



Northern Ireland  
Assembly

Committee for Justice

# OFFICIAL REPORT (Hansard)

June Monitoring Round,  
Savings Delivery Plans and  
2012-13 Provisional Out-turn Report:  
DOJ Briefing

30 May 2013

# NORTHERN IRELAND ASSEMBLY

## Committee for Justice

June Monitoring Round, Savings Delivery Plans and  
2012-13 Provisional Out-turn Report: DOJ Briefing

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**Members present for all or part of the proceedings:**

Mr Paul Givan (Chairperson)  
Mr Raymond McCartney (Deputy Chairperson)  
Mr Stewart Dickson  
Mr Alex Easton  
Mr Tom Elliott  
Mr William Humphrey  
Mr Alban Maginness  
Ms Rosaleen McCorley  
Mr Patsy McGlone

**Witnesses:**

Mr Glyn Capper	Department of Justice
Mr Mark McGuckin	Department of Justice
Ms Lisa Rocks	Department of Justice

**The Chairperson:** I welcome Mark McGuckin, acting director of justice delivery; I think that that is a promotion since the previous time you were before us.

**Mr Mark McGuckin (Department of Justice):** It is only temporary.

**The Chairperson:** You hope.

**Mr McGuckin:** I will take what is given to me.

**The Chairperson:** I also welcome Glyn Capper, deputy director of finance, and Lisa Rocks, head of financial planning and budgeting, from the Department. Mark, I will hand over to you.

**Mr McGuckin:** Thank you for the introduction and for the opportunity to provide you with an update on the Department's financial position. I plan to cover three separate areas in the briefing: an update on our savings delivery plans, as at 31 March; a provisional out-turn for the 2012-13 financial year; and a summary of our in-year position following the June monitoring round.

I will look first at the savings delivery plans. This is the Department's fourth six-monthly update and is the position as at 31 March. Following today's presentation, we will publish this update on the Department's website. As the Committee will be aware, savings targets for each spending area were factored into the Budget 2010 allocations; that is, the budgets for each of the core directorates and our

various arm's-length bodies were reduced by the target savings amounts in each of the four Budget 2010 years. As the briefing points out, information has been provided by each of the arm's-length bodies, and, therefore, it is their interpretation — not the Department's interpretation — of their progress against the savings plan.

As of the end of the financial year, net savings totalling £28 million had been delivered against a net savings target for the year of £46 million. However, it is important to note that the Department delivered its savings target before taking account of the Prison Service staff exit scheme. The £18 million shortfall has arisen due mainly to the increased cost for the scheme, because more officers are due to leave than was originally planned. Additional funding was provided late in 2012-13, and that will deliver savings this year and beyond. Overall, we remain on track to deliver our total savings target of £109 million by March 2015.

You will also see from the updates that some areas have indicated that the implementation of the efficiency measures may have an impact on front line services. I thought that it would be helpful to say something on a couple of the key areas. We have been working closely with Probation Board staff to minimise the impact on front line staffing. Over £1 million of additional funding was provided to the Probation Board as part of its final budget settlement. A further £350,000 was allocated last year, and we have agreed, in principle, to an additional £700,000 this year.

The savings delivery plan identified efficiencies across the work of the Police Ombudsman's office. They were delivered in years 1 and 2, with further reductions for years 3 and 4. However, it is important to note that the Department also fully funded a pressure totalling £5 million over the Budget 2010 period to deal with cases referred to it by the Historical Enquiries Team. So, in effect, the budget increased in cash terms over the Budget 2010 period. We will continue to work with the ombudsman's office to address as many of its future pressures as possible.

We will continue to liaise with all spending areas to ensure that savings plans remain on track and that savings targets are delivered. We will also continue to work with the various bodies across the Department to look at ways of protecting front line services as much as possible.

I turn now to our provisional out-turn for 2012-13. I propose to report across three areas of spend. From our unring-fenced resource departmental expenditure limit budget — that is, our cash resource budget of £1.2 billion — we underspent by £7.8 million. That is a variance of only 0.65%. Annex B to your paper provides a breakdown by spending area and the reasons for the main variances. Excluding the PSNI, the underspend for the rest of the Department was only 0.45% of the budget.

The second area is the non-cash budget. When setting budgets for the Budget 2010 period, the Department advised the Committee that it had surplus non-cash funding in its baseline. That is a technical budget for costs, such as depreciation, and cannot be used to fund other areas of spend. In 2012-13, we underspent by £20.8 million against that budget.

The third area is capital, and the provisional out-turn shows a capital underspend of £1.1 million, excluding the Northern Ireland Community Safety College at Desertcreat. The college underspend of £13.2 million can be carried forward to future years.

