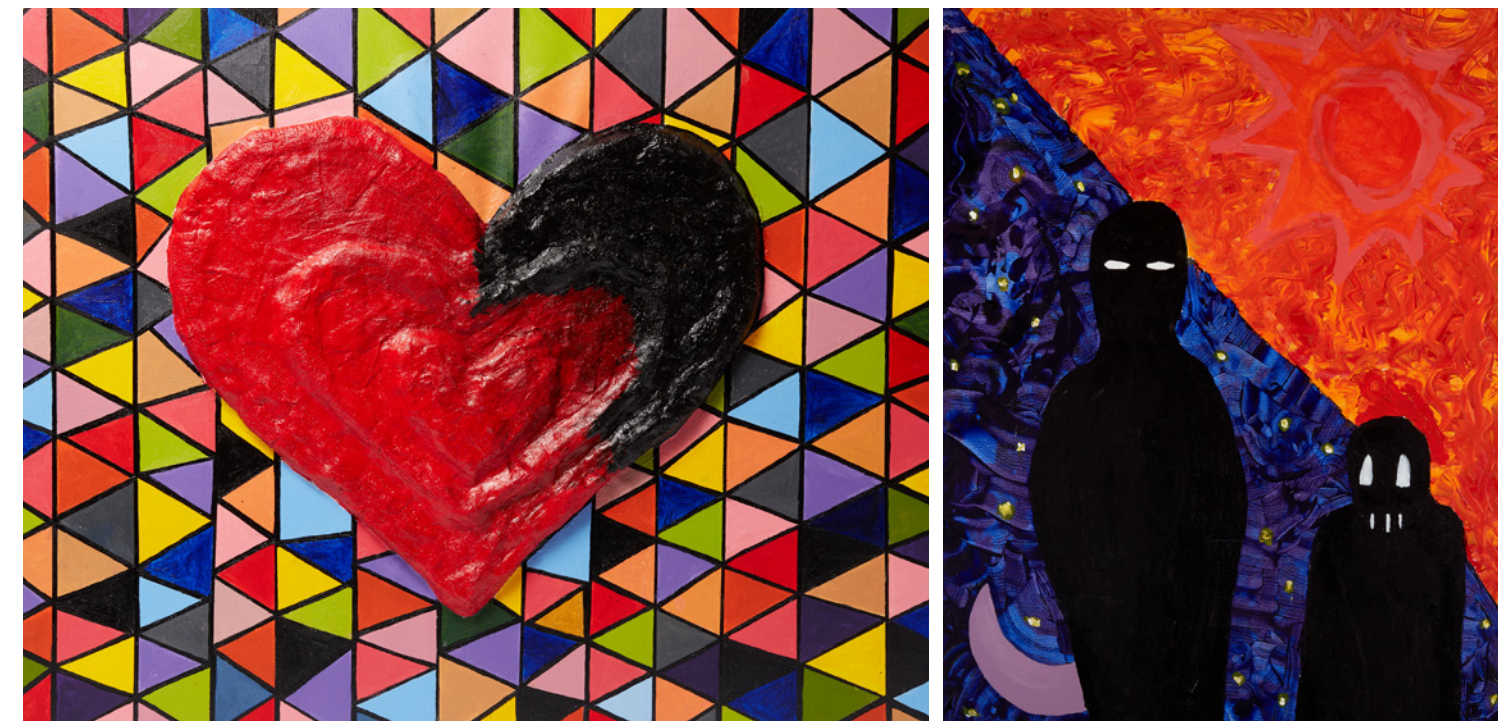
Income inequality across Britain grew in 2018 as cuts to benefits damaged the finances of poorer households. The average income of the poorest fifth of the population reduced by **1.6%**, while the average income of the richest fifth rose by **4.7%**. Public sector budget cuts have drastically affected what can be delivered by local authorities and others to those most in need and many social problems have worsened in recent years.

England and Wales has the highest rate of imprisonment in Western Europe, with **82,617** people in prisons and young offender institutions. Reoffending rates remain stubborn, with **48%** of adults going on to reoffend within a year of release. Overcrowding, self-harm and suicides and assault remain a huge problem.

Homelessness continues to rise. According to Shelter, **320,000** people were living in temporary accommodation, sleeping rough or in a hostel in 2018. This represents a **4%** increase on last year, with **36** new people becoming homeless every day. **4.1 million** children are living in poverty, a rise of **500,000** in the last five years.

The mainstream education system continues to fail many young people whose specific needs are not being met. The most recent figures show that **40** permanent exclusions occur a day; children eligible for free school meals were more than four times more likely to be excluded than those not eligible and children with special educational needs more than six times more likely. The knock-on effect is damaging – people with no qualifications are far more likely to spend time not in employment, education or training.

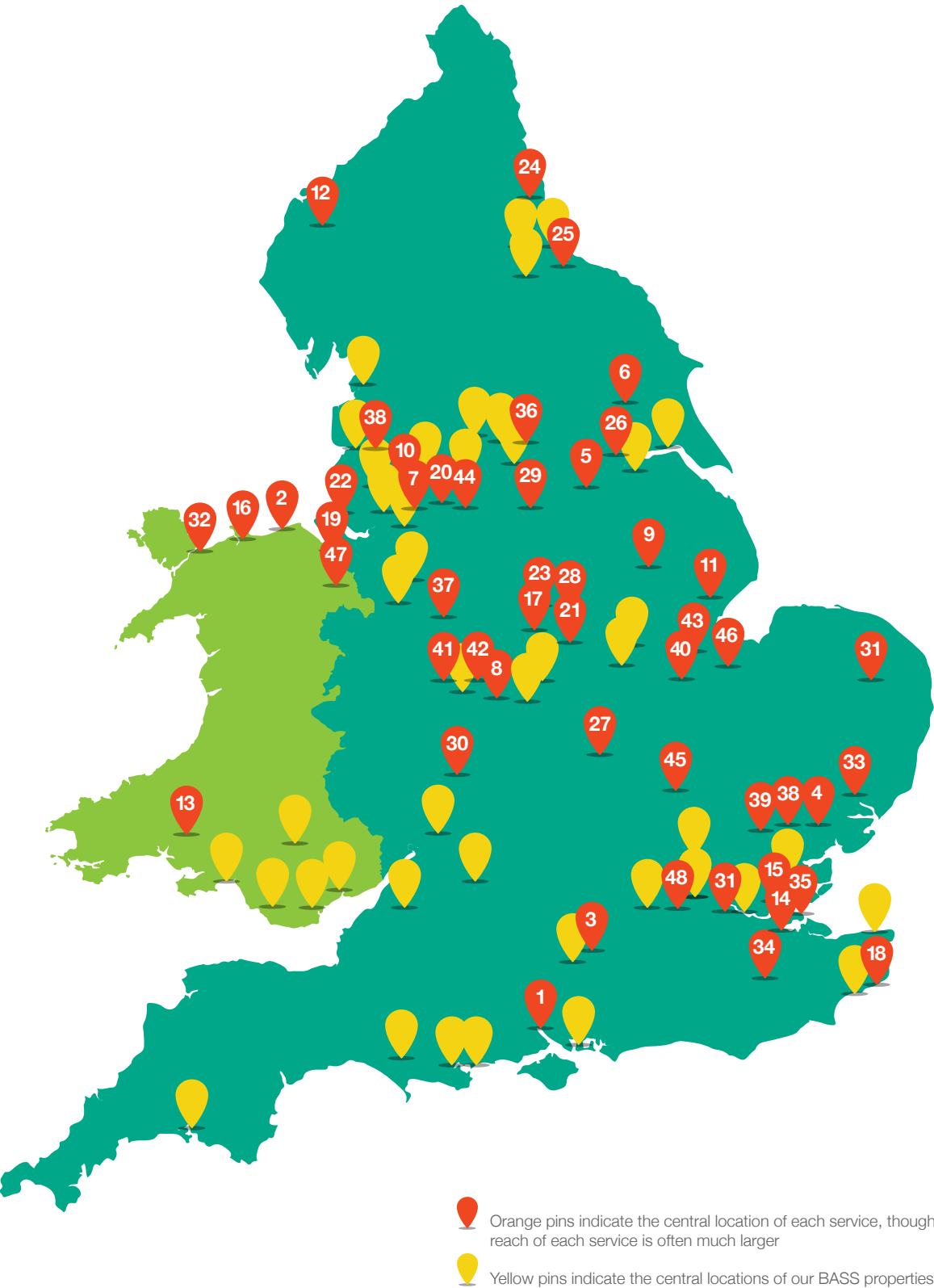
We do everything we can to offer support, stability and guidance, enabling people to open doors that were previously closed to them. We get in early when things are starting to go wrong and we help people to have the best chance at a second chance by dealing with the underlying causes and reducing the likelihood of reoffending. We know that most people who come to us for help have a range of issues, not just one. We also know that, with the right support and guidance, people can be empowered to turn their lives around and move on to a future of success and independence.



Art by Nacro Education students – Medway STC

Our services

Nacro services operate across a large area of England and Wales.



