



Northern Ireland
Assembly

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

OFFICIAL REPORT (Hansard)

Programme for Government Commitments:
OFMDFM Officials

18 June 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)
Mr Alex Attwood
Ms Megan Fearon
Mr Alex Maskey
Ms Bronwyn McGahan
Mr George Robinson
Mr Jimmy Spratt

Witnesses:

Dr Mark Browne	Office of the First Minister and deputy First Minister
Mr Tony Canavan	Office of the First Minister and deputy First Minister
Dr Paul Geddis	Office of the First Minister and deputy First Minister
Mr Tim Losty	Office of the First Minister and deputy First Minister

The Chairperson: We welcome Tony Canavan, Paul Geddis, Tim Losty and, direct from the airport, Mark Browne.

Dr Mark Browne (Office of the First Minister and deputy First Minister): Thank you, Chair.

The Chairperson: You would do anything to avoid playing a football match, eh? OK, Mark. We had a good session last week on the other half. Obviously, on this occasion, we have had our papers for over a week, —

Dr Browne: We do our best.

The Chairperson: — so we can get straight down to it with your opening remarks, please.

Dr Browne: Chair, I am happy either to make opening remarks about all of them or to take them one at a time and make an opening remark for each one, whichever best suits the way you want to handle it.

The Chairperson: Last week, we did it one at a time. Members, are you content to stick with that format?

Members indicated assent.

Dr Browne: The first commitment we have is on Maze/Long Kesh (MLK). I do not propose to say an awful lot about that. The current situation there is that there is no agreement on the way forward, and Ministers are continuing to discuss the issue.

What there has been, of course, is a second successful Royal Ulster Agricultural Society (RUAS) show, which was even bigger and better than the one last year. While I understand that there was some congestion, it was much improved on the year before. So, that continues to be a successful aspect. I do not propose to say anything further on MLK.

The Chairperson: OK. What has happened on the site over the last 12 months, Mark?

Dr Browne: I will let Tim to come in with some of the detail on that.

From last August, we have made it clear to the corporation that there is only agreement for it to take forward health and safety, and maintenance and security of the site, and that is what it has been engaged in. The corporation took forward a number of pieces of work and business cases in anticipation of doing work. We in the Department have further considered and looked at those that were in train, but they have not been and cannot be approved until there is ministerial agreement on the way forward.

The Chairperson: So what did not happen that was planned for the development of the site over the last year?

Mr Tim Losty (Office of the First Minister and deputy First Minister): It has engaged in some capital work that needed to be done to facilitate the RUAS show. That included some site levelling and work on access footpaths to get to the site. There is a path at the Halftown Road that brings people in.

Had we been going ahead with various projects, we would have done work on the hangars and some preparatory work on further infrastructure projects and roads in and around the site, as well as those coming on to the site.

The Chairperson: Can you assess the knock-on effects for the RUAS? Obviously, the infrastructure is not developing in the way that it would have hoped.

Mr Losty: The RUAS has to address some of its own logistical issues when it gears up to do the show. However, at this point in time, we are not aware of any major problems. It would like to see something happening or to get some word of communication on the long-term future development of the site. However, it is aware of the difficulties. It continues to do the work that it needs to do, and, at this stage, there are no major implications.

The Chairperson: Is it in liaison primarily with the MLK board?

Mr Losty: Yes.

The Chairperson: Not with Ministers?

Mr Losty: Mainly with the MLK board, which is the tenant that negotiates with it.

The Chairperson: What about the board itself? I suppose that it is fair to assume that, if you had stepped on to that board with enthusiasm for developing the site, there must be some degree of frustration with the current situation.

Mr Losty: I do not want to try to anticipate what the board members would say. We meet them and the staff on a regular basis. When they got involved in the project, they were aware of not just the significance of it but the difficulties and challenges. They remain committed to trying to take all the projects forward in unison, and they understand some of the difficulties. They met Ministers towards the end of the last financial year and hope to have further meetings with them quite soon.

The Chairperson: Has anybody left the board in an unplanned or unscheduled manner?

Mr Losty: No.

The Chairperson: We anticipate a midterm review of the Programme for Government (PFG) overall. What is the plan? Can you anticipate or tell us anything about what the plan is for that particular PFG commitment?

Dr Browne: We are not in a position to anticipate that. It remains a commitment in the Programme for Government, so it will be part of the midterm review, but we will not be able to put any concrete plans or targets around it until Ministers indicate to us what the way forward is.

The Chairperson: So, in the meantime, health and safety is all that is being undertaken?

Dr Browne: Health and safety, maintenance and security of the site, as well any financial and legal issues, but no development of the site is taking place.

The Chairperson: If it stays that way, what sort of allocation will you need over a financial year?

Dr Browne: The current allocation is £1.8 million. Clearly, if there is not an agreed way forward, we will need to look at the status of the board, the level of activity that it engages in and the financing accordingly.

The Chairperson: How much does the board cost to run on an annual basis?

Mr Losty: The chair is on £30,000. The directors, of which there are 10, are on £6,000 each. Then, there are legitimate expenses.

The Chairperson: OK. Anybody else?

Mr Maskey: I just want to make a comment. I think that this is a slightly difficult situation for you to be in — if I could use that term diplomatically — because you are the Chair of the Committee, which oversees the work of the Department and the delivery of the Programme for Government commitments, and yet your party is one of the parties that has campaigned against this particular Programme for Government commitment. That is fair enough; it is your choice. In your capacity as Chair of the Committee, I think that, to be quite truthful, you are not in a good position to host this discussion, because, quite clearly, one party to the delivery of that Programme for Government commitment has arbitrarily walked away from it in part because of campaigning by people like you.