The Department's annual report and resource accounts will be laid in the Assembly in early July and will provide details of performance against key objectives for 2012-13 and the final audited expenditure. The Committee also recently asked for information on outputs associated with expenditure. We are developing the best way of presenting that, so that we can clearly demonstrate the information in a way that best meets members' needs and shows how the expenditure is aligned to key priorities. There is a bit of work involved in that, and we plan to present that at our next briefing, if you are content with that.

Finally, I would like to update you on our June in-year monitoring position. We are only a few weeks into the financial year, and we have used the monitoring round to get an early view of this year's financial position. The main issues, again, are raised in the briefing paper. We are in discussion with the Department of Finance and Personnel (DFP) to determine whether it is possible to secure access to further funding this year to bring the Prison Service staff exit scheme to a conclusion.

The Legal Services Commission has forecast a pressure of £27 million. It is important to note that the costs of criminal legal aid are falling, following the reforms that were introduced by the Minister. The main reason for the legal aid pressure this year is civil costs. The Department plans to allocate £15 million to the Legal Services Commission towards the pressure and to continue to work with the

commission to ensure that we have accurate forecasts for the rest of the year. In the longer term, the Department continues to take forward a wide-ranging programme of legal aid reform. The Committee is due to receive a written briefing on that shortly. Robert Crawford is also due to brief the Committee towards the end of June and will be happy to address any further questions then.

As noted in your briefing paper, the estimate for the resource requirement for the policing of the G8 summit is ongoing and will not be finalised until after the event. DFP is working with HM Treasury to secure the additional funding required.

A number of aspects of the overall financial package from devolution impact in-year. The PSNI estimates that it will pay £38 million in hearing loss costs this year. However, that figure is likely to change as the year progresses and assumptions become firmer. The first £12 million is factored into the PSNI's budget, and the remainder will come from HM Treasury's reserve.

As you know, the coalition Government have agreed to provide an additional £200 million required by the PSNI over the Budget 2010 period for security funding. Of that, £62 million relates to 2013-14 and will be accessed later this year via the estimates process.

To conclude, this is a high-level overview of our in-year financial position, albeit very early in the year. As the year progresses, a fuller picture will develop, and we will have a better understanding of the pressures and easements we will face. I am happy to take any questions.

**The Chairperson:** OK, Mark. Thank you very much for that. The Committee is keen to see the information on the outputs. It will be useful to get that type of detailed information so that we can do our jobs properly. I understand that you are still working on how to present that to us, but we are keen to have it.

**Mr McGuckin:** It is almost easier to do it at the start when you are setting the budgets and focusing in on what they will deliver. We are looking at it historically, splitting some of the areas and trying to make sense of it in a way that will help and inform the Committee, which is that wee bit more challenging. That is what we are trying to work through now. Hopefully, we will come forward to you with something that you find useful.

**The Chairperson:** OK. I have a couple of questions. There is an underspend of £13.2 million on Desertcreat college. That is because it has not actually happened, as opposed to its being a saving. Obviously, we were briefed by the team managing that. The project was initially over budget by around £30 million, but that has been reduced to around half that. What is the shortfall that the Department will have to make up? Is there a figure yet that indicates how much additional resource will be needed to finance the overall project?

**Mr Glyn Capper (Department of Justice):** We are working through an addendum to the business case from the project team. I think that they may have discussed that with you when they briefed the Committee. As you say, a pressure arose. The team is working on how to reduce that pressure as far as possible. I think that, over the next couple of weeks, we will be in a position to put a firm figure on how much the pressure will be. It will then be a case of how we fund that pressure. Given the timing of the college programme, any amount over and above the budget that we currently have will fall into the next spending review period. I imagine that we will have to prioritise any pressure in our capital allocation in the next Budget period.

**The Chairperson:** It is, obviously, a shared initiative with the Health Department. At that meeting, an indicative figure of around £15 million was suggested. I am assuming that, at this stage, the figure from the Department of Justice (DOJ) is in and around the £10 million mark. Is that close?

**Mr Capper:** The history of the budget is that £30 million of the funding, which now sits within the Department of Justice, was earmarked for Health's Fire and Rescue Service element of the college. That figure has not changed in the business case. So, the figure of £15 million that you quoted all relates to the DOJ element of the college through the Police Service and Prison Service costs.

**The Chairperson:** So there is not any additional requirement on the Health Department to make up the shortfall?

**Mr Capper:** No, at the minute, the Health Department contribution of £30 million is still reflective of its share of the costs in the new business case.

**Mr McGuckin:** The emphasis of the work at the moment is to narrow the gap as much as possible in order to bring the project within the affordability of the original package.

**The Chairperson:** What are the implications for the Department's budget if additional resources are needed to do work that would otherwise have been provided by the National Crime Agency? Has there been any estimate or request from the police yet, indicating that they will need x amount to do the work that would otherwise have been done for them?

