

Northern Ireland Affairs Committee
Inquiry into

'The funding and delivery of public services in Northern Ireland'

April 2023

Barnardo's NI is the largest children's charity in Northern Ireland. We work with approximately 18,000 children, young people and families annually across more than 45 different services and 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 Committee's inquiry and the opportunity to provide written evidence. Our comments are informed by our experience delivering publicly funded services throughout Northern Ireland. However, as set out in our response below, the situation regarding funding and delivery of public services is in a precarious position, due to the lack of long-term budget forecasting and planning in Northern Ireland.

Summary

Barnardo's NI is the largest children's charity in Northern Ireland. The vast majority of our services are funded by statutory agencies. We deliver work commissioned by a wide range of government department, and government agencies such as the Public Health Agency, Health and Social Care Trusts, and the Education Authority. These services cover a wide range of areas from refugee support, to child bereavement, Sure Start, fostering and adoption, and community partnership work.

As our response details, the situation in relation to the funding and delivery of public services has been deteriorating over recent years, with a lack of long-term budgets, and lack of investment in early intervention and prevention. As a result, the current economic and political context in Northern Ireland has added further pressure to a system already at breaking point. Northern Ireland's public services are now in a precarious position where many services are unsure whether they will be open in three months' time. We need action to address this situation immediately; otherwise it will be the children, families and communities of Northern Ireland that bear the consequences.

1. Context

- 1.1. The funding and delivery of public services in Northern Ireland is at breaking point. The commissioning environment in Northern Ireland has been operating for years on an annual funding cycle, without multi-year departmental and commissioning budgets. This situation has been exacerbated by the cost-of-living crisis and the lack of a functioning Executive leading to eroding budgets and roll-back on investment in early intervention and prevention¹, resulting in a state where we are no longer funding the minimum to give families in Northern Ireland an adequate standard of living or fulfilling the commitment to give children the best start in life.
- 1.2. The impact of this funding environment goes much wider than services delivered by statutory bodies; the commissioning environment, particularly of services and programmes delivered by the community and voluntary sector (CVS) are even more vulnerable. Where statutory agencies are commissioning CVS organisations to deliver services, these contracts are not awarded at full-cost recovery, meaning the voluntary sector is left to subsidise the delivery of services commissioned by the statutory sector. Furthermore, where contracts roll on to another year, there is often no uplift in line with inflation, this means that services that were commissioned years previously, are expected to deliver the same support with a real terms reduction in their funding.
- 1.3. Currently, many services commissioned by statutory agencies are funded on a short-term basis.² 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.
- 1.4. 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, and staff. A move to commissioning cycles of 3-5 years will allow CVS organisations to focus on service delivery, rather than funding applications.

¹ <https://www.bbc.co.uk/news/uk-northern-ireland-65121458>;
<https://www.bbc.co.uk/news/uk-northern-ireland-65267207>
<https://www.bbc.co.uk/news/uk-northern-ireland-65337189>

² https://www.nicva.org/sites/default/files/d7content/attachments-articles/manifesto_for_change.pdf

- 1.5. As highlighted above, there are two key drivers which result in contracts commissioned by statutory agencies, being subsidised by CVS organisations:
 - The initial contract is not funded at full cost recovery. This means that 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 by Barnardo's NI's charitable voluntary funds.
 - Contracts are renewed or extended by funders, however there is inconsistency in the approach to uplifting 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 rising costs due to inflation, and this shortfall is subsidised by Barnardo's NI voluntary funds.
- 1.6. The impact of the Covid-19 pandemic and cost-of-living crisis has highlighted the precarious nature of government commissioned services. Given the financial pressures in the sector, Barnardo's NI risks being unable to continue topping up statutory contracts with funds raised through retail and fundraising, in effect, 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. A clear example of the challenges that the sector faces is highlighted by our own experience with Forward Steps.
- 1.7. 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.
- 1.8. Forward Steps was an evidence-based service, achieving significant positive outcomes for children and families, yet the service had to close due to lack of sustainable funding. Throughout years of delivery, the funding for Forward Steps was not increased in line with inflation or demand, requiring Barnardo's NI to contribute more of our charitable

funds each year in order to top-up the statutory contract and deliver the service. Ultimately, by 2020 this became unsustainable, and Barnardo's NI had to return the contract to the commissioner.

