



**Northern Ireland
Assembly**

**COMMITTEE FOR
CULTURE, ARTS AND LEISURE**

**OFFICIAL REPORT
(Hansard)**

Revised Budget for 2010-11

28 January 2010

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Barry McElduff (Chairperson)
Mr P J Bradley
Mr Dominic Bradley
Lord Browne
Mr Trevor Clarke
Mr Billy Leonard
Mr Kieran McCarthy
Mr Raymond McCartney
Miss Michelle McIlveen
Mr Ken Robinson

Witnesses:

Mrs Deborah Brown)	Department of Culture, Arts and Leisure
Mr Edgar Jardine)	
Mr Michael O'Dowd)	

The Chairperson (Mr McElduff):

I welcome Edgar Jardine and his team to the meeting.

Mr Edgar Jardine (Department of Culture, Arts and Leisure):

Thank you for giving us the opportunity to address the Committee. We will provide an update on the departmental budget for 2010-11 and outline how the changes will affect the various business areas. With me today are Deborah Brown, director of finance — she is well known to you all — and Michel O'Dowd, head of the finance branch. I am very well supported, as my colleagues

have all the details at their fingertips.

Mr McCartney:

And the money too, we hope.

The Chairperson:

It sounds good so far.

Mr Jardine:

I will set the context, and then Deborah will detail how we hope to manage the cuts and explain the implications for our business areas. As you know, this process has arisen from the Executive's review of 2010-11 spending plans for Northern Ireland Departments. I stress that that is separate from the work for the next comprehensive spending review period — 2011-12 to 2013-14 — on which we will embark later in the year. Today, we will talk specifically about the next financial year, 2010-11.

In 2010-11, the Executive has to reduce departmental budgets by £217 million in current expenditure, and £150 million in capital expenditure. The reasons why adjustments are necessary can be broken down into two themes. The first is the reduction in the level of funding available to the Executive, which originates from issues such as the freeze on non-domestic rates and the shortfall in receipts from asset disposals due to the downturn in the property market, which obviously has a direct impact on capital budgets.

Secondly, significant areas of additional spending have arisen from the deferral of water charges, the Civil Service equal pay claim, and reform costs. The Executive considered a number of approaches to determining how savings might be made. It was agreed that the most appropriate approach was a combination of options supplied by Departments. The Department of Culture, Arts and Leisure suggested areas in which it might make savings, and the Department of Finance and Personnel applied to that its own assessment of Departments' scope to make savings in what it regards as lower-priority areas.

The result of the process is that DCAL will be required to find savings of 5%, or £5.9 million, in current expenditure and 25%, or around £20 million, in capital investment. Those savings are based on indicative budgets for 2010-11; they are not savings on expenditure in 2009-2010. That

is an important point, because we received a reasonable uplift in 2010-11 compared to 2009-10.

The other point is that the overall cuts to the Northern Ireland block translate into about 2.4% in current expenditure and 10% in capital. Therefore, DCAL's budget was cut significantly in comparison with the overall block position.

Helpfully, DFP has allowed us some flexibility in choosing where we achieve those savings. I will now hand over to Deborah, who will put flesh on the bones of how we hope to deal with those cuts and how we intend to achieve the savings that we are required to make.

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

As Edgar said, I will attempt to put those amounts into perspective. The savings that were allocated against DCAL — 5% against resource and 25% against capital — were proportionally higher than those allocated to the other Departments, aside from OFMDFM. As Edgar highlighted, one of the mitigating factors is that DCAL enjoyed an uplift from its 2009-2010 position to its 2010-11 position, and it thereby received an increase of around £6 million for resource. That, therefore, brings us back to the current 2009-2010 position, with the exception of the 25% cut in capital.

The next stage will be the consultation period, which will probably continue until the middle of February. The proposals will then be presented to the Executive, which will agree a Budget, and that will then be debated and voted on by the Assembly. We hope to have an announcement about that in March. We recognise that this is a difficult and challenging period for all Departments and arm's-length bodies. As members are aware, this is not just a 2010-11 issue; the situation does not look promising as we move into the next comprehensive spending review period covering 2011-12 and 2013-14.

