



Northern Ireland
Assembly

COMMITTEE FOR JUSTICE

OFFICIAL REPORT (Hansard)

October Monitoring Round and Update on Savings Plans

6 October 2011

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Paul Givan (Chairperson)
Mr Raymond McCartney (Deputy Chairperson)
Mr Sydney Anderson
Mr Stewart Dickson
Mr Seán Lynch
Ms Jennifer McCann
Mr Basil McCrea
Mr Alban Maginness
Mr Peter Weir
Mr Jim Wells

Witnesses:

Mr Anthony Harbinson)
Mr Glynn Capper) Department of Justice
Mr Sean Laverty)

The Chairperson:

I welcome Anthony Harbinson, director of justice delivery; Glynn Capper, deputy director of finance; and Sean Laverty, head of financial planning. Anthony, I invite you to outline your paper and then members will have some questions.

Mr Anthony Harbinson (Department of Justice):

Thank you for the opportunity to give the Committee an overview of the Department's in-year

financial position and to update you on our Budget 2010 savings delivery plans. You received our briefing in advance and, hopefully, that will form the basis for today's discussion.

Looking first at our in-year finances, we have just completed our second in-year monitoring round. Legal aid remains the main pressure facing the Department in the 2011-12 financial year. The Northern Ireland Legal Services Commission forecasts a pressure of £14.5 million for this year. That estimated pressure is based on two key elements: the current forecast of legal aid volumes and the projected settlement amounts.

My team continues to work closely with the commission to review the accuracy and robustness of the forecasts and to monitor the position on a monthly basis. At the moment, we plan to fund the pressure from a range of easements — £4.5 million — identified in the October monitoring round, together with £10 million from end-year flexibility funding carried forward from 2010-11.

As part of the Department's Budget 2010 negotiations, we identified the need for access to planned underspends going into and within Budget 2010. That provides some flexibility to manage within a ring-fenced settlement and to meet emerging pressures that may arise. However, should further easements become available during the course of this year, we plan to use them to cover the legal aid pressure and to minimise our use of the £10 million of end-year flexibility, thus allowing that to be carried forward to meet potential pressures in future years. The situation will be reviewed as part of the December monitoring round.

As the Committee will be aware, the Northern Ireland Prison Service (NIPS) has submitted a strategic outline case to the Department of Finance and Personnel (DFP) in relation to a staff exit scheme. Some £13 million of funding has been made available this year for the scheme. That can be carried forward into 2012-13 if required as part of the Budget 2010 allocations. The Prison Service has factored forecast savings from the scheme into future years. It is preparing an outline business case, which will consider the options to allow sufficient staff to exit to deliver the required savings and cultural changes. The costs and savings from that business case will be reviewed at the December monitoring round and a further briefing will be provided to the Committee at that stage.

On our capital position, you will be aware of the announcement by the Minister of Justice and the Minister of Health, Social Services and Public Safety that approval has been secured from DFP to take forward the joint public services college at Desertcreat. Within the next six months, a full planning application will be lodged, and a tendering process for developing the college will be launched. Work is due to start on the site in 2013, with the college opening two years later. The Department's capital plans for the Budget 2010 period include £138 million to fund the college, with the extra £30 million provided by the Executive included in that figure. As part of the security deal agreed with the PSNI over the next four years, we built in the flexibility to carry forward any slippage in the college. A total of £38 million will be carried forward from this year into future years, and now that we have approval, we will be able to firm up the timescales and phase the funding accordingly.

I also want to outline the position of our non-cash budget. It is a technical budget that cannot be used for cash costs such as salaries and other running costs. The Department has surplus non-cash funding in its baseline, and that was identified to DFP and the Committee as part of the Budget 2010 process. We began the 2011 year with surplus funding of £10 million, and easements totalling £6 million have been identified as part of this monitoring round. Some spending areas have flagged up that they may have non-cash pressures later in the year, so we intend to offer an easement of £11 million to the Executive now and, depending on the future pressures, we will offer up the balance as part of the December monitoring round.

