



Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

Public Service Pensions Bill: Consideration
of Issues from the Evidence

6 November 2013

NORTHERN IRELAND ASSEMBLY

Committee for Finance and Personnel

Public Service Pensions Bill: Consideration of Issues from the Evidence

6 November 2013

Members present for all or part of the proceedings:

Mr Daithí McKay (Chairperson)

Mr Dominic Bradley (Deputy Chairperson)

Mrs Judith Cochrane

Mr Leslie Cree

Mr Paul Girvan

Mr John McCallister

Mr Mitchel McLaughlin

Mr Peter Weir

Witnesses:

Ms Patricia Casey

NIA Bill Office

The Chairperson: Moving on to consideration of issues from the evidence, I suggest to members that we focus only on the residual matters and related clauses about which you still have concerns. I refer you to the table of issues in the pack. To assist members with this, I suggest that they may wish to concentrate in particular on clauses 7, 9, 10, 13, 14, 21, 22 and 23.

We will start with clause 7, which is on the scheme advisory board. I refer to page 15 of the table, which is at page 30 of your packs. Are members satisfied with the Department of Finance and Personnel (DFP) response to the issues raised on clause 7? If not, are there any proposals for an amendment to be drafted for consideration that would aim to provide for the independence of the scheme advisory board?

Mr Weir: I am happy enough, Chair.

The Chairperson: OK. You are happy enough. There are no amendments to that.

We will move on to clause 9. I refer to the bottom of page 24 and the top of page 25 of the table, which are in pages 39 and 40 of your pack.

Mr Weir: On that issue, I think that there is a reasonable enough point. I will wait to see whether there are any legal implications on which to reflect. That was one issue on which the Department indicated that it would reflect on our thoughts and come back to us. Perhaps we could leave that particular point until we get a response.

The Chairperson: OK. Are members happy to park that in the meantime?

Members indicated assent.

The Chairperson: Clause 10 deals with pension age. I refer to pages 32 to 24 of the table, which are at pages 47 to 49 of your pack. Obviously, there are two parts to clause 10; the appropriate normal pension age for schemes and perhaps introducing flexibility for individual Departments and the Fire Brigades Union (FBU). Perhaps we could park the first issue for a week until we get clarification of the Executive's position on it and come back to that and to clause 9.

Mr Weir: The second part of it is on the Fire Brigades Union situation. Obviously, we have agreed to seek various bits of information from the Department of Health. It may be better to deal with it then. I suspect that the Fire Brigades Union stuff might also become a moveable feast, because, as I understand it, there are certainly wider negotiations with it in the wider context. That could well impact on what eventually happens here.

The Chairperson: Are members happy enough to park that issue?

Members indicated assent.

The Chairperson: Clause 13 deals with employer contributions in funded schemes. I refer to page 42 of the table, which is at page 57 of your packs. Are members satisfied with the DFP response, or do they wish an amendment to be drafted for consideration that would aim to enhance the independence of the person who is appointed to review actuarial evaluation and employer contribution rates?

Mr Weir: I am happy enough with the response so far.

Mr Mitchel McLaughlin: It would be to everybody's advantage if there is seen to be a clear demarcation between the scheme managers and those who have a direct responsibility. If we are not satisfied with the response, we should consider an amendment.

The Chairperson: OK, members. Are there any other views? Are members happy enough for the amendment to be drafted for further consideration?

Mr Mitchel McLaughlin: We will take a look at it then.

Mr Weir: That does not necessarily mean that we will agree it.

The Chairperson: We will move on to clause 14. I refer to page 43 of the table, which is at page 58 of the pack. Are members satisfied with the Department's response on clause 14(6), or do they wish an amendment to be drafted for consideration that would strengthen the clause by seeking to ensure that benefit information is provided in such a manner that scheme members are reasonably able to understand it?

Mr Weir: The Department has given indications of regulations that will be drafted for direction at that stage. I am not altogether sure whether any amendment of that nature will be required in the legislation.

The Chairperson: Are you saying that you are happy enough, Peter?

Mr Weir: I am probably happy enough with that side of it. The key bit is what would be there if, for example, there were an amendment that said that it had to be reasonably understood. I would like to think that anything that is produced should be reasonably understood anyway. The detail of something of that nature normally happens in directions and subordinate legislation. I am not sure that it takes us very much further forward simply to have that in the legislation, to be honest.

The Chairperson: Have members any other views? Are you content?

Members indicated assent.

The Chairperson: Clause 21 is on consultation. I refer to page 47 of the table, which is at page 62 of your packs. Are members satisfied with the departmental response on the consultation provisions in clause 21, or do they wish to consider an amendment that would include in the Bill a duty on the

Department to consult relevant stakeholders before exercising the various order- and regulation-making powers in the Bill?

Mr Cree: That is reasonable, but would that not be more properly in the secondary or subordinate legislation?

The Chairperson: Are there any other views, members?

Mr Girvan: On the Department's response to this, I agree that agreement is not always achievable. On that basis, you have to accept what the Department says on that point. You will not get agreement. You can understand why you will not get agreement with some of the people who we have had at the top of this table on many occasions.

Mr Mitchel McLaughlin: I thought that Grace answered her questions.

Mr Cree: Very diplomatic.

The Chairperson: Are members content?

Members indicated assent.

The Chairperson: Clause 22 concerns the procedure for protected elements. The details of that are in page 49 of the table, which is at page 64 of your packs. Are members satisfied with DFP's assurance, or do they wish an amendment to be drafted for consideration that would provide a safeguard in the Bill to ensure that reports are laid in the Assembly in sufficient time? Are members content?

Members indicated assent.

Mr Mitchel McLaughlin: It is difficult to know what we could do in a practical way there. I suppose that there is always the possibility of a negative effect, but, in regulations or secondary legislation impacts, we could consider that again. I am not clear what meaningful amendment we could offer at this stage, given that it is a framework approach.

The Chairperson: Clause 23 deals with the procedure for retrospective provision. That is on pages 57 to 59 of the table, which is at pages 72 to 74 of your packs. This relates to option 4 for improving the safeguards around accrued rights and retrospective changes under clause 23. Are members satisfied with DFP's response, or do they wish an amendment to be drafted for consideration that would, for example, either require the affirmative procedure for all retrospective changes or require the affirmative procedure for all retrospective changes appearing to the responsible authority to have any adverse effect, as opposed to any significant adverse effect?

Mr Mitchel McLaughlin: Again, it probably would be helpful to have a draft in front of us so that we could look at it then. We may get some additional information back as well.

The Chairperson: Are members content with that?

Members indicated assent.

The Chairperson: Do members wish to discuss any other issues relating to these or any of the other clauses before we move on?

Mr Cree: Chair, we have the "significant adverse effect", but I do not think that we will get any better than that. It is still not very satisfactory at all. We do not have a definition for it.

The Chairperson: Are there any further proposals or actions on that?

The Clerk Of Bills: May I clarify? Do members want both options drafted, or is it the amendment that requires the affirmative procedure for all retrospective changes that have any adverse effect?

The Chairperson: I think that it is both.