



Northern Ireland
Assembly

**Committee for Health, Social Services and
Public Safety**

**OFFICIAL REPORT
(Hansard)**

Shared Services

14 March 2012

NORTHERN IRELAND ASSEMBLY

Committee for Health, Social Services and Public Safety

Shared Services

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Members present for all or part of the proceedings:

Ms Sue Ramsey (Chairperson)
Mr Jim Wells (Deputy Chairperson)
Ms Paula Bradley
Mr Mickey Brady
Mr Gordon Dunne
Mr Mark H Durkan
Mr Samuel Gardiner
Ms Pam Lewis
Mr John McCallister

Witnesses:

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| Mr Shane Devlin | Department of Health, Social Services and Public Safety |
| Ms Diane Taylor | Department of Health, Social Services and Public Safety |
| Ms Julie Thompson | Department of Health, Social Services and Public Safety |

The Chairperson: We have the officials with us. Julie, are you taking the lead?

Ms Julie Thompson (Department of Health, Social Services and Public Safety): I am indeed.

The Chairperson: Do you want to introduce your team and then give your presentation?

Ms Thompson: I am Julie Thompson, deputy secretary in the Department and the senior responsible officer (SRO) for the project. With me today is Diane Taylor, the director of HR for health and social care (HSC) in the Department, and Shane Devlin, the programme director for the business services transformation programme.

Thank you for the opportunity to attend the Committee today to set out the background to shared services, the consultation proposals and issues raised during the consultation. A briefing paper has been provided to the Committee. I will begin by putting the shared services proposals in context and explaining what they intend to achieve.

The business services transformation programme is the concluding phase of the review of public administration (RPA) in the Department. There has been much criticism of administration costs in the

health service by politicians, the media and the public. The main purpose of the programme is to rationalise and improve corporate or support services and to help concentrate available resources on the front line. The shared services proposals are a crucial element of that step. You are probably very familiar with the services that we are talking about; payroll, financial transactions, HR, recruitment and selection. As things stand, these routine functions are carried out by each individual HSC organisation, and they rely on IT systems that are old and unable to work particularly well. That is the basic rationale for what is being proposed.

The potential benefits of shared services were first comprehensively spelled out in a 2007 feasibility study, which was consulted on widely at the time. That thinking has been updated and tested in the period since then, and a strategic outline case for shared services was produced in 2009 with a DFP-approved outline business case (OBC) in February 2010. That OBC demonstrated the value-for-money necessity of putting in systems operating within a shared services environment. The two go hand in hand.

The projected annual net savings following the programme are £17 million by year 10, which cumulate to savings of £119 million by the end of that year. In common with all business cases, these savings are based on estimates, assumptions and benchmarks, but we will monitor performance to determine the actual level of savings compared to these estimates and to manage their achievement. That is the context for the proposals in the consultation document that was published on 7 December 2011 and closed on 29 February 2012.

It is worth emphasising that the consultation was about the model, rather than the concept, of shared services per se, which had already been consulted on. The questions in the consultation document are therefore concerned with the model for the introduction and the options for their locations, taking into account a number of key principles. The document also contains an equality impact assessment that we are updating and revising in light of the information and responses provided in the consultation process.

The evidence paper we provided to the Committee summarises the responses to those questions and a range of other issues identified. The number of responses is considerable, at 2,469, and reflects the keen interest felt by HSC staff and others in the proposals. A number of significant concerns have been raised across a range of issues, which the Minister will wish to consider. These include concerns about the centre of expertise model in the proposals; the principles on which the location options were based; a range of HR issues including threats of compulsory redundancy, uncertainty about voluntary redundancy, relocation, organisational structures and engagements with staff; the achievability of the identified savings; and the EQIA and the impact of the proposals particularly on female staff, many of whom are young and have caring responsibilities. The Committee is already aware of many of these issues through the evidence session attended by the trade unions, attendance at public meetings, constituency concerns and other sources.

Many of the responses we received called for the new IT systems, which have been generally well supported, to be bedded down before changes to shared services are considered and that the advocated shared services operate within existing organisational structures.

You will understand that I cannot provide the Committee with a departmental response to these issues at this time. That will be a matter for the Minister after he has fully considered the views expressed and the updated EQIA. As you have already mentioned, Chair, as part of that process, the Minister met trade unions and political representatives from Foyle and South Down today to hear their views, with a further meeting planned for next Tuesday morning. What I can say is that the Minister intends to consider the matter further and will take his decisions as soon as possible. He also asked for further information to be provided by the trade unions. The updated EQIA and consultation response summary will be published in due course following that.

