



Northern Ireland
Assembly

Committee for Education

OFFICIAL REPORT (Hansard)

October Monitoring Round: DE Briefing

26 September 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Mervyn Storey (Chairperson)
Mr Danny Kinahan (Deputy Chairperson)
Ms Michaela Boyle
Mr Jonathan Craig
Mrs Brenda Hale
Mr Chris Hazzard
Miss Michelle McIlveen
Mr Sean Rogers
Mr Pat Sheehan

Witnesses:

Mr Trevor Connolly	Department of Education
Mr Stephen Creagh	Department of Education

The Chairperson: Trevor and Stephen, you are very welcome. This is an issue that has been raised a number of times, and I appreciate that everybody is under considerable pressure, but we only received the paper before this meeting. It is an issue. If Committees are to be able to scrutinise what is going on, they need to get the relevant information on a timely basis. I say that as an opening comment and trust that it will be taken on board. Trevor and Stephen, I ask you to speak to the paper as it is.

Mr Trevor Connolly (Department of Education): Thank you, Chair. I am grateful for the opportunity to briefly present the proposals for October monitoring to the Committee. If the Committee is content, I will give a broad outline of the overall financial context and the proposals being put forward. Afterwards, I will answer any questions that the Committee has.

This is the second monitoring round of the year. The Committee is aware that in-year monitoring rounds provide an opportunity to review departmental spending plans and priorities in light of more up-to-date information. In particular, the monitoring rounds allow the Executive to consider the scope for the reallocation of resources to deal with pressures that have emerged through the redeployment of reduced requirements. The overall position for the block following the June monitoring round was an overcommitment of £6.5 million on current expenditure and £12.7 million on capital expenditure. The focus for the Executive in the remaining monitoring rounds will be on managing that overcommitment while making sure that they make full use of the available spending power. The outcome of the June monitoring round was announced to the Assembly on 26 June. The main outcome for the Department of Education (DE) was an allocation of £5 million to cover the drawdown of school surpluses. In addition, a resource bid of £9.4 million for schools maintenance was submitted, of which £4 million was received.

Turning to the detail for October monitoring, members will have in front of them the paper setting out the Minister's latest position. That was agreed with him last night. I appreciate, Chair, your views on the timing. My only response is that this is literally the most up-to-date information that we have. We agreed it with the Minister late last night, so you have the most up-to-date information available.

There are no reduced requirements. There are three capital bids totalling £6.9 million, which will be submitted in the priority order as listed in the paper. In addition, there will be a resource bid relating to schools maintenance for £2 million. If you are content, Chair, I will ask Stephen to give a wee bit of detail on the capital side, because that is the first time in the current year that we have had a capital bid.

Mr Stephen Creagh (Department of Education): We have three capital bids. The first relates to Arvalee special school, for which £1 million is being bid. That bid addresses the capital funding required to repair the extensive fire damage that happened after the fire some weeks ago. Our second bid is for £5 million for minor works capital to address some urgent health and safety issues across the estate and Disability Discrimination Act requirements in the controlled sector. The third bid is for youth capital funding and is £0.9 million. That is to address some urgent health and safety work that has been identified, including fire risk assessments, remedial work and work to do with the Disability Discrimination Act.

Mr Connolly: If there are any questions, we would be happy to answer them.

The Chairperson: Going back to the capital issue, obviously this bid will be in addition to what the Minister will be considering later this year. Earlier this year, he said that he would be looking at making a further allocation under capital works in the autumn. At that stage, he talked about a particular type of fund that he was going to set up. I cannot remember the name of it.

Mr Creagh: The school enhancement programme.

The Chairperson: Yes, thank you, Stephen. That was probably to look at projects that are under £5 million. I think that that was what was being considered. Is this bid a recognition that what is already in that capital provision will not meet the needs of these particular projects? So, you are looking at how to spend your capital, but this is in addition to that, because that money is just not available for these particular projects. How do you distinguish between those two things?

