



Northern Ireland
Assembly

COMMITTEE FOR
CULTURE, ARTS AND LEISURE

OFFICIAL REPORT
(Hansard)

September Monitoring Round

10 September 2009

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Barry McElduff (Chairperson)
Mr David McNarry (Deputy Chairperson)
Mr P J Bradley
Lord Browne
Mr Kieran McCarthy
Mr Raymond McCartney
Mr Ken Robinson
Mr Jim Shannon

Witnesses:

Mrs Deborah Brown)
Mr Mick Cory) Department for Culture, Arts and Leisure
Ms Anne Tohill)

The Chairperson (Mr McElduff):

I welcome Mick Cory, Deborah Brown and Anne Tohill from the Department of Culture, Arts and Leisure (DCAL) to today's Committee meeting. They will provide a briefing on the September monitoring round.

Mrs Deborah Brown (Department of Culture, Arts and Leisure):

I thank the Committee for extending its invite to the Department to enable it to present its proposals for the September monitoring round.

I am director of finance at the Department. Accompanying me today is Mick Cory, the director of the sport, museum and recreation division at the Department, and Anne Tohill, who is here on behalf of Linda Wilson, the director of arts and culture.

As the Committee will know, the Department of Finance and Personnel (DFP) usually commissions each monitoring round four weeks in advance of the return date. The September monitoring round was commissioned on the 28 July 2009 with a deadline of 3 September 2009. DCAL received returns from its sponsored bodies and branches and presented those to its finance committee on 1 September 2009. The Department also held further meetings in advance of the submission to the Minister, which allowed for the provision of the paper that is before the Committee today.

I apologise for the confusion about the papers that were circulated on 4 September 2009. Changes were made to the capital tables at the last minute and the narrative was adjusted to reflect those changes. Can it be confirmed that all members have received a copy of the second version of the paper, and that they have a copy of the capital tables, D1, D2 and D3, which were supplied yesterday?

The Chairperson:

That can be confirmed.

Mrs D Brown:

I will now give some background to the management of public expenditure, the monitoring process and the outcome of the June monitoring round, before presenting the Department's proposals for the September monitoring round.

As highlighted in the briefing paper, DFP has advised that its focus throughout this year's monitoring process will continue to be on reducing the planned overcommitment to a prudent level. Following the outcome of the June monitoring round, which was announced by the Minister of Finance and Personnel on 7 July 2009, the planned level of overcommitment across all Departments was £43.2 million of current expenditure and £70.4 million of capital expenditure. Subsequently, on 9 July 2009, the Executive agreed to the proposal, which was made by the Minister of Agriculture and Rural Development, for £5.7 million of capital funding to be reallocated to address expenditure pressures in animal health and payments to less favoured

areas as part of the Northern Ireland rural development programme. As a result, the September monitoring round began with an overcommitment across all Departments of £48.9 million for current expenditure and £64.6 million for capital investment.

DFP asked Departments to provide details of all reduced requirements for current and capital expenditure. DCAL is declaring reduced requirements of approximately £3.15 million, which is made up of £2.05 million of resource for the Ulster-Scots Academy and £1.1 million for the multi-sports stadium.

Given the constrained position, and in keeping with previous years, DFP advised that Departments will be given the opportunity to manage their emerging pressures through proactive management actions. Departments have the opportunity to suggest proposals, thus allowing for a limiting of the level of expenditure in specified services or functions and enabling the release of resources to meet pressures in other high-priority areas. DFP asked that those be distinguished clearly from the normal reduced requirements, with those amounts continuing to be surrendered in the normal manner.

DFP advised that in circumstances in which a Department proposes an above de minimis reduction — that is above the £500,000 de minimis level of expenditure — the relevant proposed reduction and pressure will be considered jointly. DFP would then recommend that either both or neither would be approved.

I will now move to the outcome of the June monitoring round. DCAL had placed bids in that round of £388,000 for administrative costs and £4.8 million for capital mainly to fund museums projects. That would come from an easement in the libraries budget. The Department also declared reduced requirements of £1.79 million for the Ulster-Scots Academy and £1.979 million for the multi-sports stadium. No bids were met in the June monitoring round, and all easements were taken.

I will now set out the Department's proposals for the September monitoring round. DFP said that, as part of the June monitoring round, Departments submitted proposals for a transfer of £6.4 million from the resource budget to address residual pressures on their administration budgets, which were unable to be addressed in the 2008-2011 Budget. Unfortunately, DFP has advised that it is not possible to approve any of the proposed changes that Departments submitted in the

June monitoring round. However, those proposals will be reconsidered as part of the September monitoring round. DCAL was unable to utilise that reclassification.

DFP also asked Departments to submit any changes that are required to bring the capital investment budget allocations into line with the information that was recorded in the investment strategy's delivery-tracking system. DCAL has reviewed its resources and those of its arm's-length bodies thoroughly. Therefore, its planned spend for the financial year is as set out at annex F of the tables that have been provided. The Department plans to spend £111 million in resource and £74.5 million in capital. That is reviewed monthly, with any changes then being sought formally in a monitoring round. The next monitoring round is in December 2009.