We appreciate that the decisions on the level of reductions made across all the Departments were a matter for the Executive and were based on advice from the Minister of Finance and Personnel. We were faced with difficult choices about our priorities after the resource allocation for 2010-11 was reduced. The Minister of Culture, Arts and Leisure has made a series of difficult choices to ensure that we deliver on our functions as effectively as possible within the resources that are available. However, that will place significant pressures on the Department and its arm's-length bodies.

When applying reductions across the sectoral areas for which the Department is responsible, the Minister factored in the level of uplift allocated to particular sectors in 2010-11 and those sectors' capacity to absorb some of the capital reductions. As we said, DCAL had a successful outcome in the CSR for 2007, and a number of areas received uplifts in their current resource budgets. The Minister has sought to broadly maintain the current level of funding that was allocated in 2009-10 as part of that exercise in 2010-11. We are trying to ensure that we deliver savings of £20 million in capital investment while discharging on our existing commitments. Bodies that have benefited from uplifts in previous years will have corresponding adjustments made to their 2010-11 budgets, and that will have an impact on what was proposed in the investment strategy.

Revised indicative allocations were issued to our arm's-length bodies, which were subject to budget cuts as a result of the savings exercise, and they have been asked to consider the implications of that on the delivery of their strategic objectives against their 2010-11 business plans and to ensure that those business plans clearly articulate the departmental priorities and set out the impacts of those savings.

It is proposed that DCAL's resource budget be reduced by 5%, which equates to £5.9 million. In addition to that, other adjustments of approximately £1.7 million are required to realign some of the other budgets. That is the figure that the Department is working towards, and it is indentifying where those savings can be met.

Those figures are set out in the two tables covering investment and resources, which have been included in members' folders. However, I must point out that the proposed adjustments against the North/South bodies will require the agreement of the Department of Community, Rural and Gaeltacht Affairs in the South.

The tables also include a £2million adjustment that is described as a "technical adjustment." That is not actually a reduction in the budget, but is a technical adjustment a little bit like the interest that would be charged to a private-sector company by its banks. That charge is levied on the Department, but it has been lifted out of both its budget and expenditure and, therefore, has zero impact.

The total savings required as part of the exercise are £5.9 million, with £1.7 million of reallocation being made between the lines. I will now detail how those proposed savings will break down across the various departmental responsibilities.

It is proposed that savings of £200,000 will be levied against Waterways Ireland. That equates to a 5% reduction in its allocation and would leave it with a resource budget of approximately £3.9 million.

It is proposed that a total reduction of £300,000 be levied against the Language Body. That is a 5% reduction and would levy a reduction of £190,000 against Foras na Gaeilge and £110,000 against the Ulster-Scots Agency. That would leave Foras na Gaeilge with an allocation of approximately £3.6 million and the Ulster-Scots Agency with approximately £2.9 million. However, an exercise is also being carried out with the North/South bodies, which requires them to achieve savings of 3% against their 2009 business plan and 6% against their 2010 business plan. The Department hopes that some of the savings being levied against the Language Body will be delivered through those efficiencies.

There is a proposed reduction of £600,000 from the Libraries NI allocation. That equates to a 2% reduction against its resource allocation, leaving an allocation of £30.8 million.

There is a further proposed reduction of £2 million against the Ulster-Scots Academy, leaving it with a resource allocation of £738,000. The Committee will be aware that slow progress has been made with the academy, and the Department hopes that it will be able to spend those funds during 2010-11.

The Arts Council had an original uplift of £1.4 million between 2009-2010 and 2010-11. The proposed reduction as part of this exercise is £1.1 million, which will still give it an increase of £282,000 against its allocation. In 2008-09 the Arts Council had a resource budget of £13.9 million, rising to £15.3 million in 2009-2010, and, even with that cut, its proposed allocation for 2010-11 is £15.6 million, meaning that it will still receive a year-on-year increase.