**Mr Capper:** To the best of my knowledge, we have not had any discussions with the police along those lines. I am not aware of any pressure or funding requests from the police in relation to that.

**Mr McGuckin:** Again, at this stage, it may be too early to work through the implications of that.

**The Chairperson:** OK.

On the G8 summit, DFP is now having discussions with Treasury because the event is imminent. What is the estimated contribution that will be necessary from the Department of Justice, whether that is for the police or for any other funding that has to come from DOJ? What is the ballpark figure? You indicated that you are very close to finalising the amount, so where are we?

**Mr McGuckin:** As you will appreciate, there are lots of different types of costs involved, including, for example, the expenditure on the mutual aid arrangements. Some of the costs will ultimately depend on the reaction to the event, and they will not be visible until after it has finished. As you highlighted in your question, complex discussions are continuing with DFP, Treasury and other Whitehall Departments. We are seeking to ensure that any net cost to the PSNI, the DOJ or the NI block is minimised. I know that the event is imminent, and those discussions are going on, but it is a bit too early to say.

**The Chairperson:** Obviously, I do not want to prejudice your getting the best deal from Treasury, but I think that it is fair to ask what sort of ballpark figure the Northern Ireland public can expect to pay to meet the policing costs. I assume that there is an estimate for what it could cost.

**Mr McGuckin:** There are estimates. As you say, it is an estimate of costs. A number of different factors are involved. Those discussions are ongoing with Treasury and the other Departments — DFP is leading on them — about minimising the impact of any additional expenditure related to G8.

**The Chairperson:** Rather than mentioning how much the overall figure is going to be, can you tell me whether we have to pay 10% of whatever the cost will be? Or is it 20%, or higher? Are you able to indicate what percentage of liability rests with us?

**Mr McGuckin:** It is not assessed on a percentage basis. There are some figures around. The idea is to get the best deal possible overall for the Department, the police and — *[Inaudible.]*

**The Chairperson:** What are the implications for the budget if you do not get the deal that you need to get? For us to do our job and scrutinise what the Department is spending, we need to know where the pressures are. If we do not know how much this is going to cost, it makes it difficult for us to be able to scrutinise. If you are not able to tell us the figure, we are not really in a position to do our job properly. Can you indicate the estimated figure for DOJ for G8?

**Mr McGuckin:** I cannot at this stage, because the discussions have not concluded. Some of the expenditure may well be bringing forward expenditure that the police would otherwise have incurred in buying kit upfront that they planned to buy already. That will factor into it. Other elements of expenditure will be met directly by other Departments outside Northern Ireland. At this stage, given the state of the discussions, it would not be appropriate for me to say anything further.

**The Chairperson:** OK. I have a couple of other points. One of the savings delivery plans states:

*"Transfers of baseline budgets to DFP for DOJ Accommodation costs and IT Assist costs will result in significantly reduced directorate budgets and will affect future savings capabilities."*

Will you explain that to me?

**Mr Capper:** The budget for DOJ accommodation in Castle Buildings is being transferred to the Department of Finance and Personnel. DFP is also doing that with other Departments to centralise the accommodation budget. That, therefore, has the effect of reducing the DOJ budget, because that amount is coming off our budget and going to DFP. The point about reducing savings capability is simply that the residual budget that we are left with is smaller. Therefore, if we have to make further savings, there are fewer opportunities in that budget to make them.

**The Chairperson:** I take it that the opportunity still exists for taxpayer plc across the estate in that respect.

**Mr Capper:** Absolutely. The DFP initiative is designed to centralise those accommodation costs and give it a bigger pot to play with, so that, as you say, bigger savings can be made for the taxpayer as a whole.

**Mr McGuckin:** It is fair to say that, when it comes to accommodation that sits outside DFP ownership and involves private landlords, we have made significant inroads over the past two years to consolidating the footprint of DOJ by moving out of a number of buildings. In fact, Glyn's staff had to move out of their building and into shared accommodation. That created significant savings for the departmental budget in the year before last.

**The Chairperson:** On the review of the Causeway managed service contract, I see that the contract renegotiation was concluded at the end of the last financial year. Was that just a normal renegotiation, or were there issues that required it to be renegotiated?

**Mr Capper:** The contract was simply coming to a break point. There was a normal process of negotiation.

**The Chairperson:** OK. Did we get savings out of that?

**Mr Capper:** Yes.

**Mr McGlone:** Thank you for coming along to deal with this today. I have a vested constituency interest — you touched on it, Chair — the Community Safety College at Desertcreat. A big issue of concern is the over-projections on expenditure. Can you give me an indication of where that sits? You are obviously close to the action on the expenditure stuff. It was, frankly, a big embarrassment for a lot of people who were depending on that project going ahead to find that, for whatever reason, the anticipated cost and the projected cost were actually — well, anyway.

