



Northern Ireland  
Assembly

Committee for the Office of the First Minister  
and deputy First Minister

# OFFICIAL REPORT (Hansard)

Programme for Government Delivery Plans:  
OFMDFM Briefing

3 July 2013

# NORTHERN IRELAND ASSEMBLY

## Committee for the Office of the First Minister and deputy First Minister

Programme for Government Delivery Plans: OFMDFM Briefing

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**Members present for all or part of the proceedings:**

Mr Mike Nesbitt (Chairperson)  
Mr Chris Lyttle (Deputy Chairperson)  
Mr Leslie Cree  
Mr Alex Maskey  
Ms Bronwyn McGahan  
Mr Stephen Moutray  
Mr George Robinson

**Witnesses:**

Dr Mark Browne	Office of the First Minister and deputy First Minister
Mr Tony Cavanagh	Office of the First Minister and deputy First Minister
Mr Henry Johnston	Office of the First Minister and deputy First Minister
Mr Tim Losty	Office of the First Minister and deputy First Minister
Dr Denis McMahon	Office of the First Minister and deputy First Minister

**The Chairperson:** I invite to the table Dr Denis McMahon, Dr Mark Browne, Mr Tim Losty and Henry Johnston. I suggest that we take each Programme for Government (PFG) commitment in turn, and open the floor to members for questions on that commitment before moving to the next one.

Gentlemen, you are all very welcome. We have a lot to get through. Are you content for us to address each commitment in turn and, as we proceed, stop to have a discussion?

**Dr Denis McMahon (Office of the First Minister and deputy First Minister):** I am very happy to do that, Chair.

**The Chairperson:** I hope that you will not be surprised if I start by raising the matter of the timing of the delivery of papers. I will not labour the point for very long. However, Denis, if I look at PFG commitment 15, for example, I see that the update is signed by one of your colleagues and dated 31 May. This is 3 July. If it was signed off on 31 May, why could it not be submitted in a timely manner for a meeting that has been scheduled for a long time?

**Dr McMahon:** There are a couple of things to say about that, Chairman. The first is a general point. Helpfully, the First Minister acknowledged some of the complexities that are involved when he was here last week. That is not an excuse. As I have said previously, one of the actions that we are going to take is to shorten the delivery plans and the paperwork. There was value in having a lot of detail at the beginning, because we had to set out all the various requirements. However, we are now trying to

shorten those, which will make the process a bit easier. The next papers that you will receive will be shorter, but will still include the key milestones. I will need to look at the date on the plan that you mentioned. However, the key point is that the plans are prepared, and even after they have been signed off, they go through various iterations because they are living documents. That, to some extent, explains that particular case.

**Mr Henry Johnston (Office of the First Minister and deputy First Minister):** A question about the processes more generally was asked when the First Minister was here last week. I will recap. There have been changes in membership since we launched the PFG and talked about how we would make it happen. Although the Office of the First Minister and deputy First Minister (OFMDFM) takes the lead in the process, we are treated in the same way as other Departments in how we report on our own plans. We commission updates from Departments. We commissioned the key 4 plans towards the end of March. We asked for returns from everybody, including ourselves, by 8 April. The central team, which comprises a mixture of OFMDFM staff and Department of Finance and Personnel (DFP) staff, reviewed that material. Obviously, we did not issue our own; DFP issued ours. That central team issued a series of further information requests in which we looked for clarification. We used returns that we received from Departments, augmented by their delivery plans. The delivery plans are very important documents for the central team.

Once we completed that process, there were a number of bilateral meetings within the Department and between Departments. The delivery oversight group, which is chaired by the head of the Civil Service and involves the permanent secretaries, met on 3 May. Thereafter, the head of the Civil Service commissioned a further series of bilateral meetings on commitments on which he sought further clarity on how delivery would be achieved. After that, we were able to present the material to the First Minister and deputy First Minister, acting as the Executive programme board. We sent the papers to them in late May and we were able to meet them in the middle of June. After that, the First Minister and deputy First Minister asked us to do some further work. Until we get through that process, it is possible that a number of the plans might have to be updated to reflect the considerations of either the permanent secretaries group or the First Minister, the deputy First Minister and the Minister of Finance and Personnel, acting as the Executive programme board.

**Dr McMahon:** Chairman, the reason for all that is that the people who take ownership of the commitments, including me and Mark, are challenged every step of the way. Before it gets to a particular stage, a huge amount of challenge comes at several different levels. At each stage, people say to us, "You say that this is classified as green. Is it really? You say that you are on track with this target. Are you on track? How can you justify that? What information do you have?" That characterises the process. The original sign-off does not reflect all the other work that is done thereafter.

**Mr Johnston:** The other thing that we will not publish, copy to the Committee and Executive colleagues and put on the web until after we have gone through that process are the summaries that we receive from all the Departments against the 82 commitments.

**The Chairperson:** I am genuinely just trying to understand the process, Denis. You signed off on PFG commitment 33 on 30 May. What is the meaning or validity of that sign-off?

**Dr McMahon:** That represents me, or the responsible owner, saying that I have looked at the plan, updated the plan in light of the current position, and identified that I can still meet the commitment that I am being asked to meet. In each case, I am being asked to personally sign off that, to the best of my knowledge, I will meet the target. Henry has described the challenge process that goes on after that. Various people ask me whether I am sure that I can deliver on a commitment. More often than not, they challenge me as to whether I can do it and whether I have taken all the risks into account. The process requires a lot of different iterations, because a lot of people are very keen to see this happen. Before anything gets to the First Minister and deputy First Minister, everybody wants to be certain that nobody is misleading them about what we can or cannot do.

**The Chairperson:** It sounds as though, because the challenges come from so many different sources, your bunch of PFG commitments are so fluid that there is really no point in having a set date on which you expect all of them to come together.

**Dr McMahon:** "Fluid" may be the wrong word; it is more the case that the milestones can change during the process. Often, they do not change. We go through all of that, we are challenged, and people start to understand the basis upon which we are saying that we can deliver on a commitment.

The reason for that is to ensure that what we are saying is accurate and that, to the best of our knowledge, we can live up to those commitments.

**Mr Johnston:** That is particularly relevant for section 3 of each commitment, which is the area on which we are really focused. A number of things are meant to have been done by a certain date. They have either been done by that date or they have not. If they have not, it is the job of the central team to ask when they will be done.

**Dr McMahon:** That is the part that can and does change most often.

**The Chairperson:** OK. We will start at the beginning, and commitment 15 is first.

**Dr Mark Browne (Office of the First Minister and deputy First Minister):** I will make a few opening comments on commitment 15, which is to develop the Maze/Long Kesh (MLK) site as a regeneration site of regional significance. There has been significant progress on MLK since the development corporation was established in September 2012. The Royal Ulster Agricultural Society (RUAS) secured planning approval for the relocation of the Balmoral show to the site in January and ran a highly successful show in May, with an attendance in excess of 100,000 people. Initial work is under way to make progress on the infrastructure that is required to support the Balmoral show and other development on the site.

In April, the development corporation launched its Peace to Prosperity vision for the development of the site. That has attracted significant interest. The site is already one of the region's largest construction sites. At present, nine local construction companies and 24 material suppliers are working on preparing the site. The longer-term goal is for a £300 million investment and the creation of up to 500 jobs. Work on the construction of the new international peace-building and conflict resolution centre (PBCRC) will commence by the end of the year, providing work for a further 70 construction workers. When open, the centre could support between 152 and 228 additional jobs.

The RUAS centre of rural excellence and the peace-building and conflict resolution centre are catalyst projects that are opening up a range of possibilities and business interests, focusing on transformational and renewable technologies, health and life sciences and agrifood.

The development corporation's corporate and business plans have been developed. We are considering both plans, which will then be placed on the corporation's website. That will provide further information on the development strategy for the site.

Having made those opening remarks on the MLK commitment, I am happy to take questions on the detail of the delivery plan.

**The Chairperson:** Thank you, Mark. Key actions 2.1, 2.3 and 2.4 all seem to have timescales that have slipped. Is that fair to say? The timescale for key action 2.1, "Business case approval to procure a multi-disciplinary design team for infrastructure works", was September to December 2012 but is now September to December 2013. Is that correct? I attach a health warning that, as the papers arrived late, analysis may not be as robust as we would want it to be.

**Mr Tim Losty (Office of the First Minister and deputy First Minister):** We include targets and timescales. Some may have slipped, but I confirm that we are still on target for the majority of the projects that we need to deliver. If the targets have slipped, it has been for good reasons due to the MLK development corporation or us wishing to look at additional pieces of information.

**The Chairperson:** I do not want to dwell on these figures, but the business case for the design team has slipped by a year. What is the story?

**Mr Losty:** We intended to have the MLK development corporation take the lead on that. The development corporation was up and running by this time last year and, as a result, we felt that it was important that it should take the lead on that.

**The Chairperson:** OK. Key action 2.3, "Approvals of proposed infrastructure projects", seems to have slipped by six months from April to September 2013.

**Mr Losty:** We have been doing a lot of work to prepare the ground. There has been infrastructure work on the roads, water utilities and electricity. That took some time because we were considering best-cost options but we have caught up some time on that.

**The Chairperson:** Key action 2.4, "Procurement of delivery partners for infrastructure works", has been delayed. It should have taken place between September and December 2013, and it will now take place between September 2013 and March 2014.

