Northern Ireland Assembly

COMMITTEE FOR FINANCE AND PERSONNEL

OFFICIAL REPORT (Hansard)

Draft Budget 2011-15 and Business Plan 2011-12

26 January 2011

NORTHERN IRELAND ASSEMBLY

COMMITTEE FOR FINANCE AND PERSONNEL

Draft Budget 2011-15 and Business Plan 2011-12

---

26 January 2011

Members present for all or part of the proceedings:
Mr Daithí McKay (Chairperson)
Mr David McNarry (Deputy Chairperson)
Dr Stephen Farry
Mr Paul Frew
Mr Paul Girvan
Mr Simon Hamilton
Mr Mitchel McLaughlin
Mr Adrian McQuillan
Mr Declan O'Loan

Witnesses:

Mr Colm Doran	)	
Ms Deborah McNeilly	)	Department of Finance and Personnel
Mr David Orr	)	
Ms Brigitte Worth	)	

The Chairperson (Mr McKay):

I welcome the following Department of Finance and Personnel officials: Mr David Orr, director of the corporate services group; Ms Deborah McNeilly, finance director; Ms Brigitte Worth, finance division, corporate services group; and Mr Colm Doran, head of business planning and corporate governance. I assume that members have read the papers and so we can go straight to members' questions.

Mr David Orr (Department of Finance and Personnel):
That is fine, Chairperson.

Mr McLaughlin:
Good morning. The Department published its draft spending and savings plan for 2011-15 on 22 December, following the launch of the Executive's draft Budget statement. Page 4 of the consultation document refers to engagement with the Finance Committee and the trades unions side. What consultation has there been with other stakeholders and with the wider public on the departmental plans and how many responses have been received?

Ms Deborah McNeilly (Department of Finance and Personnel):
Our consultation paper has been issued to permanent secretaries because, given the nature of the services that DFP provides, many of them are delivered to other Departments. As you see, we have issued it to the trades unions side, given the staffing implications, and we are meeting the trades unions on Monday.

Business areas have been asked to engage with their stakeholders as part of their ongoing engagement. For example, NI Direct had a working group recently to discuss the services that it provides and intends to provide, and the Budget was discussed in that group as well. Engagement with stakeholders is ongoing. We have also put material on the Department's staff brief to highlight the implications for staff.

Mr McLaughlin:
A recent Assembly research paper noted judicial review decisions regarding proper consultation. One judgement outlined four requirements of consultation:

> "To be proper, consultation must be undertaken at a time when proposals are still at a formative stage; it must include sufficient reasons for particular proposals to allow those consulted to give intelligent consideration and an intelligent response; adequate time must be given for this purpose; and the product of consultation must be conscientiously taken into account when the ultimate decision is taken."

How can DFP assure the Committee that it will meet the requirements for proper consultation on its spending and savings plans?

Mr Orr:
We have published our draft spending and savings proposals. It is a comprehensive document

and is recognised as such by our stakeholders. We are engaging with the key stakeholders with whom we do business, not least the Finance and Personnel Committee. We are keen to take on board the consultation responses.

Mr McLaughlin:

Were any objections or concerns raised about the timescale in the responses to date?

Mr Orr:

No concerns were expressed about the timescale. As you said, the proposals were published on 22 December 2010. Our initial deadline for consultation responses was 9 February 2011, but we have since extended that until 16 February 2011 in line with the general Budget consultation.

Dr Farry:

I welcome the witnesses. How can the Department be sure that the proposed allocations will, as stated in paragraph 12 of your report:

> "underpin the department's Programme for Government commitments once they are finalised" ?

Mr Orr:

The Programme for Government (PFG) has not yet been published or finalised. As you will know, the process is being taken forward by the Office of the First Minister and the deputy First Minister (OFMDFM). We have provided material to it, and we see DFP playing a key role in delivering government services efficiently and effectively. We are working on the basis that some of the key objectives in our draft business plan will feed into the Programme for Government. If we are asked to do something differently or to prioritise something else in the Programme for Government, we will do so. We would have to respond to that.

Dr Farry:

On the issue of how DFP's plans relate to the wider plans of government, you said that what is in the proposals could feed in to other Departments as part of wider government efficiencies. To what extent is DFP a hostage to what other Departments do and to the overall shape of the Programme for Government? To what extent can DFP proceed with — dare I say it? — a silo mentality with its work feeding out rather than other Departments impacting on it?