The Chairperson: Well —

Mr Maskey: I am just making a point because you are chairing this session, and I actually think that it is a bit of an invidious position for you to be in. I am just making that point. I am not going to labour it.

The Chairperson: You are perfectly entitled to make the point. I do not think that any of my questions have in any way been shaded by my party political opinion on this. You can check Hansard.

Mr Maskey: I am not suggesting that they were. What I am saying is that your role is to chair the Committee. Our job here is to hold the Department to account for the delivery of the Programme for Government commitments. This is clearly a breach. There is no risk factor in there that can indicate that a party has walked away from that Programme for Government commitment. The Committee's job is to hold the Department to account for the delivery of those commitments, and I think that we are actually incapable of doing that.

The Chairperson: Well, I think that the officials are in a position where there is very little that they can say beyond saying that there is a lack of ministerial agreement on the way forward. I am not making an issue, which, I think, I could if I really wanted to, of separating out the development of the site, irrespective of whether there is a peace centre at the site. Let us not go there, because I think that that is a political discussion, and it is not one that the officials should —

Mr Maskey: But you would have to accept that it is a political discussion and it impacts on your ability to question the officials about the consequences of that decision.

The Chairperson: I do not accept that.

Mr Maskey: There was a political decision to break the Programme for Government commitment and to fail to deliver that — all of it. People, you included, are entitled, and rightly so, to make their views known on that and to campaign in whichever way they want to. I am just making the point that it is a bit of a contradiction for you to chair this section when you are one of the people campaigning against the Programme for Government delivery. I am just making that point; I do not want to labour it.

The Chairperson: I am not campaigning against the commitment that has, as its first milestone, the launch of a development plan for the Maze/Long Kesh. I am not campaigning against the milestone number 2, which is the Balmoral show at Maze/Long Kesh. I am not campaigning against milestone 3, which is the commencement of site infrastructure. I am not against 4, which is private sector development partnerships appointed by the development corporation. I am against 5, so I am against 20% of it.

Mr Maskey: You are against the core of it.

The Chairperson: Sorry?

Mr Maskey: You are against the core element of it. The thing about it is —

The Chairperson: I am against one fifth of —

Mr Maskey: It is a Programme for Government commitment. I am only making the point. Our job as a Committee is to hold the Department to account for the delivery of that, whether you like it or not.

The Chairperson: Yes.

Mr Maskey: Whether or not I like what the Programme for Government commitment is, it is there. Our job as a corporate Committee is to challenge the Department as to why it is not delivering on it.

The Chairperson: OK. Why are you not delivering on the commitment?

Dr Browne: Because we do not have political agreement to go forward.

The Chairperson: I thought that that point had already been made.

Mr Maskey: Which you have contributed to.

The Chairperson: Yes.

Mr Maskey: You, quite adequately, in your own way, will claim responsibility for that. That is your choice.

The Chairperson: Yes, but I am chairing this Committee not as the leader of the Ulster Unionist Party. I have not asked any question that I believe is inappropriate.

Does anybody have anything else on Programme for Government commitment 15? If not, we move on to 16, please, Mark, which is the One Plan.

Dr Browne: The Committee will be aware, in relation to the One Plan, of the challenging job targets contained in that commitment. We have made progress in a number of areas, although those targets remain challenging. I will come back to that in a moment. The pace of development on the Ebrington site, in particular, has increased this year, with capital spend in the region of £6.5 million. That has seen the completion of phase 1 of building 80-81, which housed the Turner Prize, and the construction of the multistorey car park. The Ebrington development framework has also been completed. A planning application for the site will be submitted to Planning Service in the near future. In addition, as

members will know, Ebrington took a fairly central role throughout the City of Culture, with some 400,000 people attending events at Ebrington Square, the Venue and visiting the Turner exhibition.

Ilex is actively engaging with the private, public, community and voluntary sectors to acquire tenants for Ebrington. Currently, there are some 45 formal expressions of interest to establish potential businesses on the site. Ilex will now prioritise the appropriate opportunities for new or expanding businesses to develop at Ebrington in line with the outcome of the development framework.

In terms of job creation, it was accepted at the outset that the jobs targets in the PFG were particularly challenging in the difficult economic climate. However, there have been a number of positive recent Invest Northern Ireland (INI) announcements, including the Fujitsu announcement some time ago, following the First Minister and deputy First Minister's visit to Japan. The collation of jobs-created and jobs-promoted data for 2013 is under way. It is hoped that the final figures will be available in early July. The job target for this year is 1,670. As I said, that is challenging. Our provisional figures suggest that, at the moment, some 934 jobs have been promoted or created, but there is further information to come in and further collation of data before we get a final figure.

Work on the north-west science park began last autumn. That project is due for completion in August 2014. The Minister for Social Development recently announced the first tenants for the premises, with the company 8over8 taking an entire floor in the building. In addition, DSD is working with the Planning Service to obtain outline planning approval for the remainder of the site at Fort George.

The Chairperson: I absolutely understand that the economic environment is beyond the control of a devolved Administration. Could we go through the job milestones? In 2012-13, it was 1,175; then 1,670, as you mentioned; then 1,200 in 2014-15. Overall, is there going to be a midterm review and recalibration of the targets?