Mr Connolly: First, the Minister's announcement before the summer was for projects over a three-year period. Obviously, because of their nature, capital projects are carried out over that length of time. As you said, these are specific bids for sums that we will have to spend by March next year. We are all aware that what happened to Arvalee special school is a unique issue and one that we will, hopefully, not have to address again. The simple answer is yes, these are in-year pressures that we have identified that are above and beyond the programmes that the Minister announced, but those programmes are spread over the next three years, over the rest of the Budget period. These are in-year pressures that have come through from the boards for which we do not have the capital. We have £101.9 million capital in this year. That is fully allocated, and we are asking for a further £6.9 million.

Mr Creagh: The Minister's statement in June covered capital investment of £173 million across the period to which Trevor referred. For information, I will remind the Committee of the details of that. There were four phases. There was the immediate phase, and the Minister announced the list of 18 projects in June. The intention is that those projects will proceed on site later this financial year or as early as possible in the next financial year. Those projects total £133 million in capital value. As Trevor set out, some of the larger projects will be profiled through the comprehensive spending review period. Again, for the Committee's information, the gross capital budget over the remainder of the Budget period is as follows: in 2012-13, £104 million; 2013-14, £108 million; and in 2014-15, £184 million.

The Chairman is entirely right; there is a second phase, and, as I understand it, it remains the Minister's intention to make a statement in the autumn for schemes to move forward in planning. A process is under way to look at that and brief the Minister accordingly.

The third phase is the school enhancement programme. With respect, I will just correct the Chair on that: the school enhancement programme will deal with small-scale projects that cost between £0.5

million and £4 million. I know that I nodded when you said £5 million, and I apologise for that. Those bids will principally address enhancement refurbishment works across the estate, obviously to support the emerging area planning findings but also to address issues for which a newbuild is not always the best-value solution.

The fourth phase mentioned in the June announcement involves five special school projects, and they are part of the 18 schemes that were announced.

The Chairperson: OK; thank you, Stephen. That is helpful. I want to go back to the issue of Arvalee. Obviously this is a bidding process in which all the other Departments are engaged. The bids will all be submitted to the Department of Finance and Personnel (DFP) and a decision will ultimately be made. If, under that head, there is no allocation, will the Department be able to ensure that, as a result of whatever else it receives in the bidding process, Arvalee will still be a priority?

Mr Connolly: The bids that we put in are in priority order, and we have made that totally explicit. You are quite right; Arvalee is our top priority. We are also saying that the bids are inescapable, one, because of the unique nature of Arvalee, as Stephen mentioned and, two, because the other bids involve legislative requirements around health and safety and disability discrimination. We have no choice but to do that work.

The simple answer is that if, in a hypothetical situation, we do not get any allocation, the Minister will need to take another look at the existing allocations to see what we can do. If, for whatever reason, we do not get that allocation, the only other option that I can think of is the option that we have in January to go back and try to move some resource funding to capital funding to address that. Obviously that is all further down the track, but the simple answer is that the Minister has publicly said that Arvalee is a priority. If we do not get funding, we will simply go back and look at what else we can do and whether there is any other discretionary funding available that we can prioritise above it.

The Chairperson: There are issues around the capital in the education and library board (ELB) schools. The Minister was right not to ignore or raise undue alarm about the issue of asbestos on the Arvalee site. Concerns were raised in my constituency about some schools that were identified as having asbestos. I note the reference to minor work projects within controlled schools. Is that an element of the bid to address some of those problems?

Mr Creagh: Not specifically, Chairperson. We are bidding for a broad range of urgent health and safety works. The identification of an asbestos risk takes a very high priority. The first step that the Western Education and Library Board took on the Arvalee site was to immediately assess the situation and take immediate action to cleanse it. Asbestos was also identified in the fabric of the building, and expert professional teams were sent in to assess the extent of the damage. The Department's professional advisers recommend that asbestos is managed through a risk-based approach as we move forward.