- 1 • **Totton College** Further education
- 2 • **Denbighshire Flexible Supported Housing Service – Rhyl Housing** Housing for offenders
- **Nacro Traineeships** Training for 16-18 year olds
- **Denbighshire Flexible Supported Housing Service – NEST** Housing for homeless single parents
- **Denbighshire Flexible Supported Housing Service – Symud Ymlaen** Housing for young people
- **Denbighshire Resettlement and Advice** Homelessness prevention
- 3 • **LEAPS Liaison and Diversion Berkshire** Peer Mentoring
- 4 • **Essex Mental Health Service – North Essex** Housing provision
- **Essex Young People's Partnership (EYPP) North** Housing provision for 16-25 year olds
- 5 • **Transforming Rehabilitation – South Yorkshire** Resettlement support in prison and the community
- 6 • **East Riding Substance Misuse Service**
- **Blue Light Project** Substance misuse prevention
- 7 • **Bank Court for ex-servicemen and women (Salford)** Supported housing for veterans
- 8 • **Birmingham Adult Offenders** Housing provision
- 9 • **Lincolnshire Support Partnership Adults** Housing provision
- **Lincolnshire Support Partnership Young People** Housing provision
- **Step Forward Young People** Move on housing and support
- **Step Forward Adults** Move on housing and support
- **Lincoln Homeless Service** Emergency accommodation for homeless people
- 10 • **Bolton Education Centre** Study programme
- 11 • **Boston Education Centre** Study programme
- 12 • **Carlisle Education Centre** Study programme
- 13 • **Carmarthenshire Generic Floating Support Service** Housing floating support
- 14 • **Chatham Education Centre** Study programme
- **Nacro in Medway Secure Training Centre** Study programme
- 15 • **Ixion Connecting Choices** Support for ex-offenders to get them ready for work
- **Essex Move On** Housing support
- **Essex Young People's Partnership (EYPP) Mid** Housing provision for 16-25 year olds
- **Essex Young People's Partnership (EYPP) South** Housing provision for 16-25 year olds
- 16 • **Conwy Floating Support** Housing support
- **Conwy Supported Housing** Housing provision
- **Conwy and Denbighshire Bond Scheme** Homelessness provision
- **Conwy Prevention of Homelessness** Homelessness prevention
- 17 • **Derby Osmaston Family Project** Support for vulnerable families
- **Nacro Homes Agency Derby** Housing provision
- **Nacro Homes Agency Derbyshire** Housing provision
- 18 • **Dover Education Centre** Study programme
- 19 • **Flintshire Doorstop Project** Housing provision and substance misuse prevention
- 20 • **Greater Manchester Outdoor Learning** Youth and community services
- **Manchester Supported Housing Services** Housing provision
- **Study House for ex-servicemen and women (Manchester)** Supported housing for veterans
- **Nacro Homes Agency Greater Manchester** Housing provision
- 21 • **Nacro Homes Agency Leicestershire** Housing provision
- 22 • **Nacro Homes Agency Merseyside** Housing provision
- **The Elms Liverpool Supported Housing** Housing provision
- **Wavertree Liverpool Supported Housing** Housing provision
- 23 • **Nacro Homes Agency Staffordshire** Housing provision
- 24 • **Nacro Homes Agency Sunderland** Housing provision
- **Newcastle Education Centre** Study programme
- 25 • **Nacro Homes Agency Teesside** Housing provision
- **Middlesbrough Education Centre** Study programme
- **SWITCH Mentoring Project** Mentoring for unemployed women
- 26 • **Nacro Homes Agency East Riding** Housing provision
- 27 • **Northamptonshire Rent Deposit Bond Scheme**
- 28 • **Nacro Homes Agency Nottingham** Housing provision
- **Nottingham Adult Offenders Service** Housing provision
- **Nottingham Young People Service** Housing provision
- 29 • **Nacro Homes Agency South Yorkshire** Housing provision
- **Sheffield Education Centre** Study programme
- 30 • **Nacro Homes Agency Worcester** Housing provision
- 31 • **Resettlement Advice Service** Nationwide provision
- **Greenwich Resettlement** Resettlement and advice for offenders
- **Hackney General Needs** Resettlement advice
- **Latch House Substance Misuse Project** Housing provision
- **RESET Recovery Service** Substance misuse prevention
- **Tower Hamlets Recovery Service** Substance misuse prevention
- **Wandsworth High Support** Housing provision
- **Wandsworth Young People Service** Housing provision
- **Westminster Offenders Support** Resettlement advice
- 32 • **Gwynedd Doorstop** Housing floating support and housing provision including substance misuse prevention
- **Gwynedd Supported Housing** Housing provision for offenders
- 33 • **Ipswich Education Centre** Study programme
- 34 • **Kent Housing Brokerage Service** Resettlement support in prison and the community
- 35 • **Kent Prisons** Substance misuse treatment in prisons and through the gate
- 36 • **Leeds Education Centre** Study programme
- 37 • **Longton Education Centre** Study programme
- 38 • **Essex Mental Health Service – Mid Essex** Housing provision
- 39 • **Essex Mental Health Service – West Essex** Housing provision
- **Essex Young People's Partnership (EYPP) West** Housing provision for 16-25 year olds
- **Transforming Rehabilitation – Essex** Resettlement support in prison and the community
- **VENTURE Project** Support for veterans with criminal records in custody and the community
- 40 • **Peterborough Education Centre** Study programme
- **Peterborough Young Mums To Be Project** Education and mentoring
- 41 • **Recovery Near You** Substance misuse treatment and recovery
- 42 • **Sandwell Education Centre** Study programme
- **Walsall Education Centre** Study programme
- 43 • **Spalding Education Centre** Study programme
- 44 • **Stockport Targeted Prevention Alliance** Preventative support
- 45 • **Bedfordshire Rent Deposit Bond Scheme**
- **Transforming Rehabilitation – BeNCH** Resettlement support in prison and the community
- 46 • **Wisbech Education Centre** Study programme
- 47 • **Work Programme for offenders** Employment advice, support and training
- **Wrexham Supported Housing** Supported housing for offenders
- **Wrexham Floating Support** Housing support
- 48 • **Wells Unit** Secure education

Media highlights

In 2018/19, we advocated in the media on behalf of our service users about the issues that affect them and received high-profile support for our work.

Highlights include:

1. As part of Nacro’s policy series on Barriers to Effective Resettlement, the launch of our End Friday Releases campaign was featured on the BBC News Online and Nacro Chief Executive, Jacob Tas, took part in a live interview for BBC Radio 4 Today Programme.

2. Nacro Education Spalding celebrated the opening of its new education centre with a visit from actor Warwick Davis, covered in local media. Davis said **“I particularly wanted to come here because I think the centre is really inspiring and doing great things for young people.”**

3. As a founding member of the Ban the Box campaign, Nacro’s Policy Manager, Caroline Drummond, took part in a live interview for Sky News promoting the campaign and making the case for employers to ensure that they do not overlook people with criminal records.

4. Our Director of Education and Skills, Lisa Capper, was featured in the Times Education Supplement making the case that with the right support and a focus on education young people in custody have the potential to flourish and achieve.

5. Nacro Chief Executive, Jacob Tas, took part in a national SunEmployment roadshow event, forming part of a panel including Employment Minister, Alok Sharma MP and Simon Ewins, Chief Operating Officer at Whitbread, challenging misconceptions at the event and in the media about employing people with criminal convictions.

6. As part of Nacro’s campaigning to improve employment opportunities for people leaving prison, our Director of External Engagement, Helen Berresford, took part in a live interview for BBC Radio 5 Live, to discuss the Employment and Education Strategy and the critical importance of people leaving prison receiving support to secure jobs, as part of a segment including an interview with the Secretary of State for Justice.

7. Nacro won a silver medal at the RHS Tatton Flower Show in 2018 for our garden ‘The Buzz of Manchester’. Designed by gardener Andy Walker, with help from Nacro Manchester staff and service users, the garden was featured on BBC Breakfast and ITV Granada. When the show ended, the garden’s contents were distributed across Nacro Manchester services.



Message from the Chair



As we end the first year of our 2018/21 strategy, I remain extremely proud of the achievements of Nacro staff, volunteers and service users.

The continued political uncertainty with Brexit dominating parliamentary business, higher levels of homelessness, declining safety in prisons and rising knife crime make for very tough times for the people we help. But, as ever, our staff step up and respond to the challenges our service users face.

I want to express my gratitude to Jacob Tas, who led Nacro for the last five years. Jacob provided excellent leadership in moving the organisation out of a very challenging financial position in 2014, focusing on growing Nacro's impact and expanding our programmes to reach more people and make a bigger difference. I wish him well in his new role and return to the Netherlands. I am delighted to welcome Campbell Robb as the new CEO of Nacro. Campbell brings with him extensive experience and a track record of success leading Shelter, the Joseph Rowntree Foundation and in the Cabinet Office. I know his ability to influence policy at the highest levels and commitment to our work will help take us on the next stage of our journey.