Mr Orr:

There are clear cross-cutting issues for government not just in important shared services but also with NI Direct, for example, through which we provide a single website and telephony service to support all Departments. We will have to respond and revisit our plans if the Programme for Government takes a different tack from what we anticipated.

Mr O'Loan:

I want to examine a couple of areas. As it was required to do, DFP published the results of the high-level equality impact assessment associated with its spending and saving plans. However, in its 'Second Report on the Inquiry into the Role of the Northern Ireland Assembly in Scrutinising the Executive's Budget and Expenditure', this Committee also called for Departments to publish details of the equality-screening exercises that were undertaken on each spending proposal, as doing so sets out the bases of analysis behind the higher-level impact assessments. Have you done that and if not why not?

Ms McNeilly:

We have not published any additional information other than what is in the paper. We can go back and see if there are any gaps and, if necessary, put some more stuff on our website.

Mr O'Loan:

Were you aware of that recommendation of the Committee's report?

Ms McNeilly:

The priority was to get the information on our website at the earliest opportunity. We worked through the information on that basis.

Mr O'Loan:

Are you committed to doing further work in that area?

Ms McNeilly:

Yes.

Mr O'Loan:

Will you come back to the Committee on that?

Ms McNeilly:
Yes.

Mr O'Loan:
The research paper that was presented to the Committee showed that DFP will have a current expenditure reduction of 10·5% in real terms over the four years while the average departmental reduction is 12%. What methodology was used to determine the proposed DFP allocation over each of the four years?

What justification is there for DFP's getting a smaller than average reduction when its recent underspend was higher than average? I am looking for an explanation of the variation over the four years and why DFP got off relatively lightly.

Mr Orr:
The Executive determined the relative allocations for Departments on a draft basis. We were not involved in that process. We have been given an envelope within which DFP must work; that is what we have been focusing on and what our paper addresses. I have not studied our spending and savings plans compared with other Departments'. That is a matter for the Executive.

Mr O'Loan:
I will come back to that. What about the ups and downs over the four-year period? I do not have the figures before me, but it is one of the striking things across all Departments' budgets. Will you explain what is going on with your Department's budget over the four years?

Ms McNeilly:
In years 1 and 2, the Department has obtained £5 million per annum specifically for Land and Property Services (LPS) under the Invest to Save initiative. That largely accounts for the higher allocations in the first two years. Moreover, in the first year, £2·1 million has been allocated to the funding requirement for the 2011 census. Taken together, those two amounts roughly comprise the largest proportion. The allocations are higher in the first two years and then drop off in years 3 and 4 because the money will not be continued in those years.

Mr O'Loan:

I want to go back to the departmental reductions and the striking variations in them. As senior DFP officials, are you telling me that you know nothing about that? If not, who does?

Mr Orr:

The Executive produced the draft Budget document, and we have to work within the envelope that the Executive gave us. My Department is treated no differently from any other Department; we do not have an inside track because the Minister of Finance and Personnel produces the Budget. Our budget is dealt with as strictly as that of other Departments. I do not have any insight into the Executive's discussions.

Mr O'Loan:

Would your departmental colleagues who were before us last week know?

Mr Orr:

Do you mean those from the central finance group?

Mr O'Loan:

Yes. I cannot remember whether we asked them about it when they were before us last week; however, I do not remember getting any clarity on it. It is very important.

Mr Orr:

They would have been involved in supporting the Executive and the Budget review group. However, decisions on the draft Budget are matters for the Executive, and I certainly was not privy to discussions about the relative reductions.

Mr McNarry:

Good morning. I understand that the Department's savings are to be delivered in six main ways: reducing procurement costs; maximising revenue; reducing the cost of delivering Northern Ireland Civil Service (NICS) shared corporate services; reducing staff numbers in administration and policy areas; and reducing funding to arm's-length and independent bodies.

Paragraphs 10 and 11 of the savings delivery plan outline the Department's approach. Will you elaborate on the guiding principles that the Department used to identify specific areas for delivering budgetary savings? What evidence is there that those guidelines have been applied consistently in selecting the options chosen?

