

Company no. 2845452
Charity no. 1030846

**The Revolving Doors Agency
Report and Financial Statements
31 March 2012**



sayer vincent
auditors and advisors

The Revolving Doors Agency

Reference and administrative details

For the year ended 31 March 2012

Company number	2845452	
Charity number	1030846	
Registered office and operational address	Fourth Floor 291 - 299 Borough High Street London SE1 1JG	
Trustees	Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows: C Dykes (appointed 20 September 2011) C Laing (appointed 14 June 2011) G Lashko E Liberda-Moreni N Maguire T MacInnes P Ryan (resigned 13 March 2012) D Walton J Weston D Williams	Chair Treasurer
Principal staff	Dominic Williamson	Chief Executive
Bankers	Co-operative Bank Plc 1 Balloon Street Manchester M60 4EP CAF Bank Limited Kingshill West Malling Kent ME19 4TA	
Solicitors	Bates Wells & Braithwaite London LLP 2-6 Cannon Street London EC4M 6YH	
Auditors	Sayer Vincent Chartered Accountants and Statutory Auditors 8 Angel Gate City Road London EC1V 2SJ	

The Revolving Doors Agency

Chair's report

For the year ended 31 March 2012

Positive moves...

The twelve months leading to March 2012 were challenging for everyone engaged in public services, with radical reform and cuts in budgets. But at Revolving Doors Agency we did see some very positive moves on a number of fronts. And we literally had a positive move in that we relocated to a new office in Borough.

We are certainly starting to see results from the first two years of our five-year strategic plan.

At a national level, one of our key policy aims was to get a cross-government policy that recognised that people with multiple needs were being poorly served by existing public services and which would start to break down some of the silos that cause this. To press this message Revolving Doors published a vision paper, *Turning the Tide*, in collaboration with the Making Every Adult Matter (MEAM) coalition.

We welcomed Oliver Letwin MP as speaker at the Parliamentary launch event and, on his suggestion, met with officials at the Department for Work and Pensions to help shape the social justice strategy. When it was published in March, *Social Justice: Transforming Lives* quoted from *Turning the Tide* and adopted several of our core messages on individuals with multiple needs. In the year ahead we hope to be able to help the government translate the intentions of the strategy into practical action on the ground.

Whether it is making the economic case for the women's centres, ensuring the government's criminal justice liaison and diversion programme responds to the needs of our target group or helping London's policy makers understand how they can help, our policy work has really started to influence change.

Of course, Revolving Doors would be much less successful without the input at all stages of influencing from our national service user involvement forum and our young people's forum. During the year forum members have ensured that our work is rooted in real experience and that policymakers hear directly about the issues we are tackling.

On behalf of the board I want to like to thank all of our forum members for their valuable contribution to the organisation – they are truly a vital component of all of our work.

It was our forum members' involvement in our strategic process that led to us adopting our third aim, which is about improving experiences on the frontline. In November we launched *Complex Responses*, a literature review of evidence on what factors impact on this experience. Building on this, we are now working with King's College London to run and evaluate a series of communities of practice to promote and improve inter-professional practice.

Our local work with partners across the country continued to improve services for people at risk of reoffending who have multiple needs. At HMP Everthorpe, our partners the Goodwin Trust are testing the use of a personalisation approach within the criminal justice system. The You-turn project in Durham, which works with women in the 'revolving doors' group who misuse alcohol has now been mainstreamed and the P3 link worker project in Milton Keynes is now funded by the local council, police, health and other partners after central government funding for the pilot came to an end. In London, with support from the London Housing Foundation, we are working with the police, probation and health services in Islington, Newham and Brent to improve responses in meeting the needs of the 'revolving doors' group, especially by focusing on how Integrated Offender Management (IOM) approaches could be improved.

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Getting this learning out to the local partners who can use it is essential. Thanks to the Esmée Fairbairn Foundation, we launched the SPARK project, communicating directly with the commissioners and leaders in the criminal justice system, health and local government who can make change happen in their area. Last November together with the Local Government Association we ran a Community Safety and Mental Health conference attended by 140 delegates from local areas.

Revolving Doors' final aim is about being a stronger organisation and diversifying our income is crucial to this, especially following the loss of our grant from the Department of Health. The board and management decided to see if we could grow a social enterprise element to our work while staying true to our mission. Over the summer we formed a consortium with the two mental health foundation trusts in the North East region and successfully bid to run the Big Diversion Project. In February we tendered for a contract with the Ministry of Justice to test how service user work might work in prisons and probation and we were delighted to be awarded this contract at the end of March. These projects have shown that we are capable of winning and delivering work on a commercial basis. While I am sure more opportunities lie ahead, charitable foundations will continue to be our main source of income for the next few years, and so we are grateful to all who have supported our work in this period.

Our old office in Farringdon resulted in us having a lot more things on our corporate risk register than needed to be there! The lack of heating and profusion of leaks were not only bad for staff morale but a major health risk. So we were thrilled to finally move to Borough, into a bright, airy (and dry!) office.

I'm delighted to welcome Christine Laing and Christina Dykes to serve as new Trustees. They both bring a wide range of expertise and skills to the board, with their respective criminal justice and policy backgrounds. However, we were sad to say goodbye to Pat Ryan, who served on the board for almost eight years and decided to stand down in March.

Finally, on behalf of the board, I'd like to say thank you to the staff team, members of the forum and our regional advisers for all their hard work over the past year. As we continue to progress with our strategy, it really seems that together you have developed a momentum that will bring real change.