Dr Browne: All the targets are being assessed as part of the midterm review. Where the target and overall aim is seen to be still achievable and appropriately challenging, it will remain in place. However, the review is not yet complete. Ministers have not yet reached a position on any review of those targets.

Mr Losty: If I could, I will come in on that, Chair. We established a job subgroup to regularly review and monitor progress against job creation and job promotion targets and the initiatives that Departments, councils and others are responsible for. We will review that internally. We work very closely with the regeneration programme unit up in the city so that we can identify issues that may impact on the economic environment and address those at that time.

The Chairperson: What about your relationship with Invest NI? What is it telling you about the prospects?

Dr Browne: Those estimates of jobs include the jobs that have been promoted by Invest NI. For 2013-14 — these are not the final figures — it has identified somewhere in the region of 500 jobs. One issue, for example, is that the A5 did not go ahead. Included in the original target for the A5 were 200 jobs. When that did not happen, it had an impact on the capacity to achieve the target.

Ms McGahan: Has there been any discussion in terms of extending the One Plan beyond 2015? If so, where are those discussions at?

Mr Losty: There have been various discussions between us, the interdepartmental group, the strategy group in the city and the regeneration programme unit. There were also discussions with the shadow council with a view to community planning and where that fits in. I understand that some of the local representatives are having discussions. We are still looking to progress a lot of the work that is contained in the One Plan. One thing we have done this year is get all the Departments to give us their short- and medium-term targets, and we passed those on to the One Plan strategy group in the city so that it can see that work is continuing. So, conversations are taking place about the various activities from the One Plan that will continue, in whatever way.

Mr G Robinson: Thanks to the team. My question is on the Ilex project. What progress is there on the car park? From a construction point of view, are those jobs being taken into consideration?

Mr Losty: The car park is near completion. There is just some final tidying up to do. It was behind schedule, but we have got it back, as far as possible, on schedule. Construction jobs have been

involved in that work, and we have counted those as some of the jobs that have been created since the start of the One Plan. Fewer people are working on the car park now, but some of those companies have been successful in getting contracts for other construction work in the city and on the site. In terms of other capital developments on the Ebrington site, we have been talking to Ilex staff and the board, and we expect seven buildings to be brought into operational use by the end of the financial year. We will again work with Ilex to push to see whether we can bring any more projects onto the market.

Mr G Robinson: It is a brilliant project. Well done.

The Chairperson: Are you happy enough, George?

Mr G Robinson: Thank you.

Mr Maskey: Is there any update on the initial risk register and the need for greater focus on collaborative work and the interdepartmental coordination group?

Mr Losty: There is coordination in the interdepartmental group as well as between us and local players and among the local players themselves. We have had two meetings of the interdepartmental group in this financial year, two meetings of the jobs subgroup and I have had bilateral meetings with some of the key Departments. A lot of the activity last year was in relation to the City of Culture.

We got all the Departments to contribute information that the local regeneration planning unit needed. So, there is communication there, and it has improved a lot as people have realised what information they need to provide. There is always room for improvement.

In relation to some of the groups that will be leading the catalyst programmes, we are still trying to get agreement on who will lead two of them, so they are marked as "red". Whilst we are still waiting for collaboration and agreement there, that is not stopping the work taking place. So, on the social economy projects, various research and business cases are being conducted. The other catalyst project is on sustainable development and sustainable energy, and again, work is going on between Ilex and the University of Ulster, and we are hoping to get agreement on who will take the lead on that.

So, there is improved cooperation and communication, but there is always room for further improvement.

Mr Maskey: Hopefully that will evolve into high-quality relationships at a local level so that there is a local development system. You seem to be indicating that there is a rollover, which is starting to impact in a positive way and contribute to capacity building.

Mr Losty: I think it is. From my experience, and from talking to some of the key players in the city and the elected officials there, I can say that it was a big project and the people who were getting involved in the early days tended to look at things in isolation. It is only when you look at the totality of the project and understand that you have to read across and get the cooperation that you get the improvements that you need.

Also, there is a realisation that the climate that you operate in also changes, and you need to be able to make decisions on a flexible basis. A lot of the people who have taken charge of those catalyst programmes and the people who are on the strategy board recognise that. From the interdepartmental group, we recognise how looking at the objectives in the One Plan helps the Departments achieve their objectives. So, it is certainly a good improvement in working relations, and we hope to improve them even further.

Mr Attwood: Going back to the question from the Chair, over the three years of annual milestones on jobs promoted, at the end of 2014-15, given what you said earlier, what will be the total number of jobs promoted over the three years and what is the breakdown of that total number between the public, community and private sectors?

Mr Losty: We started to measure jobs last year. The target was 1,175, and we achieved 1,180. I do not have the breakdown between public and private, but I can get it for you. The measurement of the jobs also included a measurement of the intervention: the amount of intervention that would come from government or from Derry City Council. However, that was not to exclude the private sector, the

Chamber of Commerce and other private organisations and their roles in creating and promoting jobs in the area.

The target for this year is 1,600 jobs, which is ambitious and was set at a time when the economy was performing differently. At one of the previous Committee meetings, we discussed why we had such a high risk rating against the probability and impact of economic factors. We are pleased to say that there has been improvement in the overall economic climate, but there is a lag in the north-west, which is why we need to continue with the jobs subgroup and with many of those interventions. We will measure jobs over the three-year period, and the jobs target for next year is 1,200.

