



Northern Ireland
Assembly

Committee for the Office of the First Minister
and deputy First Minister

OFFICIAL REPORT (Hansard)

Programme for Government and Business Plan:
OFMDFM Briefing

26 February 2014

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Mike Nesbitt (Chairperson)
Mr Chris Lyttle (Deputy Chairperson)
Mrs Brenda Hale
Mr Alex Maskey
Ms Bronwyn McGahan
Mr Stephen Moutray
Mr George Robinson
Mr Jimmy Spratt

Witnesses:

Dr Mark Browne	Office of the First Minister and deputy First Minister
Mr Henry Johnston	Office of the First Minister and deputy First Minister
Mr Tim Losty	Office of the First Minister and deputy First Minister
Dr Denis McMahon	Office of the First Minister and deputy First Minister

The Chairperson: We welcome Denis McMahon, Mark Browne, Tim Losty and Henry Johnston.

Dr Denis McMahon (Office of the First Minister and deputy First Minister): Thank you very much, Chair, for the opportunity to attend. I apologise for the late papers, again. I know that you mentioned that on our way in.

There has been significant progress across the Programme for Government (PFG). We have tried to shorten the delivery plans so that we are focusing on milestones to make it clear what we have done and where there are problems.

We are going to focus on the OFMDFM commitments but progress on the PFG is probably better across all Departments than at this stage of the last PFG. I will focus on the commitments that fall to me and Mark will be talking about his.

There have been a number of positive developments, for example agreement on the first projects for the social investment fund (SIF). There has been good progress on the Delivering Social Change signature programmes around Bright Start, where we are working with childcare partnerships to develop a programme for 7,000 places. There have been plans prepared for Together: Building a United Community. You had briefings on some of those issues but they are covered today and I am happy to take questions.

Dr Mark Browne (Office of the First Minister and deputy First Minister): Very briefly, I want to say that there has been very good progress on the City of Culture, which has now ended and has been very successful. There has also been very good progress around the 20% target for drawdown of EU competitive funding. We also continue to push forward the departmental contribution to the One Plan.

Some of our other targets are subject to political agreement, such as those around Maze/Long Kesh and the structures of government.

The Chairperson: It is certainly good news that, like for like, this PFG is more advanced than the previous one. Thank you for that.

Denis, you mentioned that the information supplied was different from the previous time and that there is less paperwork.

Dr McMahon: We shortened the paperwork. The key things that you and others are interested in are the milestones and where we are in relation to all of that. We removed a lot of the material that was bulking up the papers, but we have kept the key information about the risks, the milestones and anything that we thought that you would be most interested in.

The Chairperson: With the risks, for example, the risks are there but there used to be a risk commentary.

Dr McMahon: We have stated what we are doing to try to address each risk. We have included the probability and the impact, which are the main things. You will see that some of the risk probabilities have changed, and we are happy to talk through why that is the case and where they have changed. We will talk you through that as we go through it if that is OK.

The Chairperson: I could not pick a worst example, but the one that happens to be on top is commitment 15 on the Maze/Long Kesh. Obviously, the probabilities and impacts for that have all changed and there is not really a need to ask why. However, for some of the others, the commentary was quite useful.

Dr McMahon: OK.

The Chairperson: Is there anything to be said about commitment 15?

Dr Browne: Basically, the position is that there is currently no agreement on Maze/Long Kesh issues. Ministers continue to discuss a way forward. Last November, the development agreement was signed with the development corporation and the Royal Ulster Agricultural Society (RUAS). The corporation will again be working with the RUAS to hold the Balmoral show on the site in May.

The Chairperson: There is a note about the RUAS in risk 5 of the risk register:

"RUAS do not commence construction of a permanent Centre in line with the time parameters".

That has a probability of 5 and an impact of 5. I take it that the commitment from the RUAS is still there.

Dr Browne: The commitment from the RUAS remains, but progress on some aspects is dependent on the wider development of the site as far as access is concerned. That is why there is that interrelationship between the *[Inaudible.]*

The Chairperson: OK. As no one else has any further questions on that commitment I will move on.

Denis, could you give us some more information about commitment 16?

Dr Browne: Again, that falls to me.

The Chairperson: Are you leading on the individual commitments, Mark?

Dr Browne: No, I am just leading on commitments 15, 16 and 17. It will then be over to Denis, and then I will pick up on a few towards the end. We have different responsibilities.

The interdepartmental group that OFMDFM chairs has agreed to set interim targets to align with the various catalyst programmes of the One Plan. Each Department is reporting back through OFMDFM to the strategy board.

One of the key issues and difficulties we face is the job targets. Last year, we managed to achieve the job targets with some difficulty. This year, they are very challenging. That is the result of a number of things, including the downturn in the economy and decisions taken on some major programmes, such as the A5, where progress is not being made. We have identified that the jobs target will be difficult to meet. However, there are other aspects of the One Plan that we are feeding into and that we are coordinating departmental effort on.

The Chairperson: OK. Mark, what were the job targets, and what is your current best estimate?

Dr Browne: The jobs target for 2013-14 was 1,670 jobs, which was based on projections made at a point in time some years back. Our current estimate is that we are sitting at around 800, but, again, those are only provisional figures for where we are at this point in the year, and there are further figures to come in. So, we are about halfway to that target. However, there is a range of other inputs to come in, as well as figures for a further period of the year to carry through.

