



Northern Ireland
Assembly

Committee for Justice

OFFICIAL REPORT (Hansard)

Financial Spend and Outputs: DOJ Briefing

10 October 2013

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Paul Givan (Chairperson)
Mr Raymond McCartney (Deputy Chairperson)
Mr Sydney Anderson
Mr Stewart Dickson
Mr Seán Lynch
Mr Alban Maginness
Ms Rosaleen McCorley
Mr Patsy McGlone
Mr Jim Wells

Witnesses:

Mr Glyn Capper	Department of Justice
Ms Moira Doherty	Department of Justice
Ms Lisa Rocks	Department of Justice

The Chairperson: I welcome Glyn Capper, deputy director of finance; Moira Doherty, deputy director of strategy, innovation and research division; and Lisa Rocks, head of the financial planning and budgeting department. You are all very welcome. This session will be reported by Hansard and will be published in due course. Mr Capper, I will hand over to you at this stage.

Mr Glyn Capper (Department of Justice): Thank you. Following the last financial briefing, the Committee asked for additional information on three areas: expenditure on the Northern Ireland Community Safety College at Desertcreat in 2012-13; further details on our 2012-13 out-turn; and information on expenditure linked to outputs.

First, details of the £3 million spent on the college in 2012-13 are provided in your pack. Annex A includes details of the Department's final out-turn and includes a breakdown of spend against budget for each area and explanations of variances in excess of £10,000. In summary, the Department had a non-ring-fenced resource departmental expenditure limit underspend, and that is effectively our resource cash budget of £7.6 million, which represents just 0.6% against a budget of over £1 billion. For capital, excluding the Community Safety College, the Department underspent by £1 million, which represents 1.6% of the budget. The college underspend of £13 million carries forward under the Treasury security funding agreement and will offset future years' spend.

The final set of information that you have received provides a more detailed breakdown and analysis of expenditure for the core Department, agencies and non-departmental public bodies (NDPBs). That should be of use in helping the Committee understand how and where the Department's budget is spent.

Finally, the Committee asked for information about expenditure linked to associated outputs. The strategic priorities for the Department can be mapped against the commitments in the Programme for Government (PFG) and in our three strategic themes: safer shared communities; faster, fairer justice, and reformed prisons and youth justice system. Therefore, we have mapped expenditure by each area of the core Department to the objectives in our business plan that relate to PFG targets.

Of the 14 objectives in the plan, 10 relate directly to PFG targets, and the remaining four support the delivery of those targets and relate to support costs for the core Department, agencies and NDPBs. Those costs have been allocated to the PFG targets on a pro-rata basis. The analysis at annex B summarises the outcome of that work, showing expenditure matched to outputs.

Given the nature of the Department's work, it is sometimes difficult to match expenditure to specific outputs directly. For example, some areas of the Department cover more than one PFG target. So, it is not an exact process. However, we believe that this sort of analysis will prove useful as the Department and the Committee work to best allocate limited resources to objectives, and it should be particularly useful as we approach the 2015-16 spending review. We plan to develop this work and welcome working with the Committee to ensure that, as it evolves, the way we present and report the information meets your needs.

It is also worth noting that each Department of Justice (DOJ) agency and NDPB has separate business plans and objectives that are monitored through sponsorship and governance arrangements with the core Department. Details of agencies and large NDPBs are provided at annex D.

We have also provided further information on outputs and performance, which was first published in the Department's annual report on accounts for 2012-13. That provides more qualitative information on performance against the Programme for Government and outlines some of the key achievements of each of the Department's directorates.

In conclusion, I hope that the information helps to provide the Committee with a greater understanding of the Department's expenditure and how that links to objectives. As I said, this area of work will continue to develop. We welcome the opportunity to work with the Committee to ensure that that meets your needs.

The Chairperson: Glyn, thank you very much. I have a couple of quick questions. Thank you for the information. It is very helpful. The Chief Constable was here, and he indicated that, as part of the review of resilience and capability, the police were facing a significant problem with finance. Can you indicate what discussions the Department has been having with the PSNI about that?

Mr Capper: Yes. The Department has regular and ongoing discussions with the police. For example, the police resources group, which includes the Department, the police and the Policing Board, meets bimonthly. Police finances are considered as part of that. More specifically, as part of the recent October monitoring round, we engaged with the police on this year's financial position. We are at quite an early stage in the 2015-16 spending review process. We do not yet have specific guidance or timescales, but we have already begun a series of meetings with the police to make sure that both sides are sighted on potential pressures, what potential settlements might look like, and so on. There is ongoing discussion with the police.