The Chairperson: Does the Department have any inventory from the boards and the Council for Catholic Maintained Schools of schools that have asbestos issues?

Mr Creagh: I would have to come back to you on that, Chairperson.

The Chairperson: That would be helpful. I do not want to be alarmist, but it is an issue that occurs. From my understanding, asbestos is OK until it is disturbed.

Mr Creagh: That is correct.

The Chairperson: Given the fact that we are doing minor works and all of that in our schools estate, that is when the issue can be highlighted. If asbestos is discovered or displaced or disturbed, a job costing £150,000 may end up costing £250,000 or more. Obviously, it is a primary issue from a health and safety point of view.

Mr Creagh: I am happy to come back to you on that, but as I understand it, it would be dealt with as a priority as and when it arises. I agree with your understanding; it is not a concern as long as it is not disturbed.

Mr Connolly: It is common sense that, if you have access to plans or a layout that identifies that asbestos is in the school before you commence the work, under the risk-based approach, you would be able to say, "Yes, there is asbestos in area x, but we are working in area y, therefore the risk should be minimal". I take your point on board. It is my understanding that if asbestos is left undisturbed it remains relatively neutral and safe.

Mr Kinahan: I want to talk about the delegated schools budget. The Education and Skills Authority (ESA) and area planning are coming, and the one message that I get from schools when I visit them is that they are struggling for time to answer all the consultations and read the guidance notes. If ESA and area planning are coming, it is going to get more difficult. Is any resource being put in to help schools have a little bit more, whether that is finance for staff to give them a bit more freedom to answer things properly and thoroughly?

Mr Connolly: When you say "consultation", what do you mean? The aggregated schools budget for this year was circulated to schools on 2 February. I am sorry, I am just not aware of what you mean. From a school finance perspective, I have not written out to all schools and asked them for any information.

Mr Kinahan: The message that I am getting is that teachers are struggling to answer things because they are teaching most of the time and there is no time for them to sit and think properly. Given that we are throwing more at them and they are facing two of the most important changes that are ever going to happen to schools, I wondered whether anyone is trying to find out what extra resources they need, whether that is a person or money, to give them more time to do things properly.

Mr Connolly: You say that we are throwing more information requests at them. I am not aware that we are —

Mr Kinahan: ESA would be one.

Mr Connolly: I have not written to any schools to ask them for information regarding ESA. Sorry, I am not clear about this. I understand your point, but, as far as I am aware, we have not created a workload for schools by writing out to them and asking for information. Obviously, if schools are coming back and saying that, they should, in principle, go to their funding authority. We are the funding authority for the voluntary grammar and grant-maintained schools, as you are fully aware, but the first port of call would be the boards. All I can say is that, in my interaction with the boards, I have not heard anything to indicate that this is a major issue for the schools. However, on the flip side, I am not aware that we have written to individual schools and asked them for an immense amount of information.

Mr Kinahan: I am not saying that you have written to them. I am just saying that they are telling me that they are swamped. I just think that, if you are going to add ESA and area planning to this, it will be a huge change. We should be looking at whether we should be resourcing schools or finding a mechanism to help them. That is why I was asking whether, under the schools delegated budget, anyone was thinking that way.

Mr Connolly: I suppose that the simple answer is that, at the moment, we are the funding authority for 90 voluntary grammar and grant-maintained schools, and I am certainly not aware that we have been asked for any resource. It is certainly not the feedback that we are getting from the boards. If and when that happens, then yes, we will look at it, because it is important for us that we get feedback from the schools. It depends on the size of the school. I fully appreciate that there is an administrative burden, but all I can say is that, no, I am not aware of that request coming formally from either side of house, if you like.

Miss M McIlveen: The papers that we have detail that the total commitments backlog for the schools estate on 1 June was £312 million. Do you have an up-to-date figure on that?