The Chairperson: The situation is serious enough for the senior responsible officer to declare that "this Commitment is in doubt".

Dr Browne: The commitment as framed for the jobs aspect is really what drove that statement. However, we are doing a range of other things, and I will maybe ask Tim to mention some of them. We have made good progress on things such as developing the Ebrington site, and there will be further good progress there. Tim, do you want to say something more about that?

Mr Tim Losty (Office of the First Minister and deputy First Minister): We have always been concerned about the economy's performance overall and in the north-west in particular. The City of Culture has certainly created a lot more optimism, and a number of small businesses have started up as a result of it. Following the First Minister and deputy First Minister's visit to Japan, we had the announcement of 192 jobs in Fujitsu. So, there are a lot of positives that are helping to create a great deal more optimism, and people are considering expanding existing businesses and starting up new ones.

We expect six buildings to come online in the Ebrington site by the end of the financial year. We had some 74 expressions of interest from businesses and organisations that hope to expand on to the site, and Ilex is actively talking to just over 40 of those. So, there is enough there to give us optimism.

We are also working with colleagues in DCAL and with Derry City Council on a number of initiatives following the City of Culture. We are talking to colleagues in DEL about some of the programmes that they are involved in, as well as to other organisations in the city about programmes to stimulate the digital economy.

The Chairperson: On page 6 of your document on this commitment there is a reference to "Indicator 3: Alternative Funding Models". HM Treasury and the Office for National Statistics were to be engaged to look at the potential funding models. Has that been done? What was the outcome?

Mr Losty: We have been working with Ilex, the Strategic Investment Board and DFP on alternative funding models. We have looked at PFI and revenue-funded initiatives. As the Minister of Finance and Personnel announced in the Assembly, we are now looking at using financial transactions capital for some regeneration projects. That is still very much in the early days, and we are working through a number of the stages. We hope to come back and talk to you about that later.

The Chairperson: Right, so ongoing rather than complete would be the characteristic.

Mr Losty: There is an agreement that we will use financial transactions capital for regeneration projects. That is complete.

The Chairperson: What about developing:

"briefs for engagement with private sector"?

Has that been completed?

Mr Losty: Ilex has gone out to the private sector on an interim basis with some briefs for developing proposals on the site.

The Chairperson: Interim?

Mr Losty: Yes. One of the things that we have been concerned about is the delay in the development framework that is required to apply for planning permission. We are in the final stages of consultation on that development framework, and that will give us the overall plans for the site. In the interim, given that sufficient interest was generated from the private sector, we wanted to go ahead with a number of those proposals. So, it has been interim on that basis.

The Chairperson: Thanks, Tim. Alex, do you want to come in on the One Plan?

Mr Maskey: Yes, Chair. Thank you. Mark, you and Tim spoke about the number of jobs that have been created, and you said that we are kind of halfway on target for that. You also touched on the wider economic backdrop. I am just trying to work out how we should look at that.

Some will say that, despite millions of pounds from the public purse being spent, there have not been a number of additional jobs. People may advance that argument, because that is how it could be seen on one level. On another reading, I think that there was clearly a very challenging — I think that you used that term — economic environment, and jobs would have been lost in other parts of the city. I am trying to work out whether there is another way of quantifying the positive benefit of the money being spent, even though we still have not reached the full job potential. We may well reach more than in the way that you outlined. So, I am trying to look at the more positive side of it without spinning anything, of course. However, you could also say that if you had not put that money in, there might have been a hell of a lot fewer jobs in Foyle at this moment, because I know that Derry probably has one of the highest unemployment rates. So, how do we justify this, in one sense? Other people may ask how you can justify spending that amount of money, yet the jobs target has not been reached.

Mr Losty: A lot of the big funding programmes were about trying to create the infrastructure that will lead to long-term jobs. So, the development on Ebrington will be a permanent job creator, and it will continue to add value in the number of jobs and businesses that are coming on to the site. With investment in the creation of a digital economy and the situation post-City of Culture, you will have the creative industries there. So, that will be creating business clusters, and the hope is that they will become the city's unique selling points. They will also link in with the university and the colleges and schools, so you would then be looking at longer-term development. Investment in the infrastructure and in the support programmes will mean that the development of business clusters will create the long-term jobs. Some of the jobs that we have seen being created over the past number of years have been in, say, construction, retail, hotels or directly with the City of Culture. So, the intention is to see the sectors becoming sustainable as a result of the investment that we have put in over the previous years.

Dr Browne: I think that the other intangible aspect of this is the extent to which the investment in Ebrington, as well as the success of the City of Culture, has raised the city's ambition and raised the self-confidence of those who work there and the various groups that are engaged in it. That is critical in their planning for the future and in assessing what kind of projects they feel that they are capable of taking on. So, there has been that development of skills, self-esteem and self confidence, and, of course, people have also seen from outside that the region is capable of putting on a programme of major events over a year and that it has done so successfully. That will also hopefully attract more people who are interested in investment. Those are intangible at the moment. You cannot measure them, but hopefully it will have an impact and will provide something on which to build.

Mr G Robinson: What is the progress on the car park at Ebrington? When do you expect it to be completed? You also mentioned, Tim, shopping and the new shops. When do you expect those to be occupied?

Mr Losty: We are back on schedule with the car park, and we expect to have that completed within the next couple of months. There may be some snag lists that we need to sort out, but we are back on schedule with it.