My team and I are happy to take any questions that you have.

The Chairperson: Thank you. I am glad to hear that the updated EQIA will be done. It is there for a reason; it is there to stop us having to battle with the Department based on some policies that

Departments can make that affect our constituents. I accept that you may not be able to give much detail, and we will work with you on that.

This is probably one of the biggest issues — as are the other issues that come up almost every day. We are being contacted about it by not only the trade union movement but individuals who are concerned about their jobs. People are concerned about whether the Department is up to speed on its computer systems, which you mentioned. The number of responses you received to the consultation document is also striking. This is probably the largest number of people to have responded to a consultation document in a long time. Some 2,469 people responded to the consultation. That is a lot of people, and the majority of them are individuals rather than groups.

More than 2,000 disagreed with the questions. Having said that, I am happy that the Minister is looking at it again. I give credit where it is due. I think that he is well aware of what is happening. It is important that we get as much information as possible and that we are able to feed back to you, as officials, and to the Minister the negative impact that this could have on our constituencies.

I will open the meeting for questions. If we cannot have the information in the public domain, it would be useful to get it in confidence. We are all adults. We have had information before; in fact, we received information in confidence today. If information will help us to get our heads around things more quickly, it should be provided to us, if that can be facilitated.

Mr Wells: Where should I start? You carried out an analysis of the cost of upgrading the Downpatrick facility or providing a newbuild and came up with some staggering figures — £1,800 per square metre. Any building contractor in South Down would eat your left arm to get that contract. That is a staggering cost per square metre, given the fact that the current rate in South Down for a newbuild is £750 to £800 per square metre and £500 to £600 for refurbishment.

Your analysis was based on a very cursory examination of the buildings and the complex, and we have no written paper trail to work out how it was assessed. If that is the figure you are using, then moving staff from Downpatrick to Ballymena stacks up, because it seems so ridiculously expensive to maintain or enhance the complex in Downpatrick. However, the figures are laughable. They are so far off what is normal in today's market that this has clearly been a case of saying that the answer is no, now what is the question. You want to close this facility and the figures have been arranged accordingly. How can you justify something that is more than double the market rate, particularly for a newbuild?

Ms Thompson: There are a couple of aspects to this. One is on the capital costs and the estimation provided by our health estates department. From that stage, an outline business case would have to be supported to look into the real costs and work through a procurement process on what those costs will ultimately end up being.

Equally, the capital cost, as you know, is only one aspect of the principles of how the proposals were put together. So, there is a combination of the capital cost, where staff are currently located, and a range of issues around needing to spread facilities across Northern Ireland. I accept the question of whether lower capital costs can be achieved. That will be worked through in a procurement process.

Mr Wells: No, sorry. The decision not to go with a centre in Downpatrick was predicated on the figures of £1,800 per square metre. It is no good deciding to close Downpatrick and force 33 members of staff to travel to Ballymena and then, having done that, work out the accurate figures. That is not on.

Ms Thompson: The costs have been done on a consistent basis across the Province. This is about relativities, for want of a better word, across the various proposals. If there is an issue with the figure being too high in Downpatrick, then the same estimates have been applied to all of the facilities. If there is a concern about one, there is likely to be a concern about the others, and the relative nature of them will remain in the same order.

Mr Wells: To some extent, it undermines the accuracy of the document when you can be out by a factor of 100% on the costs. If you have any problems, I will put you in contact with contractors who would love to see that money or even half of it.

You will have heard this line before, but the Committee has not. If I book a flight from California to New York, and I book it from Texas, the phone call goes to Limerick. If I ring to have a computer fixed, then the technician is in Bombay. You are absolutely right about shared services. That argument has been won, but is there no way, with modern technology, that you cannot have shared services on split sites? You wrote back to me on 10 February 2012, and, in three lines, you said:

"Regarding the flexibility created by modern IT systems, benefits from the best use of this technology will be maximised by creating Centres of Expertise which operate common, integrated end to end processes".

In three lines, you totally dismissed the obvious option, which is that you have a shared service for, in this case, invoices, and you have a proportion of it in Ballymena and a proportion of it in Downpatrick. There is a very neat, even split in the invoices. A certain section of the invoices can be done in Ballymena, and a certain section can be done in Downpatrick. All you need is one good ISDN line because it is all going to be done electronically eventually anyhow. Why was that not considered as an option, if you were not going to give us a shared services centre in Downpatrick?