I see that £3.3 million has been spent. What has that been spent on? There is very little indication locally that any money has been spent, as it is still a greenfield site. I hope that it is not an aberration like the previous aberrations that were about the place.

**Mr Capper:** I would need to come back to you with a detailed breakdown of that £3 million.

**Mr McGlone:** Yes, please.

**Mr Capper:** However, there are design costs and so on that, necessarily, have been ongoing over the life of the project.

**Mr McGlone:** Is that a rollover from previous years? It cannot have been. The design has been there for quite a while. Anyway, it is best that you give me a breakdown.

**Mr Capper:** We will come back to you with a breakdown of the costs.

**Mr McGlone:** Secondly, when is it likely to happen? When will we get a readjusted scheme that, at last, will hit the ground?

**Mr McGuckin:** The plan is to work it through and try to stick as closely as possible to the original timescale. We need to finalise the revised design, and the funding required for that, to allow the contractors to go to work and get it to the next stage. We are close to that stage now. I do not have the exact timetable in front of me, but we are very close to it.

**Mr McGlone:** If there is a revised timetable — I am sure that there is — it would be helpful if we could have that.

**Mr McGuckin:** Is there another briefing planned?

**Mr Capper:** I think that the team is due to present to the Committee again towards the end of June. However, we will give you an update on costs and timescales in advance of that.

**Mr McGlone:** That is grand. Thank you very much.

**Mr McCartney:** Thank you for the presentation. In the pro forma, there does not seem to be any explanation of the underspend in budgets. Is there a reason for that?

**Mr Capper:** We provided explanations for some of the significant budget variances. If those have not made it into your pack, we apologise and will send that to you. We provided a brief explanation for the significant variances, but we are more than happy to give you some updates now.

**Mr McCartney:** Let us take the highest percentage underspend, which was in forensic science. If I am reading this right, it had an underspend of 40%. However, I do not see any explanation in the pro forma.

**Mr Capper:** I agree that that is a high percentage. However, in pounds terms, the underspend is only — and I say "only" — £260,000. That is why we have not provided an explanation for that.

**Mr McCartney:** In respect of the speed of delivery of justice, we hear here very regularly that the forensic scientists seem to hold up a lot of cases. It is a small amount of money. However, it is a high degree of underspend, and there is no explanation. I do not want to comment when I do not understand why the underspend is so high.

As regards front line services, while other Departments are having to cut back and are doing it fairly well, there seems to be a gap here.

**Mr Capper:** I should point out that the budget given for forensic science of £600,000 is its net budget. It actually spends closer to £10 million and has an income of close to £10 million. So, the underspend of £260,000 is set in the context of gross expenditure of £10 million, but I accept your point.

**Mr McCartney:** The Chair raised the issue of the G8 conference. In trying to get answers to queries about road closures etc, we were told that it is a reserved matter. Is the negotiation coming a bit late?

**Mr McGuckin:** The negotiation has been going on for a while. In something like this, it takes a while to identify the costs and inputs of police officers and everything else that goes along with it and to make an assessment of the implications, the level of mutual aid required and so on. The discussions on financing the overall associated costs have been going on for some time. It is getting to the stage where the costs are more obvious. DFP is working with the Treasury and other Departments to address that.

**Mr McCartney:** I know that you were not really part of those negotiations, but did someone go in with the sense that, "If this is going to cost £40 million, we need to get as close to £40 million as possible or else it is not really worth it for us"?

**Mr McGuckin:** Absolutely.

**Mr McCartney:** That would have been part of it?

**Mr McGuckin:** Absolutely; that would have been the approach.

**Mr McCartney:** It might have been the approach, but was there a sense of, "There is an estimation of what it will cost. We will underwrite 95% of that"?

**Mr McGuckin:** I was not involved in those discussions, so I cannot say. However, in looking at the overall associated costs, the aim would be to do it at the least possible cost to any spending areas in Northern Ireland.

**Mr McCartney:** We will not know this until it is over, but if we are disappointed afterwards by the amount that we have to pay, what will be the lead Department to be held to account for making the judgement?

**Mr Capper:** As Mark said, at the minute, the discussions are not necessarily about a fixed amount. They are about the mechanisms that ensure that the various elements of costs are being picked up by various parties at various points. That is not a direct answer to your question, but the Department of Finance and Personnel has the lead on that, as we would expect.

**Mr McCartney:** And the DOJ feeds into the discussion and says, "We estimate that —

**Mr Capper:** Absolutely.

**Mr McCartney:** OK; that is dead on.

**Mr Dickson:** The G8 summit was previously held at Gleneagles in Scotland. Eight years on, the Scottish Government are still having negotiations about outstanding matters with regard to bills and payments. Can we be assured that every aspect of the recoupment of costs will be completed and agreed before the G8 summit commences and that, in eight years' time, we will not be fighting with Westminster to try to recoup moneys?