**Mr Losty:** We do not really see that as a delay. That is describing the process. The MLK development corporation has been looking at various options for delivery partners. It has also been approached by a number of people who are interested. The intention is for the process to take us up to the end of 2014, when we will have delivery partners working with us on the site.

**The Chairperson:** What is your definition of a "delivery partner"?

**Mr Losty:** There are various options that can be considered. A delivery partner could be somebody who takes on the role of developing the buildings on the site, raising the capital to put up the buildings and then leasing them to suitable organisations. Alternatively, there may be a consortium of delivery partners. People are considering the best option for the site, which will be the one that is most suitable for purpose and most cost effective for the taxpayer.

**The Chairperson:** I think we have another change: the appointment of the preferred delivery partner for the peace-building and conflict resolution centre has been delayed from July 2013 until July 2014. What are the implications of that?

**Mr Johnston:** Chairman, I would like to interject on the more general point. In the action plans, we are looking for dates on operational planning when people will actually achieve things. When we try to assess and challenge plans, the factors that we really pay attention to are the published commitments. The issue is whether the changed dates are still appropriate to discharge those published commitments. Although a lot of those dates have been moved back, they are still within the envelope of the published commitment.

**The Chairperson:** I am still keen to know why the appointment of the preferred delivery partner for the PBCRC will now take place in July 2014 when it was due to take place in July 2013.

**Mr Losty:** It is still part of the process and it is within that window, namely the period from when we start the process until the time when someone is selected to put the building up. We are looking at the definitive end date for when building work must be completed, and we are working back from that. We build a certain cushion into the time frame, but it is really a matter of moving towards that final end date.

The reason for some slippage is that we have secured some key international organisations to assist with the design of the building. We have also held discussions with groups. It was important to take their views and for those organisations to take on board the views of others. Therefore, it is not a delay in the key delivery target. It is important work, and time was needed for it to be done right.

**The Chairperson:** Previously, the sequence was: appoint a preferred delivery partner for the peace-building and conflict resolution centre in July 2013, and then the commencement of construction in November. Therefore, you appointed your preferred partner before you built the building. Now, it is the other way around. Why would that be?

**Mr Losty:** Chair, are you looking at 4.3?

**The Chairperson:** Yes. That did read July 2013.

**Mr Losty:** We have July 2014 in now to make sure that that is —

**The Chairperson:** Previously, 4.3 read July 2013, and then 4.4 — the commencement of the construction, the physical build — was November 2013. Therefore, you had your delivery partner in place in July of this year — this month — and then the construction starts in November. This current

update, as I read it, says that construction will start in November as planned, but your delivery partner will not be appointed until next July, when the building —

**Mr Losty:** I will come back to you, but I believe that that is an error. I believe that it should be November 2014.

**The Chairperson:** The commencement of construction?

**Mr Losty:** Yes.

**The Chairperson:** The commencement of construction? The commencement of construction in 2014? Did the First Minister and the deputy First Minister not say last week that it would be this autumn?

**Mr Cree:** I thought that it had started. Has it not started already?

**Mr Losty:** Let me come back to you on that. However, I believe that 2013 is an error.

**The Chairperson:** Obviously, we will need to check the Hansard report, but I am pretty sure that I heard the First Minister — certainly the First Minister or the deputy First Minister — say —

**Mr Losty:** Chair, if it is a mistake, it is at my end for not providing the right information in this case.

**The Chairperson:** I am not out to —

Members, are there any questions?

**Mr Cree:** I have just one thing. I have been listening carefully and I am still relatively new, but, as I understand it, the important line in this is the actual completions. There must have been a fair bit of slack between the initial plan and this point in time. How much more scope is there to have further slippage but still meet the completion dates?

**Mr Losty:** A lot of the processes that are generally time consuming have been completed, such as going out to tender for design, getting the initial design concepts back, and planning permission. The Ministers have met the designers and are waiting for final conceptual plans to come back. Agreement will be given and then we will go out to tender for the developer. It is then a matter of getting on to the site and getting the construction under way.

**Mr Cree:** Can I take it that the completion dates are written in tablets of stone.

**Mr Losty:** The completion dates are set by the conditions of the offer from the Special EU Programmes Body that the money needs to be spent by the end of the 2015 financial year; so that is where we are working back from.

**Dr M Browne:** The completion dates are those that are published in the Programme for Government. They are the commitments that we are bound to. Within that, we have interim targets that we set ourselves to try to make sure that we get there on time.

**Mr Cree:** It is a bit disconcerting for me, seeing all those movements along the line, and still having that assurance, which we have now, that these dates will be the completion dates.

**Dr M Browne:** Within year, we set a number of targets that stretch us to ensure that, should difficulties emerge or should there be pressures that we need to readjust, we can still meet those important annual milestones. That is why you see that change in-year. However, the key thing is that we are looking to deliver the overall commitment and those annual commitments.

**The Chairperson:** Are members content? Just to be absolutely clear in my own mind with regard to the delivery partner for the PBCRC, will it be part of organising or supervising the construction of the site, or will it be, potentially, a management authority when the building is up and running?

**Mr Losty:** It would be to put up the building.

**The Chairperson:** It is possible though that, at that point, OFMDFM, in conjunction with the MLK development corporation, might appoint a managing authority specifically for the PBCRC?

**Mr Losty:** The decision on the management of the site is still to be taken by the Department, in consultation with the Ministers. So it will depend on what happens between now and then.

**The Chairperson:** Right. Is it a possibility?

**Mr Losty:** Do you mean that the development partner would manage the building?

**The Chairperson:** Is it possible that the PBCRC would be managed, not by the Department or the Maze/Long Kesh development corporation but by an as yet unidentified organisation?

**Mr Losty:** That would depend on a number of factors: where we are at the time of the opening; the legal status of the PBCRC; and the type of services that it would be delivering. Those will dictate how the building would be managed.

**The Chairperson:** What are the options for its legal status?

**Mr Losty:** There are various options. We are looking at the pros and cons of them and hope to provide that information to Ministers soon.

**The Chairperson:** What are the options?

**Mr Losty:** Everything: a company; a company limited by guarantee; a trust; a charitable organisation; or an arm's-length body (ALB).

**The Chairperson:** Those are all under consideration.

**Mr Losty:** Yes.

**The Chairperson:** Thank you. Let us move to commitment 16, which is the One Plan.

**Dr M Browne:** I will make a few opening remarks on this. OFMDFM chairs the One Plan interdepartmental co-ordination group, which provides strategic analysis on how the Executive's policies and programmes can impact positively on the objectives and themes of the One Plan. The group monitors progress against the One Plan and provides a forum for discussion and resolution of any cross-cutting issues that affect more than one Department.

OFMDFM also meets with the One Plan strategy group to review progress and identify obstacles and challenges to the objectives of the One Plan and to see how they might be addressed. A jobs subgroup has been established to look at the appropriate processes and mechanisms to facilitate accurate reporting against the jobs promotion milestones in the PFG commitment. OFMDFM has co-ordinated an exercise to gather information on jobs promoted from all Departments, and Ilex and Department of Enterprise, Trade and Investment (DETI) statisticians are verifying that data, along with data from other organisations, such as Derry City Council and the Chamber of Commerce, in order to arrive at accurate figures on job creation.

**The Chairperson:** Thank you. I am just looking at some of the detail. Performance indicators are in point 2, page 5. Alternative funding models, which is indicator 3, has changed from "not yet identified and agreed" to "not applicable". What is the reason for that, Mark?

**Mr Losty:** Are you asking about the alternative funding models?

**The Chairperson:** Yes.

**Mr Losty:** At one point, the organisation was looking at various ways of funding developments on the site. Now, we believe that we can fund the majority of the projects that will be live to go over the next

number of years. However, in association with the Strategic Investment Board (SIB), we are also looking at alternative funding models. Some of that work is being taken forward by SIB, and it is looking at revenue funding and public-private funding initiatives. They will also be considered by Ilex and by our other ALBs in the future to see whether they are appropriate.

**The Chairperson:** At indicator 4, the development framework for Ebrington, there has also been a shift from 2012-13 into 2013-14.

**Mr Losty:** The process for that commenced before the end of the last financial year. We still expect to get the report in by the final quarter of this year. That will then lead to planning applications for the sites, and so the outworkings of that might not come in until the next financial year.

**The Chairperson:** The Department of Culture, Arts and Leisure's (DCAL) support to the City of Culture is up £2 million from £10 million to £12 million. Is that correct?

**Mr Losty:** Support for the City of Culture from DCAL was £12.6 million, which was agreed by the Executive in January 2012.

**The Chairperson:** So, what does the change from the previous papers reflect?

**Mr Losty:** I am sorry, Chairperson. Would you remind me which previous paper you are looking at?

**The Chairperson:** I am getting the impression from the previous papers, Tim, but again, I may have misread this. In the previous papers, it says that support for the City of Culture programme was £10 million, whereas we are up to £12 million in the current set of papers.

**Mr Losty:** I will check that, Chairperson, but I think that we have been reporting £12 million in the previous couple of papers that we sent up.

**The Chairperson:** These were dated February 2013. We had £10 million sitting there. OK.

**Mr Losty:** The figure should be £12.6 million for the City of Culture programme. There was an additional £10 million for the City of Culture that was delivered through the Department for Social Development (DSD). The remainder is from OFMDFM by way of regeneration at Ebrington and from DETI for the marketing.