Ms Thompson: An issue that has come through a lot in the consultation responses is whether we can use technology and spread work across the Province in the manner in which you describe. You are quite right: the technology allows you to do it. However, the issue is whether somewhere such as Northern Ireland needs five, six or seven payroll offices; five, six or seven finance payment functions, income support functions and recruitment and selection functions. What you are proposing is that we adopt a manner that splits it in only two ways. The concept behind the shared services or the centre of expertise model is to look at it, very much saying — and it is exactly the argument that you are describing — that because we are automating it, putting it in one place will concentrate our expertise in that one place, and our managerial and supervisory costs will be the lowest that we can make them. However, you are right, the technology allows us to do it in a different way.

Mr Wells: The way around that is to have a number of senior managers who invigilate both sites in order to maintain quality of output. However, we are talking about people in Downpatrick who have 900-plus years of experience between them in processing invoices. They do not look that old, but they have 900 years between them, even though it is a relatively young workforce. This is stuff that they can do blindfolded.

The Chairperson: Do you fit in with that age group?

Mr Wells: No, they are much younger than me. You could quite easily split off locum doctors from blood transfusion, home help travel from junior doctors and extra hours. There could be very neat splits. If you had 120 staff, you could take 33 out of 120. It could be very easily split, and they could continue doing that. There is no problem with them transferring because they are so adept at doing invoices from anywhere in the Health Service, and they do that to their usual very high standard. What galls me slightly is that Downpatrick has always come out at the top of the pile in respect of the quality of dealing with invoices.

To maintain quality, one or two staff could have a dual role to maintain overall consistency in delivering the 95% target within 30 days. I am surprised that that option was not included in the original consultation paper. The option that you are giving is basically nothing, because the vast majority of staff are so poorly paid that they will have to leave the Health Service completely. It is not an option for them to travel from Downpatrick to the Braid Valley hospital, even by public transport. You cannot get from Ballymena to the Braid Valley hospital without a very long walk ahead of you. Before this decision was made, did anybody actually drive that journey and see what is involved? Would you do it for £17,000 a year?

Ms Thompson: The principle behind the centres of expertise model was to have one function in one location. The suggestion and proposal that many have been raised in the consultation is around splitting or working with existing organisations. That point has been reiterated in the consultation

responses. Diane will maybe talk about some of the HR aspects of transport issues and the need to work with staff.

Ms Diane Taylor (Department of Health, Social Services and Public Safety): The human aspect has not been lost. There are a number of young women with children who have roots in the area. It is very difficult, if not impossible, for them to travel up to Ballymena. The trust has recognised that, and it is working with those staff members on a one-to-one basis. Legally, staff have the right to follow their job if they want. They are unlikely to want to do that. That means that each individual has to consider whether they want to redeploy and retrain, if other jobs are available in the organisation, or whether they want to take a voluntary redundancy or an early retirement package.

Mr Wells: At 36?

Ms Taylor: Unlikely. Having talked to the trust, I have been told that it will be as flexible as it can with the individuals who work there and are affected by shared services, if the Minister's decision goes ahead. It will try to redeploy them within the organisation. It has opened up the early voluntary redundancy scheme wider to try to create headroom and other suitable posts that they could move into. If they stay in the same organisation and work somewhere in the South Eastern Trust, there is the possibility that they could relocate back to Downpatrick as posts come up there. All those options are being considered. Other mitigating factors, such as allowing them to start at a later time if they move to other parts of the organisation, are being considered and talked about at the minute in the trust.

Mr Wells: Yes, but when this all started out, the turnover rate in the health service was running at something like 7%.

Ms Taylor: It is not that now.

Mr Wells: Yes; because of the tightening of the job market, it is running at about 2%. People seem to leave the health service now only when they die or retire at 65 or 60. Given that fact, there is no realistic prospect of you creating 33 jobs for those staff in the Down district or even the South Eastern Trust. At the present rate of turnover, even with ring-fencing jobs for them, the jobs, unfortunately, are not there. Five years ago, I would have had a different view, but now the jobs are like hen's teeth. If the process goes ahead — I hope that it does not; I hope that you will consider the split-site model — what will happen to a large number of folk who cannot go to Ballymena and yet have not been offered an alternative post in the South Eastern Trust?