I will discuss resource first, followed by capital. DCAL is bidding to DFP for £140,000 for the governance support unit, which is administration spend, to take forward the recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) report. That includes the centralisation of the drawdown process and the introduction of a risk assessment of its arm's-length bodies and their governance arrangements. We placed a bid of £388,000 during the June monitoring round, which was unsuccessful. Therefore, we reassessed that bid in light of there being only six months left of this year.

We are also placing a bid of £600,000 for the Northern Ireland Library Authority's redundancy costs. In 2008, we originally placed a bid for £1.8 million, which we subsequently reduced to £1.2 million. Basically we are now bidding for the remaining £600,000, with a business case being prepared. With regard to the Ulster-Scots Academy, the Department proposes to declare reduced requirements in resource of £2.05 million. We intend to bid for that again during the next comprehensive spending review (CSR) period.

On proposed reductions and internal reallocations, which are set out in annex B, DCAL has reprioritised its resources to meet pressures in other high-priority areas, with proactive management by means of internal reallocations, which simply means that the Department is moving around its lines to maximise the use of its budget.

As part of the monitoring rounds, we carry out a number of technical transfers. We make technical transfers to other Departments for services that they supply to us, or that we supply to them. All that is set out in annex C. The technical transfers include costs for the Northern

Ireland mapping agreement; Land and Property Services; IT Assist's costs; and the cost to DFP of Civil Service pensions.

We also seek the reclassification of £427,000 from resource to capital grant for the creative industries innovation fund. In 2008, the steering group decided to include capital items in that fund. That amount reflects the current applications that are being made under the fund.

I will now talk about capital. Members should have copies of annexes D1, D2 and D3. At this point in the year, it is proposed to use slippage in some arts projects to fund pressures in other areas. Those are set out in annex D1. The intention is then to reverse that in 2010-11. We also propose to transfer £25.841 million from the multi-sports stadium to other projects in sport, for which we have asked Sport NI to provide profiles of its plans. That is set out in annex D2.

We have also placed a number of bids for capital in the September monitoring round. Those bids are set out in annex D, which members would have received with the original submission. Those bids are £1.25 million for the Crescent Arts Centre and £562,000 for the north-west challenge fund. We are bidding for £1.52 million for capital maintenance of museums, £0.5 million for the Ulster Folk and Transport Museum's visitors' centre and £3.09 million for general capital, which covers the new world development, commercial infrastructure and security systems. We are also making a bid for £900,000 for the new accommodation for the Public Record Office of Northern Ireland (PRONI). That amounts to a total bid of £7.835 million. Those pressures have arisen as a consequence of slippage in 2008-09 when projects did not start on time and money was surrendered, and where we were accelerating some other projects.

The Department's desired outcome for its capital is set out in annex D3, in which there are three columns. The first column shows the baseline at which we began 2009-2010. It shows what we had proposed as part of the June monitoring round and what we require now as part of the September round.

I am happy to answer any questions that members have on our proposals for the September monitoring round.

Mr McCartney:

Thank you for your presentation. Your written submission mentioned the governance support

unit, and in your commentary you explained that the reason for the reduced bid was that it was for six months.

Mrs D Brown:

That is correct.

Mr McCartney:

What was the impact of not getting the bid in for the first six months?

Mrs D Brown:

The Department has reprioritised some of its activities to ensure that it can bring forward some of the higher-priority recommendations in the CIPFA report. That has meant that we have been unable to bring in some of the new posts that we wanted to. However, that is not to say that the Department is not managing the issues that were set out in the CIPFA report. We are taking a number of those recommendations forward.

The Department has just begun to centralise its drawdown process, which will be done on a phased basis over the next six months. We hope to get more staff in to help with that. We are piloting the risk assessment of our arm's-length bodies; the tool has been developed for that, and we are now testing it before rolling it out. We have to get staff in to help with that process, but we have prioritised that and have given people particular assignments to take forward.

Mr McCartney:

Does that reduction, although it does not represent half the allocation, mean that there are no applications for staff reductions?

Mrs D Brown:

No. That would be for the new staff that we require, but we would not have them for a full year. If we are able to bring them in, we will do so over the next six months on a phased basis in line with the recruitment process. The requirement for this year is obviously less than we indicated in the June monitoring round. It raises issues for next year, because that is when we will have to face pressures.

Mr McCartney:

What are the implications for the governance support unit if the bids are unsuccessful?

Mrs D Brown:

As I said, it is a priority for the Department. We will go back to the drawing board to consider where we can carve out some more funding. It may mean that the Department will have to stop doing something else. That is a decision that we, and, ultimately, the Minister, will have to consider.

Mr McCartney:

Thank you.

Mr McCarthy:

Thank you for your presentation. The Minister's letter of 26 June to the Committee stated that he would consider a further surrender from the multi-sports stadium budget into the September monitoring round, but that it would be dependent on whether the libraries transfer bid was successful. That implies that multi-sports stadium money could potentially be spent on museums.