Mr Orr:

The process started in June 2010 with a full-day workshop for the departmental board. At that workshop, each business area was asked to propose areas for savings and, indeed, provide detailed savings proposals. Over the summer and early autumn, we developed those proposals and ranked them low-, medium- or high-severity measures.

The ranking was designed to reflect the severity of the measures on our service delivery. We outlined the savings that each measure would deliver and an associated reduction in posts, if any, in each of the four years. The paper shows the ranking of those savings. We have been quite methodical.

Mr McNarry:

I can see that, David. However, I want to know about the guiding principles. How did you reach those decisions?

Mr Orr:

The low-severity measures are ones that we could implement without any impact on services, an example of which is lease consolidations, where people move into more space-efficient accommodation. At the higher end of the scale, the more severe measures included moving away from the 10-day prompt payment, which we discussed with the Committee in December. As Mr McNarry said, that will have a significant impact on the business sector. Therefore, we took account of the impact on service delivery when we prioritised the savings.

Mr McNarry:

I will take you back. It is good management that the process began as far back as June. I welcome that. I take it that you did not have a crystal ball and that you worked on assumptions.

Mr Orr:

Yes.

Mr McNarry:

The assumptions were pretty close to what was determined in the end. When you made those assumptions did the issue of reductions to the Assembly secretariat arise?

Mr Orr:

My DFP budget does not have a budget for the Assembly secretariat; that is a separate departmental budget line.

Mr McNarry:

Who took that decision? Did you not discuss reductions to the Assembly secretariat as far back as June or since then?

Mr Orr:

The reductions that I described were for the DFP budget.

Mr McNarry:

I am trying to probe a wee bit, but you just stuck to the DFP budget.

Mr Orr:

That is what we are here to do.

Mr McNarry:

That puts me in my place. Thank you. Paragraph 9 of the savings plan states:

> "The level of inescapable commitments limits the savings options available to the department."

How is the term "inescapable" defined in that context? Can you show me the proof that expenditure on specific inescapables will provide value for money?

Ms McNeilly:

We looked at the areas on which, in the short-to-medium term, the Department could have little impact. For example, depreciation costs across our asset base are largely inescapable.

Mr McNarry:

Were inescapables part of the configuration of the guiding principles that we just discussed?

Ms McNeilly:

The Department has to recognise that it must pay certain costs, such as running costs. Paragraph 9 tries to illustrate that the level of inescapables in areas such as depreciation, rent, rates and other contractual commitments that we are obliged to meet reduces the balance of where we can apply and deliver savings.

We will, of course, look — in fact, we have already — at how we can reduce some contract costs. That is reflected in the long list of draft savings delivery options, which the Committee has. We have also looked at whether we can extend asset lives and therefore reduce depreciation costs. Those are other areas in which we can apply and deliver savings. However, the sheer quantum of our budget is a factor. There is £122 million in 2009-2010 in those particular areas. Although we take every opportunity to extend asset lives where possible and to reduce rates —for example, in lease consolidation — that nonetheless represents a significant chunk of our spending power and, as such, reduces the extent to which we can achieve savings in those areas.

Mr McNarry:

As far as you are concerned, that is the proof that I am looking for? Where you have addressed those specific inescapables, are you saying to me and the Committee that you are providing value for money?

Ms McNeilly:

Yes. We are continually reviewing costs and taking every opportunity to make savings. For example, lease consolidation is one of our key savings.

Mr McNarry:

I understand that you are continually reviewing things. You say that to me every time that you come before the Committee. However, are you saying to me and the Committee that you guarantee that what you have put in front of us regarding specific inescapables will provide value for money?

Mr Orr:

Yes. One would need to look at each individual line, but if you —

Mr McNarry:

You have written all the lines. I am just asking a simple question.

Mr Orr:

The answer is yes. I can give an example.

Mr McNarry:

No. If yes is your answer, that is your answer. Thank you.

Mr McLaughlin:

There are issues to do with inescapables that have to be addressed, including contractual obligations and recurring costs. People must be assured transparently that that term is not going to be used to build a bit of fat into the system. Who quality-assures inescapables? Who decides what is inescapable and what is not? Does it fall to DFP?

Mr Orr:

It falls to Deborah McNeilly, as finance director, and to me. We take an overview of all the departmental business areas.