Mr Attwood: Are all of the 1,180 jobs last year still in place this year?

Mr Losty: I could not tell you whether they are all still in place. What we do with the local organisations that are carrying out the regular monitoring is go back into the workplace in the various organisations every number of years to see how many of the jobs still remain or whether they have increased. Although various interventions are putting jobs into the city, we are also seeing a rise in unemployment where there have been redundancies elsewhere. It is an indication of how important it is to keep attention on the job promotion and job creation work that we are doing.

Mr Attwood: Do you know how many of the 1,180 jobs created last year will continue into this financial year?

Mr Losty: We do not know that at this stage. We will possibly review it in the next financial year. In some cases, we will look at it over a two-year period.

Mr Attwood: Is that the way those things are done, or is that how it has been decided to be done? For example, how many of the jobs were jobs for last year, given that it was the year of culture, as opposed to those that will be sustainable beyond the year of culture?

Mr Losty: That is one of the areas that we are looking at. We have independent economists looking at jobs promoted and created through the City of Culture programme to determine what jobs were there last year as a direct result of the City of Culture and what jobs will stay. However, you do not want to have a measurement where you measure jobs over a short period of time; you really want to get to long-term sustainable jobs, and that is what we need to try to measure.

Mr Attwood: I agree, but, given the year that was in it and the jobs boost around that, it seems to me that, if you were to draw conclusions about where the sustainability was, it would be useful to find out what was sustainable between last year and this, would it not? Otherwise, we have figures but do not actually know the follow-through of those figures or whether the character of the jobs — public, community and private — are sustainable.

Given that the 1,670 target is challenging this year, you could probably conclude that one of the reasons for that was because there was not a follow-through with the year of culture that might otherwise have been anticipated. There needs to be real-time analysis of what happened last year to the jobs that were promoted, whether they are continuing this year and where the sustainability opportunity might be, otherwise these are just figures on a page without any interrogation of what they actually mean on an ongoing year-to-year basis. Do you not agree?

Mr Losty: It is not our intention to throw numbers out and move on. We need to see where the jobs are being created. We are funding a team with Ilex at the moment, and it is responsible for carrying out regular monitoring of the impacts of government intervention and, in particular, the jobs and types of jobs. With regard to what happens to the City of Culture, it has been a success, and we will talk about that in a moment, but it has set a certain direction; you cannot allow momentum to continue after that without it being managed. Therefore, the City of Culture will lead into us working with local players to develop business clusters, attract new industries, new business start-ups and new skills into the city, which will then lead to even longer-term sustainable job creation.

Mr Attwood: Chair, could I ask for a breakdown of what was promoted in the public, community and private sectors in the 2012-13 year, so that we quickly know what has continued into this year from those three sectors —

Mr Losty: We can get you that.

Mr Attwood: — and if jobs are being promoted this year, are there more in the public, community or private sectors, and what might be the relationship after the year of culture in respect of those three sectors?

Picking up on the last point you made about business clusters etc, does Invest NI now have an explicit subregional strategy when it comes to Northern Ireland, including the subregion of the north-west and the city of Derry?

Mr Losty: Invest NI would have to answer that question. We work quite closely with it here in Belfast, in its head office, and in its local office up in the city. We get information in relation to its local initiatives and the larger-scale initiatives. We have not talked to it about a subregional strategy.

Mr Attwood: Risk 1 of the risk register, which is entitled, "Challenging external economic environment", refers to the:

"Development of targeted economic and employment initiatives and projects".

How can you make that comment if you are not talking to INI about a subregional strategy?

Mr Losty: We are talking to Invest NI about its activities and the programmes it delivers in the city. The strategy group and Derry City Council worked on an economic strategy for 2009 to 2012, and followed on from that into a number of projects. There is an economic strategy for the city that many players buy into.

Mr Attwood: I hear that Invest NI is saying to the Chamber of Commerce in Derry that it is thinking of a subregional strategy. Until we get to that point, you could have a lot of Departments hopefully doing a lot of work, but it is not critical mass because it is not a coordinated, integrated subregional approach. I could make the same argument for a lot of the other parts of the west, including Fermanagh, Strabane and Derry, and for north and west Belfast; Invest NI does not have a subregional strategy even for the city of Belfast. Everything goes into the Queen's-Titanic corridor.

Is there any further consideration about the future of Ilex?

Mr Losty: Departments regularly carry out reviews of their arm's-length bodies. Ilex is one of the organisations that we will be reviewing this year.

Mr Attwood: Do you have any political steer from DSD or OFMDFM about the character of that review? Is it a light-touch review to see whether it is behaving itself better than in it did in previous days? Clearly, it did not behave itself very properly in previous days. Is it a fundamental review? Given the new powers that are going to councils and all that, has Ilex maybe run its course?

Mr Losty: It is the standard review format that is carried out across the Civil Service. It looks at what the organisation was set up to do, whether the need is still required, whether an organisation is still required to deliver that or whether it could be done another way, such as within the Department, whether the need has been met, and whether the organisation has fulfilled its purpose, in which case you would move on. You would take any decisions about what is needed in the city based on the evidence the reviews produce.

Dr Browne: You also asked whether Ilex is behaving itself, and whether some of the previous issues are still there. We believe that the organisation has moved on very significantly in its financial management and appropriate business case approvals. We have put a lot of work in with it to make sure that that is the case. We do not have the same concerns in that regard that were there previously.