The Chairperson: On prison reform and the early redundancy package, you will be aware that 27 employees are still waiting and that there is a business case. What progress is being made to allow that scheme to be wound up and those officers to leave?

Mr Capper: There are, I understand — and I look to Lisa to keep me right — 69 officers who have been told that they are due to leave. The timing will be an operational decision for the Prison Service. The exit packages for those officers are fully funded. As you said, 27 or 28 are still to leave. It forms part of our October monitoring position, and we need to secure some additional funding for it. We included it in our bid to the Department of Finance and Personnel (DFP), and we await the outcome of the October monitoring position. The business case for all leavers, including those 69 and 28 officers, has been approved, so we now need to secure the final tranche of funding for that.

Mr McGlone: I have a couple of points. As regards the community safety college at Desertcreat, £3.4 million was spent on the college in 2012-13; £2.8 million was for architects' fees, project management and site surveys, and £0.1 million was for site works. Are you aware that some of the work that was carried out quite a while ago by a subcontractor has not been paid for?

Mr Capper: I am not in a position to answer that. I do not know the answer to that question.

Mr McGlone: You may well not be, but given the Minister's commitment to pay contractors, etc, it is embarrassing that a small part of the initial contract works remains unpaid. A constituent has been in touch about that.

I looked through the resource estimates and the costs for police funding, etc. The major cost, of course, is staffing. The next major cost appears to be for accommodation, which is running at £42 million. Unless I am picking it up wrongly, telecommunication and technology costs are running at £37 million.

Mr Capper: Is that in the police budget?

Mr McGlone: Yes. I do not know whether you can explain this to me, or maybe an explanation could be sought for us: I do not understand why accommodation costs should be so high. Likewise, with telecommunication and technology; I can understand that you have phone bills and, probably, IT equipment to be installed, but it seems to be very high. Can we get an explanation?

The Chairperson: Mr McGlone is referring to a paper that the PSNI gave to us, so you probably do not have it, Glyn.

Mr McGlone: I am sorry; I thought that that was included in your stuff.

The Chairperson: Members got that information to help us, but we will certainly provide it to you. If you are able to answer Mr McGlone —

Mr Capper: Absolutely. On the two specific examples, the police estate is obviously widespread and complex; and telecommunications will no doubt cover not just telephones, and so on, but, as you say, a large range of IT equipment, and so on. I do not know the answers offhand, but I will come back to you as far as possible on that.

Mr McGlone: If they were renewing it for, say, one year, I could understand that the cost would be pretty high, but, even at that, it is very high. An amount of money seems to be built in on an ongoing basis. I would appreciate it if we could get some clarity on that please.

Mr Wells: I have just a couple of points. The G8 came in at £40.2 million. Is that the final figure? Is it wrapped up?

Mr Capper: That was the final direct cost that the police themselves will incur. The overall bill for policing was about £70 million, which I think is the figure on record. Across the rest of the Department — and this was part of our October monitoring position — approximately £1 million of other justice costs were incurred.

Mr Wells: Her Majesty's Treasury reserve paid £14.5 million towards that, or is that on top of the £40 million?

Mr Capper: There was a total bill of £70 million. The sum of £40 million was for direct policing costs, which are being paid for by the Executive and the Treasury. The balance, from £40 million to £70 million, is for costs such as mutual aid, and so on. The Treasury has agreed that the police will invoice it directly and will be reimbursed for that.

Mr Wells: There was a monitoring round bid in there as well to meet some of that cost.

Mr Capper: There is a £1 million bid in the October monitoring for the rest of the DOJ costs. The policing costs were addressed at June monitoring or by the Executive-provided additional funding. The rest of the policing costs are being met by the Treasury, and £1 million of the justice costs form part of the October monitoring position.

Mr Wells: This is a very minor point, but I did not know that you are liable for the Minister's salary. I thought that OFMDFM, or the Assembly generally, paid ministerial costs rather than the Department. Do you actually pay the Minister's salary?

Mr Capper: To the best of my understanding, the Minister's salary is reflected in the Department's accounts.

Mr Wells: So, that comes out of the policing and justice budget rather than the Assembly budget?

Mr Capper: I think that the actual salary comes out of OFMDFM, but I will confirm that. We have to reflect the Minister's salary in the accounts in order to reflect, if you like, the overall costs of justice.

Mr Wells: I have never seen that figure before in any other set of accounts from any other Department. It is a wonderful salary, but it is tiny in comparison to the overall budget.