Sport received an initial resource uplift of £4.1 million in the indicative budget between 2009-2010 and 2010-11. As part of the current exercise, the Department has proposed a reduction of £2 million, which is still an increase of £2.1 million on the 2009-2010. The Sports Council had

an allocation of £7.7 million in 2008-09, rising to £9.1 million in 2009-2010. That will rise yet again to £11.1 million in 2010-11.

National Museums NI had an uplift in its budget of £839,000 between 2009-2010 and 2010-11. The Department is proposing a reduction in its budget of £200,000, which will still provide it with an increase of 3.5% on its 2009-2010 allocation.

I will now move on to capital. The arts opening allocation is £9.6 million; however, the Committee will be aware that there have been slippages with the Lyric Theatre, the MAC and the Crescent Arts Centre. Therefore, arts will need about £16.4 million to discharge many of the existing commitments. We hope to achieve that by reallocating the budget as part of this exercise. If that is not possible, the proposal will need to be fed through to the June monitoring round.

Museums were originally allocated £16.6 million, which was split as follows: £14.6 million for national museums; £1.5 million for the Armagh Observatory and Planetarium; and £400,000 for W5. National Museums' original allocation was £14.6 million, but we had to reverse the fact that they received additional funding for accelerated projects in 2009-10 and previous years. Consequently, the proposed budget allocation for museums is now £3.9 million, which is sufficient to complete Cultra Manor, the specimen fund, and commence work on the Ulster Folk and Transport Museum visitors' centre and the New World development.

Armagh Observatory and Planetarium was originally allocated £1.55 million. That included £1.5 million for the observatory library, which now will not proceed in 2010-11. Therefore, we propose to reduce that budget to the £50,000 that it will need in 2010-11. We propose to retain W5's £400,000 allocation.

Libraries were originally allocated £13 million, and we propose to reduce that to £7 million. Money needs to be allocated to the Public Record Office of Northern Ireland (PRONI). As you are aware, PRONI has experienced slippage from the build that commenced in 2008-09. However, there are also £6.5 million of receipts that was planned for 2010-11, which now will not be realised in 2010-11. We hope that those receipts will be realised in a later year, but we are unsure of what their value will be. At this stage, it is reasonable to say that we could not realise the full £6.5 million of receipts. As a result of the slippage of the build and the receipts, we need

to allocate £12 million to PRONI. There is some room within the libraries allocation to surrender £6 million, retain £7 million to discharge existing projects such as those in Kilkeel, Lisnaskea and Carrickfergus and to take initial steps on the revised Belfast Central Library stonework project.

Sport was originally allocated £13.6 million. Excluding the costs of a stadium, the proposed budget for sport is now £20 million. We are reversing the fact that sport gave up funding for museums, and so on, in previous years. The £20 million allocation will allow work to be taken forward on the 50m swimming pool, the Safe Sports Grounds initiative, and the Building Sport and Places for Sport strategies. The balance will be used for the north Belfast learning centre. A £20 million cut is being levied against the stadium as part of this exercise.

The other allocations are aimed at ensuring that we can discharge and take forward existing commitments. At this stage, we are unsure whether the adjustments that I have articulated can be actioned as part of the 2010-11 plans; they may have to wait until the June monitoring round. We will advise our arm's-length bodies accordingly. That concludes my summary of the proposals for the 2010-11 savings exercise. I am happy to take any questions that members may have.

The Chairperson:

My point concerns transparency. The Finance Minister announced the proposed savings to the 2010-11 Budget on 12 January. He said:

“I have asked my Executive colleagues to publish details of the implications for their individual Departments on their departmental websites.” — *[Official Report, Vol 47, No 2, p64, col 1]*.

DCAL did not publish that information on its website until almost two weeks after the Minister's statement, which seems to represent undue delay.

It is also quite difficult to find the information on your website. It should have been given prominence on your website, rather than being placed at the bottom of a page. Furthermore, on the website, the information is contained under the title: “DCAL 2010-11 Budget Consultation”. However, no information is provided about how members of the public should make their views known to the Department, there is no address for comments, and no closing date. Does the Department believe that that is true public consultation?