Gary Lashko
Chair

The Revolving Doors Agency

Report of the Trustees

For the year ended 31 March 2012

The trustees present their report and the audited financial statements for the year ended 31 March 2012.

Reference and administrative information set out on page 1 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

Structure, governance & management

The Revolving Doors Agency is a charitable company limited by guarantee, incorporated on 17 August 1993 and registered as a charity on 22 December 1993.

The company was established under a memorandum of association, which established the objects and powers of the charitable company and is governed under its articles of association.

Recruitment and appointment of Trustees

The Board has the power to appoint additional Trustees. The Agency has detailed role descriptions for Board members in general, and for the treasurer and chair in particular. Recruitment is carried out by advertising, with support from personal recommendation where appropriate. Revolving Doors endeavours through the recruitment methods adopted to reach groups of people who are under-represented in its employment, those who are members of the communities in which the Agency works, and those who can bring relevant skills and experience to the work of the Board. In the year ahead we will seek to recruit Trustees who have direct experience of the issues we address.

Induction and training of Trustees

The induction and training of Trustees includes the provision of up to date financial and other information about the Agency, Charity Commission publications giving guidance on the role of Trustees, a skills audit, and a meeting with the chief executive.

Organisational structure

Revolving Doors' (full-time equivalent) staff averaged nine during 2010/11 and in 2011/12 numbered 8.8. Staff work within project teams, reporting either directly or through line managers to the Senior Management Team. The chief executive, who is part of the Senior Management Team, is accountable to the Agency's Board of Trustees.

We engage a team of consultants including our regional advisers who deliver our work across the country and on a number of other projects.

Risk management

The Trustees assess the strategic, business and operational risks facing the Agency during their reviews of the Agency's performance during the year, and when formulating plans for future periods. A risk register is maintained and regularly reviewed by Trustees. Action plans, policies and procedures are developed to manage and minimise identified risks.

The Trustees prioritised the following areas of external risk in the year:

- The risks involved in commercial tendering as we develop our social enterprise capacity. We addressed this risk by seeking expert advice, developing our internal systems and training staff in relevant skills. We have adopted the Prince2 project management approach. We also reduced risk by working in a consortium for our first substantial tender.

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- The poor condition of our offices in the Turnmill and the intention of the landlord to demolish the building. The poor condition of the office was a risk to staff morale and increased health and safety risks. We moved to our new offices in February 2012.

All Trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 5 to the accounts.

Objectives

“Our vision is that by 2025 there is an end to the revolving door of crisis and crime, when anyone facing multiple problems and poor mental health is supported to reach their potential, with fewer victims and safer communities as a result.”

Our **mission** is to demonstrate and share evidence of effective interventions and to promote reform of public services through partnerships with political leaders, policy makers, commissioners and other experts and by involving people with direct experience of the problem in all our work.

Public Benefit

The Trustees are aware of the need to ensure that the objects, aims and activities of the Agency comply with the Charity Commission guidance on public benefit and have taken due account of this guidance.

In terms of public benefit, the Agency's activities (described in detail below) are targeted at a particularly disadvantaged group in society – people with multiple needs, including poor mental health, who come into contact with the criminal justice system. Our research and activities over many years demonstrates the extent to which this group is disadvantaged by lack of access to effective support and services, as well as suffering disproportionately from poor health, poverty and other social disadvantage.

Our work seeks to improve the lives of this group in a number of ways. In the longer term we are seeking fundamental reform of policy that will deliver change across the country. To this end our strategy is focused on building understanding and political commitment among leaders at national and local level. We also have a more direct impact in the local areas in which we work. Through our development and partnership programmes we bring about change in services that have an immediate impact on the individuals using them.

Our involvement of people with direct experience of the issues we are tackling has a dual impact. Through their participation forum members improve their skills, confidence and social networks, all of which helps in their recovery and reintegration into communities. At the same time they bring a powerful additional voice to our work to influence policy, giving politicians and officials the opportunity to explore directly what is and isn't working and how things can be made better.

2011-2012: A year in review

We have now completed the second year under our new strategy and have made significant inroads towards achieving our aims. Here are just some of our key successes from the past 12 months, organized under each strategic aim.

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For the year ended 31 March 2012

Aim 1

Win political commitment – Political leaders in central and local government and in opposition understand the case for reform and implement an effective policy framework. We will make a strong economic case demonstrating the savings that can be achieved through effective interventions.

Demonstrating the impact of policy work is always difficult because so many factors and stakeholders influence decision making. But we can now begin to show how our work in the first two years of our strategy has helped to change government policy, even in these challenging times. Our approach to influencing policy is to build strong relationships with key policymakers, offering our expertise and evidence and helping them benefit from the experience and insight of our service user forum.

In 2010, with funding from the Department of Health, we developed a prototype Financial Analysis Model to demonstrate the potentially enormous savings from tackling the revolving door issue. This work led to us being commissioned by the Corston Coalition to produce a version of the model which would help make the financial case for continued investment in the women's centres that work with female offenders. In May we published *Counting the Cost*, a report which showed that an investment of £18 million per year in women's centres could potentially reduce the cost of the services used by almost £1 billion over five years. Following the launch we were invited by the women's team at the National Offender Management Service (NOMS) to present the report to a number of civil servants from NOMS and the Ministry of Justice. In January 2012 the government announced £3.5 million funding for the centres.