**Mr McGuckin:** I am not in a position to give you that assurance. Other Departments are in the lead in relation to those costs. We are providing input to it. The aim is to try to ensure that as much of that as possible is tied off in advance. As we have identified, some of the costs will not come out until after the event anyway.

**Mr Dickson:** No, I understand that, but are there mechanisms in place to ensure that those costs are monitored jointly so that there will be no nasty surprises at the end?

**Mr McGuckin:** There are mechanisms in place to ensure that everyone who needs to be aware of the costs is aware of the costs. Those discussions will continue.

**Mr Dickson:** Are there mechanisms to ensure that those costs are signed off and agreed at the time?

**Mr McGuckin:** I could not say that precisely. I could not give you that direct commitment, because we are not involved directly in all the discussions.

**Mr Dickson:** But some of the costs will come directly to you because of services that the Department of Justice —

**Mr McGuckin:** Some costs will. Some of those will not arise until afterwards. We have identified the potential areas of cost and where costs might be incurred. In certain scenarios, we have identified what the quantum of costs might be. We have agreed that we will recoup those costs as far as possible. However, until the costs are incurred, it is hard to give you the guarantee that you are asking for.

**Mr Dickson:** Where are we on the continuum for the PSNI hearing loss claims? Has that now passed its peak? Is it on the way down?

**Mr Capper:** Last year was the second year in which we saw the number of claims settled far outweighing the number of claims received, so yes, the graph seems to be on the way down, and we hope that trend will continue.



**Mr Dickson:** This may not be for you to answer, but are you satisfied that there are sufficient safeguards in place to mitigate against future claims?

**Mr Capper:** Yes.

**Mr Easton:** What areas are you looking at to find further savings of £109 million for 2014-15?

**Mr Capper:** We will be looking across all areas of the Department. As you pointed out, forecasts show that we are around £5 million shy of our original forecast target in the context of a budget of £1.2 billion, and work continues across all areas. That is a figure that we can comfortably achieve additional savings around between now and March 2015.

**Mr Easton:** What areas are you looking at?

**Mr Capper:** As I said, the Department is complex. There is the core Department as well as a range of agencies and non-departmental public bodies. We will be looking across all those bodies but with a focus on protecting the front line and making sure that those extra savings come out of administrative and back-office functions as far as possible.

**Mr Easton:** Are you looking at any further police station closures?

**Mr Capper:** I will go back to the original plans. The police were protected the most out of all the spending areas of the Department when setting savings targets across Budget 2010, and police continue to deliver against those savings. I do not think we will specifically look at that area, but we will ask all areas to explore where they could make other savings, as I said, initially from back-office or administrative areas.

**Mr Easton:** So, can I bank those words? We are not looking at closures.

**Mr Capper:** That would be an operational matter for the PSNI. We will ask all areas to look at savings. It may not necessarily be the police.

**Mr Easton:** But there could be closures out of this? You are not ruling it out?

**Mr Capper:** To close the gap between our £109 million original forecast and the £104 million current forecast, police have a savings programme set out, and I hope that they will continue to deliver against that. We will not ask them to look specifically at the area of station closures to deliver further savings.

**Mr Easton:** But they could look at that?

**Mr Capper:** Where police generate savings from is very much a matter for the Chief Constable. When we have had to deliver extra savings in the past couple of years, we have specifically excluded police from that, and that may well be the case going forward.

**Mr Easton:** OK. We might have to keep an eye on that. Thank you.

**Mr Elliott:** Thank you for the presentation. I have a couple of quick queries. You had just started when I came in, so I may have missed this particular bit. It is under the heading "Progress against targets" in the savings delivery plan. Obviously, you are still £18 million short of the target for the last financial year. You are indicating that that is mainly because of the Prison Service exit scheme, but you are also indicating that you will meet the £109 million by 2014-15. Will that involve additional money from DFP for that exit scheme?

**Mr Capper:** There are a couple of points there. Presentationally, we did not deliver our savings target for 2012-13, but we tried to make the point that we met our target for actual savings coming out of the system. We have to present the savings inclusive of costs required to deliver those savings, so because we got money late in the year towards the Prison Service exit scheme, that had to net off and reduced the savings figure. That input of money will help us to deliver savings in future years, so the savings are now out of the system and will continue to roll forward into 2014-15.

Your second point was about asking DFP for additional funding. Yes, as part of the June monitoring process, we will ask for the final tranche of funding that we require to complete the Prison Service staff exit scheme.

**Mr Elliott:** OK. How much money came late in the year that will be included in other years?

**Mr Capper:** With taking the hit presentationally against the savings target, that extra money came in in March 2013, so we account for it in that year. The savings are now out, and we will be measuring the savings in future years.

**Mr Elliott:** Sorry, but the point I am trying to make is this: is it included in the figures that you have given us or not?

