



**Northern Ireland
Assembly**

COMMITTEE FOR JUSTICE

**OFFICIAL REPORT
(Hansard)**

Savings Delivery Plans

12 January 2012

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 Mark Bryson) Department of Justice
Mr Glynn Capper)
Mr Anthony Harbinson)

The Chairperson:

Today, we have Anthony Harbinson, who is director of justice delivery; Glynn Capper, who is deputy director of finance; and Mark Bryson, who is acting head of financial planning and control, and who sits with me on a primary school board of governors. Welcome, Mark.

Mr Mark Bryson (Department of Justice):

Thank you.

The Chairperson:

I will go easy on you. There are a number of appendices at tab 3 of members' folders. Papers at appendix B relate to the December monitoring round. Further to that, on 16 February, the Chief Constable will appear in front of the Committee for Justice for the first time to discuss, primarily, the PSNI budget. This session will be recorded by Hansard. At this stage, I will hand over to you, Anthony.

Mr Anthony Harbinson (Department of Justice):

Thank you. Happy new year, everyone. On 21 January 2011, we presented to the Committee our initial details on how each area of the Department is trying to deliver its savings targets. At that point, we highlighted the fact that the savings target for each area was factored into the Budget 2010 allocations; that is that the budgets for each of the core directorates in our various arm's-length bodies were reduced by the savings targets. That was done for each of the four years of the Budget 2010 period.

Following consultation on our savings plans, we amended them to reflect a number of concerns that were raised, primarily in respect of funding for the Probation Board. We presented to the Committee the revised updates in October 2011. This update is the position at September 2011. It reflects the degree of success that was achieved in the first six months of the Budget 2010 period. Following today's presentation, we will publish the update on the Department's website. Future updates will be on a six-monthly basis. We will share those with the Committee throughout the remainder of the Budget 2010 period. Therefore, the next update should be available for your consideration in June.

Twenty-one separate detailed savings plans have been presented. I hope that you will find the first update comprehensive and useful. As the briefing note points out, the information provided has been prepared by each of the arm's-length bodies. It is, therefore, their own, not the Department's interpretation of their progress to date towards achieving their savings plans.

Overall, the Department remains on course to deliver its 2011-12 in-year savings target of £36 million. At the end of September — six months into the financial year — 50% of the target was achieved. In the longer term, we also remain on course to deliver our total Budget 2010 savings target of £114 million by March 2015. As you will see from the updates, some areas have indicated that there would be an impact on front line services. I, therefore, thought it would be helpful to comment on some key areas.

The majority of the Northern Ireland Prison Service's savings will come from its staff exit scheme. An early estimate of savings from the scheme was prepared in 2010 and factored into the Prison Service's target savings. The business case for the scheme was completed in autumn 2011. The final forecast savings that are set out in that business case are largely in line with the original estimate. The Prison Service now forecasts savings from the scheme of £23.6 million by 2014-15, compared with the original estimate of £25 million. The difference is due to the forecast number and timing of leavers. However, the costs of implementing the scheme are higher than originally forecast, by around £9.2 million next year falling to £4.1 million in the 2014-15 financial year. The Department will meet next year's pressure from a combination of the flexibility that we have to carry forward — £10 million of any underspends in the current year and other in-year underspends that are generated next year. Overall, the scheme remains on track with the first group of staff due to leave in March 2012.

Department of Justice (DOJ) officials have been working closely with the Probation Board to minimise the impact on front line staffing. The board has reprofiled its non-staff savings. As part of the process of setting the final budget, over £1 million of additional funding was provided by the Department to reduce the impact on staffing levels. As a result of those changes to our original plans, the Probation Board is now contributing lower savings than the DOJ average. It has become one of the areas of the Department most protected from budget reductions. Recently, I met the Probation Board's chief executive, and we agreed that the Department will commit to funding as many of the board's pressures as possible via the in-year monitoring process for the remainder of the Budget 2010 period.

The Police Ombudsman's budget requires efficiencies to be made across the work of the office. However, the Department has also fully funded pressures that the ombudsman's office has

flagged that total £5 million over the Budget 2010 period to deal with cases that have been referred to it by the Historical Enquiries Team. Therefore, in effect, the ombudsman's office sees its budget increase in cash terms. I think that it is only area to do that. That will provide the office with the opportunity to reallocate staff and thus mitigate the impact of efficiencies on staff numbers. We will continue to work with the ombudsman's office to fund as many of its pressures as possible through the in-year monitoring process.