The multi-sports stadium budget for 2009-2010 was £29 million. In the June monitoring round, £22 million of that was reallocated within the Department and £2 million was surrendered to DFP, leaving a balance of £5 million. Why is the Department not proposing to transfer any of the remaining multi-sports stadium money — the £5 million — to museums? Why is the Department making new bids for museums rather than seeking a transfer of moneys? Is it simply the case that museums are a relatively low priority for the Department?

Mrs D Brown:

No, it is not that they are a low priority for the Department. Our decisions are based on the projections that we have at the moment. Our position in June was fluid on the capital and then it changed. As part of the September monitoring round, we revisited the existing requirements. That is what is set out in the third column of annex D. Based on that, the Department believes that bids must now be placed for museums. The budget line for museums that was given in the investment strategy was significantly low. Therefore, there was never a sufficient budget to develop a number of projects. The Department will always seek to maximise its existing budget, then, over and above that, place its bids. In this monitoring round, we are placing those bids. If

those bids are unsuccessful, the Department must reprioritise other areas and review its programme.

Mr McCarthy:

Was there a specific reason for the £5 million not being transferred to museums? The fact is that the balance of the £5 million was given back.

Mrs D Brown:

That was the balance at the time of the June monitoring round. However, after reassessment, the Department has found that there are more requirements in the sports lines than there was at the time of the June monitoring round. At present, there is no money there to move to museums, which is why the bid is being placed. However, the Department's capital programme board meets every two months, and it will reassess the situation and reallocate the budget in-year to meet any pressures that arise. There will always be slippage on a capital programme, so it is always about moving money around and accelerating projects where possible to maximise the use of the budget.

Mr Shannon:

I share the Committee's concern about the surrender of money from the Ulster-Scots Academy, which has suffered a double whammy — in June, £1.8 million was returned, which was followed by more than £2 million in the September monitoring round. I am concerned because those amounts should have been reduced and returned to start with.

Why is there a delay in being able to spend that money? That is my main question, because I do not understand why money is returned when the information that I get on the ground is that lots of people and bodies are looking for money and assistance. If that is the case, why return the money?

Secondly, and in a follow up to that, what steps are the Department taking to maximise the budget?

The Chairperson:

Just to add to Jim's remarks, in the course of the summer, some members visited a good Ullans centre in Ballymoney. Staff at the centre told us about their excellent work, and we witnessed

that. The centre faces future funding difficulties; therefore, it is difficult for projects such as the Ullans centre in Ballymoney to understand why money is returned when it is seeking approximately £48,000 to guarantee its short-term future.

Mr Shannon:

Thank you, Chairman, for bringing that into the discussion. The Committee also received deputations from various groups that have told it the same thing — they have applied for money and are not getting it. I fail to understand how the Department can surrender more than £2 million in September, followed by £1.8 million in June, yet all those people are telling the Committee that they cannot get any dosh. Maybe the witness will answer that question.

Mrs D Brown:

I am not sure that I can give Mr Shannon the detail that he requires. I understand that there has been a lack of progress. The Department, which gave up some money in June, hoped that more progress would have been made. However, the current assessment is that the Department could not possibly spend the £2 million being surrendered. That leaves a budget of £450,000 that the Department hopes to spend.

On the specific issue of the delay in the project, no one from the Department who is at the Committee today works in that area. I can take that question back to the Department and get an answer about where we are with that specific project.

Mr Shannon:

The Committee in general, and I personally, want to know what steps the Department is taking to ensure that the money is spent. Members at this table represent different areas, and the Chairperson has referred to the visit to the Ballymoney project, which I could not attend, but such groups are saying that they cannot get any money. Members can remember groups such as one from east Antrim that said they were keen to get money and assistance. The Committee has heard the same issues raised by arts groups, and those matters are coming through in an ongoing arts inquiry — money is not being allocated.

Is there a system to enable DCAL officials to filter through to the Ulster-Scots Academy to ensure that moneys are spent or find out why they are not being spent? Those are questions to which I want answers, if possible.

Mrs D Brown:

I will take that question away and come back to the Committee.

Lord Browne:

Annex D1 states that the Department is proposing to transfer £16.2 million from the stadium budget to other sports; there are bids amounting to £7.3 million for the Crescent Arts Centre, museums, PRONI, and so on. Perhaps you can clarify where exactly the remaining £8.445 million will go?

Mrs D Brown:

Sorry, I think that you have an earlier version of our paper. We are transferring £25.8 million of the stadium budget to other sports, which is set out in annex D2.

Lord Browne:

The Department is proposing to surrender £1.1 million from the multi-sports stadium. In the June monitoring round, it surrendered £2 million. Can the Department transfer that budget to other capital projects that are in great need of cash?