Ms Taylor: You have identified the problem. There is a big problem in Downpatrick. At the minute, there is no solution to that problem because the trust is doing everything that it can to look at redeployment options. I cannot say definitively today that posts are available in Downpatrick or wherever for all those staff.

Mr Wells: So, what happens if you reach the end of the process and you are still left with, for example, 20 members of staff and nothing for them?

Ms Taylor: All the organisations are doing everything possible to avoid going into any sort of compulsory redundancy situation. They will explore every avenue before they go there.

Mr Wells: I have one final question; I know that Mark is very keen to get in. The world is littered with failed National Health Service IT systems, including the most famous one of all in GB, where we lost £1.1 billion and then decided that it was not worthwhile. You are right: the system needs to be upgraded. That is not an issue; the staff can certainly handle a new computer system. Before you rush headlong into shared services on four sites, would it not be better to get your IT up and running for several years to see how that beds in before you do anything radical? You are in danger of losing an awful lot of very experienced staff, particularly in accounts, who know the system backwards. You are bringing in a new system, and you will have to have new staff in Ballymena to run it. Could you not wait until you see how that works out?

Ms Thompson: That is definitely an issue that comes through in the consultation responses. The unions raised it with the Minister earlier today and in their consultation response. You are quite right: we need to make sure that we manage the risks appropriately and that the implementation of the systems goes through while people, invoices and bills continue to be paid. There is a huge agenda to enable that element to go ahead. I guess that aspect of risk management, alongside the human factor, is why people proposed, in the consultation response, what you are saying.

Mr Wells: We are not talking about 33 jobs here. Thousands of jobs in Northern Ireland depend upon the prompt payment of health service invoices, which is done by the Downpatrick office. There is no problem with its targets. Therefore, not only will those, mostly female, staff, be affected, but lots of small businesses. If it all goes wrong, it will be a disaster. You would be better to go down the split-site model, let the new computer system bed in and review the situation several years down the line. That is the safe option, and one that I urge you to consider.

Mr Durkan: I do not know whether I have been left anything to ask. I certainly agree, in sentiment, with the Deputy Chair and you, Chair, about the volume of responses to the consultation. It has exceeded anything that I have seen since I have been here. I appreciate that there is a financial argument versus a human argument. My concern is that that financial argument is, in itself, erroneous. It certainly lacks detail. I refer to Jim's point: it seems to be based on crazy prices and seemingly notional savings. We have been told what will be saved. However, I asked Assembly questions on the issue, and I am not satisfied that any of the responses that I received have identified how much money this move will actually save. Therefore, if I am able to get that figure or you are able to give it, I want to know how much will be saved by actually enforcing the shared services model, as opposed to the IT system.

Ms Thompson: As we have said in response to the Assembly questions, that is being looked at as one combined thing, if you like. The net savings of £119 million over a 10-year period are predicated on the two elements being considered together. So, we do not have a separate analysis of each element. Even when the outline business case was being approved, it was being approved on that particular basis.

To be fair: the Minister is particularly interested in the issue and is looking for more information on it. Savings are based on assumptions and benchmarks. However, they are like any other business case as far as that is concerned. They have been scrutinised in the same way as any other business case. We will have to be accountable for what actually happens at the end of the day with regard to the savings that are achieved.

Mr Durkan: The issue caught my attention last week. Since then, it has been raised with me in correspondence with regard to Whitehall plans to save money through shared services, which have backfired spectacularly to the cost of £500 million. Hopefully, that is also brought to the Minister's attention.

With regard to voluntary redundancies, I appreciate the difficulties that are faced by people who find themselves in a position in which they are being asked to make decisions that are, again, based on hypothetical situations. Is there any way at all that the £3 million that has been ring-fenced, we are told, for voluntary redundancies can be pushed back into next year's budget in order to give people time to, at least, take stock of the Minister's decision, whatever it might be, before they decide upon their own futures?

Ms Thompson: Unions raised that issue again earlier today. As the Minister explained, the money was provided to the Department in the monitoring round. So, it is available only within the 2011-12 financial year. That does not mean that staff have to go within the financial year; they can go afterwards. However, commitments have to be made by 31 March if they are to be accounted for against that money.