Mr Connolly: Sorry, the maintenance backlog?

Miss M McIlveen: The maintenance backlog budget.

Mr Creagh: Yes, the current maintenance backlog, as at 20 September, is £311,456,000.

Miss M McIlveen: So it has not really reduced any since.

Mr Creagh: It has not.

Mr Connolly: From my perspective, we do put a lot of money in. However, the key thing — once again, it is common sense — is that we are addressing priority 1 issues regarding health and safety, disability, etc. There are minor works as well but, clearly, there is simply the ongoing maintenance of the estate. The more newbuilds we have, the more we should have some type of, not a step change, but a reduction. That takes time, and, obviously, we have a reduced capital budget. That factors through over time. The Minister had earmarked £27 million, and we have now got it to £31 million. We recognise that we want to get the figure down. I was talking to Stephen and Diarmuid about this. One of the things we asked was this: when we are looking at this issue and prioritising, if a school's needs are then addressed, does that fall off this figure? Maybe we should look back and challenge that figure to make sure that we are content, rather than it being a global figure. We should really drill down and make sure that it is up to date. I think that there is an element of ongoing maintenance across the estate.

Miss M McIlveen: I understand that. Of that figure, what percentage would be considered to be priority 1?

Mr Creagh: I can give you exact figures rather than percentages, if that is OK.

Miss M McIlveen: That would be even better.

Mr Creagh: Condition 1, which is very poor, was allocated £62,000.

Miss M McIlveen: Is it £62 million?

Mr Creagh: Sorry, £62 million; £62,083,000. The remainder is for condition 2, which was allocated £249,373,000.

Mr Connolly: Forgive me if my maths is wrong, but that it is roughly 20% on priority 1 and 80% on priority 2.

Miss M McIlveen: So there is a challenge to be met.

Prior to you coming in, we had a conversation about a letter that we received from the Minister's office on the monitoring of the savings delivery plans (SDPs). I understand that we had been in correspondence before about that, but I was concerned because that letter states that the Minister has written to the Finance Minister to outline his position on savings delivery plans, confirming that he does not intend to participate in any future monitoring exercises on the delivery of savings delivery plans. It is my understanding that other Departments intend to submit and be part of that process. Why does DE feel that it should be separate from that?

Mr Connolly: I will refer to the letter to the Committee. First, I will go back slightly into the history. In the Budget of 2008, the Executive agreed that each Department was to deliver 3% cumulative, cash-releasing savings, and they were allocated to each Department. In the Budget of 2011, the position was completely different. Each Department was given an allocation for resource and for capital, and each Minister was left to decide what his or her priorities were and how those were to be delivered. The key thing for me is that our savings delivery plan is there for one purpose: to balance our budget. That is what it is there to do. We need to deliver those savings to ensure that we do not overspend at the end of the year. It is not that we have a duty to report to the Executive, because we do not. In the Budget of 2011, the Executive did not say that you must have certain savings in each year. They said, "Here is an allocation for each Department, and, Minister, it is up to you". That was across all Departments. Our principle is that the savings delivery plan is there to balance our budget. We have published a four-year clear and transparent savings delivery plan. It gives a lot of detail on where we are going to find the savings. Since I have been in post in the past year, we have brought any changes to that savings delivery plan to the Committee, and that has been published.

On the outworkings of the savings delivery plan, my simple answer is that the Department balanced its budget. Our provisional out-turn was 0.7% on resource and 0.7% on capital. On a budget of £1.9

billion, that is not bad, but I would say that. From my perspective, the SDP is there to balance the budget, and it publishes the Minister's priorities. Clearly, his key objective all along has been protecting front line resources. There is a slightly different context in that it is there because we have to have savings to balance the budget. We have published it because those were the Minister's priorities in saving that budget, and the answer regarding, if you like, performance is that we balanced our budget. We had a very low underspend on both resource and capital. Neither the Department, nor the boards nor any of the arm's-length bodies overspent in 2011-12.