Mrs D Brown:

The Department is trying to maximise the use of its stadium budget as best it can. It is trying to use that budget to accelerate a number of sports projects with a view that, in future years, the money would be flipped back to stadia development, whatever that looks like at that stage. However, the Department will surrender stadium budget over and above that, and, in the next CSR period, will bid for any stadium moneys that we have surrendered. The Department will require other sports to refund back down into the stadia development. That is the theory. However, we do not know what is going to happen in the next CSR period, and we do not know what sort of capital budget allocation the Department will get. In all this, obviously, stadia development is a priority, and in the next CSR period, we will consider that in context. We will also consider what other areas have benefited in earlier years as a result, and perhaps they will not get as large a budget allocation, as the emphasis will be on stadia development. That will all be part of the next CSR period and the next investment strategy.

The Chairperson:

Under the rules of the system, is it permissible to transfer part of the stadium budget to museums?

Mr McCartney:

Do you want to phone a friend? *[Laughter.]*

Mrs D Brown:

It is not quite as straightforward as that. We want to ensure that we are using the stadium budget for sports-related projects and surrendering anything that we cannot use in that respect.

The Chairperson:

Is there not a case for putting additional money into a pot, such as the Places for Sport programme, from which community sports facilities can benefit? Kieran previously emphasised frustration about the fact that the money that is being surrendered could be used for sports clubs. The IFA, rugby representatives and the GAA would all agree.

Mr Mick Cory (Department of Culture, Arts and Leisure):

We have informed Sport Northern Ireland of its overall allocation for the current year and for next year, and we have given an indication of what we would hope to get in the next CSR period. That allows Sport NI to plan on a more long-term basis. This year, the allocation is £23 million, and we have asked it to plan on that assumption. We have asked Sport NI to look at its requirements, prioritising the Minister's and the Department's important projects, such as elite facilities, and those agreed to by the Committee, such as stadia safety and motorsport safety. It will look at its own programmes, such as its strategy for sport, which includes the Places for Sport and Building Sport programmes. Sport NI will profile that and will consider it against the existing planned profile and its desires and requirements. For example, if there was a free pot, what is it that Sport Northern Ireland would like? That gives us two scenarios: the one that we have the money for, we hope, and the one that we would like to get. That gives us a basis on which the Minister can bid for additional moneys or use other moneys as required. The intention is to get to that position; however, we have to plan prudently on the basis of what we know at the moment.

Mr McCarthy:

To follow on from that, an e-mail from the Department stated that 25 projects were funded in

2008-09. In July this year, 45 places were awarded. Can you confirm that funding is available for those 45 facilities, and will be available? There has been no spend to date on the Places for Sport programme in 2009-2010. Will that money be there when it is required?

Mr Cory:

Last year, there was an increase of more than £3 million on the original profile bid for Places for Sport strategy implementation, and the hope is to spend more in the current year across the whole profile. At the moment, I cannot confirm whether that money is going to be available. The Department has asked Sport NI to consider that £23 million pot and tell us how it intends to commit it. Sport NI officials are the experts; they are closer to the governing bodies of the local sports, as well as to the elite facilities programme and the stadia-safety programme. I have a meeting with Sport NI representatives this afternoon, during which I hope to get a better sense of how it intends to commit that money. Against that, it has also made some in-year commitments, as you rightly point out. Obviously, if those commitments have been made and are contractual, the Department will stand over those.

Mr McCarthy:

I am thinking of the 45 facilities that have been awarded the funding. The people involved will have been notified that they were awarded; it would be a great disappointment for them to find somewhere along the line that the funding was not available.

Mr Cory:

If a commitment has been made, and a letter of offer sent and so on, obviously the Department would have to consider how to ensure that that commitment was met.

Mr McNarry:

On two occasions so far you mentioned the next CSR spending period. When will that be?

Mrs D Brown:

The next CSR period covers the next three-year period; 2011-12, 2012-13 and 2013-14. We have no sense of when that will commence. A pre-Budget announcement will be made in November, and we will be better placed at that point to know when the next CSR will be commissioned.

Mr McNarry:

Is it not quite comfortable —

Mrs D Brown:

No —

Mr McNarry:

Let me finish. Is it not quite comfortable that you are talking about something that you know to be that far off? You can say that certain things will be done in the next CSR period; that sounds very nice until you actually tell us when the next CSR will be.

Mrs D Brown:

I do not know when it will be. We know that we must begin to plan for that three-year period.

Mr McNarry:

The Chancellor of the Exchequer has postponed it. We do know that. Is it likely to be in three years time, or five years time? Are you considering that? When you say that the Department hopes to take some action because of the next CSR spending, it seems that you are really just knocking it back. You just said that you do not know when that will be; to be quite honest, I do not know either, but we do know that it is some time in the distance. What interim measures can the Department take to avoid that gap before the next CSR? To be quite honest, there is no point in speaking to us about the next CSR when no one knows when that will be. The planned action is placed in another column, where it stays, and nothing is done.

