

## **Adfam discussion paper: Funding Family Support**

### **Background**

Upon coming to power in May 2010, the Coalition Government stated that deficit reduction was the most urgent issue facing Britain<sup>i</sup>, and aims to be saving £20 billion per year by the end of the current Parliament in 2015<sup>ii</sup>. This austerity programme is affecting all sectors of the economy and society – including voluntary organisations and their beneficiaries.

There is also evidence that these budgetary cuts are being implemented unevenly, and in some areas are disproportionately affecting the voluntary sector<sup>iii</sup>, <sup>iv</sup>: roughly two-thirds of reported cuts identified Local Government as a source of funding.<sup>v</sup> Even in areas that are highly supportive of the voluntary sector, the trend of increasing investment from the state has gone, perhaps permanently.<sup>vi</sup>

To compound this, voluntary and charitable organisations have recently experienced a reduction in giving and donating from the public, which dropped 20% (or £2.3 billion) in real terms between 2010/11 and 2011/12.<sup>vii</sup> Overall, the majority of charitable organisation leaders reported that their financial situation had worsened over the past twelve months, and they expect this downward trend to persist in the year to come.<sup>viii</sup>

Despite this, as a consequence of double-dip recession, high unemployment and slow economic growth, there is a growing demand for the services offered by the voluntary sector.<sup>ix</sup> The majority of charity leaders, despite the worsening financial situation in the charitable sector, expect to provide an increasing amount of services in the upcoming year<sup>x</sup>; one London survey found that two-thirds of voluntary organisations report an increase in demand for their services, coupled with 60% whose funding had reduced.<sup>xi</sup>

Ironically, the policy backdrop to this reality is meant to be a positive one for the voluntary and community sector. Prime Minister David Cameron's flagship *Big Society* initiative was billed as a 'massive transfer of power from Whitehall to local communities'<sup>xii</sup> and encourages charitable organisations to take a greater role in public service delivery; the Cabinet Office published a White Paper specifically focused on increasing charitable donating<sup>xiii</sup>; the Minister for Civil Society has advertised the Government's actions to make it easier to set up and run a charity<sup>xiv</sup>; statutory guidance from the Department for Communities and Local Government stated that Local Authorities should not make disproportionate cuts to the voluntary sector when trimming budgets<sup>xv</sup>; and the Coalition has driven an 'open public services' agenda through which voluntary organisations, community groups and social enterprises can have an enhanced role in delivering public services, for example the Work Programme.<sup>xvi</sup>

What emerges from the available evidence, however, is that despite this policy focus, times have never been tougher for many services in the voluntary sector.

## **Drugs and alcohol**

Many drug and alcohol services are provided by the voluntary sector, including residential rehabs, community prescribing and treatment services. Along with the wider voluntary sector, these organisations have been experiencing their own cutbacks<sup>xvii, xviii, xix</sup>, and research has identified particular negative effects on services for young people<sup>xx</sup>, with many closing or reducing staff numbers<sup>xxi</sup>.

## **Drug and alcohol family support**

Adfam set out to examine how this financial environment is affecting services which offer support for the families of drug and alcohol users, aiming to highlight any notable trends and understand the impact on the sector as a whole. A concurrent aim was to explore how family support services are adapting and responding to the challenges they face – for example how they are arguing their case in a more competitive funding environment, and how they demonstrate the effectiveness of their work. Adfam distributed a survey which sought to identify:

- Changes to income and funding sources
- Changes in the demand for support services
- Changes to the workforce
- Measures taken to respond to a changing environment.

44 services responded to the survey.

## **Survey findings**

### **Funding**

Family support services identified grant-making trusts or foundations (52%) and local authority contracts (81%) as primary sources of funding. Corporate sponsorship and earned income featured much less prominently, and no organisation listed legacies as a significant source of funds. Two-thirds of respondents reported that their primary source of income hadn't changed since 2010.

Almost three-quarters of family support services said that their overall level of funding had either decreased or remained static over the last two years, and over half reported having no reserves. Only

12% felt that the funding they receive is sufficient to deliver the services they provide, whereas almost three-quarters felt it definitely was not.

### **Service Demand**

9 in 10 respondents reported that the demand for their service had increased over the past two years, and this trend was expected to continue. However, services were not confident of their ability to manage a rise in service users within their current funding constraints: 87.5% said they would not be able to manage the rise or were unsure.

### **The workforce**

Half of survey respondents indicated that their service now employs more paid staff than two years ago, but one-fifth had experienced reductions.

