Northern Ireland Assembly

# Committee for Education

# OFFICIAL REPORT (Hansard)

## Teachers' Superannuation (Amendment) Regulations 2012

29 February 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:
Mr Mervyn Storey (Chairperson)
Mr Mike Nesbitt (Deputy Chairperson)
Ms Michaela Boyle
Mrs Jo-Anne Dobson
Mr Trevor Lunn
Miss Michelle McIlveen

Witnesses:

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|---|---|
| Mr Seamus Gallagher | Department of Education |
| Mr Mark Mawhinney | Department of Education |
| Mrs La'Verne Montgomery | Department of Education |

The Chairperson: La'Verne, you are very welcome again. Mark and Seamus, thank you for coming. This briefing was arranged at the Department's request. However, the papers were not made available until yesterday afternoon, at which point they were e-mailed to members. We have raised that issue with the Department on a couple of occasions in the past. In fact, we raised it with John McGrath, the deputy permanent secretary, when he was with us last week. Given the issue that we are dealing with, it is unsatisfactory that little time has been afforded to members for the consideration of the draft regulation prior to this morning's briefing. Will you inform the Committee why it took the Department until yesterday afternoon to send us the information? The Deputy Chairperson also wants to make a comment.

Mr Nesbitt: I just want to put on record that this has happened two weeks in a row, and I reserve the right for my party to withdraw should it happen again, rather than take the risk of being perceived to endorse a policy or paper that we were denied the opportunity to scrutinise properly. That would be a very regrettable set of circumstances.

The Chairperson: My understanding is that it is also the Department's responsibility to include us in what was consulted on previously and that the SL1 would come to the Committee. However, today is the first time that we have seen any of it. I stand to be corrected and apologise if that is not the case, Mark, but that is our understanding.

Mr Mark Mawhinney (Department of Education): The consultation paper issued to the Committee was published in October. You are right that the SL1 came with the papers yesterday.

**Mrs La'Verne Montgomery (Department of Education):** I absolutely agree with everything that you have said. The first statement that I want to make is one of apology. I appreciate very much that you agreed to see us today at our request and that you rescheduled the Committee meeting so that we could bring the paper and policy to you today. I have spoken to the Minister, and he asked me to express our apologies.

The Minister wanted to take considerable time to consider the outcome of the consultation on what is a serious issue. He received that outcome on 7 February. Between then and now, he has been considering how he wants to move forward. The decision was taken yesterday, and, as soon as we could provide the information to the Committee, we did so.

**The Chairperson:** La'Verne, we are happy to take the briefing. We do not have a Committee meeting here next week, as we will be visiting the Middletown centre. So the next scheduled meeting at which we can consider this issue will be on the following Wednesday. I invite you to speak to the paper and inform us about the regulations.

**Mrs Montgomery:** Thank you, Chair. If it meets with your approval, I propose to outline the key issues in the Department's proposal to make regulations on teachers' superannuation. Thank you, again, for the opportunity to brief the Committee today on the increase in contribution rates for members of the Northern Ireland teachers' pension scheme and to answer any questions that you may have.

By way of background, the coalition Government asked the Independent Public Service Pensions Commission, chaired by Lord Hutton, to consider the case for delivering savings on public service pensions within the spending review period. The commission concluded, in its interim report, that it would be more effective to increase members' contributions than to alter the level and range of benefits provided by pension schemes. The coalition Government, therefore, announced in the 2010 spending review that public service workers would be asked to contribute more to their pensions.

The spending review set out plans to achieve annual savings of £2·8 billion by 2014-15, which require each public service pension scheme to deliver savings equivalent to an average increase of 3·2 percentage points in employee contributions over the same period. The Northern Ireland proportion of the savings is likely to be in the region of £140 million a year by 2014-15. The savings were to be introduced incrementally over the three-year period, starting in April 2012, on a 40%, 80% and 100% basis, which equate to £55 million, £110 million and £140 million. The Northern Ireland teachers' pension scheme share of those savings amounts to £11·2 million, £22·4 million and £28 million respectively.