Miss M McIlveen: I understand exactly what you are saying, but, surely, this is part of having good practice and good governance. If other Departments are doing it, what makes DE special?

Mr Connolly: Certainly, from my perspective, it is not that we consider ourselves to be anything special. The Minister's note alludes to the fact that he fully accepts that it is his responsibility to take appropriate action to ensure that the Department remains within budget. He questions the added value that any monitoring by DFP would have and does not believe that this is an efficient use of resources. The key element here is that the savings delivery plan is there to balance our budget, and the Minister fully accepts that that is his responsibility. My answer is that we have balanced our budget. Clearly, he questions the value of monitoring by DFP. We published the savings delivery plan. It is there and is open and transparent. Every time we change it, we bring it to the attention of the Committee. From my perspective, we cannot be any more open and transparent about what we are doing and how we are doing it.

Miss M McIlveen: If you are doing it, why will you not just enter into the process that others have entered anyway? If you are already doing that work and you are looking at ongoing savings, why not just play ball like other Departments?

Mr Connolly: That goes back to the point that the Minister would question the added value of being monitored by DFP. The ultimate bit in the savings delivery plan is whether you balanced your budget — yes or no. It is the same across every Department. We fully engage in the monitoring rounds; we recognise the importance of them. The Minister is clear, and he has written to the Finance Minister: he does not believe that there is any added value in the DFP monitoring process. Certainly, to me, the key element is that there was a fundamental difference. In Budget 2008, there was full monitoring because it was agreed by the Executive. The Executive agreed savings targets for each Department. No such targets were agreed in Budget 2011. The figures that are in the savings delivery plan are the figures that were agreed by the relevant Ministers. It is his responsibility to deliver those, and he fully accepts that. We have delivered; in 2011-12, we had an underspend of less than 0.71%.

Miss M McIlveen: I refer to my comments before: we should follow this up with DFP.

The Chairperson: We have agreed to write to the Minister and DFP. Trevor, I am very worried. This, ultimately, is not a decision for which you are responsible. It is a decision that, I assume, the Minister has taken. We have an Executive who should take a collective approach to these issues. If one Minister, irrespective of who it is, decides that they can take the ball off the pitch, what is the point of having the process? I would like to think that DFP did not pursue monitoring the savings delivery plans in light of it being a useless or not worthwhile exercise. Clearly, however, the Department of Education seems to think that that is the case and that it cannot add any value.

My other concern — and I hope that this will not be the case — is that, when the Department requests money in the monitoring rounds through the normal financial process or makes any other request for financial assistance, DFP could take the attitude, "Well, really, the Department tells us that it has its budget, it is balancing its books and everything is fine; what does it need any more money for?" It is not maybe as blatant as biting the hand that feeds you, but the Finance Department in the Executive plays a pivotal role in the management of finances, which are going down year on year — there is huge pressure on everybody's budget — and then one Department says, "See in that part of the process? We are not going to play ball." If the same had been done in the performance and efficiency delivery unit when it went into the Department of Education, we would not have all the figures that we have on school meals or school transport, which have informed decisions that the Minister has now taken in relation to savings that clearly need to be addressed as far as those services are concerned. I concur with the comments that Michelle made: it is not good practice. We have decided, as a Committee, to write to the Minister to ask for further clarification on the issue, and we will also write to DFP.

Mr Craig: I listened with interest to what you were saying about the additional money that you are bidding for. I got some reassurance that you have kept the original capital build that you have. I am going to be very parochial. The Minister made the announcement about Dromore primary school. Brenda and I have a vested interest in seeing that project going ahead. The Minister's words in the House were that he hoped to see the diggers in there come January. It has been outstanding now for five or six years. The site is there and the plans are there; the only thing that has stopped it going ahead is the lack of finance. Can you give me some assurance that that is still going to be the case?