By comparison, two-thirds of services had increased their use of volunteers, and only one service noted a reduction in unpaid staff. Looking to the future, 69% of respondents said that their use of volunteers will increase over the next two years.

### **The story so far**

Survey results thus far indicate that family support services for people affected by drugs and alcohol are in a similar position to the rest of the voluntary sector: they are having to do more for less.

Since most family support services *already* feel they are underfunded for the work they undertake, this situation looks set to worsen. A lack of reserves also indicates they could struggle to survive funding cuts, and brings up the stark reality that these organisations will not be there when the next round of contracts are up for tender, or when the need for their services becomes more pronounced in their absence.

The prevalence of Local Authority contracts in funding family support means that these organisations are particularly vulnerable to spending cuts in the public sector. As the Government has indicated that it will have to extend its austerity programme for longer than originally planned, this is concerning.

It's important to remember that this is also not just about the organisational health of a small subsection of the drug and alcohol sector. It is about their service users – the families they support. It is also not a matter of taxpayers' money being 'donated' – it is about voluntary organisations being contracted to deliver services to the local community. So either these services are being closed down, forced to operate with reduced funding, or their function is being transferred to a different organisation.

There are also concerns for the workforce who, in times of increasing demand, may become overstretched and less able to provide effective support for all of their service users. Many organisations are making greater use of volunteers, but this is not an unqualified good and they are not a 'free' resource: if employed in direct service provision they must be of an equivalent standard to the paid workforce (which in itself could cause friction between employees) and properly supported and supervised by management.

These organisations are not powerless to weather this 'perfect storm', and there is no expectation that they should be uniquely immune to the cuts happening to others around them. So the next section of Adfam's survey examined how family support services are responding to the new environment: how they are adapting, changing and developing to navigate this challenging territory.

## **Responding to change**

### **Approaches to fundraising**

The majority of survey respondents reported that over the last two years they have changed their approach towards fundraising as a response to a more challenging financial environment. There was an overall theme of diversification: "[our] approach has become more open minded and creative - looking for different ways to secure funding"; or "[we have been] more active in identifying alternative sources of income", for example.

Some services had tried to concentrate their efforts more locally, for example through fundraising events or corporate sponsorship. This approach can be resource-intensive, but 'speculate to accumulate' was not unheard of: one support service had employed a new fundraiser out of its reserves in order to build donations, local giving and sponsorship – areas which, according to previous answers in the survey, are under-developed in the family support sector.

Some respondents, however, were less optimistic. As one explained: "we are continuing to operate on reserves until they run out and will then consider ending the service if our funding is not reinstated." Another stated that their increased focus on local authority grants and fundraising had proved insufficient and time consuming.

### **Making the Case**

The survey sought to find out how family support organisations argue their case when applying for funding, and which points they believe to be the most important.

Respondents were asked to rank the following five common arguments in order of importance:

- Supporting families through the harms they experience
- Helping substance users into treatment
- Making drug/alcohol treatment more effective
- Value for money
- Protecting children

64% of services felt that the most important argument was 'supporting families through the harms they experience'. By contrast, half of respondents indicated that 'value for money' was the *least* important argument. When averaged out, the overall rankings were, in order of importance: supporting families through the harms they experience; protecting children; helping substance users into treatment; making drug/alcohol treatment more effective; and value for money.

So arguments which involve the mention of families, their negative experiences and the repercussions of substance use on their lives are valued the most not just according to support services' own internal views, but when applying for funding too. Arguments which may be more forceful from a purely financial perspective – namely, value for money and improving the effectiveness of drug treatment via a supportive family – were not considered on an equal standing.

In an increasingly competitive funding environment, arguments based on emotional appeal may fall under greater scrutiny. Many family support services are run by family members themselves and the huge negative effects of a loved one's substance use is clearly an issue close to their hearts. However, in order to thrive in a period of cutbacks and economic austerity, many family support services will have to examine the wider significance of their work, its proven effectiveness across a range of measures and its financial viability.

There may of course be false distinctions here, as funding applications will address a variety of issues and arguments concurrently. This was noted by several respondents, for example: 'by supporting the family it is proven that the substance misuse will increase their chances of sustained recovery, therefore saving taxpayers money'; or 'whilst supporting families in their own right is key, it needs to be linked back to the fact that this has a knock-on effect on the service user, can aid treatment-naïve clients into treatment, support natural recovery and rebuild communities'. These arguments still begin from a platform of family support, but explore its wider significance and aim to show *how* it contributes to other outcomes which funders may be looking for. Similarly, 'preventing intergenerational [substance] misuse' and 'linking to domestic violence' were cited as important auxiliary arguments.