- 1.9. 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.

2. Impact of the lack of a functioning Executive

- 2.1. The lack of a functioning Executive has had an immediate and significant impact on the funding and delivery of public services in Northern Ireland. The context set out above outlines how years of instability and inconsistency in funding has led to a service environment which is now near breaking point when it comes to delivery. Additionally, the Assembly was unable to pass a Budget Bill in the last mandate. While there was room for improvement, this Budget would have addressed some of the concerns around year-on-year funding cycles and would have allowed longer term planning for funding and investment.
- 2.2. This pressure has now come to a critical juncture. Without an Executive or Assembly, to take decisions in Northern Ireland for the people of Northern Ireland, senior civil servants are in the unenviable position of making financial decisions on departmental spending, which would usually rest with a Minister. Furthermore, civil servants are significantly constrained on the decisions that they can take by policy, legislation, and legal precedent. In this environment, civil servants are very reluctant to make a decision which could be construed as outside their remit, or open to legal challenge. As a result, cautious budgetary decisions are now being made, resulting in significant cuts to service delivery which is already having an immediate and serious impact on children, families and communities.
- 2.3. The community and voluntary sector has already started to bear the brunt of this financial cliff-edge. On 30th March 2023, the Department of Education (NI) gave two days' notice that key services and support in schools would cease from 1st April 2023. Included in that announcement was the decision to end to the School Holiday Food Grant, Healthy Happy Minds (Primary School Counselling Pilot), and the Engage Programme (funding for additional teaching support, targeted to children and young people from disadvantaged backgrounds).

- 2.4. Since that date, it has also been announced that the Book Start Baby programme would end, which provided books to all babies in Northern Ireland, and most recently, the Extended Schools Programme funding has been ended. This funding gave schools the ability to bring in additional support for children, investing in schools counselling, breakfast clubs and social and emotional learning programmes. Northern Ireland is currently in a situation where these services are no longer being delivered. Not only are children and families no longer able to rely on the support of these services, but staff delivering these services no longer have a job, in some cases with one day's notice.
- 2.5. This lack of stability and job security impacts the longer-term workforce of the community and voluntary sector, as skilled practitioners need to make difficult decisions about how the sector they work in impacts on their ability to provide a stable financial and home life for themselves and their families. We already have a significant workforce challenge in Northern Ireland, where recruitment to posts is proving challenging, particularly in social care. This was recognised by the Independent Review of Children's Social Care Services in Northern Ireland when the lead of the Review, Professor Ray Jones made interim recommendations³. One of the key points highlighted by Professor Jones was the need for workforce development, and actions were recommended to address this. The budget decisions being made by civil servants will only exacerbate this workforce pressure further.
- 2.6. Another example of the impact of decisions being made by civil servants rather than an Executive or Minister is the approach taken by the Department for Communities, who have only guaranteed funding for many of their funded contracts for the next three months. Again, it is the community and voluntary sector who deliver these essential programmes of work, and teams are facing significant job insecurity – in the best-case, contracts will be extended for another number of months after the three month mark, in the worst-case teams are facing imminent redundancy. Additionally, as there is no guarantee that funding will be available beyond three months, job posts can only be advertised on a three month basis. Given the challenging recruiting environment described above, this makes successful recruitment all but impossible.
- 2.7. The people impacted most by these budgetary and commissioning decisions are the children, families and communities which these programmes have been designed to support. Our children should not pay the price of political stalemate, and yet it is their schools, their

³ <https://www.health-ni.gov.uk/news/swann-outlines-planned-actions-children-services>

families and their communities that bear the brunt of the fiscal short-termism and political inaction we are now facing.