As members of the National Advisory Group (NAG) to the health and criminal justice programme board, we fed into the government's work to deliver its commitment on the national roll-out of criminal justice liaison and diversion services. Our goal has been to support Lord Bradley's vision of comprehensive services that focus on the wider group of people with mental health problems and learning disability rather than limiting the service to those with severe mental illness.

When the NAG was coming to the end of its two year lifespan in November 2011, we worked with Rethink Mental Illness, the Centre for Mental Health and other partners to establish an independent successor group, the Bradley Group, to continue acting as a critical friend to government. This has backing from both officials and the minister responsible for offender health, Paul Burstow MP, minister for care services. Our chief executive, Dominic Williamson, is the Bradley Group's representative at meetings of the programme board. The government now says that the national criminal justice liaison and diversion model will include all level of mental health need.

In September 2011 we launched *Turning the Tide: A vision paper for multiple needs and exclusions* in partnership with the Making Every Adult Matter (MEAM) coalition. The paper outlines our vision to improve frontline services for individuals with multiple needs and identifies five key building blocks for shaping national and local policy. The launch took place at a parliamentary reception hosted by David Burrowes MP and addressed by Oliver Letwin MP, minister for government policy and Roberta Blackman-Woods MP, shadow minister for the Cabinet Office. The launch was attended by over 120 parliamentarians, officials, service users and providers.

After the launch Oliver Letwin MP put us in touch with officials at the Department for Work and Pensions (DWP), who were working on the government's forthcoming social justice strategy. We met Mark Fisher, director of social justice and provided advice in on the development of the strategy. In January 2012, Dominic, along with two of our service user forum members, again set out our case for reform in the House of Lords at an All Party Parliamentary Group with Mark Fisher as guest speaker.

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Following all this work, in March 2012, we were pleased to see that government's strategy *Social Justice: Transforming Lives* quotes from *Turning the Tide* and adopts many of our core messages:

"When problems combine and compound one another individuals can struggle to access the right support. The worst affected can become socially excluded, living chaotic lives and shut off from the sources of support and services they need to start to recover – incurring large human and financial costs both to themselves and to society." (p.48, *Social Justice: Transforming Lives*)

Reform continued across many of our areas of concern and we submitted a number of responses to consultations, including submissions to the NHS Future Forum and the Department of Health's draft guidance on joint strategic needs assessments and joint health and wellbeing strategies. We were pleased that the outcomes framework for the new local health and wellbeing boards includes the goal of reducing reoffending, which should help drive better integration between the criminal justice system and health at a local level.

It is important that we work with all parties, especially to influence the development of Labour's new policy programme. We submitted a response to the Labour Party Justice Policy Working Group consultation looking at how the last government's policies affected the 'revolving doors' group and our recommendations for future policy. Dominic was invited by shadow justice secretary Sadiq Khan MP to give evidence to his justice policy review group.

National policy is important but of course, with localism, more and more decisions that are relevant to achieving our vision will be taken at a local level. In November, we started work on a new policy project called Capital Gains, supported by Trust for London. The project aims to work with key London decision makers, including the candidates and winner of the 2012 London mayoral elections. We produced a briefing for mayoral candidates on how the next mayor of London can tackle reoffending in the capital by focusing on the 'revolving doors' group and met with the three main candidates' campaign teams. In January, Dominic wrote to Kit Malthouse to mark the creation of the Mayor's Office for Policing and Crime. Subsequently we were invited to meet with staff at the Mayor's Office for Policing and Crime and are working with them on the development of Integrated Offender Management in London, especially increasing service user involvement in that work.

Aim 2

Involve people with direct experience – People with experience of multiple problems and the criminal justice system are engaged in improving local services and national policy.

In 2011 we were funded by the Trusthouse Charitable Foundation to carry out an evaluation based on service users' experience of the projects they have funded under their Mental Health and the Criminal Justice grant programme. Members of our service user forum conducted interviews at five projects in Glasgow, Liverpool, Merthyr Tydfil, Plymouth and London. They received training in research to prepare them for the work and will continue to be involved as we shape the final report and plan the launch. While the report won't be officially published until November 2012, some of the projects we reviewed are already using the research to help with their fundraising and publicity.

During the year members of our service user and young people's forums continued to help us develop our policy positions and messages. At the national forum meeting in June we discussed the emerging messages that would go into our vision paper *Turning the Tide*. Forum members also continued to meet directly with policymakers, including during this period the Sentencing Council to give their feedback on the proposals for sentencing for drug offences.

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The Paul Hamlyn Foundation have supported our service user involvement work over the past few years and we were delighted to be awarded a further three-year grant from the foundation which will help to support this work in the next three years.

Our National Service User Forum continues to provide expertise through experience that shapes all our work. It is important that we occasionally refresh the membership of the group to ensure that their experience is recent and relevant. To enable us to do this we sometimes have to say goodbye to some of our long service members. At the forum meeting in December we held a graduation ceremony for four members who have provided us with enormous insight and help – Anthony, David, Francisco and Jay. We would like to thank them for their contribution to the forum over the years.

In January we bid farewell to Tina Braithwaite, our director of service user involvement for the past three years, as she took early retirement. Tina had done so much to build our reputation in service user involvement over the past few years and we are very grateful for her commitment and dedication to the cause of user involvement.