Like other organisations, this year our accounts show the measures taken to equalise pension benefits as a result of the national legal developments which highlight the clear need to rectify the historical imbalance in the benefits accrued for men and women. This is a one-off adjustment for this year. And the accounts show a notional loss in terms of the value of the assets of our pension scheme, compared to a more positive result last year.

On the operational front, we report a very small surplus for the financial year. We have grown the size of Nacro substantially but turning increased scale into a bigger operating surplus is proving harder, and is indicative of the tighter margins under which we now operate.

Nacro's success, as always, is down to the skill and dedication of its workforce. We would be nothing without our staff and feedback from service users time and again reflects that our teams across Education, Housing, Health and Justice go the extra mile to support people to turn their lives around, even when other people have given up on them. I would like to thank all staff – from front-line workers to those in central support roles – for their commitment to our work.

I would also like to thank our current Council of Trustees and the senior management team for continuing to lead Nacro with vision and passion. I remain extremely proud of all Nacro does for some of the most vulnerable people in our society and look forward to continuing this vital work in my second term as Chair.

Nigel Chapman.

Nigel Chapman CMG



CEO report



I am delighted to have joined Nacro at such an important time in its history. Since Nacro was founded more than 50 years ago, it has evolved to respond to the multiple and often complex needs of people who come through its doors.

I know that staff across Nacro have worked incredibly hard over the last year, with some impressive results. The successful mobilisation of the national Bail and Accommodation Support Service contract, which provides housing to people bailed from court or released from prison on Home Detention Curfew, has been a huge achievement. The Ofsted Good rating across all our education provision was a well deserved recognition of the commitment and drive not only of our education staff but also staff across all of our support services who make such an important contribution. I am very proud to join an organisation with such high educational achievement rates, which reflect our belief that every young person has the potential to achieve. As I have been out and about and learning more about the work we deliver, I have been really struck by the impact of the NHS Oxleas-funded mental health resettlement project in HMP ISIS, Belmarsh and Thameside. This project shows that by putting the right support in place the revolving door of the criminal justice system can be avoided even for those with complex health problems.

With the welcome decision from the Government to reunify the probation system, probation will be a major focus for the year ahead. I am hopeful of seeing a much bigger role for charities like Nacro who have years of impact and experience in helping people to turn their lives around.

I am also really excited about the potential of Nacro to have even greater impact through its policy influencing. The excellent work done last year highlighting the problems caused by Friday prison releases and not having ID on release from prison have really helped raise awareness and move the debate forward. I am committed to continuing to ensure Nacro’s service users’ experience and that of our frontline staff inform our influencing work.

In these most challenging and divisive of times, we at Nacro will do everything we can to ensure the most vulnerable in our society do not get trapped in a tide of poverty, lost opportunities and offending. We will strive to give everyone a voice, and the chance in their day-to-day lives and work with others, to help fix a system that is leaving so many behind.

Campbell Robb

Campbell Robb

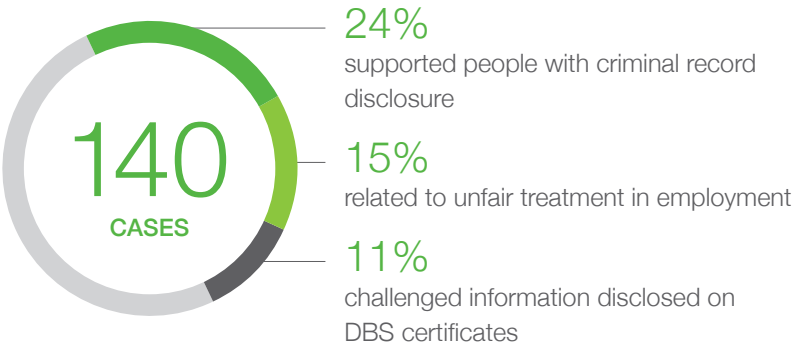
Resettlement Advice Service

We offer support and advice on access to employment, housing and education to people with criminal records and professionals working with them. We also provide training to employers and organisations about assessing and managing risk in relation to criminal records.



enquiries were handled across our Resettlement Advice Service and Employer Advice Service in 2018/19

Our team took on 140 advocacy cases in 2018/19. Among those:



In partnership with Eversheds, we have delivered 28 training sessions and eight legal briefings to a wide range of organisations. And we have increased our offer to include safer admissions training, which we delivered to organisations including the British Association for Counselling and Psychotherapy and higher education colleges.



Nacro, along with Bounce Back, Mitie Foundation and A Fairer Chance, is part of the Mind the Gap consortium. Led by Be Onsite – the charitable arm of Lendlease – the consortium aims to reduce skills gaps and reoffending rates by working with construction industry employers to offer sustainable employment opportunities to people with criminal records. This year we delivered bespoke Recruiting Safely and Fairly training to 262 employers over 11 sessions. A Mind the Gap mid-project snapshot showed:

- 84 candidates employed
- 31 held employment for six months +
- 25 in-prison events delivered
- 275 industry employers engaged
- 390 prisoners engaged pre-release

Education and skills centres

Our personalised learning programmes, delivered in 16 education and skills centres across the country, provide young people and adults with the skills they need to move into further education, training or employment. Nacro learners have often struggled at school and face complex barriers to achieving qualifications and improving their life chances. We offer wraparound support and a range of vocational pathways to suit individual need. We support our learners to aspire to progress and offer essential English and maths skills as well as enrichment and work experience opportunities so they can succeed through learning.

3,500 
STUDENTS

– including those aged 14-16, 16-18, adults and apprentices – studied with Nacro at 16 centres across England, including Totton College near Southampton

92%

recommend Nacro

96%

of our students feel supported to achieve their learning goals and targets

95%

say their course will help them to move on to the next step of education or employment

97%

of students completed a work placement in 2018/9

2/3+

of our students immediately progress to a positive destination such as further training or work

Ofsted

In the spring of 2019 Nacro Education was proud to achieve a ‘Good’ from Ofsted across all eight judgement areas for 16–18 year olds, adults, apprentices and High Needs. Inspectors commented that:

“Leaders, managers and staff hold high ambitions for learners that help them make good progress, achieve well and take positive next steps in their education and employment. Teachers enable learners who have a history of repeatedly starting and not finished courses to stay and achieve. A high proportion of learners gain qualifications for the first time.”



CASE STUDY:
Rodney – Nacro Sheffield

Rodney came to Nacro Education Sheffield having achieved well in maths and science at school but missing the grades in English needed to join the Royal Electrical and Mechanical Engineers. Rodney excelled with the pastoral and academic support on offer, completing a Level 2 qualification in Sport, Level 2 Functional Skills in English, and a work placement at a local sports centre. Staff supported him to improve his confidence and fitness levels. Rodney has now been successful in joining the armed services, and wanted to express thanks to his teachers for helping him with map reading skills and giving him the confidence to be successfully appointed as Lance Corporal of his unit.

“
I love it at Nacro and have worked hard to increase my chances of joining The British Army as an Aircraft Technician. I have improved my interview techniques and now have an up to date CV. I have now been selected for the job role I have always wanted! I am living the dream.

Nacro's Ambassador Programme

Nacro's Ambassador Programme was one of five projects across Europe identified by Learning and Work Institute (LWI) as an example of best practice in designing and delivering pre-apprenticeship programmes that are inclusive of all young people.

Partnerships with employers

We have developed active partnerships with local and national employers to ensure our learners gain the vital work ready skills and knowledge needed to positively progress into the world of work. We are proud that more than two-thirds of our learners progress to positive destinations. Some of our key partnerships include working with Butlins, Eden Rivers Trust and The Business Ambassadors' Project to create bespoke learning programmes, work taster days, work placements and mentoring.

Education in secure settings

Throughout 2018/19 we delivered specialist education in Medway Secure Training Centre (STC) on behalf of the Ministry of Justice and in two Secure Forensic Mental Health Units, Bluebird House and The Wells Unit, for the NHS. Our integrated, multi-disciplinary teams re-engage people aged 12–18 who have committed offences and/or have multiple and complex mental health needs, identifying pathways for each young person so that they can move forward to a successful future and feel hope and positivity about their position in wider society.

We help to develop the qualities and attributes that learners need to thrive as individuals, within their families and as members of society. We achieve this through an engaging range of education that includes English, maths, IT, horticulture, carpentry, hairdressing, music technology, PE, catering and the arts.

“
Children experience well-planned lessons and access a wider range of resources and information. Teachers use a variety of resources to sustain interest and encourage curiosity. Achievements in English and mathematics are above the national benchmarks for post-16 and further education providers.

Ofsted report for Medway STC, December 2018

CASE STUDY:
Jamie – Medway STC

Before Jamie took up horticulture, he said that he felt a pervading sense of hopelessness and could not get up in the mornings. However, once staff encouraged him to take up horticulture and he started learning and working outdoors he really enjoyed it, growing fresh vegetables that were later to be used in the catering class and in the main Medway kitchen. His teacher also recommended him for Temporary Release and he began a work placement once a week with a Park Ranger where he learned about felling trees, coppicing and forestry management. This placement gave him the chance to increase his skills and build up his CV to help prepare him for life after release.

