

28th January 2022

Christine Darrah
Committee Clerk
Committee for Justice

Sent via email to: committee.justice@niassembly.gov.uk

Dear Christine

Thank you for your letter of 24th January 2022.

I can confirm that Probation Board for Northern Ireland will attend in person on Thursday 3rd February 2022 to provide an oral briefing to the Committee.

I will be accompanied by PBNI Board Chair, Dale Ashford QFSM, and Paul King, Head of Finance and Estates.

I have attached a briefing paper for the Committee outlining the funding implications for PBNI arising from the draft Budget allocation for the 2022-2025 period.

I would like to thank you for providing PBNI with the opportunity to present to the Committee on this matter.

Yours sincerely

Amanda Stewart
Chief Executive

JUSTICE COMMITTEE 3 FEBRUARY 2022- PBNI DRAFT BUDGET 2022-25 POSITION

PURPOSE

1. The purpose of this paper is to set out the funding implications arising from the draft Budget allocation provided by the Department of Justice (DOJ) for the 2022-25 period.
2. DOJ have provided PBNI with a draft allocation across the three year spending review period, with a flat 2 % reduction applied to PBNIs opening 2021-22 budget profile as set out below.

	2021-22	2022-23	2023-24	2024-25
	opening budget £k	draft opening budget £k	draft opening budget £k	draft opening budget £k
Non-ringfenced Resource DEL	18,587	18,587	18,587	18,587
2% Reduction		-372	-372	-372
Revised Resource DEL Baseline		18,215	18,215	18,215
Problem Solving Justice	1,625	1,625	1,625	1,625
2% Reduction		-33	-33	-33
Revised Problem Solving Justice Baseline		1,592	1,592	1,592

TABLE 1- DRAFT BUDGET ALLOCATION

3. While the opening allocation has been used for the purposes of future budget setting it should be noted that PBNI received additional allocations in 21-22 that have not been accounted for. Further details are set out in Annex A. This means that PBNI core funding is starting from a position 5.3% lower than our final allocation for 21-22.

PBNI COST BASE – CORE FUNDING

4. The PBNI Core budget has a relatively fixed cost base with 82% of the PBNI allocation spent on staffing. PBNI has a workforce of just over 450 staff (410 FTE), with the majority professional Social Workers (Probation Officers).

- Non pay items currently make up £4.75m, including £577k of community and voluntary sector grant funding. The majority of these costs are inescapable items relating to areas such as IT Assist/Communications cost for staff, rent/rates and cost for the PBNI estate. Of the remaining budget the majority is linked to maintaining operational capabilities or has a direct link with the level of service users.

TRANSFORMATION

- Over the recent period PBNI has delivered a significant level of cost saving and transformation in the service. The Estate has been reduced by one third over the last 5 years, with two sites sold within the 2021-22 year. The remaining PBNI sites are located across Northern Ireland and are required to be maintained to ensure that the organisation is in the best place to deliver services within the community.
- The introduction of a new Electronic Case Management System has streamlined reporting, and enhancements are ongoing to link into Causeway to provide a more integrated service with the rest of the Justice system in the upcoming financial year. While creating efficiencies there is an increased service and maintenance cost associated with these systems.

SHORTFALL

- It is currently estimated that PBNI will have a shortfall across each of the three years of the Budget period as set out below.

	2022-23	2023-24	2024-25
	£K	£K	£K
Budget Allocation	18,215	18,215	18,215
Estimated Requirement	19,300	19,769	20,050
Shortfall	(1,085)	(1,554)	(1,835)

INESCAPABLE PRESSURES

- The estimated budget requirement incorporates pressures in relation to;
 - Increases in National insurance -
 - Pay inflation and contractual progression -
 - Price inflation – notably in relation to estimated increases in utility costs, which are significantly volatile.

In year one the additional estimated requirement for these items is £500k.

PAY MODERNISATION

- There are significant challenges at the moment in attracting, recruiting and retaining social work staff. While this issue is not unique to probation, PBNI is currently facing higher than usual staff turnover (12.8% in 21-22) and there is limited capacity to backfill posts.

11. One of the significant factors impacting this area is the need for a reform of the Pay structure of probation staff, and work has already commenced to take this review forward. Initial costings show a minimum requirement of £1.3m across the budget period to deliver the changes required. While the costs for pay modernisation have been excluded from the estimated shortfall noted above, additional funding would be key to help transform the current PBNI pay structures for probation staff.

OPTIONS

12. In order to address the potential shortfall PBNI would be forced to make significant cuts in regards to Headcount, Community Funding and stopping any discretionary non pay spend.

13. The table below sets out the areas that savings would be required to come from to meet the draft budget shortfall.

	Required Savings		
	2022-23	2023-24	2024-25
Areas of Reduction	£k	£k	£k
Non Pay Areas - Stopping of Estates maintenance, Staff training, reduction in service user costs.	250	250	250
Community & Voluntary Sector Funding	250	250	250
Staff reductions	585	1,054	1,335
Total	1,085	1,554	1,835

COMMUNITY & VOLUNTARY GRANT FUNDING

14. It had been hoped that a 3 year spending review would provide PBNI the ability to put longer term arrangements in place with the community and voluntary sector, to assist offenders in their rehabilitation and reintegration into society. Currently core partnerships are in place providing users assistance with addiction problems, mental health issues, and in securing employment. Along with grants to provide community service placements.