The Northern Ireland Executive discussed the matter at their meeting on the 22 September 2011 and agreed on three things: to commit to the principle of delivering the targeted level of savings to the cost of public sector pension schemes in Northern Ireland, subject to the details of how those savings would be delivered being worked out through time; to adopt that approach consistently for each of the different public sector pension schemes; and to authorise engagement with the unions to discuss a graduated approach that would protect lower-paid public sector workers.

The Department has now completed a 12-week consultation, which ran from 31 October 2011 to 23 January 2012, on the detail of the proposals for increased member contribution rates to the scheme. The consultation set out proposals for how the required savings in 2012-13 could be delivered for the scheme in a way that would protect lower-paid teachers and limit the risk of an increase in the rate of opt-outs from the scheme.

I would like to provide you with a summary of the consultation outcome. Twenty-one responses were received in total. The majority of responses opposed the policy of increasing pension contributions in the public sector schemes, but no alternatives were proposed that would achieve the necessary levels of savings. A copy of the full consultation response is provided as part of the Committee's briefing papers. The consultation set out proposed contribution rates based on the average increase of 1·28% to be applied in the teachers' pension scheme in England and Wales. The Department also consulted on the three Northern Ireland-specific variations, the full details of which are also set out in the consultation response. Those provided varying degrees of additional protection for a limited number of teachers at the lower end of the pay scale. Following that consultation, it has been decided that the scheme should adopt the same member contribution rates as those adopted in England and Wales and, subsequently, in Scotland.

The consultation provided two alternative proposals for calculating a teacher's full-time equivalent salary to set the associated contribution rate. The first was that the contribution rate applicable for the year should be set at the beginning of the year, that is 1 April, and remain throughout 2012-13. The second was that teachers should make contribution payments based on their salary each month pro rata. The majority of the consultees viewed option 2 as the fairer approach. It has been decided that option 2 will be the method by which the contribution tiers are set — they will be calculated on a member's monthly pay. An equality screening exercise was carried out on that proposal, and the introduction of the requisite secondary legislation will not differentially impact adversely on any of the section 75 groups.

The time frame for implementing the necessary changes to the regulations is extremely challenging. To comply with the 21-day rule and bring the legislation into operation on 1 April 2012, it is necessary to lay the statutory rule in the Assembly by 9 March 2012. A delay in implementing the increase beyond April 2012 may have a proportionate impact on the education budget. For every month that the implementation is delayed, a new pressure of upwards of £930,000 a month on the 2012-13 education budget could be created.

**Mr Lunn:** No pressure, then.

**Mrs Montgomery:** The Minister is, therefore, asking for your co-operation in meeting what is a very challenging timescale. The Committee has received a copy of all of the issues raised in the consultation. We are here to provide further clarification on any of the issues raised in those responses.

I appreciate the time that you have given us today. My colleague Mark Mawhinney is scheme manager of the Northern Ireland teachers' pension scheme. Our colleague Seamus Gallagher can answer any questions that you may have on the technical issues.

**The Chairperson:** Thank you, La'Verne. Setting aside the politics of the issue, which emanated from the coalition Government, I find it interesting that the Minister said in the first paragraph of his letter that he is very "opposed" to the policy. However, he seems to say that it looks as though we have no other alternative here:

*"the British Government has made it clear that if the devolved administration does not implement the increase ... they will reduce the amount of money in the block grant",*

His letter continues:

*"In these circumstances the Executive has committed to the principle of applying the increases in employee pension contributions".*

So the Executive have basically said that they will do this. Is that not the bottom line? Those are the politics of the situation.

I appreciate the information that you have given us, La'Verne, notwithstanding the timing issue that we raised earlier. However, how does this affect a teacher on a lower salary? Your submission includes a table with a number of salary variations. That table shows that, for a teacher who earns between £15,000 and £25,999, the current contribution rate is 7%, the increase against which is 0·6%. As of 1 April, what does that mean for teacher A?