**The Chairperson:** Are members content?

**Ms McGahan:** Do you feel that the City of Culture has been sufficiently provided for?

**Mr Losty:** The cultural programme was costed and that cost has been met. If there was a disappointment, it was that the economic conditions have prevented the City of Culture company from raising more money from private sector sponsorship. However, we have been able to secure funding from other sources. More recently, Derry City Council came in with further support, and the City of Culture company has been successful in getting money from other organisations, such as the Arts Council. Provision for the infrastructure has been funded, so we have not received any other requests for funding.

**The Chairperson:** Let us look at key actions for the City of Culture. At 3.4, in the February update, there is a line for international marketing activity for the fourth quarter of 2013 to the first quarter of 2014, but that is gone. Why has that been removed?

**Mr Losty:** The marketing for the City of Culture programme has moved from the international and strategic mode to what would be described as the tactical mode. A number of international events have attracted an international audience, but at this point in the programme, six months in, we really want to capitalise on getting visitors and an audience from much closer to home. You should see a lot more marketing activity in Belfast, Dublin, Liverpool, Manchester and places such as that.

**The Chairperson:** OK. What can you tell me about the risk matrix? What changes have we seen there since last time?

**Mr Losty:** In the One Plan?

**The Chairperson:** For the City of Culture. I am sorry; I have slipped into delivery plan 17. I beg your pardon. My apologies; we will go to delivery plan 17 for the City of Culture. Are members content with the One Plan?

*Members indicated assent.*

**Mr Losty:** Do you want me to answer that question about risk in relation to the One Plan?

**The Chairperson:** OK.

**Mr Losty:** You asked about changes. At the most recent meeting at Ilex, we were looking at various economic indicators and the impact of our mitigating actions. The first analysis of the information that we got back on jobs and uptake on work skills programmes was quite positive, so we have started to reduce the level of risk there. Rather than the impact of a poor economy being likelihood 5 and impact 5, we have downgraded that to 4 and 5. Again, if the figures are finally confirmed, we imagine that we could downgrade the risk further. It is a positive sign.

**The Chairperson:** Commitment 17: the City of Culture.

**Dr M Browne:** The Department committed to supporting the city and achieving the maximum benefits from the City of Culture. In order to deliver on that commitment, I chair the City of Culture oversight group, which has membership from a range of Departments, including DCAL, DETI and DSD. Derry City Council and the Culture Company are members also. The group meets monthly to review progress and to try to overcome any challenges that have been identified.

DCAL has provided £12.6 million funding for the cultural programme. DSD has provided £14.6 million funding for The Venue and capital works in the city. OFMDFM has provided Ilex with £7.8 million funding for the development of Ebrington Square, which has hosted many of the key events and from which there has been very positive feedback. In addition, the refurbishment of buildings 80 and 81 in Ebrington at a cost of £2.4 million will provide gallery space for the Turner Prize and exhibition.

The development, marketing and delivery of the programme are the responsibility of the Culture Company on behalf of Derry City Council. The council has engaged with the Northern Ireland Tourist Board to ensure that the profile of the city is also raised throughout 2013. It has moved to a more focused approach to the tactical marketing. I think that you asked Tim about the tactical marketing of the programme and the city. That will help to increase the visibility throughout the North and ROI.

**The Chairperson:** In the February performance indicators and in this update, you talk about a monitoring framework being developed:

*"to capture the required information as regards outputs and outcomes."*

How is that work progressing? When do you think that it will be complete?

**Mr Losty:** That particular work relates to the design of a monitoring framework and the process for capturing the information. It is progressing.

Ilex is responsible for capturing the data on when people attend events, where they come from, how they heard about it, how long they will spend in the city, and things such as that. That information is being collated.

The information will be channelled through the research model and will be able to identify the impact that the work has. That impact may be longer term; it may be a longer-term benefit than what you can measure in a 12-month period. We need to be in a position to have a benchmark and do a trend analysis of where the work has the positive impact that we want. We will measure that through legacy projects. If something does not have the impact that was initially intended, it is important to try to identify why. The work is progressing well.

**The Chairperson:** The risk matrix is quite extensive for that PFG commitment. A number of the risks have increased since the last report. The risk of financial resources being insufficient has increased in probability and impact. What informs that change of assessment?

**Dr M Browne:** One of the key things required around City of Culture, as well as the funding from Departments, is to bring in sponsorship and funding from other bodies. That has been particularly difficult, as Tim alluded to earlier, in the current economic context. The Culture Company has been working hard to try to attract that kind of sponsorship, and it has been reasonably successful. However, it has not been able to achieve the targets originally set, given the circumstances that it now finds itself in.

A key part of all this has been ensuring that delivery of the programme can be protected within the funding available. The fact that it is more difficult to attract sponsorship means that that risk has increased, but it is being managed, and the programme is being delivered very effectively. I am sure that all members have heard a lot of positive feedback about the programme and how effectively that is going.

So, that is the part of the process that the oversight group, which I chair, is involved in. It looks at the programme, what is coming up, what support there is and what the costs and pressures are, and tries to manage that with the various Departments and Derry City Council to make sure that the programme is delivered effectively.

**The Chairperson:** I hope that I speak for those Committee members who visited the city when the Committees went there for the day, when I say that there was a genuine and very positive buzz around the city. Of course, since then, there has been the big music day event, which seemed to be phenomenally successful, and you have had some big plays that have been really successful. Does that lead you to hope that, as that good news spreads out, people who have perhaps held back from sponsorship will now be looking at the fact that there are only a few months left and thinking that maybe it is something to get on board with?

**Dr M Browne:** Very much so, Chair. We hope that the obvious and visible success of the programme encourages those who are thinking about providing sponsorship to come forward. I think that it has been very heartening. You mentioned some of the big signature projects. There has been the involvement of the residents in the city as well. The return of Colmcille, for example, has been very positive.

The oversight group is constantly talking to the Culture Company about how it can continue to pursue sponsorship in order to make sure that the funding comes in and that the programme continues to be delivered. So far, the programme has been delivered. All the indications are that the future programme will continue to be delivered and that it will be as successful as it has been to date.

**The Chairperson:** Do the successes of Colmcille and music day encourage you to ramp up expectations and targets for the next six months?

**Dr M Browne:** Not so much ramp them up; but we will try to ensure that the Culture Company continues to work towards drawing in the sponsorship that it had anticipated in order to meet the original targets that were set, which have become more stretching because of the economic environment.

**Mr Moutray:** My query is around sustainable development and the legacy. Big events will take place over the next lot of months. There has been a degree of success and positivity, but it is about maintaining that. One of the targets is for Londonderry to come up to the level of Nottingham and York, which are around twentieth in the UK. Is that still achievable? I spent a few days in York at the start of the year, and it is a fantastic city. Londonderry is a great city too, but I still think that we have a considerable way to go.

**Dr M Browne:** I might make a few comments, and Tim can come in with a bit more detail. The whole aspect of legacy is very important. Although the City of Culture, and year of culture itself, is important, we want that to have an ongoing impact. A number of programmes have been developed and are being implemented in a way that ensures that they will have an impact. For example, the Music Promise, which involves primary school children in music tuition, is part of the City of Culture. That is not something that you can expose in the same way as some of the other big featured events, but it is ongoing at the moment, and it will have an ongoing legacy.

It is also important to try to ensure that the city is seen as vibrant and positive and as somewhere that companies would want to come. For example, buildings 80 and 81 in Ebrington are initially being used for the Turner Prize as part of the City of Culture, but the idea is that they will be developed into a digital hub thereafter, which will help to support employment.

Is there anything that you want to add, Tim?

**Mr Losty:** When people in the city first got involved in the project, there were high ambitions but also, I suppose, some doubts as to whether it could be delivered. Now that people have proven that it can be delivered, expectations have been raised, and the bar has also been raised. So, the big challenge is to continue that legacy and make sure that the capability and capacity being built up by the people involved in the delivery of this project do not go away and that they continue to work on new initiatives and programmes.

**Dr M Browne:** I will just add that this is not just an aspiration; a legacy plan is being developed. In fact, this Friday, there is a conference, involving consultation with a range of stakeholders, to look at how best that legacy can be developed and worked into the legacy plan in order to make sure that this is carried through and carried forward.

**Mr G Robinson:** Is the programme advertised extensively throughout Northern Ireland? A couple of weeks ago, or maybe even last week, I noticed in one of the programmes that some people were interviewed down in Dublin and seemed to know very well about the City of Culture and so forth, but it also interviewed some people in Ballymena who knew nothing about it. The people were then asked whether they intended to visit Londonderry, and they said that they most definitely would but that they were not really well informed as to what was happening. Can anything be done about that?

**Mr Losty:** That is why we want people to move from strategic into more tactical work. You will start to see more signs going up advertising the programmes, you will see people leafleting in shopping centres and malls, and there will be more information on local radio and TV programmes. It is all geared towards getting more people from the wider region to visit the city and getting the information on the type of events out there. There are high-level, high-profile events that we have talked about but there are a lot of smaller events that take place locally that may appeal to niche audiences, so the Culture Company is involved in a whole lot of tactical marketing exercises to get information to individual groups as well as around other local councils, shopping centres, on the TV and in other areas.

**Mr G Robinson:** With respect, the programme is halfway over. Should this not have been done at the very beginning? Maybe it was to a certain extent, just not as extensively as it should have been.

**Mr Losty:** It was always intended that we would move to this level of coverage locally. It had been discussed, and I would not say it was done mistakenly, but certainly lessons have been learned. I think we should have done this maybe a few months earlier.