The figures on the website are not the same as those provided to the Committee. The website

figures show only the headline cuts, not the final budget for each area after internal reallocations. Why has the Department not provided the public with the proposed final budgets?

Mr Jardine:

That is a comprehensive set of issues. First of all, the final decisions have not been taken — that is the purpose of the consultation. The protocol, which I believe has been adopted by other Departments, is to demonstrate where we are taking those cuts from the £5.9 million and £20 million. That is what the website does.

I am not sure whether all other Departments have their figures up on their websites. I suspect that we are not particularly delayed compared with other Departments. The Minister of Finance and Personnel made it clear that he sees Committees such as this one, and the Committee for Finance and Personnel, as the principal locus for consultation. I cannot comment on where the information is on the website, because I have not recently accessed the site. Others might be able to comment. The complexity of what Deborah just went through indicates that the budget is still very fluid. It would be premature, therefore, to post final allocations on the website.

The Chairperson:

OK, but you are quoting bad practice from other Departments perhaps as an excuse for inefficiency by DCAL. Would that be fair?

Mr Jardine:

I am not saying that it is bad practice; it takes time. Those decisions were made on 12 January, and it took time to work through from where we would take those cuts, and how we would put the package together. Therefore, it is not a question of bad practice for us or other Departments.

Lord Browne:

We all accept that we are living in harsh economic times, and that every Department has to make cuts. I welcome the Department's revised spending plans on the resource budget, because libraries seem to have been largely untouched, with only a 1% cut in real terms. However, the libraries' capital budget will be reduced by £6 million. Therefore, that does not seem to fit in, because in many constituencies underinvestment has left a costly backlog of maintenance work.

This Department's cut to the libraries' capital budget will make it all too easy for Northern

Ireland Libraries to carry out the proposed cuts, which are, at present, out for consultation. In east Belfast, six of the 14 libraries in the greater Belfast area are included in that. I am a little bit concerned that although the revenue has not been cut, the capital budget has been cut. Is it the case that not all the money for capital investment in libraries will be available in the 2010-11 budget? If they are going to close libraries, new ones will be needed in their place.

Mr Jardine:

The £7 million in the budget for the library capital programme is what we and Libraries NI believe that they can reasonably spend in the next year. There is a significant capital programme in the library estate. I believe that a library was opened this day last week, and Dungiven and Antrim are coming on-stream shortly.

It has taken time to secure a suitable and fit-for-purpose site for a number of other libraries, including in Ards. There has, therefore, been some delay in getting planning permission and in preparation. The Department believes that the money that the libraries have is what they can reasonably spend next year. If we had left them more, they would be giving it back to us.

The Chairperson:

I compliment the Department on the opening of Newtown Stewart Library last week. It is a wonderful facility. Well done. They did not pay me anything to say that.

Mr K Robinson:

I am sorry you raised the matter of libraries, as a library in Newtownabbey in my constituency is subject to speculation about closure, but we are used to not having anything in East Antrim anyway — like public sector jobs, roads and things like that.

Thank you very much, particularly Deborah, for your presentation of all the various figures. It seems that the museums capital budget is going to decrease by in excess of £12.5 million. What will be the impact of that cut? Is it the case that the money cannot be spent in 2010-11? That is linked to the resource budget for museums. It seems that, although the capital budget has been hit fairly significantly, the resource budget will not be hit quite so hard. I think the figure is around £200,000 — less than 1% — in its opening allocation. You have explained the zero impact of the technical adjustments. What are the reasons for prioritising the museums budget as opposed to the other spending areas? Is there a glint in someone's eye somewhere that is driving that? The

Department is not going to invest in the capital, but it will increase the resource revenue. What is the reasoning behind those two approaches?