Mr McLaughlin:

On any issue that would be given the subheading "inescapable", Deborah provides the assurance to the Executive and Assembly that it represents value for money?

Mr Orr:

Yes.

Mr McLaughlin:

It may fit snugly enough into the category of "inescapable" because it deals with some recurring or contractual cost, but value for money is a different test.

Mr Orr:

Let me give you the example of the contract for Network NI, which is the broadband network for the Civil Service and further afield. We could have taken the view that that is an inescapable medium- to long-term contract for which we just have to pay. In fact, in our savings plan, at line

26, we are taking out £600,000 from that over the four years as a result of negotiations. An element of that is inescapable, but it did not stop the relevant business area, enterprise shared services (ESS), from negotiating that down. Therefore, we are taking a hard look at things that one might think are inescapable.

Mr McLaughlin:

Is ESS in the Department?

Mr Orr:

Yes, as part of —

Mr McLaughlin:

Did it require Deborah to challenge the figure? Are there examples, not of good housekeeping such as you have just given me but where you have been concerned about the bids or opinions of officials in other Departments and sent them back to be reconsidered?

Ms McNeilly:

The amounts reflected in the various paragraphs on inescapables are reflected in our resource accounts, which are subject to audit. In the ordinary challenge of our own business areas, it is fair to say that we challenge them, based on what is proposed and the reasons given. We have that role on an ongoing basis.

Mr McLaughlin:

Therefore, your role is before the fact and the audit is after it.

Ms McNeilly:

Yes, if you like.

Mr McLaughlin:

Are we producing any evidence that the assumptions about inescapables are robust and consistent, or are there issues there?

Ms McNeilly:

We have identified depreciation. We are required to account for fixed assets in a certain way, to give them an asset life and to get them revalued. The deprecation cost, which is an unavoidable, comes from all those calculations. There is a standard approach across the NICS to asset lives, and the revaluation and the indexation that affect it is standardised across the Civil Service.

We have undertaken a professional revaluation of the office estate, and the professional valuers may increase the asset lives if they feel that to be appropriate. That goes into a calculation for depreciation. Many technical aspects are involved, and, based on them, the answer is what it is. A business area cannot circumvent it and try to make it something different.

We have called rent and rates inescapable because they involve contractual commitments to pay lease costs over a certain period. Although we have built reviews into lease consolidation to take every opportunity to reduce costs, calling them inescapable recognises that, in the short to medium term, there is less likelihood of making material inroads into them. That is the assurance role that we take on those issues. If temporary staff are listed as an expenditure item, one has more influence over it in the short term. That is where we are trying to make the distinction in the definition.

Mr Hamilton:
The savings plan includes planned additional receipts for the provision of expert services, business consultancy and legal advice. What assurances are there that those will represent a real saving rather than merely moving costs from one Department to your Department?

Mr Orr:
Let me give the example of internal business consultancy, where we have built in increased receipts of £600,000 over the four-year period. The alternative to Departments engaging internal business consultancy is to go to external consultants. Internal business consultancy rates and costs are less than external ones. We know from customer satisfaction that internal consultants are getting good ratings. That is a clear example of our capturing a share of the market and doing things more efficiently. I think that the Departmental Solicitor's Office (DSO) has done likewise; its advice is highly rated by Departments.

Mr Hamilton:
That is fair enough. The spending and savings proposals document also talks about a review of opportunities for income generation from surplus land or buildings. When is it anticipated that

that review will take place? Have you indications of what those opportunities might raise? Would any savings be for the Department to utilise or would they be handed back to the centre?

Mr Orr:

We have no vacant buildings at the moment, apart from Bankmore House, which was recently vacated, and another one in College Street that is being refurbished for occupation and for which we have a tenant.

Our strategy for workplace accommodation is to recognise that now is not a great time to sell buildings. Therefore, in years 1 and 2, we are focusing on consolidating the leases that we take, as roughly 50% of our office accommodation is leased. Getting out of leases by consolidating the workforce into more space-efficient accommodation would be a real resource saving. That is valuable to us and has counted for a good chunk of our savings. That is, at least in years 1 and 2, a better option than trying to flog off our own buildings.

Mr Girvan:

The report states that 91 jobs will, basically, be done away with over the next four years. Is there a programme by which to redeploy those people in the organisation or can that be done through natural wastage — not filling vacant posts — so that no one is made redundant or redeployed?

