



Northern Ireland
Assembly

**COMMITTEE
FOR THE OFFICE OF THE
FIRST MINISTER AND DEPUTY
FIRST MINISTER**

**OFFICIAL REPORT
(Hansard)**

September Monitoring Round

15 September 2010

NORTHERN IRELAND ASSEMBLY

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FOR THE OFFICE OF THE FIRST MINISTER AND
DEPUTY FIRST MINISTER**

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Members present for all or part of the proceedings:

Mr Danny Kennedy (Chairperson)
Ms Martina Anderson
Mr Allan Bresland
Mr Trevor Clarke
Mr Jimmy Spratt

Witnesses:

Mrs Nicky Brady) Office of the First Minister and deputy First Minister
Mrs Jackie Kerr)

The Chairperson (Mr Kennedy):

Good afternoon, Jackie. You are very welcome. Thank you for your attendance. I notice that you have brought a colleague.

Mrs Jackie Kerr (Office of the First Minister and deputy First Minister):

With me today is Mrs Nicky Brady from the Office of the First Minister and deputy First Minister (OFMDFM).

The Chairperson:

Nicky, you, too, are very welcome. Thank you for your attendance. The purpose of the session is to take us through the proposals for the September monitoring round. Obviously, those are now

accepted proposals.

Mrs Kerr:

No, they are not. They were submitted to the Department of Finance and Personnel (DFP) on Monday, which is the same day that they were sent to the Committee. However, no decision has been taken on the September monitoring proposals at this point in time.

The Chairperson:

I invite Jackie to talk us through the proposals, and then we will have an opportunity to ask questions. This session is being recorded by Hansard.

Mrs Kerr:

It might be helpful for Committee members to hear a brief readout of the outcome of June monitoring, because there is obviously a relationship between the September proposals and those made in June.

In successful bids in the June monitoring round, we received £1.08 million in admin funding and £0.33 million for capital funding for the Attorney General. However, that was less than we had bid for. Committee members will notice that we have made supplementary bids in the September monitoring process to address the shortfall in funding following the June bids, which were £1.3 million for admin and the £0.5 million for capital. We received £1.4 million in capital funding for the Fermanagh floods task force. That bid was put forward by OFMDFM on behalf of the Department for Regional Development (DRD) and the Department of Agriculture and Rural Development (DARD). In the technical transfers proposed in the September monitoring round, members will see that OFMDFM is transferring that funding to those Departments.

Additional funding of £25,000 was given to the Northern Ireland Judicial Appointments Commission. We made a successful bid for the reclassification of the budgets of the Office of the Northern Ireland Executive in Brussels and the Northern Ireland Bureau in Washington from administration costs to resource costs. Committee members will remember that the rationale for that came from a review of the Department in the past financial year in which it was identified that those two areas of front line spend should be properly classified as resource spend rather than admin spend.

The Executive approved a reallocation of £4.2 million surplus capital funding from the Crumlin Road jail to address pressures at the Maze/Long Kesh site and the Ebrington site; £2 million of that went to the MLK project and £2.2 million to the Ebrington project.

Committee members will also remember that the June exercise was used to distribute a share of the £127.8 million of budget cuts that the Executive bore during the year. Of that, OFMDFM has been asked to contribute £600,000. All reduced requirements were taken. The Department had put forward £200,000 of reduced requirements. The bids for additional capital for military sites, such as the Ebrington site, and for funding for the parading bodies were unsuccessful. Again, you will see some of those bids come forward again in the September monitoring proposals.

The September monitoring proposals include administration cost bids of £0.545 million for new work flowing from the Hillsborough Agreement. Those bids reflect the shortfall left by the bids put forward in June for the Office of the Attorney General and the establishment of the new parading bodies in-year.

After discussions with DFP late on Monday and on Tuesday, a slight change has been made to the proposals that members have in front of them. In previous rounds, the Department has put forward reduced requirements and what are called de minimis bids, which have been offset by DFP, because they are de minimis. We were advised this time to put forward net bids. However, the outcome is essentially the same. The proposals that are now with DFP state that the resource bids of £0.6 million will be offset by a proportion of the reduced requirements. Therefore, there are now no resource bids, and the reduced requirements that had originally been stated as £2.8 million are now £2.2 million.

