



Northern Ireland
Assembly

**COMMITTEE
FOR THE OFFICE OF THE
FIRST MINISTER AND DEPUTY
FIRST MINISTER**

**OFFICIAL REPORT
(Hansard)**

**Revised Departmental Expenditure Plan
2010-11**

10 February 2010

NORTHERN IRELAND ASSEMBLY

**COMMITTEE
FOR THE OFFICE OF THE FIRST MINISTER AND
DEPUTY FIRST MINISTER**

Revised Departmental Expenditure Plans 2010-11

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Members present for all or part of the proceedings:

Mr Danny Kennedy (Chairperson)
Mrs Naomi Long (Deputy Chairperson)
Mr Tom Elliott
Mr Barry McElduff
Mr George Robinson
Mr Jim Shannon
Mr Jimmy Spratt

Witnesses:

Ms Jackie Kerr) Office of the First Minister and deputy First Minister

The Chairperson (Mr Kennedy):

We will now receive a briefing on the Department's revised expenditure plans.

Ms Jackie Kerr (Office of the First Minister and deputy First Minister):

I apologise for the late submission.

The Chairperson:

Yes, we were cross about that.

Ms Kerr:

The spending proposals as to how the Department will deliver its budget reductions in 2010-11 were agreed yesterday and they will be placed on the departmental website, as will the equality screening documents that have been provided to the Committee.

The proposals from the Executive's review of spending plans for 2010-11 for the Office of the First Minister and deputy First Minister (OFMDFM) include a reduction in current expenditure of £4.1 million and a reduction in capital expenditure of £5.2 million. The submission includes the details of how the Department proposes to deliver those. The most significant issue for OFMDFM is the impact of the reductions in capital budget because we have a small capital budget to start off with, and there is a degree of momentum building in the regeneration of the sites that we are managing at the minute and spend is starting to pick in those areas.

The proposals for the current expenditure reductions include a reduction of £1.9 million from the regeneration sites team, which manages the Maze/Long Kesh project and the Ebrington Barracks project. The reduction will be delivered as a result of a review of spending plans in respect of the Maze/Long Kesh project because of the decisions that were taken to move away from the master plan process and the stadium project to focus on the development corporation and the progress of the legislation through the Assembly. The assessment of spending for 2010-11 includes reductions in consultancy and so on, and we believe that we can deliver the £1.9 million reduction without compromising what is proposed for that particular site for 2010-11.

The budget for international relations was £500,000, and that has been reduced to £250,000. That reflects the current status of the international relations strategy and relates largely to progress that would have been made in establishing a team in that area. However, work will still progress at the Northern Ireland Bureau in Washington and the Office of the Northern Ireland Executive in Brussels, where work will continue to promote Northern Ireland and the Executive's interests abroad.

The Strategic Investment Board sees a reduction of £500,000, which will be delivered through an increased focus on strategic projects, for example, a reduction in consultancy and so on. The result will be a more focused strategic alignment of spend.

The Department believes that it can deliver a reduction of £200,000 from the budget for the

Civic Forum, which perhaps addresses a question that Mrs Long raised about the current status of the review of the Civic Forum. The assessment, which is based on feedback from consultation, is that the structures and the operating costs of the forum as operated previously are unlikely to be required in any reconstituted form.

The reduction of £950,000 in the equality directorate will be delivered through the budget for victims and survivors. The commitments that were made by Ministers in the Programme for Government on the issue of victims and survivors that there would be a £36 million spend over the three years of the budget period will not be compromised by that reduction, which is largely because of our ability to lever in funding through Europe in addition to what was allocated through the budget process for the area of victims and survivors.

The final resource reduction of current expenditure is for £300,000 for the restructuring exercise that is under way in the Department. It has looked at how departmental resources could be better aligned to the Programme for Government and ministerial priorities to reflect the current role and position of the Department. The Department has been in operation for about 10 years now. The restructuring exercise is also driven by the financial constraints within which the Department operates.