Mrs D Brown:

David, what I said about the next CSR is that, where the Department is surrendering money because certain projects have slipped and so on, those would be included in all its plans for the next CSR period. We are building up a portfolio of all those things that we want to ensure will happen during the next CSR period; for example, stadia development and the Ulster-Scots Academy, on which we have not made as much progress as we would have liked. We are building up a portfolio of what has slipped so that we can then present what we consider to be the priorities for the next CSR. We are certainly not waiting for the commissioning of the next CSR before beginning to plan. The Department already has that in its timetable.

We will be looking in detail at the business plan for 2010-11, but that is already included as part of the three-year corporate plan. That business plan will be considered in November or December. The impact of that will also be incorporated into the next three-year planning cycle. The Department has plans to consider the next CSR period over the next number of months.

Mr McNarry:

That is a very fair and technical answer. In practice, we are identifying concerns about slippage. Where one cannot meet slippage, one kicks it down the line, to use my terms. Somewhere, therefore, one will find that it will become a priority all of a sudden. However, projects have slipped from what was expected. People look at budgets, figures and what is put in columns, and they then say that something will not be done because of x, y or z, or because of slippage, etc. However, I assure you that we will look at it for 2010-11 and, if we cannot get it in there, we will look at it after that.

Mrs D Brown:

That is what we will have to do, because priorities can change over time. If a project does not happen when it was supposed to happen —

Mr McNarry:

Priorities do not change over time. Only the policy that is directed towards the priority changes. I am unaware of any new policies that come from your Department that might direct those priorities. Tell me what policies —

Mrs D Brown:

I did not say that priorities have changed. I said that priorities do change. However, we know what we know at this point in time. We know that projects have slipped, that that will have an implication for future budgets and that we have to build that into our plans. It has to be built in alongside the priorities for future years.

Mr Shannon:

A question was asked in relation to sport, and I think that Deborah mentioned Sport For All. There is talk about transferring money from the Maze proposal into the three sports. However, wearing my other hat, Ards Borough Council has applied for a grant for its project through, I think, Sport For All. I am aware that many other groups in the council area have applied for

money for football in particular and for sport in general. I want to know where that money is, because we were told by the former Minister, Gregory Campbell, that that money would be available before June.

I wrote to Nelson McCausland, the present Minister. The reply seemed to indicate that no decision had yet been taken. If it is appropriate to ask this question now, I wonder where we are. You mentioned the transfer of money and moneys returned. Why return the moneys if a great number of projects are waiting to be done? That is not an attack on you, Deborah.

The Chairperson:

That is what people ask.

Mr Shannon:

You are here representing the Department, so you will be asked the questions.

Mr Cory:

As regards the sport budget — this also relates a little to the earlier question — we informed Sport Northern Ireland to plan for the current year on a £23 million line, but we also gave an indication for future years. We gave an indication for next year that will allow Sport Northern Ireland to plan. I think that it is £13·585 million or thereabouts.

We also informed Sport Northern Ireland that the Minister's priorities include elite facilities; safe sports grounds, which the Committee for Culture, Arts and Leisure also identified as a significant project; and motorsport safety. Against that, we also have the strategy for the priorities that were set out, which includes the projects in which Mr Shannon and, I suspect, many members have a particular interest. We asked Sport Northern Ireland to look at those priorities against the £23 million for this year and the £13·5 million for next year and to indicate what it will spend against those priorities — ensuring that the figures add up to the total of £23 million and £13·585 million. We asked it to give us its wish list of projects that it knows about and that need to happen but to which it has not yet committed. That gives us the gap against which the Minister will be able to bid through monitoring rounds and, indeed, the CSR if that spend is required in the future.

Mr Shannon:

Thank you. Perhaps you could come back to the Committee and let us know about that. We are keen to know when that money will be available. That is my question. With respect, it is not about how the thing works; I understand that, and I accept it. I want to know whether funding will start now, or on 10 October, or on 11 November, or whenever. We need to have that detail so that we can tell the people who ask us about the projects what is going to happen. Unfortunately, we are unable to tell people what is happening.

Mr Cory:

I will take that on board. I have a meeting this afternoon with Sport Northern Ireland, and this is an ongoing discussion.

Mr Shannon:

The Minister, Nelson McCausland, referred to Sport Northern Ireland, and I suspect, unfortunately, that that is where the delay lies. I would like you to do whatever you can to bend its ear or kick its backside, or whatever has to be done.

Mr Cory:

I will pass on the Committee's concern.

Mr K Robinson:

Obviously, those nebulous issues had to be teased out. I want to bring you back to something that is a bit more concrete. One of the first acts that the Committee was faced with was setting up the Library Authority. We were badgered and cajoled about what that beast would look like. Eventually we got our way, and we decided what the beast would look like. We thought that that was done and dusted. This morning, Mrs Brown referred to a £1.8 million bid that was reduced to a £1.2 million bid and is now down to a £600,000 bid for redundancy costs. The Committee was told that the Library Authority would be such a super-duper streamlined body that the redundancies would sort out all the problems. We were dealing with a concrete issue, and we did all the hard work and the graft from the legislative point of view. Why are those redundancy costs not covered? If this £600,000 redundancy cost, which is one third of the original bid, is not granted and acceded to, will that redundancy programme be halted or delayed and will the Committee get the flak for not having done its work, although it thought that it had cleared the matter off the table, that it had set all the processes in order and that DCAL was making the bids.