**Mr G Robinson:** It is a missed opportunity, I think.

**The Chairperson:** PFG commitment 26 is on EU drawdown. You are having it easy, Denis.

**Dr M Browne:** Denis's work is to come. Commitment 26, as you say, relates to the Executive drawdown; the target of an additional 20% drawdown from competitive EU funding programmes.

It was confirmed recently by junior Minister McCann in a question for oral answer on 7 May that a comprehensive revalidation of the target is underway, and we expect that to lead to an increase in the drawdown target of over £5 million. However, we will not have definitive figures until this exercise is concluded, which I hope will be shortly. The new target, which we hope to publish following ministerial approval, will confirm both a significant increase in the baseline drawdown, which was our starting point, and the total target amount, and that will provide a firm basis for monitoring progress going forward.

**The Chairperson:** Can you give us further detail on the late notification of drawdown, which seems to have impacted recently?

**Dr M Browne:** Yes. When we were undertaking an update in quarter two of 2012-13, we got late figures in from DE indicating quite an increase in both its baseline and year one and prospective year two figures. That was in some respects a positive thing because it highlighted the fact that there needed to be greater consistency and clearer guidance to Departments as to precisely how they should count the funding that they were drawing down and give more accurate figures.

The effect of that — and as I said, we will have definitive figures hopefully shortly — will be to increase both our starting point and our overall drawdown figure, which has made the target more demanding for Departments, because by increasing the initial figure, the 20% increase then becomes tougher to meet. However, we are confident at the minute that we are on target to reach that.

**The Chairperson:** We have had correspondence advising us that the Department is unable to disaggregate drawdown and assign figures to arm's-length bodies and third parties, but is it not in the Programme for Government that Departments can include drawdown by ALBs if it is appropriate to do so?

**Dr M Browne:** Yes, if a Department has made a significant contribution to the drawdown by a third party or an ALB, and if that third party agrees that it should be counted, it is possible for Departments to count it in the figures. Those figures have been included in our overall figures.

**The Chairperson:** That all seems perfectly reasonable, Mark, but what about the correspondence advising us that it was not possible to disaggregate? That was recent, was it not?

**The Committee Clerk:** Last week.

**The Chairperson:** It was last week.

**Dr M Browne:** It was 21 June. I think that the issue is getting the detail of that disaggregation. We know that we can include it in the overall figures, but I think that there may be an issue around getting that detail. Chair, I can come back to you with greater detail on that particular issue. I know that we provided you with a breakdown by Department and by funding stream for the two years. I can come back to you on the precise issue about arm's-length bodies and third parties.

**The Chairperson:** I would appreciate that, Mark, because I would have thought that a Department that had played a significant role in securing drawdown for an ALB would naturally want to take the credit for it.

**Mr Maskey:** In a way, I am following on from that, although I think that there is a difference between a Department drawing down money and an ALB doing so. I do not think that it is black and white. I am not so sure how you should calculate it. Departments should certainly get the kudos for helping ALBs to get the money, but I do not know how you end up reflecting extra drawdown by Departments. I thought that in the previous report that we had there was a suggestion that some Departments were not able to give, or had not given, you exact figures for their drawdown or even figures from funding streams, but you are telling us now that they are, and the mid-term update that we have satisfies us that they will reach the 20%. That is the key thing, but is that picture clarified, because my partial understanding was that it was not necessarily — *[Inaudible.]* — Department by Department?

**Dr M Browne:** Quite a lot of work has been done to clarify precisely what is counted and how it is counted to make sure that there is consistency; for example, to determine whether it is the actual funds allocated or the funds drawn down that are counted, and to make sure that Departments are counting all the funding that they can count and are covering all their programmes. That work has been ongoing over the past number of months. The figures that we hope to put to Ministers shortly for agreement, and that we will publish and make available to the Committee, will provide much greater certainty. They should be consistent and provide a robust basis for assessing progress. The positive thing, as you say, is that we are on track for a higher level of drawdown, given that the figures have changed.

**Dr McMahan:** I will just add that we have a lot of work going on underneath that, because there are the four thematic subgroups. OFMDFM leads the thematic subgroup on social cohesion. One of the things that we struggled with was the question of at what point you take credit for something. We have moved to the point of saying that we really need to make sure that we are capturing everything. If you look at the sorts of activities that are going on, you can see that there has been a big increase in

engagement, particularly with Brussels. I know that the Committee was invited by Ministers to a conference on Delivering Social Change, at which they announced the intention to set up a European centre with the universities to see whether we can take that to the next stage. We will certainly come back to the Committee and update it on that as we work up the proposals.

**The Chairperson:** I have four specific questions, if I may, on the three key actions for delivery. Action 4 deals with drawdown targets by funding stream. The timescale for that was September 2012 last time, but it is now April 2014. What is the rationale for the delay and what are the implications for Departments?

**Dr M Browne:** One of the issues that we face is that we are coming to the end of one of the EU funding cycles. A number of the programmes will finish their funding in December 2013. The new programmes should start up from January 2014. However, given the delay that there has been in agreeing the multi-annual financial framework, agreeing what the new programmes are going to be and bearing in mind the normal lead-in time to develop and be able to bid into programmes and determine whether they will be successful, the whole period around 2013-14 is a very difficult one for projecting and getting accurate figures. Therefore, that plays into the time frame for being able to provide the sorts of figures that we need.

**The Chairperson:** I would not dispute your analysis. Everyone believes that European programmes never start on time, but that was the case when you set the target in the first place.

**Dr M Browne:** Yes, but it is in getting down to that precise level of detail at EU funding source that difficulties arise. At an overall level, a broadly ambitious target of increasing by 20% over the period could be set, but trying to disaggregate that down to EU funding source and then further, by Department, requires a degree of granularity that is particularly difficult.

**The Chairperson:** OK. We will cut this back a bit. We will finish on action 8, on benchmarking, which was May 2013 but is now March 2015. Is that not a serious slippage? I would have anticipated that benchmarking is where you begin, rather than where you end.

**Dr M Browne:** Yes. Our focus in the first instance has been to encourage Departments to engage more effectively with Europe to try to increase their number of applications to the various funds and their drawdown. The initial targets on benchmarking were quite ambitious. Benchmarking is very difficult. In trying to take account of what is an appropriate level of performance and compare like with like, you must take account of the fact that we are a region within a member state and have particular characteristics. In trying to compare our performance with that of another region, you need to take those factors into account.

That having been said, there are areas that we can look at to assess the extent to which performance has been good or not so good. For example, we know that the Department for Regional Development (DRD) has outperformed other UK regions in the whole trans-European transport networks (TEN-T). However, under the seventh framework programme (FP7), which is the research framework, our drawdown is the lowest in the UK, and it is significantly lower than that of the South. There are a number of reasons for that, which include the fact that we have the fewest universities of any region and a large number of small and medium-sized enterprises (SMEs) that do not have a large research budget. Therefore, in comparing regional performance, you have to take those factors into account.

Nevertheless, that is also an area in which we have taken very specific actions to try to improve our performance. DETI and the Department of Agriculture and Rural Development (DARD) have identified a number of co-ordinators that will work across the local universities and Departments to stimulate knowledge and understanding of the opportunities and to encourage and co-ordinate the sorts of applications that can be made to try to improve performance. Therefore, there is some benchmarking. What we have not yet got to is a more systematic approach across all the areas for benchmarking, but I would have to caution that that is a very tricky and resource-intensive area to do effectively.

**The Chairperson:** Is it also true to say that, having started from a position of hoping to benchmark against best regions, it is now become a question of benchmarking against relative performance?

**Dr M Browne:** We are benchmarking our performance against ourselves in respect of the increases, but we are also looking at our nearest neighbours and comparable regions to try to learn the lessons that are there. To try to do a more sophisticated exercise would take much more time and effort.

**The Chairperson:** Did we not want to identify a named region of Europe that would serve as a benchmark? Traditionally, we have tended to compare ourselves with the Republic of Ireland, but that is to compare a region of the United Kingdom with a nation state.

**Dr M Browne:** There is a range of ways in which to do it, Chair. If we were to try to get like for like, we could spend a lot of time trying to identify a similar region, which may or may not be a good performer. I think that we need to benchmark at a range of levels: learn from individual regions; learn what we can from other member states; learn what is best practice; and ensure that it is being applied locally. I do not think that there is one simple model of benchmarking.

**The Chairperson:** Does the Department for Regional Development have best practice at the moment?

**Dr M Browne:** On that particular programme, it has done particularly well.

**Mr Maskey:** It was Conor Murphy who started that. *[Laughter.]*

**Dr M Browne:** It would be invidious to single out a Department, although I did.

**The Chairperson:** Danny Kennedy's Department, I believe — he having followed his predecessor.

The Programme for Government's commitments 31 and 32 deal with the social investment fund.

**Dr McMahon:** That is my area now.

**The Chairperson:** You are in.

**Dr McMahon:** I will give you brief summary of progress. The area-planning process is now well advanced. Last week, the First Minister mentioned that we are in the process of looking at the economic appraisals that are coming out of the plans. I suppose that it is worth saying a few words about the process to date. Obviously, it has been longer than we had previously hoped or anticipated. Nevertheless, on the original milestones, we have the action plans in place for the nine strategic investment zones. We have a draft monitoring and evaluation framework, although that will change as the business cases are approved, because we will have more specifics about what is coming out of them. We have strategic action plans that identify and prioritise needs in the nine investment zones. We are now taking business cases forward on the basis of those plans. We have had a number of gateway reviews. We have set up governance arrangements. Those have been in place for some time. We have been working to them rigorously to ensure that we are taking the programme forward, managing risk as best we can. It is a very large programme. It is a very different way of working. Ministers were absolutely determined that the social investment fund would add real value over and above what other Departments and agencies are doing. That is a challenging test, because we need to ensure that whatever is being funded is genuinely adding and that it is not just that projects come forward that have not been funded elsewhere. We have to look at them in that light. We need to ensure that we are joining up well with Departments. Ministers are also absolutely determined that those projects will be community-led and community-driven. Again, that is something that Ministers have been very strong about since the beginning.

