



**Northern Ireland
Assembly**

**COMMITTEE FOR
CULTURE, ARTS AND LEISURE**

**OFFICIAL REPORT
(Hansard)**

February Monitoring Round

3 February 2011

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Barry McElduff (Chairperson)
Mr Declan O'Loan (Deputy Chairperson)
Lord Browne
Mr Thomas Burns
Mr David Hilditch
Mr William Humphrey
Mr Kieran McCarthy
Mr David McClarty
Mr Ken Robinson
Mr Pat Sheehan

Witnesses:

Ms Deborah Brown)
Mr Mick Cory) Department of Culture, Arts and Leisure
Mr Arthur Scott)

The Chairperson (Mr McElduff):

I welcome Deborah Brown, Arthur Scott and Mick Cory to the meeting to discuss the February monitoring round. Perhaps, Deborah, you would introduce your colleagues and then make an opening statement, after which members will ask questions.

Ms Deborah Brown (Department of Culture, Arts and Leisure):

I thank the Committee for inviting the Department to present its proposals for the February

monitoring round. Accompanying me today are Arthur Scott, director of culture, and Mick Cory, director of sport, museums, fisheries and libraries. As you are aware, Chairperson, the Department of Finance and Personnel (DFP) undertakes four formal in-year monitoring rounds, usually in June, September, December and February. Monitoring rounds are the process by which Departments can bid for additional resources to meet unexpected pressures, surrender any reduced requirements and/or transfer de minimis budgets between their service areas or submit a linked bid reduced requirement to transfer a larger amount.

First, I would like to refer to the outcome of the December monitoring round, which was announced to the Assembly on 17 January 2011. The Executive accepted all the Department of Culture, Arts and Leisure's (DCAL) December monitoring proposals, with one exception.

The following proposals were accepted: the capital reduction of £193,000 on safe sports grounds; the capital reduction of £500,000 on the multi-sports stadium; the capital reduction of £259,000 on the sports strategy implementation; the resource reduced requirement of £407,000 in relation to fisheries; the resource reduced requirement of £500,000 for the Ulster-Scots Academy; a resource reduced requirement of £117,000 in relation to Sport NI; and a resource reduced requirement of £1.2 million in relation to National Museums depreciation. Several internal reallocations and technical transfers were also accepted. The only proposal to be rejected was the capital bid for £259,000 in relation to museums' general capital.

I now turn to the February monitoring round, beginning with bids. The Department has reviewed its resource requirement and proposes to make no bids for additional budget in this round. It is planned that spend for the financial year will be £111,639,000. That is set out in annexe C to the papers. On capital, the Department has reviewed its requirements and proposes to make no additional bids for any budget in this round.

The Department is surrendering a reduced requirement of £847,000. That is a slight amendment to the £897,000 detailed in the papers, because there were a few minor adjustments over the past few days and that easement has come down to £847,000. That entails reduced requirements of £12,000 in arts infrastructure; £37,000 in respect of National Museums; £48,000 in respect of Tollymore; £72,000 in respect of the sports strategy implementation; £100,000 of

capital on the live screen site; £235,000 in respect of fisheries; £190,000 in respect of Waterways Ireland; £40,000 of capital in respect of the Public Records Office of Northern Ireland's (PRONI) general equipment; and £113,000 of capital in respect of PRONI's new accommodation in the Titanic Quarter. No resource reduced requirements are declared in this monitoring round.

DCAL is seeking no internal reallocation above the de minimis threshold and proposes no technical transfers as part of the February monitoring round. In the revised capital budget after the February monitoring round, the anticipated spend is £47,420,000. That is slightly different from what is outlined in the papers; there is a £50,000 difference. The total reduced requirement on capital for the February monitoring round is £847,000. Annexe B provides detail of the proposed internal moves and reduced requirements to arrive at that proposed budget position after the February monitoring round. That summarises the proposals for the February monitoring round.