Maybe two of the buildings that we hope to bring on line this year will be geared towards retail-type operations for the site. That, again, will bring more people on to the site, and with the other activities and Ebrington continuing to be a performance venue, more people will come on to the site, which will then lead into increased shopping.

Mr G Robinson: Is there still spin-off from the very successful City of Culture?

The Chairperson: George, if you do not mind, that is the next thing. Bronwyn, did you want to ask a question?

Ms McGahan: Yes, on commitment 16.

The Chairperson: Go ahead.

Ms McGahan: Regarding the delays on the A5, if the project had started, how far would it bring you in meeting your job-creation targets?

Dr Browne: The estimated figure that had been notionally been put aside for the A5, when the figure was originally being pulled together, was in the region of 200 jobs.

Ms McGahan: Two hundred?

Dr Browne: Yes, 200. Again, those figures, at that point, were best estimates of what might come from those areas, but that was the figure that contributed to the overall target of 1,670.

The Chairperson: OK, we are on to commitment 17, which deals with financial and other support across government to ensure the success of the City of Culture 2013. You are probably the only people who have never had a standing ovation, but you probably deserve one, because it was very good.

Dr Browne: Certainly, from every perspective, the City of Culture was a success. The Department played its role in coordinating the effort of a range of bodies, but it was largely down to Derry City Council, the City of Culture group and all the people of Derry who put all that effort into attending the events and volunteering at them. It was also down to the other Departments that invested significant funding — £12.6 million from DCAL; £2.4 million from OFMDFM and £14.6 million from DSD. So, various Departments had quite significant inputs.

It required that collaborative effort. Although there are always little bumps in the road when you run any of these sorts of things, it has been viewed as successful. Certainly, the media across the world viewed it as successful. Those who looked at the Turner Prize viewed it as the most successful ever. Some 50,000 people attended that exhibition. Other significant events were also held, such as the fleadh, the Walled City Tattoo, music city, the return of Colmcille and the coverage of those. I do not need to go on, because I know that all of you saw that. It was very successful; it attracted a lot of visitors, and it has provided something on which the city can build.

Mr G Robinson: To follow on from your comments, Mark, is there evidence that there is still a trading- and-visitor spin-off from the City of Culture year?

Dr Browne: I suppose that there is evidence of that in a couple of ways. First, although the City of Culture is over, further events are planned and are being held. Derry City Council has identified a number of events that it will take forward over the next period. The Minister of Culture, Arts and Leisure has also identified a whole legacy programme to take forward for the wider north-west, including the city. That will ensure that a range of events will be carried on through.

A lot of the data about numbers are still being collected. They were collated at various points during the year and will go into a report, but we can give you some headline figures. There were around 630 City of Culture volunteers, rising to more than 1,000 for big events such as the Fleadh. There was a 22% increase in hotel room bookings over the year from January to December. That compares with a

1% increase across the rest of Northern Ireland, so that increase was very significant. Enquiries to the tourist information centre rose by 23% over the period, including a 50% increase in those coming from continental Europe and North America.

We have not got all the figures for visitor numbers and the economic impact in detail. Those are being pulled together by Ilex, which is coordinating an evaluation report that we will get in due course. However, those are some of the early, emerging figures that we have.

The Chairperson: Mark, you mentioned the intangibles that you cannot really measure, such as civic confidence in the city. However, I think that we can assume — indeed, we know — that it worked. You also have in the Programme for Government harder measurables, such as visitor numbers, employment and additional revenue targets. Are those all through, or is it too early to wrap up that aspect of this?

Dr Browne: It is too early to wrap it up. I gave you a flavour of some of the figures that we have, but many of those are part-year, and we have not got the whole thing pulled together. Ilex is leading the preparation of the evaluation report that will pull all those together and make some estimates of what the economic impact in extra income has been for the whole area. We will get that report in due course.

The Chairperson: In legacy terms, is OFMDFM finished and it is now a DCAL project with Derry City Council?

Dr Browne: Not entirely. We are finished in the sense that the oversight group that I chaired to coordinate the departmental input specifically for the City of Culture has had its last meeting. However, we continue a departmental group that Tim chairs, which coordinates departmental efforts into the One Plan. That will act as the link between the various plans that the Department of Culture, Arts and Leisure is bringing forward and the One Plan to make sure that there is coordination across those two initiatives.

The Chairperson: OK. On page 8 in your paper headed "Key actions", there are two new ones — 3.2 and 3.5. Will you talk us through those?

Dr Browne: This is the work that Ilex is doing to pull together all the data, which I was just referring to. For it to do that, it had to get approval for the funding, and that is what that refers to. The business case for the funding for that evaluation has been approved, and the evaluation is under way. The review of the statistics involved and the data that various bodies collected have been put into an evaluation report. So, those are the two things that I was referring to.

The Chairperson: The next issue is commitment 26, which relates to the 20% target for increased drawdown of competitive EU funds. It is both "achievable" and "affordable".

Dr Browne: Yes, it is both "achievable" and "affordable". That is standard wording for these sorts of statements. It is achievable in the sense that we are ahead of target at the moment. At the halfway point, we have drawn down an additional £41.3 million, which represents 64% of the target. So, we are ahead of track at this point. It is affordable in the sense that the returns that we are getting for the effort input are significant.

The Chairperson: Where risk management is concerned, you are right down to probabilities of delivery being as certain as a risk management chart allows you to be. That is on page 3.