That summarises the main pressures and easements that have been identified in this monitoring round. As you can see, given that we are able to fund our pressures internally, we are forecasting an approximate break-even position this year. However, it is very possible that, in the next monitoring round, spending areas will declare some easements if they are unable to take forward programmes or projects at the pace that had originally been planned. We will seek to manage that in two ways within our ring-fenced settlement. As I will touch on later when I discuss our savings plans, we will continue to monitor the position of front line bodies that have indicated that additional resources would be helpful in delivering their services, for example, the Office of the Police Ombudsman and the Probation Service. The Minister has agreed that we will provide additional support to those bodies where we can. Our Budget 2010 settlement also

provides the facility to carry forward underspends of up to £10 million from this year into next year. That will provide some flexibility to manage the pressures that may emerge in future years from a ring-fenced settlement.

As you are aware, there are a number of aspects to the financial package on devolution. Many of those impact on the current year, and I thought that it would be helpful to give you an update on those.

As part of the package, £39 million of HM Treasury reserve funding was provided for legal aid and other court pressures. In 2009-2010, £17 million of that was accessed; in 2010-11, £19.2 million was accessed, and that leaves a balance of £2.8 million. Given that the in-year pressure can be accommodated within available resources, we do not intend to draw down that balance in the current year. Instead, we will access it in 2012-13.

In 2010-11, the PSNI paid out £25 million for hearing loss claims, and this year it projects a total hearing loss spend of approximately £47 million. That is based on projected settlement volumes and estimated settlement amounts, although, as you will appreciate, it is difficult to forecast those costs with a high degree of certainty. However, the amount will be kept under review as the year progresses. Approximately £10 million of those costs relates to additional legal costs. Any costs incurred above £12 million will be met from HM Treasury reserve funding under the terms of the devolution settlement. The first £12 million will be met from within the budget of the PSNI and that has been factored into its Budget 2010 settlement.

As you will be aware from previous briefings, work has been ongoing for some time to determine the exact extent and quantum of any potential equal pay liability in the PSNI. As a result, the PSNI staff were assimilated into Northern Ireland Civil Service (NICS) pay scales during 2010-11 at a cost of approximately £10 million. Although no legal liability has been established to date to permit the PSNI to mirror the wider NICS equal pay settlement, we have set aside £26 million of end-year flexibility this year to meet the possibility of liability being established.

The coalition Government have provided an additional £199.5 million of security funding,

with the Executive contributing an additional £45 million during the Budget 2010 period, of which £57.1 million relates to the current year and has already been accessed in year.

I hope that that provides you with an overview of our financial position just over halfway through the year. We plan to brief the Committee again in December, when we will have completed our next monitoring round and will have a more complete picture.

I turn now to our updated savings delivery plans. Initial details of how each area plans to deliver its savings targets were presented to the Committee and published on 21 January 2011. Detailed savings plans were shared with the Committee in February. They have been updated by each spending area and will be published on the Department's website. Given that the majority of our expenditure lies with arm's-length bodies, we have asked each body to prepare its own savings plans, so the information that you have has been prepared by the bodies themselves. Departmental officials have continued to work with the spending areas to discuss the impact of savings, to look at ways to protect front line services, reduce the impact on staffing levels and, as far as possible, to protect funding for the voluntary and community sectors.

The budget of the Office of the Police Ombudsman will require efficiencies to be made across the work of the office. However, the Department has also fully funded the pressures that have been flagged by the ombudsman's office to deal with cases referred to it by the Historical Enquiries Team. That will provide the office with flexibility to reallocate staff to mitigate the impact of those efficiencies on staff numbers.

Department of Justice (DOJ) officials have been working with Probation Board staff to minimise the impact on front line staffing. The Probation Board has re-profiled its plans and intends to introduce non-staff savings. The Department has provided over £1 million of additional moneys to reduce the impact on staffing. As a result of those changes to our original plans, the Probation Board will now be contributing lower savings than the DOJ average.