Mr McCarthy:

You said, although perhaps the figure was different when I looked at it, that the surrender of £48,000 relating to the Tollymore centre is due to reduced costs and contract elements. Will you explain that in more detail? What are those contract elements? Will you explain the £72,000 reduced requirement for the Mourne mountain bike track due to slippage?

Mr Mick Cory (Department of Culture, Arts and Leisure):

Tollymore has been a flagship project for Sport Northern Ireland. Equipment and so forth are the remaining contract elements of the project. Before they go to tender, the budget estimates the cost; however, when the tenders come in we find that it is a reduced amount. It has cost less money, and we have declared those amounts as reduced requirements.

There are two mountain bike projects in the Mournes. The first, which is based in Tollymore Forest Park, is designed to train the trainers and those who will instruct folk in mountain bike riding; it will continue as planned. The other project, which is based in Castlewellan and Rostrevor, and on which the Department is working in partnership with the Department of Enterprise, Trade and Investment and the Tourist Board, has a reduced requirement. That project will not happen this year, so pressure has eased. However, a commitment has been made that it

will go ahead next year.

Mr McCarthy:

Is it just a matter of deferring from this year to next?

Mr Cory:

Absolutely; however, it is subject to Budget 2010 being settled.

The Chairperson:

Is the Department proposing to surrender £897,000 in capital?

Ms D Brown:

No; £847,000. A slight adjustment was made to the original figure. Over the past couple of days we were notified of other pressures that we could accommodate, and that reduced the easement.

The Chairperson:

What is the status of those projects, and how have those surrenders been reflected in Budget 2011-15? Community-based sports groups across the codes have told us repeatedly that they might be ready to go with capital projects but that the Department has not been good at creating a programme with a short-term lifespan that is geared towards spending the capital money that is being sent back. I can think of countless examples, including a GAA centre of excellence in Garvaghy in Tyrone, which is seeking central government funding. Those behind the project are ready to go and could spend that money, yet they are looking on as the Department hands money back. I am sure that others, with other sporting preferences, could identify similar projects. There is anxiety at the perceived failure of the Department to spend monitoring round money on capital projects and that money is being handed back. Why is that happening?

Ms D Brown:

I will answer the first part of the question. Some of the easements that we reported are slippages in which the projects have been delayed for various reasons while others are the consequence of reduced costs. Some easements are surrenders that we must make, as we have no guarantees on next year's budget. We cannot progress a project knowing that it would create a contractual

commitment for next year if we do not know for certain that there will be a budget for it.

We are reviewing the projects that have slipped, and, as part of the Budget process, we will make bids to DFP for the projects that will slip into next year to ensure that we have the budget cover to complete them. Those issues are in hand and are being managed. Unfortunately, because of uncertainties around next year's budget, some projects cannot commence, some have reduced costs and some have slipped. We hope to manage those through the Budget process and to place bids for them.

Mr K Robinson:

Has the Department factored in the adverse weather conditions on capital projects and whether we will get stung as a result of them?

Ms D Brown:

All the Department's arm's-length bodies were asked to look critically at their capital programmes and to build such factors into their forecasting. We cannot predict everything, and issues might arise between now and the end of the financial year that mean that the Department has some underspends. We sought assurances from all the arm's-length bodies on their capital programmes. They highlighted that there will be factors outside their control, and there is not a great deal that we can do about that.

The Chairperson:

Is your reference to bids applicable to future monitoring rounds?

Ms D Brown:

No. As part of the Budget 2010 process, which is yet to be concluded, the Department proposes to make representations to DFP for funding next year to manage some of the expenditure tails from this year. We will make those representations in the first instance, and, if they are unsuccessful, we will make a bid for funds in the June monitoring round in the hope of securing the money to complete them. We will also look at our own programme for next year to see whether there will be slippage in other projects and whether we could mop up some of the slippage from this year. There are variations in how we might manage it.

