



Northern Ireland
Assembly

Committee for Justice

OFFICIAL REPORT (Hansard)

Budget 2021-22: Department of Justice

4 February 2021

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Paul Givan (Chairperson)
Ms Linda Dillon (Deputy Chairperson)
Mr Doug Beattie
Ms Sinéad Bradley
Ms Jemma Dolan
Mr Gordon Dunne
Mr Paul Frew
Miss Rachel Woods

Witnesses:

Ms Louise Blair	Department of Justice
Ms Andrea Quail	Department of Justice
Ms Lisa Rocks	Department of Justice

The Chairperson (Mr Givan): I welcome officials from the Department of Justice: Lisa Rocks, deputy director of the financial service division; Andrea Quail, head of financial planning, strategy and support; and Louise Blair, head of financial planning and support.

The session will be reported by Hansard, and a transcript will be published on the Committee web page. I will hand over to the officials, and we will follow up with questions.

Ms Lisa Rocks (Department of Justice): Good afternoon, and thank you for the opportunity to update the Committee on the Department's draft 2021-22 budget. Before I do that, I would like to touch on the in-year position.

We remain on track and continue to manage the position closely. It has been a challenging year, with much uncertainty. The Department's January monitoring round position will be reflected in the spring Supplementary Estimates once it has been agreed by the Executive, which we expect to be this month. The only change since we attended the Committee in December has been the £1.2 million easement from the Northern Ireland Prison Service. That was surrendered to the Department of Finance as part of the January monitoring round process.

We will brief the Committee on the Department's spring Supplementary Estimates in the coming weeks, ahead of the Assembly debate. It is a fairly technical briefing, but the key aspects of the Department's 2020-21 budget, which will be reflected in the spring Supplementary Estimates, are in the January monitoring round briefing that the Committee has received.

I turn to the Department's draft 2021-22 budget. The Executive agreed the draft Budget on 18 January. The Finance Minister provided a statement to the Assembly on the same day. The Department of Finance has published the draft Budget document, which includes details of the Budget consultation, with responses due on 25 February. I know that the Committee will want to feed into that process, and, of course, we are also keen to hear your views to help the Executive to form a final Budget before the new financial year.

The draft budget for the Department is a non-ring-fenced resource DEL budget of £1.1 billion and a draft capital DEL budget of £96.4 million. It is important to be clear about what that budget means. The document published shows a budget uplift for the Department of 5.1%, which, on the face of it, could appear to be quite favourable. However, it does not compare like with like.

The draft resource budget is simply last year's baseline rolled forward, plus funding streams that were added to the budget in previous years and, therefore, were not in the starting figure. Those include £31.2 million of security funding from the Treasury and £10.7 million of funding relating to the EU. The draft budget also includes £8 million of funding for the tackling paramilitarism programme, which does not normally sit in the DOJ budget but is held centrally and agreed by a cross-Executive programme board. Finally, it includes £4.2 million of legacy funding.

If you were to take the £4.2 million as the only new money, which is earmarked for legacy, the draft budget represents less than half of one per cent of an uplift, so it is close to a flat-cash budget. That funding had been requested from the Department of Finance for legacy purposes. After taking account of that, there is no additional funding to set against inescapable pressures, including pay and price inflation and other significant pressures, which total £55.7 million and of which the Committee is aware.

The draft capital budget is £96.4 million, which includes security funding from the Treasury for the PSNI of £0.9 million. That overall capital allocation would be an increase of £8.3 million when compared with the 2020-21 allocation and is sufficient to meet inescapable capital requirements as identified in the future-year information-gathering exercise.

We are working through a refresh of capital needs, given the passage of time since the original information was gathered. Following the Minister's consideration of that information, spending areas will be advised of their draft 2021-22 capital budget, and we will update the Committee accordingly. With a total of £152 million-worth of bids, there will be a degree of reprioritisation and rephasing to be done, but it is a reasonable draft budget.

What does that all mean? As I said, the non-ring-fenced resource DEL is broadly flat cash. The Committee has been briefed previously on the impact of a flat-cash budget. It is clear that some difficult decisions will need to be considered given the magnitude of the pressures that we face. Now that we know our draft budget, we are engaging with our spending areas to ask them to update their budgetary impacts based on the budget set. We hope to have that information this week, which will inform the Executive's consideration of the final Budget and the setting of the final budget for the Department once final allocations are known. The Committee will be aware from the information-gathering exercise that a flat budget would have a significant impact on the Department, particularly as 70% of the overall budget relates to staff costs, making inflationary pay increases an immediate pressure.

There are key issues that we know that we will need to consider. Given that the PSNI budget is effectively flat, it is likely that the PSNI will have to reduce police numbers. Other areas that it may explore are in line with the information-gathering exercise. Those include lack of investment in the police estate and removal of managed services, which means police officers and staff being taken from the front line to perform those roles.

For the Prison Service, a flat-cash budget will impact greatly on the regime that can be delivered to support people in its care to address their offending behaviours and greatly reduce its capacity to deliver safe, decent and secure prisons. It could include options such as closing Burren House, reducing non-uniform-grade staff, a reduction in prisoner earnings and a reduction in learning and skills provision. A flat-cash budget will mean that the Courts and Tribunals Service is likely to need to look at staff reductions, which could have an adverse effect across all operations.