The very question that you ask is whether we can get it from one year to the next. The simple answer is that that is controlled by Treasury at Executive level. One would suspect that Treasury will not work to do that. There is an element of control in the Executive. However, it would need to be factored into

the Department of Finance and Personnel's position. So, I suggest that, if it is not spent in this financial year, it will go back into the overall pot and not necessarily into the health envelope. There are constraints on how much money the Department of Finance and Personnel can carry over from one year to the next. Those are the limitations of the budget rules, for want of a better word, on which all money is given.

Mr Durkan: I appreciate that. I wonder whether, from the health side of things, there is any technical creativity that could be applied through setting up a redundancy fund or something like that. This has already had a severe negative impact on the morale of service providers across all affected constituencies — not only service providers, but service users, as the responses will testify.

The redeployment, which Jim touched on, and the retraining is all well and good, but from what I can gather, no assurances can be given other than that all trusts will do their utmost. What assurances or what words of comfort, if any, can you give to people who cannot be redeployed or retrained and will not take voluntary redundancy?

Ms Thompson: I will let Diane pick up on the latter point, and I will deal with the redundancy fund issue. That is all governed by accountancy rules. Not that long ago, you would have been able to do exactly what you suggested and create a provision for redundancy. That would have been accounted for in the financial year 2011-12. Unfortunately, those accountancy rules have completely tightened up and there is no flexibility any more. The rule is very clear: the individual has to have signed and made a commitment to have gone by 31 March and there is nothing that either from the financial side or the Department of Finance and Personnel side that can change that particular accounting rule. It means that there is a constraint there.

In discussions with the unions earlier today, the Minister asked for some additional information around savings. That is likely to mean that the decisions will not be made or announced by 31 March. It is up to the Minister to call that. On the question of what happens to staff and what they may want to do, there is no doubt that the systems side of this will lead to job reductions anyway, so staff can still go on voluntary redundancy if it suits their personal circumstances and has been agreed with their employer. Those discussions can be had on an individual basis with staff between now and 31 March. It will not suit everybody either from a financial point of view or because they want more certainty, but it may suit some. Diane will explain the situation in Derry.

Ms Taylor: The trusts do not underestimate where staff are on this and that there is uncertainty and low morale. It is not a very nice place to be when you do not know whether you are keeping your job. To alleviate some of that feeling, they have gone out wider than those staff who have been affected or are potentially affected by shared services. They have asked other staff who are in admin and clerical roles if they are maybe of an age where they want to take voluntary redundancy or early retirement, which creates a bit of headroom to allow redeployments to happen. To address your point about what happens if you get to the end of the line: there is some way to go before every avenue that trusts can explore is explored and we reach a position where there are no jobs. We have stressed again and again that there must be every endeavour to find alternative employment.

Mr Durkan: I will just be another wee second, Chair.

The Chairperson: Go ahead, Mark.

Mr Durkan: The Chair welcomed the fact that there will be a new EQIA. However, that EQIA is not going to be consulted on before the decision is made. This decision will be based on a consultation that was based on an EQIA that is flawed and is erroneous. If I cast my mind back to the meeting in Altnagelvin in January that you were at, I recall that there was an acceptance that you did not know whether all the information in it was correct, and on distillation, I have discovered quite a lot of it that was not.

I refer in particular to a table on page 21 that outlines the unemployment figures etc in each of the areas. While Derry appears in the table, Derry does not exist at all in the analysis of that table, even though it would have been one of the highest or lowest in any of those tables, depending on how you look at it. We also had concerns around the treatment of religion and political opinion: there did not

seem to be any differential made between them in the EQIA. I wonder what steps might be taken to address those concerns.

Ms Thompson: On the EQIA, there has been a lot of comment fed back to us through the consultation responses and, indeed, as you said, through the public meetings and other sources. Those comments and views, and additional information from the trusts, have all been factored into an updated version. Building on the consultation, as you would expect, we take on board what has been raised in the EQIA, what it is saying and we make sure that we have articulated, in the best way possible and with the best evidence, what it means. We make sure that the equality impact of the options is fully worked through. That is what is going on at the moment in dealing with all of that. There is engagement with the Equality Commission on that too, to ensure that, when decisions are taken, they are based on fully-rounded information and that we have considered the views expressed in the consultation. That is what we are doing.

Mr Durkan: I have one final point, which is a parochial one. Given that Derry or Foyle has one of the highest rates of unemployment in these islands — never mind in Northern Ireland — how do you think these proposals match with the Executive's priority, stated in the Programme for Government, to rebalance the regional economic inequalities in the North?