Mrs D Brown:

The museums budget has been flatlined for a number of years. National Museums has had a resource allocation of £18.4 million in 2008-09 and 2009-2010. It did not get any uplifts, unlike some of the other arm's-length bodies, which is why it was subject to significantly less of a reduction in its resource budget. In relation to capital, you will know that National Museums received significant amounts of funding in 2009-2010 to bring forward projects. That is reflected in the allocation for 2010-11. In 2010-11, there was also an allocation for the collections resource centre, but we now know that no real progress will be made on that in 2010-11, so we were able to reduce the budget for that.

To put that in context, the complete capital programme has been reduced by £20 million, but there is a legacy of what has happened in previous years, and therefore there is slippage of projects and real commitments on the ground. That is where the Department had to focus its attention in order to ensure that money was allocated to those areas where there were commitments on the ground whereby we had to make sure that the funding was in place. Given that National Museums already got some money in 2009-2010, it was reasonable that we could make those adjustments to its budget.

We had to look at the budget in total when making those assessments and, as I said, National Museums has previously received significant funding, and has sufficient funding to take forward the Cultra Manor project and the specimen fund, and then to start work on the Ulster Folk and Transport Museum visitors' centre. There is money available to start projects in 2010-11. We also have to be mindful of legacy in the next comprehensive spending review period. We are not sure what the capital allocation will be, so we need to be cautious about what commitments we enter into in 2010-11, which will have consequences for the next spending period, when we may have different priorities, or projects for which we want to ensure that there is sufficient funding.

Mr K Robinson:

That is a fairly comprehensive answer. As you have said, there is a need to be frugal and cautious, but we have seen on the ground that investments yield returns. If DCAL is investing wisely in certain projects, it should be able to generate income from them. Not every Department

can show such a return for moneys invested; the Education and Health Departments cannot. I am very concerned that we should not look on the DCAL budget as a soft touch that can be trimmed. If money is invested wisely into capital projects and resources, we could actually see a return. The number of visitors to the Ulster Museum has increased significantly, so we are already seeing a return, and there are other things in the pipeline that we could do if we could retain both the capital and the resource budgets at the same level. I am quite sure you have already heard that point expressed.

Mr Jardine:

That was a very helpful comment; thank you for it. I was in the Ulster Museum yesterday for lunch, and it was buzzing; it was difficult to get a seat in it. The current investment in museums includes investment in Cultra Manor and getting the visitors' centres up and running, both of which will yield more commercial income. More generally, in relation to both resource and capital, the things that we do in DCAL have a huge contribution to make to cultural tourism, and a significant contribution to make to creative industries.

Even in times of recession, creative industries have been growing while the rest of the economy has been stagnating. Part of our strategic approach in the next CSR will be to try to emphasise the economic dimension of what we do in DCAL. Any support that the Committee can provide with that will be welcome.

Mr K Robinson:

I would hate to be misconstrued as supporting the Department carte blanche, but I am heartened by your comments, Edgar. The Committee sees the potential of DCAL for growing the economy in the future. We are seeing the green shoots, if I dare to use that phrase, amid the economic downturn.

Mr McCarthy:

Thank you for your presentation. You mentioned cultural tourism. The cultural policy budget is being cut significantly from £4 million to £1.3 million. That is a cut of £2.7 million. Your briefing paper states that a cut of £2 million cut is being made from the Ulster-Scots Academy budget. Where is the remainder of the £700,000 cut coming from? Is £2 million being cut from the Ulster-Scots Academy because the money cannot be spent in 2010-11? If so, what are the reasons for the delay in progressing that area of work? Does the development of an indigenous

language strategy come under the category of cultural policy? If so, will its budget be cut and by how much?

Mr Jardine:

The money for the Ulster-Scots Academy cannot be spent this year. The project has not developed to the state at which it would enjoy serious spend. Proposals that would at least get something on the ground are being worked up with the sector, but even if we were able to use that figure of £700,000, that would be the height of it, and we would probably not be able to use it all.

I do not have details on where the remainder of the savings are to come from, but my colleagues may be able to help. We want to take some money out of Foras na Gaeilge and the Ulster-Scots Agency as part of the 3% and 6% cuts, which, as Deborah mentioned, will be applied to all North/South bodies.