Her replacement is Amarjit Kaur, who has previously worked at Breast Cancer Care and Groundswell and we were delighted to welcome her to the team. Of course, members of the forum played a major part in shortlisting and interviewing the candidates for this crucial post.

Service user involvement is well established in many fields but is only just becoming recognised as important in the criminal justice sector. We were pleased therefore when our service user involvement good practice guide, which we published with Clinks in 2010, was referenced by the Ministry of Justice in the tender documents for a series of pilot projects to test how service user work might work in prisons and probation. We were keen to build on this and at the end of March, we were awarded the contract to deliver the two-year project and work is already underway to plan our approach to this.

Aim 3

Improve frontline responses – Leaders, managers and frontline workers in the criminal justice system and public services promote a culture of inclusion and partnership.

In September we held an expert seminar, in association with King's College London, to launch *Complex Responses: Understanding poor frontline responses to adults with multiple needs: a review of the literature and analysis of contributing factors*. This literature review, written by Sarah Anderson, investigates why adults with multiple needs often have bad experiences with the services that are meant to help them. We invited experts from a various disciplines to discuss our review alongside Dr Michelle Cornes' report *Rethinking Multiple Exclusion Homelessness: Implications for Workforce Development and Interprofessional Practice*.

Following the award of ESRC funding, we have started work on our partnership project with Kings College London Social Care workforce unit to run and evaluate six communities of practice (COPs), designed to promote and improve inter-professional practice among frontline practitioners working with adults facing multiple exclusions. The COPs are based in London, Chelmsford, Calderdale, Cumbria, Stoke and Brighton and each will bring together between six and ten local cross-disciplinary practitioners over a six month period.

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Aim 4

Support local leadership – Local leaders and commissioners across criminal justice, health, housing, social care, substance misuse and other sectors work together to improve outcomes.

Getting evidence to the right local leaders is critical to achieving our goals. We were delighted therefore to receive funding from the Esmée Fairbairn Foundation in April to support a two-year programme of dissemination, development and influencing. Building on learning from our research and development work, especially our National Development Programme (NDP), with lessons from others working in the field, SPARK (Supporting partnership, achieving reform, sharing knowledge) has two main aims: to increase the number and quality of local responses to people with multiple needs in contact with the criminal justice system, and to make the case to national policy makers for a coordinated national policy response for this group.

In autumn 2011 we launched an online interactive map of 816 services for people with multiple needs working across England. We hope that this map will be a valuable tool to identify local services that meet the needs of clients within the 'revolving doors' group. It will also provide a useful starting point for commissioners in considering the service provision within their area, and at a national level, for policy makers in gaining an insight into the range and coverage of existing services. It will also provide a baseline to enable us to monitor provision for the group over time.

Our analysis of our key audiences showed the importance of face to face interaction as well as the need to use existing trusted sources of information. In November we worked with the Local Government Association to run the Community Safety and Mental Health conference. The event was designed to improve the knowledge of community safety practitioners on mental health issues, and help demonstrate how a focus on mental health issues should inform strategic planning. 140 professionals attended the event which was chaired by councillor Les Lawrence, vice-chair of the LGA Safer and Stronger Communities Programme Board. Speakers included Lord Keith Bradley and director of offender health, Richard Bradshaw.

May saw the launch of 'Out and About', our partnership project at HMP Norwich. Delivered by Age UK, it seeks to improve support for older prisoners through improving social contact, peer support and through the provision of information, advice and onward referral to community-based services. So far, more than 60 prisoners aged over 50 have benefitted from the service.

Another NDP project also moved forwards, through our partnership with the Goodwin Trust at HMP Everthorpe. This project provided support to 15 men leaving the prison, testing the use of personalisation within the criminal justice system. An evaluation of the project will be published in 2012.

During this period work has continued on Connect London, our development project funded by the London Housing Foundation. We are working in three London boroughs (Islington, Newham and Brent) to improve responses in meeting the needs of the 'revolving doors' group. Our work to date has included the development of a mental health consultancy service to the Integrated Offender Management Team (Islington), a satellite mental health support service (Islington), an analysis of needs (Newham) and support to establish an offender health hub (Brent).

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In November, we launched our First Generation project, which seeks to influence the candidates in the run up to the elections for police and crime commissioners in November 2012. The project, supported by the Barrow Cadbury Trust, will produce briefings for candidates on how they can work to improve responses to the 'revolving doors' group and young adults in transition, linking with the work of the Transition to Adulthood Alliance.

In May we published *The Social Care Needs of Short-Sentence Prisoners*, a literature review of the social care needs of prisoners sentenced to less than 12 months imprisonment. The review was commissioned by the North East Public Health Observatory.

During this year we took part in our first commercial tender opportunity. Working alongside Northumberland Tyne and Wear and Tees, Esk and Wear Valley NHS foundation trusts, we conducted an analysis of the current provision of criminal justice liaison and diversion services across the north east region, which identify and support those with mental health problems and learning disabilities in police custody and courts. The resulting report, which we delivered in April 2012, identified a range of development options to improve and extend existing services. Learning from the project will feed into evidence shaping the ongoing roll-out of liaison and diversion schemes nationally.

Aim 5

Build a stronger organisation – Revolving Doors Agency has the resources, skills and support necessary to influence change within a sustainable business model.

Revolving Doors is widely recognised as “punching about its weight” and to continue to do this we need to make sure that we run an effective and efficient organisation. Over this year we continued our work to strengthen our capacity in a number of areas.