Mr Connolly: I want to be clear: these are bids for additional money, and, as far as I am aware, there is absolutely no change to anything published and stated by the Minister. There are, effectively, specific reasons with Arvalee, but the minor capital works are emerging pressures, as is the youth funding. We simply do not have the budget for it, but those in no way contravene what the Minister said about major capital works.

Mr Craig: Have we an idea about where the additional pressure from the boards has come from? This damage is being done; we have all heard about high-profile vandalism cases.

Mr Connolly: Arvalee is a unique and exceptional case, but the bulk of the money is specifically to address health and safety and disability requirements. So, there is nothing there, as far as we are aware, that is reactive to damage. However, ultimately, we simply do not have the budget for the priority 1 stuff.

Mr Craig: I will come back to the Chair's point about asbestos. We need good visibility on that issue, because it was highlighted to me locally when the board moved in to demolish Dunmurry High School and found a very high level of asbestos in the school. It had an impact because, from a health and safety point of view, the board wanted to demolish the school quickly because of vandalism, and so on. That was put back by months because of the additional work that had to be done on the asbestos. It is good to have visibility. Quite literally, it astonished me that no one had realised that the asbestos was there until you went to demolish the property.

Mr Creagh: The bid received is for minor works. We have a backlog of minor works across the estate, and we work closely with the boards on a programme to bring that forward. We align any allocation in-year, whether at the outset or through in-year monitoring, to the prioritised programme. The Minister's priorities for minor works in the current year are inescapable statutory requirements, which Trevor has referred to, such as health and safety; fire protection; work required to support the Disability Discrimination Act; and work to ensure the integrity of the estate. Curriculum-based minor works is one of the Minister's priorities, but an additional priority this year is where the minor works are a contribution to works where the school has alternative funding.

Mr Connolly: In answer to your first question, it has absolutely no impact on the announcements that the Minister has already made.

Mr Creagh: None whatsoever. The Department is working with the relevant authorities for each of the schemes announced.

Mr Rogers: I agree with the Chair's earlier comments about the Department of Finance and Personnel working with DE because we need to get as much money into the education estate as possible. I welcome the bids but would like to see bigger bids, and I welcome the help that they will be to the construction industry.

I take you back to the ELB minor works. ELBs have responsibility for the maintenance of controlled and maintained schools, but this money is going to the controlled schools. Have the maintained schools already had money to address those disability discrimination and health and safety issues?

You are the funding authority for voluntary grammars and integrated schools. I maybe took you up wrong, but you said that you were not aware of any great need for extra funding in those schools. I have been in schools recently, such as Shimna Integrated College and St Louis Grammar School, Ballymena, and St Louis has written to the Department about maintenance until it is blue in the face. When I visited the school recently, it had basins in the middle of the canteen to catch the water, and so on. Will you comment on those issues?

Mr Connolly: I will take the second point first. My comment was about Danny's question on whether we are getting feedback about the consultation. It was certainly not intended as a generic comment. I fully agree that we are under pressure, and, to answer Michelle's question, there is £310 million of maintenance backlog. You asked whether we are aware of resource issues as regards response, and the simple answer is no. I just want to be clear that I fully agree with you on that point but I was giving a specific answer to a specific question.

I will come to Stephen for the detail but, just to go back a stage, in his statement on 15 May, the Minister earmarked £27 million for maintenance. We have an additional £4 million, so there is £31 million at the moment. One reason for earmarking and getting that at the start was that the more money we can allocate to schools pre-summer, the more substantive maintenance works they can do with the least disruption.

It is important to say that £31 million is already allocated for maintenance work. There is a further bid for what we are doing now. That is an important contextual point. Over £30 million has been allocated, and, hopefully, a lot of that work will have been done over the summer, as that was the key point in getting it allocated as soon as possible.