The Department will also continue to work closely with all the bodies to look at ways to protect front line services and to reduce any impact on staff for the remainder of the Budget 2010 period. In line with DFP guidance, all our savings plans will be reviewed and updated every six

months throughout the Budget 2010 period. We are in the process of doing that for the period to September, and we will share an update with the Committee as soon as that is completed. I am happy to take any questions.

The Chairperson:

Thank you very much. I will ask about the savings plans first and come back to the October monitoring round. As you said, some plans were provided in January. A couple of the current savings plans do not have a lot of information, particularly those for the Policing Board and the PSNI. Are we to refer back to the savings plans that they had in January? The paper that the Committee has on the Policing Board does not have any detail this time.

Mr Glynn Capper (Department of Justice):

Our information is based on updates that we asked each body to provide during the summer. It is fair to say that some bodies — for example, the police — are still working through some of the exact details on how they will deliver the savings. With each six-month period, we will be able to provide you with more detail as plans develop. As Anthony said, we are pulling together an update as of September. The updates will have more details, including some of the risks, and so on, that they face. As we move through the Budget 2010 period, we will be able to give you more information. As the period progresses, we expect the detail to grow for the areas on which there is not currently a huge amount of detail.

The Chairperson:

Therefore, the fact that the Policing Board does not have anything in your paper does not mean that I should take it that it is comfortable with what is being asked of it. It is not the case that it thinks that the position is fine and can be lived with. The Probation Board's plans are detailed and show where the impact will be felt and that there will be hurt at the front line. Can I take it that the Policing Board is saying that there will not be an impact on front line services and that the impact around good relations, and all that, will be neutral? Maybe you should have cut its budget by a lot more and it would have put in a response saying, "Listen, start screaming, we are in big diffs." In my view, it is a pretty dismissive response.

Mr Harbinson:

Obviously, the Policing Board can speak for itself in detail. However, it is looking at the restructuring issues that it faces, such as the creation of the policing and community safety partnerships (PCSPs) and how those will be funded and operated. Therefore, it wanted a bit more time to think about where the impacts will fall. However, it still believes that overall, within that envelope, it can make the savings. I do not think that it thinks that it is comfortable, but I think that it feels that it can make the savings.

The Chairperson:

That leads me to the next point. Is the Policing Board waiting on the establishment of PCSPs because PSCP members will not get any allowances? Will the Policing Board be able to attribute that as a saving?

Mr Harbinson:

One of the savings was to cut payments to members of the former bodies. There are some discussions around expenses and about how much should be paid to the newly formed PCSPs. One of the issues will involve how much the Policing Board can save altogether. The intention might be for the Department to give it some more additional funding and to help it out with some of the savings.

The Chairperson:

I find it very interesting that the return is negligible, though others have put in pretty substantive returns. Perhaps it is the cynic in me, but alarm bells are ringing in my head as to why it has not put in a lot of detail.

Mr Harbinson:

We will take that back. In the six-month monitoring round, we will ensure that there is sufficient detail put in there to reassure you.

The Chairperson:

It may lead to someone thinking that the Policing Board is not really feeling any pressure at all. Actually, you should make a lot more reductions and maybe it will give a lot more detail in

future.

Mr Harbinson:

I think the issue is that people are working on filling in the detail, given that this is the first time that the savings will bite. The board needs a little more time. Hopefully, it is not an issue.

The Chairperson:

We will wait and see. To go back to the October monitoring round, I have a couple of brief questions. What is the technical budget that is not ring-fenced? It is not capital and it is not recurrent. You had £10 million carried forward: obviously that has increased to £16 million and you are handing back £11 million, which will leave you with £5 million. What is that money?

Mr Capper:

As Anthony said in his opening remarks, it is a technical budget. Without wishing to bore you with the details, it is largely for an expense-type that we call depreciation. When a capital asset is bought, it depreciates but does not cost any more cash over the period of the asset. We are allowed a technical budget for that. Historically, that baseline has been high. We had £10 million surplus funding at the start of this year, and because of slippage in some capital projects, we have more surplus. That is what we are handing back.