**Mr Mawhinney:** Currently, all teachers pay 6·4%, and the table shows what they will pay in 2012-13. The column on the far right shows what that increase is against 6·4%. It is important to note that the contribution for teachers earning up to £26,000 will increase only from 6·4% to 7%. The consultation document that issued in October set out broadly how many teachers fall into each bracket. For instance, there are 417 teachers in the band between £15,000 and £26,000, which is about 2·23% of the workforce. Most teachers — approximately 87% to 88% of the membership — fall into the bands between £32,000 and £75,000, and their contributions will increase against 6·4% by 1·2% and 1·6% respectively, depending on which salary they are on.

**The Chairperson:** I take your point that teachers currently pay 6·4%. However, will you clarify, Mark, whether that relates only to teachers below a certain threshold?

**Mr Mawhinney:** It applies to all teachers.

**The Chairperson:** Your briefing paper includes an illustration on page 13. However, I cannot understand this point: you compare the pensions of two teachers doing the same role, but one is part-time and the other is full-time. You say that the full-time teacher pays 8% contributions. Why is it not 6·4%?

**Mr Mawhinney:** That is an illustration under the new arrangements.

**The Chairperson:** OK. You have set that out. It is because their equivalent pay is £40,000.

**Mrs Montgomery:** Yes, between £40,000 and £74,999.

**The Chairperson:** Trevor, being a former insurance man, you will be well across all of that.

**Mr Lunn:** Thankfully, I am a retired insurance man. I am also the chairman of the trustees of the Assembly Members' pension scheme. We looked at some figures, which I do not have in front of me, but I can give you some of them from memory. Our scheme has come under criticism for being far too generous, which it is not, and I must put that on record. We compared our scheme with other legislatures, the Civil Service, the Police Service and teachers. What struck me was that the teachers' scheme was not very good to start with in comparison with the general Civil Service scheme or any other schemes that we looked at.

I notice that the employer contribution will not go up; it will stay at 13·6%. That is about 10 points below the general Civil Service level of employer contribution, which is about 23%. I notice also that it is still all based on one eightieth per annum of service. That is the lowest level in any scheme that I have ever seen. Indeed, some others are based on one sixtieth, one fiftieth and even one fortieth. I am quite happy to be corrected on any of this, but if memory serves me right, the general level of Civil Service contribution is currently between 3·5% and 6·5%. That is what normal civil servants pay at the moment, with an employer contribution of about 23%. To me, the teachers' scheme appears to be wildly out of line already with other comparable jobs or schemes. Yet we are being asked to agree to an increase in the employee contribution. I cannot help thinking that that is somehow bound up with what happened a couple of years ago, with so many teachers leaving and receiving an enhanced pension. Caitríona Ruane, who was Minister at the time, put a stop to that because it ran the risk of damaging the overall scheme's viability. An awful lot of aspects of this proposal seem to be unfair to teachers. Like anyone else, teachers can top up their contribution if they want, but they are already pay above what I perceive to be the Civil Service rate. A civil servant on £15,000 to £25,000 a year would pay the lower rate of 3·5%, whereas teachers already pay double that and are being asked to increase it. We are being told that we have to accept all this by 9 March; otherwise, we will start losing money at the rate of about £1 million every month, week, day, or whatever it was.

That is all I have to say about that. If you can find a question in that, fair enough. *[Laughter.]* The position of teachers seems to have been out of line to start with and getting worse.

**Mr Mawhinney:** I will ask Seamus to comment on some of the other schemes. It is important to realise that we are not comparing like with like when we compare the Civil Service scheme with the teachers' scheme. Traditionally, the Civil Service scheme has had lower employee contributions, which, going back over the years, was in recognition of the fact that civil servants were paid considerably less than teachers. It is, in effect, a deferred salary.

**Mr Lunn:** I must be missing something there, but carry on.

**Mr Mawhinney:** It is also important to note that schemes for the Civil Service, the health service, firefighters and police are all expected to increase by an average of 3·2 percentage points over the next three years, so there is equal pain for all public sector schemes.