The Policing Board is another area that has indicated its savings will have some impact on front line services. However, it is carrying out an organisational review with the specific aim of minimising the impact as much as possible. The Youth Justice Agency has also indicated that there may be some impact on front line services. However, it is expected that initiatives like the review of youth conferencing services will lead to more efficient ways to provide services. It is envisaged that that will reduce the overall impact of the savings targets on service delivery.

One final area that I should mention is Criminal Justice Inspection, which is also exploring ways to mitigate the front line impact as much as possible. Obviously, it is a very difficult time financially. In common with all areas of the public sector, the Department must make savings. Officials will continue to liaise with all the spending areas to ensure that the savings plans remain on track and that the savings targets are delivered. However, we will also ensure that we continue to work with all the various bodies across the Department to look at ways to protect front line services as much as possible. I am happy to take any questions that you may have.

The Chairperson:

Thank you very much, Anthony. I have a couple of questions, and, if members want to indicate, we will take those. As always, I declare an interest in the Prison Service exit scheme. What are the reasons for the increase in the cost of the scheme this year and next of £9 million and £4 million respectively?

Mr Harbinson:

The exit scheme is costing more than we had originally anticipated.

The Chairperson:

Is that it? Is it not because of the number of people who are indicating? How were you so far off the mark in respect of the £9 million and £4 million?

Mr Glynn Capper (Department of Justice):

The original forecast for cost and savings were declared in 2010, but the Prison Service completed the business case at the end of 2011. In that business case, it looked at the various options to deliver the forecast number of officers leaving that it needed. As you may be aware from the proposed scheme, payments to prison officers and ongoing pension costs were included in that, and a combination of those payments put the cost up from what was in the original plans that the Prison Service produced.

The Chairperson:

You touched on the Probation Board, and later there is an item on the agenda on community sentencing. The direction of travel obviously appears to be that the Probation Board will have a greater role. How does that marry with the savings proposals that the Probation Board is being asked to fulfil?

Mr Harbinson:

We are still working with the Probation Board across a range of issues. It is looking to make its savings plans. We have given it an additional £1 million, but it has flagged up the fact there has been a step increase in its workload this year. We are looking to meet any additionality that it needs through in-year savings from other areas and at balancing that out. To date, that seems to be working out well. As I said, we are having ongoing discussions with the chief executive to make sure that we find the money to help him to deliver the services that he needs.

The Chairperson:

In the Policing Board, there has been some commentary about the policing and community safety partnerships that are being established. Initially, it had been the case that there was not going to be any sort of allowance. However, I understand that there will now be an allowance of £60 a meeting. Is there any thought process as to how much that will cost? From memory, I think that the saving to be made from abolishing the allowance was around £1 million. Has there been any

calculation as to what the cost will then be with that fee?

Mr Capper:

I do not have a figure for the total cost. However, I know that the Policing Board is seeking to accommodate as much of that additionality as possible from within its existing budget. We can come back to you with a figure for the total cost.

Mr Harbinson:

There is a cost. I just do not have it with me. We can certainly send that to you.

The Chairperson:

Within the risks, the Policing Board has highlighted the fact that, if it cannot meet that cost, it will ask the DOJ to meet it. That is stating the obvious. However, it would be useful to know how much it anticipates the new fee costing.

Mr Harbinson:

From talking to the people responsible for that area, I know that the board thinks that it can meet that from within existing resources. I will find the number and then write to you to let you know what it is.

The Chairperson:

Finally, I noticed a small issue when I was flicking through the briefing paper. The Courts and Tribunals Service has increased its mileage allowance for travel. Do you know what that was and what it now is?

Mr Harbinson:

I do not know that off the top of my head. However, I know that, generally, the Civil Service has increased its allowance from 40p a mile to 45p a mile.

The Chairperson:

I was not aware of that. I did not see any of the other agencies flagging that up where travel is involved. The Courts and Tribunals Service has highlighted the increased mileage allowance as a

risk to it not meeting its savings targets.

Mr Harbinson:

I think its argument is that it has considerable mileage, with people moving around quite a lot of courtroom areas. It is a general increase of 5p across the board.

The Chairperson:

Has it gone up by 5p across the Civil Service?