Dr Browne: Yes. Again, we are achieving the targets, and we are managing the associated risks.

The Chairperson: Do you think in your heart of hearts that the targets were maybe not as ambitious as was thought when they were penned?

Dr Browne: I think that there is always a difficulty with targets. This is the first time that a target has been set in this area, so we are moving into unknown territory in setting any target. I think that if you achieve or exceed a target, there is always a tendency to be open to the criticism that it was too easy and, if you do not achieve it, you are not doing well enough. So, it is difficult to know how to pitch a target in those circumstances. Certainly, we are ahead of the target. There has been a good concerted effort from Departments, and the focus of a target has been important in ensuring that. The

efforts have been coordinated through the Barroso task force working group, which the two junior Ministers chair, and that reports into the budget review group, which the First Minister and deputy First Minister chair. So, there has been an overall scrutiny and focus on this that has helped to concentrate effort.

We will be looking at what the targets should be for 2015-16 and whether we should roll it on another 20% or whether we should raise it slightly. In considering that, we want to take account of the performance that we have had to date, as well as other elements, such as the fact that we are moving into a new period. Some of the old programmes are winding down, and some of the new programmes have not, as yet, been wound up. However, we will be looking at an appropriate target for 2015-16.

Again, this is an area that is not linear, in the sense that it is not a straight line. You have to put in a lot of ground work and effort, develop other networks, get to know what is happening in Europe and influence a lot of the calls on research and so forth. It is more of a curve than a straight line. So, there is a lot of work up front before you start getting the benefits. We hope that will see an enhanced performance coming through. In saying that, I realise that I have just made a rod for my back. Nevertheless, that is what we expect.

The Chairperson: The question about the Assembly research into FP7 was coming anyway, Mark. We are within a couple of cents of Wales, at around €35 a head, Scotland and England are about €80 to €90 a head, and the Republic of Ireland is €590.

Dr Browne: There is no doubt that the ROI outperforms in this area — there is no question about that. There is also no question that it has made this a very significant priority and has invested large amounts of resources into it. I know that you had a session with Paul Geddis and Gerry Mulligan on this. However, there are differences between ourselves as a region with a land border with another member state and ourselves as part of a member state with a sea in between. There is also the large public sector and the smaller private sector, and we have fewer universities than down South. So, there are differences, as you would expect there to be. However, the figures clearly show that there is room for us to improve the drawdown, and that is what we are seeking to do.

In anticipation of another question about benchmarking, we are not so much seeking to spend a lot of time and effort working out precisely whether we are on €53, €54 or €55 against €590 in the South but to identify other areas where other regions and other member states have been very successful in drawing down and where we could usefully focus some of our effort. So, it is more about directing where our efforts should go, trying to identify those areas and making sure that we maximise the return that we can get.

The Chairperson: Is there any thought about whether we would be more efficient in that if we had taken up the recommendation of the independent report on the economy — IREP — which said that we should have a single Department of the economy?

Dr Browne: We have not looked at that specifically from this perspective. However, we are seeking to get that sort of focus and coordination through the arrangements, which I mentioned, in the Barroso task force working group. The group brings the Departments together with those who are responsible for that drawdown to look at and learn from experience and to share it through the desk officers we have in Europe who are identifying opportunities and calls for new research projects and who can share best practice. So, I think that we are trying to achieve the same effect through that coordination and joined-up approach.

The Chairperson: The next issues are commitments 31 and 32. I see that Denis is putting his glasses on, so that is a sign. We are on to the social investment fund (SIF).

Dr McMahon: The Committee received a briefing on that, and an announcement was made on the first set of projects that are to come through the process. It is a very positive phase, and it has taken a lot of work to get to this point. It has been, I have to say, a challenging process. From the beginning, it was quite deliberately set up as being community led and driven, and that is the way that we have tried to do it. So, at this stage in the programme, and without wanting to repeat a lot of what has been said previously, we are engaging with the lead partners. We are in the process of setting up induction days with them. We are getting the letters of offer finalised and ready to go out, albeit that they will be subject to some discussion with the lead partners to make sure that we are getting our profiles right.

It is now moving into a very different phase. There are two parts to that. The first part is, if you like, the bit that we all want to get to, which is about delivery, finding out what the projects are going to look like on the ground and getting lead partners' views about how they make sure that they are meeting all the milestones. The other side of it is making sure that we continue to push through the process the existing projects or the projects that have not so far been approved. We are working closely with finance colleagues, DFP and others to make sure that we keep that momentum going. We have weekly meetings to keep the business cases moving through the system.

That is where we are. I am happy to talk about any issues that have not been raised previously.

The Chairperson: One issue that was raised was, as you know, the timeline. When does it finish? Will it be in 2016 or 2018, or will it go beyond?

Dr McMahon: There are two things that we need to get bottomed out. The first is that we are in the process of looking at the mid-term review of the Programme for Government. We are clear that we are not going to meet the commitment as originally identified and specified. You will have noticed that the declaration has changed to reflect that. So, it is going to take us a bit longer. We need to do a bit more work with the lead partners to make sure that we have accurate financial profiles. However, in reality, that is certainly going to extend it by another year, until we get them all done. Having said that, we are working on the basis that we can accelerate them, and we will be working closely with lead partners to make sure that we do that.