As I have said, once we have received the information on the impacts of the draft budget across all spending areas, that will be used to inform consideration of final budgets. The Department is aiming to

publish an overview of the draft budget and the equality impacts on the website this week to inform the draft Budget process.

We understand that discussions around funding are ongoing in a number of areas. First, in respect of EU funding for the PSNI, as part of the draft Budget, £9.8 million was allocated to the PSNI, against a requirement of £15.5 million, for 308 officers and staff. That is similar to the position in 2020-21, when we secured the balance as part of the in-year monitoring process. We understand that discussions are ongoing with Treasury to secure the balance, and, along with the PSNI, we continue to feed into that. On COVID funding, in setting the 2021-22 draft Budget, the Finance Minister set out draft allocations that were primarily for Health and Education but that left a further £127 million for consideration as part of a final Budget. Given the pressures forecast in 2021-22 and the requirements across the justice system including police and prisons, the Department will seek additional funding.

The Committee will be aware that the Department bid for an additional £16 million of funding from the New Decade, New Approach (NDNA) unique circumstances funding exercise in late November. The four bids that were included, which totalled £16 million, were in respect of tackling paramilitarism, the Gillen review of serious sexual offences, speeding up justice, and additional police officers to facilitate delivery of the NDNA agreement. The Department has not received an outcome of that process. In respect of other funding streams that we normally bid to, we understand that discussions are ongoing around funding for the tackling paramilitarism programme and Together: Building a United Community (T:BUC) funding.

On a separate issue, I am aware that the Committee has written this week asking about the consideration being given to identifying funding for known future pressures, including any work with the Executive Office in relation to the Troubles permanent disablement payment scheme. The DOJ was designated by the Executive Office to put in place the necessary administrative arrangements for the Troubles permanent disablement payment scheme on behalf of the Victims' Payments Board. Any pressures relating to funding for the scheme fall to the Executive Office and do not create pressure for the DOJ budget. In that context, TEO has confirmed that it has been provided with a draft allocation of £6.7 million in the 2021-22 draft Budget, which will allow the implementation arrangements for the scheme to continue.

In conclusion, I hope that I have provided a useful overview of where we are in respect of the 2021-22 draft Budget. It is clear that there will be a very real impact of seeking to absorb the pressures within a flat-cash budget. Of course, as ever, we are keen to take the views of the Committee as part of the draft Budget process. We thank you for the opportunity to brief you today, and we are happy to take any questions.

The Chairperson (Mr Givan): OK. Thank you very much, Lisa. I have a couple of quick questions. To clarify, there was a £16 million bid for the New Decade, New Approach areas that interface with DOJ, including additional police officers to reach the 7,500 target, but you have not had a response to that bid yet. That is what I picked up.

Ms Rocks: No, we have not had a response as yet.

The Chairperson (Mr Givan): How much of that £16 million bid relates to PSNI resources for increasing its personnel?

Ms Rocks: Of that £16 million, £3.5 million is for an additional 153 police officers in 2021-22.

The Chairperson (Mr Givan): OK. So, we are awaiting a decision on that. You indicated that the initial allocation in the draft Budget will lead to a reduction in the current complement of police officers. Are you able to quantify by how many police officers the force will be reduced?

Ms Rocks: I cannot do so at this point. We are due to have responses by tomorrow, and, of course, the Policing Board has a role there. I have had sight of early figures, but nothing has been confirmed as yet.

The Chairperson (Mr Givan): When will there be an indication about whether the current Brexit funding that the police receive directly from London will be continued and secured?

Ms Rocks: As part of setting out the draft Budget, there are two elements. There have been ongoing discussions between DOF and Treasury about the protocol funding. DOF has been seeking the full £15.5 million that the police require in 2021-22 for 308 officers and staff. However, in setting out the draft Budget allocations, the Finance Minister has set out a reinstatement of previous baselines that would provide the PSNI with £9.8 million towards that £15.5 million. Of course, there is still a shortfall there, and DOF continues to argue to Treasury to secure funding to address that. We have not as yet had an outcome to that.

The Chairperson (Mr Givan): OK. The global figure of inescapable pressures that the Department faces in its resource budget is just shy of £56 million. How will that be plugged, given what you anticipate the different units in the Department and non-departmental public bodies (NDPBs) will come back with? Will it largely be redundancies, because those costs are heavily reliant on staff? Are there particular programmes and projects that the Department will have to consider stopping? If so, what are they?

Ms Rocks: It is hard to be definitive about that until I have seen the responses. It was clear from the information-gathering exercise and from the fact that 70% of the budget is on staff that it is quite likely that there will be staff impacts across a range of bodies. As I say, until I have seen the final responses, I cannot be definitive.

The Chairperson (Mr Givan): Is the Department considering particular funding schemes, for example, to communities as a way to plug that gap?

Ms Rocks: Sorry, I am not sure of your question. Can you clarify?

The Chairperson (Mr Givan): The Department gives money to some schemes and projects. Will those be stopped? Is that being considered?

Ms Rocks: Certainly not at this stage. A lot of work has been going on in the background, particularly in DOJ core and agencies, to look at what we might do. A lot of that is around things such as not filling vacancies and trying, as far as possible, to minimise what would be a front-line impact.