Proposals have been made for a £5.2 million reduction in capital expenditure, which is a 30% reduction in our capital budget for next year. The primary objective is to ensure that the momentum that has been established in all three strategic sites can continue in 2010-11. There are plans to spend £4.9 million at the Crumlin Road jail site, and the contractual processes and so on are well advanced. In 2010-11, we would have intended to bid for some of the funding that was earmarked for Crumlin Road jail to be re-allocated to the Ebrington Barracks project through proactive management action, but we will not now be able to reallocate as much as we had hoped because of the budget reductions. However, the assumption that we make here is that we will be able to direct some of it to that project.

The other reduction of £300,000 for the community relations capital grant is an efficiency measure that the Department was making anyway. We surrendered that money last year and this year. However, the money is still in our baseline for 2010-11 and we propose that it is used to help to address the reduction in the budget for that period. To give members an idea of the spending capacity, the papers that we sent the Committee outline what the opening budget would

have been and the impact of those adjustments in the various areas.

Screening documents for each of the measures have been included in the papers. There is also a copy of what would have been a chapter in the consultation document that the Department will put on its website to facilitate the ongoing consultation process, which concludes on 26 February 2010.

I am happy to take questions.

The Chairperson:

Thank you for your presentation.

The Civic Forum is in limbo but it is still costing money. We are also concerned about the reduction in the international relations budget. My view on that is that sometimes one has to throw a sprat to catch a whale. The promotion of Northern Ireland on a positive basis is important in Europe and North America. Will those cuts have a direct impact on the Northern Ireland Bureau in Washington or the Office of the Northern Ireland Executive in Brussels?

Ms Kerr:

The reduction in the international relations budget is independent of the budgets for the Washington bureau and the Brussels office. Those offices have their own budgets. One of the areas we are looking at is how to align those three areas to maximise capacity in promoting Northern Ireland. The Washington bureau is considering the work that it does and whether it needs to refocus on various areas. Work will still be under way in Brussels and Washington on promoting Northern Ireland. No reduction has been made to the budgets of the Washington bureau or the office in Brussels. The £250,000 is further budget provision for spend on the international relations agenda within OFMDFM.

The reduction next year constrains our ability to staff a team and take forward work in that area. However, a decision has not yet been taken on the strategy, and the assessment has been made in the light of that. Therefore, there still is £250,000 spend over and above what we have for the office Brussels and the Washington bureau next year.

Mr Shannon:

Clearly the Department has done a lot to address the issues that were facing the Planning Appeals Commission. The figures are clear: the backlog of planning appeals has been reduced from more than 2,800 to 943. I asked the Minister in the Assembly the other day how much the Belfast metropolitan area plan (BMAP) plan had cost, because that is also part of the Planning Appeals Commission. He said that the cost was some £8 million and rising.

The submission talks of additional budget cover and the appointment of additional commissioners. In Ards Borough Council, we were made aware at a meeting about the number of article 31 cases that are pending. In addition, planning appeals require a senior and junior officer to be present, which ties up a lot of people. I do not expect to hear the answer to this question today, but maybe Jackie could come back to the Committee. Are there sufficient resources in officers and money to handle the substantial number of area plans and article 31 cases, or will the 943 cases at 3 October 2009 rise to 2,000 and above?

Ms Kerr:

I will come back to the member on that issue.

Mr Shannon:

I appreciate that.

Mr Spratt:

There is a saving in mostly administration as a result of the number of posts that are being suppressed. Will the posts be lost through natural wastage, because there is sometimes a cost involved? If you are getting rid of 51 people, or 41 people or whatever, there tends to be a knock-on cost. Will that be the case?

Ms Kerr:

The reduction in staffing levels is being delivered through redeployment to other posts in the Northern Ireland Civil Service. The 51 full-time equivalents include a number of vacant posts. Therefore, about 40 people will be redeployed. However, they will be found posts elsewhere in the Civil Service, so there will be no costs.

Mr Spratt:

Therefore, it is not really a saving. It would be wrong to say that it is a saving, because people are just moving to some other place.

Ms Kerr:

It is a saving in OFMDFM's budget. They are moving to other business areas across the Civil Service that require staffing to fill vacant posts. They are not being redeployed to areas where they will become surplus.