Medway STC

Our education and related learning activities were graded 'Good' by Ofsted in December 2018:

“
Resettlement and transition work by education staff is highly effective. Children engage well in careers interviews. Successful engagement with local businesses has extended the opportunities available to children eligible for temporary release.

The Koestler Trust

The work of seven young people from Nacro's education provision at Bluebird House was showcased at the Koestler Trust's exhibition at London's Southbank Centre. A curator said of the artwork, called The Mental Health Hydra, "This piece is exploding with energy and talent, especially from a group of under 18s. It shows a very important message about mental health."

Totton College

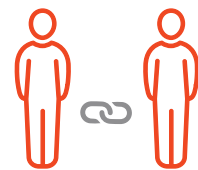
Totton College offers personalised learning programmes to young people aged 14-18 and adults. It has an Apprenticeship Unit working with more than 100 employers in the Southampton and Hampshire area providing professional development and up-skilling of the workforce. Totton College has a High Needs unit and works with families, employers, other providers and local commissioners to enable young people and adults to progress to meaningful further education, employment or occupation.



Maths and English Functional Skills results continued to exceed the national rate for private provider types in 2018/19

95%

of all learners undertook work experience



We have forged partnerships with leading organisations such as Southern Health NHS Trust, New Forest Care and MPCT offering a range of opportunities to the community

300+

adults studied one of the college's part-time accredited and leisure courses in 2018/19

SEND

Local organisations such as Copthorne Nursery and Beaulieu Out of Town centre provide practical vocational opportunities for learners with special educational needs (SEND). 93% of our SEND learners achieve a work placement of some kind.

TOTTON COLLEGE

CASE STUDY: Harry

Harry joined Totton College from a local secondary school in September 2015. He was a quiet and shy student who struggled with organisational skills. Staff helped him to develop in these areas, supporting him to organise his college folder, effectively plan his time during the week and his assignment deadlines. In addition, units of the course gave him opportunities to gain skills as a leader and then a coach, working with small groups and gradually increasing the size of the groups. This led to work experience at a primary school, helping with PE lessons and with a children's coaching company. As a result, he is working part time with Kidz Supersportz in Southampton as a sports coach running sessions for children and undertaking a Level 3 apprenticeship in Sport.

“

I always enjoyed sport and more practical things at school, and have played for Totton Rugby Club since I was 14 years old, so doing a vocational course in sport at the college was perfect for me. As well as getting involved in sport and gaining coaching skills, you learn about sports science and the anatomy. The teachers are friendly and go out of their way to help you. There is also a lot of flexibility so I can fit the course around my rugby club's training sessions. I've been able to get involved in enrichment trips and activities like watersports, hiking and fundraising for charities, as well as extra qualifications covering coaching and stewarding. I'd like to go on to university and train as a teacher, and would ultimately like to run my own sports coaching business.



Housing and wellbeing services

Our work in housing has never been more necessary. We aim to ensure that people who cannot otherwise access a home are able to do so, laying the foundations for stability and achieving personal aspirations. We provide intensive and low-level supported housing to give people experiencing homelessness and insecure housing the best chance of getting back on their feet.

3,414

people were housed by us in 2018/19

73%

of our tenants moved on to stable accommodation after leaving our services

1,800

new tenants were taken on by Nacro in 2018/19

85%

of young people in our Nottingham service move on to permanent accommodation



Nacro Nottingham Young People's Service

Building on the success of our existing services in Nottingham, Nacro was awarded a five-year contract to deliver housing and support services for vulnerable young people, including those that are homeless, in April 2018. The service works in collaboration with local councils, health services and social support teams, to support young people at risk of homelessness to avoid an accommodation crisis. In addition to help with accommodation, we support the young people to access vocational education, apprenticeships and work experience.

CONNECT Manchester

In 2018/19, Nacro joined forces with Sanctuary Supported Living, The Salvation Army and Riverside to provide a single service that is committed to working in partnership with Manchester City Council to end homelessness. The service provides 160 units of shared and self-contained accommodation to adults in need of temporary housing and support. Those accessing the service will often have a number of support needs and barriers to accessing support, including substance misuse, mental ill-health, dual diagnosis and repeat homelessness.

Nacro Homes Agency

Nacro Homes Agency (NHA) leases properties nationwide in the private rented sector to provide housing solutions to people who are homeless, including prison leavers, or those who are insecurely housed.

Created in 2014 with 146 units and a focus on the Midlands and the North West, NHA has since expanded its footprint nationally with more than 900 units in operation as of 2018/19. We partner with local authorities, the National Probation Service, Community Rehabilitation Companies (CRCs) and drug and alcohol services to ensure that, as well as providing housing, we also develop sustainable solutions to the challenges of accessing and sustaining independence.



units across more than 40 authorities

SPOTLIGHT: NHA London

In 2018/19, we launched our first NHA units in London. These NHA units are designed to deliver support for up to two years to single homeless people who would otherwise have very few options. This offers local councils viable solutions to meet their homelessness needs, while also providing an essential bridge for residents moving on from our other commissioned supported housing services and residents moving through Nacro BASS.

Nacro BASS (Bail Accommodation and Support Service)

In June 2018, Nacro began delivering the Bail Accommodation and Support Service, commissioned by the Ministry of Justice. The service provides support and accommodation in the community to people who do not have a suitable address or who need some extra support during the period of their bail, Home Detention Curfew, Intensive Community Order or other supervised licence. Nacro BASS Support Officers work collaboratively in partnership with Community Rehabilitation Companies and offer support to help service users to comply with the conditions of their bail or licence and:

- develop their life and social skills, such as money management and improving positive social networks
- access specialist services, such as substance misuse support, within the community
- manage a tenancy in short-term accommodation

Additional support is provided for women with higher level needs, and parents and dependent children when appropriate. At the end of the placement service users may move to their own home, alternative accommodation which has been gained with Nacro support, specialist accommodation or emergency accommodation.

Nacro BASS

BAIL ACCOMMODATION AND SUPPORT SERVICE

1,909 
people housed

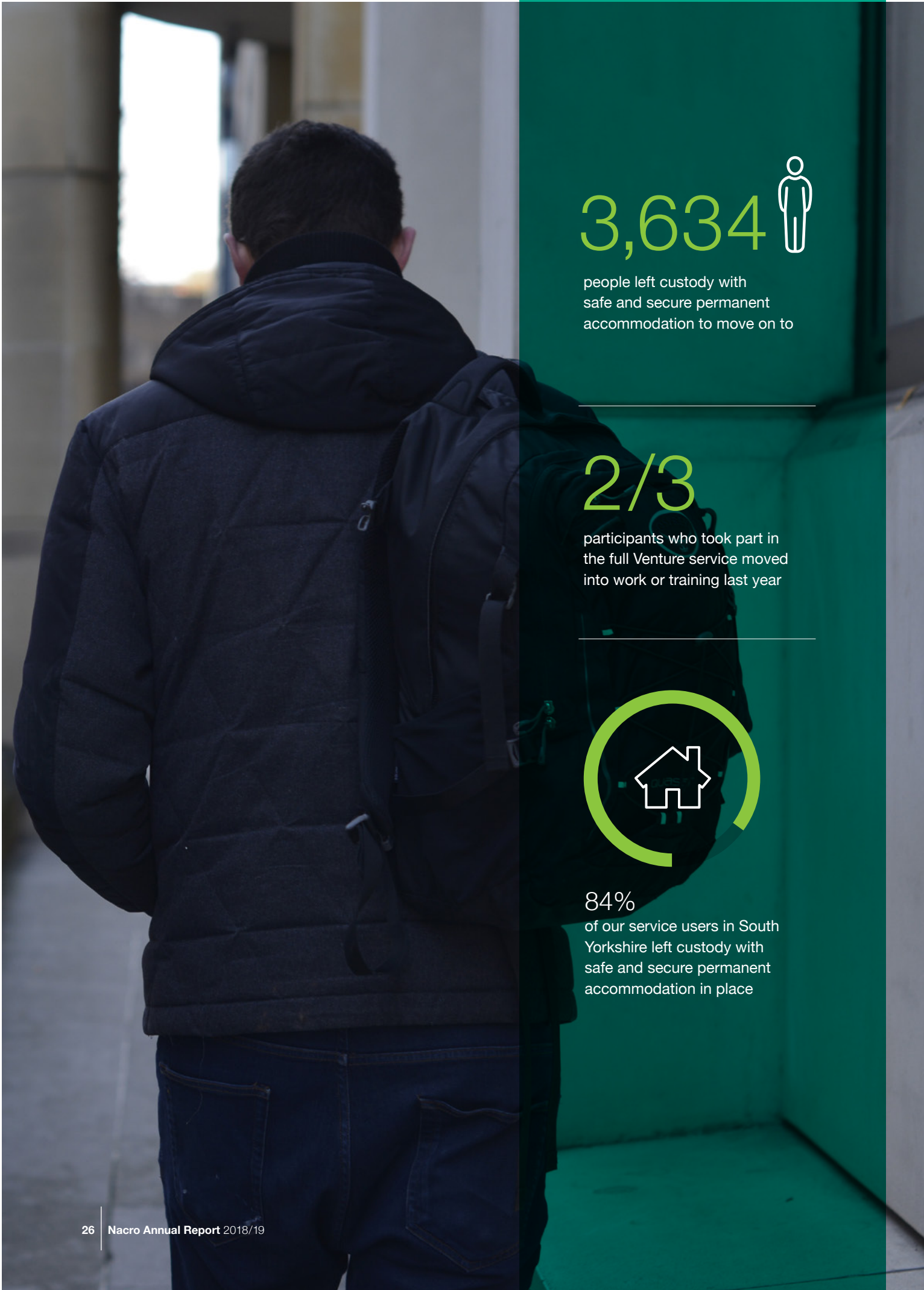
CASE STUDY:

Michael – moved from BASS accommodation to Nacro Homes Agency Sheffield.