Ms Dillon: Thank you, Lisa, Andrea and Louise, for coming to the Committee today. I have a couple of questions. On the legacy funding of £4.2 million, it was a wee bit confusing at different points in the presentation. It may well be straightforward, but it confused me slightly. The £1.7 million that has gone to the Office of the Police Ombudsman is coming out of that £4.2 million. Is that right?

Ms Rocks: Yes. I should say that it is up to £1.7 million to the Police Ombudsman, depending on what the requirement might be, and that funding being allocated is ring-fenced to the Department.

Ms Dillon: OK. Is the rest of the £4.2 million all for legacy inquests?

Ms Rocks: It would certainly meet the balance of the pressure that is sitting for legacy inquests, although we know that, following the impact of COVID, we will need to look at what the recovery plan looks like for legacy inquests to determine the requirement. In setting out the draft budget, the total of £4.2 million is ring-fenced for legacy, so I suppose that we will need to look at what the ongoing requirements will be in 2021-22.

Ms Dillon: You said that the information-gathering response exercise will be back by tomorrow. How quickly will the Committee have access to that information?

Ms Rocks: We need to work through the process of collating the information and putting it through our internal committee and the Minister. We can then share it with the Committee. I am conscious that the consultation deadline is 25 February, so we will provide any significant update between now and the closure of the consultation. Of course, we will engage fully with the Committee as part of the final budget-setting process. For me, the key at this point is making sure that we have all the information from all the bodies so that we can clearly set out the impact on a tight budget.

Ms Dillon: There is a mention of COVID-19 pressures that will require additional funding from DOF. What are those pressures, and has the Minister submitted any bids for funding from the available pot in the current financial year for that? As a tiny add-on to that, an easement of £1.2 million from the

ring-fenced COVID-19 budget was surrendered. Could that not have been reallocated in anticipation of next year's pressures?

Ms Rocks: I will break that down. With any requirement for additional in-year funding for COVID, we are on course for a balanced budget, so we did not need any additional funding. We do, of course, keep a close eye on what is going on, particularly with the PSNI, to ensure that there are no additional requirements in-year. There was no requirement for the £1.2 million anywhere else in the justice system. Unfortunately, we are limited in what we can do next year. There is no carry-forward facility, so we cannot carry forward any money into next year. We are in danger of spending in advance of need, and those costs will crystallise only in 2021-22.

Ms Dillon: Have any other bids been made in respect of the budget surplus for the remainder of the current financial year?

Ms Rocks: Not from us, no.

Ms Dillon: OK. Those are my questions for now, Chair. I may want to come back in before we finish.

Ms Dolan: I have just one question. There is no reference to any equality impact assessment (EQIA) in your briefing paper. Given the significance of some of the inescapable pressures identified, there is likely to be a negative impact on a number of section 75 groups. Can you give more information about any EQIA that was carried out?

Ms Rocks: I will hand over to Andrea for some of the detail, but, as part of the information-gathering exercise, we collected information on the potential impact on section 75 groups. We were able to screen out, so a full EQIA is not required.

Ms Andrea Quail (Department of Justice): Yes. In the information that was received in the returns, a minor impact is considered across all section 75 categories, and a full equality impact assessment is not required. The Department has reached the outcome that policy is screened out. However, as part of the final budget consideration, equality screening will be reconsidered at that stage.

Ms Rocks: It is important to say that we are very keen to get the details on our website in the next couple of days.

Ms Dolan: That would be great. Thank you.

Mr Dunne: Thanks very much, everyone, for the presentation. For the COVID-19 budget, £36 million seems to be earmarked for next year. How is that expenditure justified? We are well into the COVID crisis, and we appreciate that there are continuous demands, but it seems excessive. I take it that we are talking about it being across three or four Departments. We are talking about £36 million. Last year, the estimate came in at about £12 million per Department. How do we justify the expenditure on COVID at this stage? Does it include overtime for the police and the Prison Service, for example?

Ms Rocks: The first thing is that £36 million was the bid that was made as part of the information-gathering exercise for 2021-22. We are in the process of revisiting that in the context of what we now know. For example, the impact on legal aid has not been as significant. Also, the courts are starting to come back, and the impact on income, for example, may not be as significant. We are in the process of revisiting that, and, as I said at the time of the briefing, I imagine that that is potentially a worst-case scenario.

As for the things that are included, £11.1 million of it related to social distancing and PPE in the Prison Service and £8.7 million for the same purposes in the PSNI, including IT. We are revisiting that. It is important to recognise that some of it is not spend and is the potential impact on income that has been lost. Of course, as ever, we will closely monitor it. With £126 million available across the block, if we had bid for something in that region, it may be that we are looking at the impact of not securing the funding.

Mr Dunne: Is it very much an estimate at this stage?

Ms Rocks: It is.

Mr Dunne: Yes. Right, OK. Thank you.

Appendix A deals with:

"Proposed Draft Non-Ringfenced Resource DEL".

That shows a total for the Prison Service of £106 million. That is obviously quite a large area of expenditure. The police are the major factor with a total of £728.6 million. My notes from earlier show that I wanted to ask a question about how the PSNI shows value for money in the management of the processes and procedures that it has in place to ensure that it is making effective use of resources. Do you have —?

Ms Rocks: Sorry?

