

Barnardo's Northern Ireland

Department of Finance Draft Budget 2022-25

Barnardo's NI is the largest children's charity in Northern Ireland. In the past year we worked with more than 18,000 children, young people and families across more than 45 different services and programmes. We are a leading provider of schools-based support, reaching more than 32,000 children in schools across the UK and Ireland through our NI-managed social and emotional literacy programmes. We deliver a wide range of services, from providing family support and early intervention, to working directly with children and families who have experienced adversity and need our support. Our goal is to achieve better outcomes for more children. To achieve this, we work with partners to build stronger families, safer childhoods and positive futures.

Barnardo's NI welcomes the opportunity to provide our views on the draft Budget 2022-25. Our response will focus on three key points – the lack of detail, poverty and commissioning of services by government departments.

1. Lack of detail

- 1.1. Barnardo's NI is disappointed with the lack of detail in this draft budget. While overall allocations to each Department have been identified, there is no information on how that money will be allocated within the departments. While we recognise that it is not the responsibility of the Department of Finance to determine how other Departments allocate their resources, this makes effective scrutiny of the draft budget very challenging.
- 1.2. We welcome the commitment to provide funding for the Department of Health, above the relevant Barnett Consequential, however there is no detail on how this funding will be allocated between health services and social care – both of which the draft Budget recognises are the core responsibilities for the Department for Health. While the health service has been under immense pressure throughout the pandemic, social care services have also seen demand for their support and services skyrocket¹. Often services provided by social care act as early intervention and prevention, thereby reducing pressure on the health service. It is vital that the budget allocation reflects the importance of investing in social care.

¹ <https://www.bbc.co.uk/news/uk-northern-ireland-54685375>

2. Poverty

- 2.1. One of the biggest oversights in this budget is the lack of reference to poverty or any associated budget, beyond 'Addressing Food Poverty' under the Department of Education's ring-fenced allocation. Food poverty is poverty by another name, and we will not be able to genuinely address food poverty without tackling poverty overall. Poverty is a cross-departmental issue and should be a top priority for every department.
- 2.2. The rates of child poverty in Northern Ireland have remained virtually unchanged over the past decade, with nearly a quarter of children in Northern Ireland growing up in poverty.² Under the Children's Services Co-operation Act 2015, departments have a duty to work together to deliver the best outcomes for children. It cannot be left to departments working in silos to change this reality. The status quo must change.
- 2.3. Barnardo's NI recommends that the Department of Finance allocates a ring-fenced budget to address poverty in Northern Ireland. Every department should provide resource to this budget, and similarly, every department should be able to draw upon it to take action addressing poverty in Northern Ireland. Poverty cuts across every section of our society and the budget should reflect this.

3. Commissioning of services

- 3.1. Barnardo's NI welcomes the longer-term nature of this draft Budget. It is essential that budget forecasting plans ahead and commits to expenditure beyond an annual cycle, which had previously been the norm. This must now be reflected in the way that government departments commission services.
- 3.2. Currently, many services commissioned by statutory agencies are funded on a short-term basis.³ For Barnardo's NI, the result of this is uncertainty, not just for the children and families we support, but also the staff that work in those services. We currently invest significant time and resource into retendering for services that we currently deliver due to the short-term funding cycles. This is time and resource that would be better spent delivering and improving our services.
- 3.3. Longer contracts would encourage a more strategic use of resources and support efficiency within departments, allowing CVS organisations to improve services, innovate and provide continuity and stability for children, families,

²https://www.savethechildren.org.uk/content/dam/gb/reports/ten_years_too_long_a_decade_of_child_poverty_in_northern_ireland.pdf

³https://www.nicva.org/sites/default/files/d7content/attachments-articles/manifesto_for_change.pdf

and staff. A move to commissioning cycles of 3-5 years will allow CVS organisations to focus on service delivery, rather than funding applications.

- 3.4. Barnardo's NI recommends that the minimum contract length for services commissioned by government departments is increased to three years. Given that the draft Budget is now based on a three-year forecast, we believe departmental commissioning should follow the same format.
- 3.5. Barnardo's NI also encourages the Department of Finance to ensure successful and consistent implementation of guidelines around commissioning of services and programme across all departments. In order for services to be sustainable, and an effective use of public funds, commissioning of services must be at full cost recovery.
- 3.6. There are two key drivers of contracts that are subsidised by CVS organisations:
 - The initial contract is not funded at full cost recovery. The funding provided by commissioners does not include a fair proportion of the overheads that Barnardo's NI incurs in delivering the service. These overheads are subsidised with Barnardo's NI's charitable funds.
 - Contracts are renewed or extended by funders, however there is inconsistency in the approach to uplift in funding when these contracts are renewed. For some contracts, an uplift is applied consistently, whereas others receive no uplift at all. This does not take into account the rising costs in delivering these services, or the rising cost with inflation, and this shortfall is subsidised by Barnardo's NI voluntary funds.
- 3.7. The impact of the Covid-19 pandemic has highlighted the precarious nature of government commissioned services relying on CVS organisations subsidising the shortfall in contracts. Given the impact of the pandemic on our fundraising and retail activities, Barnardo's NI risks being unable to continue subsidising services contracted below full cost recovery. This shortfall could lead to an inability to fulfil some contracts, which would lead to a loss of key services for children and young people.
- 3.8. A clear example of the challenges that the sector faces is highlighted by our own experience with Forward Steps. Our specialist autism service, Forward Steps, closed in May 2020 after supporting children, young people and families for 20 years. Forward Steps provided a specialised support programme for pre-school children diagnosed with autism and their parents or carers. This service was highly regarded by service users and commissioners alike and provided support to over 1,000 children with autism and their families through improving communication, behaviour, sleep or anxiety issues. The Forward Steps building was designed, and purpose built

for children with autism, with playrooms planned to support the needs of children at any point on the autism spectrum.

- 3.9. Forward Steps was an evidence-based service, achieving significant positive outcomes for children and families, yet the service still had to close due to lack of funding. Achieving sustainability for a specialist autism service in the climate of fractured commissioning and funding of autism services across NI was not possible, even for an experienced service provider like Barnardo's NI with a highly trained, expert staff team. Parents and children have lost a valuable support service and the wider autism network has lost the expertise of this staff team.
- 3.10. Clear guidelines from the Department of Finance on how services should be commissioned, ensuring that the contract is full-cost recovery will mean that the great work being undertaken by CVS organisations is not constantly at risk of shutting down. The Department must ensure consistent and successful implementation of the guidelines in order for them to be effective.

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