Michael was a HDC case from Bradford who accepted BASS accommodation in Sheffield. He wanted to make a fresh start and leave his past behind him, following a history of offending and drug use.

Unfortunately, Sheffield Council was unable to house him as he had no ties to the area and hadn't been living there very long. Other services considered him too high risk. His support worker referred him to Nacro Homes Agency, explaining that Michael displayed excellent behaviour, was showing a positive, proactive attitude and had been drug-free since his release.

He was immediately offered an assessment and a place in Sheffield, just two streets away from his BASS address. This meant he was still close to the new friends he had made and gave him a great chance to stick to positive new habits.



3,634 

people left custody with safe and secure permanent accommodation to move on to

2/3

participants who took part in the full Venture service moved into work or training last year



84% of our service users in South Yorkshire left custody with safe and secure permanent accommodation in place

Justice

Our goal is to reduce reoffending and help people both in prison and on release to change their lives and positively reintegrate into society. We operate in 17 prisons and one secure training centre, offering a wide range of practical support to make sure that people have the best possible chance of changing their lives.

Transforming Rehabilitation

Transforming Rehabilitation (TR) is the outsourcing of the management and delivery of probation services to medium and low risk offenders in 21 Community Rehabilitation Companies (CRCs) across England and Wales. Under TR we are the strategic partner to Sodexo and operate in three of their CRCs – South Yorkshire, Essex and BeNCH (Bedfordshire, Northamptonshire, Cambridgeshire and Hertfordshire) delivering resettlement services in custody and rehabilitative interventions in the community. In Kent, we partner with Centra to deliver the Housing Brokerage service to Kent, Surrey and Sussex CRC, with Nacro providing accommodation brokerage support to those in custody and Centra delivering this brokerage support in the community.

We deliver practical support, information, advice and guidance from first reception into prison, up to release and during the transition through the gate and into the community. As part of this work we:

- Assess the needs of each person and work with them to develop a tailored resettlement plan
- Offer structured support to help secure accommodation on release
- Help people to deal with issues around finances, benefits and debt
- Provide guidance and signpost to other specialist services
- Support people to progress into relevant education, training and employment

Greenwich

Funded by NHS Oxleas, in Greenwich we provide an enhanced through the gate resettlement service for people with mental health needs, providing intensive support. Of the people we supported:

- 95% secured accommodation on release
- 88% registered for benefits
- 70% abstained from substances
- And there was a 72% reduction in the reoffending rate

Venture

Venture offers a unique recruitment service to those who have previously served in the armed forces, have been through the criminal justice system and have aspiration to return to employment. The Venture service focuses on each individual candidate, their career goals and sets a plan of action to source the most suitable employment opportunities for them. We work closely to also refer people to the most appropriate services to ensure they receive the correct level of support, enhancing their chances of not only returning to work but also sustaining it. In addition, our service delivers training to staff in the criminal justice system around the specific needs of veterans.

152 

veterans benefited from our Disclosure training

651 

people across the country were supported to open bank accounts on release

Health

We deliver community-based substance misuse services including drug and alcohol support to people at different stages in the criminal justice system. We deliver a wide range of recovery support services including interventions for those on alcohol treatment requirements and drug rehabilitation requirements and psychosocial interventions.



people completed unstructured treatment such as support sessions with a key worker, groups and mutual aid



43% successfully completed alcohol treatment, compared to the national average of 39% for similar providers



professionals received our Naloxone training to reduce the risk of heroin overdose

Recovery Near You (RNY)

This service exists to provide responsive, compassionate and high quality services to support people to overcome the harm caused by alcohol and drugs. In 2018/19 we:

- Reached 1,105 people through drop-ins, homeless outreach, Alcohol Awareness week, drug and alcohol awareness sessions and needle exchanges
- Worked with the Wolverhampton Wanderers Foundation on their Head 4 Health project which focused on men's mental wellbeing
- Ran peer-led recovery support groups at our Recovery Hub, delivered by volunteers and managed by one of our partners, SUIT, as well as art, gardening, mind, body and soul, and women's and family groups
- Worked with Aquarius on their Sport England funded Steps to Change programme, increasing activity levels for over 55s

CASE STUDY: Dave

Dave came into RNY in May 2017 drinking 20 units daily. He made good progress and completed alcohol detox in June 2017 but he had various social issues and remained marginalised and low in confidence following alcohol recovery. His support worker encouraged him to have confidence in his own value and advocated for Dave externally and within RNY. As a result, Dave went from being socially isolated and without any structure to his days, to someone who engaged with mutual aid, had regular activity built into his day, and ultimately ended up volunteering for RNY. Dave is still alcohol free.

W360

W360 delivers vital services to young people in Wolverhampton who have substance misuse issues or are affected by drug use in their families. In 2018/19:

- 1,157 appointments were attended by children and young people
- The family team offered 1,384 sessions for children, young people and their families to deliver support around parental substance misuse



70% of families had made significant positive changes when they left the service, such as improved school attendance, improved family relationships, de-escalation of child protection



70% of the treatment interventions were successful, with clients not requiring follow-up support



were visited to outline the support W360 can offer which has increased referrals for treatment

East Riding Criminal Justice Substance Misuse Service

In the East Riding, we offer drug and alcohol support to people at different stages in the criminal justice system. We receive referrals from Community Rehabilitation Companies, police custody suites, National Probation Service, prisons and from individuals themselves. We deliver support for Alcohol Treatment Requirements, Drug Rehabilitation Requirements and we provide an intensive engagement service for those who are hardest to engage in treatment services. In 2018/19:



people were referred to us for our outreach brief interventions



structured interventions were delivered

Policy influencing and campaign work

We use what we know to inform national and local government policy and practice to promote positive change for our service users. We also continue to use our knowledge of ‘what works’ to improve our service design and development.



1. We launched a series of policy briefings to highlight some of the practical barriers people face when they leave prison which can hold them back from resettling. The series included a call to end Friday prison releases due to the difficulties people face getting all the support they need before the weekend, and a call for everyone leaving prison to have widely accepted photo ID, which is needed for so many things including housing, benefits and employment. Our End Friday Release campaign gained widespread support across charities and other agencies and has gained national media coverage and questions in the House of Commons. We have also worked with the Department for Work and Pensions and Ministry of Justice to highlight the difficulties people face accessing Universal Credit and financial support when leaving prison.

2. The lack of sufficient or appropriate housing for prison leavers remained a focus of our influencing in 2018/19. We worked with youth homelessness charity Centrepoin to launch research into the challenges young adults face securing housing on release from custody. Our report made cross-cutting recommendations for the Ministry of Justice, Department for Work and Pensions and Local Authorities, many of which we continue to advise on.

3. Through our experience of delivery in Transforming Rehabilitation, we continued to highlight the great challenges the system was facing and the impact this had on service users. We called for reform to the system and were delighted that the Ministry of Justice has since announced significant changes to the probation system. We are pleased that the Government established an inter-ministerial board for reducing reoffending which Nacro had called for, as a joined up approach is critical when so much of the support needed sits outside of the Ministry of Justice.

4. As our Big Lottery funded Beyond Youth Custody (BYC) project drew to a close we continued to see impact across the year. The Youth Justice Board (YJB) set Resettlement as one of its key priorities and the BYC framework and concept of ‘Constructive Resettlement’ is becoming embedded in the YJB’s work and beyond.

5. Our work encouraging employers to hire people with criminal records continued apace and, alongside the Corbett Network, we hosted a ‘Tapping into Talent’ conference for employers from around the UK to increase awareness and provide the tools to support them with recruitment.

6. We continued our engagement with government and parliament on the areas above by holding parliamentary roundtables, meetings and providing briefings and policy submissions. We were also invited to give oral evidence to the Justice Select Committee on their inquiries into Transforming Rehabilitation and the prison population.



Our people

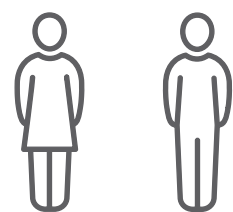
Our people make us what we are. Values-driven and committed, they choose to work for Nacro because they want to make a difference. We are committed to building the expertise, effectiveness and engagement of our workforce. This is at the heart of our people strategy which has three themes: culture, leadership and high performance.