Mr Dunne: Do you have any evidence of that? Do you look for that evidence when requests are made for such funding?

Ms Rocks: For any significant spend, the PSNI would present a business case to the Department, and we would consider its value for money. That would be one place where we would have very clear visibility on specific new areas of spend. If you were to break down the police budget, as with our budget, the significant portion, about 70%, is for staff costs and, after that, managed services. There is very little room for manoeuvre in the Police Service budget but anything new would certainly be subject to a business case that we would scrutinise for value for money.

Mr Dunne: That needs to be looked at, considering what you said earlier about the added pressures on police resources and that there may need to be a cut. We are all very aware of the need for scrutiny and ensuring value for money. How closely is the overtime budget in the PSNI monitored and managed? From questioning the Chief Constable and senior officers, I know that they have done a programme of work on that. How effective has that been, or what evidence is there to show that significant savings have been made on overtime, for example?

Ms Rocks: There is an operational aspect. Much of the spend in the police's budget is an operational matter for the Chief Constable, but I know that there have been significant reductions in levels of overtime over the past number of years. It is certainly an area that has been driven down as part of a reducing budget.

Mr Dunne: Obviously, the PSNI has been involved in COVID operations. Are the overtime costs for the COVID operations included in that, or would they come under the COVID funding of £36 million that was mentioned previously?

Ms Rocks: I do not know whether there is anything specific in the COVID bids for overtime. That would be part of the normal police budget.

Mr Dunne: Part of the normal police budget?

Ms Rocks: It would be about what police officers were directed to do.

Mr Dunne: OK, thank you. Capital DEL is £96.4 million. Where is that proposed? Is that for capital schemes?

Ms Rocks: No, apologies. In my opening remarks, I was referring to the fact that, as part of the normal process, you might have a Budget around the autumn. So, usually, when the information is gathered, you have all the detail on capital bids. However, because the Budget has slipped so much, we did a capital refresh before making recommendations to our Minister on the draft capital allocations. We hope to be in a position to do that in the coming days, and we will share the bids with the Committee once the Minister has agreed them.

Mr Dunne: OK. Just one other quick point. You followed up a previous meeting that we had about the additional costs. Of those, £3,000 was for "Legal Aid Normal Business". Why is that separate from the normal legal aid figure? It is under the heading "Inescapable pressures".

Ms Rocks: That is a breakdown of our other inescapable pressures that make up the £56 million. I hope that I am answering your question. As it is not in the category "Pay and Price", it is just one of the other inescapable pressures that we face in the legal aid budget.

Mr Dunne: Is that "Legal Aid Normal Business" directly attributable to the PSNI?

Ms Rocks: That is for the Legal Services Agency (LSA) rather than the PSNI.

Mr Dunne: Is it? Why is that not coming out of the amount earmarked for legal aid?

Ms Rocks: That pressure was submitted by the Legal Services Agency when it was assessing its forecast requirements for legal aid next year against its baseline. The £3 million is the shortfall from its original bid.

Mr Dunne: Three million pounds?

Ms Rocks: Yes.

Mr Dunne: It says here, "Total £k".

Ms Rocks: So, it is £3,000K, which is £3 million.

Mr Dunne: Three thousand? Yes, which totals £19,000-odd for other pressures.

Ms Rocks: Yes, £19 million.

Mr Dunne: Millions. Right, it is millions, then. So that table is wrong.

Ms Rocks: The figures in the table are in thousands, so the total is £19,458,000, which is £19.5 million.

Mr Dunne: OK. Thanks very much.

The Chairperson (Mr Givan): Lisa, while we were listening to some of those answers, we got a PSNI response to the Committee on the budget allocation, which has caused me a lot of alarm. The PSNI has provided some illustrative options as to what it is going to do, but I will read the key paragraph to you:

"The most significant impact will be necessary reductions in both police officer and police staff headcount and recruitment. Rather than increasing police officer numbers towards 7,500 as outlined under the New Decade New Approach, we could therefore instead experience a reduction of more than 300 police officer posts to 6,700 and almost 100 police staff to 2,470 over the financial year. Reductions of this nature will inevitably impact on a range of competing issues and tough choices will have to be made."

That crystallises very clearly in my mind the impact that this will have on the Police Service. In light of the £23 million reduction in the PSNI budget, will the Department of Justice give priority to the Police Service when you get your final budget settlement? It would not be acceptable to the public to have to have that kind of reduction in our police officer headcount.

Ms Rocks: It is absolutely right that we have that information as part of the draft Budget process as it will form part of the Minister's considerations when she is taking part in the Executive discussions on the final Budget. The important thing is that we have that information so that we can feed into the process the clear impact of the draft Budget.

The Chairperson (Mr Givan): OK. I will certainly want that issue to be prioritised.

Miss Woods: Thank you for coming to the Committee today. I have not had a chance to go through all the information that was given to us in the tabled pack from other bodies that are funded from the DOJ, including the PSNI. However, a similarly grim situation has been outlined by the Probation

Board. It is not just police services; it is all services, such as those that are funded through non-departmental public bodies and the community and voluntary sector, which, we know, pick up most of the legwork in keeping people safe. This is not a good situation at all, and I will certainly be raising the issue.