The Chairperson: Let us bring in the City of Culture, but, as we do so, Tim, will you come back with some sort of disaggregated data on job creation, as per Alex's request?

Mr Losty: Certainly. I can provide you with information by way of a breakdown of the sorts of sectors that contributed to the jobs. I may not be able to provide some of the other information, because that would be part of longer-term analysis, but I can provide terms of reference for that analysis, if it helps.

The Chairperson: Would you be prepared to share that longer-term analysis you are commissioning from external experts with us whenever it is complete?

Mr Losty: We are obliged to share it with Ministers first. There is also information pertinent to other Departments, but when the information is available, and when we can, it will be shared with the Committee.

The Chairperson: Perfect. Thank you.

Let us move on to the City of Culture, Mark, which is PFG commitment 17.

Dr Browne: We have talked about the City of Culture before. It was a very successful year and was received very positively by all stakeholders. It had a very high profile. Recently, it won three awards at the 2014 Northern Ireland Tourist Board tourism awards, including the top award, which is for outstanding contribution to tourism.

Derry City Council, DCAL and the Tourist Board are currently compiling final reports on the various events throughout the year to give an assessment of the impact, which we talked about earlier. Emerging data indicates, for example, that an additional 28,000 hotel rooms were sold over the year and that the increase in hotel occupancy has carried on, with January to March 2014 being higher than the same period in 2012. So, there has been a knock-on effect for occupancy.

Some of the other figures we can refer to are on the volunteers. Quite a significant volunteering movement was associated with the year. Some 630 City of Culture volunteers registered, and that increased to over 1,000 on the weekend of the fleadh. There was an increase in enquiries, which went up by 23%, to the tourist information centre. I mentioned the occupancy rates for hotel rooms. The first quarter of 2014 against 2012 saw an increase of 10% in January and 20% in February and March. There are indications of some carry through from the City of Culture when it comes to interest.

Over the year, 535,000 additional visitors travelled to the city. The City of Culture had an impact on those numbers and on the profile of the city, and this indicated again that Northern Ireland, and in this case specifically Derry, can host major events, such as the Lumiere and the Turner Prize. It has been successful. We are still collating the data to get the economic impact, and a report will be produced in due course.

The Chairperson: When will the evaluation report be completed?

Dr Browne: We do not have a date for that, as yet. The information is being pulled together through Ilex, which is evaluating the impact. It will be some months yet.

Mr Losty: We had a meeting yesterday with the senior economists who are working on this. They are still gathering and collating some information but have information on who visited the various events. They are looking at information on the wider and indirect impact of the programme. Hopefully, we will get all that soon.

The Chairperson: Has the Department's role ended or are you involved with DCAL in the legacy project in any way?

Dr Browne: We remain involved with DCAL, but it has now taken the lead in carrying through the legacy. In November, the CAL Minister announced her legacy plan. DCAL is establishing a new office in the north to take that forward and is setting up a new company, which I think is going to be called Creative North-West, to start to deliver the actions in the business plan. We will contribute to that and play our part. It is almost a bit of a reversal. Beforehand, we were chairing the group and DCAL was part of it; now, DCAL is taking the lead and we are playing into that. Obviously, the Ebrington development will have an ongoing role to play.

The Chairperson: The Committee has spoken very positively in the past about the City of Culture, and you have won three awards since we last spoke. I invite the Committee to join me in congratulating the Department on a very successful Programme for Government commitment.

Next, we have commitment 26 and the drawdown of competitive European Union funds.

Dr Browne: The target set in the Programme for Government was to increase the drawdown of EU funds by 20% over the period. We continue to make good progress in that area. In 2011-12, the first year, the Department drew down an additional £23 million; in the second year, 2012-13, it drew down

£18.3 million. So, at the halfway point in the Budget period, £41.3 million has been drawn down, which represents 64% of the target. This means that we are well on track to realise and exceed the £64.4 million target by the end of March 2015.

The detailed figures for 2013-14 are not available because they are still being verified by Departments. It is quite a long process, as these statistics are provided on a lag basis. There is quite a lot of work that has to be done to make sure that the figures are accurate. So, we are waiting to get that information in.

In the Programme for Government, there has been a focus on the 20% drawdown as being something that you can measure and that has a specific economic impact, but the whole purpose of engaging in these competitive funds goes far beyond that financial impact. It is important that there is wider engagement in, and learning from, Europe. By competing for these funds, very often — in fact, almost always — there has to be a partnering with other regions or member states to put forward proposals. Collaboration builds a very important basis for future development, makes important contacts and brings benefits, not just in extra funding but in extra learning and understanding of how things can be done in a different way and how things are done in other countries. That gives us the opportunity to play back into Europe any learning that we have gained from our various projects.

You mentioned at the start, Chair, that I was over in Brussels. As well as visiting the permanent representation, we had dinner with a number of members of the Commission who are involved in the Barroso task force to talk about how we take all of that work forward and do a bit of a review on what had been successful and what could be improved on in the work to date. Again, the key point made was that the key aspect in Europe is making the contacts, establishing the networks and developing relationships. That will provide the main benefit, although the drawdown and the figures coming through on things like competitive funds are important.

The Chairperson: I do not mean this as a criticism, it is a statement of fact, but there is a significant lobby of opinion that says that, having looked at the success of this Programme for Government commitment, 20% was not as ambitious as it might have been. Would that be fair to say?

Dr Browne: Looking at it from where we are now, that would not be an unreasonable position to take. When the target was being set, going back a number of years, we did not have the experience or track record of monitoring this and we did not know what was possible. At that point, there was a view that 20% represented a reasonable increase.