Significant reforms of all public service pension schemes were carried out about five years ago and, in the case of the teachers' scheme, in 2007. Although entrants to the scheme prior to 2007 still retain the one eightieth accrual rate, one sixtieth applies to anyone who entered the scheme thereafter. The retirement age, or the normal pension age, for people entering the scheme after 2007 was also raised to 65 years as opposed to 60 years.

Part of the rationale for the coalition Government's implementing increased contributions was their recognising that people not subject to those reforms in 2007 were still getting a very good deal, including all the benefits of increased longevity and life expectancy that have happened in recent years, and yet they were not being asked to pay for it. That is, I think, part of their rationale, but, of course, we are not here to defend that.

Seamus might be able to add some detail on the contribution rates of schemes other than those in the Civil Service.

**Mr Seamus Gallagher (Department of Education):** The health service scheme is in and around the same as the teachers' scheme: the employee contribution is about 6·4%. The likes of the Fire Brigade have significantly better pension terms: staff can retire early, and their contribution is about 11%.

**Mr Lunn:** I am sorry; what scheme is that?

**Mr Gallagher:** The Fire Brigade.

**The Chairperson:** Do you mean the Northern Ireland Fire and Rescue Service?

**Mr Gallagher:** Yes, in Northern Ireland.

Teachers' contributions are the same as those in England, Wales and Scotland. That is on the basis that you should pay contributions equivalent to the benefits received.

**Mr Lunn:** Were I sitting in Holyrood, I would be saying the same thing about the Scottish teachers' scheme. There is a major difference between the teachers' scheme and what I regard as comparable schemes. What about the employer contribution?

**Mrs Montgomery:** That is just what I was going to say, Chair. Mark, will you comment on the employer's contribution?

**Mr Mawhinney:** For many years, the employer's contribution in the teachers' scheme was only 9%. It rose over the years to over 14% and then came back down to 13·6%. The impetus for the reforms of 2007 was that, over the years, there had been changes in longevity, with premature retirement benefits and all the rest being paid out. The cost was met by the scheme, which had an impact on its value and on the level of contributions that had to be made. Traditionally, that cost fell to employers, so the employer's rate rose. Under the reforms of 2007, a cap-and-share system was introduced, which meant that there was a limit on the amount by which the employer's contribution could be asked to increase in future years.

Seamus, have you any background on why the employer contribution in the Civil Service scheme is so high?

**Mr Lunn:** Sorry. It is not high; it is low.

**Mr Gallagher:** I think that it is actually —

**Mr Mawhinney:** The point is that the Civil Service one is higher.

**Mr Gallagher:** The employer contribution in the Civil Service scheme is tiered depending on earnings. It is not 23% for all. I think that it is, on average, in and around 18% or 19%.

**Mr Lunn:** That is not the information that we received. I am not disputing what you say, but —

**Mr Gallagher:** That figure is higher because member contributions are lower. That is because civil servants have, traditionally, been paid less than teachers, and giving a better pension has been seen as a method of retaining quality civil servants because they are not being paid anywhere near the same rate as other public sector workers.

The ethos behind why employer contributions will not go up is that, first, it was already capped at 14% for 2014, and Lord Hutton has since commented that there needs to be a fairer balance between what employees pay and the cost that taxpayers meet, and that —

**Mr Lunn:** Will that be bad news for the rest of these schemes?

**Mr Gallagher:** All schemes are expected to increase employee contributions by an average of 3·2 percentage points by 2015.

**Mr Mawhinney:** The design of schemes from 2015 onwards, on which the coalition Government are negotiating, is predicated on those increases in the employee contributions that are being made progressively between now and 2015 remaining in place. In fact, they intend to introduce proposals to introduce a backstop cap on employer contributions to provide protection for the taxpayer against any unforeseen future changes.