Gordon mentioned business cases and the fact that they are scrutinised for value for money. Is value for money the only way in which business cases are scrutinised, or are outcomes and the impact on people also part of the process?

Ms Rocks: All that is part of the process, but value for money is one of the considerations.

Miss Woods: Is value for money the element that is most heavily weighted?

Ms Rocks: No, I would not say that. Consideration is given to the full business case and what it is setting out to achieve, and affordability and value for money are part of that.

Miss Woods: OK. It has been brought up in budget discussions that a lot of Departments could feed in and work together on certain issues. We are looking at issues that the Probation Board and other bodies fund, but that has impacts on Communities, Infrastructure and other Departments. We do not want projects and pilots to go, but, if everyone has been asked to make cuts because of the Budget process, has there been any discussion with other Departments about pooling budgets?

Ms Rocks: No. Ultimately, we seek to align resources to the outcomes in the Programme for Government (PFG).

Miss Woods: Is that the Programme for Government that is currently out for consultation?

Ms Rocks: Yes. Ultimately, however, it will move towards a multi-year Budget. In line with NDNA, if it is delivered, it will be a multi-year Budget, in line with PFG.

On the Probation Board point, Rachel, I just want to give a health warning that the Department has not yet received responses. The Probation Board has a range of funding streams, as have a number of our bodies, for which funding is allocated in-year. Therefore, when bodies receive their initial allocations, there could be concerns around funding. For example, the Probation Board receives funding from the tackling paramilitarism programme, and it also receives funding from problem-solving justice. Those are not in the baseline budget, but they could be perceived as having a big impact. In a normal process, we would have an eight-week consultation in order to work through this, and then the Department would come to the Committee with a fully informed process. However, we are working under a really constrained timescale. It will be important for the Department to have an opportunity to see what those impacts are. If we can help to inform the Committee as part of that, we will do so.

Miss Woods: Thank you. I appreciate that. I look forward to knowing what a normal Budget process looks like [*Laughter.*] I am quite new, and, if this is not the way in which it is usually done, that is OK.

I am not singling out the Probation Board submission, but it is the one that I managed to read before today's meeting.

Have departmental priorities for 2021-22 been discussed, and has the prioritisation exercise, based on the draft Budget, been done?

Ms Rocks: Our prioritisation will be informed by the fact that we now have a flat budget. That will force us to prioritise more because we have not received all the required funding. Those conversations are ongoing.

Miss Woods: OK. Will the Committee be updated on the departmental priorities for the next financial year?

Ms Rocks: I might defer that one to my business planning colleagues.

Miss Woods: Chair, I have another question. Have bids for the Nightingale courts been submitted for the next financial year under COVID bids?

Ms Louise Blair (Department of Justice): Rachel, the courts have flagged a number of COVID pressures that they are refreshing. However, those bids were originally submitted in September, and the Nightingale courts have become established only in the last month or so. They have an indicative working assumption that they could extend the Belfast one until the end of June, but they are keeping that under review. They do not involve significant costs: it is £250,000 for the three months until the end of June. That will be part of their overall pressures, but, as Lisa said, we are refreshing those costs.

Miss Woods: Correct me if I am wrong, but the allocation for the Nightingale courts at the moment is just until the end of the financial year.

Ms Blair: That is right. The courts are managing that from within their existing allocation. They were able to manage that, and, in September, when they were submitting their bids, they would not necessarily have been advanced enough in their planning to know what they would need for 2021-22. We will capture that as part of this update.

Miss Woods: Great. Thank you. Gordon touched on legal aid. Maybe you can come back to me on this, but has a bid been made to the Department of Finance, even within the Legal Services Agency, in regard to clause 28 — the legal aid provision — of the Domestic Abuse and Civil Proceedings Bill, which is soon to be an Act? That will soon be a section of the Act.

Ms Rocks: It is not included in the current bids, and I understand that colleagues are seeking to understand the potential repercussive cost of that.

Miss Woods: So no bid has been put in for the next financial year to activate section 28?

Ms Rocks: No.

Miss Woods: OK. I will not take up any more time, Chair. I am sure that I will raise more issues at another stage.

Mr Frew: I express my deepest and sincere sympathies to you because you got the Budget later in the process than is usually the case, although we do not do anything in the "usual" way here; it is always unusual. Of course, that was out of your hands and, in fact, out of the Department of Finance's hands, considering the Budget review in Westminster. I sympathise with you given the work that you guys have to do in a very short time. That said, I am interested in what you said about the moneys left over for the structure of the pension scheme for people who are victims and have been hurt, damaged and disabled by terrorist atrocities and activity. Repeat to me: how much money is in the budget for that?

Ms Rocks: My understanding is that the Executive have provided an allocation of £6.7 million in 2021-22 to the Executive Office, and that will enable the implementation arrangements for the scheme to continue.

Mr Frew: Sorry, how much?

Ms Rocks: It is £6.7 million, as I understand it.

Mr Frew: It seems that the Executive Office identified pressures of about £21.6 million. Do you know from where that figure came? Have you had any engagement with the Executive Office about whether that is for apparatus or structures or whether it is the pure funding for pensions?