In the previous year we had undertaken a governance review and during this year we were fortunate to be able to recruit two new Trustees who bring vital experience and skills to the board.

We strengthened our internal management systems, introducing key performance indicators, reviewing our risk register and developing staff skills on project planning. We implemented a full suite of HR policies and procedures, including performance management, and conducted a confidential staff survey which showed high levels of staff engagement compared with similar organisations.

In the previous year our board agreed that we should consider whether we could successfully bid for commercial work where this would advance our mission and help diversify our income. As we have mentioned above, in the year we successfully tendered for our first major contract – the Big Diversion Project – in partnership with two mental health trusts. We also successfully tendered for a contract from the Ministry of Justice to test how service user work might work in prisons and probation. We will deliver this work over the next two years.

Our communications reach keeps growing. Our Twitter followers surged from 650 last March to 1,700 in March 2012. This connects us to people and organisations across criminal justice, health, local councils and policymaking. The number of “unique visitors” to our website jumped by almost 60% up to 30,056 and our e-newsletter now has more than 1,300 subscribers.

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Our team was joined by new people. Amarjit Kaur replaced Tina Braithwaite as director of service user involvement. We hired Shane Britton, Esther Dickie, Nicola Drinkwater and Stephen Moffatt on short term contracts to work on projects run by the policy team and the development and partnerships team, while the admin, communications and policy teams were also assisted by interns and volunteers.

One of the most arduous tasks we carried out last year (and the least glamorous) was the office move! We have finally parted from our premises in Farringdon for a new shiny office in Borough. As well as having all mod cons like heating and hot water, the new location has better transport links to Westminster for our regular meetings with policymakers there.

Outline of work for next 12 months

Our five strategic aims, and the objectives we have set out to achieve them, form the basis of our annual operational plans. Here we set how we will take forward this plan during 2012-13.

Aim 1 – Win political commitment

In 2011-2012 we developed a new influencing strategy, clarifying the policy changes we want to achieve by building on the relationships we have developed with policymakers in the first two years of our strategy. There are number of areas of policy where we have already had an influence and where, over this next period, we can achieve real progress towards our vision.

We will continue our work with the government so that the new social justice strategy creates real change for the 'revolving doors' group, while strengthening our relationships with the Labour shadow cabinet in order to influence their policy direction. We will complete our Financial Analysis Model, prepare it for peer review, and use it to influence HM Treasury ahead of the next spending round. We will work with the Department of Health and others to support the implementation of the national criminal justice liaison and diversion programme. Through our Capital Gains project we will encourage key decision makers commit to and deliver policy changes which support improved responses to the 'revolving doors' group in London.

Aim 2 – Involve people with direct experience

Amarjit, our new director of service user involvement, will work with forum members and the rest of the team to develop a new service user involvement strategy that will support our overall strategy over the next three years. This will strengthen integration of service user involvement across all our work and set out how we can drive change through the participation and empowerment of individuals with direct experience of the problems we are seeking to tackle.

We will expand and build the capacity and diversity of our national service user forum and continue to work with the Ministry of Justice, Department of Health and others to increase service user involvement in services that come into contact with our target group. We will also build our evidence base from the experience of service users and share this to influence policy and practice, while promoting good practice in involving the 'revolving doors' group to other organisations.

Aim 3 – Improve frontline responses

In 2012-2013 we will publish a companion document to *Complex Responses*, which will examine 'what works' in interventions to support the 'revolving doors' group. Through our Communities of Practice project, we hope to indirectly affect change in the lives of people in six local areas and build our evidence base on the challenges and potential benefits to be gained through greater multi-agency co-operation and understanding. We will also fundraise for a wider programme of work so as to influence and improve local responses to the 'revolving doors' group.

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Aim 4 – Support local leadership

In a climate of austerity and with an increasing focus on localism, local leaders and commissioners across criminal justice, health, housing, social care and substance misuse will play a greater role than ever in improving outcomes for people with multiple needs in contact with the criminal justice system. This year we will continue to influence a range of these leaders through our SPARK programme focusing particularly on the new Health and Wellbeing Boards and those involved in delivering local Integrated Offender Management schemes. We will influence candidates in the 2012 Police and Crime Commissioner elections so as to improve policing responses for the ‘revolving doors’ and transition to adulthood group and also develop new approaches for working with the ‘revolving doors’ group.

Aim 5 – Build a stronger organisation.

In this year the focus will be on securing grants to secure our work for the next three years, completing our business plan and implementing a talent management approach to ensure we are offering the best possible opportunities to our staff team. On communications, we will increase our focus on gaining coverage in the mainstream and trade media. We will continue to build alliances and networks with organisations and individuals, including our patrons, who can influence on our behalf. We will also ensure we have secure finances by meeting the expectations of existing funders, developing new sources of support for our work, optimising value from our resources and seeking ways to diversify our income through social enterprise.

