



Northern Ireland
Assembly

**COMMITTEE FOR
CULTURE, ARTS AND LEISURE**

**OFFICIAL REPORT
(Hansard)**

September Monitoring Round

9 September 2010

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Barry McElduff (Chairperson)
Mr Declan O'Loan (Deputy Chairperson)
Lord Browne
Mr Kieran McCarthy
Mr Raymond McCartney
Mr David McClarty
Miss Michelle McIlveen
Mr Ken Robinson

Witnesses:

Mrs Deborah Brown)
Mr Mick Cory) Department of Culture, Arts and Leisure
Mr Donal Moran)

The Chairperson (Mr McElduff):

Good morning, Deborah, Donal and Mick. I thank the Department for sending the team to discuss the September monitoring round. I will hand over to Deborah to state her purpose for being here and to introduce her team.

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

The Department is here this morning to present the proposals for the September monitoring round. Accompanying me are Mick Cory, the director of sport, fisheries, museums and libraries, and Donal Moran, who is representing Arthur Scott, the director of culture.

I begin by thanking the Committee for inviting the Department to present the proposals for the September monitoring round. As you will be aware, the Department of Finance and Personnel (DFP) undertakes four formal in-year monitoring rounds, usually in June, September, December and February. Monitoring rounds are the process by which Departments can bid for additional resources to meet unexpected pressures, surrender any reduced requirement and/or transfer de minimis budgets between their service levels or submit a linked bid reduced requirement to transfer a larger amount.

The outcome of the June monitoring round is due to be announced in the Executive in a couple of weeks' time. We submitted a capital bid to DFP for £3.23 million for the Public Records Office of Northern Ireland (PRONI). The disposal of the PRONI site is due to take place in 2011-12. As I said, the outcome of the June monitoring round has not yet been announced in the Executive. Therefore, in arriving at our September position, we have assumed that certain things have gone through. In September, the Department reviewed its resource requirement and proposes to make no bids for additional budget. It plans to spend £112.413 million in the financial year, as described in the budget-tracking table at annex f of our submission. That figure is stated after technical transfers have been made to other Departments.

On the capital side, we are placing a bid for £3.23 million in respect of the pressure in PRONI. We do not think that that was met as part of the June monitoring round. The disposal of the PRONI site is not anticipated to happen until 2011-12. An application for outline planning permission for the PRONI site at Balmoral, Belfast, has been lodged with the Planning Service. On the advice of Land and Property Services (LPS), the property will be placed on the market in autumn 2010. Therefore, receipts from the sale are not anticipated until the 2011-12 financial year. We believe that, in the June monitoring round, PRONI's £6.5 million shortfall in capital receipts was part funded by a transfer of £3.2 million. The move that we proposed for the multi-sports stadium does not appear to have been accepted. Therefore, we are bidding for the remaining £3.2 million shortfall in this monitoring round.

The Department is surrendering reduced requirements in September: £8.153 million in respect of the multi-sports stadium and £4.06 million in respect of the 50-metre pool. The Department is content that the remaining small pressures can be managed by re-profiling other capital investments in the overall budget allocation. DCAL also seeks approval to fund its de

minimis bids by means of internal reallocations. That involves the reprioritisation of resources to meet the pressures in higher-priority areas through proactive management, as set out at annex b.

A few technical transfers have been actioned between DCAL and other Departments; they are set out at annex c. There are very small amounts for funding for a First Division Association (FDA) secretary and PRONI telecoms. Money is also being transferred from DETI for the creative industries innovation fund, which will increase the budget available in that fund to £1.9 million.

The revised capital budget is anticipated to be £58.2 million after June monitoring. It is proposed to declare a total reduced requirement of £12.2 million at this point in the year. That figure is made up by the £8.153 million on the multi-sports stadium and the £4.066 on the 50-metre pool.

We are placing a bid for £3.2 million to fund the pressure in PRONI, which is due to the delay in the sale of that site. Annex D provides the detail of some of the proposed internal moves, bids and reduced requirements to arrive at the proposed budget position of £49.2 million after the September monitoring round.

Equal pay settlements are being processed. The Department of Finance and Personnel has confirmed that budget cover for those payments will not be transferred until Departments have made the payments. That transfer is anticipated in the December monitoring round. At that point, we will incorporate that into our spring Supplementary Estimates.

That is a summary of the position that is proposed for September monitoring. I am happy to take any questions.

The Chairperson:

As you said, there is a reduced requirement of £8.15 million in relation to what was known as the multi-sport stadium and which is now known as the development of stadia. Is that right?

Mrs D Brown:

That is right.

The Chairperson:

The outline business case has not yet been finalised. What implications does that have for the three big projects: the refurbishment of Casement Park, Windsor Park and Ravenhill? Is there any connection whatsoever? How has that been factored into the Department's bids for the current CSR?

Mrs D Brown:

As we said last week, we presented all our capital bids from a zero base. Four hundred and eighty-five million pounds of bids were placed against 56 projects, one of which was in respect of the multi-sports stadium developments.