Why are those bids being thrown back to you?

Mrs D Brown:

I will clarify the situation. We placed a bid of £1.8 million, if I recall correctly, in the December monitoring round. At that time, DFP had significant pressures across all Departments, and it asked Departments whether they could defer any of their bids to 2009-2010. As a result, the Department of Culture, Arts and Leisure revisited its redundancy bid for the libraries and reduced it to £1.2 million, deferring £600,000 into this financial year. The Library Authority had prepared a business case around a number of redundancies at a particular tier. That amounted to the £1.2 million worth of redundancies that were all delivered last year. The Library Authority is now looking at the second tier down, which is the element that the Department wanted to defer.

Mr K Robinson:

Sorry, Deborah, I want to stop you there and make the situation absolutely clear. The Library Authority has actually delivered on the £1.2 million redundancies that it was seeking costs to cover, and those people are now out of post?

Mrs D Brown:

Yes. It was seeking £1.8 million. However, because of the constraints on the budget, it revisited how it would engineer the actual redundancies. It then made redundancies worth £1.2 million, for which we did secure a bid. We are now placing back into the system a bid that we had, in essence, deferred — the £600,000. However, the Library Authority is building up its business cases as to what those redundancies actually are and what the consequences are, etc. Nevertheless, it has already carried out its first level of redundancies.

Once we see the business case, we will be in a better place to assess whether it is the right thing to do or not. There is a business case, and it has to be looked at with regard to value for money (VFM). All of those things must be assessed. At this point we are putting the bid back in. Once we have assessed the business case, we will know better whether it will even go forward and what the exact amounts will be.

Mr K Robinson:

If those redundancies are not granted and the costs are not covered in this particular bid, presumably those people — middle-ranking people, I assume — will remain in post and the

Library Authority costs will be much higher than predicted.

Mrs D Brown:

We will have to look at the business case and consider what it says. If it were to be the case that the best thing to do would be to make the redundancies, and if the bid would not be met, the Department would have to look at what it had available to try to secure that sort of funding.

The Library Authority has a budget, and if we see those redundancies as a priority, then, in order to deliver value for money and to achieve the objectives of the Library Authority, we would have to go back to its budget to see whether it could be carved out and whether something else could be delayed in order to accommodate that priority. At the moment we are putting back in the bid that we had deferred. We still have to assess the second business case. A business case was carried out for the first £1.2 million — the first tier — and now the Library Authority is preparing the second-tier redundancies.

Mr K Robinson:

That is a helpful answer; thank you very much. I wanted to tease that matter out, because the education and skills authority is coming along a parallel path. The Library Authority was a template, to a large degree, in that the Committee insisted that there should be political input and involvement of local councillors to ensure accountability on the ground. I am glad that the Minister of Education has already acceded to that in regard to the education and skills authority, but that involves mammoth cost. If the Library Authority, for example, is not delivering, its costs are not being covered and redundancies are not being scaled out, we must be absolutely sure that such a situation does not occur multiplied by 10.

Mr P J Bradley:

I apologise for my bout of coughing earlier; I promise that I will leave if it happens again. I have met with Sport Northern Ireland since I took up my new role as the SDLP's spokesperson for Culture, Arts and Leisure. I have a copy of a statement that Sport Northern Ireland released in July, which states:

“DCAL had asked SNI to bring sports capital projects to a high state of readiness in anticipation of increased capital budgets in 10/11. However, the Department have been unable to confirm available funding within the required timescales and as a result SNI cannot proceed with the launch of any new capital funding schemes at this time.”

Have things changed since that statement was issued in July?

Mr Cory:

Yes. I have written to Eamonn McCartan, the chief executive of Sport Northern Ireland, to indicate this year's financial allocation; to provide an indicative allocation for planning purposes for next year; and, indeed, to provide an indicative allocation for the three future years that are subject to the CSR. I have asked Sport Northern Ireland to profile its spend against those amounts of money, and I understand that it is working on that.

Mr P J Bradley:

When did you write to Sport Northern Ireland?

Mr Cory:

26 August.

The Chairperson:

Does that mean that money will be available for the Places for Sport programme in 2010-11?

Mr Cory:

I can tell you that Sport Northern Ireland will have £13.585 million in its budget for planning. I cannot yet tell you how much there will be against each of Sport Northern Ireland's spend lines, but I have requested that information from the organisation.

The Chairperson:

It struck me that DCAL is perhaps unduly keen to get into DFP's good books by surrendering, rather than spending, money. Is DCAL's surrender of money buying credit or perks or a plus rating from DFP?

Mrs D Brown:

I would like to be in DFP's good books, of course, but that would never influence what the Department does or does not surrender. Departments are required to surrender money that they cannot spend, irrespective of a monitoring round. That is what DCAL has sought to do, but it has also sought to maximise its available budget through reallocation.