**Mr Lunn:** I accept that there may be a need to rearrange public sector pensions in a way that makes them more sustainable — that does not mean that I support the coalition Government — and much of that is to do with market forces; it is not solely to do with pensions and contributions. It seems to me, having had the opportunity to look at the comparison only a few weeks ago, that the teachers' scheme is out of line. I appreciate that others are being asked to increase their contributions, too, but the lower-paid civil servant's contribution will go up from 3·5% to 6·7%. I think that you will find that he or she will get an accrual rate of one sixtieth, and the employer's contribution will be upwards of 20%. Teachers' contributions will be somewhere in the order of 7% or 7·3%, which is still more than a civil servant. However, the accrual rate will be, is it one sixtieth?

**Mr Mawhinney:** The current proposal for the 2015 teachers' scheme is an accrual rate of one fifty-seventh.

**Mr Lunn:** The employer contribution is wildly below what the others receive.

**Mr Gallagher:** The accrual rate for the majority of civil servants is one eightieth. Again, only civil servants who joined the scheme from 2007 onwards have an accrual rate of one sixtieth, and that is the same for teachers.

**Mr Lunn:** I thought that the accrual rate varied according to seniority and final salary of a civil servant, as did the employee contribution.

**Mr Gallagher:** The Civil Service has had a number of scheme changes since 2007. The accrual rate in all the new schemes is one sixtieth, but it is still one eightieth in the classic scheme. That affects all civil servants who joined before 2007, and it is the same for teachers. Since 2007, teachers have also switched to an accrual rate of one sixtieth.

**Mr Lunn:** I do not want to hog the meeting, Chairman. The comparison that I spoke about is readily available. I can supply it, and we will take a look at it.

Thank you for your information.

**The Chairperson:** I have one quick query. Are the changes just technical ones that impinge on the superannuation regulations? Do the changes simply reflect the increased new rate?

**Mr Mawhinney:** Yes, the regulations just provide for the increase.

**Mrs Montgomery:** That is the only change, Chair.

**Mr Nesbitt:** I will ask about the process. I feel that this devolved Administration obsess on process and inputs over outputs and outcomes. We all know what outcome you want, but I question the way that you went about it. A letter from the departmental Assembly liaison officer to the Committee Clerk, dated 28 February, states:

*"On 28 October 2011, in advance of publication, the Department discussed the consultation proposals with members of the Teachers' Superannuation Consultative Committee (TSCC) - the established forum for consultation".*

In advance of publication, did you discuss the proposals with members of this Committee, which is also an established forum for consultation?

**Mrs Montgomery:** There was no discussion at that stage. The documentation was shared with the Committee on 31 October.

**Mr Nesbitt:** OK. After your consultations, you decided to conduct a full 12-week consultation process.

**Mrs Montgomery:** Yes.

**Mr Nesbitt:** As a result of that, you received 21 responses: six from trade unions and 15 from individuals. Therefore, with that 12-week process, you reached — in round numbers — one individual per week.

**Mr Mawhinney:** That is right, yes, but —

**Mr Nesbitt:** Yes. The consultation closed five weeks ago, and, with only 21 responses, it has taken five weeks to get to the Committee. Yet you are asking the Committee to endorse something that you need to progress by 9 March, even though you are in receipt of our forward work programme, which has shown for many weeks that we are in Middletown next week, and, therefore, it will take us another two weeks to come to a decision. That will be beyond your deadline and, from what La'Verne said, that will cost the taxpayer £930,000.

**Mr Mawhinney:** If we do not implement the regulations on 1 April, there will, potentially, be a bill every month thereafter. The deadline of 9 March applies to the legislative process, under the 21-day rule for laying the regulations. We could break the 21-day rule and still have the regulations in place by 1 April.

**Mr Nesbitt:** Why did you not see it coming?

**Mr Mawhinney:** The Executive did not take a decision until 22 September, despite the fact that the proposals were published by the coalition Government as part of Budget 2010, and the Chancellor made a statement way back in October or November 2010, so we were —

**Mr Nesbitt:** So is it the Executive's fault?

**Mr Mawhinney:** No, but it took the Executive until the end of September last year to decide to implement the increases, which left not a lot of time to undertake the full statutory 12-week consultation.