- 2.8. Worryingly, another casualty of the lack of an Executive has been the failure to appoint a Northern Ireland Commissioner for Children and Young People. The term of the previous commissioner ended at the start of March 2023, and since then a successor has not been appointed. While this appointment would usually require the approval of First and deputy First Minister, in their absence this has fallen to the Secretary of State for Northern Ireland. While we await approval from the Secretary of State, children and young people in Northern Ireland are without an important advocate who should be representing them at the highest levels of decision making, at a time when decisions are being made to slash support for children. Additionally, children in Northern Ireland are now set apart from their peers elsewhere in the UK, as the only nation not to have a Children's Commissioner in office to advocate for them.
- 2.9. Finally, the lack of an Executive has resulted in stagnation in strategic decision making and policy development at a time when we've needed a clear strategic direction more than ever. The development of an Anti-Poverty Strategy was prioritised by the previous Executive and Minister for Communities, with the production of an Expert Panel report and creation of a Co-Design Group. However, that work has now stalled without a Minister and Executive to sign-off on the next steps.
- 2.10. As a result, the Co-Design Group produced their own paper of recommendations⁴, separate to the Department, in order to progress this important work. While the recommendations were an important milestone in the process, without sight of a draft strategy, or further engagement by the Department for Communities with the Co-Design Group, it is unclear to what extent these recommendations will be reflected in the Draft Anti-Poverty Strategy.
- 2.11. It is essential that the Anti-Poverty Strategy is progressed as a priority, but unfortunately civil servants have been clear that this work can go no further in the current political environment. This is particularly concerning given the crisis of poverty that many families are living in right now in Northern Ireland⁵. The underlying structural causes of

⁴ <https://www.nicva.org/article/members-of-the-dfc-anti-poverty-strategy-co-design-group-produce-key-recommendations-paper#:~:text=No%20working%20age%20person%20shall,to%20sustained%20and%20meaningful%20employment>.

⁵ With over 100,000 children living in poverty in Northern Ireland, children are more likely to be in poverty than any other age group in Northern Ireland. (<https://www.jrf.org.uk/report/poverty-northern-ireland-2022>).

poverty in Northern Ireland must be addressed to ensure that children and families do not face the immense challenges of this cost-of-living crisis again in future.

3. Recommendations for the UK Government

- 3.1. Without an Executive, it is incumbent on the UK Government, and the Secretary of State for Northern Ireland, to act to ensure that children, families and communities in Northern Ireland are not left without the support they need from public services. There are actions that the Secretary of State for Northern Ireland can take to ensure that children and families do not pay the price for political disagreements.
- 3.2. Barnardo's NI strongly encourages the Secretary of State for Northern Ireland to finalise departmental budgets for Northern Ireland, and to take decisions about long-term funding arrangements that pose the biggest challenge to civil servants in Northern Ireland's government departments. Civil servants should not be put in the position of making decisions which normally rest with elected representatives. While we recognise that this responsibility would not normally rest with the Secretary of State, we must recognise the context that we are living in and respond accordingly.
- 3.3. We also encourage the Secretary of State to explore options to move Northern Ireland towards a longer-term budgetary environment. It is essential that budget forecasting commits to expenditure beyond an annual cycle, which had previously been the norm. This must be reflected in the way that government departments commission services and this can be done by the Secretary of State, in the absence of an Assembly and Executive.
- 3.4. Finally, Barnardo's NI strongly encourages the Secretary of State to appoint a Northern Ireland Commissioner for Children and Young People. Children in Northern Ireland are already paying the price for political inaction through funding cuts to education and food poverty payments, it is essential and urgent that they have a Commissioner to advocate for them at this crucial time in the conversations where these decisions are being made.

4. Long-term recommendations

- 4.1. One of Barnardo's core values is working with hope. With that in mind, the following recommendations are made in anticipation of the return of an Assembly and Executive which can implement long-term change in terms of the funding and delivery of public services in Northern Ireland.

- 4.2. Barnardo's NI welcomed the introduction of the first three year Budget Bill in the last Assembly mandate. We encourage the Assembly to ensure that any forthcoming Budget Bill is multi-year. This will allow the funding and delivery of public services to move onto longer-term commissioning cycles, which is essential to ensuring the stability and sustainability of service delivery.
- 4.3. Barnardo's NI recommends that the minimum contract length for services commissioned by government departments is increased to three years. Barnardo's NI has previously recommended that the Department of Finance ensures successful and consistent implementation of guidelines around commissioning of services and programmes 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.
- 4.4. 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.

Barnardo's NI welcomes the Committee's inquiry and the opportunity to provide written evidence. We would welcome the opportunity to provide oral evidence to the Committee to share further details about the impact on our service delivery, to reflect on our experience, and answer any questions that Committee Members may have.

For further information, please contact:

Trása Canavan

Senior Policy & Public Affairs Lead

Barnardo's NI

trasa.canavan@barnardos.org.uk