The Chairperson:

It is not something that can be allocated for grants or —

Mr Capper:

Unfortunately, it is not.

Mr Harbinson:

It is not real cash. It is a very technical government accounting concept, but when you do not have it, you sometimes have to take money from real cash to make up the difference. This way round, there is no real money involved and there is no loss of real funds to the Department.

The Chairperson:

Thank you. That rectifies my ignorance on that issue.

In May, there was an indicated savings target for your directorate, which was £19.1 million in 2013-14 and £20.1 million in 2014-15. In this plan for those same years, you are indicating that the savings will be only £4.1 million and £5.1 million. Can you reconcile the difference or explain how that came about?

Mr Capper:

That is largely due to the fact that, within the justice delivery directorate budget, we had initially included savings that we are going to make across the Department as part of the reform programme and had pooled those together. The £15 million of savings was not actually factored into budget plans. So, when we revised our plans, we included the savings from the justice delivery directorate. Therefore, we are not at a loss of £15 million; we have simply re-presented the savings figure from the justice delivery directorate.

Mr Harbinson:

As I said in May, we assessed the impact that shared services would have and put that into one budget, which was my own in savings, even though those savings would have been greater than the budget that I had. We have now spread that out to the areas that it will hit.

The Chairperson:

Thank you for that. Is the Police Rehabilitation and Retraining Trust (PPRT) budget being reduced?

Mr Harbinson:

Its budget is being reduced.

The Chairperson:

What impact will that have?

Mr Capper:

I think that the impact that that will have is, from memory, mentioned in the policing and community safety directorate savings plan. I will look to Sean to confirm that. That plan says

that there will be some impact as a result of the reduction of the PPRT budget. However, again, we are working with those types of bodies to try to minimise that impact as far as possible.

The Chairperson:

I know that there has been some discussion about the Prison Service's possibly looking at that area.

Mr Harbinson:

Obviously, PPRT had a very large impact on the reduction of the full-time Reserve when those people were taken out. There is a possibility that that could be used as part of the severance scheme organised for the Northern Ireland Prison Service; in which case, you would see an increase in its workload. If things go that way, that money would be factored in via NIPS to pay for those services.

The Chairperson:

I have been to the trust facility, and I think that it may be an underutilised service. It is something that is in-house to government, and I would like to think that we are getting maximum use of it and are not just reducing it to the extent that it deals with what it dealt with in the past, because there are other areas that it could be used for. If it is going to have a future role, we need to identify that quickly instead of running the Prison Service down and then realising that we need to build it back up again.

Mr Harbinson:

The intention was not to run the Prison Service down; that is its share of the average savings across the range. The intention was to help it to reorganise and restructure so that it could deliver a better service. However, I know that the service is looking for other work opportunities across the range of emergency services, including the Fire Service and the Ambulance Service. I am not sure how that fits with the service's current structure, but it is certainly an issue of interest for it in how it can develop the workplace.

Mr Weir:

You mentioned the funding on the legal aid side; £10 million of end-year flexibility and £4.5

million of easements. It may be a less direct response, but could you send us a table giving us an exact breakdown of all the easements?

Mr Harbinson:

Yes, I will provide you with a written response on that.

Mr Weir:

I appreciate that a different way of dealing with this matter was agreed at Hillsborough, but I want to ask about the costs of the hearing loss claims. Basil may want to pick up on this as well, as we were both on the Policing Board. There was a concern that the cost seemed to be escalating. To a certain extent, there was a new approach to it, but in trying to ensure that the overall burden of the claims was reduced, there was concern about a lack of legal strategy in dealing with them. I appreciate that some of this may, from the Department's point of view, be a wee bit at arm's length. Has any strategy been developed that will lead to a reduction of the cost, or is it simply a question of keeping an eye on the cost and trying to get the claims through the system?