Ms Rocks: There are a couple of points. The scheme will not become a pressure on the DOJ budget. I am aware that bids were submitted. There is £6.7 million in the draft Budget for the implementation arrangements, and that will probably come across to us to administer the scheme. Around £22 million is required for making payments in the next financial year. That was not part of the draft Budget, but the cost that will be incurred to the DOJ budget will be recouped. The funding has not been confirmed for making the payments, but our Minister is on record as saying that, although the Executive Office is the accountable Department, securing funding for the scheme is a priority for the Executive.

Mr Frew: Does it not strike you in the Department of Justice that you may well get money to set up a structure that will not do anything if money to fund the pension scheme does not come forward? How does that sit with audit?

Ms Rocks: Ultimately, a decision on whether the scheme will open will be for the Victims' Payments Board to make. The Minister has said that securing funding for the scheme is a priority for the Executive. We therefore continue to take action to ensure that the scheme will be ready to go when the funding is available.

Mr Frew: I understand that it is not your responsibility to bid for or find that funding, but has the Department had any orchestrated conversations or done any joined-up working with the Executive Office and, indeed, the Department of Finance to try to find that funding? You raised a point at the start of your presentation about the Committee writing to find out whether we can utilise any of the money that may be left over from this year's budget. Imagine a scenario in which, the day before the financial year ends, you have hundreds of millions of pounds, and, the very next day, you send that back to the Treasury. That, in effect, becomes Treasury money. Is there any mechanism that you know of that could be used so that that money is saved and is then able to go into the pension fund directly and utilised by the Department, which should be the administering Department for that funding?

Ms Rocks: I am not the lead on engagement with the Executive Office. That is another colleague. I appreciate, however, the point that you are making about whether unspent money this year can be used next year. My understanding is that that falls within the bounds of the Budget exchange scheme, under which the Executive have sought a limit on what can be carried forward. It will therefore be up to them to consider that when setting next year's Budget. I am not an expert on the Budget exchange scheme, but I think that you are talking about figures of in and around £80 million. In the context of a flat Budget and the impact on the Executive, there are many difficult decisions to be taken.

Mr Frew: That brings me on to my point about the flexibility that needs to be secured. If you are the administering Department for the pension scheme, we do not yet know who will apply or how many will apply at the start. The duration of the scheme and the money that is spent on it will be to do with life expectancy. Is there any mechanism by which you can add further flexibility to the budget? Otherwise, you will be gazing into your crystal ball and asking for money yearly for a fund that could go sky-high at any time and then not really level off. The parameters for the pension scheme could therefore be mighty.

Ms Rocks: I will have to defer to colleagues. The Executive Office is involved in looking at the estimates for the scheme, but, in purely financial terms, there is no impact on the DOJ budget. I do not think that that flexibility is currently there, but, of course, as part of the discussions on the scheme, I am sure that those things are being explored.

Mr Frew: How do we square that circle? There are commitments in 'New Decade, New Approach'. The document states:

"The Executive will increase police numbers to 7,500."

That is a small but clear sentence in that political agreement, but here we have a Department that, because of its budget settlement, will be going in the reverse direction on that commitment.

Is there an accelerated passage procedure that you can use, whereby you can get the Department of Finance, and, I am sure, the Executive Office, to realise the significance of that, to realise the momentum that will be lost and to realise the damage that that will do to confidence not only in law and order as a result of police numbers but in the establishment itself, given the agreement that was sought and obtained that got these institutions back up and running? Within a year, police numbers are going in reverse and not increasing according to that commitment — that promise — which was that the Executive would increase police numbers to 7,500.

Ms Rocks: As part of the draft Budget discussions, we will make all those points. The block did not receive much money, so there was not much money available, but we will feed in all those points to the draft Budget discussions.

Mr Frew: Can it be used as a trump card because it is in the NDNA deal? Is that something that propels that bid above every other bid?

Ms Rocks: That is not for me to determine. It is for the Justice Minister to consider priorities and feed them into discussions with Executive colleagues as part of the process of setting the final Budget.

Mr Frew: We are in this strange scenario in which we have the Budget settlement or review late from Westminster, so you guys are all scrambling about. The Finance Minister has produced his draft Budget, although he has not laid it in the Assembly as yet. Although he has made a statement, he has not laid the Budget, so there could be an issue there.

There is also talk in the Committee for Finance, and most definitely from the Chair of that Committee, that it may not wish to support the Department in seeking accelerated passage. That will be a decision for the Assembly, not any Committee, but the Committees are meant to be assured that they have been able to scrutinise budgets appropriately. If the Committee for Finance cannot say that and, as a result, will not support accelerated passage, have you done any scenario planning for what finances will look like if the Department of Finance does not get accelerated passage and the permanent secretary then needs to step in with the order that will allocate, I think, only 65% of the Budget at the start of the financial year and then 95% in July?

Ms Rocks: The spring Supplementary Estimates would provide cover for the continuation of spend. In scenario planning, we work closely with the Department of Finance and take its advice on the requirements. At this point, it continues to advise us to work under the draft Budget and to inform the consultation.

Mr Frew: In order that I am clear, the spring Supplementary Estimates give you authority from the Assembly to spend, and how much. Is that correct?

Ms Rocks: I do not know the percentage off the top of my head. The spring Supplementary Estimates provide the authority to run cash for a number of months into the new financial year. We have had to do that in a couple of years when there was not a Budget in place at the start of a financial year. What we do in that scenario, and, again, I am speculating, is that we might try to operate under indicative budgets. DOF, however, has not provided any advice at this point that that is something at which we should be looking.