Ms Thompson: One of the principles for the selection of the proposed sites was around distributing employment across Northern Ireland. That is one of the principles by which the proposals are put together. They are spread across Northern Ireland and they take into account where staff currently work and where those clusters effectively fall. So, the ability, if you like, to distribute has been worked through within the consultation proposals but, blatantly, that means that, unless you retain everything exactly where it is, somewhere along the line there is an impact in an area. As you and Jim articulated, the most fundamental impacts of the current proposals are in Foyle and south Down.

Mr Durkan: I will let other people in now, Chair.

The Chairperson: That is awful good of you, Mark. Thanks very much.

Mr Brady: Thanks for the presentation. I have just one question, which I have asked before. You say that people have to commit by 31 March, but how can they when they do not know what their packages are going to be? That is not realistic. Obviously, depending on the number of years, even if they got the minimum redundancy package or whatever, that is going to have to be worked out. You ask someone to commit to something which is so fundamentally important. I do not really understand that aspect of it. Even if the money was carried over, that does not necessarily give them the information that they require.

Ms Thompson: Employers and employees have been working together on that and there has been a significant number of expressions of interest, which involve people getting exactly what you say: to understand what it means to them. It is completely a personal position, and involves your length of service, age and what have you. People have asked for information on their particular packages. That may suit both employer and employee, and people may be perfectly content to go. As I discussed with the Committee, that may happen anyway, whether or not the system is in place, and it may have nothing to do with the location. People may just feel that now is the right time and it works for them. Equally, there may be others, as you rightly pointed out, in a more uncertain position, and it is an important decision that they will obviously want to get right. The human factor is very significant. In that circumstance, the view is that, if people wish to go, they should be facilitated to go and the money is there to help them to do so. Equally, people cannot be forced to go. That would not be right or appropriate. So, there is a fine balance, and it has to be suitable to the employee and the employer who needs to be able to provide the services on an ongoing basis. Those are what we are trying to marry up. An awful lot of work has gone into getting information for people about their packages and what it would mean for them so that they can take those decisions.

Mr Brady: I have one more point. Obviously, there is a minimum redundancy package; that is legislated for. However, surely, if someone was offered an enhanced package, it might encourage them to go. Presumably, at this point, that cannot be done.

Ms Taylor: It is actually better than the statutory package. It is one month's salary for every year worked, so it is up to two years' salary.

Mr Brady: Are people already getting that information?

Ms Taylor: Yes, they are.

Mr Brady: Can they make an informed decision? That is the point.

Ms Taylor: It is a decision that is without prejudice at the minute, because there is no decision —

Mr Brady: With respect, that does not necessarily encourage people to give up their livelihood.

Ms Taylor: It is a decision that they can weigh up. Some people are getting the figures and saying that it is not for them. Others are willing to go.

Mr Brady: It is not definitive information. You say that it is without prejudice, but "without prejudice" is a bureaucratic term that really does not mean a lot.

Ms Taylor: If they are affected by shared services, and the Minister decides that it is not going to happen in the way that is proposed in the consultation document, they are not signed up to any agreement that means that they cannot say that they do not want to do it anymore. That is all that it means.

Mr Dunne: I welcome the panel. We are all aware of the concern in the community about the proposals. My North Down constituents have been coming to me concerned about the move out of the Belfast office. I understand that a number of posts have been identified there. How many posts may be transferred from Belfast?

Ms Thompson: It is proposed that Belfast will have 135 posts in the new model, and it currently has —

The Chairperson: Some people in Belfast are being asked to move to Armagh, so the figures could confuse things.

Mr Shane Devlin (Department of Health, Social Services and Public Safety): One hundred and ninety seven.

Ms Thompson: There are 197 in Belfast, and it is proposed that there will be 135. So, there is a reduction.

Mr Dunne: People who live in Bangor travel by public transport, and it is going to be a significant change to their way of life if they have to travel from Bangor to the Braid area of Ballymena. Those are the sorts of issues that people are greatly concerned about, and they were mentioned earlier. It seems contrary to what many other Departments are trying to do, certainly on the mainland, which is to decentralise and even encourage people to work at home. IT systems are such that people can do that. Has that option been looked at? People could be encouraged to do so many days at home. With the use of broadband and modern IT facilities, such a proposal is not unreasonable. What you are proposing seems to be very much contrary to that.

My other point relates to the travel and subsistence package that would be available to staff who will be transferred and expected to travel in excess of what they are doing at the moment.