Mr Harbinson:

No. The approach that we have taken has come up quite often at this Committee, both in the current and previous mandates. You are right that it is slightly at arm's length, in that the police deal with it. However, one of the things that we wanted to do through the devolution process was ensure that we could ring-fence an absolute amount that the PSNI would be liable for. There could not be an open-ended budget, because the cost was growing exponentially. That is why, in agreement with the Treasury, we set a cap of £12 million on claims paid out in any one year. So, if the bills in any one year are £100 million, the PSNI and the Department will still pay only £12 million. The rest will come directly from Her Majesty's Treasury reserve.

There is a strategy for dealing with those claims. They are highly regulated by the PSNI and its legal advisers, the Crown Solicitor's Office, which has built up an extremely high level of sophistication in dealing with such claims. For example, it carries out a range of hearing tests and looks at other possible contributory issues, such as whether someone worked previously in Harland and Wolff, drove a tractor or did anything else that could add to the hearing loss. Each

case is then taken through on its own merit, so I assure you that the process is very vigorous.

The Chairperson:

On the issue of the hearing loss claims, I know that last year, the figure was £25 million. From recollection, it was forecast that the figure was going to be considerably more than that, and then it was reduced. This year it is forecast to be £47 million. OK, £10 million of that may be for additional legal costs, but that leaves £37 million. Are we likely to have that reduced again, or is this an accurate forecast?

Mr Harbinson:

I think that previous forecasting was based on how many claims were done each month and then simply extrapolated. A new way of looking at this has been devised, and that new way is an overall approach. The problem is that there is always a restriction on medical hearing tests that can be done in any given period for both the defence and the plaintiff. That was one of the issues that was slowing down the process. Additional resources have been put into that area of work, and I think that the police are far more confident of their forecasting at this point. In truth, we would prefer as many cases to come through as quickly as possible, because we have a limit of £12 million, and if that happened, the matter would be cleared up rather than this rolling on to £12 million each year.

The Chairperson:

How long is the £12 million commitment there for?

Mr Harbinson:

It is certainly there for the Budget 2010 period. I would argue with the Treasury and others that it was an indefinite amount of money for as long as hearing loss costs fall, but we are worried that it could hit a spike and then go down to £11 million each year. We would rather get as much of this through as we possibly can.

The Chairperson:

That makes sense. Was that your supplementary question?

Mr A Maginness:

Yes, it was about the hearing loss claims. Is there a need for two medical examinations, one for the defence and one for the plaintiff? My understanding is that these tests are —

Mr Harbinson:

They have to be neutral and objective. As far as I am aware, the problem was that, originally, people were getting their own defence hearing tests at one stage, but I think it is —

Mr A Maginness:

Can I suggest that you consider having one test, and if there is some contention over that, the plaintiff, the defence or whoever can go for another test? It would save a lot of costs, particularly when dealing with an objective test rather than a subjective examination.

The Chairperson:

OK. Mr McCrea, you had a supplementary question on hearing loss as well.

Mr B McCrea:

Thank you, yes. I am just checking this matter. I recall the £12 million being for the PSNI, and then the additional came out under the Hillsborough agreement or the devolution settlement. Did that come from the Treasury or did it come from an offset, that is, the army bases that were granted to the Northern Ireland Executive, which they would sell and then —

Mr Harbinson:

No, not for hearing loss. Hearing loss claims come directly out of HM Treasury's reserve each year. The funding has nothing to do with military bases.

The Chairperson:

On the subject of military bases, was that part of our finding the £12 million that we have to find? You could sell those bases.

Mr Harbinson:

A suggestion about that was made. Four military bases were transferred to the Office of the First

Minister and deputy First Minister to meet pressures such as equal pay, and, in the end, hearing loss costs were mentioned. However, I think that you are referring to the suggestion that was made at one point that if we had assets to sell, we could sell them and use the money to set against the first £12 million. However, no one has identified any assets that are available for sale.

Mr B McCrea:

That was the point. You are quite right; that was the issue, but as we could not sell the assets, we had to meet the pressures.