Mr Frew: The spring Supplementary Estimates are different from the Budget Bill, which —

Ms Rocks: Yes.

Mr Frew: — will be in two stages. One is in this financial year for the next year, and then there is the Budget Bill, usually in June, which is for the rest of the spend. There are therefore those intricacies involved.

Is it correct that the spring Supplementary Estimates get you clear and authorise you to spend money in the event that a Budget is not passed at any given stage?

Ms Rocks: It includes a Vote on Account. I look to my colleagues, because it is fairly technical and not something that we use very often, but it does include a Vote on Account, which allows for cash to continue to flow in 2021-22 until there is a Budget in place.

Mr Frew: Are your colleagues there?

Ms Rocks: I think that they have nothing to add.

Ms Blair: There is nothing else to add.

Mr Frew: OK. I am hearing that there is nothing else to add.

Ms Rocks: No.

Mr Frew: OK. Thank you very much.

Like Rachel, I am concerned about the Probation Board, because a lot of its work is behind-the-scenes, preventative work on reoffending and other aspects of the criminal justice system. Has any sort of scenario planning been done on what a cut to its budget means on the ground for a rise in crime or for numbers in court? That would then lead to a rise in support for courts operating under the guise of —. What is the term that I am looking for?

Ms Rocks: As part of the original information gathering, we looked at the impact, which talked about potentially reducing headcount. The Probation Board talked about its ability to fulfil its statutory functions and provide safe probation. Until I see its final return, however, I cannot comment.

There are a few things to go in there, including the problem-solving justice funding, which we have in the baseline and would be allocated in-year, and programmes such as Aspire, which is part of the Tackling Paramilitarism programme. We continue to argue for Tackling Paramilitarism funding. Some things are therefore still to go in there. At the minute, however, the scenario planning is based on the information gathering, and it will be until we have had an opportunity to see what the board says the impact on it will be, which will then inform the draft Budget.

Mr Frew: Again, you did not write the draft Budget: the Department of Finance did. Your section, however, on pages 44 and 45, is, like the rest of the document, very high level and talks about how the Budget aligns with the draft Programme for Government commitments. What we do not see — something for which I have been crying out for a long time — is a complete alignment of the Programme for Government and the Budget. All that we have are the headline priorities and commitments. You have listed five priorities in the draft Programme for Government commitments that relate to the Department of Justice. What we do not see, however, is how that fits with your submission. Do you have that detail, or was it not asked for by the Department of Finance?

Ms Rocks: It was not asked for as part of the document, but the document does refer to the departmental website. In the next couple of days, we will put on the departmental website the equality information that we have referred to. It will also include an overview of what the draft Budget may mean for the Department. It will cover quite a range of our arm's-length bodies. That should be available in the next couple of days.

Ms S Bradley: Thank you for the presentation. Much has been covered. There was a point raised about Tackling Paramilitarism. The money has been moved from the centre and put into the Department's coffers, so you do not have to bid for that. I just wonder about the rationale behind that.

I would like to air the point that there seems to be something fundamentally wrong here. Everything seems to be retrospective and in response to a situation, particularly now. There is no evidence of any long-term Budget planning. There are then external factors. I appreciate that these are not in the Department's control, but EU exit and COVID are additional pressures on a system that is already reactive and does not have any long-term planning, so I do not envy your task.

You talked about the earlier piece that you do with stakeholders on the draft Budget. Although it is not their final position, it seems that there is a running commentary with those stakeholders on where their finances are at the moment and what the effect of a reduction in finance would be. In coming up with the draft Budget that has been presented, does the Finance Minister take time to recognise the consequences of that reduction? Not only are we not in a position to honour political agreements but it appears that there is barely room to stand still, because no inflationary scope or room is built in. I would appreciate your view on the process. I genuinely believe that you are in the very undesirable position of reacting to short-term numbers for short periods.

Ms Rocks: On the consequences of the draft Budget, we fed into discussions with DOF officials as part of the information gathering. We discussed with DOF officials what the pressures and impacts were. That then informed a bilateral between the Finance Minister and our Minister to tease out what the more significant impacts would be. At the time of the bilateral, those impacts were based on flat cash. It was therefore clear at that point that that would have a very significant impact. All Departments will have done something similar in helping set the draft Budget. That has all been fed into the process.

There was not too much money available at the centre, so there were difficult decisions to be taken. It is very clear that this has a significant impact on us. Like most Departments, we are frustrated by having a range of one-year Budgets. We have tried to move away from that a wee bit to doing some medium- to longer-term planning in order to identify what we see happening in the next number of

years. In the past two years, we have gathered three-year information in order to see where we are going. There is only so much that we can do with that information, however. It will identify things that people aspire to do, but, within the bounds of a flat cash Budget, we are very limited in how we can apply it.

I will touch on your point about Tackling Paramilitarism. The £8 million that has gone into the DOJ budget this year would normally sit in the Department of Finance. There is a match-funding element involved. The bid this year was for £8 million, which would be matched by funding from Treasury. There should therefore be a total pot of £16 million centrally, which all Departments, including us, bid to. For some reason, the £8 million, which is not yet matched, has been allocated to the DOJ budget. Under technical arrangements, we will seek to say, "Actually, that is a cross-Executive programme to which all Departments bid". Of course, our Department has significant bids to it, particularly for the PSNI and the Probation Board, and we will seek to bid for funding. Discussions about the match-funding element are ongoing, however. At the minute, the funding in the DOJ budget relates only to the Executive's £8 million, which is to be matched by Treasury.