Mr McCarthy:

Where is the cut of £700,000 coming from?

Mrs D Brown:

I do not have that information to hand.

Mr Jardine:

If we do not find that before we leave, we will come back to you on it. Some of the cuts are to be made from the North/South bodies, but we will check that.

Mr McCarthy:

The money that was allocated to the Ulster-Scots Academy cannot be spent. Last summer, the Committee took a tour of an Ulster-Scots group in Ballymoney. The people whom we met were doing good work and were complaining that they could not access funding, yet £2 million that had been intended for the Ulster-Scots Academy has been handed back. What can you say to those people in Ballymoney?

Mr Jardine:

The Ulster-Scots Agency was pushed to use all of its resources last year, so it is not the case that it has an absolute lack of resources. I do not know whether the application for what the people

whom you met wanted to do was aligned with what the Ulster-Scots Agency could fund, but we had expected some shortfall in the Ulster-Scots Agency's budget for last year.

Mr McCarthy:

Does the development of an indigenous language strategy come under cultural policy?

Mr Jardine:

Yes; that strategy is at a fairly early stage. A draft paper is yet to go before the Executive.

Mr McCartney:

Thank you for your presentation. It is proposed that a total of £500,000 of savings be made from the North/South Language Body and Waterways Ireland. That is subject to agreement with the Departments in Dublin. What is the position with that, and what do you envisage the final cut from both Departments will be?

Mr Jardine:

This afternoon, we are meeting colleagues from the Department of Community, Rural and Gaeltacht Affairs on the business plan and budgets. The requirement is a minimum saving of 3% in 2009 and a further 3% in 2010. That is a 6% cut from the 2009 budget. That is the minimum saving that we have to make.

Mr McCartney:

The figures asked of both bodies are the same, even though their headline figures are different. Is there any reason for that?

Mr Jardine:

Yes; the proportions that we pay are different. For example, we pay 15% of Waterways Ireland's funding, and the DCRGA pays 85%. For Foras na Gaeilge, the South pays 75% and we pay 25%, while those proportions are reversed for funding of the Ulster-Scots Agency. The arrangements are quite complex, but that is how the funding works out.

Mr McCartney:

What is the reason for the £200,000 increase for the events unit, given that we were told that it was transferred?

Mrs D Brown:

The baseline from 2009-10 was significantly reduced, and we needed to make sure that we could reinstate that to offset liabilities that the events unit had taken forward. We talk about the 2010-11 adjustments that we need to make. Traditionally, in the monitoring rounds, we would have used easements from other areas to supplement some of the lines that never had sufficient budgets. As we are moving into a much more constrained environment in 2010-11, we thought that it would be prudent to make those changes at this stage.

Mr McCartney:

The stadium project was originally allocated £30.4 million, of which £20 million has been moved. Has the other £10.4 million been reallocated within the Department?

Mrs D Brown:

Yes. We hope to use some of that money to alleviate the huge pressures at PRONI and the pressures in the arts budget. Therefore, as part of this exercise or, if that is not possible, the June monitoring round, we will try to use the money to meet those pressures.

Mr McCartney:

Will that undermine stadia development in the future?

Mr Jardine:

No. The fact that we are surrendering significant amounts of the stadium project money means that at least we have a better moral case for arguing for money in the future for that purpose. *[Laughter.]* I see that you have a high regard for moral cases. *[Laughter.]*

Mr D Bradley:

You are proposing to cut the Arts Council budget by £1.1 million, or 5.5%. That seems quite a hefty cut compared with the cuts in some of the other spending areas — some of the other areas are suffering cuts of only £800,000 and £600,000. Why is the Department targeting the arts budget in such a serious way? What effects will that large cut have on arts programmes and projects? Will some of them be discontinued as a result?

Mr Jardine:

First, the cut is to the indicative budget for 2010-11, so the Arts Council will receive a small increase on its 2009-10 budget. The Committee has done a lot of work on the funding of the arts and sport, so its members will be aware of the process. We had anticipated that the current CSR would start to lift the baseline so that we would be in a better position from which to move forward by the time of the next CSR.