Mr Harbinson:

Yes.

The Chairperson:

OK. We have dealt with hearing loss.

Mr S Anderson:

Thank you, gentlemen. I want to discuss the Northern Ireland Prison Service staff exit scheme. I see that, finally, £13 million has been set aside for that scheme. That is the first time that I have noted a figure. Some months ago, I asked what funding was being set aside for it. We know that, in negotiations that are taking place with staff, the union is causing a problem in negotiating the exit scheme. Is that figure based on the current idea of what the exit amount should be? From where has it come? Does it cover the 600 staff who are talking about leaving the service?

The Chairperson:

I declare an interest in this subject.

Mr Harbinson:

When we were in the Budget 2010 negotiations, we knew that the staff exit scheme would happen at some stage during that period and that we would have to come up with some estimated figures. We estimated the cost to the Prison Service and where its shortfall would be. We identified a figure of £13 million that would help to pump-prime the system this year to carry it through. It was not the overall cost of the exit scheme but the additional funding that was required in the first

year of the scheme to get it through. Not everyone who leaves the scheme will leave in the same year; it will be phased over a period of years. We identified £13 million as the original pump-priming figure. Additional pressures may arise as a result of people's going out and in what year they fall. The initial figure was £13 million.

Mr S Anderson:

Therefore, is there flexibility in that £13 million for extended negotiations on the scheme itself? I take your point that it is most unlikely that all staff will leave in the same year and that there will be a carry-through cost. However, you said that the moneys will be carried forward.

Mr Harbinson:

The moneys will be carried forward, yes.

Mr S Anderson:

Will that amount of money allow for any flexibility? I am trying to get at whether the exit scheme that is being decided on is set in stone.

Mr Harbinson:

An outline business case on the exit scheme will hopefully go to DFP next week. From the PSNI'S point of view, that outlines the amount of money and the cost of the exit scheme at that point. Therefore, it is in development at this stage.

Mr S Anderson:

OK. I will watch out for that. Can I ask —

The Chairperson:

Sydney, just before you go on, Raymond has a query on that matter.

Mr McCartney:

Thank you, Chairman and Sydney. Are you saying that £13 million is not the amount that is needed to deliver the overall package?

Mr Harbinson:

No, it is not.

Mr McCartney:

Therefore, you have costed for, if you like, the envisaged package for the 600 staff who will leave and, obviously, a recruitment package for a certain number of new staff.

Mr Harbinson:

Yes. The idea is that we manage to entice 600 current staff to leave and we replace them with however many new staff the Prison Service decides it needs. The new staff who come in will do so under new terms, conditions and structures. That would be for approximately half the cost. The idea was that the £13 million would pump-prime the system so that it would pay the first lot of people to go. There would be savings from the people who went, which would fund the next lot. It would then be a rolling programme.

Mr McCartney:

So, is that not the total package?

Mr Harbinson:

No, it is not. The total cost is much higher than that.

Mr A Maginness:

I would like to ask a supplementary question about that, Chairman. I understand the savings that you are talking about, with old staff going out and new staff being brought in at a lower cost and that you will have made a saving there. However, have you calculated savings if the activities carried out by remaining staff were revised; in other words, if there were a rationalisation of manpower in the Prison Service?

Mr Harbinson:

The Prison Service has an overall change programme called the strategic efficiency and effectiveness programme (SEEP) — if I have got those two Es the right way round. One part of it is the exit scheme, and the other part would remodel and restructure how the workforce would be

designed and operate in the Prison Service.

Mr A Maginness:

Are those two connected?

Mr Harbinson:

Those two are connected. It is one package.

Mr A Maginness:

So, could you not have an exit scheme without an improvement in working arrangements?

Mr Harbinson:

If they are going to bring about the cultural change, etc, that has been identified, they need to do the two together.