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

As you rightly say, Chairperson, the outline business case examines the need for stadia for football, Gaelic games and rugby. It is the subject of departmental consideration, and it will shortly be forwarded to the Executive. Ultimately, it is for the Executive to decide on the future of those projects. It is anticipated that that will be done in October. It will highlight conclusions from the outline business cases and the departmental view on the options or the way forward. Subsequent to that, the Executive will have to approve the expenditure as part of the spending review. I understand that the Committee may receive a briefing from officials on the matter, but I cannot recall the date.

The Chairperson:

I think that that will be on 30 September.

Mr O'Loan:

I want to ask a little bit more about the stadium issue. You said that the reason for handing back the £8.153 million is that the outline business case is not yet finished. Does that mean that, in this financial year, there will be no expenditure on the sports stadia? Why has the outline business case

not been finished? Is there some hold-up in the Department? Where exactly is it going and what is causing the very considerable delay, which is putting considerable strain on more than one sporting body?

Mr Cory:

As I explained, it is a multi-sports stadia project rather than a multi-sport stadium project; it is complex. The outline business case has to be looked at carefully to ensure that the full value-for-money considerations are in place. I do not have to hand the detail that you seek. However, we have left an element of funding in that budget line because it is hoped still — subject to Executive approval — that things will start to move before the end of the financial year. Therefore, there is a small element of some £500,000 in this financial year. However, that is subject to Executive approval.

Mr O’Loan:

Are the difficulties on the soccer side of things really holding up the project?

Mr Cory:

I do not have that level of detail available to me, because I am not directly involved. However, I am sure that such detail could be provided in the briefing to the Committee in a couple of weeks’ time.

Mr Leonard:

I appreciate the spending round and the bigger picture, but your report says that:

“Flexibility to move between service areas, for example within DCAL between Sport and Art, is limited”.

And you cited the reasons for that. It also states that:

“The Department is not proposing any reclassifications.”

There may not be a direct link between those two statements, but there seems to be a rigidity. We are in tight times, which are very difficult for various organisations. We will be hearing about how that will affect the arts, and I appreciate that there is a longer-term issue. However, should we not ensure that maximum flexibility in monitoring rounds is attained so that we can move money from column to column? People are losing their jobs, and we cannot have accountancy speak against the provision of much needed funds in certain areas. I stress my appreciation of the fact that that is but one cog in numerous wheels, but is now not the time to reverse the strictures and inabilities to reclassify?

Mrs D Brown:

On general reclassification, you will notice that the only money that the Department is giving up is capital that it cannot spend after having explored whether it could bring forward any other capital projects to use that money. We have reallocated all our other money to maximise what is available in our pot. The strict rules on what we can move between lines would need to be discussed with DFP and the Executive.

Mr Leonard:

Would DCAL be putting forward the view that we need maximum flexibility in difficult times? That seems to be common sense. We can only talk as members of the CAL Committee to DCAL officials. Surely, DCAL could be proactive about the need for maximum reclassification? If that message comes from other Departments and other Committees, it would be to the good. However, can we not do our bit to push that agenda?

Mrs D Brown:

I would welcome some directions on what exactly you would like us to do. We have to operate within the wider constraints of Treasury rules. However, if there are any specifics that you think would help DCAL, we would be more than willing to take them forward. It would be helpful if some of the de minimus levels were revisited, but we would have to explore exactly what and how much we would want. I would welcome your comments on that.

Lord Browne:

Over the past few months, we have been involved in the consultation with Libraries NI on the proposals for closures. Behind that scheme, the idea was that there would be capital investment to build super-libraries to replace those that close. However, I see that the major capital budget baseline has been reduced by more than £2 million. I do not see how the rationale for the proposed closures forms part of libraries' plans. Why has there been a reduction in the baseline?

Mrs D Brown:

The reduction in the baseline reflects slippage in several projects; that is the main reason for the reduction. It is due to the progress that has been made rather than any other reason.

Mr McCartney:

I want to ask about the request for the money for PRONI. A similar bid was made in June and was not

accepted. If the bid is not accepted this time, do you have a contingency plan? Have you received an indication that it may be permitted?

Mrs D Brown:

We do not have a contingency plan. However, we are giving up £12 million of capital but only bidding for £3 million back, so we would like to think that that would be looked on favourably by DFP and the Executive. That money has already been spent; therefore if the bid is not successful, we will be in a very difficult position.

Mr McCartney:

Was the position the same in June?

Mrs D Brown:

In June, we tried to cover the deficit by using the money from the proposed Maze stadium project. However, we were unable to do that and had to give the stadium money back.

The Chairperson:

What is the material difference between the June situation and the September situation?

Mrs D Brown:

Three point two million pounds. The receipt from PRONI was £6.5 million, which we were able to cover from slippage in other capital projects. For the remainder, we tried to use what was left from the stadium project budget, but we were not allowed to.

Mr McCartney:

Do you hope to be allowed to do so this time?

Mrs D Brown:

Yes, because we are giving back the stadium budget and bidding for it.

Returning to Lord Browne's point, the other issue on libraries is that some tenders have come in under budget; therefore the reduction in the baseline is due to a mixture of slippage and projects not costing as much as had been anticipated.

The Chairperson:

I thank Deborah, Mick and Donal for their attendance.