Mr Henry Johnston (Office of the First Minister and deputy First Minister): The other thing that is worth saying is that announcements have been made to say that there has been about £30 million of expenditure. It is about working through the remaining, quite significant, business cases. Some of the capital projects may have quite a lengthy delivery timetable, and that will take us some time. As Denis said, at the minute, the SIF team and my team are working with the lead partners to work out what is going to happen and when it is going to happen and then to divine what accurate and realistic profiles we will be able to spend.

The Chairperson: As you know, the original plan for the zonal advisory panels was to have specific community, voluntary and business reps, as well as reps from the statutory sector. I still do not understand why the business representatives, for example, have not been appointed.

Dr McMahon: We have worked on the basis that we have to work with the groups that we have. We now have the plans and are working with the lead partners. We are still pursuing the issue with the business partners.

The Chairperson: Let me declare an interest, having worked with this organisation before, but I am aware that Business in the Community, which, on the face of it, appears to have all the skill sets that you are looking for, volunteered its services some time ago to sit on the panels.

Dr McMahon: Obviously, any representation on the panels has to be agreed, and the Department is not at that stage. We are now working on the basis of getting the lead partners into place and getting the programmes under way. In any case, we and the lead partners will engage with relevant organisations to make sure that the projects are successful. One example will be the employment programmes. It will be crucial that the employment programmes, regardless of the representation on the panels, effectively engage with the business community. Otherwise, there will be no point in doing the training, and this will not get to where we need it to get to. The issue is how we move from a situation where we have milestones and targets and money going out to a situation where we are sure that we will get delivery of outcomes. It reflects some of the work on Delivering Social Change and some of the issues that the Committee identified about the need to make sure that we are getting the right outcomes. So, that is where a lot of our focus is at the moment.

The Chairperson: What about the statutory sector representatives?

Dr McMahon: We are working with the representatives that we have on the panels at the moment, and we are waiting to get any others agreed.

Mr Lyttle: I declare an interest as a member of the east Belfast area steering group. Denis, as you said, the target of achieving £80 million expenditure on physical regeneration and social deprivation

projects by 2014-15 will not be met. At this stage, are there any evaluations or reflections on how it could be done differently if it is extended beyond that period?

Dr McMahon: Where this programme is concerned, the view is that this has been a challenging process and that it has been difficult to get the programme to this point. The view is that the last thing that we want to do is to stop any projects that are going through the system at the minute. With some of those, even the ones for which the business cases have not been finally approved, we have gone through a number of iterations to get them to this point. So, we need to keep going, get those agreed and get them in a form whereby we can legitimately fund the projects.

However, I think that the process raises questions in Ministers' minds about how they would do it if they are setting up a new programme. Ministers have tried to get something that is much more participative and a very different way of doing business. I will explain what that means. With a normal investment process in a Department, an external organisation will have been thinking about a project for a period of time and will have gone through a process of design and planning before it comes into a Department. So, by the time it comes into a Department, you have a business case that is based on a whole lot of thinking. In this case, community groups and a range of people in the communities were asked what they think is needed. The plus side of that is that it gives you a genuinely community-based view and innovation. The challenging side is that, by the time you get a business case in, the questions that come back, which are quite reasonable, are, "Have you thought about this? Have you thought about that? How will this work? How will that work?". If I am being honest, often at that stage we probably do not have definitive answers and have only what the groups think. The groups are not necessarily the people who will lead it; people on the groups will be representing it. That is a big learning point.

The challenge in any future programme will be to get that community engagement and community participation but to do it in a more flexible way. Rather than going in tranches of business cases, there may be other ways that we can do this to find a way of building in co-design earlier in the process. That is one of the things that we will want to look at. There will definitely be lessons learned in all of this. I know that Ricky mentioned that we have had a number of gateway reviews throughout the process. Independent people have come in and had a look at what we are doing. The sort of things that they identify will obviously help to feed into that. We will be happy to brief the Committee on that in more detail at some point.

The Chairperson: OK. Commitment 33 is the childcare strategy. We are back to "achievable ... and affordable".

Dr McMahon: There are three strands to this. The first strand is making sure that we achieve the 7,000 additional places that we aim to put in place. As I mentioned at the beginning, we have been working very closely with the childcare partnerships that are supported by the Health and Social Care Board. We have been going through our business case processes, and we have proposals with DFP. We are hopeful that those are in a reasonable enough shape for it to be possible for them to be approved.

The second strand is working with Departments to get them to produce proposals around other key issues, such as rural childcare, for example. DARD is doing some work on that, and DRD is doing some work on transport. The two are partnering up well. We have had several meetings of a steering group — our programme board — that includes key departmental officials. We are getting good cooperation on that.

The third part is that there is still a commitment to produce a strategy. We are in the early stages of seeing what a strategy may look like beyond the framework. As I said before, Ministers were very keen that we start with some actions and then try to evaluate those and build that into the longer-term strategy. Hopefully that is all captured in the plan.

The Chairperson: Denis, the big change is action 7 on page 5. It has been amended to take account of the fact that we have now gone from a strategy to a strategy building on a framework.

Dr McMahon: That is right.

Mr Lyttle: The budget for the childcare strategy was £12 million to be expended by the end of the 2014-15 financial year. Will that expenditure be met?

Dr McMahon: No, not by 2014-15. The current expenditure that we are looking at —

Mr Johnston: It is forecast at about £2.5 million to the end of this month. We are looking at likely expenditure of an additional £4.1 million next year, which takes you somewhat shy of £7 million.