To be fair to Departments, and this was done on a collective basis, there was not really any track record or projections that you could look at to say whether a certain figure would be stretching. So, to some extent, it had to be a stab in the dark, but it seemed to be a reasonable target at the time.

The Chairperson: So, it has become a baseline.

Dr Browne: It is an indication of the extra drawdown that we have got. I expect that we will exceed that figure, and, as part of the Programme for Government, we are going to have to look and see how we reset that figure to get to the end of 2016 and what would be an appropriate level. In doing that, we will take account of what we have achieved.

The Chairperson: This is probably a very unfair question, but what would be your target next time?

Dr Browne: We have not agreed that yet.

The Chairperson: I am not saying that you have agreed it. What would you recommend?

Dr Browne: I would not like to put my neck out that far at this point. I expect that the figure will be a fair bit in excess of 20% over the period, but we will have to look at the detail.

The Chairperson: In terms of getting the information, Mark, you are clearly indicating that you are a long way from a live timeline. What are the difficulties? Why is it not possible to have a live assessment of success?

Dr Browne: There is a range of reasons. These are competitive funds, and people have to put in applications and compete for them. They then drawdown from the funds at various times. So, there is the time at which the Departments drawdown and there is the response of the European Union in

making the funding available. There is also the fact that, in most cases, Departments are working through arm's-length bodies or third parties. This data is not coming in directly to them; they have to draw the information in from third parties. It will always be provided in arrears, because that is the way these things work: you do the work first and then you get the funding for it.

Those are reasons why you could not really have a live system. We try to get the information as quickly as we can. When we get it in, we always have to look at it and sense-test it: if there are any unusual trends, we want to make sure that there have not been any errors. That is just part of the process that we go through to try to make sure that the information that we get is robust. We have a lot of players here, with all the Departments and arm's-length bodies feeding into it, the European Union and the Assembly. So, pulling the information together is complex.

The Chairperson: There is also whether the arm's-length bodies can take credit for the drawdown or whether the Department takes credit for it.

Dr Browne: Yes. We have agreed that it is appropriate for the Department to count funding that is achieved through an arm's-length body where the Department has significant input to that achievement and where the arm's-length body or third party agrees that it can be counted in that way. Departments cannot apply directly for these competitive funds. They have to work through the arm's-length bodies or third parties, so, in most cases, the problem can be establishing these kinds of relationships in the first place.

The Chairperson: You have a key action of sharing the experience of engaging in EU funding programmes through the Barroso task force working group. Will that still happen? Will the working group stay in situ post-Barroso?

Dr Browne: Again, that was part of the discussion we had in Brussels: how we make sure that a structured relationship stays in place. Barroso will be moving on and there will be a new president at some point, and the name, at least, will have to change. What we want to do is make sure that there is some sort of ongoing structured relationship. It has been extremely valuable for Departments to have access to the Commission and to have people there who are at the other end of the phone, who can be contacted and who can point officials in the right way within the Commission either to try to get the information or to speak to the officials who are making various decisions. That has been very important, and we are looking at ways in which we can maintain that relationship.

On sharing the learning, we do that at the meetings. All Departments are represented, at senior level, around the table, and we have discussions about the issues arising in Europe and the lessons to be learned from those. There have also been a number of policy seminars — this is one of the targets that we referred to in our European priorities document — where officials are brought over from Europe and present on a particular issue along with local officials. All Departments are invited to those meetings, which help the sharing of learning on how to access these kinds of funds and what has worked for other Departments. That is all part of the process.

The Chairperson: Finally from me on this one, Mark, I think that I am right in saying that, under the European regional fund, there was a bid through the European capacity building fund for moneys for Delivering Social Change? Can you update us on the status of that?

Dr Browne: There has been no decision taken on June monitoring as yet. That is a bid that has gone in. We are awaiting decisions to be taken on June monitoring.

The Chairperson: If you do not get it, what is the implication?

Dr Browne: We will have to look at what it is possible to take forward in that whole area. This is going to happen in a whole range of areas. When we were up a week or two ago, we had a whole range of bids in. We indicated that if those bids were not successful we would have to consider what it is that we take forward. At the risk of getting into a financial discussion here, the first thing that we do in that kind of a situation is go back to our statutory commitments, the Programme for Government commitments and the high profile ministerial commitments and, first, make sure that they are continuing and, then, see what else we can do within the budget that we have.

Ms McGahan: You mentioned policy seminars in which you have officials from the EU engaging with officials here. How is the information about accessing funds translating to the grass roots?

Dr Paul Geddis (Office of the First Minister and deputy First Minister): If you are looking to translate it into grass-roots involvement, particularly on this target, that comes through the Northern Ireland European Regional Forum (NIERF), whereby the equality command in the Department has been providing assistance through Belfast City Council and other partners to assist community groups and others to participate in EU competitive funding opportunities. This is a forum with 60-plus members from across civil society, local government and other stakeholders. That is where the primary exchanges of information exist. On the policy seminars, things like the UK smart specialisation seminar are very much geared at the policymakers who have an interest in various organisations but are looking at similar things: progress, good practice and next steps. That is bringing in policy expertise from Europe and combining it with expertise from other devolved Administrations and the South of Ireland. So, the policy and learning exchanges operate at a range of different levels, but they are conducted on an open basis. To my knowledge, there is no exclusion of people.