Given the scale of the cuts that we have had to absorb, the Minister has largely pared budgets back to their 2009-10 levels. We have been helping some of the small bodies in year for precisely the reasons that Deborah gave, so we will try to stabilise their budgets, which will be very important for the next CSR.

The Arts Council will be receiving a small increase in its funding. The demand from the arts side will increase as the new capital programmes — the Lyric Theatre, the Crescent Arts Centre and MAC — come on stream. We have indicated to the Arts Council what its budgets will be, and it will take a view on how it prioritises spending within its different programmes.

Mr D Bradley:

Are you saying that the Arts Council will not experience a cut in funding?

Mr Jardine:

The Arts Council budget for 2010-11 will be about £300,000 more than the budget that it received in 2009-10. However, we all know that arts in Northern Ireland are underfunded, and we are not eating into that underfunding. I think that the pressures will really come when the new capital build programme becomes operational. Ensuring that that is fully utilised should be a priority.

Mr D Bradley:

Are you saying that the Department will be in a position to maintain existing projects and programmes in the future?

Mr Jardine:

No. I am saying that, first, if there is a difficult CSR, as everyone expects that there will be, there may be reductions in everybody's budget. Secondly, I am saying that even if we were at level

pegging, there would still have to be some skewing of resources towards major capital projects to ensure that we get the best value from them. Therefore, I cannot say that nothing will be cut in the future.

The Chairperson:

I want to mention capital for the arts. Perhaps I am wrong, but it has been brought to my attention that a significant amount of money is about to be invested, again, in the Grand Opera House. Apparently, although my information could be wrong, there may have been mistakes in the original design of the recent work that was carried out and perhaps as much as £1.6 million will have to be invested. I want assurances around the tendering arrangements in a matter such as that.

Mr Jardine:

There was additional spend in the Grand Opera House. However, that was not new spend. That came from the original contract, which, largely, came in a couple of years after the opening, which was very late. We have been working with the Grand opera House and with colleagues in DFP on that, and the figure involved is similar to that which you mentioned. We will be able to handle that within the current financial year and, therefore, that will not have a knock-on effect.

The Chairperson:

What about the tendering arrangements for that initial work?

Mr Jardine:

I do not think that there was any problem with the tendering. However, the contracts that were used way back when that work started were not as foolproof as they are now, and that left a bit more wriggle room for contractors to get add-ons and so on. If it would be helpful, we will draw up a separate note for the Committee on that.

The Chairperson:

Thank you very much for that.

Mr Leonard:

It is good to see everybody, and thank you very much for the report. I have a few points that reflect my hope that DCAL is not a soft touch, as was implied by another member. It is important

to say that, and to make sure that we fight against that if it is the case.

Deborah, you mentioned the Places for Sport programme. Where are we with that and how will it be affected by any cuts? Obviously, there is a lot of interest in that programme, and there are some concerns that must be addressed preceding any cuts. I would be interested in an update on that.

Mrs D Brown:

Of the £20.35 million proposed allocation for Sports NI, approximately £4.6 million would be allocated to the Places for Sport programme.

Mr Leonard:

Is that an increase or a decrease on last year?

Mrs D Brown:

That is an uplift on last year.

Mr Leonard:

However, in common with other programmes, was there due to be a bigger uplift?

Mr Jardine:

Two phases of the Places for Sport programme have been undertaken, and we are hopefully going to launch a third phase, for which £4.6 million has been allocated.

Mr Leonard:

On a broader front, I want to pick up on cultural tourism, which, perhaps, goes beyond the specific remit of the meeting. The Department of Enterprise, Trade and Investment is responsible for tourism, but I wonder what is included in DCAL's vision for cultural tourism. You mentioned some of the very positive numbers. However, there is a very broad brush that could be used for cultural tourism. Has DCAL investigated that, and has it worked with DETI in the past to try to see where it would prioritise and effect such a policy? Cultural tourism is one of those issues around which many words have been spoken and many press releases written. However, we have not cracked the issue. Given that it will have to work with another Department, what approach will DCAL take to cultural tourism?