Dr McMahon: That is where we are at the moment.

Mr Lyttle: Why is that the case?

Dr McMahon: It has just taken us longer to get the framework agreed than we had originally anticipated. On foot of that, we have been putting together the first set of actions. The main one of those is the additional 7,000 childcare places, which represents quite a significant increase. As I said, we are in a much better place now that we have gone through the very detailed and rigorous business case process, which we are very hopeful will be approved in the near future. That is what is taking us the time. It is really about getting that agreed and getting the business case up and running after that. We could proceed only so far until the actual framework document had been agreed.

Mr Lyttle: The 7,000 places break down into 3,000 school-age childcare places for families in need, 2,000 wraparound places, 1,000 rural childminders and 1,000 places in rural facilities. What is the timeline for creation of those places?

Dr McMahon: The aim will be to get the programme up and running before the summer. I am hopeful that it will be a lot sooner than that, but I cannot give you a definitive answer until we have approval for it.

Mr Lyttle: So there is no firm timeline for the creation of those places.

Dr McMahon: We will have a programme out. There will be a significant expansion of places as soon as the programme comes out, because we will get more applications than we have for our existing programme. I cannot be definitive because we need to wait to see what comes forward from the different organisations that can provide the places. Remember that, in addition to actually putting the money out, there is the issue of getting staff and registrations in place. In some cases capital funding will be required, as well. That is the only reason why I have to be a bit cautious about saying that we will move from this to 7,000 places in six months. I am hopeful that, a year into this, we will have seen a significant expansion and be moving towards 7,000 places. However, we need to see what the response from the market is like first.

Mr Lyttle: You mentioned the market. What interaction has there been with the private sector, which may have capacity to create places, about the use of this funding?

Dr McMahon: The main engagement has been through the childcare partnerships. There will be further engagement with private sector providers through the childcare partnerships. There has also been some direct engagement through our consultation processes. There is a concern among the private sector that we must not fund places in a way that could damage existing capacity. One of the big advantages of working with the childcare partnerships in the way that we have been doing, and plan to do, is that they are very sensitive to local market conditions. The last thing that we want to do is inadvertently damage capacity.

Mr Lyttle: I could ask a number of other questions, but there is a lot to get through, so I will leave it there. The issue that we asked about earlier was that I am keen to understand the work of the Department in relation to identifying supply and demand. The Strategic Investment Board was tasked to do work around that. In October, officials said that they would provide the Committee with information on that research. Is it possible for you, perhaps outside the Committee, to give us a bit more information around the work that has been done to identify the scale of need in relation to childcare provision?

Dr McMahon: The only thing I would say is that we would have to get agreement to provide anything. Subject to us getting agreement, we are very happy to provide that.

Mr Lyttle: OK.

Ms McGahan: Concerns have been raised by the private sector. I know rural people who travel 18 miles plus to use some of these private sector childcare facilities. They would like to see facilities in their own rural areas. That is not recognised by some of the childcare sectors out there. You need to be very cognisant of that. There may be a view portrayed that does not reflect the reality in rural areas. Some of those private sector facilities are based in neighbourhood renewal areas. The question is, how many people from the neighbourhood renewal areas use them? Now, they are excellent facilities, and you do not want to see them displaced. However, you also need to drill down and look at who is using those facilities.

There have also been concerns raised regarding a childminder site at Enniskillen hospital. That needs further consideration. I assume that workers actually use that facility, and my guess is that it is quite important. I am going to a meeting next Wednesday to hear the story behind that.

On the 2,000 places for rural areas, DARD is dealing with 1,000 of those places in childminder start-ups. It will be several months before we see any outcome on that.

OFMDFM is dealing with the social enterprise model, in which there is a big interest. How long will that be? I know that that question was already asked, but do you envisage it being dealt with before the summer?

Dr McMahon: You asked a couple of questions there. First, I acknowledge the fact that there are different issues in different local areas that will need to be dealt with sensitively. There will need to be people who are aware of what is going on in the local areas, which is why we are working with the childcare partnerships. We have a concern about any simple model. If we were to put out a simple model and say, "We're going to put all these numbers into a spreadsheet and say that there will be so many places in each area, based on an analysis", there would, I think, be a real danger, because we could find that all sorts of things are happening locally which people were not aware of and which we were not aware of when we put out any sort of simple formula. So, we are very clear about the need to do something sensitive to local areas, and we will be happy to look at that case that you have referred to.

The next stage in the process is to get approval and an announcement. Then it will be a case of providers having an opportunity to put in bids. Realistically, that is going to take three months to approve. There has to be time for them to get proposals in and considered and to get approvals for that. Realistically, we are talking about getting an initial tranche of resources out there by the summer. How quickly they are able to put those places in will depend on a number of factors, such as whether they have people lined up, whether they have got the premises and so on. Those are the sorts of things that we need to think about, but I am hopeful that a programme will go out and that all of these projects will be expanded towards the end of this year.

Ms McGahan: So, Denis, you are cognisant of the rural perspective on this and of the fact that people are travelling to some of these facilities which may actually lose places. There could be counterarguments put to that, but are you across the detail of that? I am getting it in the neck from people living in rural areas who are travelling considerable distances and want to see facilities in their own area. Their kids are travelling 18 miles to start playschool. I do not find that acceptable. They should be in their own rural communities. I have a perception that this is not being recognised by individuals in the childcare sector who have concerns that some of these private places are going to be displaced.

