



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

EU Funding: Update by DFP and SEUPB

5 February 2014

2020. We have to coordinate the input from two member states, three different Administrations and about seven different Departments. As you can imagine, it is a fairly complex task, and it is also a fluid task in that the allocation of moneys at the national level is changing and subject to challenge. As an illustration of that, only on 3 February were we notified of the formal allocations of the European territorial cooperation moneys, which is effectively the INTERREG moneys.

The oversight was entirely down to the fact that my team and I were trying to provide as comprehensive a package of information as we could to the Committee to give you the current situation and, hopefully, to give you detailed information on the proposed allocations in the draft operational programmes. Unfortunately, with the number of people involved in it and travel arrangements, we were not able to get the information together. So, by the time it was submitted, it was too late and it missed the Committee's deadline. For that, I apologise. I have been over the ground with my team, and I am very disappointed that this has happened. I am taking over as the new head of the division, and I will be taking steps to ensure that this does not happen again and that deadlines are respected. If there is going to be a problem, I will ensure that the Committee gets early notification.

The Deputy Chairperson: Considering that you were notified on 11 December that this session was scheduled, and considering, as you said, that there are difficulties in marshalling all this information, would it not have been sensible for you to flag this up with the Clerk of the Committee and say that there was a possibility that you would not be able to meet the deadline? The Committee would then have been in a position to schedule another briefing instead of leaving things to what is virtually the last minute.

Mr Duffy: I accept that. Again, by way of mitigation, I was out of the country at the end of last week. I think that the team recognised that they were likely to be a day or so late. It was longer than they anticipated. They should have notified the Clerk.

The Deputy Chairperson: When will the paper be available to the Committee?

Mr Duffy: The latest information came through on 3 February. We have to factor that in. I have had meetings with colleagues in the Republic of Ireland, who also provided input on the INTERREG programme. We have a draft. We have to get that draft cleared through various parts of our Department — finance, Minister's office — and then submit it to the Committee. It is at the very late stages of a draft that would be ready to go to the Committee now that we have moved on from the fact that we missed the deadline.

The Deputy Chairperson: You said that you were taking over as head of this division and would ensure that such a situation does not arise again. What specific steps will you take to ensure that?

Mr Duffy: First, that staff understand the deadline for submission to the Committee, the procedures for the clearance of papers and, as you noted Chair, if there is going to be a problem, the need to notify the Clerk of the Committee early. Pick up the phone, have a conversation, find out the issues and what options you have, and address that.

Mr Girvan: I would like to know just where the hiatus occurred and whether it was the bureaucratic monster of the EU, SEUPB or whatever. Where did the problem arise? I appreciate that you are being candid in holding your hands up to the Department's role in this, but to present the case you had to get information from other bodies. I would like to know where the problem arose.

Mr Duffy: In putting together an operational programme, the European Union has to agree a financial framework, which is basically the allocation of moneys to member states. That was done very late in the day. My understanding is that that was expected to happen earlier in the year. Under the previous programme, it happened much earlier in the process. However, there were disputes with the European Parliament, so it was not officially registered until 20 December. That sets the clock ticking.

Once the allocations are made, you look to see what the operational programme is going to look like and what the allocation of money may be. That involves looking at what the consultation process said; what various Departments, member states and Administrations involved are saying; and then putting together a programme that satisfies the European Union's themes that were identified as priorities.

So, you can imagine that there is a long, iterative process. It is really dependent on some decisions being made by others, which then trigger decisions that you can make yourself. We were overambitious, frankly, in the time frame that we had. The Chair is correct: early notification to the Committee Clerk and seeking a postponement would have been the wiser event.

Mr Girvan: I appreciate that getting information from Europe on 20 December, in the mouth of Christmas, is another issue, but that information was sought quite some time before that.

Mr Duffy: It is part of the process. In order to approve European expenditure, the Commission puts forward various proposals, but, ultimately, they have to be ratified by the European Parliament. A number of political issues were taking place in the European Parliament that caused the postponement of the vote and agreement of the framework.

Mr Girvan: I think that, on this occasion, we can be quite flexible in what we are trying to do here, but sometimes when you are working with these bodies, the inflexibility of what they deal with when people are applying to them for funding is another thing. If you miss deadlines with them, you miss your money.

Mr McCallister: Is most of that not an ongoing process, with all the contact that you have with the various Administrations and Europe? Is that process not ongoing all the time?

Mr Duffy: It is an iterative process, but certain trigger dates kick in. For example, once the framework is agreed, there is a trigger point after which you are expected to have the operational programmes. What has to be agreed, first of all, is a partnership agreement at member state level. There is a chapter for Northern Ireland, Wales and Scotland within that partnership agreement, and that has to be agreed with the lead Department, which is the Department for Business, Innovation and Skills in Whitehall. That, then, is submitted to the Commission, and the Commission has to agree the partnership agreement. In the partnership agreement, you have set out what the need is and what themes you intend to tackle, how you intend to tackle them, the evidence of what you are going to do to make a difference, and what the outcomes will be. There is a certain time frame that kicks in for when you have to submit your operational programmes. It is normally, in the case of ours, three months after the date of the agreement, so we have until 22 April to have this submitted.

Mr McCallister: Even at that, your team should have known this day last week that they were not going to make the deadline. It would have given the Committee a chance to reschedule.

Mr Duffy: I think that it was a classic case of hoping for exactitude and that the information you would give would be more informative. That was the thief of time. In doing that, the team should have realised that this was a scheduled Committee meeting; it was an important piece of business for you; and it is a complex area of business and, therefore, time was required to understand the information that was going to be presented. The quest for exactitude ate into the time limit. I think that they did it with the best will in the world, but they have to recognise that you are busy people and it is important that they recognise and respect the deadlines.

Ms Boyle: Thank you, Frank, for being very frank with us, if you will pardon the pun.

Mr Duffy: It has been said to me before, unfortunately.

Ms Boyle: You are very brave coming here today. I think that this flags up the bureaucracy within the bureaucrat. However, as to where you go from here, what have you and your Department learned from this and what changes will you make so that this does not happen again?

Mr Duffy: It is like the old advert used to say, "We should be talking". There is a need for early conversation and better linkages with the Committee Clerk. Some development work is needed in the team itself to understand the processes that happen here in the Assembly, the important scrutiny role that the Committee has and the fact that the deadlines are there for a purpose and cannot slip easily at someone's whim. The team needs to understand that it is an important process that must be followed to the letter and that, if there are any problems with that, early notification is needed. People do not like bad news, but you prefer to have at least early notification that it might be coming rather than have it come as a surprise.

Ms Boyle: Is that being echoed already?

Mr Duffy: I was out of the office on Friday, as I mentioned to the Chair, and I was out of the office yesterday. Again, it is part and parcel of the nature of my business. Today was the first day that I was back in the office, and I have made it abundantly clear that I think that we need to address this issue.

The Deputy Chairperson: Mr Duffy, I point out to you that the guidance for interaction between the Assembly Committees and Departments sets out the agreed timescale for the provision of papers to the Committee as no later than five working days before the briefing. That protocol is already there, and we urge you to adhere to that in the future. If problems arise in relation to the availability of information that is outside your remit at that particular time, the Committee Clerk should be informed in good time so that the Committee can schedule other business.

Thank you for attending today. I ask that you liaise with Committee staff and ensure that this important briefing is rescheduled as soon as possible.

Mr Duffy: I will indeed, Chairman. Thank you and Committee members for your patience and forbearance. I apologise again.

The Deputy Chairperson: Thank you very much.