

Alex Attwood, MLA  
Minister for Social Development  
Department of Social Development  
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Ormeau Road  
Belfast, BT7 2JB

Dear Minister Attwood,

I would like to thank you for this opportunity to respond to your letter of 10<sup>th</sup> August 2010 on behalf of the Council for the Homeless NI (CHNI) and outline our position in regard to sustaining voluntary and community services to vulnerable people.

CHNI is the sole umbrella organisation to represent agencies working with homeless people throughout Northern Ireland. Founded in 1983, membership currently stands at 97 organisations, which provide accommodation, support and outreach to this client group. The majority of our members have charitable status and receive approximately 76% of their funding from statutory sources<sup>1</sup>.

This response reflects our awareness of the difficult task facing the Department of Social Development; equally in prioritising which vulnerable groups should be protected and agreeing which models of service delivery are the most effective in terms of outcomes and cost. We strongly assert that this task should not be the responsibility of the DSD alone, as the needs of some of the most vulnerable are multi-faceted and require services that cross Departmental boundaries. It must be considered by the Stormont Executive as a whole.

**Q1. What should be the priority areas within the DSD to best protect those in need, stress or disadvantage? What works best and what should be reviewed?**

CHNI consider that decisions should be underpinned by the following principles. Priority should be given to services;

- a) for those who are multiply disadvantaged;
- b) for those who have difficulty accessing main-stream services. This could be either due to the complexity of their need or lack of specialist provision in public services;
- c) Which meet basic needs that are the right of every citizen e.g. health, welfare, housing, education, where access is restricted due to the factors highlighted in (b).

While not the remit of the VCU, CHNI stress the need to maintain investment in the Supporting People (SP) programme, which is also the responsibility of DSD. This Programme provides front-line services to over 22,000 individuals in every recognised vulnerable group. Research conducted in England and Scotland by DCLG and the Scottish Parliament has illustrated that it would cost approximately four times as much to meet need, should SP funding be removed. Providers reliant on SP have already had their funding baselined for three and a half years; a year on year cut of 5% over the next four years would close a sizeable proportion of providers, or result in organisations reducing the number of users they work with or compromising the quality of service available. Consequently, the cost to other Government departments, most importantly the DHSSPS and Justice, would be significant.

Homelessness is the most visible expression of social exclusion, and is most usually the final manifestation of other problems, such as relationship breakdown, addiction, mental ill health or involvement with the criminal justice system. Homelessness services are predominately delivered by the voluntary sector. In fact, all services to those with complex needs reside outside public sector provision. Cuts to these services, with no alternative provision available, will result in considerable hardship. Consequently, in the long term, consideration should be given to the balance between prevention and crisis intervention. Often spending on prevention and early intervention can save considerable future expenditure.

**Q2 What could, or should be done within the voluntary and community sector to work better to address overheads and deliver better benefits to the community?**

CHNI believe that any analysis of provision and implementation of change should be predicated on what delivers targeted, appropriate and quality services. A comprehensive evaluation of service outcomes is necessary to form a baseline for future planning.

Each relevant Department should prepare a Strategy and Action plan which identifies need and the optimal number of services necessary to meet that need. Models of delivery should be agreed in conjunction with the voluntary and community sector and there should be investment to support collaboration and mergers. Contracts should then be awarded accordingly.

Alternatively, funders could go to open tender to meet the service needs identified in the Strategies. However, decisions should be based on track record and performance as well as cost. An amalgam of these processes has been used successfully in Dublin in regard to homelessness services.

During this process, steps should be taken to retain existing funding, so that vulnerable people are protected. Any unintended negative consequences for other departmental budgets should be taken into consideration. As a first step, providers should take serious consideration of reducing 'back room' expenditure, making savings through, for example, sharing administrative overheads, training, HR and fundraising. Attempts need to be made to reduce genuine duplication and to benchmark salaries, as there appear to be wide discrepancies in pay scales within the sector.

### **Q3. Do you have any wider comments about how the Executive should address the budgetary situation?**

While not expecting the voluntary and community sector to be completely exempt from cuts, the Stormont Executive need to recognise that investment in the sector forms only 1% of the overall NI budget. The amount saved is likely therefore to be negligible but have a disproportionate negative impact on the most vulnerable. Restoring lost services may be impossible within any reasonable timescale and meeting the need, or indeed increased need through public services more costly.

The voluntary and community sector employs a substantial number of people. A reduction in services and the ensuing redundancies will add to benefit expenditure, reduce spending the wider economy. The sector provides significant additionality in terms of service delivery through charitable funding, a large volunteer workforce and Social Economy Businesses many of whom re-invest their profits back into the charitable work of their parent organisations.

Hard decisions need to be made in other more politically sensitive areas. Ideological stands may need to be compromised for example in the areas of water charges, selling of assets, privatisation etc. Investment in social housing would, as outlined in the research report by Mike Smyth and Dr Mark Bailey<sup>2</sup>, be a positive step.

In order to facilitate your consideration of the issues, CHNI have deliberately restricted our comments to generalisations. Should you wish examples of any of the suggestions we have made in regard to models of service delivery or mechanisms whereby a comprehensive strategy for service delivery can be devised, please do not hesitate to contact us.

Yours sincerely,



Ricky Rowledge

1. NICVA State of the Sector Report 2008

2. Smyth, M. & Bailey, M. (2009). Addressing the Economic Downturn: The case for increased investment in social housing. June 2009, University of Ulster.