Mr Capper: There is a standard DFP format for accounts, and each Department will provide the cost of its Minister and special adviser (SPAD) in its accounts.

Mr A Maginness: Are you proposing a cut?

Mr Wells: Sorry; for the SPAD as well? Where is that in the accounts?

Mr Capper: Those are standard disclosures in all Departments' sets of accounts.

Mr Wells: Very interesting. I will certainly be looking for that figure, which will be substantial.

More seriously, yet again, most of the budgets are underspent, which is a good sign. In the overall scheme of things, it is a tiny percentage of your overall budget; I accept that. You have hit the target fairly well. Of course, the one that has overspent significantly is the Legal Services Commission. Yet again, we have a set of accounts before us that shows that it has gone above budget. How are you bringing that under control, and what does the situation look like for 2013-14?

Mr Capper: For 2013-14, as part of the October monitoring position, the commission has forecast overspend of £27 million. Again, that has formed part of our return to DFP, and we await the outcome of that.

In respect of the initial part of your question about where we are heading with legal aid expenditure, I understand that my colleague Robert Crawford was before the Committee if not last week, the week before.

Mr Wells: He was.

Mr Capper: He will hopefully have outlined a series of reforms that are designed to bring legal aid spend within budget.

Mr Wells: Was that before or after the Minister's target of a 20% cut for legal aid spending?

Mr Capper: That forecast takes into account the Minister's reform and the 20% cut.

Mr Wells: So, even with the reform, we overspent by £27 million.

Mr Capper: The commission has forecast that its spend this year will exceed its current budget by that amount.

Mr Wells: By £27 million. That is two new secondary schools or six new primary schools that have gone because of overspend. Presumably, that has to be found from somewhere else in your budget.

Mr Capper: We will seek to find as much of that as possible from our budget. Given that the policing budget is, largely, ring-fenced and the fact that we have pressures in the Prison Service, there are not additional places to find that from our budget. That is why we have included that as part of our bid to DFP.

Mr Wells: It just strikes me as strange that you bear down on expenditure in almost every other section of your budget and come in close or just below your target, yet every year this sector seems to run out of control.

Mr Capper: That goes back to what Robert outlined about the further series of reforms that are needed to bring that spend within budget.

Ms McCorley: I am curious about this incidental expense of almost £41 million. Could that not have been broken down more? It seems a big amount to be "incidental".

Mr Capper: Is that back to the police breakdown of spend?

Ms McCorley: Yes.

Mr Capper: Again, my apologies: I was not sighted on that as part of the pack of papers that we provided. So, as part of the previous response about IT and accommodation costs, we will include, in our answer, if we can, more information on incidental expenses.

Ms McCorley: Thank you.

Mr Anderson: Thank you for your presentation. May I return to one point made by the Chair: the exit scheme? A number of staff are still waiting to get out and would say that they would have done so quite some time ago. They are still waiting to see where their future lies. Does this depend on recruitment and training and not just finance? What are the real issues?

Mr Capper: I understand that the final outstanding issue is securing the funding. Prisons have worked through a process of recruiting and training new staff. Subject to operational reasons, as I said, I believe that 69 staff are due to go in the autumn. We need to secure additional funding for the final tranche of 28.

Mr Anderson: Is that funding forthcoming? The number may be down to 28, but they represent 28 families whose future, they would see, is not very secure at the moment. After all, they were promised, and they told me what those promises were when the package was offered to them. What is the timeline?

Mr Capper: I understand your point. In the context of the Department's overall financial position and pressures faced, this pressure has been submitted as part of the October monitoring round, the outcome of which we will know later this month. If funding is forthcoming, we can move forward. If it is not, then, as part of the next monitoring round, the Department will have to review its position again and see whether easements will come in other areas to help fund the exit scheme. So, I am not able to give a definitive position on that matter.

Mr Anderson: There is another issue relating to funding and staffing, which is, perhaps, also in the public domain. A number of staff are not being paid an environmental allowance. I am sure that you are aware of that as well. The Minister has promised to review it. If that had to be paid, is there money for it? Where would that sit?

Mr Capper: I am aware of the issue. It would have to be prioritised from within the existing Prison Service budget. That would be an operational decision for the director general of the Prison Service to allocate the budget in whatever way they thought appropriate to fund that pressure.

Mr Anderson: So, were that to be prioritised, could it knock back others, unless we get additional funding for the exit scheme for those 28 staff? Would there be a knock-on effect?