Mr Creagh: The Department has allocated £65 million for minor capital works across the estate in 2012-13. The split of that is £38 million for the controlled sector and just over £26 million for the voluntary sector. As you will be aware, the education and library boards oversee the controlled sector minor capital works programme. The Department oversees the voluntary sector. Bids for the voluntary sector boil down to capacity and capability to deliver within the financial period for which we are bidding.

Mr Connolly: I think it is the same thing, Chair. It is just important that when people are looking at bids, they look at them in the context of two things. The first is the allocation that we have already made. Secondly, one of the things in, if you like, my working relationship with DFP, I never want to make a bid where we have concerns about whether we would actually get the money and then not be able to spend it. As Stephen is well aware, I put a robust challenge function across the Department that we do not put bids in unless we are clear that when we get the money, we have the capacity to deliver.

That is a sort of sacrosanct rule that I have. If we cannot deliver or are not sure, we need to look carefully at how much we are bidding for. The worst case for me is that you bid for the money and then do not spend it. Obviously, other people whose bids are unsuccessful can, quite rightly, feel aggrieved. That is something we have internally. Any bids that we make are there because we are clear that, if we receive £6.9 million before the end of October, we will spend it before the end of March.

Mr Hazzard: Thanks again for the briefing. If I could just indulge the Committee with another constituency-specific issue, which is the attack at the weekend on Knockevin Special School in Downpatrick, when thousands of pounds worth of damage was done to the school and school buses, etc. Has the cost of fixing that been included in any of those bids, or how will that situation be addressed?

Mr Connolly: The figure that I heard was something like £30,000 or £40,000. I suppose, at that level of materiality, yes, we can accommodate that. Obviously, in the case of Arvalee, where there is, effectively, destruction of the school, and you have to rebuild the school, and obviously, from the Minister's perspective, the whole Lisanelly site, it is on a different scale. The simple answer is, yes, we are fully aware of that, and we can address that within existing baselines because, thank goodness, the structural damage was not anywhere near as extensive as that at Arvalee.

Ms Boyle: Trevor, thanks for your presentation. It would be remiss of me to let you go without saying this. In relation to minor works that need to be carried out in schools — I am thinking specifically of my area where, over the summer, a school had amalgamated and necessary minor works were needed before the children returned in September — there need to be more robust mechanisms in place for the Department to work with the boards to work with the schools to get those works completed before the children arrive back into school. It is wrong that principals have to lobby us to get the ball rolling and get things moving. I would like to hear a wee bit, Trevor, about what takes place when minor works need to be carried out in schools. How is that work delivered on the ground? Some schools were frantically trying to get things back in place over the summer before the children started school in September.

Mr Creagh: Obviously, the Department works with a large number of schools across the estate with similar issues relating to work that is required before children return from the summer, and sometimes winter, holidays. We work with the school authorities as best we can to develop programmes of work that are aligned to the budget and are in support of any bids for work. We have issues with minor capital works, which are subject to procurement and can, therefore, be time-bound. Some minor works are also subject to statutory processes if planning or building control is required. All of that must be in place before the Department can advance a scheme.

Where an issue arises outside the agreed programme of works, the Department will focus on that with the relevant authority and do its best to advance it within the given time frame. There are occasions when it is not within the Department's gift to deliver a scheme within the precise time frame, but we endeavour to the best of our ability to deliver it as soon as possible.

Mr Connolly: I totally agree with the principle of that, and there is no question that we support that principle. Stephen is alluding to the fact that, as with all these things, the devil is in the detail. Unfortunately, we have to go through a design process, a procurement process and a statutory process. If you are starting off from 1 April, in theory you have three months before the start of the summer holidays. However, not all schools will get through the preliminary stages in time for works to start on 1 July.

Ms Boyle: Is there any way that the process can be streamlined or managed a bit better?

Mr Creagh: We are working with the school authorities to see whether we can programme the work through the year on a prioritised basis within the Minister's stated priorities. Obviously, where priority work arises outside of that, we will work with the relevant authority. It is usually very late in the school year before a school is aware that there is a child with disabilities who has specific needs that must be catered for. There are quite a few examples of cases where we have worked directly with schools and school authorities to deliver schemes within the scheduled time frame.