A thank you to all of our funders

We rely on the commitment of the foundations and trusts that share our vision and have continued to back our work over the years. We are therefore grateful for the support from the Trustees and staff at:

The AB Charitable Trust
The Barrow Cadbury Trust
The Big Lottery Fund
Henry Smith
The Esmée Fairbairn Foundation
The Henry Smith Charity
The LankellyChase Foundation
The Lloyds TSB Foundation
The London Housing Foundation
The Monument Trust
Paul Hamlyn Foundation
Trust for London
Trusthouse Charitable Foundation
The Tudor Trust

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Patrons

We also rely on the commitment and support of our patrons who work hard to promote our work. We offer our gratitude and thanks to our patrons:

Ian Bynoe, Former Acting Deputy Chair, Independent Police Complaints Commission
His Honour Judge Fabyan Evans
Rose Fitzpatrick, Acting Assistant Commissioner, Metropolitan Police
Professor John Gunn, Professor of Forensic Psychiatry
Rt Hon. Hilary Armstrong, Former Member of Parliament for North West Durham
Bharat Mehta OBE, Chief Executive, Trust for London
Lord David Ramsbotham GCB CBE, Former Chief Inspector of Prisons
Dru Sharpling CBE, London Director, Crown Prosecution Service
Joe Simpson, Consultant
Ann Windiate, Former Chief Executive, Medway Social Services
Peter Wrench, Consultant and Writer, former Prison Service and Home Office Director

Statement of Trustees' responsibilities

The Trustees (who are also directors of The Revolving Doors Agency for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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Report of the Trustees

For the year ended 31 March 2012

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31 March 2012 was 9 (2011 - 7). The Trustees are members of the charity but this entitles them only to voting rights. The Trustees have no beneficial interest in the charity.

Financial Review

Review of results

Revolving Doors Agency raised a total of £719,740 in the year ended 31 March 2012, principally by:

- generating funds from donors, events and investments
- securing resources from funders through contracting or grants to carry out direct charitable activity.

This is a year on year reduction of 32% when compared to the year ended 31 March 2011 results.

The reduction in income mainly reflects the decrease in voluntary income, in particular the loss of funding from Offender Health.

Total expenditure for the year was £827,423, a decrease of 16% on previous year.

The reduction in expenditure primarily reflects the measures taken in the year to reduce operating costs, and to cease activities where funding is no longer available.

In the challenging financial environment in which we are working, the agency managed through tight financial management and budgeting to keep the deficit at a minimum level. £96K out of the total deficit of £107K was covered by restricted funds brought forward from previous year.

The full results for the year are set out in the Statement of Financial Activities on pages 18 and the financial position at 31 March 2012 is shown on the Balance Sheet on page 19.

Reserves

It is Revolving Doors' policy to maintain unrestricted funds in reserves in order to take into account of the unreliability of future income streams. The approach used to calculate the target level of reserves is based on a risk assessment of future needs.

At 31 March 2012 the free reserves amounted to £498,631. Given the uncertainty in the economy and withdrawal of central government grant of £150,000 in 2011/12 the Trustees see it as prudent to maintain the current level of reserves to ensure that Revolving Doors' work continues into the future. Securing alternative funding takes time and resources and it is important that these reserve levels are maintained. Some of these free reserves will be used to support projects in the 2012/13 financial year.

The Revolving Doors Agency

Report of the Trustees

For the year ended 31 March 2012

The Trustees regularly review the need for reserves through the budgetary process to ensure they meet the charity's changing needs and circumstances.

Investment policy

It is the Agency's policy to hold short-term deposits, to obtain the best interest possible consistent with access requirements and limitations, at a minimal risk to the Agency.

Future funding

The Agency has been fortunate in obtaining pledges of funding support that will contribute towards its operating costs in 2012/13. Further funding needs to be secured to maintain activity and influence in future years, but the Trustees are confident that the management of the organisation has a strategy to ensure these costs are met, with the support of voluntary funders in the future.

Auditors

Sayer Vincent was appointed as the charitable company's auditors during the year and have expressed their willingness to continue in that capacity.

Approved by the Trustees on 19 June 2012 and signed on their behalf by

Gary Lashko - Chair

Independent auditors' report

To the members of

The Revolving Doors Agency

We have audited the financial statements of The Revolving Doors Agency for the year ended 31 March 2012 which comprise the statement of financial activities, balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of the Trustees' Responsibilities set out in the Trustees' report, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

To the members of

The Revolving Doors Agency

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Catherine L Sayer (Senior statutory auditor)

27 June 2012

for and on behalf of Sayer Vincent, Statutory Auditors

Sayer Vincent, 8 Angel Gate, City Road, LONDON EC1V 2SJ

The Revolving Doors Agency

Statement of Financial Activities (incorporating an Income and Expenditure Account)

For the year ended 31 March 2012

	Note	Restricted £	Unrestricted £	2012 Total £	2011 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	10,000	225,078	235,078	478,204
Bank interest		-	9,965	9,965	9,904
<i>Incoming resources from charitable activities</i>					
	3				
Development and partnership		316,031	104,822	420,853	350,670
Service user involvement		22,500	-	22,500	86,430
Policy & Communication		26,125	2,468	28,593	41,000
<i>Other incoming resources</i>		-	2,951	2,951	89,206
Total incoming resources		374,656	345,284	719,940	1,055,414
Resources expended					
<i>Costs of generating funds:</i>					
	4				
Costs of generating voluntary income		-	57,931	57,931	45,083
<i>Charitable activities</i>					
Development and partnership		403,567	91,909	495,476	462,380
Families and social networks		-	-	-	37,078
Service user involvement		42,398	57,876	100,274	111,173
Policy and communication		25,342	125,045	150,387	218,566
<i>Governance costs</i>		-	23,355	23,355	39,370
<i>Other resources expended</i>		-	-	-	73,355
Total resources expended		471,307	356,116	827,423	987,005
Net movement in funds		(96,651)	(10,832)	(107,483)	68,409
Reconciliation of funds					
	12				
Total funds brought forward		157,860	509,463	667,323	598,914
Total funds carried forward		61,209	498,631	559,840	667,323

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 12 to the financial statements.