**Mrs Montgomery:** The issue is what has happened in the past month since the close of consultation and the work that we have been doing to provide the Minister with the outcome and advice on how to move forward. As I said at the beginning of the session, the Minister has taken time to consider very seriously the outcome of the consultation before making his decision.

**Mr Nesbitt:** You said that the majority of the 21 respondees were opposed: what was the score?

**Mrs Montgomery:** They effectively opposed the policy decision to increase contributions, not the process of how that increase would be implemented.

**Mr Nesbitt:** What was the score? Was it 11 to 10?

**Mr Gallagher:** It was more like 19 to two.

**Mrs Montgomery:** Yes.

**Mr Mawhinney:** Nearly all the respondents opposed the principle of increasing contribution rates, but that is not what the Department was consulting on.

**Mr Nesbitt:** Yes, but, to me, that would have been predictable. I would have told you that you were spending 12 weeks finding the answer to a question to which you already knew the answer.

**Mr Mawhinney:** We did not consult on whether contributions should be increased. We consulted on how that increase should be made to protect lower-paid workers and ensure that younger teachers did not leave the scheme.

**Mr Nesbitt:** Let me put it another way: I think that the process that the Department has employed will cost the taxpayer £930,000. Can you convince me that I am wrong in that opinion?

**Mrs Montgomery:** Certainly, the timing is the issue in relation to providing the Committee with the opportunity to consider the Minister's decision. Obviously, we ask that we might address any of the Committee's queries or questions today so that you are in a position to make a recommendation.

**Mr Gallagher:** The other main pension schemes are under similar time pressures. I understand that the health service's consultation on its regulations finished only yesterday. The Civil Service does not have to make regulations, so it is ahead of the game. However, all the pension schemes are under similar time pressures.

**Mr Nesbitt:** Yes, but you are behind the game in applying your own processes. That is what causes me difficulty.

**Mrs Montgomery:** Part of the issue of is that, through the superannuation committee, we have been engaged with the key stakeholders throughout the 12-week process, and discussions were ongoing. It was very important that we had that level of engagement with the key stakeholders, namely, the teacher unions that represent their members.

**Mr Mawhinney:** After the consultation ended, we convened an extraordinary meeting of the Teachers' Superannuation Consultative Committee to afford the unions another opportunity to make their views known on the consultation proposals. Unfortunately, they declined to do that, again.

**Mr Nesbitt:** I will finish where you began, with the letter from the Minister of 27 February. His opening sentence states:

*"I am strongly opposed to the British Government's policy of increasing employee pension contributions to address the structural deficit."*

When I was at school, my English teacher would have said, "Very good start, Nesbitt, but where is your alternative?" I would have lost a lot of marks. The Minister does not offer an alternative. Are you aware of his opposing an alternative, or was time spent seeking an alternative rather than getting on with actioning what you eventually actioned?

**Mrs Montgomery:** Effectively, the Executive took the decision that the increase would be implemented. The alternatives that we were looking at, which were included in the consultation process, regarded how it would be implemented. Other proposals protected the lower-paid earners in the teaching profession. So there were alternatives, but it was effectively in agreement with the Executive that it would be implemented.

**Mr Nesbitt:** So as far as you know, no time was lost discussing an alternative outside that scope.

**Mrs Montgomery:** Once the Executive took the decision, we were looking at how it would be implemented.

**Mr Nesbitt:** I think that I have been clear. I believe that the process is likely to cost the taxpayer £1 million, and that is a terrible waste.