Mr S Anderson:

I will move on to the potential PSNI equal pay costs. I am sure that, like me, a lot of members here have been lobbied extensively on the issue. I do not know when we will see a resolution to this matter, as it has been batted about for some time. You state that £26 million end-year flexibility is available this year. Will that be carried forward to next year if we do not reach a resolution?

Mr Harbinson:

At this time, the straightforward answer is no. We did not have any agreement that it could be carried beyond this year, because we carried it forward last year as well. There comes a point when whether there is a legal liability has to be questioned. It was not envisaged that it would be taken beyond this period. If, as a result of some of the court cases, it is decided that there is a legal liability, we would be able to accrue further money and carry it forward legitimately. If those court cases are not heard or decided by that stage, the position is much more difficult.

We could certainly try to go back to the Treasury to see whether we could get an extension. However, given the way that things are at the moment, I am not too sure that it would take a

particularly favourable approach. It is three years since the issue came up originally, and the Treasury might feel that it cannot keep carrying a reserve pocket just in case.

Mr S Anderson:

There is £26 million available, and a lot of people feel aggrieved they have not got the money that they believe that they are entitled to. I honestly think that a case will have to be put forward. Some Department will have to take responsibility and pay the money to the people who see it as their right. The issue is batted about, and the £26 million being available and the possibility that people could get their money were left hanging.

Mr Harbinson:

To give you a bit of background, I should point out where the £26 million came from. NICS had its equal pay agreement coming up to the point of devolution. PSNI staff felt that they should be entitled to the same agreement. If that was to have applied to them directly, we estimated that the cost would be around £36 million. In the negotiations for devolution, we agreed with the Treasury that we would have access to up to £36 million for that pressure if it arose.

We have paid out £10 million of that by putting people on to the scales and backdating it to when the new scales came into force, which was the year before devolution. Therefore, people have got backdated pay to February 2009, even though we came into being only in April 2010. NICS staff got six years' back pay for before that date. Legal liability on the PSNI would have to be established for it to pay that claim. Otherwise, it has no legal basis on which to pay the money. That is the difficulty. At this stage, there is no legal basis on which to pay that money. I know that staff believe that they are entitled to it, but there is no legal responsibility on the PSNI to give it, because, as far as I am aware, no equal pay pressure has been legally identified in the PSNI. Therefore, that pressure has yet to be identified.

The Chairperson:

Do you need a legal basis?

Mr Harbinson:

You need a legal basis. We would not be legally entitled to pay out any money without a legal

basis having been established. If we paid out without that legal basis, I would be before the Public Accounts Committee.

Mr S Anderson:

What we are saying, Anthony, is that if the legal basis is not established by the end of the year, the money could be lost. Every effort should be made to ensure that that money is not lost, because it affects a number of people.

Mr Harbinson:

As your colleague said, it is a matter for the courts. However, the cases before the courts at the moment are for breach of contract, not equal pay. Therefore, that claim cannot happen until those court decisions are reached. To some degree, it is sub judice at the moment, so I cannot really comment a great deal further on the cases themselves. They are in the County Court, and there will, hopefully, be decisions on them, one way or the other, by the end of the year.

Mr S Anderson:

So no High Court cases can be prolonged and dragged out until after a certain date?

Mr Harbinson:

Absolutely.

Mr S Anderson:

It would be unfortunate if that were to happen. We will leave it there for today.

Ms J McCann:

You said that the Probation Board has re-profiled its original savings delivery plan. Is the impact assessment based on the original savings plan or the new one?

Mr Capper:

The impact assessment was based on the original savings figures, but the board updated that after we provided additional funding, etc. That return is the most recent from the Probation Board.

Ms J McCann:

Is the most recent return the updated, revised version?

Mr Capper:

Yes.

Ms J McCann:

We have been listening to evidence about the Criminal Justice Inspection reports and the review of access to justice, and a lot of restorative justice programmes are talked about. There is also the consultation out at the minute on fine default, which will, hopefully, find that people who habitually default on the payment of fines should not be sent to prison but instead be put through the community restorative justice system. In my view, however, the savings plan just flies in the face of all that.