924

Nacro employees

18%

of our staff are from a minority ethnic group



67% 33%

Our staff turnover has decreased from

23%
↓
19%

Our people strategy

Culture – we are clear and unapologetic about the type of culture we want to see and feel at Nacro. Our culture is underpinned by our values. To ensure that our values are clearly understood by all of our people who are responsible for living them on a daily basis, we have developed a set of behaviours for each value. These are the basis of recruitment decisions, performance appraisals and our learning and development.

Leadership – we have defined and articulated what we expect of our leaders. We develop our leaders and hold them to account. Our leaders are expected to:

- own and set the direction of Nacro
- collaborate and engage with others
- inspire their teams to deliver

To support them to do this we have invested in our own in-house Leadership Development programme called iLead. All of our Senior Leaders have completed this programme in the last year.

High performance – we maintain a strong, healthy, high performing organisation whose people are capable of meeting the needs of our service users. We thrive on the passion, service and commitment of our people to fulfil our mission and to move ever closer to our vision. We want to create fulfilling careers for our people at Nacro where they can continue to grow, develop and give their best, enabling us as an organisation to do the same for and within society.

Our success starts with recruiting the best people. In a very competitive labour market our in house recruitment team has recruited 242 people in the last 12 months, reducing the average time to hire from advert to our new recruit starting work to eight weeks.



Nacro Community Voice

Nacro Community Voice (NCV) council ensures that our service users are heard and can influence the design of services.

Our formal involvement structure through the NCV council, which meets five times a year, aims to:

- Ensure opportunities for involvement are available to all
- Empower people to be involved at a level they feel is appropriate
- Provide a range of involvement opportunities including participation in local events, Nacro Students' Union learner forums and house meetings as well as the opportunity to be involved at a national level
- Ensure that the voice of service users is represented in Nacro's governance structure – we do this by making the Chair of the Community Voice council a co-opted member of Nacro's Strategy and Performance Committee
- We encourage service users to have a strong voice within and outside of Nacro. In 2018/19, NCV council members were involved in numerous activities across the charity in addition to feeding back on our services, including:
 - Helping to design the Nacro garden alongside a professional gardener for the RHS flower show
 - Being instrumental in the recruitment process of our new Director of Housing and Wellbeing and the new CEO, designing questions and asking them in a formal interview environment

“

All people, however complex their challenges, have valuable skills. Our goal is to identify and harness those skills so that our service users can see how valuable they are.

Nacro Community Voice work allows service users to remove barriers such as limiting self-beliefs and stretch themselves to prove they are good enough, that their contribution is worthwhile and that their skills are valuable and valued.

Our work results in the increased skills, capacity and confidence of Nacro service users, who often use these experiences to help themselves on their pathway to independence and sustainable employment.

Rose Evans
Nacro Community Voice Manager

What our people say

“The best thing for me about working for Nacro is the sense that I am making a positive difference to the individual learners I support.”

“I am very proud to work for Nacro and I love my job. It is extremely worthwhile.”

“I enjoy working with like-minded people who are trying to change young people’s lives for the better.”

“We help and support disadvantaged young people and give people a second chance.”

“I do think that a certain kind of person is drawn to Nacro and the result is a friendly, committed workforce that makes a real difference to people’s lives.”

Council members and professional advisers

President Lord Dholakia, OBE, JP	Chief Executive Officer Jacob Tas	Bankers National Westminster Bank Plc Cavell House PO Box 113 2A Charing Cross Road London WC2H 0PD
Vice President Dame Linda Dobbs DBE	Company Secretary Susannah Glover (April – June 2018) Aoife McGuinness (July – October 2018) Michael Coldwell (November 2018 – March 2019)	Auditor Mazars LLP, Midlands 45 Church Street Birmingham B3 2RT
Trustees Nigel Chapman CMG, Chair Andrew Billany Bob Booker Ron Crank MBE Jenni Douglas Todd Lynn Emslie Darren Hughes Dominic McGonigal Sarah Nelson-Smith Brenda Sheils OBE Helen Willis Victoria Prentis MP**	Registered Office 46 Loman Street London, SE1 0EH	Solicitors Gateley plc One Eleven Edmund St Birmingham B3 2HJ
Treasurer Helen Willis	Charity number 226171	Pension consultants Punter Southall 11 Strand London WC2N 5HR
Information correct at 31 March 2019.	Regulator of Social Housing number 4781	
	Company number 00203583	**appointed during 2018/19

Trustee Attendance Record
2018/19

	1	2	3	4	
Nigel Chapman CMG	5 of 5	-	-	1 of 2	1 Council
Andrew Billany	4 of 5	5 of 5	-	-	2 Strategy & Performance Committee*
Bob Booker	4 of 5	-	3 of 4	-	3 Finance & Audit Committee**
Ron Crank MBE	5 of 5	-	3 of 4	2 of 2	4 People Committee (previously Remuneration Committee)
Jenni Douglas-Todd	5 of 5	-	3 of 4	2 of 2	
Lynn Emslie	5 of 5	-	4 of 4	-	
Darren Hughes****	1 of 5	0 of 5	-	0 of 2	*Professional adviser: Mark Leigh
Dominic McGonigal	4 of 5	-	1 of 4	-	**Professional adviser: Dean Murphy
Sarah Nelson-Smith	4 of 5	2 of 5	-	-	***Appointed 2018/19
Victoria Prentis MP***	1 of 3	-	-	-	****Darren Hughes was given permission to absent himself from Council and committee meeting for professional reasons during 2018/9
Brenda Shiels OBE	2 of 5	5 of 5	-	-	
Helen Willis	0 of 5	-	2 of 4	-	

Strategic review of the year

Year in review

2018/19 saw the launch of an ambitious new three-year plan to further grow our impact in addressing social justice issues facing disadvantaged young people and adults in the UK.

To respond to growing societal need, by 2020/2021 we aim to provide joined-up specialist services to 45,000 disadvantaged young people and adults to help them build positive futures and achieve their aspirations. We will continually strive to be the best and will be known as experts at what we do. We will have piloted and developed our place-based, joined-up service offer. We committed to doing this through the following five overarching objectives for the strategy period, and our key delivery milestones during 2018/19 are shown below:

1. Grow Nacro’s outcome-focused delivery – deliver joined up, high outcome and expert services and products meeting their respective regulatory and funding standards.

- In 2018/19 we:
- Achieved Ofsted ‘Good’ in all Education settings following an inspection of our Education and Skills Centres including Totton in March 2019. The very positive report reflects the hard work and commitment of our staff in giving learners the best chance to achieve.
 - Achieved the ‘Matrix Standard’ for our Information, Advice and Guidance services across a broad range of provision by evidencing that we bring our core values to our frontline work.
 - Implemented a new Management Information System for Education to track learner outcomes and ensure timely and expert support to keep learners on track
 - Mobilised the BASS (Bail Accommodation and Support Service) on behalf of the Ministry of Justice providing short term housing and support for people on bail or released early from prison.

2. Make a strategic contribution in priority places and communities - support commissioners to offer local/regional services and solutions; form strategic partnerships in communities; be recognised as a key player in identified priority areas.

- In 2018/19 we:
- Worked with authorities including Essex, Manchester, Lincoln to improve access to move-on; fostering landlord relationships; expanding our own housing move-on pipeline in key areas
 - Secured our cross-team presence in the Middlesbrough area by securing £300,000 of Big Lottery funding for our SWITCH (Supporting Women in the Community and Home) to sit alongside our housing and education provision
 - Initiated a pilot with Sodexo joining up our housing and justice provision to provide additional accommodation and support to resettle people coming out of prison in Peterborough
 - Were awarded the Manchester Connect Service working in partnership with Sanctuary Supported Living, The Salvation Army and Riverside and Manchester City Council to provide a single service committed to working in partnership to end homelessness.

3. Influence policy and practice – develop long-term plans to address the needs of disadvantaged young people and adults in communities, promoting our social justice voice and that of our service users to influence policy and practice in order to improve the lives of people we help.

- In 2018/19 we:
- Launched a new series of policy briefings, informed by experiences of our staff and service users, highlighting the practical barriers people face when leaving prison and offering solutions.
 - Continued to see the impact of our Beyond Youth Custody partnership through resettlement being set as one of the Youth Justice Board’s priorities & resources put into training for youth justice workers.
 - Increased our engagement with policy-makers and influencers on our priority issues of barriers to effective resettlement, access to housing, probation reform and offender health.
 - Achieved a range of media coverage highlighting the issues which affect our service users as well as the positive achievements of our service users and our work staff including BBC, Sky News and The Sun.

4. Build a proud, expert and engaged workforce – build and sustain a high-performing professional workforce with the skills, knowledge and attitudes to deliver the best outcomes for service users.

- In 2018/19 we:
- Launched our new Leadership Development Framework, investing to develop leaders from across Nacro.
 - Developed and delivered an employee engagement strategy taking action on themes from our employee survey
 - Embedded our in-house recruitment team
 - Rolled-out an improved performance management framework including process, tools and training for staff

5. Create a financially sustainable organisation – in an uncertain economic climate, develop the organisation to ensure efficient processes in order to meet our reserves and liquidity targets as well as funding capital investment and discharging pensions obligations.