Mr Spratt:

There can be fairly high redundancy costs in shedding posts.

Ms Kerr:

There is no redundancy element to this.

Mrs Long:

I have a couple of questions, the first of which is for clarification. Jackie may not be able to answer the other questions, because they are to do with the equality forms that we received.

One question is about capital expenditure and the significant spending reductions at Crumlin Road jail. Is that because it is expected that that money will not be able to be spent on the site in the forthcoming year, or it is simply that it is not there to be spent on the site, and, therefore, the amount of expected work will have to be rowed back?

Ms Kerr:

The £4.9 million reduction from Crumlin Road jail is reflective of resources that will not be required at that site. The proposals are for a spend of £4.7 million at Crumlin Road jail in 2010-11. There was the potential to have spent perhaps another £1 million to refurbish the cottages at the front of the site, but the budget allocation that is earmarked for the jail next year fully reflects all the contractual commitments and what they expect to spend. In any event, we would have been asking the Department of Finance and Personnel (DFP) to reallocate some of the Crumlin Road jail budget to the Ebrington Barracks project to provide the funding that is required for the parade ground.

Mrs Long:

My question is about the equality assessment that we received about the proposed reductions in the resource budget. I do not know whether it is appropriate to raise those with Jackie. Perhaps you will be able to answer.

I am looking at the international relations assessment. It basically says that, as no international relations unit has been established, the decision has no effect on the different groups. Given that no international relations strategy has been developed, and therefore it is not known who would have been affected by the establishment of the unit, and the effect of not establishing it cannot be anticipated, how can you fill in a form with that absence of information? I assume that if an international relations strategy had been developed to promote Northern Ireland abroad and if people were coming here seeking work or to bring business, that could have had implications for ethnicity in Northern Ireland. In the absence of the strategy, and the absence therefore of knowing exactly what the unit would have done had it been established, how can you make that screening assessment?

The information about the proposed budget reductions for the Civic Forum includes a lot more detail about the different groups. However, although it lists the groups included in section 75, it states that sexual orientation was not identified as a sector in the original Civic Forum, and that it is unlikely to be a sector for future mechanisms of engagement. It does not refer to how that decision has been reached, or what feedback has been received. In other places, there were indications that, for example, too many church groups were represented on the original forum and not enough ethnic-minority groups. There is no reference to any process that was involved in that decision. Therefore, how was it made?

Ms Kerr:

The point you made refers to a difficulty that we have had with all the screening documents, because at this point, the information that is available to us to come to an assessment of the equality impacts is limited for some of the proposals — the staffing reductions in particular. The reductions will be effected in accordance with the established equal opportunities policies in the Northern Ireland Civil Service, and there are measures to assess what the gender balance, religious representation, and so on is in the Department now, and what those will be following the exercise.

The point about international relations is well made. All we can assess at the moment is what the impact of not establishing the unit would be. Once the strategy is agreed, there is a different question about what the impact will be of not having sufficient budget cover available. There is a continuing and evolving process, and some of the screening documents flag up the fact that further work will be required when further information is available.

The objective and priority was to undertake as comprehensive an approach and exercise as we possibly could now, to be fully aware of any adverse impacts that may emerge from the Department's proposals to deliver the spending reductions and to assess if any other actions need to be taken by the Department to try to mitigate those. The screening that has been done at this stage does not highlight any adverse impacts, but obviously that is something that we need to keep an eye to as we move on. I do not know if that answers the question fully.

The Chairperson:

It might be useful to raise the query about the Civic Forum with Tony Canavan and —

Mrs Long:

We also need to raise the issue of international relations.

The Chairperson:

— and whoever it was who was dealing with international relations; was it Maurice Dowling?

Mrs Long:

It seems to me that the information that we have been provided with, particularly about international relations, is not particularly robust. That causes me some concern.

The Chairperson:

OK. It is agreed that we will raise those issues. Jackie, thank you for your presentation and your answers. We hope to see you soon.

Ms Kerr:

Thank you.