Mr Jardine:

It is fair to say that we would probably have three of the most visited attractions on the island of Ireland with our museums, W5, etc. Therefore, we are right in there. The Public Record Office is also becoming an increasingly important part of that architecture and its move to the Titanic Quarter at the beginning of next year will add a further element of strategic physicality.

Northern Ireland is not a huge player in tourism compared to our counterparts in the South. However, the Department works quite closely with them, and I know that the South has been working with the language bodies to develop cultural tourism here.

Mr Leonard:

With respect, Edgar, there will be a great swathe of people who will appreciate the points that you made, but there will also be a great swathe who would be worried that the issues of cultural history and indigenusness were not reflected in your answer. A conversation and debate needs to occur. There is a depth of cultural tourism in this island that is attractive to thousands of visitors, and it has not been tapped into enough with respect to the North or the whole island. We live on the island of Ireland, and there are some who would question whether cultural tourism is even on the radar. We must decide how to progress that conversation, although I know that we are here today to discuss facts and figures and accountancy.

Mr Jardine:

Your intervention is timely. I was at Belfast City Hall yesterday with representatives from DSD and the private sector when the Tourist Board outlined its strategy that will be going out for consultation, probably in the next few weeks. That consultation presents a great opportunity, and there is a recognition in the Tourist Board of the unique contribution that a Department like DCAL, the Northern Ireland Environment Agency and others would have in taking forward that strategy. The consultation period should be used constructively to put cultural tourism up front, and, in fairness to the Tourist Board, it is firmly on its radar.

The Chairperson:

Are there any final specific questions on the revised departmental spending plans?

Mr Leonard:

Thank you for the reminder Chairperson. My last question is on that very area. I would have thought that the museum that forms part of the Coleraine Library project would have required a departmental spend in 2010-11, but the letter that I have received from the Minister indicates otherwise. If I may be parochial and interested in my constituency for a moment, how will the 2010-11 cuts affect the Coleraine Library project?

Mr Jardine:

I will need to come back to you on that.

Mr Leonard:

OK. I appreciate that.

Mr D Bradley:

It was said earlier that DCAL is proportionally suffering the biggest cuts of all Departments. The present Minister of Finance and Personnel is quoted as having said that DCAL never spends all of its allocation. Do you think that the tendency for the Department to underspend is attracting bigger proportional cuts?

Mr Jardine:

That argument has been made. However, the two sins in public expenditure are underspending and overspending, and the latter is much more serious. About 85% of the Department's budget is disbursed through approximately a dozen arms-length bodies, and it is really quite fragmented and dispersed. The Department is increasingly improving its capacity to manage and monitor that funding.

However, I recognise that we are never going to be in the position of spending 100%, and, indeed, if we were, I would be slightly worried. When a Department goes over its quota, the difference between 100% and 101% is quite narrow.

Let us take, as an example, the PRONI project, which was delayed because the price coming in from the contractor was not a price that we could live with. We took three months with the contractor getting that price constrained to the available resources. Therefore, we have to be very conscious of value for money as well as spending, and, sometimes, that results in underspend.

However, I would prefer to be in that position than be criticised for not securing value for money.

Mr D Bradley:

Money has been handed back from the Ulster-Scots Academy project several times, and, last year, money was handed back again. Is the Department taking any steps to improve efficiency in spending?

Mr Jardine:

Yes. That particular project has been problematic when it comes to finding an agreed way forward with the sector. However, we have put a fair bit of resource into that project and, therefore, should make some progress.

We have quarterly monitoring meetings with all arm's-length bodies, we receive monthly financial returns, and, on a monthly basis, the departmental board looks very closely at all that information. Very often, the issue is that people are more optimistic than realistic about their spending plans. It can be late in the day when money is returned, and, if the Department gets money back at this stage in the financial year, there is not a lot that it can do with it.

The Chairperson:

Thank you very much Edgar, Deborah and Michael.