

ONLY CONNECT/ CATCH22

OCTOBER 2015

What is Catch22?

A forward looking social business, Catch22 has over 200 years' experience providing services that help people in tough situations to turn their lives around. Our programmes help those we work with to steer clear of crime or substance misuse, do the best they can in school or college and develop skills for work, live independently on leaving care or custody, gain new skills and confidence as parents, and play a full part in their community. Catch22 operates across the UK with 800 staff and 600 volunteers.

What is Only Connect?

Only Connect is a creative criminal justice charity, rooted in community. Our vision is a connected society, where we all choose a crime free life. It was founded in 2006 by Danny and Emma Kruger and in 2014 reached 16,000 people through delivery in schools, in prisons and on the streets.

Only Connect delivers projects that build relationships, grow skills and cut crime. The focus of its work is innovation to reduce offending. It believes in the idea of 'Handshake, not Handout'.

It achieves impact in two ways. Firstly, it provides young people at risk and ex-offenders with membership of one of its unique clubs in central and west London. The clubs support Members to support themselves, unlocking their potential through training, support and creative opportunities. Secondly, it delivers creative criminal justice projects in the community, engaging throughout the crime cycle in order to reduce offending. It sees the people it works with as assets not liabilities, with a contribution to make to their families, communities and wider society.

What has happened?

On 1st October 2015 Catch22 acquired criminal justice charity Only Connect. Only Connect will continue to operate as wholly owned distinct business 'unit' within Catch22's group structure.

Importantly - Only Connect will continue to operate independently with its brand, board of trustees, premises and charity number. Our vision and mission will not change. Staff currently employed by Only Connect will continue in this employment, and all current frontline services and programmes that are funded or contracted will be maintained.

All funding will continue to go towards the projects it was secured for. Externally, you will see very little change at all as we continue to focus on developing our Membership services and giving young people and ex-offenders a route into a crime free life.

Why has this happened?

Put simply, both organisations believe that they are stronger together. Having the support of a large organisation like Catch22 will allow Only Connect to focus on frontline delivery and effective fundraising and allow us to plan for the long rather than just the short term.

The organisations have a strong shared heritage. Both organisations have been sharing ideas and exploring the future of public services together for several years. This started with Chris and Danny but through time has spread to multiple parts of our respective businesses building relationships, partnerships and collaborations.

There are thousands of criminal justice charities in the UK. Charities must be increasingly innovative and collaborative in order to survive, but many smaller charities fear losing their identity in a merger. This deal allows us to keep our identity and our heritage and build on them, with the support of an organisation that has already walked the path we're on.

When will this be public?

We are having off the record conversations with our important friends, funders and contacts now. A public announcement will go out on Tuesday more widely.

Why Catch22?

When the senior team was considering talking to acquisition partners, it put together a list of the organisations that they most admired in the sector. Organisations with imagination and a reputation for exceptional work. Catch22 was at the top of that list, and the first call. [Catch22 has a history of fostering market innovation and new ideas, most recently through the launch of the Catch22 fellowship.](#)

Why now?

The time was right for Only Connect to secure a sustainable future, one which moves it away from uncertainty and towards long term planning. At the same time, trust in charities is at all an all time low, with a focus on governance and impact more important than ever.

Both Catch22 and Only Connect share two parts of a bigger vision. We believe that public services require transformation if better outcomes are to be experienced by the users of those services. We also believe that charities should aim to be social businesses, delivering true social impact while proving their business credibility. Now is a time of opportunity to be exploring what that transformation will look like. Together we're stronger, and more likely to be able to stimulate radical change in these markets.

Why is this exciting?

Both organisations are excited about the possibilities that this move raises, both for us and for the wider charity sector. It's clear why it's exciting for us - more access to imaginative, professional and experienced people on both sides, bringing together networks and ideas. It gives Only Connect a really strong platform for growth.

More widely, both organisations believe that it is time for a re imagining of how the charity sector could and should work. There is a systemic flaw in the operating model of charities relying on high

levels of voluntary income. Smaller charities dependent on philanthropy face unpredictable income, making it difficult to operate in a businesslike and forward thinking way.

This move paves the way for a new type of relationship between smaller, medium and larger sized charities. with small local charities enabled to keep their identity and autonomy but to operate at scale through the sort of relationship Only Connect now has with Catch 22.

Will there be any implications for staff?

There are no planned redundancies. Staff currently employed by Only Connect will continue in this employment, and all current frontline services and programmes that are funded or contracted will be maintained. Part of the attraction of this deal and the reason why it works so well is that the two businesses complement each other, rather than overlapping.

As part of this deal, Danny Kruger, Chief Executive of Only Connect, moves to become Chairman of Only Connect (as well as, Chief Executive of the West London Zone, a partnership of charities, founded by Only Connect, working with children and young people).

Mat Ilic, currently Strategy Director of Only Connect, will lead Only Connect and joins Catch22 as Strategic Director of Justice. While he'll have a wider brief than just OC, he'll still be very present and he'll ensure that we can work together most effectively. Danny Kruger will join Catch22's Trustee board, and Chris Wright will join Only Connect's trustee board.

What will this mean for Members (service users)?

We don't believe that our Members will see or feel any difference to the service that we provide. In the longer term, they will have access to more opportunities, larger networks and potentially more Member centres to use and enjoy.

What are the financial terms of the deal?

This deal sees Only Connect land safely and sustainably within the Catch22 family. It is very aware of the issues facing smaller charities of our size and has supported us through this by providing long term loan finance, which we will repay over the next year.

Is this a stealth merger?

That is not the plan, and not how this has legally been set up. The value of Only Connect for Catch22 is that it is an independent organisation, and that it remains separate. Catch22 has made far bigger acquisitions in the past which remain independent - simply sharing consolidated accounts.

Will Only Connect still be able to grow in its own right?

Absolutely. This deal gives us a platform for growth and to spread our Membership proposition more widely, attracting, supporting and empowering more Members in more areas.

What does this mean for funders? Are we no longer needed?

Although we're very excited about this move, we need our supporters more than ever. Our projects won't be funded by Catch22 and to continue to deliver our increasingly important services we will still continue to need your help. We believe in the power of bringing communities together, and by supporting Only Connect you are not only giving philanthropically, but directly showing those less fortunate the belief that you have in them as potential assets for society.

I have further questions

Please contact Mat Ilic on mat.ilic@oclondon.org and we'd be delighted to meet with you to talk through any questions.