Dr McMahon: We are very aware of the rural issues, but, if I can help to give reassurance, we will be happy to take that back and have that discussion with the Health and Social Care partnerships to make sure that that is built into the programme. If there are particular concerns coming forward, we will make sure that they are fed into the process, if we know about them. We are very well aware of the issue, and the need to boost rural childcare places was reflected in the Bright Start framework document.

Ms McGahan: Which you are happy with.

Dr McMahon: Absolutely, and that is why DRD is looking at the whole issue of transport.

The Chairperson: Let us move now to commitments 34 and 37, which relate to Delivering Social Change.

Dr McMahon: Again, the Committee will be familiar with this from its own work on the report, which helpfully gave us some good pointers on how to take this forward. We are taking forward some of the issues directly. There were recommendations about improved communication, for example. We are actively working with Departments around the issue of evaluation and monitoring, and we are expecting evaluation plans, any day now, from the Departments. We will be working with them on those plans to ensure that they are rigorous and that they will provide a useful basis of information for any future programmes.

Henry can talk about this in more detail, but all of the signature projects are moving ahead. Quite significant resources are going into them already. The expenditure this year has increased significantly, which is a reflection of the fact that all of the programmes are moving ahead. Henry, do you want to provide any further updates on that?

Mr Johnston: Yes. Since you had your session, there has been further progress. Well over 200 teachers are in post. DE has addressed the issue of supply and has got agreement from the Equality Commission about changing the criteria. They are confident that that will allow them to fill the remaining posts. In any event, a number of the schools are using bank teachers to pick up the slack. I think that probably only nine schools have not had benefit out of the programme as yet. DEL is progressing to widespread consultation on the community family support hubs programme. A range of local suppliers are in place. Progress on family support hubs has not been as rapid as we hoped, but we currently support 16 hubs. The northern area ones are out, and the Belfast ones should all be in place by early in the next financial year.

The parenting support programme, again, is generally going well. There was an issue in that one of the identified suppliers withdrew from the market, and DHSSPS has had to take a fresh look at that. The Education and Health Ministers and our two junior Ministers were at the launch of the nurture units, all 20 of which are now in place and working for the benefit of children in those schools. In fact, most of the schools now have a waiting list of children who they and their parents would like to see moving through those nurture units.

Finally, the social enterprise hubs. I think that both DETI, in terms of agreeing the enabling contract for support services, and DSD in terms of identifying physical locations — all of those should be up, again by the end of next month. So, momentum has been building around those six nurture programmes, and a significant spend on them is projected for next year.

The Chairperson: We thought that there were seven now.

Mr Johnston: There is a seventh announced one, but it will be the end of next month before the detailed plans around that play programme are taken forward. It is, again, about another £1.7 million.

Dr McMahon: That is correct.

The Chairperson: Page four of this refers to historical institutional abuse. I have two questions. First, a senior official was tasked with scoping on Magdalene laundry-type institutions. Have you any likely timeline of that?

Dr McMahon: That is still under consideration in the Department.

The Chairperson: No idea? OK.

Dr McMahon: I cannot give you any timeline, sorry.

The Chairperson: And am I right in forming the impression that, with regard to those who were abused outside institutions, it is the Department's view that it will allow this process to complete before considering such victims?

Dr McMahon: I do not have a definitive line on that. At the minute, we are working on the basis that the current historical institutional abuse inquiry is going ahead and we are waiting for that to report. That is really all that I can say on it.

The Chairperson: OK. Thank you. Commitment 38 is next:

"Extend age discrimination legislation to the provision of goods, facilities and services".

The senior reporting officer says that this "presents a challenge" but:

"delivery is being managed to achieve the maximum level of performance".

Dr McMahon: Yes. To be fair, when Ministers were here last year they were open about the fact that there are some issues that need to be agreed and that the scope of this, as we indicate in the plan, needs to be agreed. In the meantime, we are taking this as far as we possibly can. So we have been working closely with the Office of the Legislative Counsel to get a framework in place to be able to at least identify what a Bill would look like. We will be engaging with Departments on the exceptions that they see that need to be applied to any Bill.

The Chairperson: Of your three risks, the third is "delay at committee stage". Is that delay on our part coming back to you, or delay on your part coming to us?

Dr McMahon: Right now, as we have identified, that is something that we always try to build into legislation to provide the Committee with the opportunity to do work that it wants to do itself. Obviously, once you have seen the Bill, you may need to do some significant consultation, engagement and additional work. We are just reflecting the fact that that needs to be built into our plans. It would not be appropriate for us to try to control that.

The Chairperson: OK. Commitment 67 is to cohesion, sharing and integration (CSI).

Dr McMahon: Obviously we are working on implementing that. Again, you got a previous briefing on that. We have now got plans in place, or plans have been developed, for all the headline actions. We are working very closely with the Equality Commission and CRC on the transition to the new equality and good relations commission. Those are the main pieces of work that we are taking forward underneath that. The headline actions are very challenging, but a lot of good work has been going on and they are gaining momentum, as with the signature programmes under Delivering Social Change.

The Chairperson: Again on risk management, the last one — number 5, in this case, states:

"Failure to review Good Relations Indicators in time to measure baseline position from which effectiveness of Strategy will be measured."

Do we actually have a definition of "good relations"?