Ms McGahan: Regarding the exchanges, could you provide a geographical breakdown of the people who you engage with? I want to ensure that there is a fair representation of urban and rural.

Dr Geddis: I do not have anything centrally on that, but I am willing to go back —

Ms McGahan: It would be very easy to ascertain where the people who attend those exchanges come from.

Dr Geddis: Yes, it would, but I would need to go back to the organisers of the separate policy seminars and then approach the NIERF secretariat and ask for that information. The Department does not hold that centrally, so there is quite a bit of a resource implication to that. Also, some of these events have taken place over the last year, so there will have to be some archive analysis done.

Ms McGahan: I cannot imagine there being a big resource implication. It is just asking simple questions. Whereabouts do these seminars take place? Do they all take place in Belfast? Do any take place in Dungannon? There is no resource implication to that.

Dr Geddis: As I have indicated, I am willing to go back and ask for that information. As for the location of the seminars, particularly those of the NIERF, they have been taking place outside Belfast.

Ms McGahan: How far outside Belfast?

Dr Geddis: I know that there has been one in Derry, and I think that there has been another one in Armagh. Beyond that, I am not certain. Again, it is a question that I can put to them on your behalf. I can ask for information on location and, where I can get it, on the community voluntary groups that are participating in those events.

Ms McGahan: I appreciate that; thank you.

Mr Maskey: Thank you for your presentation. This question is not exclusive to this, but it is equally important. Chair, we are just after a European Union election. I know that we had bits and bobs of engagement with the three MEPs in the last mandate, but I would like to see the Department engaging with the three MEPs. If you look at all of their manifestoes, you will see that there are some elements of common ground that meet the Department's needs and the Assembly's needs in totality.

Has the Department any arrangements to meet the MEPs or engage with them, preferably collectively at some point but even individually initially? On sustainable development, for example, you talk about project pipelines and mainstreaming the work. We have three representatives who are going to be over there for another x number of years. I would like to mainstream their work and our work and engage to see where there might be common ground between all of us so that we get a bigger bang for our buck, so to speak.

Dr Browne: The MEPs are a very important resource for us. The role of the Parliament is becoming increasingly significant, as anyone who is watching the process of appointing a new head of the Commission will know. The bulk of our contact with MEPs is through our office in Brussels, which falls under the auspices of OFMDFM. It regularly supports the MEPs, provides them with briefings and goes to the various Council meetings that a number of the MEPs attend. So, that support is provided. There are also various one-to-one briefings or collective meetings where the MEPs are able to come together, although they are not always able to come together because of the demands on their time.

In terms of the Department, I know that the head of the Civil Service is seeking to arrange a date for a meeting with the MEPs. He was not able to get one just recently and is considering whether or not there may be an opportunity to go out and have this sort of discussion in Europe. We are very keen to ensure that, as we look at taking the whole Barroso task force forward, we get better alignment between the various elements that relate to Europe, including the Northern Ireland European Regional Forum, the MEPs and the councils. It is about making sure that we have all those groups coordinated and communicating together.

Mr Attwood: I might have missed the question and the full answer, but under key action 8, recalibration of the 20% target is part of the mid-term review. That is September this year, so that is three or four months away. Maybe you answered this when you were speaking to the question from the Chair, but where are we in that regard?

Dr Browne: We are currently in the process of seeking to recalibrate the target. We have collected the data on progress to date. We have asked Departments for their projected drawdown.

Mr Attwood: Up to what date?

Dr Geddis: The projected date is for the current financial year and for 2015-16.

Dr Browne: We are trying to track progress to date, get Departments' best estimate of how much drawdown they are likely to get in the next two years, look across the totality of those projections and then see what a sensible and challenging target would be. Part of the difficulty is that it does not go in a straight line. There are various applications made and decisions taken at various times in the European Union in respect of those funds. Drawdown comes at different times, so it can be very lumpy. You cannot simply look at last year and say that next year is definitely going to be so much higher for each Department. We need to know what funds they have applied for and how many applications they and their arm's-length bodies have made to get a better projection of that. They are the only ones who can really do that, so we have been in discussion with them to get their projections. We are looking to get those to see what a sensible target would be out of all of that. We are still working towards that September 2014 date.

Mr Attwood: My own view is that the process you are undertaking and that date are critical, because, if there is not a gear shift now, as you run into the 2014-2020 funding window, you will start in too low a gear to make up the ground and maximise the return of the later years of that funding cycle. Your colleague from the European office was here and he confirmed that, over 2014-2020, the ambition was to draw down £100 million from Horizon 2020, which really was not very challenging at all in terms of the scale of that fund and the opportunity to draw down through that fund. Mindful that that is what is happening in Horizon 2020 and given the limitation of that, not just in 2015 but right up to 2020, I think this piece of work is as critical as any in terms of the whole EU opportunity over the next six years.

Dr Browne: It is very important work. The other thing I will say is that the work that the Barroso task force has done around that as a consequence of that target is something that should build a platform so that we do not go back to the start in all attempts. You are building the networks and getting the knowledge of Europe, so that should open and increase the opportunity to bid and draw down more.

Specifically in relation to Horizon 2020, Departments have actually appointed a number of local coordinators to work with the various institutions, with universities, with the Agri-Food and Biosciences Institute (AFBI) and with other SMEs and so forth in that area to increase awareness of the possibilities around Horizon 2020 and to encourage collaboration locally in applying for that. I think there are four people currently in place, one in AFBI and three or four across the other universities. Part of their role is to generate awareness, bring people together and try to encourage that sort of collaboration, all of which is designed to build the further drawdown.