Mr Cory:

To answer the second part of your question, Chairperson, three challenges face the use of slippage or easements for community-based projects. Broadly speaking, the first is that Sport Northern Ireland, which manages the programmes, must have a programme under way against which it can allow people to bid. If no programme is in place against which a community project can bid for money, Sport NI would have to put one in place, which is a challenge in a short time.

The Chairperson:

The Department seems to have shelved its Places for Sport programme, although it seemed to be the kind of programme that worked.

Mr Cory:

It could be something to look at again in future. At present, we do not have a programme in place in which to use it.

The second challenge relates to that issue. The process is competitive; usually, several applicants will bid against a set of criteria. It is important that that be done in a sequential and proper way. In fact, Sport Northern Ireland would challenge the Department if it tried to impose a programme to cut corners.

I do not want the Committee to underestimate the third challenge, which is that if money becomes available in, say, December, we must, depending on the size of the project, follow a proper process of business cases. However, more important — this does restrict us — is public procurement, particularly if the sum involved is more than £100,000, in which case we must advertise in the ‘Official Journal of the European Union’. It takes at least three months to run a proper procurement process for even the build of it. If we had the money in December, our ability to spend it before the end of the year is severely restrained.

Mr O’Loan:

I understand your point. However, you will understand that returning money when there are so many genuine needs for it does not look well in the public perception. Can nothing be done to create a fairly constructed contingency list? Perhaps there could be better communication

between the Department and its arm's-length bodies so that, as you work your way through the year, money could be released. For example, could you tell applicants to be ready in case you may be able to release money to them while at the same time making it clear that that may not happen?

Mr Cory:

It is certainly something that we could look at. Bearing in mind the challenges that I outlined earlier, we would have to have such a system in place quite early in the year rather than wait until December when money becomes available. However, I would not be averse to our looking at a possible contingency plan.

Mr O'Loan:

Are you fully satisfied that the releases were made as early as possible?

Mr Cory:

At this point in time, yes. We put our arm's-length bodies under a great deal of pressure as we approach the monitoring round deadlines. In fact, we put pressure on them even beyond the deadlines — as late as Tuesday and Wednesday of this week, we were challenging and checking that the releases are as they should be. As we said earlier, we have already adjusted the figures as a result of those challenges and have tried to clarify the final position.

Mr O'Loan:

I want to ask a couple of questions about annexe B. I am not interested in the returns on capital maintenance but in the internal moves, as they contain a couple of large figures. There is a capital maintenance internal move of £327,000, and a Titanic exhibition that had zero in the budget but which, in an internal move, was given £923,000. I do not know whether there is a connection between them. To what does the capital maintenance relate? Given the complaint that we often make that the government estate is in poor condition and needs substantial maintenance, I am surprised that money could be taken out. What happened with the Titanic exhibition? Evidently, there was a need for spend that had not been anticipated. Is there a connection between those? Did money have to be taken out of other programmes to satisfy the demands of the Titanic exhibition?

Mr Cory:

Everything in the project column in annexe B from “Capital Maintenance” to “Transport Gallery” relates to the National Museums capital budget. The line on capital maintenance is the National Museums budget line. There is a degree of flexibility available through the monitoring rounds. As things change or as projects emerge, National Museums will, first, declare to ease money but will then spend money on other projects. That is exactly what has been happening here.

The Titanic exhibition is an opportunity that arose largely at the end of last year. The White Star Line collection became available for purchase, and National Museums bought it. During the year, it developed plans to have that collection available from April onwards, associated with the launch of the Titanic in 1912. Therefore, it has made the case to the Department to utilise that. The overall budget has not changed. There have been some changes because of monitoring, but, essentially, the spend on the different lines has not altered but has varied between lines. There is a link. In fact, column 2 of the table shows that the overall net change in the museums subtotal is zero. It has basically been moving money between projects with the agreement of the Department.

The Chairperson:

No other members want to come in at this stage. Therefore, I thank the officials for coming before us to discuss the February monitoring round.