Ms Thompson: The scale of the Belfast Trust is significant, and it will work hard to manage the scale of reduction, if you like, in the Belfast situation. It is the same issue that Jim and Mark articulated about their particular areas, albeit that the scale of Belfast is significant.

Mr Dunne: Sixty.

Ms Thompson: There will be a lot more turnover, and a lot more jobs will be available in the Belfast area. It is a much bigger trust and has a lot more options open to it than there might be in the likes of Downpatrick, in particular.

Mr Dunne: Will there be a transfer of those posts to various locations?

Ms Thompson: It goes back to what Diane was talking about. You have a right to follow your job, but if you do not want to do that, employers will work with you to retrain or redeploy you in the local area. Within the scope of Belfast, that is a more manageable thing than some areas across Northern Ireland.

The issue of excess travel is all within normal terms and conditions that staff are entitled to.

Mr Dunne: Which are?

Ms Taylor: They would be entitled to claim their excess mileage or fares — whatever it costs to go to a new location.

Mr Dunne: For a limited number of years?

Ms Taylor: Yes. The number of years is limited; it is in the handbook.

Ms P Bradley: Under Agenda for Change, it is three years. I get it.

Mr Dunne: Three years?

Ms P Bradley: Yes.

Mr Dunne: OK. I made another point about the emphasis that other Departments are putting on encouraging people to work at home. Are those sorts of options not being looked at?

Ms Thompson: Yes, we are looking at the technology side of it. We got a new system to be put in, if you like. It is about how those systems actually work. We would need to explore whether a particular system can be accessed directly from home and whether we can find a way of making that work. What you are really asking about is mitigation and how to take people's individual circumstances into account and what it means for them. It is about working with them, whether that would mean flexi-time, term-time working or all those options. That requires individual conversations between employers and employees, but it is not something that can necessarily be worked out in detail until after we have a consultation decision.

The Chairperson: Well, anything is possible — we are using this modern technology today. If we can use this —

Mr Dunne: There is hope for everyone.

The Chairperson: I want to ask about the ring-fenced money. You said that you got that in the monitoring round. Was that from the October monitoring round?

Ms Thompson: Yes.

The Chairperson: OK. Do you not think, then, given that this consultation only went out prior to Christmas, that you were putting the cart before the horse?

Ms Thompson: I fully accept that the timing is tight. In terms of the bid during the October monitoring round, there was a recognition that some sort of facility for voluntary redundancy and early voluntary redundancy was going to be needed in order to help to accommodate staff and help to work with them.

We asked for it in the October monitoring round and we got the money, and the consultation went out. Yes, we are now tight to the year-end. I guess that it goes back to what I said earlier, which was that it may suit some staff to go anyway, and they may want to go because of the ongoing systems changes. That needs to be supported and worked through between employers and employees.

The Chairperson: I understand that people need to show leadership and have a forward work programme and all that stuff; I appreciate all that. However, you need to appreciate, then, that that is why staff get cynical. There is a bid for money, the consultation goes out after it and they are asking why you are consulting them, because you have already set out the policy that is going to be adopted. That is where the breakdown of trust happens. You are trying to have this seamless transition without any heartache. People say that I am a cynic anyway, but I would be cynical — say nothing, Gordon — about the fact that the money is there. I would be asking, "where is my involvement in this?" Mark's point about the Programme for Government and the economic strategy is a crucial one. Belfast and Derry are two of the key hubs, and if jobs are coming out of Derry, does that not counteract the whole issue of joined-up government and what the Executive want to do in the Programme for Government?

Ms Thompson: You are quite right: that issue was raised in the consultation responses. As I said in response to Mark's point, it goes back to spreading employment across Northern Ireland, where staff are currently based, the cost aspects and principles that are set out there. There is the four-centre model, but there were previous proposals for two centres. There is a three-centre model in the document. The four-centre model works to minimise the displacement of staff. The issue is that, if it is not in Derry or Downpatrick, for example, what impact will that have on Derry or Downpatrick? The principle of trying to spread employment was one of the fundamental principles in the document.

The Chairperson: OK. There was a headline figure that emerged during the week that said that this cost England £500 million. I do not know whether that is true, but it is a scary figure. The Department is very keen on lifting policy from England and running with it, but are we going to learn the lessons from that?

I am delighted that you are going to look at the RQIA again, because this will have a negative impact on women, particularly women with children. It will also have a negative impact by pushing people out of areas where there are fewer opportunities to access jobs. If the Minister were to decide next week to bin this proposal, where does that leave those people who are trying to make a decision based on the short time frame between now and 31 March?