- In 2018/19 we:
- Invested in business development capacity and capability by creating the new post of Director of Business Development
 - Introduced a new finance system to deliver faster more efficient finance support

Our Plans for 2019/20

As we move into the second year of our strategy below are some of our key objectives for 2019/20

1. Grow Nacro's outcome-focused delivery – deliver joined up, high outcome and expert services and products meeting their respective regulatory and funding standards.

In 2019/20 we will:

- Increase Nacro's role and delivery in the new probation system
- Secure new opportunities for delivery in prison education
- Refresh how we measure the impact our services make for disadvantaged young people and adults

2. Make a strategic contribution in priority places and communities - support commissioners to offer local/regional services and solutions; form strategic partnerships in communities; be recognised as a key player in identified priority areas.

In 2019/20 we will:

- Identify priority areas and build influential relationships and partnerships
- Increase our cross-team delivery in priority areas
- Play strategic advisory role in priority areas

3. Influence policy and practice – develop long-term plans to address the needs of disadvantaged young people and adults in communities, promoting our social justice voice and that of our service users to influence policy and practice in order to improve the lives of people we help.

In 2019/20 we will:

- Deliver a policy programme which influences key social justice issues affecting our service users
- Deliver a Nacro-wide communications plan which raises the profile of the impact of our services and key social justice issues
- Increase our web presence to reach our core audiences

4. Build a proud, expert and engaged workforce – build and sustain a high-performing professional workforce with the skills, knowledge and attitudes to deliver the best outcomes for service users.

In 2019/20 we will:

- Launch the new Management Development Framework
- Develop our employee engagement strategy and plan following results of the 2019 employee survey
- Develop an improved on-boarding process and induction approach

5. Create a financially sustainable organisation – in an uncertain economic climate, develop the organisation to ensure efficient processes in order to meet our reserves and liquidity targets as well as funding capital investment and discharging pensions obligations.

In 2019/20 we will:

- Complete and embed implementation of new finance systems and realise benefits including faster management accounts production and improved supplier control
- Continue to improve use of information technology to support improved efficiencies across the organisation

Safeguarding

Nacro has further developed its safeguarding policy and practice across the organisation and embedded a strengthened culture of safeguarding at all levels. Our National Safeguarding Board continues to ensure an effective framework is in place, through the close monitoring and review of trends and best practice. There is a full team of Designated Safeguarding Officers and Leads across Nacro.

Ofsted inspectors commented, 'Leaders, managers and staff place a very high priority on safeguarding learners. Managers provide effective oversight of safeguarding arrangements. They use external scrutiny well to provide assurance on the effectiveness of safeguarding arrangements.'

We have benefited from external reviews throughout the year and have achieved the Incyte International awards at Gold and Platinum level.

Nacro delivered its annual Safeguarding Awareness Week from 25 February to 1 March 2019, with various activities, articles, events and visits taking place across the country to raise awareness of all aspects of safeguarding. This included visits from Trustees who actively engaged in learning more about how safeguarding works in practice at our different locations.

During the year a total of 1,321 cases were recorded on our automated Internal Management System. As our largest delivery area, Housing continues to report the largest number of safeguarding incidents, with 68% of incidents coming from the directorate in 2018/19. Education reported 25% of the incidents and 7% came from Justice and Health.

Trustee Lead – Ron Crank MBE

Executive Lead – Lisa Capper

Good governance – Trustees’ report

The Nacro Council is responsible for the effective strategic leadership and governance of the organisation while day-to-day management is delegated to the Executive Team.

The Council has adopted and complies with the requirements of the National Housing Federation Code of Governance. Nacro’s prime regulator is the Social Housing Regulator. The Trustees confirm that Nacro complies with the Regulatory Code. As an educator and recipient of ESFA funding, we also seek to comply with the Code of Governance for English Colleges. And finally, as a social justice charity, Nacro also complies with Charity Commission requirements.

During 2018/19 we have continued to embed the recommendations of the Good Governance review undertaken between June and September 2017. The revised committee framework, designed to enable more detailed scrutiny, is providing the Council with a high level of assurance.

Risk management was prioritised this year, with Council members attending a facilitated risk workshop in September 2018 that resulted in a revised strategic risk register, risk appetite statement and the prioritisation of risk scrutiny at Council and its two primary reporting Committees, the Finance and Audit Committee and Strategy and Performance Committee.

The Head of Governance post (established in 2017) continues to oversee the implementation of Governance good practice in 2018/19, including the introduction of thematic analysis of strategic delivery plans, a review of Nacro’s internal policy framework and the migration of all confidential Trustee email communication to a secure server.

To ensure service user involvement is at the heart of our delivery, we have continued to evolve the role of our Community Voice Council, which provides a forum for formal service user involvement. A Student Council is also in place at Totton College along with an Education Forum where stakeholders including local employers have the opportunity to contribute and shape our plans at an early stage.

There are also a number of other regular meetings that Trustees either Chair or attend, such as the Education Scrutiny Group and Safeguarding Board. These opportunities help them to fulfil their roles as a designated link Trustee for specific areas and increases scrutiny and oversight of different sectors of the business. These Trustees in turn report into the main Council and Committee structure further strengthening our governance.

As part of our Council succession planning, we recruited a new Trustee, Victoria Prentis MP. A full list of Trustee appointments, resignations and attendance can be found on page 35.

Our risk framework and financial strategy supports the mitigation of exposures. Trustees are aware of their duty to protect social housing assets and are continuously developing our risk assessment and management frameworks.

As part of management of risk, consideration has been given to the impact of the plan for the UK to leave the European Union. This includes any potential impact on operations and supply, staffing and financial planning. Like other organisations, it is possible that we may experience some supply chain disruption. Our supply chain is diverse and we don’t currently judge that we have high exposure in this area. EU nationals make up a relatively low proportion of our workforce and we therefore do not anticipate immediate risk in this area. Should the economy be negatively impacted and inflation rise as some predictions suggest may happen in certain circumstances, we would inevitably face the difficulties this would bring to all organisations in terms of impact on costs and income. Overall, we currently consider that we have relatively low exposure to the impact of the UK leaving the European Union but we will continue to assess this as further developments take place.

Trustees’ responsibilities – Registered Provider legislation requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of Nacro as at the end of the financial year. In preparing those financial statements, suitable accounting policies have been used, framed, to the best of the Trustees knowledge and belief, by reference to reasonable and prudent judgements and estimates, applied consistently. Applicable accounting standards have been followed.

The Trustees are also required to indicate where the financial statements are prepared other than on the basis that Nacro is a going concern. The Trustees are responsible for ensuring arrangements are made for keeping proper books of account with respect to the transactions and its assets and liabilities and for maintaining a satisfactory system of control over Nacro’s books of account and transaction. The Trustees are also responsible for ensuring that arrangements are made to safeguard the assets of Nacro and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Going concern – The Trustees consider that Nacro is well positioned to manage its business risks successfully. After careful consideration and enquiry, the Trustees have a reasonable expectation that Nacro has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing these financial statements.

Public benefit – The Trustees confirm that they have complied with their duty under section 4 of the Charities Act 2006 to have due regard to the Charity Commission’s general guidance on public benefit.

Disclosure of information to the auditor – Each Trustee at the date of approval of this report has confirmed that:

As far as the Trustees are aware, there is no relevant audit information of which Nacro’s auditor is unaware.

The Trustees have taken all necessary steps in order to make themselves aware of any relevant audit information and to establish that Nacro’s auditor is aware of that information. Approved by the Trustees on September 25th 2019 and signed on their behalf by:

N Chapman CMG	R Crank MBE
Chair	Vice-Chair

Statement of Internal Control

Council has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. In meeting its responsibilities, Council has adopted a risk-based approach to internal control, which is embedded within the normal management and governance processes and includes staff at all levels.

This approach includes the regular evaluation of the nature and extent of risks to which Nacro is exposed. The process adopted by the Council in reviewing the effectiveness of the system of internal control comprises:

1. Identification and evaluation of key risks

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and ongoing process of management review in each area of Nacro's activities.

This process is coordinated through a regular reporting framework by Executive Leadership Team (ELT) and Finance & Audit Committee (FAC). The FAC regularly considers reports on significant risks facing Nacro and the Chief Executive is responsible for reporting to the Council any significant changes affecting key risks.

2. Monitoring and corrective action

The regular review of control issues and the audit plan by the ELT provides assurance to FAC and the Council. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant issues, particularly those with a material impact on the financial statements.

3. Control environment and control procedures

Council retains responsibility for a defined range of issues covering strategic, operational, financial, and compliance issues including new investment projects. The Council disseminates to all employees its requirements and Nacro's policies that concern the quality, integrity and ethics of its employees.

It is supported by a framework of policies and procedures with which all employees must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection, and the prevention and detection of fraud.