I do not know the detail of the impact of the savings on Probation Board funding; I am just speaking about what I am reading. It is stated that community service placements in rural areas will be affected and that there may be a risk to victims because of the reduction in the provision of accredited programmes for offenders. I take it that that relates to people who have been convicted of domestic violence offences and are going through training programmes?

Savings in the voluntary and community sector will also have some impact on the volume of services that are delivered in local areas in partnership with that sector. It just seems that the savings plan flies in the face of what we are being told about the need to build the whole system and that it will actually have a serious impact. Am I reading that right?

Mr Harbinson:

Yes, you are reading it correctly. The DOJ's budget has been reduced overall. We have tried to split it as fairly as we can across the family. The Probation Board has to make a lower savings figure than other comparative areas of the Department, so it has been protected to a degree. We have put an additional £1 million into the original savings plans. As we meet the main pressures, easements will be flagged up, and we will look to see whether there are any other areas where we

could fund additional moneys to undertake further work. The Probation Board is at the top of that list, should any other easements come along.

Ms J McCann:

I do not know an awful lot about the Probation Board, but I know that it works closely with some restorative justice programmes. So, I would like more information on how the savings will have an impact on it and on the less serious offenders who are given community service or are in other areas of the justice system. I would be grateful if we could get that information.

Mr Capper:

That was obviously the Probation Board's initial assessment at the beginning of the four-year period. As we bring forward the six-monthly updates, we will be able to monitor the actual impact against the assessed impact.

Ms J McCann:

OK. Thank you.

The Chairperson:

That would be helpful. I have met the Probation Board a number of times, and it appears that we are moving towards a position where we are asking whether it would be better if people were doing community service. In my view, that is actually more of a punishment than going to prison, and the Probation Board is the organisation to deliver that. However, that seems to contradict where we are going. So, it would be helpful if we could get that information, just so that we can look at it.

Mr B McCrea:

I just want to check the capital investment proposals, particularly where Desertcreat training college is concerned. Why did the Executive have to provide an extra £30 million?

Mr Harbinson:

That was to deal with the element that concerned the Fire and Rescue Service. At the time, we were not able to get it via the Department of Health, so the Executive funded it directly to the

Department of Justice.

Mr B McCrea:

Now that there has been a change, is the Fire and Rescue Service taking its share?

Mr Harbinson:

It is the same £30 million, but we are looking at who has the vires to have ownership of it. It is the same £30 million and it will go to the Fire and Rescue Service, but it will have its element of ownership as opposed to us leasing it to it in some way, which is what we had envisaged. So, the answer is yes.

Mr B McCrea:

I am glad that “yes” is the answer, because I am not too sure what the question was. We have not really started on it yet, but has there been any increase in the budget for Desertcreat that we are aware of?

Mr Harbinson:

Not in the past few years. When Desertcreat was originally envisaged as the police college, the NIO set aside around £80 million. However, that was never the cost; it was just an amount of money that it had in 2004. The initial business case estimated about £132 million for a training college solely for the PSNI. After that, there was the idea that the Prison Service and the Fire and Rescue Service should join in, but if the three separate needs were added up, it put the cost at about £200 million. By combining the services, we were able to come up with a programme that totalled about £142 million, which is still the cost that we have identified.

Mr B McCrea:

My last question is to do with something that we talked about earlier. Your document states:

“This funding, together with the carry forward of slippage in Desertcreat expenditure and anticipated funding from the sale of former military sites, will allow the Department to take forward the following projects”.

Mr Harbinson:

Yes.

Mr B McCrea:

We discussed earlier that we will probably not see too much from the sale of military sites.

Mr Harbinson:

To be honest, that should not impact on Desertcreat. We identified the money, and we cautiously put a recovery of about £20 million into our budget from the sale of military sites. One tenth of that may be a more accurate sum.

Mr B McCrea:

Have you covered it from other places?

Mr Harbinson:

Yes.

The Chairperson:

Thank you very much, Anthony, Glynn and Sean.