



Northern Ireland
Assembly

Committee for Employment and Learning

OFFICIAL REPORT (Hansard)

June Monitoring Round and 2012-13
Provisional Out-turn Report: DEL Briefing

29 May 2013

The paper gives a summary of the financial outlook division by division. The key point there is that, overall, all divisional budgets are balanced at this stage of the year, with the exception of employment service, which, as you know, most directly reflects the prevailing economic conditions. Demand for employment service programmes remains high, and there is a statutory duty to provide provision on areas such as Steps to Work. The forecast at this stage is a pressure of £5 million, and we propose to submit a bid to the Executive for that.

There is one reduced requirement of £200,000, which is relatively small, in respect of departmental depreciation costs on our IT infrastructure. Depreciation is non-cash in nature, so that budget could not be reallocated to other spending programmes. As such, it does not represent a loss of spending power to the Department that we could have used elsewhere.

Turning to capital, we have a balanced budget this year. The universities sector is taking forward some significant projects, and our contribution includes money towards Queen's University's redevelopment of its engineering faculty and the University of Ulster's rationalisation of its Coleraine campus. The further education sector will be taking forward a range of minor works and other developments, subject to satisfactory business cases being received by the Department.

That is a brief overview of our position. I am happy to take questions.

The Chairperson: I have one very brief question. Are you happy that the £15 million resource expenditure overcommitment will be met?

Mr Smith: As I said, that is the position at the overall block level across all the Departments. So, £15 million in the context of an annual budget in excess of £10 billion is, I suggest, manageable in the normal run of events.

Mr Allister: Paragraph 4.8 shows that you are collecting £1.85 million from the Department of Education on education maintenance allowance. Paragraph 4.1 shows that you are handing over £3 million on education maintenance allowance to DFP. Are we just a postbox?

Mr Smith: For those transactions, yes, we are. We agreed that we would contribute £3 million this year, which has been our share of the EMA review. As part of the outworkings of that agreement, DE agreed to contribute £1.85 million back to us towards the cost of keeping the bonus. So, that is just regularising that position and transferring the money back to us.

Mr Allister: You are going to bid for £5 million for Steps to Work. The June monitoring bids are usually not terribly successful, is that right?

Mr Smith: In some cases that would be correct, but, happily enough for this Department, we have been successful in the last two years in our bids on Steps to Work. Therefore, we hope that that continues in June.

Mr Allister: If you did not get that, how would you manage that pressure?

Mr Smith: At this stage, we do not have a precise plan for what we would do. Obviously, we hope that we get the bid met. If we do not, we will look across all areas of spend to see what we can do to reduce and reallocate as necessary. Hopefully, it will not come to that.

The Chairperson: John, thank you very for your time.