**The Chairperson:** I will follow on from Mike's point. When the decision was made, a certain amount of money had to be realised. There was an outline of how to build in some protections: no increase in the employee contributions for those earning less than £15,000 on a full-time equivalent basis; an increase of no more than 0·6 percentage points increase in 2012-13 for those earning £21,000; an increase of no more than 2·4 percentage points increase in 2012-13 for high earners; and no more than 6 percentage points increase in total by 2014-15. That still gets you to the same point. However, if that had not been done, you would have been looking at a blanket increase. Was that the alternative?

**Mr Mawhinney:** That was what the Chief Secretary to the Treasury set out as the parameters within which he felt that the increase in contributions should be implemented. The proposals for the teachers' scheme in England and Wales went slightly further in that the 0·6% protection was extended from £21,000 to £26,000. The Minister was keen to explore whether there were other options that would afford even greater protection to teachers earning up to £32,000. Those were the alternative options that were included in the consultation along with the England and Wales option. The Department then sought to consult the unions and other stakeholders on those four alternatives. However, we were unable to get a response from most of the stakeholders on those issues.

**Mrs Dobson:** Your proposals will have much more of an effect on part-time workers, many of whom are females with family commitments. Have you taken on board the unions' views on that? Why did you not include stronger protection for part-time workers in your legislation?

**Mrs Montgomery:** We did take into account the trade unions' position on part-time workers. The proposal in the regulations will, effectively, treat part-time workers in exactly the same way as full-time workers, so they will not be disadvantaged. Their contributions will be proportional to their pro rata salary.

**Mrs Dobson:** So you can guarantee that part-time workers will not be disadvantaged?

**Mrs Montgomery:** Yes. They will be treated exactly the same.

**Mrs Dobson:** Seamus, you talked about the tiered system. Are you concerned that the tiered system could erode the financial benefit of promotion because of the higher contributions that would apply? It would be unfortunate if career success were to come with a downside. Are you worried that teachers will not seek promotion because of that?

**Mr Gallagher:** No. If, for example, promotion moved a teacher's contributions up by between 1·2 and 1·4 percentage points, that would be more than outweighed by the additional salary. We did some modelling on that, and we do not think that it will impact in any way on people applying for, or accepting, promotions.

**Mrs Dobson:** So you are convinced that it will not impact?

**Mr Gallagher:** Yes.

**Mrs Dobson:** I am not just as convinced, but thank you.

**Mr Lunn:** I do not know whether or not the regulations are fair overall, because we only had the information put in front of us today. I cannot help noticing that the highest salary bands affect only 61 teachers, presumably head teachers. Does it really matter what we think, Chairman? It seems to me that the Executive are of a mind to pass the regulations in time to avoid the monthly fine of £930,000. As far as I can see, the Minister is opposed but cannot find any way out of it. He says that he will have to accept it. This morning, we have had the information put before us as a courtesy. What does it matter if we say that we do not accept it? It does not matter at all.

**The Chairperson:** That is a fair point, but that is not an issue for civil servants; it is an issue for the Committee. However, if we take Mike's point, which is one that we must consider, we have a different issue with the Civil Service. Although the Department had conversations with and consulted others, all that we received was the consultation paper. There was no discussion with us on the implications or details of the changes. Would it have changed the outcome? Would we be in a different place? Probably not, but at least we would have had the opportunity to take soundings from others on the issue, rather than it being dealt with in the way that it is. That is the only point that I will make.

**Mrs Montgomery:** Certainly. We will learn from that process and make sure that it is addressed in the future.

**The Chairperson:** What we will have to do, La'Verne, is put in place some mechanism so that, when something is put out to consultation, we will know exactly how the Department will inform us of it.

**Mr Nesbitt:** And the timelines.

**The Chairperson:** Yes, and that is work that the Committee will do.

**Mr Lunn:** I really cannot remember whether the Committee had a representation from any union or teachers' group as part of its consultation?

**The Chairperson:** Not on this issue. I stand to be corrected, but I do not think that we have received any correspondence on it either. Had we done so, it would have been tabled.

**Mr Lunn:** It has been remarkably quiet.

**The Chairperson:** La'Verne, Seamus and Mark, thank you very much. We appreciate your time.