Mr McNarry:

The Chairperson asked a pertinent question. You said that the Department is being affected by

budget constraints. “Constraints” is your word, although I would use the word “squeezes”. You also said that no bids were successful in the June monitoring round. How hopeful are you that September bids will be successful?

Mrs D Brown:

I am hopeful, and the Department has submitted bids.

Mr McNarry:

With all due respect, is there not a sense that the Department is merely going through the motions, because there is no money available, and the June monitoring round reflected that?

Mrs D Brown:

I do not know what will come out of the September monitoring round. Other Departments may surrender capital.

Mr McNarry:

You are hopeful, and it will be interesting to find out what success you have had when you return.

To return to the point about surrendering money, there is no guarantee that the Department will ever get back the money that it has surrendered. It appears that DCAL is surrendering more money than it is getting back, despite the amount for which you are going to rebid. The figures show that, overall, DCAL has surrendered more than it has got back. You talked about the Department moving money around, but how flexible is the system? How much leeway does the Department have to move money around rather than surrender it? Under certain conditions, where the Department has bid for money or has money in its budget and has not used it, is it obliged to surrender it? What is the difference between moving it around and having to surrender it?

Mrs D Brown:

On the resource side, the rules are that money can be moved around as long as it is below the de minimis level of £500,000 or 10% of the unit of business, which is the budget line. On the capital side, a Department should be able to move money around its sub-pillar. DCAL’s spend is arranged in two sub-pillars, the first of which is the libraries money, which sits in the skills pillar and which is shared with the Department of Education etc. Therefore, if something happens in the libraries sector, we would have to surrender and bid for money, because it sits in a pillar of its

own, whereas the rest of the Department's budget sits in the social pillar, which it also shares with The Department of Social Development (DSD), etc. Therefore, within those two pillars we should be able to move the money around, but in order to move money from one sub-pillar to the other, we would have to surrender and bid for it irrespective of the amounts.

Mr McNarry:

You talked about emerging pressures in your paper, but can you identify them?

Mrs D Brown:

Sorry, where was that referred to?

Mr McNarry:

I have written it down. You referred to constraints and "emerging pressures" pointing to reduced requirements. I will put it another way: do you face emerging pressures?

Mrs D Brown:

The Department always faces emerging pressures.

Mr McNarry:

Can you identify those?

Mrs D Brown:

On a capital programme, one might have several projects at a particular stage, but there will always, or could, be potential problems somewhere down the line. A project might incur additional costs. For example, the site may be contaminated and must be cleared at additional cost. There are always risks associated with projects.

Mr McNarry:

The word "contingency" comes to mind. Surely it would be simple enough to plan for contingency for such pressures? What other pressures does the Department face?

Ms Anne Tohill (Department of Culture, Arts and Leisure):

For example, on the arts side, the Lyric Theatre and Crescent Arts Centre projects were delayed last year. The Department's budget for the last financial year for those projects was not spent.

Those projects should have been further advanced this year and a lower spend might have been expected. However, because much of the work is taking place this year, there is a pressure to meet those costs. That is the type of pressure that can emerge in a capital project.

Mr McNarry:

Therefore, that is a common example of what you describe as “pressures”?

Ms Tohill:

Yes. That is very common.

Mr McNarry:

OK. Finally, can we talk about the Belfast Metropolitan Arts Centre (MAC)? Can you tell me when a contract with the project contractor will be signed?

Ms Tohill:

As the Committee will know, the Belfast Metropolitan Arts Centre is one of the most important arts infrastructure projects for the Department. There were a number of issues in relation to the development of a business plan, which has taken some time to refine. However, that process is now almost complete.

There are also procedural steps that we must now take, and they include the preparation of a letter of offer and the preparation of the tripartite agreement, on which DSD will take the lead, between Turnus Ltd, which is developing the adjacent site, the Old Museum Arts Centre (OMAC) and DSD, which owns the MAC site at this stage. Those things must be completed and the Department is working very closely with DSD, OMAC and the Arts Council to get those steps finalised. Hopefully, if everything goes according to plan, that will happen in the near future.

Mr McNarry:

I asked you when the contract with the project contractor would be signed. Your reply of “the near future” does not answer that.

Ms Tohill:

As I said, DSD is taking the lead on the tripartite agreement, and the Department has regular updates on its progress. Once that is finalised — and we understand from DSD that it is almost

final — a licence must be applied for in order to take possession of the site, and it takes 15 working days from the date of application to receive that licence. Once that licence is received, the agreement, the licence and the contract should all be signed.

Mr McNarry:

OK. I understand that. Why did the slippage occur? My understanding was that there was a contract, and a contractor was due to be on site last April —

Ms Tohill:

That is correct.

Mr McNarry:

Nothing has happened, and the latest date that is being bandied about is 25 September. A contractor will not be on site unless he has a contract and people are able to tell him that they are there and ready to go. Do you envisage any delays beyond 25 September?