Dr McMahon: We have a working definition that we have used and a definition in Together: Building a United Community itself. However, that is one of the issues that we are looking at in terms of the legislation to set up the equality and good relations commission. We are just making sure that the definition that we have allows them to do what they need to do.

The Chairperson: Is it likely to be different from the definition used in GB?

Dr McMahon: Honestly, I would need to have a look at that, Chair, just to come back to you on that.

The Chairperson: Finally on this one, there are some actions on page 4. Number 5 is:

"Achieve early milestones in the plan and monitor performance on early or lead indicators".

What are those early milestones?

Dr McMahon: The early milestones are in the draft plans, which our Ministers and the ministerial panel needs to consider. The key issues for each of the headline actions are around making sure that we have, in most cases, either business cases in place or actions happening on the ground. For example, we now have, under the shared education campuses with the announcement that the Education Minister made, a deadline for the submission of proposals by March. We are aiming to have summer schools and camps across all council areas in 2014, which is ahead of the original commitment. We are also in the process of getting a pilot programme up and running with Belfast City Council.

Those are the sorts of milestones that we are looking at, but we need to do further work to identify some of the outcome indicators that we will need. It is back to the issue as with the Delivering Social Change programme. We have the various milestones in place to get the programmes up and running, but it is about what we are going to monitor to show that they have succeeded.

The Chairperson: The final one is commitment 77, which is to agree any changes to post-2015 structures of government, and to do it by 2012. Perhaps you would like to ask us some questions. *[Laughter.]*

Dr Browne: You may be aware of where the Bill is in the House of Lords. It passed its Report Stage yesterday and is scheduled for its Third Reading on 4 March, which is next Tuesday. A number of government amendments have been proposed, and it is likely that it will have to go back to the Commons for those to be voted on. Realistically, we are probably looking at that Bill passing into law around Easter.

There is also an indication from the Government that at Third Reading there may be some amendment to limit the flexibility of the multiplier in relation to the number of Westminster seats, perhaps limiting the flexibility of the Assembly to five. That would be 90 seats. We have to see whether that amendment actually comes forward. We will wait to see what happens with those amendments, and the time frame looks to be around Easter. Depending on what comes out of that, there will obviously need to be political agreement — you will be closer to that than I — on the number of Departments and the size of the Assembly.

The Chairperson: In fairness, it looks like it will be changes to post-2016 structures rather than post-2015, so another 12 months of flexibility. Do members have any overarching or final specific questions?

Mr Lyttle: I have one general comment to make about the wider process of reporting on the Programme for Government. It is my understanding that, in the previous mandate, there was a process of making an annual report and laying it in the Assembly. By my recollection the last annual report — the final report of the term — was made by way of a written statement and not laid before the Assembly. That was changed to a strategic online report on the OFMDFM website. It was suggested by the First Minister and the deputy First Minister that that would provide greater transparency than written statements that were not laid before the House.

If you go to the strategic online report, to take a couple of examples, the latest update on targets 31 and 32 for the social investment fund (SIF) was in February 2013. The latest update on target 33 on the childcare strategy was in March 2013, and target 67 on CSI was last updated on 31 March 2013. It is clearly not achieving what it said it was going to achieve. I still think that there is a problem there about transparent reporting on progress on the Programme for Government. The details and the updates that you are giving us today are extremely helpful, but I do not think there is a good system in place in terms of that being before the Assembly or the public. It is also clear that the online system is not up to date. It would be useful to get some feedback on that.

Dr McMahon: We are hoping to get that agreed in the Department and put updates online. Ministers were keen that we brief you first.

Mr Johnston: Following today, we aim to seek agreement on two things. The other thing it would be helpful to mention is the fact that the delivery plans themselves, which are also online, are out of date. We want to see the online updates across the whole Programme for Government updated, as well as our own OFMDFM delivery plans updated and put online.

You mentioned the annual reports for the previous Programme for Government. There is no intention to do that. Following the Executive programme board on 3 February, Ministers asked us to look at a mid-term review of the Programme for Government. As you said, Chair, there is a strong likelihood that, if the term is going to be extended by a year, we would also look to see whether we should look at wordings of commitments. We were just talking about target 67 a moment ago; we would, obviously, want to change that, and also look to see what the milestones should be for that 2015-16 year. We have been in an ongoing bilateral series of meetings last week and this week with Departments to get their views on what should be changed and what progress they would like to report to the mid-term to the end of March.

Mr Lyttle: I do not say this to make a political point in any way. I do not think that there is anything more important to any elected representative here than to be able to stand over that we have delivered on what we said we would deliver. We have a huge challenge at the moment to increase public confidence in what is done in the Assembly and in the Executive. If there is work going on — there clearly is — there is nothing to lose from having a more open and transparent way of factoring these updates and discussions into the Assembly business or online, but it just does not seem to be happening.

The Chairperson: Can we get a copy of the mid-term review?

Mr Johnston: It has not been written yet. We are doing two things in the bilaterals. It will be developed and will go through Ministers and probably through the Executive, I would imagine, because it is obviously an Executive document.

Mr Lyttle: Why is it called a mid-term review? Even with 2016, we are well beyond mid-term.

Mr Johnston: We started a little bit late at the end of this year, so we have had 2011-12, 2012-13 and 2013-14 and we will have 2014-15 and 2015-16 in all probability. We have two active, one passive and two to go.

The Chairperson: Thank you very much, Henry, Tim, Mark and Denis. We appreciate your time and your input.