Mr Orr:

We have been transparent with trade union colleagues and staff throughout the process. In the January staff brief, we stated that our draft savings plan could result in 90 posts being lost over the four years. We are confident that that, over that period, the number of staff who will leave DFP through natural wastage, retirement or to take up other employment will be around 500. The Northern Ireland Statistics and Research Agency (NISRA) has modelled that for us taking into account the tighter job market.

Of course, the people who will leave through natural wastage will not necessarily be in the posts that we need to reduce. Therefore, we will engage in redeployment. In his new year message to staff, our permanent secretary said that we are doing everything that we can to avoid any redundancies and that staff would be redeployed. At present, I am confident that that will be the case.

On 31 January, we will meet trade union colleagues for a detailed discussion of the savings plans. They have worked with us well on the issue. It is difficult for them.

Mr Girvan:

I appreciate your answer. When those posts are made vacant, there will be a management issue to try to ensure that full cover is available. I want assurances that that will not impact directly on service delivery in the public sector.

Mr Orr:

As I mentioned earlier, the posts that we have identified as having to be reduced are directly related to the saving measures. We prioritised those savings measures so that posts that have least impact on delivery are those that we will reduce first. Therefore, by definition, the posts that will go are those that are least likely to impact on service delivery.

Mr Girvan:

You say "least impact". That does not mean that there will be no impact.

Mr Orr:

We can go through the list of savings options. High-priority options are those that will not cost any jobs at all. When we move into posts being removed, we focus on back-office services, corporate services and support services, rather than on front line services.

Mr Girvan:

I want to move on to the £5 million savings that are being delivered through the Invest to Save programme for Land and Property Services. What would happen if those anticipated savings failed to materialise?

Mr Orr:

The £5 million that you quite rightly mention is an additional allocation to LPS under the Invest to Save category. We have discussed LPS's finances frequently in Committee. I believe that we all recognise that, throughout the Budget period, there was an underlying deficit in LPS's budget of around £5 million arising from the additional rating reforms that were introduced. Therefore, I am pleased that that structural deficit has been addressed. If we do not give LPS that £5 million, it will not be able to bring in the rating income and reduce the debt, which we and the Committee expect of it.

We have not quite finalised the figures for next year, but I expect that LPS will bring in approximately £1 billion worth of rating income, split between the councils and the block. If it does not receive the additional funding of £5 million, it will not be able to bring in anything like that amount. Therefore, it is a good Invest to Save bid.

Mr Girvan:
Given the reliance on Invest to Save and the realisation of savings, is it fair to say that a firm baseline for Land and Property Services has still not been established?

Mr Orr:
The Executive provided LPS with an Invest to Save budget of £5 million in years 1 and 2. The Department provided it with £5 million from its savings in years 3 and 4, because it recognises that LPS is important. Its budget is now on an even keel and its chief executive John Wilkinson has welcomed that. It has been put on a firm financial footing, which is a good thing.

The Chairperson:
You said that 500 staff are to go in the next four years, which is a reduction of around 15%.

Mr Orr:
No. Ninety will go over the next four years. Did I pick you up wrong?

The Chairperson:
You said that 500 will go.

Mr Orr:
Five hundred will go from the Department —

The Chairperson:
The Department will be minus 500 staff over the next four years.

Mr Orr:
Yes.

The Chairperson:

That represents around15%.

Mr Orr:

I do not want to frighten anyone back at base. If there were no job reductions and the number of posts in DFP stayed stable over the four years, we would probably lose around 500 people through retirement, natural wastage and people escaping. Those posts would be replaced through recruitment and promotion, through what is a natural ongoing process. The proposals that we are making as a result of the draft Budget mean that the number of posts will reduce by 90 over the period, and we should be able to manage that.

The Chairperson:

Are you saying that those 500 posts will be replaced?

Mr Orr:

On these figures, 410 posts will be replaced.

The Chairperson:

You outlined that that Senior Civil Service posts have reduced by 43, and the paper indicates that further reductions are in the pipeline. How many of the 91 posts that will go are Senior Civil Service posts?

Mr Orr:

We have reduced our Senior Civil Service numbers by approximately 10% since March 2009, and our savings delivery plan identified the potential for some other savings to be made. I can outline those if you want, but, as I would be dealing with individual posts, I would prefer to send you a written response on which posts were identified.