Ms Thompson: The Minister had a discussion with the unions. The systems will lead to job reductions anyway. If staff want to go because it suits them and their personal circumstances to do so, it works for the employer that they should be supported to be allowed to go. That may not suit everybody, and people may not want to take it. Equally, it was discussed that the staff should not be forced to go.

The Chairperson: So, if this strategy is binned next week, staff affected by the situation will still have the opportunity to take voluntary redundancy?

Ms Thompson: The systems change will lead to job reductions. The Minister has asked for some information on the issue from the unions. So, that will need to be factored in as we move forward.

Mr Wells: I am intrigued by your figures that say that a member of staff in Braid Valley requires 8.2 square metres but someone in Downpatrick requires 10.1 square metres. Do you get fatter by travelling south? That is ridiculous; that is 20% extra space, which, again, skews the figures. The same space is needed to process invoices in Braid Valley and Downpatrick. In fact, I am sure that staff in Downpatrick are slimmer than the staff in Braid Valley. That is an aside. You need to look at that statistic.

Let us call a spade a spade, folks, on the equality impact assessment: 78% of the folk affected are women. Quite a few of them are doing variable hours of childcare for dependants. The decision overwhelmingly discriminates against one section of the community, and I think that you know who I am talking about. Clearly, if it fails, even on the very initial assessment that has been done; if it fails the equality impact assessment so badly, how legal will be the decision to proceed?

Ms Thompson: We need to ensure that the EQIA is updated and revised based on the information provided through the consultation responses and in further communications and discussions with trusts and other stakeholders. We need to ensure that that EQIA is fit for purpose, does what it needs to do, and is fully taken into account when the Minister reaches his decisions. We need to ensure that the EQIA is legal and meets all the statutory requirements, and that is what we intend to do. We will be working and liaising with the Equality Commission to ensure that that happens.

Mr Wells: Has it expressed its concerns about the decision? Has it written to you to say that?

Ms Thompson: We have a response from it, as we have responses from many people, about the EQIA. We are working through its response as well.

Mr Wells: No matter how you refine the equality impact assessment, there is no doubt that the basic thrusts are correct. This discriminates against a certain section of the community — a certain gender — and child-carers as well. If it is overwhelmingly shown to be the case, are you saying that, provided that it is taken into consideration, you can still make the decision even though it clearly discriminates against such a large section of the community?

Ms Thompson: Again, you come back to mitigation and how you mitigate the impact.

Mr Wells: What I find most laughable is to say that having the options of Omagh, Armagh and Ballymena gives some succour to people in Downpatrick. That is between the devil, the deep blue sea and the very deep blue sea: it is no option for people in Downpatrick. All of them, because of the nature of where they are, are completely beyond the pale as far as someone in Downpatrick is concerned. You could not possibly travel those distances and not arrive home haggard every night, particularly if you had young children. It would be impossible. You say that two years' salary is the compensation, but do you know how poorly paid those staff are? I could not believe it when I discovered it. You are talking about £15,000, £16,000 and £17,000 a year for experienced staff. It is not like the Prison Service or the police officers, where it was a king's ransom; these folk are at the very bottom of health service pay scales. Travelling is no option. Some of them do not have a second car to enable them to do it. Public transport does not work.

Even if there were a law that discriminated against Downpatrick, your plan would not succeed. There is a way out of this predicament: the split-service model. It gives you your shared services, which I agree with, and gets you efficiencies, but it does not disrupt the lives of so many people in peripheral rural towns such as Downpatrick.

The Chairperson: Thank you for that quick question. *[Laughter.]*

Mr Durkan: I hope the Minister makes the right decision, so this will not be an issue. The Chairperson asked what assurances will be given if this does not proceed to someone who decides to go for voluntary redundancy. I hope this does not proceed, but if it does, what assurances can be given to people that there will not be compulsory redundancies?

Ms Thompson: That goes back to what Diane said about every best endeavour being made to avoid that. However, there is no guarantee.

The Chairperson: On behalf of the Committee, I thank you for your presentation. Just a wee point: it is very hard to go into a lot of documentation when we do not get it until very late. Just keep that in mind. There has been a tight time frame all round: we did not get the documentation until late as well. Having said that, this has been a good session and I thank you for that. Hopefully, we will not see you back.