Ms Tohill:

The delay from April happened because the business plan, on which we had worked closely with OMAC, took considerably longer to finalise than we had anticipated. We also needed to get the business plan to DFP and to ensure that that Department was content, because there were changes to the original assumptions about visitor numbers and revenue streams. The Department had to be assured that the business plan stacked up and made sense and that there were no areas of major concern.

We have worked with the contractor, who has agreed to hold his price until the end of September. Although I cannot say that the contract will definitely be signed on 25 September, given the other steps that are being taken — a huge amount of work is being undertaken to try to get that done as soon as possible — we would hope to be in a position for that to happen within the next six to eight weeks. That is as much of a commitment as I can give at this stage. However, I assure you that we are working very closely with OMAC.

Mr McNarry:

I am sure that you are. I am only carrying forward concerns that have been expressed to me that you have been dragging your feet on this and that you — I am not talking about you personally

but about your Department — have played pass the parcel. I have correspondence from DFP that says that it has not been holding up any money. Yet that was one of the reasons cited by your Department for the delay in signing the contract. DFP says, and I have it in writing, that it has not held up any money.

When you began your conversation, you said that this was a major project for the Department, yet it has slipped from April. People do not understand why all that work was not done by April. How come these things seem to appear only on the horizon and we still have not sorted them out?

Ms Tohill:

First, I am not in any way trying to blame DFP, but one of the conditions of approval by DFP when the appraisal was submitted was that any changes to the assumptions underpinning the visitor numbers and —

Mr McNarry:

Was there a significant delay from DFP when you put that to it?

Ms Tohill:

No, but what happened relates to the preparation of the business plan. We were to receive what was to be virtually the final business plan in December 2008. The Department did not receive that until January, and, because the assumptions had changed, a lot of work was required so that everybody would understand what had changed and the Department could be satisfied that those visitor and revenue assumptions were viable. As it was a condition of DFP approval that DFP would be notified of any changes to the assumptions and would have the chance to comment on the business plan, we were required to submit those changes to DFP. We were only in a position to have a final version of the business plan that the Department was content presented a viable project in mid-July.

Mr McNarry:

Right; okay.

Ms Tohill:

That was submitted to DFP at that point. Therefore, in no way would we say that DFP held the project up. DFP was very speedy in its response.

Mr McNarry:

Finally, is there anything that you think needs to be done to relieve existing anxieties over the project slipping again? The chairperson of the OMAC trustees, Joris Minne, has been on television, citing anxieties about being able to hold a contractor. My point of view is that, if this contract were to be re-tendered for, it would probably be cheaper in today's business circumstances. Nevertheless, we have a contractor who is willing to hold on to his prices. How sincere can you be in giving an undertaking that if the contract does not start — you seem to think that it will not — on 25 September, it will start within days of that?

Ms Tohill:

As I said, I cannot give a commitment that it will start on 25 September. I have outlined the steps that must be taken, for example the application for a licence —

Mr McNarry:

Why, then, is the date 25 September presented?

Ms Tohill:

The contractor will hold his price until 29 September. I am not sure why the date of 25 September is given. I suspect that that is probably because works must take place prior to the contractor starting formally on site. All I can say is that we are on the home straight. We all understand the importance of the project and are keen to get it started as soon as possible, but the Department must ensure that steps that are essential to reflect proper accountability and to protect taxpayers' money are adhered to and are finalised and that the procedure is watertight.

Mr McNarry:

The Committee will hold those responsible to account if there is any further slippage on, or damage to, the project.

The Chairperson:

The subject has received a full airing. P J Bradley will have the final question.

Mr P J Bradley:

The Northern Ireland Public Service Alliance (NIPSA) has written to stakeholders regarding the

proposed closure of museums that is due to start on 1 October. In the letter —

The Chairperson:

The member should know that the Committee will table that matter for discussion next week, but feel free to ask the question. It will definitely be addressed formally next week.

Mr P J Bradley:

The letter states that the politicians will not have an opportunity to discuss the matter. Does the Department have a view on the issue, or has it discussed it?

Mr Cory:

The Department is aware of the proposals to shut the museum on Mondays. That is an issue that goes back some years and relates to weekend openings. National Museums Northern Ireland has been under a lot of criticism, particularly from the tourist industry, around opening times on Saturdays and Sundays, and it has gone through significant negotiations with the trade union side on ways to ensure that the terms and conditions of staff who work at weekends can be managed to meet the evident customer demand. That proposal is the outworking of that; it is all part of National Museums' reform and modernisation programme and the preparations for the Ulster Museum opening. I received notification of that matter the day before yesterday.

The Chairperson:

It makes sense to me. For example, I feel strongly that the opening the Ulster American Folk Park at weekends would be a great plus in the winter months. I thank P J Bradley for the question.

Finally, some members believe that very small writing is used in some of the tables presented in the Department's submission.

Mr McNarry:

That was not deliberate, was it?

Mrs D Brown:

I suggest that they could be printed on A3 paper. That is what I did.

The Chairperson:

OK. Thanks for that and I thank the witnesses for coming along this morning.