Ms S Bradley: Thank you.

Mr Beattie: I have a pretty brief one. Along with the Chair and everybody else, I am concerned by the budget that you are going to be given and the effects that it will have. Given all the pressures that you are dealing with, have you taken into account the fact that you have not yet dealt with the pay deal for the Northern Ireland Prison Service? Indeed, the Probation Board and civil servants in the PSNI are still waiting for an agreed pay deal as part of the pay approval process. Will the Budget that is about to come in have a serious effect on that? In other words, are we realigning that proposed deal as we move along?

Ms Rocks: The estimates of the pay pressure should have been included in the £55.7 million pressure. Some £21 million of that was pay, which will have been based on estimates of what people believed the pay deal might be.

Mr Beattie: OK. That is a straight-up and good answer. The point that I am making is that you are now saying that that is a pressure. The pay deals have not been announced. I take it that there will be no climbdown from those pay deals to try to ease that pressure slightly: that is the way that it is and that is the way that it will stay.

Ms Rocks: I am not sure that I am placed to comment, because that is part of pay negotiations.

Mr Beattie: OK. That is fair enough.

My last question is on what Sinéad was saying. You said that the £8 million for Tackling Paramilitarism should not sit in the Department of Justice. You are right: it should be in the Executive Office. Did the Executive Office tell you why it was moved it into your budget?

Ms Rocks: We did query that. It said that, as part of the final Budget, it would take it back to the centre. It therefore will not sit in the Executive Office but in the Department of Finance as centrally held funds.

Mr Beattie: Will it take that back when the match funding is agreed, or will it come back to the centre naturally?

Ms Rocks: It will come back as part of the final Budget.

Mr Beattie: Good enough. Thank you.

Ms Dillon: A couple of questions came to mind as we went through some of this stuff. Thanks again for your answers so far. Like other members, I recognise that you are in a very difficult position, and we accept that. I do not envy you, given that you have to try to deal with the fact that money has been given out so late in the year.

We are all in a very difficult position, given some of the issues raised about the victims' payments scheme — for all victims of the Troubles — the PSNI numbers and NDNA commitments. That is all money that was supposed to come from British Treasury. Some of those are British Treasury

commitments, yet it is now telling us that the money has to come out of the block grant. It decides how much we get, and it has chosen to give us a flat rate. We need to acknowledge that and stop ignoring the fact that we are not getting what we are supposed to be getting from the British Treasury. We have to deal with what we have got, however. That is an argument from us rather than from you as officials, and I understand that.

On the PSNI numbers, there was previously to be, I think, £16.5 million for EU exit. That was before we exited the EU, and now the British Treasury is giving us half that amount when we are at the very beginning of the EU exit process. That is just madness. The PSNI had devoted most of that money to neighbourhood policing. Has it given any indication as to whether that will be the area of policing that is likely to lose out? If that is the case, it will create a great deal of concern. I agree with what a number of my Committee colleagues have said about the implications of that for confidence in policing. People want to see the PSNI on the ground, dealing with everyday issues such as break-ins, drugs and antisocial behaviour. Those are big issues in people's everyday lives.

Ms Rocks: We have not seen a formal response from the police, but the main thing to say is that the conversations with Treasury are ongoing and have not concluded. The PSNI is continuing to feed into the process. What we are seeing now at the ports further strengthens the case for the PSNI to get that money, and we will feed that back into the case being made to Treasury.

Ms Dillon: Absolutely. I appreciate that. Thank you. We will keep a close eye on that, particularly around neighbourhood policing. It is an issue for the Policing Board.

Chair, I suggest that we write directly to the Policing Board on the issue and ask it whether it can establish, and then inform us of, what the PSNI's plans are for where those police numbers might be lost from, be they from neighbourhood policing or other areas of policing.

The Chairperson (Mr Givan): Yes. I am not sure, Linda, whether you have had a chance to look at the email, but it has some illustrative options on overtime and so on that the PSNI is considering. I know that the Chief Constable briefed the Policing Board about that earlier today. You will want to get feedback from the PSNI and the Policing Board on the implications of that kind of budget for that area. I am more than happy to write to them to follow up on that.

Ms Dillon: That is great, Chair. Thank you. I appreciate that.

The Chairperson (Mr Givan): No other members have any further questions. I have one question, Lisa, as I want to get clarity on the Probation Board allocation. In December, the Committee was notified that the Probation Board got less than its baseline allocation. It was the only NDPB that got that. The Probation Board's submission suggests, however, that it has received its full baseline allocation. I am just trying to clear that up. Are you able to shed a bit of light on it?

Ms Rocks: I am not sure about the earlier element about it getting less than the baseline. As far as I am aware, everybody had their baseline rolled forward, which is what the Probation Board should have had.

The Chairperson (Mr Givan): OK. Thank you for coming to the Committee today. I am sure that there will be some follow-up questions that we will want to ask.

Ms Rocks: OK. Thank you.