**Mr Capper:** Yes, the extra money from the Executive is included in the figures that we have given you for the 2012-13 savings.

**Mr Elliott:** So, you are still £18 million shy, even with that money coming in.

**Mr Capper:** The additional funding came in to allow us to allow more officers go.

**Mr Elliott:** So, you are still £18 million short of your target, even with that money coming in.

**Mr Capper:** We were £18 million shy of our target as of 31 March 2013. That is because we took a level of savings out of the system. However, in order to take that level of savings out, we had to pay with an extra injection of funding from DFP. We measure that extra injection of funding in the year that it came in. The savings that came out carry forward into future years. So, the hit of the extra money coming in is taken in the year that it comes in. The savings that it delivers carry forward into future years.

**Mr Elliott:** OK, but that was extra money.

**Mr Capper:** That was the extra money that came into the Department's budget from the Executive, yes.

**Mr Elliott:** In the presentation, under "Directorate Revenue Reductions", from what I can gather, there is around £2 million of reductions in resource and £686,000 in administration savings. Is that right?

**Mr Capper:** That is correct.

**Mr Elliott:** Will any of that affect front line services or security?

**Mr Capper:** The assessment from the directorate is that there will be no impact on front line services in the directorate. There will be no security implications. Set out on page 39 of that section is some information on where it is thought there may be an impact on front line services, which is in the area of the Police Rehabilitation and Retraining Trust (PRRT). It also sets out how it has tried to mitigate that impact and explains that there has been no impact on front line services to clients as of today.

**Mr Elliott:** I will move to the G8. I noted your comment that, at present, finances were not about fixed amounts and more about the general aspects of funding and that it is very hard to predict. Is that what you were generally indicating? I notice that the local publication the 'Impartial Reporter' states today that the PSNI has a business case. It gives details of that business case. It states that erecting steel fencing will cost £4.22 million; training for mutual aid officers from outside Northern Ireland will cost £1.5 million; and almost £4 million will be spent on custody facilities. Clearly, those are specific amounts. Are there specific amounts or not? The indication that you are giving us today is that there are only general figures or estimates. Clearly, the business case appears to indicate specific amounts. First, I am not sure whether there are those specific amounts. Secondly, even if there are, who is paying them? What input will there be from the Department of Justice?

**Mr Capper:** There are a couple of points there. Obviously, there are some upfront costs that need to be incurred in advance. My comment about discussions being general was about the fact that, as Mark said, there are some costs that literally will not be known until after the event. So, the total

quantum of costs will not be available until then. What I was saying was that our discussions in the context of not knowing the final amount are about the funding mechanisms to ensure that various groups of costs will be picked up by various bodies. Again, as Mark said, that is to ensure that the cost to the police, the Department and the NI block are as minimal as possible.

**Mr Elliott:** Have we any indication at this stage how minimal that will be or what percentage or level will come from the Department of Justice's budget?

**Mr Capper:** Again, as Mark said, we are not talking about percentages and so on. The discussions that DFP is leading on are about ensuring that any cost that does fall on the Department is as minimal as possible.

**Mr Elliott:** Have you any ballpark figures that might give us some indication of the type of costs that would fall to the Department?

**Mr McGuckin:** A range of people and organisations are involved. DFP is clearly in the lead from the perspective of the Northern Ireland Executive. Other Whitehall Departments are involved in it. There are complex arrangements around mutual aid and the whole advance spend of money in some of the areas, and I cannot comment on the accuracy or otherwise of the figures in the 'Impartial Reporter'. At this stage, the discussions are on the overall funding package, how it will be achieved and where the various elements of spend come from. It would be inappropriate to try to say, "This is the figure that we are aiming at for overall costs or for any particular part of those costs and this is where they will be attributed to after they are incurred." I do not mean to be difficult about this, but it is a difficult time and we are in a difficult position at this particular point in the overall discussions on funding for the delivery of the G8.

**Mr Elliott:** I fully appreciate that it is difficult, and I have no problem with you indicating that you cannot give finite figures at this stage, but I assume there is bound to be an indication, not only in DFP but in the Department of Justice and any other Department. I heard in the media today that the Health Department is bidding for a certain amount of money to help it through this, so it obviously has quite specific indications of what is required of it. Why, then, can the Department not give us some specific indications, even at this stage, of what will clearly be needed? There may be additions or extras that come along, but there is bound to be some indication at this stage.

**Mr McGuckin:** I do not want to give the impression that people are operating in a vacuum with no indication of the costs that will be incurred throughout this process. A certain number of police officers will be deployed to support the G8; a certain number of police officers will be brought in from other areas to support the PSNI in delivering G8; there will be a number of issues around physical structures and other things that you said were mentioned in the report; and clearly there are figures around those areas. What I am saying is that there are complex discussions going on between DFP as the lead for the Northern Ireland Executive — we have input into that — and Treasury and other Whitehall Departments in order to ensure that we get the right outcome around Northern Ireland's funding for this. Those figures and exactly how that will work its way through are not settled yet.