4. Independent audit and review

The internal control framework and risk management processes are subject to regular review by an internal audit function which is responsible for providing independent assurance to the Council. FAC ensures that the risk-based inspection/monitoring plan remains up-to-date and is a live document. It reviews all significant reports, which could affect the risks facing Nacro.

Council has received the annual review of the system of control from FAC and has taken into account any changes needed to maintain effectiveness of the risk management and control process.

5. Fraud reporting systems

Fraud response procedures and policy statements are reviewed and approved by the Council as part of a comprehensive review of internal control systems. The procedures establish the respective roles and responsibilities of staff for the prevention and detection of fraud through a fraud response plan.

The Council confirms that there is an ongoing process for identifying, evaluating and managing significant risks faced by Nacro. This process has been in place throughout the year and up to the signing of the annual report, and is reviewed regularly by the Council.

6. Risks

Nacro has a formal risk management process to assess business risks and implement risk-based strategies. The risk register is aligned to the corporate plan, and identifies the risks around achieving the objectives of the organisation. This involves identifying the types of risks that Nacro faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying mitigating actions.

Gender pay gap report

This is our report based on data held on our payroll for all employees on 5 April 2018. Our total workforce is 67% female and 33% male.

Gender gap for mean hourly rate of pay

In Nacro women's mean hourly rate is 10.24% lower than men's mean hourly rate. This is an improvement of 1.52% from the last reporting period.

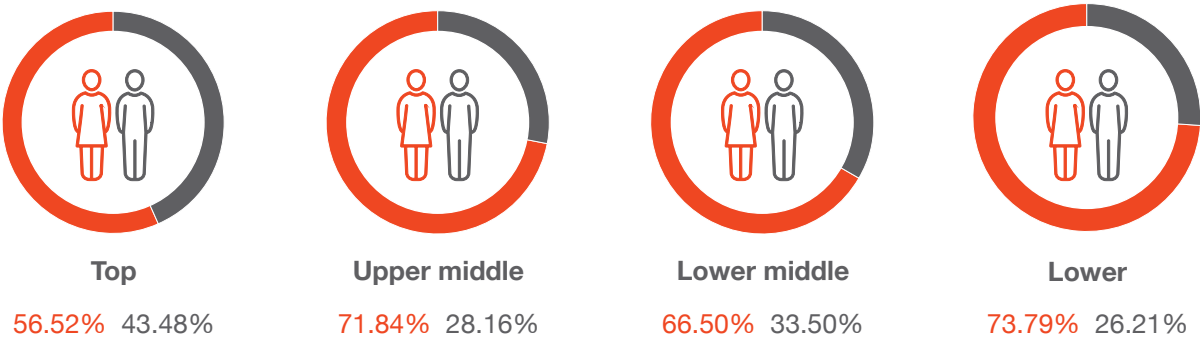
The mean hourly rate is the average hourly rate for all women employed by Nacro compared to the average hourly rate for all men employed by Nacro.

Gender gap for median hourly rate of pay

In Nacro the median hourly rate for women is 3.54% lower than the median hourly rate for men. This compares to 3.03% in the previous year

The median hourly rate is calculated by arranging the hourly pay rates of all female employees from highest to lowest and taking the hourly rate that is in the middle of the range. This is compared to the median rate for male employees.

Gender pay by quartiles



Nacro continues to be committed to promoting equality, diversity and inclusion in all its activities. We seek to employ the most talented people to enable us to change the lives of our service users. Reducing our gender pay gap is important to us.

We are proud that 57% of our Executive Team and 55% of our wider leadership team are women, and continue to strive to build our female representation in our leadership team. We recognise that we must continue to work hard to reduce the gender pay gap and are focusing on a number of areas as part of our People Strategy. We seek to further increase our female representation in the top quartile.

Financial narrative

Income for the year was £60.2m compared with £49.0m in 2018 and the operating surplus for the year was £0.4m (2018: surplus of £0.5m) as a result of increasing costs.

The turnover in Housing, our largest division, showed growth of £12.4m in year, increase of 51.5%, to £36.6m, prior year growth was £2.7m (+12.6%). This substantial housing growth was mainly due to the mobilisation of the Bail Accommodation Support Service although the substantive housing provision continues to grow. In the Education division income fell slightly from £17.4m to £16.8m. In the Justice Division turnover decreased from £2.15m to £1.9m, with a reduction in the operating profitability. Turnover in Health also reduced from £5.1m to £4.6m and Corporate Projects income fell from £0.2m to £0.1m.

The Total Comprehensive Deficit for the year amounted to £3.5m (2018: surplus £725k) reflecting the surplus for the year, as above, plus an actuarial loss on the closed defined benefit pension scheme of £2.4m (2018: actuarial gain £0.5m) and a loss of £1.1m for the guaranteed minimum pension equalisation (GMP) which is a one off loss adjustment affecting all pension schemes.

The actuarial loss and GMP equalisation have raised the pension scheme deficit recognised on the balance sheet from £14.7m to £18.4m and Nacro is working with the pension trustees to reduce this deficit. This has caused unrestricted reserves to decrease to £6.9m which, when combined with the restricted reserves, generated a net reserves balance of £7.1m down from £10.6m at prior year-end. The current ratio has reduced slightly in year to 1.73 (2018: 1.81)

Net current assets reduced by £515k year-on-year within which cash, at £7.4m, deteriorated (2018: £10.7m) this was partly as a result of changes to Education contracts with funding previously being paid in advance now being paid in arrears. Capital expenditure is controlled and spending of £1.4m took place during the year (2018: £0.9m). Efforts continue to build cash reserves to the levels required by the liquidity policy for three months of operating cost cover.

The full results for the year are shown in the Statement of Comprehensive Income and the Statement of Financial Position plus accompanying accounts and notes on pages 50 to 76.

Value for money statement

Nacro is a social justice charity and a provider of housing which is regulated by the Housing Regulator. The charity has adopted the value for money metrics as required although as a supported housing and niche housing provider the results published below need to be viewed in the context of our business model.

METRICS	Current Year 2018/19	Prior Year 2017/18
Reinvestment %	1.3%	0.3%
New Supply Delivered (Social Housing Units) %	0.0%	0.5%
New Supply Delivered (Non-Social Housing Units) %	0.0%	0.0%
Gearing %	0.0%	0.0%
EBITDA MRI Interest Cover %	502.5%	574.6%
Headline Social Housing Cost Per Unit	£8.86	£8.61
Operating Margin (social housing lettings only) %	-5.7%	5.4%
Operating Margin (overall) %	0.6%	1.0%
Return on Capital Employed (ROCE) %	1.1%	1.7%

Reinvestment has increased due to works being carried out on existing properties. This is due to both general deterioration and modifications required for property transitions to support the new BASS contract.

New supply delivered is measured through owned property. Nacro, as a charity providing social housing does not have a development programme. We intervene in the private rented sector to make homes available for service users either with supported housing contracts or through the provision of intensive housing management. This is a key way in which we help to address social justice issues including the prevention of homelessness. However, the published metric does not reflect this provision.

The gearing ratio at 31 March 2019 is nil showing that Nacro ended the year with no debt or loans outstanding. At 31 March 2018, the gearing ratio was also nil.

The EBITDA interest cover is elevated due to Nacro having nil borrowings. The finance cost stated in the accounts relates to pension finance interest.

The headline cost per unit has increased by 25p for 2018/19. Although this may appear elevated in comparison to other housing providers, it reflects the nature of the business model of entering into flexible leasing arrangements to secure growth in housing supply. Consequently, leases can be terminated at short notice thus ensuring operational and financial flexibility.

There has been a fall in operating margin in both Housing and in the wider Nacro charity for the year ending 31 March 2019. This has subsequently led to a reduced value for ROCE. This has been as a result of contracting cycles where new contracts or services commence with higher set up costs. Furthermore, the initial high implementation and mobilisation costs for the BASS contract have impacted margins adversely.

Reserves and liquidity policies

There has been a fall in operating margin in both Housing and in the wider Nacro charity in the year to 31 March 2019. The current reserves policy is to achieve reserves of the equivalent of three months’ of operating costs and the current liquidity policy is to target cash of three months’ of operating costs, less depreciation.

Independent auditor’s report

Opinion

We have audited the financial statements of Nacro for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Reserves and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of Nacro’s affairs as at 31 March 2019 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2015.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of Nacro in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The Trustees’ view on the impact of Brexit is disclosed on page 40.

The terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is therefore not currently possible to evaluate all the potential implications to Nacro’s trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on Nacro as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with Nacro’s future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible implications for Nacro and this is particularly the case in relation to Brexit.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about Nacro’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Review and the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Review and the Annual Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of Nacro and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Review or the Annual Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors’ remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of the Trustees’ responsibilities set out on page 41, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing Nacro’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate Nacro or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of the audit report

This report is made solely to Nacro’s members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and Chapter 4 of Part 2 of the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to Nacro’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Nacro and Nacro’s members as a body for our audit work, for this report, or for the opinions we have formed.

Vincent Marke
(Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
45 Church Street
Birmingham B3 2RT

Date:



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Nacro: Registered charity no. 226171; Registered company (London) 203583;
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