Mr Capper: That is correct. The overall Prison Service pressure will need to be considered and prioritised by the director general of the Prison Service. Obviously, a bid has been submitted to the Department, which we are considering. As we said in our October monitoring paper, we are at this stage only five months into the financial year. There are seven more months in which the financial position will, no doubt, change. However, at the minute, the Prison Service pressures are a matter for the director general to prioritise.

Mr Anderson: I will just finish by stating that those 28 people are officers who have been trying to get out of the Prison Service. This is something that the service offered them and they are still sitting there. I hope that they can get out in the not-too-distant future.

Mr McCartney: I accept that you do not have the details to answer Patsy and Rosaleen's questions. Recently, in the Assembly during Question Time, the Minister mentioned re-profiling and redefining the policing budget. What role does the Department have in that?

Mr Capper: Do you mean in how the policing budget is allocated?

Mr McCartney: Yes. One of the examples is the use of agency staff as distinct from permanent civilian staff.

Mr Capper: I may need to defer some of this to colleagues in the Department who are better placed to answer it. In the first instance, the police budget and how it is used is an operational matter for the Chief Constable, in conjunction with the Policing Board. The Department has a role in that regard. A tripartite arrangement is in place, and documentation sits above it. I would prefer not to comment on the specifics of the example that you have given as I am not entirely over that detail, but I will ask colleagues who may be better placed to answer it.

Mr McCartney: Does annex A of the paper list all the organisations that the Department provides resources to?

Mr Capper: Yes. The figure at the bottom is the total departmental budget, and —

Mr McCartney: The list of organisations?

Mr Capper: To clarify, that is the core Department, our agencies and NDPBs. We pay grants to other third-sector bodies, but that is within the boundary.

Mr McCartney: Is the PSNI responsible for the Police Rehabilitation and Retraining Trust (PRRT)?

Mr Capper: No; that is a separate NDPB.

Ms Lisa Rocks (Department of Justice): In the 2012-13 figures, the grant to the PRRT was funded from the Department because, at that time, it was part of the core. It has since been reclassified as an NDPB. If you were looking at the same list of bodies for 2013-14, you would see the PRRT as a separate organisation.

Mr McCartney: But it is not here now?

Ms Rocks: No, because it was funded as a grant from the core Department.

Mr Capper: The table that you are looking at is 2012-13 spend. In 2012-13, as Lisa said, the PRRT formed part of the safer communities directorate in the core. Its status has since been reclassified; for 2013-14, it is an NDPB.

Mr McCartney: So, it was not before?

Mr Capper: It had a different status.

Mr McCartney: What was the statutory basis on which it was funded?

Mr Capper: It was funded in 2012-13 as a grant-receiving body, but, in 2013-14, it is funded as an NDPB.

Mr McCartney: Why was it transferred?

Mr Capper: As part of our ongoing review of the status of our arm's-length bodies, we are required periodically to review their status and test them against a DFP model. The outcome of that model was

that the PRRT should be classified as an NDPB. It does not change the work of the body; it is more

Mr McCartney: No, but the wee issue that I have is about who it was accountable to in previous times if it just received a grant.

Mr Capper: It was, and still is, accountable to the Department, not the PSNI.

Mr McCartney: OK. I might have to come back to that.

The Chairperson: Usually, salaries are not something that I particularly want to get into, but I notice that the current and previous directors of the Prison Service seem to receive substantial benefits in kind. Do you know what that is for?

Mr Capper: I will have to get some detail of that.

The Chairperson: I see that it is the only category in which it applies. I am struck by the amounts. If you could provide us with details of what that relates to, it would be appreciated.

Mr McCartney: I have one small point. Again, it might not be for today. Last week, we got a paper from the Legal Services Commission, which, since its inception, has never been able to predict its budgets properly. What steps are going to be taken in the future? If you do not predict your budget correctly and you overspend, most people would say that you have overspent your budget rather than having not predicted it properly. You can see where the public perception lies.

Mr Capper: I understand where you are coming from. Over the past month or two, the Department has taken on the role of supporting the forecasting of the Legal Services Commission budget. A group has been formed, led by Robert and others across the Department, to consider not just the legal services input to that model but a wider departmental look at the forecast. In the next six months, with the Department leading it, we plan to have a much better grasp on the budget.

The Chairperson: Glyn, before you leave, I will give you what Patsy and Rosie were referring to with regard to the PSNI budget. If you are able to answer those questions, that would be appreciated. Thank you very much.

Mr Capper: Thank you.