Mr Kinahan: Is anyone looking at reducing red tape, while keeping security and safety, so that you do not have to get three quotes and can work more with local suppliers?

Mr Connolly: The simple answer is yes. I am very conscious that we always face the obstacle of red tape. The procurement board and the Central Procurement Directorate are working constantly to try to go through that. Unfortunately, as a separate authority, the flip side of not following the process properly is that you could be challenged by somebody. Then, you get into the territory of, "How long is a piece of string?" Unfortunately, we are caught between wanting to streamline procurement as much as possible but having to make sure that the process is robust. Otherwise, you could end up in a court case, and the whole thing could be set back for 12 to 18 months. Then, the Department would be heavily criticised for not doing the procurement properly.

So, we fully recognise that. From my side, it is the eternal chicken-and-egg scenario: you want to streamline the procurement process, but you have to make sure it is robust, open and transparent, or you end up in a legal scenario that could drag on for a considerable time. Obviously, there are no winners from that.

Mr Creagh: The Department continually works with the Central Procurement Directorate to see what it can do to streamline the procurement process. We also work with the professional and the contracting industries, through the Construction Employers Federation, to streamline these things as best we can. We do make some strides to that effect.

The Chairperson: I appreciate that it is very difficult to manage a diverse estate and the various complexities that come with that. However, there was a situation in my constituency where a school purchased bandsaws and needed dust extraction equipment. Similar to the situation at St Louis's, the school repeatedly asked for funding to provide extraction equipment. The bandsaws are now out of warranty, yet the school received confirmation this week that it will get the money to provide the extraction. It is that type of frustration that teachers have, which adds to the point the Deputy Chair made about teachers feeling very, very frustrated. They are trying to run their school. They got a piece of equipment, but they needed the capital work to be carried out. They have the equipment, and it has been sitting in the school for the past four years.

Mr Connolly: I fully appreciate the frustration of individual schools. However, we have £102 million of capital available, and we prioritise that across major capital works and minor works. You will always have the issue of infinite demand and finite resources. That is where prioritisation decisions come in.

The Chairperson: To conclude, you mention finite resources. However, this is an issue where there is resource, and we always need to be aware of how we protect that. Can I get some clarification? At the start, you mentioned end-year flexibility (EYF) and where we are in relation to the amount of money we have for drawdown. Obviously, a new scheme was to be put in place by the Treasury in relation to EYF. Do you have an update as to where we are with that? Is the money still secure? Is it still available to the schools to draw down? How will it be affected, if at all, by the current review of the common funding formula?

Mr Connolly: The global position with the Treasury is an issue for DFP and the Finance Minister. However, my understanding is that that was agreed last year. At the end of the 2011-12 financial year, we actually had a revised EYF process with Treasury. I think I am right in saying that something like £30 million or £40 million was carried forward in the block.

The Chairperson: It was £46 million.

Mr Connolly: That is the DFP position.

The school surplus was agreed in January 2011, and implemented effectively from June last year. This year, we have put in a bid for £5 million. The latest information we have from the boards is that that is still a realistic bid. However, I am always aware that schools have been back, literally, only two or three weeks, and, realistically, it will probably be around mid-November — by the time they have completed their census and teacher information — before we will have a much better idea. As we go through the timeline, the information improves.

You asked whether those are guaranteed. As far as I am aware, there is absolutely no change to what the Executive agreed last June. I am certainly working on the basis that there is a pot of money that DFP holds on our behalf. We bid for £10 million of that last year and have a further bid for £5 million this year. That is what we currently have. The simple answer is that I am certainly not aware of any change. I am not working to any programme different from that agreed by the Executive last June.

The Chairperson: Trevor and Stephen, thank you very much for your help.