I do not want to overload the Committee with a lot of process about how the approvals work, but I will give you a flavour of it. Overall, around 89 business cases will come through the process. Some will be approved, in effect, in the Department. A committee that I chair meets once a week to go through those business cases. In between those weekly meetings, a lot of work is done to try to ensure that all the queries and questions around governance and accountability are being answered so that we have got the business cases into shape and can stand over them as a Department and approve them. Some of the business cases will then go to the board's finance subcommittee, a group that is chaired by Mark as the Department's accounting officer. A smaller number of business cases — seven of them — are due to go to the Department of Finance and Personnel.

We are working our way through that process at present. The aim is to have that in place, and the idea, as the First Minister has indicated, is to get money on the ground later this year. That is what we are trying to work towards. I would not want to underestimate or underplay the challenge of doing all of that. It sounds great to be able to say, "We are going to approve those 89 business cases." We are

absolutely determined to push those through. However, we also need to ensure that we comply with the requirements of governance and, particularly, demonstrate value for money and that projects are genuinely additional and over and above what other Departments are doing. Do you want to add anything to that, Henry?

**Mr Johnston:** At this stage, we are focusing particularly on the business cases that we have in play. As Denis said, we are resolving some governance and procedural issues. We are also looking for a bit more clarification on some aspects of a number of the programmes, such as whether they are going back to the partnerships or to the initiator of the idea. We are talking to other potential funders about where they are with some of the projects that are looking for a cocktail of funding. We are focusing very much on how things can be delivered practically, what the process for delivery will be for the nominated lead partners and whether they are best placed to deliver on the ground.

**Dr McMahon:** From having worked through the business cases and the upcoming projects, there are some really good projects out there. If we can get this on the ground, it will genuinely add real value and demonstrate real progress. That is what we are working towards.

**The Chairperson:** I have no doubt that there are some good projects coming up. One concern that I have is whether the best projects are being picked or whether projects that are presented best in business cases and in the process of putting together the pitch are the ones being picked.

**Dr McMahon:** That is a really good point. These things always take a bit longer than we would like. When we get the business cases, we do not prioritise them in the sense of what officials think will get through. There are examples in which there are real issues, and we just have to go back to the groups and work through them. If a group has identified a project as being high up its list, we will work with that project. If we think that it is weak, we will not just say that the business case is not up to scratch and send it back to them and forget about it; we are trying to get the business cases into shape and understand what the groups are trying to get at. That is why it is taking a little bit longer.

**The Chairperson:** So you are working with them?

**Dr McMahon:** Absolutely. We are trying to work with them, primarily through the consultants who support them in each case.

**The Chairperson:** I want to ask about the consultants. Presumably, one of their roles is to identify a good idea and help to put it together.

**Dr McMahon:** Yes.

**Mr Johnston:** They have two key roles. After a lot of local discussion and debate, 89 projects were put forward. Eight of the nine zones put forward 10 and one put forward nine. The consultants were meant to do two things. The first big task that they had — we gave them some extra time for it — was to agree what the area plan would be and what the prioritised needs in the area would be. Those projects came out of that. The consultants were then tasked with completing appraisals on their projects to green book standard, so that, when they came to us, they were able to go through our approval processes and then on for the Department or DFP. We are still in the throes of getting a number of those appraisals up to an acceptable standard, so that there is no missing information when it goes to the economists or finance staff and they do not have to look for clarification in a number of areas. The conduit back to the partnerships is primarily via the consultants. Some of the work is being done by the consultants, and some of it has to go back to the partnerships, which are being asked questions that they have to find the answers to. That is reflected in the work that the consultants have done. That process is quite labour-intensive. It is taking a reasonable amount of time on each of those. We have tried to prioritise two or three top priorities from each of the zones. Those are the ones that we are really focusing on initially so that, when we get to a first pass, it will be the things that the partnerships said are the number one, two and three priorities and we do not just pick the easy ones that are eight, nine or 10.

**The Chairperson:** You will have heard me, Denis, reference the composition of the zonal advisory panels. I know that the community and voluntary personnel are on board. The political appointees are there, but, certainly in the south-eastern area, where I have an interest because it involves Strangford, the lack of the statutory appointees is giving them concern because they believe that those people have the expertise and data that will be critical for the next phase of applications.

**Dr McMahon:** The Ministers indicated last week that they had looked at this. They expressed some views on it. This has not yet been finally signed off by the Department, but we are expecting that any day.

**Mr Johnston:** We hope that that will happen very shortly. Statutory were involved at an earlier stage. We have not finally agreed to the statutory that will be in the partnership, because that is influenced by the nature of the projects that came forward. At an earlier stage, all the statutory of Departments and local statutory were involved in working round those plans. Some of the information that was sourced to validate the needs in the areas came from some of those key statutory, both the objective need and some of the local evidence of need, which we are also happy to take.

**Dr McMahon:** It might be worth adding that, and I do not want to overburden you with governance structures, we meet once a month with the other Departments through the project board and we also meet on a twice-weekly basis. We try to meet at a higher level to make sure that we are keeping an eye on things, so this is very much at the top of the priority list for us.

**The Chairperson:** A minute ago, Henry, I noted your use of the tense when talking about consultants because you said two things they "were supposed to have done"; should we read anything into that?

**Mr Johnston:** They have done one and are still doing the second, so all the area plans are now complete and the work now is only on the business cases.

**Mr Cree:** I have two points in connection with the progress on that. Of the 89 projects, how many, if any, have been approved so far? How many of the 89 employ consultants?

**Dr McMahon:** There are a number of levels. We will take the second one first.

**Mr Johnston:** I would not envisage that any of the projects would employ consultants.

**Dr McMahon:** Are you talking about the technical support? We have provided technical support to all of the groups, so they have all got consultants working to —

**Mr Cree:** No, I mean actual consultants.

**Dr McMahon:** They are consultants, but there are no other consultants at the minute.

**Mr Cree:** Are there no external consultants?

**Mr Johnston:** All nine of the ones that we tendered through CPD for consultancy support were provided with consultancy support to help them work up the area plans and to help them to do the green book appraisals in relation to the prioritised projects coming out of those plans. Those of the 89 projects that are going forward; they are a mixture of capital and revenue projects. We do not envisage that that sort of consultant would be involved in delivery going forward. If they are capital projects, there will obviously be architects, engineers and cost consultants and those sort of professional services. We do not see an ongoing road for consultants in delivery.

**Dr McMahon:** It might be worth saying that there are two types of approval. There are two issues that need to be approved; one is around the technical aspects and pushing it through the business case process, and the other side of that is making sure that there is political approval and agreement on that. On the technical side, I have explained that my directorate goes through one set of them and then some of them go to Mark and some of them go to DFP. We have got through 18 at my level. We had the first finance subcommittee yesterday, which put through one business case and three others that are ready to be approved. We aim to get those business cases up to Ministers, as the First Minister indicated last week, over the next week, and, as necessary, up to DFP.

To answer your question in simple terms, none of them have been approved as yet. In addition to that, I would expect Ministers will want to look at these in the round because they will want to make sure, it will not be enough for us to say, "There is a business case, it has gone through the technical process, would you like to approve it now?" They will probably want to make sure that they are getting

a package of approvals out at once, but that is something that we will need to discuss as we get through the technical process.

**Mr Cree:** Is that some sort of balance that you envisage?

**Dr McMahon:** I just think it is about making sure there is an appropriate fit because some of the different projects will complement each other. In some areas, there are employment schemes and at the same time there are capital programmes around things such as childcare, for example, so it is about making sure that everything fits. The whole point of this was to try to do something that was more joined up than the normal sort of grant funding scheme where we just put an announcement out. The big challenge with that is it has added another timescale on, but the other side of that is that we get a better product. The aim is to get a better product when we are ready to approve.

**Mr Lyttle:** I declare an interest as a member of East Belfast area steering group. I seek some clarification on the green book economic appraisals and the business cases. The green book economic appraisals were completed by consultants attached to the area steering groups and the business cases are produced by OFMDFM officials.

**Dr McMahon:** When we talk about business cases —

**Mr Lyttle:** The same thing?

**Dr McMahon:** They are the same thing, absolutely.

**The Chairperson:** Before we move on, do you still anticipate that all of the money will be spent in this Budget period, and, if not, are you working on a contingency?

**Mr Johnston:** I will talk about the money. As I said before, Ministers have agreed that £80 million was guaranteed in terms of the bottom-up, community-led area-planning process for the implementation of SIF. They have agreed that we will have an extra year beyond the current PFG and Comprehensive Spending Review (CSR) period, through to March 2016, to expend that money on the basis of the area-based plans. The total bid value that came into us for those 89 projects was something like £130 million, so there is sufficient demand for the available funds. However, for the current CSR period we have used some of the money that was available in earlier bids in the period to fund projects that are benefiting those investment zones. That is where the announcement of the six signature projects worth £26 million that went out last October came from. Those will benefit the nine investment zones, but the nine investment zones will still have the £80 million available to be spent on the basis of the area plans that people have worked on.