The Chairperson:

That is OK.

Mr Orr:

A further two or three will come out over the next year.

Mr Frew:

I thank the witnesses for their answers so far. Page 30 of the paper deals with procurement and refers to the opportunity to renegotiate contracts. You have partly addressed the issue through lease consolidation over the years, but what measures are in place to reassure us that the Department will not just take the low-cost option when renegotiating contracts? In my previous life, I dealt with contracting a great deal, albeit a different type of contracting, and, in my experience, there was always a tendency for the client to go for the cheapest option, which was not always best for value for money, let alone service delivery. What reassurances will you give the Committee that the Department will not do that when renegotiating contracts?

Mr Orr:

I fully agree with your point that lowest cost does not mean best value. Government procurement policy is to procure on the basis of quality and price, and that measure is monitored carefully by the procurement board. The starting point for centres of procurement expertise — Central Procurement Directorate (CPD) is our centre of procurement expertise — is that, when clients come to them and say that they want to buy a new public records office, or whatever, they should ask what quality measures the clients want to take account of in the procurement. Typically, we find that the proportion of quality to price in the assessment is around 30% to 70%. We are keen on that, and that is the starting point of the policy.

Mr Frew:

Thank you for your answer. Page 10 talks about accommodation. It states:

> "As a result, we have had to reduce maintenance expenditure to unsatisfactory levels in order to live within our means and this has contributed to the deterioration of the estate."

In view of that, how was properties division able to declare a reduced requirement of £2 million in the December monitoring round? How do you account for that? Have any buildings deteriorated to below the minimum standards that are required by health and safety regulations?

Mr Orr:

The reduced requirements in the monitoring round were to do with depreciation of the estate. In the Government's accounting system, which we have to live with, we have to find non-cash cover for whenever our property depreciates. There is a revaluation of the estate. The value went down, and that means that we have non-cash to give up. That is not the same money that we are using to maintain the estate but is a technical financial provision.

Mr Frew asked a very appropriate question about the maintenance of the estate. I make no bones about the fact that large parts of our estate are not maintained as we wish them to be. We simply do not have the money to do that. We have ranked our buildings in order of merit, and the worst ones are Dundonald House and Rathgael House. However, I assure the Committee that there is a level of statutory health and safety maintenance below which we will not go. We will not compromise on lift inspections, legionella inspections, water quality, and so on.

We want to spend money on areas such as repainting offices and keeping them in good condition but cannot. If window frames are painted at home, they will not have to be replaced in a few years. Had we not received the allocation, we might have had to postpone maintenance in some of those areas. However, thankfully, we received that bid and, together with the savings from lease consolidations, it puts us on a better footing.

Mr Frew:

You mentioned Dundonald House as one of many buildings that are high up the order of merit.

Mr Orr:

The order of demerit.

Mr Frew:

That is probably the best way to put it. I am not 100% sure where we are with Dundonald House, but we are aware that the Department of Agriculture and Rural Development (DARD) is looking to move out. In what timescale will that take place, and is there an argument in favour of keeping it to the minimum? What will happen to Dundonald House when it is vacated?

Mr Orr:

The permanent secretary of DARD has contacted me to talk about his Department’s plans for Dundonald House, which were announced as part of that Department’s spending and savings plans. It looks on that as a DARD project. That is one of the interdependencies that we have to manage, and it is one of the reasons that, sometimes, we cannot be as precise with our plans as the Committee wants us to be. DARD is starting a project to look at that. It is not for me to speak on behalf of DARD, but I know that it has earmarked money in year 4 in its departmental plan. We will have to react and tailor our plans to deal with DARD's as its plans progress. We need to be flexible and agile in order to tie in with other Departments' plans.

Mr Frew:

Do we know what we will do with Dundonald House when DARD moves out? Do we sell it on or maintain it and move someone else in?

Mr Orr:

We have looked at Dundonald House, and there are some associated buildings that we would package together with it. The cost of refurbishing it, or demolishing and rebuilding it, is in the region of £60 million. In our initial calculations, it was much of a muchness as to which we should do. As the picture becomes clearer, we will make a business case and look at the options. We have not our minds made up yet. It will require detailed study.