**Mr Elliott:** Does that mean that, post-G8, it is likely or there is the potential that the Department of Justice will make a bid to DFP for additional resources?

**Mr McGuckin:** We are in discussion with DFP to inform their discussions with Treasury about the costs that will be incurred and how those costs might be met if any of them are attributable to Northern Ireland in the longer term. Some of it may well be advance purchases of things that were going to be done anyway, as I mentioned earlier. Those discussions are ongoing and will presumably continue right up to and after the G8, once all the overall costs start to be collated.

**Mr Elliott:** On that point, it seems unusual that, at this stage, one Department can put in a specific bid but another one cannot. That is all; I will leave it at that.

Chair, if you will permit it, I have one final query. Former officers of the PSNI and RUC who were injured on duty have indicated recently that the Department — I assume that it is the Department of Justice — has asked for regular reviews of their pension levels, which is putting pressure on them. Have you any knowledge of that at this stage? Again, it appears to be a cost-saving exercise. You may not have the details with you, but I would appreciate it if we could get some information on that.

**Mr McGuckin:** That is not something that I can comment on at this point in time. Clearly, there is an operational issue for the police and the Policing Board, but we can make some enquiries.

**Mr Elliott:** OK. Thank you.

**The Chairperson:** I suppose that what is frustrating for members is that they are asking what I think are legitimate questions about the G8, because, ultimately, there is a public interest in trying to establish how much the G8 will cost Northern Ireland. Regardless of how much you will or will not get back, it seems a bit ridiculous that the 'Impartial Reporter' was able to publish figures — it got those from somewhere — and yet, as members of the Committee, elected by the people to scrutinise what the Department does with its money, we are not able to be advised how much it will cost Northern Ireland taxpayers to police the G8. Regardless of how much you will or will not get back, surely you can tell us how much the estimate is on a good day and what the contingency is if things go wrong. We are not asking how much of that you will get back from Treasury at Westminster. We are just asking for a ballpark figure for how much this will cost us, and you are not in a position to tell us.

**Mr McGuckin:** Chairman, I understand and respect entirely the Committee's frustration at what seem to be evasive answers from me. I am not in a position to comment on the accuracy or otherwise of the figures in the 'Impartial Reporter', where it got those from or whether they actually represent anything at all. There may be some accuracy in there; I do not know.

**The Chairperson:** You know the figures — you know.

**Mr McGuckin:** I do not recognise any of those figures, nor would I expect to at that level of detail in respect of fencing and so on.

**The Chairperson:** But you know how much this will cost.

**Mr McGuckin:** There are discussions going on to work out precisely what the overall costs will be.

**The Chairperson:** When will we know? Will we ever know?

**Mr Dickson:** Eight years' time.

**Mr McGuckin:** I would hope that you would know within eight years. I can make a commitment that we will come back to the Committee within eight years. Sorry, Chairman. The figures will coalesce as soon as the G8 is over — as soon as we know the implications of what happens on the ground such as disruption or anything else. I am sure that, once we get that and get clarity from DFP and Treasury, we will be able to come back and advise the Committee.

**The Chairperson:** Who told you not to tell us?

**Mr McGuckin:** It is not that somebody told me not to —

**The Chairperson:** So, you are at liberty to tell us, but you just have decided not to.

**Mr McGuckin:** I would not say that either. I would say that there are discussions going on to try to finalise these issues. At this stage, it would not necessarily be appropriate to disclose any figures that I am aware of, as those may well change.

**The Chairperson:** That is your judgement, then. So, you could tell us, but you have decided not to. So, when you were asked to today's meeting of the Justice Committee, which gave advance warning that it was going to talk about the G8 and the associated costs, no one else in the Department instructed you not to tell us; you yourself have taken an executive decision to deny us that information.

**Mr McGuckin:** I have not been given an explicit instruction, but I am aware of the sensitivity of the discussions, which are ongoing, and the degree of continuing uncertainty around the figures. I would not want to inadvertently mislead the Committee and give it incorrect information.

**Mr McGlone:** I just want to pick up on that point. Who are the stakeholders with whom you are trying to arrive at an agreement in these discussions?

**Mr McGuckin:** There is a variety of inputs into the discussions. Clearly, from the Department's perspective, the police are involved along with the Prison Service, the court service, and so on. They are putting together various bits. At this point, the key discussions are with DFP and Treasury, and with the Home Office on mutual aid from other police forces and so on. There is a variety of people involved.