**Dr McMahon:** But over a slightly longer period.

**The Chairperson:** OK. PFG 33 is on the childcare strategy.

**Dr McMahon:** I know that the Committee had a briefing on that fairly recently, so I do not intend to say an awful lot more about it at this stage, other than to say that we have got a draft framework document, which is being considered within the Department. There is a lot of work on that. One of the things that came out through the consultation process was an expectation that whatever we produce will not be the final version and that there will be scope to do more, but that it will also have enough momentum to be able to demonstrate real progress.

The issue of childcare is really around a market failure, for want of a better term, in that we do not have enough affordable, accessible, integrated childcare places. So we have been doing a lot of work, with support from colleagues from SIB, to analyse the market and understand how many places are required and what the shortfall is. A lot of the interventions that we will be looking at will be around things like information. We are already working closely with the Department of Health, Social Services and Public Safety (DHSSPS), which has a website on childcare. We are looking at ways of improving the information sources available to parents. We are also looking at improving capacity and seeing whether there are ways that we can encourage more providers into the market and encourage existing providers to provide more affordable, integrated childcare.

That is what we are trying to do, and we are hopeful that will be in a position to announce the framework document in the near future, but, obviously, that is subject to consideration within the Department.

**The Chairperson:** Which takes me to key action number 6, which is the provision and publication of a childcare strategy framework document, including key early actions, with a timescale of 30 June 2013.

**Dr McMahon:** We have not met that target of 30 June, but I am hopeful that we will be able to make an announcement in the near future.

**The Chairperson:** I understand that both the SIB and RSM McClure Watters were working on establishing a baseline. Has that been completed?

**Dr McMahon:** Yes. A lot of analysis has been completed in support of the strategy. That will then be built into the framework document.

**The Chairperson:** I think we heard previously that, of around £10 million still in this particular pot, around half has already been allocated.

**Dr McMahon:** Ministers have taken decisions so far that would have amounted to £4-5 million, but Departments have yet to uptake all of that. At the moment, of the £12 million, we have £2 million firmly committed and £10 million yet to be firmly committed. Obviously, until this is considered in the Department, there is a limit to what I can say, because it has not been decided. The clear steer that Ministers have given us is that they want to see this announced with real action. So, it is not going to be a strategy document that simply makes some statements about the importance of the issue; it will include some additional measures. That will, in turn, impact on the fund.

**The Chairperson:** Do officials ever feel the need to say to a Minister, "Minister, you have basically committed half the budget without a strategy, but that is not the right way to do it."?

**Dr McMahon:** I think that it is important to say that, as the timescale shows, it is not as though we have just formed a strategy with this framework document. There was an earlier consultation, and there has been funding for childcare over a number of years.

There is very clearly a problem. Through Delivering Social Change, we have been trying to balance the need to have a strategic approach with the need to demonstrate early action. The commitments that have been made so far on, for example, childcare provision for children with a disability or on enhanced development opportunities for preschool children are the sorts of things that we and Ministers want to see more of. So, from that point of view we are not worried that it is doing any harm.

**The Chairperson:** I agree that it is good to have a strategic approach, but it is possibly better to have that decided before you have spent all the money.

**Dr McMahon:** There is still plenty of scope in the budget and plenty of scope to use it to support the framework. One of the decisions that the Ministers had taken was that the social investment fund resources, along with the childcare and other resources, should be brought together into a single Delivering Social Change fund. The idea behind that was to make sure that we were using those resources as flexibly as possible and to avoid a situation whereby, in labelling money one way or the other, we were unable to get the best of all worlds.

For example, childcare funding will be paid for out of childcare money, and childcare projects will come out of the social investment fund. Again, if you look at the signature projects under Delivering Social Change, you will see that elements of them will impact on childcare. So, I think that Ministers are of the view that it is about time that we did not worry or obsess so much about the labels that we use and that we focus on delivering outcomes. That is a key part of the approach.

**Mr Lyttle:** I may have missed this, so forgive me if I have, but have you clarified how much of the £12 million has already been spent?

**Dr McMahon:** So far, we have spent £322,000. I would need to get you an update on how much has been spent overall. We spent that £322,000 in 2011-12 and, I think, £1.4 million in 2012-13. However, I will come back and update you on that.

**Mr Lyttle:** OK. Are you confident that the £12 million will be spent by 2015?

**Dr McMahon:** I am confident that it will be spent, especially given what I just said about the fact that we will be looking at a range of projects and bringing them together under the Delivering Social Change fund.

**Mr Lyttle:** Do you expect that that will permit non-departmental bodies to apply for that funding at some point?

**Dr McMahon:** In some cases, that is happening already. All the childcare providers are non-departmental, so we would see that money going out to providers.

**Mr Lyttle:** I have one last question. What exactly do you mean by a framework that is not the final version but that will allow more work to be done?

**Dr McMahon:** I mean that stakeholders told us that they did not want us to produce a strategy document that cannot either be amended or subject to further consultation. They wanted a strategy document that says something and that contains very real commitments but that has that means that, as some of the work is taken forward, we can amend it as necessary. That was the very clear view from the consultation.

**Mr Lyttle:** Does that mean that there will be another formal consultation process further to the publication of the document?

**Dr McMahon:** Not necessarily. To be fair, we have gone through a very detailed consultation process, and I think that this is just about people wanting to see that there was flexibility and that we were not tying ourselves down to targets that we could not amend or uplift if necessary.

**Ms McGahan:** Denis, I am conscious that there is a clear urban/rural distinction in childcare and that no consultations were carried out in rural areas. There was none in County Tyrone. I know that a lot of people in County Tyrone were not aware of those consultations, because the few who I spoke to drove to Armagh.

Action 6 deals with research and intervention, and, under her stewardship as Minister of Agriculture, Michelle Gildernew produced a research paper on childcare provision in rural areas. Has that paper been tapped into?

**Dr McMahon:** Those are fair points, and I cannot argue with them. All consultations have limitations. We met with DARD as recently as the past month to make sure that we were all joined up on this matter. We are very keen to build on the work that DARD has done and to work with it in looking at the evaluation. We are very aware that rural childcare is a serious and different kind of issue. We picked up that there is a different set of issues with rural childcare, particularly where transport and other matters are concerned. So, we are picking up on those points.

**The Chairperson:** OK, thank you, gentlemen. We will move on to actions 34 and 37, which are concerned with Delivering Social Change.

**Dr McMahon:** I touched on some of that, so I do not want to give the Committee too much detail that will not be of interest. The key point to get across is that Ministers were very keen for us to take a different approach, to focus on outcomes and to move away from the many different groups and processes that we had been involved in. We had a huge amount of engagement. The junior Ministers, and the First Minister and deputy First Minister, in as much as they could, played a crucial role in pulling Departments together. We had a level of engagement that we never had previously.

As a result, we had the six signature programmes. There are always issues with any programme, but if you look at what is happening, you will see that advertisements are going out for teachers for the additional literacy and numeracy measures. The Department of Health, Social Services and Public Safety is also developing family resource hubs and improved parenting services. We have a whole range of things happening on enterprise incubation hubs, and 20 nurture units are due to be in place by the autumn.

So, a lot of work has happened on that. That focused a lot on projects, but the next step is, I suppose, to think about what we can do in the medium to longer term, and we would be very keen to hear the Committee's views on that in due course. We can take so much forward by having projects across Departments, but how do we tackle the bigger societal issues that will not necessarily be amenable to additional funding of whatever level?

**The Chairperson:** When were the signature projects announced?

**Dr McMahon:** In October 2012.

**The Chairperson:** Were they for £26 million?

**Dr McMahon:** Yes, that is correct.

**The Chairperson:** How much has been spent now, as of July 2013?

**Mr Johnston:** I do not have the exact figures, but we will come back to you.

**The Chairperson:** Can you tell us roughly how much?

**Mr Johnston:** Not very much. Probably about £3 million, but we will come back to you on that.

**Dr McMahon:** The only caveat that I would add is that advertisements have gone out for, for example, teachers for the literacy and numeracy programme. That adds up to £13.5 million. That is a major commitment. Although the money may not have been spent, in that the teachers have not been appointed yet, they are due to be appointed for the next term —

**The Chairperson:** I know, Denis, but that is my point: the difference between commitment and actual spend. You will know that there are those who saw the signature projects arising only because SIF was running late. There is £80 million in SIF, and we are still sitting with that in the bank. Effectively, over £20 million for the signature projects is still sitting in the bank. So, there is not that much on the ground where people want it.

**Dr McMahon:** We are very keen for these things to move as quickly as possible. However, you should look at the firmly committed funding. For example, if you look at the fact that the advertisements have gone out, you will see that, other than a scenario arising in which people do not apply for those jobs, that money is going to be spent. Under the literacy and numeracy programme, £3.9 million is due to be spent in 2013-14.

**Mr Johnston:** The nurture units are going to go live from September.

**Dr McMahon:** So, if you look at the resources that are committed this year, you will see that they come to £8.3 million.

**The Chairperson:** Is it a bit complicated in some cases? Take the unemployed teacher as an example. As I understood it, you were going to say, "There is a pool of teachers who do not have a job, and we are going to link them up with children who have identifiable numeracy and literacy issues.". However, I understand that schools are being asked to take an existing teacher and to commit to seconding them, which means that the experienced teacher does the one-on-one tuition and the unemployed teacher backfills. So, it is actually a two-step process rather than a simple one-step process.