15. The additional support provided by community and voluntary partners is invaluable in ensuring that those service users most at risk, have access to support services. The draft allocation means that PBNI will have to prioritise funding it can provide across the budget period, and reduce the scope of services that users will be able to access. This will inevitably lead to reduced outcomes and a higher risk of reoffending across our service user base.

HEADCOUNT

16. If the draft budget above was set for the three year period this would lead to PBNI having to reduce established posts equivalent to 15, 25 and 33 probation officers respectively in each of the years. This would mean limited, if any, recruitment during the period but would come with significant impact.

17. In conjunction with the headcount reductions there would be limited scope to provide backfill for staff on maternity or long term sickness. It is clear that a continual decrease in staffing will lead to risk of rising staff stress levels, sickness absence and increased attrition rates.
18. Probation staff are consistently dealing with over 4,000 individuals, who are subject to a range of community sentences and licences. The proposed reductions in headcount would be taken at a time when the needs of service users are becoming more complex, and there is no indication of a reduction in caseloads. Factors such as addiction, homelessness, emotional and mental health, would remain unaddressed resulting in increased costs across the Criminal Justice sector and the wider public sector including Health and Social Care.
19. We would likely need to make revisions and adjustments to our practice standards. Our standards provide assurance that we are delivering a safe and effective level of service. In reality further deviations from standards would mean fewer risk assessments; fewer levels of contact; fewer home visits for all our risk levels.
20. Standards were already adjusted over the 2018-2020 period, taking into consideration budget pressures, and we would not wish to have future deviations. This will result in unsafe working levels, as caseloads have remained static over the period. There will be an increased likelihood of increased re-offending and heightened risk of harm to the public.

PROBLEM SOLVING JUSTICE

21. PBNI has been centrally involved in delivering PSJ initiatives. Initiatives aim to tackle the underlying problems and root causes of offending behaviour in a range of areas such as alcohol and drug addiction. The early interventions and enhanced service provided to service users provides longer term outcomes for individuals and society. Currently funding provided for PSJ initiatives comes through a range of funding streams with different conditions and timelines, which includes the core baseline, Paramilitary Crime Task Force, Northern Ireland Prison Service and Northern Ireland Courts and Tribunals Service.
22. At present the draft allocation in year one is sufficient to allow the continuation of the current programs for ECO, SMC, and PPRP with a part year roll out of phase 3 of the ECO project. However, beyond this period there is no scope to continue the roll out of the PSJ strategy. This will continue to leave an inequality amongst service users, with access to enhanced services for some initiatives depending on geographical location, increasing possible challenge to the organisation and Justice Partners.
23. While this funding has been ring fenced within Probation it is unclear at present whether this will be a priority for the Department and further discussion will be required to understand the position going forward.
24. It is critical that if this is no longer deemed a priority that the current baseline is maintained to allow initiatives to be rolled into core teams and ensure that the learning and enhanced outcomes are not lost. This would provide PBNI with more flexibility to deliver these outcomes, and reflect that the services users will still form part of PBNIs overall caseload.

SUMMARY

25. We would ask the committee to recognise that PBNI is a key party in delivering Health & Social care outcomes to our service users, and that consideration is given as to how these outcomes can be protected within the Budget settlement.
26. Recognise the need for additional funding to be made available in relation to Pay Modernisation. That this is key to ensuring that PBNI can put an appropriate and reflective pay framework in place to allow retention of experienced staff. We continue to work with Department on ensuring speedy resolution to backdated pay remits as part of this work, and will need continued support moving forward.
27. Understand the need of the organisation to have more control of funding around PSJ initiatives to ensure greater flexibility of approach for delivery of services.

ANNEX 1 – BUDGET REDUCTION

	2021-22	2021-22	2022-23	
	Opening Budget	Closing Budget	Draft opening budget	% Reduction from closing budget
	£k	£k	£k	
Non-ringfenced Resource DEL - CORE	18,587	19,236	18,215	-5.3%
Problem Solving Justice - ECO	1,625	1,250	1,593	27.4%
Total Resource Baseline	20,212	20,486	19,844	-3.13%
PPRP*	376	376	368	-2.0%
Substance Misuse Court*	375	375	368	-2.0%
SAO*	20	20	19.6	-2.0%
Additional PSJ Funding	771	771	756	-2.0%
*Funding is received via income from NICTS and DOJ				
Ringfenced Resource				
Covid	400	300	-	

Tackling Paramilitary Programme - Aspire	1,548	1548	1,548	-
Tackling Paramilitary Programme - Engage	92	92	92	-
Ringfenced Baseline	2,040	1,940	1,640	