**Mr McGlone:** Is the Ministry of Defence involved?

**Mr McGuckin:** I am not aware of that; I could not say the extent to which it has been involved. Treasury and the Home Office are the lead Departments; that is where the key costs will fall.

**Mr McGlone:** Are all those people you mentioned the key people in the melting pot?

**Mr McGuckin:** Well, those are the ones who I would be aware of.

**Mr McGlone:** Right, OK.

**The Chairperson:** There is no private, commercially sensitive information here. This is all taxpayers' money; the issue is whether the Northern Ireland block grant pays for it or whether we are going to get money from Westminster. Ultimately, the taxpayers will pay for it. It seems bizarre that we are not even able to be told what the overall figure for the G8 will be, what the estimate will be for a good day or what it will be if things go badly.

You have not told us the proportion of the cost for which Northern Ireland will be liable. We have moved beyond that, we are not going to get those figures. You cannot even indicate how much it is going to cost.

**Mr McGuckin:** I am not in a position today to do that, Chairman.

**Mr Humphrey:** Mr McGuckin, you have heard the members of the Committee express their frustration about this issue. Coming from Fermanagh, Mr Elliott has a clear advantage because he has been able to pick up a copy of the 'Impartial Reporter' this morning while the rest of us have not, and he has the knowledge.

**Mr Elliott:** They should stock it in North Belfast.

**Mr Humphrey:** Absolutely, they should. That paper has the knowledge that you can either confirm or deny.

In response to the Chairman's question about who instructed you not to tell us, you said that you did not receive an explicit instruction. What does that mean?

**Mr McGuckin:** It means that I was not instructed by anybody not to tell the Committee about the costs associated with the G8.

**Mr Humphrey:** So why, when this is clearly in the public interest and is not going to breach national security, are we not being told? This Committee is charged with scrutinising the Department and clearly what we are seeing today is stonewalling from civil servants who will not answer questions.

**Mr McGuckin:** I apologise to the Committee if you feel that I am reacting in that way. The vast majority of these costs will not fall to the Department to pay. We are hoping to minimise the amount. The vast majority of these costs will fall to the Treasury and to other parts of Whitehall to pay. In that sense, there are still significant uncertainties around precisely what those costs are and how they will be delivered.

**Mr Humphrey:** Having listened to the discussion following your presentation and the answers that you have given so far, my conclusion is that you do not want to answer the questions because you may be a hostage to fortune in the future, and that you cannot or will not be held to some of the assurances that you may or may not give.

You are saying that money may well be recouped from Her Majesty's Treasury. The point that Mr Dickson made earlier is that, eight years on, Scotland is still trying to recoup moneys from Her Majesty's Treasury. The point that we are making is that, as people who represent taxpayers here, we want to make sure that Northern Ireland plc does not lose out.

We are absolutely delighted that the G8 leaders are coming to Northern Ireland and it is a great boost for Northern Ireland but, ultimately, there should be pluses from this and we should not lose money from the public purse that could be used elsewhere. We are in a double-dip recession and those moneys could be spent by other Departments. There may well be an opportunity cost that will be impossible for Northern Ireland to bear.

**Mr Capper:** We can give you our absolute assurance that our efforts are focused, through the negotiations that Mark talked about, on ensuring that the impact on the Department, the police, etc is as minimal as possible.

**Mr Humphrey:** With respect, there is no certainty in any of those answers. What does "as minimal as possible" mean? I am sure that you can appreciate our frustration. We come here in good faith to ask questions and expect them to be answered, but we have not got those answers today.

**Mr Dickson:** I just want to follow up on that. Surely the strongest pressure point that you have is pre-G8, not post-G8. Now is the time to conclude those negotiations. Surely those negotiations have to be about the fact that the actual cost incurred has to be recouped. I sincerely hope that you have appropriate protocols in place to deal with what happens if you have overestimated. For example, will they get their money back or it does cost them just as much? If your estimate is accurate, will full payment be made? If your estimate is wildly out or circumstances overtake a particular estimate, clear protocols have to be in place to cope with those eventualities.

**Mr McGuckin:** You are quite right. The efforts of my DFP colleagues in representing the Northern Ireland Executive and the Northern Ireland block are on ensuring that there is a ceiling, and that it is as low as possible when it comes to meeting any of those costs, should they be identified in advance or whether they are consequences that have not been identified in advance.

**Mr Dickson:** Are you negotiating directly on behalf of the Department with Departments in Westminster on any of those costs, or are you in the second division while DFP takes the lead in all negotiations?

**Mr McGuckin:** DFP is taking the lead in the discussions.

**Mr Dickson:** But you will have specific areas for which you have to argue your corner.

**Mr McGuckin:** We feed those into DFP.

**Mr Dickson:** But you are not the front line negotiator.

**Mr McGuckin:** No.

**The Chairperson:** OK, ladies and gentlemen. Thank you very much for coming today; it is much appreciated.