**Mr Johnston:** After the Ministers made the announcement in October 2012, there was engagement with the lead Departments, which, in this case, was DE. DE is the expert on education, and it commissioned the Western Education and Library Board to design the scheme. It agreed that the best way of taking it forward was to put an experienced teacher from the school in to do the numeracy and literacy and to put the newly graduated teacher in to backfill. We are not the experts in education.

**The Chairperson:** It is an educational issue.

**Mr Maskey:** I have a general question to ask. What concerns me is that we are, and will be, spending a considerable amount of money across a number of streams and projects. From what I have seen over the past several years, no matter how much you spend, unless you put it all into one constituency, the statistics will come out the same. So, I do not care how many millions you spend if you spend them the way that you are at the minute. However, in 10 years' time, you will do a read-across the constituencies and will find that the statistics will all be roughly the same, unless you put all your money in one area and eradicate all the problems there. I can see a general uplift, but when you compare one against the other, you will still have the same statistical outcome.

So, we are still going to have somebody coming here telling us in 10 years' time, "Foyle is the worst in the world" and "West Belfast is the worst in the world." Everybody knows that the conditions in those areas are not comparable with what they were in 1950, 1960 or even in 1920. So, I would like to see some rational examination of that somewhere along the line. I know that we are going to evaluate all this, and I am not talking about covering up problems — far from it, because the whole basis of analysis and evidence is to tackle the problem at source. We are committed, obviously, and the Programme for Government is about tackling objective need, which is critical. However, unless you put all the money that we have into Foyle, the read-across will be the same. How do you give hope to people?

I have heard people say that their areas are this, that and the other, but then you have a conversation with them and they say, "How many millions are being spent over there?", "How many people over here are not working?" and so on. Those are different discussions. I do not know the answer, but I am concerned, because I am sitting here looking at the outcomes that we are all talking about. Somebody is going to give us a read-across, and no matter how much we spend in the next number of years, we are going to get the same outcome on paper. However, that does not bear the reality on the ground. So, how do we square that circle? I do not know. Maybe that is an unfair question to ask today.

**Dr McMahon:** I do not pretend that we can come up with any easy answers to that. I mentioned that we have looked at projects. That is important in itself, because it at least gives people the confidence that we are doing something and are trying to make a difference. As a result of the Barroso work that we have been doing, we have been trying to work with other European partners and have been talking to the universities to see what they can tell us about this issue. Everybody says, "There are no easy solutions to this." If you look across the world, you will see that that is the case. I think that a big part of it is aspiration, although that is probably not the right term. You have families and communities feeling at different times that they just do not have a chance. There is something there about finding out how we break that cycle. You are absolutely right. I am not sure that projects, of themselves, will do it. To be honest, we have internal debates about these matters. What would happen if, today, we went to an area and said that we would spend a huge amount, get the area up and running, and really turn things around? The sort of message that comes back is that that would be a waste of time unless you have the community on board and the people there are leading on and doing that work.

I think that there is a lot of work about. We are relying on the universities. Part of the rationale for Ministers announcing the intention to have a European centre for delivering social change is to talk to people who have done the research. It is not that the research is not there; there is loads of it. There are loads of data there. However, it is about taking a step back from it and asking: what works? How can we do this?

**Mr Maskey:** I am concerned that some of those organisations that you talk about are the institutions and the people who produce some of the reports. I live in west Belfast and represent South Belfast. I find it offensive when I read some of the figures or when someone comes along and says, "There are children in your area who have rickets." That means that someone who lives near me has rickets and that I have a responsibility to an individual in that constituency to do something about it. In my opinion, that kind of report, even though a highly credible organisation may produce it, does not do the situation justice. I do not take issue with the fact that some children have rickets. I know that some people, including children, are living in poverty, and I know that senior citizens live in poverty, but it is not the same problem, or at the same level, as it was years ago. That does not minimise the problem of the person who is living in poverty. So, I am trying to get the scale of this so that we can find a way of tackling it, if you know what I mean. If we can quantify the actual problem and then rationalise what we need to do about it, I would feel that, at least, we were trying to do something about it. My concern is that, no matter what we do, if we just take the same research statistics, in five or 10 years' time you will get the same outcome and everybody is going to be depressed to hell.

**Mr Johnston:** There are two things to consider. First, we are talking about the slightly longer-term project stuff, and secondly, we have to look at the matter holistically. The European centre is a good feeder into that. We are doing work across a range of Departments and are asking what the six or eight big issues are that we need to confront and change, and how we can do that over the longer term. We flagged up the obvious ones. There are aspirational issues, but there are also literacy, numeracy and other barriers to consider. It does not matter what aspirations you have, because if you do not have those, you will not really get anywhere.

The other piece that we looked at concerns the very point that you raised. When you look at the stats back to 1886, or to 1966, you see that the same areas appear in them. There is always someone down there, but there is a difference in the level of poverty. If you look at some of the Joseph Rowntree Foundation's (JRF) work from the turn of the century, you will see that semi-fresh rags and straw were the definition of poverty then. We have a very different definition of poverty now. We commissioned a piece of work with the National Children's Bureau (NCB) and others to look at what is called "outcome-based accountability". That does not look at the money element, because we recognise that people in poverty do not have much money. Rather, it considers what that means for their aspirations, safety, what they can do for their families and whether we can impact on that. We find it difficult to make an impact on the money element, but, surely to goodness, we can put in measures that will impact on those four critical domains. We will be able to measure them and track the progress of initiatives. We think that that is a great way of looking at what we should be doing in the longer term at a societal level as opposed to just looking at the stats and saying, "It is the same old areas. We squandered all that money, and they are still at the bottom of the pile."

**Ms McGahan:** Denis, was the overall plan through these commitments not to eradicate child poverty?

**Dr McMahon:** That is the overall commitment in the child poverty legislation — the Child Poverty Act 2010. It is certainly something that we have to be committed to working towards.

**Ms McGahan:** I am cognisant of the fact that it would take only one child to go into child poverty for your target not to be met. I have sat on a district policing partnership and have dealt a lot with targets, and I know that it takes only one instance for the target to be missed. I just wanted clarification on that.

**Dr McMahon:** You are absolutely right. I do not want to get into a debate about how poverty statistics are measured; there are various different measures. Sometimes, if you use relative poverty, it depends on what happens elsewhere. For example, a drop in the market in GB can influence our poverty statistics. Whereas, in real terms and absolute terms, it makes no difference.

The other thing is that, when you look at the detail of the poverty statistics, you see — I cannot remember the exact example, but there is an example that, if you were to give so many households £10 extra a week, that would lift them out of poverty. I am not saying that that in itself would not be of assistance — I am not minimising that — but, at the same time, it is not really going to tackle the fundamental issues that we are talking about here.

Again, one of the approaches that Ministers were trying to take here was to say, "What are the fundamental issues?" There is no point in just looking at this in a superficial way and saying, "What are we doing to try to tick the box or meet our statistical targets?" It is really about what we are trying to do to tackle it. I have to be honest with you — this is in line with the earlier discussion — and say that it is a big challenge. When you put something out called Delivering Social Change, you have a big, big challenge, because then you have to say, "If we are serious about this, what does that mean and what will people notice?"

**Ms McGahan:** Are you getting full co-operation from all the Departments in delivering and co-ordinating the key actions?

**Dr McMahon:** It is like anything else in that we have different relationships with each Department, but we do get full co-operation in the sense that Ministers have given this such a direct drive. That is where ministerial time — I am being blunt about it — becomes so important. When the junior Ministers call together groups of senior officials, they turn up. In fairness, the experience we have had is that most Departments are very keen to co-operate, and others are also keen to co-operate, but they maybe have issues of their own that they are struggling with. So, there is always a balance there. Generally, we find that there is good co-operation.

**Ms McGahan:** I suppose that Departments head off and do their own thing but do put everything into the middle of the table to discuss it, as opposed to coming to you and saying, "Here is what we have done."

**Dr McMahon:** In fairness, this has been much more centrally driven; that is the thing. There has been much greater emphasis on Ministers saying, "Here is what we intend to do". However, there is always a trade-off there, because we cannot cut across individual ministerial responsibilities. There is obviously a relationship there between the Executive and individual Ministers.

**Mr Johnston:** There has been good engagement at the highest level of the Delivery Social Change structures. All Ministers are members of an Executive subcommittee, where there has been really good engagement between Ministers with various portfolios and, maybe, different portfolios in the past. They have talked about some of the big issues, and there has been really good commonality of views on what people could do and what they could do together. So, that has been really good.

**The Chairperson:** The next target is 35, which deals with the social protection fund. That has been subsumed into DSC, so unless anybody has a comment, I think that we can consider that done and move on.

**Mr Johnston:** On a general point, a couple of things across the PFG are a bit like this in that they have been either done or overtaken. Ministers took the decision not to do anything about them until the midterm review. When we get the midterm review, targets such as that will be reworded or expunged.

**The Chairperson:** OK. Commitment 38 deals with goods, facilities and services legislation with regard to age. Tony Cavanagh has joined us.

**Dr McMahon:** Not for this one, unfortunately; this is mine. He will deal with a later one.

We are taking that work forward as far as we can. Ministers were very open last week about the fact that some issues on the scope of the legislation are still to be agreed. I cannot really add an awful lot to that, other than to say that we are continuing to work on it. We are looking at issues such as definitions and at how the legislation might be taken forward. Again, we do need a decision before we can take that through to completion.