Mr McQuillan:

My question follows from Paul Girvan's on Land and Property Services. An extra £5 million revenue has been granted it by the Invest to Save scheme. Are there targets so that we will be able to see an improvement in performance?

Mr Orr:

In our business plan, we will put in place targets. It is at R4 on page 6. The targets are not set out in the initial document, but Land and Property Services will have a target to collect a certain amount of rates revenue and a target to reduce year-end debt. We are currently working on a model of what those targets should be, on a stretching and challenging basis.

Mr McQuillan:

I will move on to NI Direct. Some £2·8 million has been allocated to it under the Invest to Save programme. During the consultation period, the Department will carry out a review to see whether it fits into the Invest to Save scheme.

Mr Orr:

We are well on with that and have developed a business case to fit within the £2·8 million. To be open with the Committee, £2·8 million is a reduced amount. The initial money this year for Northern Ireland Direct was £4·8 million, but, like everyone else, we have had to reduce our aspirations and cut our cloth accordingly. We have discussed what could be delivered for that £2·8 million with our sponsor group and some external stakeholders.

We are confident that we can deliver value within the £2·8 million. We will build on the NI Direct single website, include more transactions on it and further improve and consolidate it. At the moment, any citizen who wants to know anything about government business should go to the Northern Ireland Direct website. It is all there by themes, which mean things to the citizen, not by Departments, which are meaningful only to us. On the telephony side, over the first year of the Budget period, we will work with Departments to reduce their numbers to a limited range of service numbers so that if the citizen wants to report a pothole or a street light failure, there will be service number for that. At the moment, the citizen has to look up the number for the local office, perhaps not get the right one and be bounced around the system. Therefore, there will be service numbers for specific services. We will also introduce our 101 number as a general inquiry number. If the citizen does not know the service number, he or she can dial 101 to be put through. We have thought that through, and we think that we can deliver something that will be of value to the citizen within the £2·8 million.

I again extend a welcome to the Committee to come, perhaps not in this mandate but in the next one, to the contact centre in either the Causeway Exchange or Derry to see that in operation.

Mr McQuillan:

I would be interested to see that in operation. Are you sure that the review will show that the programme fits that?

Mr Orr:

Yes; we have put a great deal of work into making it work.

The Chairperson:

It is marked down in the paper that £21·5 million of capital has been allocated to enterprise shared services (ESS) systems maintenance. According page 16, that would, among other things:

> "ensure that all of ESS's services remain responsive to customers' needs, particularly given the level of change which is likely to be required as a result of policy and legislative changes over the period."

Will you give us more detail about what those changes will be over the forthcoming Budget period?

Mr Orr:

Was Paul Wickens here last week or recently or is he due to come before the Committee?

The Chairperson:

No.

Mr Orr:

It may be an idea for us to schedule a session at which Paul can speak about that in more detail. That capital funding is largely for refreshing desktops and important infrastructure on the IT side, such as data centres, because it is vital that data be stored resiliently and securely. Capital is going towards that sort of programme. As regards expansion, now that policing and justice powers have been devolved and the Department of Justice has come into the Northern Ireland Civil Service family, ESS is working closely with that Department, because there are clear benefits to be had from its using some of the shared services.

However, we need further detail in order to answer that question fully, and Paul Wickens, the director of shared services, is the person best placed to do that.

The Chairperson:

The capital budget over the four years seems to be very heavily weighted towards the final year as a result of the accommodation services allocation. Does that need to be spaced out so widely? Your document states that the reason for that is to allow the Department to plan and implement major investment in the last financial year. However, could some items of construction work be brought forward, given the pressures on the construction sector at the moment?

Mr Orr:

Such work could be brought forward by a year or 18 months. If someone said to me today that we could get that £16 million at the beginning or middle of year 3, we would be able to procure, plan and get planning approval, and so on. In practice, however, we are restricted by the fact that the Executive gave us the money for that funding year. The Executive have a capital profile that they have to disperse, and our capital happens to have been allocated in year 4. That is not, therefore, really within our control; to a certain extent, that is the funding profile that we have been given. However, to answer your question, if someone brought that forward into year 3, we could deal with it.

The Chairperson:

I thank you and your officials for answering our questions today. Would you please provide the Committee with any follow-up information that was mentioned during the presentation?

Mr Orr:

Yes, of course.