Mr Harbinson:

Yes.

The Chairperson:

Do you know how much that will cost the Civil Service?

Mr Harbinson:

I am not sure. The Department of Finance and Personnel (DFP) might have that figure, but I do not.

Ms J McCann:

You are very welcome. You said that some organisations' front line services will be impacted on. Do you have a detailed breakdown of what those services are for each organisation?

Mr Harbinson:

Each organisation has indicated on the front cover of the savings plan whether there will be an impact on front line services. Some have been explicit, and others have said that they are still working out what it might mean. It could be year 3 or year 4 before it impacts, so they are not yet quite sure of where they will cut. We are working with them to see whether we can minimise that. I do not have a specific list of services that will be cut, but the general areas are listed in the savings plans.

Ms J McCann:

OK. So you do not have a detailed list of services in, say, the Youth Justice Agency or the Probation Board that will be affected by the savings plans?

Mr Harbinson:

Only what they have told us through the savings plans. I do not have any further detail.

Ms J McCann:

Is it possible to get that?

The Chairperson:

We can ask for it.

Mr Harbinson:

I will certainly ask each of the areas that indicated that they will have an impact whether they have any specific issues. It is a four-year plan, and some of them are not expecting those services to be hit until year 3 or year 4. Therefore, they might not yet have a calculation at this point in time.

Mr S Anderson:

Thank you for the presentation. I come back to a point that the Chair raised about the exit scheme for the Northern Ireland Prison Service. It is something that I raised during a presentation from prison officials. How much money was set aside, or was supposed to be set aside, for the exit scheme? Will the savings in each of the years that are outlined affect the number of officers who exit in a particular year or at a particular time? In order for the savings to be allocated, could you say that you cannot afford it this year but can next year? Quite a few have applied for the exit scheme. How can that be facilitated in the amount of savings that are outlined?

Mr Harbinson:

What we have is what we expect with the levers going in and out. We expect those in certain periods. If there is slippage, it will be accommodated across the four years of the Budget 2010 period. More may leave in a particular year, but that could be matched by a drop in numbers the

next, or vice versa. There is a flexibility to accommodate the swings and roundabouts of the number of staff who leave.

Mr S Anderson:

So there will be that flexibility. That is really what I am trying to establish. There will be some flexibility around the amount of money that is set aside.

I have a quick point about the Northern Ireland Civil Service (NICS) and the assimilation of the NIO/DOJ equal pay. That did not really make up what it was expected to due to pay scales.

Mr Harbinson:

There is a different issue in that regard. All the staff who were in the NIO before devolution were on separate delegated pay schemes that were run by the NIO. They were not part of the NICS pay scales and systems. When the NICS settled its equal pay case — the NIO did not have one — it backdated payments for up to six years for certain grades of staff. When devolution occurred and we became part of the NICS pay scales, we paid the same pay scales with effect of the changes. It took us some months to do that, and we backdated that to 12 April 2010, which is when we devolved. Some staff would have liked to have seen the back payment of the previous six years, but we were not on the same scales. That is where the issue has arisen.

Mr S Anderson:

Is that still a bone of contention?

Mr Harbinson:

Yes. A number of court cases are going on, so I am limited in what I can say.

Mr S Anderson:

I understand. I will take your points as you have given them today.

Mr McCartney:

Thank you for the presentation. As part of the process, did anybody examine how the agencies came to these conclusions, or is that left to each agency?

Mr Harbinson:

Each agency came up with its own scheme to makes its own savings targets. We then sat down with them and went through the schemes in detail to try to work out whether they were acceptable. One of the things that we wanted to avoid was any of the arm's-length bodies going for the soft underbelly of highly political issues to make a cut in a certain area but leave areas where we thought there might have been more scope. So we did have that process with all the bodies as we went through it. However, to be honest, most of the bodies were very straightforward and direct in how they did it. They looked at the areas in which they could have minimal impact and that is what they put forward.

Mr McCartney:

Under point 5 of the submission, which deals with key risks and the contingent actions, was there a review of how the conclusions were reached or whether the contingent actions would offset the risk?

Mr Harbinson:

Yes. We worked through all the risk management issues with them.

Mr McCartney:

Thank you.

The Chairperson:

Nobody else has indicated that they want to ask a question, so I thank you very much for coming along.

Mr Harbinson:

Thank you.