**The Chairperson:** Are there no particular performance indicators or timescales at this stage, Denis?

**Dr McMahon:** Once we have a decision on the scope, we can rework those timescales. At this point in time, subject to a decision, we cannot take it forward.

**The Chairperson:** You can only do what you are empowered to do.

Number 41 is on the advisory group on alleviating hardship. No update was provided. The target was just to set it up, was it?

**Dr McMahon:** It was to set it up for the report to be written, and that was completed.

**The Chairperson:** So it is done?

**Dr McMahon:** Yes.

**The Chairperson:** OK. Number 67 deals with cohesion, sharing and integration.

**Dr McMahon:** The Committee will be aware of the ministerial announcement and the publication of 'Together: Building a United Community'. That is the outworking of the commitment. The Committee will be aware that the Ministers have taken a decision to take forward a number of major programmes. In the United Youth programme, there are 10,000 one-year placements. There are 100 shared summer schools. There are urban village regeneration projects, some of which may touch on some of the issues that were raised earlier about trying to look at communities holistically. There are 10 shared education campuses and shared neighbourhood developments. There is also a 10-year programme to reduce and eventually remove all interface barriers. That is a very challenging

programme, as you can imagine. The Ministers are making a very clear statement that they were not just going to put out a document; they want to see progress on all of it.

**The Chairperson:** It is a clear statement until you look for the fine detail, which, obviously, is being worked out. For example, how do you decide where the 10 shared campuses will be?

**Dr McMahon:** Those issues are being worked through. We have had a whole series of design meetings involving Departments, and we have more of them next week. One of the things that characterises the way in which we are working is that we are doing that with special advisers and officials from Departments, including OFMDFM, to try to make sure that whatever we do meets ministerial needs and works on behalf of Ministers. There is a fair bit of detail to be worked up. Even as they are drafted in that statement, there is a lot to be delivered.

**Mr Lyttle:** Is there a timescale for when the 10,000 placements in the United Youth programme will be delivered?

**Dr McMahon:** That is one of the issues that needs to be agreed, but we are working on the basis that Ministers will expect to see momentum in the next two to three years. Again, all those issues need to be finalised with Ministers.

**Mr Lyttle:** Momentum in the next two to three years?

**Dr McMahon:** I am expecting to do it in the next two to three years. Again, that is something that we need to get agreed with Ministers.

**Mr Lyttle:** There is a serious lack of detail around that headline figure.

**Dr McMahon:** Ministers have been very clear about the fact that we need to work up the designs. That is what they have done. They have said that they intend to create 10,000 one-year placements. We have a very clear steer that that is not going to be over the next CSR period. So, we are working on the basis that we are doing this in the current CSR period.

**Mr Lyttle:** So, the FM and dFM have decided headline figures and expect other Ministers to deliver them.

**Dr McMahon:** It will have to be a joint effort. None of the programmes can be delivered by any single Department on its own. That is one of the reasons why we have had to do the work on a joined-up basis.

**Mr Johnston:** The other thing that the Ministers announced as part of the economic pact was that the programmes, particularly the United Youth programme, would be a priority for the extra €50 million of match funding that is coming into Peace.

**Mr Lyttle:** That highlights even more starkly the lack of consultation that was had with the Ministers who will deliver the projects in advance of deciding the headline targets.

**Dr McMahon:** Obviously, it is not really our place to talk about political discussions and so on.

**Mr Lyttle:** Fair enough. I will ask a more factual question. The existing shared —

**Mr Maskey:** Put that right: one of the more factual elements of it.

**Mr Lyttle:** I did accept that.

**The Chairperson:** Yes, you took it on the chin.

**Mr Lyttle:** The existing shared education campus proposal at Lisanelly is estimated to be in and around £150 million. Is that right?

**Dr McMahon:** I have not seen the exact figures on that at this stage. Obviously, the initial exemplar design has been done. I have not seen the detail of the business case, so I cannot confirm the figure, but it would be of that order.

**Mr Lyttle:** Are we going to have the resources to deliver 10 more on that scale? Or nine more, rather?

**Dr McMahon:** It is important to say that Lisanelly is a particular example. It is a fantastic example, given what they are trying to achieve there. We are talking about a town within a town; that is really what this is about. If Lisanelly comes together in the way that has been planned, it will have huge benefits not just for education but for the area in general.

The other shared education campuses that we are looking at may not be of a similar nature. They may not be huge brownfield or greenfield sites. Therefore, we may be talking about some existing schools being brought together either on one site or in some other form of sharing between schools. Realistically, none of these shared education campuses will be the same. There will not be two Lisanellys; there will not be an opportunity to build something like that in a town.

**Mr Lyttle:** Finally, given the delay in setting the target date for the establishment of the all-party working group on flags, parades and dealing with the past, is the initial target date of December for the conclusion of that working group now moveable?

**Dr McMahon:** I am working on the basis that those are our targets and that is what we have to work towards.

**The Chairperson:** The final one is 77. Oh, sorry, Leslie.

**Mr Cree:** I was intrigued by the numbers: 10 shared campuses and 10 years to remove the walls. What sort of science is being used? Why is not 12 years or 15 years? How did you get to the number 10?

**Dr McMahon:** One of the complaints in the past about the way in which Departments worked, or the way in which we try to work as officials, was that we would have said that we needed to take a long time to do a lot of research and work through various processes. We needed that research and quantitative analysis. To some extent, however, these issues cannot be quantified. You cannot just say that, if we had 10 social integration hubs, it would sort out our social enterprise. Ministers have just taken the view that they are going to decide on the targets in order to give things some momentum because they are clear that there is going to be a demand for at least that number. Part of the work that we will be doing will be to monitor and evaluate to make sure that there is full uptake. For example, the Ministers have made it very clear to us that, if there is not appropriate uptake of the 10,000 one-year placements, we will have to adjust the programme. They are not saying that it has to be 10,000 no matter what. They are not saying that it has to be 10,000 even if there is not the demand for it. We will be using the proper monitoring and evaluation work on that, but they wanted to make sure that there was a sense of momentum —

**Mr Cree:** That there was something definitive in it, is that what you are saying?

**Dr McMahon:** — and to make sure that officials were going to push the system in order to deliver something meaningful.

**Mr Johnston:** There are good international examples of that sort of scale of youth challenge projects.

**The Chairperson:** The final PFG commitment is 77. Oh, sorry, George.

**Mr G Robinson:** It is all right, Chair, it was my fault. The whole programme is very ambitious and it cannot be undermined in any shape, form or fashion. It is good to see a bit of positivity, because outside all you hear are negative comments about the Assembly. In my opinion, the Ministers are working to very positive targets, and it takes everybody working together with OFMDFM to try to complete that programme. Surely it will be good for the whole country if and when it is all brought together. That is how I would view it. I try to be as positive as possible, not negative.

**Mr Cree:** Was there a question?

**The Chairperson:** That was a statement. And he is perfectly entitled to make it.

**Mr Maskey:** A worthy statement, which I fully concur with.

**The Chairperson:** Thank you, George. I am going to try again: commitment 77 deals with changes to government structures.

**Dr M Browne:** That is mine, Chair. There have been important developments since the last update to the Committee in March. The UK Government introduced their Northern Ireland (Miscellaneous Provisions) Bill at Westminster in May, and that is proceeding through the parliamentary process. One important change that the Bill will introduce is the granting to the Assembly of the power to reduce its own size, and, if enacted, that will give greater flexibility in the delivery of structural changes here. The Assembly and Executive Review Committee has also produced a further report on the d'Hondt arrangements, community designation and provision for an Opposition. That was debated in the Assembly yesterday. The ministerial announcement on agreed structural changes has not yet been made, but the overall momentum of the delivery plan is being maintained, and the groundwork is being laid for the implementation of ministerial decisions within the planned timescale.

**The Chairperson:** Thank you, Mark. It seems to me that this is quite a particular Programme for Government commitment in that, if there is a lack of delivery, the focus lies entirely with politicians rather than officials. So, is there anything that you want to ask us? *[Laughter.]*

**Dr M Browne:** I will pass on that one, Chair.

**The Chairperson:** I thought that you might.

**Dr M Browne:** Thanks for the opportunity.

**The Chairperson:** I am wondering why Tony is at the table.

**Dr M Browne:** Tony is the expert on this. Had there been any technical questions, he could have answered those. This is one that Tony works on.

**Mr Tony Cavanagh (Office of the First Minister and deputy First Minister):** Once the politicians make the decision, the onus is on us to ensure the implementation.

**The Chairperson:** So, if we say that we will have x number of Departments rather than x plus what we currently have, you are the man?

**Mr Cavanagh:** Provided that you give names and shape to the Department.

**The Chairperson:** OK. Are members broadly content?

*Members indicated assent.*

**The Chairperson:** For the record, when we began a considerable time ago, there was a little query, which you will come back to us on, about 4.3 and 4.4 on the Maze/Long Kesh. There was a thought that the commencement of construction of the peace-building and conflict resolution centre on site, which is listed as November 2013, might be a typo and that it should be November 2014.

**Dr M Browne:** Or one of the other dates is not quite right. We need to clarify the precise dates.

**The Chairperson:** For the record, last week, according to Hansard, which is the official record, the dFM said:

*"We are absolutely determined that the first bricks will be laid on the site in the autumn of this year."*

**Dr M Browne:** That is why it may be another date that is not correct. We will come back on that.

**The Chairperson:** We will leave that with you. We want to tidy that up for completeness. Denis, Mark, Tony, Henry and Tim, who was here previously, thank you very much indeed. We appreciate your time.