There is a capital bid of £1.6 million for the Ebrington and Maze/Long Kesh projects, and a bid for EU match funding of just over £1 million. The allocation of European funding was determined at the outset of the Budget period, based on best estimates at that time. A normalisation process goes on throughout the Budget period as the actual departmental requirements become clearer.

As I stated, the reduced requirements are now £2.2 million. The most significant reduced requirement relates to the funding for the Commissioner for Older People. That takes account of

the stage that the legislation is at and the timing of the establishment of that new office. At the outset of the Budget period, it was anticipated that the commissioner might have been in place at this point. Delays in the play implementation policy account for roughly £0.7 million. Our play implementation plan is scheduled to go to the Executive later this month. The implementation of the plan will not now be delivered within the time frame that was envisaged originally.

There is a reduced requirement of almost £0.8 million which relates to unallocated resource funding. Committee members have been briefed on previous occasions that, at the outset of the Budget period, the Department received funding in recognition of the additional pressures falling on the Department from the restoration of devolution in 2007. Those pressures were actually administration cost pressures, but the funding that was provided was resource. Therefore, it was the wrong classification of expenditure. You will be aware that, in the last financial year, the Department has taken measures, through restructuring, to reduce the size of the Department and the administration cost pressure that we faced. We therefore no longer require the full amount of resource funding that was allocated at the Budget period. That has been declared at the earliest possible point for reallocation to other Executive pressures and priorities.

Finally, there are a number of more minor issues. There is a proactive management action proposing a transfer of £0.5 million from the Crumlin Road jail project to meet pressures within the Maze/Long Kesh and Ebrington projects and a reclassification of European funding, originally allocated as capital, that is actually required for a resource pressure rather than a capital pressure. There is £69,000 of transfers into the Department and £1.761 million out of the Department. That includes the transfers to DARD and DRD that I mentioned previously.

The Chairperson:

Thank you very much indeed. That was very comprehensive.

Will the Maze/Long Kesh expenditure pretty much complete the decontamination and remediation work?

Mrs Kerr:

This is the finalisation of the work on the remediation of the site. It may roll into the beginning of the next financial year. Committee members will have noted that, last week, a small bid for remediation was included in the Budget 2010 proposals that have gone forward to DFP.

However, this is the final stage of that particular contract.

The Chairperson:

So there is nothing set aside for the corporation or any of that work at this stage, and any envisaged work will probably be undertaken in the new financial year?

Mrs Kerr:

The anticipation is that the development corporation will be established in April 2011. However, work will obviously be done in-year to set up the body and make appointments to the development corporation. We are satisfied that we have sufficient funding within our baselines to meet the costs that will fall on the Department in-year. There is a bid in Budget 2010 for the additional costs in future years.

Ms M Anderson:

Thank you once again for that information, Jackie; it is very helpful.

Can you give us more information on the running costs of the parading body? Do you have any information on the costs of the Parades Commission, for instance? Given that funding for the Parades Commission was, I think, £1.8 million in 2007, will the parading body represent a cost saving in the long run? You mentioned the reduced requirement in relation to the Commissioner for Older People. We will be going through some information later, so we want to satisfy ourselves whether that surrender will cause any problems for the implementation or establishment of that commissioner.

Mrs Kerr:

The current running costs of the Parades Commission are being used as an indicator or benchmark for the costs of the new bodies. The bid that has been put forward in September monitoring is the part-year costs for the establishment of the body. Therefore, at this point, we envisage that the costs will be similar or possibly slightly more because there are additional responsibilities assumed within the new bodies established in OFMDFM. A new parading body and a body within the Department will be established. At this point, they are part-year costs. The final quarter plans assume that the new bodies will be established in January. There are also costs involved in relation to the legislation, the consultation and the establishment of that body.

The Commissioner for Older People reduced requirement has already factored in the budgetary requirement for the current financial year, and baselines roll forward into the new budget period at the current levels. There is sufficient funding for the work remaining in-year, and the baselines continue into the next Budget period subject to the outcome of the overall Budget process.

The Chairperson:

Thank you very much.