The Revolving Doors Agency

Balance sheet

31 March 2012

	Note	£	2012 £	2011 £
Fixed assets	8			
Tangible assets			16,974	6,075
Current assets				
Debtors	9	54,848		169,780
Short-term deposits		157,666		301,726
Cash at bank and in hand		439,274		466,417
		651,788		937,923
Liabilities				
Creditors: amounts due within one year	10	108,922		276,675
Net current assets			542,866	661,248
Net assets	11		559,840	667,323
The funds of the charity	12			
Restricted funds				
In surplus			61,209	157,860
Unrestricted funds				
General funds			498,631	509,463
Total charity funds			559,840	667,323

Approved by the Trustees on 19 June 2012 and signed on their behalf by

Gary Lashko Chair of the Trustees

The Revolving Doors Agency

Notes to the financial statements

For the year ended 31 March 2012

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).
- b) Voluntary income is received by way of donations and gifts and is included in full in the statement of financial activities when receivable.
- c) Revenue grants are credited to the statement of financial activities when received or receivable, whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the charity's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the charity can meet such conditions the incoming resource is deferred.

- d) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.
- e) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.
- f) Costs of generating funds relate to the costs incurred by the charitable company in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose.

Where information about the aims, objectives and projects of the charity is provided to potential beneficiaries, the costs associated with this publicity are allocated to charitable expenditure.

Where such information about the aims, objectives and projects of the charity is also provided to potential donors, activity costs are apportioned between fundraising and charitable activities on the basis of area of literature occupied by each activity.

- g) Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT, which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

	2012
	%
Costs of generating voluntary income	11.2
Charitable activities	85.6
Governance costs	<u>3.2</u>
	100

The Revolving Doors Agency

Notes to the financial statements

For the year ended 31 March 2012

1. Accounting policies (continued)

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

- h) Depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

Office equipment	3 years
------------------	---------

Items of equipment are capitalised where the purchase price exceeds £500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

- i) Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the Statement of Financial Activities on a straight line basis over the minimum lease term.
- j) The charitable company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the charitable company in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the charitable company to the fund. The charitable company has no liability under the scheme other than for the payment of those contributions.

2. Voluntary income

	Restricted	Unrestricted	2012 Total	2011 Total
	£	£	£	£
Donations	-	78	78	2,704
The Tudor Trust	-	30,000	30,000	47,500
Trust for London	-	-	-	21,000
Offender Health	-	-	-	192,000
The Barrow Cadbury Trust	-	-	-	5,000
The AB Charitable Trust	-	15,000	15,000	-
The Pilgrim Trust	-	-	-	30,000
The LankellyChase Foundation	-	30,000	30,000	30,000
The Monument Trust	-	150,000	150,000	150,000
The London Housing Foundation	10,000	-	10,000	-
Total	<u>10,000</u>	<u>225,078</u>	<u>235,078</u>	<u>478,204</u>

The Revolving Doors Agency

Notes to the financial statements

For the year ended 31 March 2012

3. Incoming resources from charitable activities

	Restricted £	Unrestricted £	2012 Total £	2011 Total £
The Barrow Cadbury Trust	8,000	-	8,000	2,000
Big Lottery Fund	119,007	-	119,007	141,254
Communities & Local Government	-	-	-	89,000
Department of Health	-	-	-	23,291
The London Housing Foundation	45,000	-	45,000	45,000
The Corston Ind. Funders' Coalition	8,625	-	8,625	7,500
Clinks	-	-	-	10,000
Esmée Fairbairn Foundation	104,024	-	104,024	-
Trusthouse Charitable Foundation	22,500	-	22,500	11,250
NEPHO	-	-	-	10,000
Safer Milton Keynes	-	-	-	3,125
Trust for London	17,500	-	17,500	-
Contract Income	-	106,823	106,823	-
Other Income	-	467	467	-
The Lloyds TSB Foundation for England and Wales	40,000	-	40,000	39,000
National Probation Service	-	-	-	1,500
Paul Hamlyn Foundation	-	-	-	65,180
The Henry Smith Charity	-	-	-	30,000
Total	<u>364,656</u>	<u>107,290</u>	<u>471,946</u>	<u>478,100</u>

The Revolving Doors Agency

Notes to the financial statements

For the year ended 31 March 2012

4. Total resources expended

	Cost of generating funds	Development and partnership	Service user involvement	Policy & Communication	Governance costs	Support costs	2012 Total	2011 Total
	£	£	£	£	£	£	£	£
Staff Costs (note 6)	31,815	147,168	52,566	108,290	9,135	53,272	402,246	453,754
Payments to partner agencies, associates, consultants & contractors	3,172	235,902	7,905	4,150	3,622	22,613	277,364	345,386
Communication & Travel	337	8,926	1,056	928	4,538	305	16,090	86,043
Service user involvement	-	1,179	16,685	2,033	355	150	20,402	33,959
Office & Professional Costs	-	63	1,371	3,955	2,415	103,517	111,321	67,863
	35,324	393,238	79,583	119,356	20,065	179,857	827,423	987,005
Support costs	20,144	102,238	20,690	31,031	5,754	(179,857)	-	-
Total resources expended	55,468	495,476	100,273	150,387	25,819	-	827,423	987,005

The Revolving Doors Agency

Notes to the financial statements

For the year ended 31 March 2012

5. Net (outgoing)/incoming resources for the year

This is stated after charging / crediting:

	2012	2011
	£	£
Depreciation	4,541	1,153
Operating lease rentals:		
▪ property	28,671	30,713
▪ other	13,102	13,102
Auditors' remuneration:		
▪ audit	7,500	7,200
▪ other services	-	-
Trustees' remuneration	-	-
Trustees' expenses	<u>187</u>	<u>69</u>

Trustees' expenses represent travel and subsistence costs for one (2011: 1) member relating to attendance at meetings of the Trustees.