## Organisational change

According to the Charity Finance Group, one-fifth of charities are now considering merger as a means of survival, which is almost double the 2011 figure.<sup>xxii</sup> In Adfam's survey, 90% of respondents indicated that they had *considered* merger, but only one had actually enacted such a measure.

Building or joining consortia was also relatively popular, and three support services had enacted this. Seven support services had submitted joint funding applications with other organisations: one said 'we have joined with other charities to bid for pots of money we wouldn't normally be able to'. As well as strengthening funding bids, partnership can also open up the door to funding streams that wouldn't make sense if applied for singly – this can be crucial for services supporting families affected by substance use, as their work can touch on a wide variety of issues in healthcare, criminal justice, child protection, drug and alcohol treatment and more. Nonetheless, partnership bids are not necessarily an easy or successful venture: as one service explained, '[we] have tried to work in partnership with very little success'.

## Impact measurement

Services were asked about how they support their arguments to funders, and what sort of evidence they use.

Over 80% used family testimonies, 96% used data and statistics from their own work (citing, for example, an increase in demand for their service), 64% supported their argument with data and statistics from other research (including support from official guidance), and half used value for money information.

86% said they measure outcomes for the families they support, using a variety of different tools. Although based on relatively small numbers, this compares favourably with the wider charity sector, where 75% measure some or all of their work.<sup>xxiii</sup> Ratings Scales and Outcomes Stars were both popular, and two services were using the Carer Support Outcomes profile, which is specifically designed for evaluating work with the families of substance users. There were also mentions of the NPC Wellbeing tool, outcomes 'ladders', and quality indicators set by commissioners.

Over half of services said they use their own individual measurement system. This is potentially a positive development as services should have measurement systems which understand and reflect the specifics of family support<sup>xxiv</sup>; however, it could also raise questions about quality control and to what extent different results can be compared in the future. Further research into these bespoke tools would be valuable.

For the few services who reported not measuring outcomes, this was generally because they felt they had not found an appropriate tool for their service. One respondent was waiting for a new contract to start, which had new outcome measurement embedded within it – though this is a solitary example, it is important to note that when outcomes are built into commissioning structures, this should be done with the full involvement of the services being asked to deliver on the ground. There should be partnership to ensure that the goals are logical, reasonable, achievable and testable.

## **Summary and Conclusions**

The results of Adfam's survey highlighted a few clear, if not hugely surprising, trends, often mirroring the state of the voluntary sector as a whole. Namely: services supporting families affected by drugs and alcohol are trying to provide more for less, seeing an upsurge in demand for their support and a reduction in the resources with which to deliver it.

Although the results of the survey paint a very unsure picture for the future of family support services, these organisations are working hard to adapt and are considering a variety of different options to navigate the tricky terrain. Of course, simply hiring more volunteers without training, supporting and supervising them, or firing off funding applications far and wide without reference to their relevance or purpose, serves nobody: action still needs to be taken in a logical, well-planned and properly thought-out manner. But the willingness of family support services to engage with change is cause for optimism that they recognise the realities of the environment they have found themselves operating in.

We may see also family support services moving more and more towards utilitarian arguments that their service helps to enhance the outcomes of drug and alcohol treatment, bring down crime, save children from going into state care and improve mental health in the community – even if this wasn't the first priority when the service was set up in the first place. This could constitute 'mission drift' for these organisations – not necessarily because of a lack of focus, but as a means of survival.

## **Moving on – Adfam's role as an umbrella organisation**

Whilst different organisations will need to use different models of evaluation which recognise their individual natures, there is also a need to identify best practice in outcome measurement, support organisations looking to evidence their work and provide guidance for commissioners looking to fund it. To this end, in 2013 Adfam is undertaking a nationwide development project which aims to identify the key top-level domains which families and the services which support them consider the most important reflections of the family support they provide.

Improved impact measurement would help family support services develop and grasp the arguments that they have less experience with, such as the value for money that they provide. Adfam's aim is to help family support services make offers to commissioners and funders that they cannot refuse, and let the effectiveness of their work speak for itself.

In 2012 Adfam also published [Supporting families affected by drug and alcohol use: Adfam evidence pack](#), which sets out the key supporting arguments and research evidence which testifies to the importance and effectiveness of family support, including information on resource savings, recognition in Government strategies and the negative health harms experienced by families. This is helping support services strengthen their case to funders.

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