6. Staff costs and numbers

Staff costs were as follows:

	2012	2011
	£	£
Salaries and wages	342,378	379,203
Social security costs	37,728	37,216
Pension contributions	<u>22,140</u>	<u>28,864</u>
	<u>402,246</u>	<u>445,283</u>
Total emoluments paid to staff were:	<u>364,518</u>	<u>408,067</u>

Two employees earned more than £60,000 during the year as follows (2011: 2)

	2012	2011
£60,000 - £69,999	1	1
£70,000 - £79,999	<u>1</u>	<u>1</u>

Of those employees who earned £60,000 or more during the year, employer contributions are made to a pension scheme in respect of 2 of them (2011: 1). Total employer contributions in respect of such employees during the year amounted to £13,387 (2011: £8,673).

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2012	2011
	No.	No.
Development and partnership	3.3	1.5
Fundraising	1.0	1.0
Service user involvement	1.2	1.5
Policy and Communication	2.3	2.5
Support staff	1.0	1.5
Staff on secondment	-	1.0
	<u>8.8</u>	<u>9</u>

The Revolving Doors Agency

Notes to the financial statements

For the year ended 31 March 2012

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

8. Tangible fixed assets

	Office equipment £	Total £
Cost		
At the start of the year	7,228	7,228
Additions in year	15,440	15,440
Disposals in year	-	-
	<hr/>	<hr/>
At the end of the year	22,668	22,668
Depreciation		
At the start of the year	1,153	1,153
Charge for the year	4,541	4,541
Disposals in year	-	-
	<hr/>	<hr/>
At the end of the year	5,694	5,694
Net book value		
At the end of the year	16,974	16,974
	<hr/> <hr/>	<hr/> <hr/>
At the start of the year	6,075	6,075
	<hr/> <hr/>	<hr/> <hr/>

9. Debtors

	2012 £	2011 £
Grant debtors	-	128,000
Prepayments & other debtors	54,848	41,780
	<hr/>	<hr/>
	54,848	169,780
	<hr/> <hr/>	<hr/> <hr/>

10. Creditors: amounts due within one year

	2012 £	2011 £
Trade creditors	77,129	245,509
Taxation and social security	13,160	12,224
Accruals	7,103	18,941
VAT Creditor	11,530	-
	<hr/>	<hr/>
	108,922	276,674
	<hr/> <hr/>	<hr/> <hr/>

The Revolving Doors Agency

Notes to the financial statements

For the year ended 31 March 2012

11. Analysis of net assets between funds

	Restricted £	General £	Total £
Tangible fixed assets	-	16,974	16,974
Net current assets	61,209	481,657	542,866
Net assets at the end of the year	61,209	498,631	559,840

12. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
National development programme	135,810	316,031	393,567	-	58,274
Service user forum	19,898	22,500	42,398	-	-
Policy	2,152	26,125	25,342	-	2,935
Support Costs	-	10,000	10,000	-	-
Total restricted funds	157,860	374,656	471,307	-	61,209
Unrestricted funds:					
General funds	509,463	345,284	356,116	-	498,631
Total funds	667,323	719,940	827,423	-	559,840

Purposes of restricted funds

National Development Programme

This consists of specific funding from Lloyds TSB, National Lottery, Esmée Fairbairn Foundation, Barrow Cadbury and London Housing Foundation towards specific pieces of work. The Lloyds TSB grant was awarded for the development, delivery and evaluation of three partnership prison projects at HMP Styal, HMP Everthorpe and HMP Lewes. The London Housing Foundation grant was awarded for the development of three initiatives in London designed to improve responses to the revolving door group. The three initiatives will take place in the London boroughs of Islington, Brent and Newham. The Big Lottery grant was awarded for the delivery of a pilot early intervention service in partnership with neighbourhood police in the London Borough of Islington. The Esmée Fairbairn grant was awarded towards the costs of the SPARK project. The Barrow Cadbury grant was made to contribute to the Police and Crime Commissioners Project.

Service user forum

Restricted funds are from Trusthouse Charitable Trust, towards work with service users.

Policy

Restricted funds carried over are from Capital Gains Project, a project funded by Trust for London.

Support costs

Support Costs relate to restricted funding received from London Housing Foundation towards an office move.

The Revolving Doors Agency

Notes to the financial statements

For the year ended 31 March 2012

13. Operating lease commitments

The charity had annual commitments at the year end under operating leases expiring as follows:

	Property		Equipment	
	2012	2011	2012	2011
	£	£	£	£
Less than 1 year	-	26,000	3,328	-
1 - 2 Years	-	-	-	13,310
2 - 5 Years	40,250	-	-	-
Over 5 years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>40,250</u>	<u>26,000</u>	<u>3,328</u>	<u>13,310</u>