Mr Attwood: I acknowledge what you have just said, but it actually worries me, because, as I understand it, six people were given that task and three were colonised by Queen's and three were colonised by the University of Ulster. With regard to new resource dealing with all the other sectors in the North, DETI and INI have done very little, and the six new people that they did appoint went to the universities. In my view, the universities are guilty of relying too much on grant and not enough on competitive applications to other third parties, including Europe, for research and innovation moneys. While you acknowledge what has been done, I am making the point that, if that is the level of

escalation in DETI and INI for Horizon 2020, we are not going to get much further than a 20% increase in drawdown.

Dr Browne: As I said, those are six additional people who have been put in place. The universities, AFBI and those other institutes are the key drivers for a lot of this research, particularly on the innovative side. We also need to draw in business and other third parties. The purpose of those coordinators is not only to go to Queen's and coordinate Queen's research or go to the University of Ulster (UU) and coordinate UU research; they are each covering a thematic area, and their role in that thematic area is to cover the needs of all the institutions and all those other players who have an opportunity to bid in to those funds. It is not a question of the university grabbing them in that sense; they are situated in the two universities, because that is where most of the activity is going on. As I said, one of them is in AFBI, and I think it is in the environmental area. Their role is much broader than just the institution; it is to cover all the institutions and all the bodies in Northern Ireland that can potentially contribute to this. They have been in place for only a relatively short time. We intend to get a report on progress at the next meeting of the Barroso task force to see how well that coordination is working, and we will certainly raise the point that you mentioned.

Ms Fearon: At the last meeting of the North/South Inter-Parliamentary Association, European funding was one of the topics that was up for discussion between MLAs, TDs and senators. What kind of joint working goes on at the Southern Government? Obviously, at this stage, they are pros in drawing down funds and would nearly put us to shame. We spoke to Colette Fitzgerald and Barbara Nolan, her counterpart in the South, about the importance of having people on the ground in Brussels and, almost, infiltrating the different organisations there. Are we doing anything to encourage people to go there? Obviously, there are a lot of job openings now to go into organisations in Europe. What collaborative work is going on for drawing down funds? Obviously, it is of mutual benefit.

Dr Browne: I will make a few comments, and maybe Paul will come in on some of the detail.

I mentioned the visit that we had to Brussels. As part of that, we went round all the various permanent representations there. We met the Scottish, Irish and UK permanent representatives, and we talked to them about all the issues, including collaboration and how we work together. I know that the offices out there all work very closely together, they all help each other to identify the best place to go to get the necessary information or advice, and they support each other in a whole range of activities. That sort of collaboration is ongoing out there in Brussels with our own office and those other permanent representations.

Paul, do you want to say a bit more in the context of North/South?

Dr Geddis: The main points of interaction North/South are on the competitive EU funds or Horizon 2020, which we have just covered, and there is substantive cross-border working on that. However, it is also extremely relevant for INTERREG IVb and IVc, which are the geographical allocations on the north-west Europe and the Atlantic periphery. In order to be successful in any competitive funding programme, you need to partner with other member states and other regions. Therefore, it is extremely valuable for us to have that very close North/South working, because we can immediately partner with another member state, and that increases the competitiveness of the funding application. There is a very strong inherent need and desire for us to work in that particular manner. Again, it is something that has been built in from the outset, and we are beginning to see the outworkings of that. We expect that to continue and grow. It is an inherent part of it and not something that sits outwith the relationship on competitive funding approaches.

Mr Spratt: Just on the partnering with other regions, certainly, the South is important. Mark mentioned the Scottish Government in terms of, for instance, the Trans-European Transport Network (TEN-T) funding that is available for transport links and actually takes in major transport haulage from the A75 and stuff like that. Moneys could become available in the not-too-distant future from TEN-T. So there need to be conversations taking place in relation to that because it could help the whole island.

I cannot remember the name of the funding stream for seaways, but there is also funding available for ferry services and cargo transport. We need to move stuff mostly in ships or by road or whatever to get it onward to Europe in many cases. This morning, my Committee saw the amount of increased activity between Liverpool and Belfast harbour. So there must be opportunities there that we need to be continually exploring, to try to build on the investment by Stena Line and what have you in the harbour estate. That is particularly important in the area of the agrifood industry and fisheries.

Scotland, Northern Ireland and the Republic of Ireland have issues in relation to all that. It is important that we keep on driving to make sure that we get the best possible deal. We hear the whingers who complain that we put more money in than we get back; we heard that during the election campaign. However, we have to keep trying to get as much back as we can.

The Chairperson: OK. Thank you. Finally, commitment 77: changes to post-2015 government structures.

Mr Maskey: Agreed. [Laughter.]

The Chairperson: If only it were that simple. Is there anything you want to say something? Is there anything on it?

Mr Tony Canavan (Office of the First Minister and deputy First Minister): Just to say that, as we all know, political-level agreement to these changes was not reached in 2012. It is still awaited. However, the enactment in March of legislation at Westminster has created more flexibility in delivering this commitment when political-level agreement is reached. The Westminster Act extends the term of the Assembly to 2016; allows it to legislate on its own size, with the consent of the Secretary of State; and a late amendment in the Lords limits the scope for reduction to five Assembly seats per constituency, which provides for a possible future Assembly of 90 seats.

The extension of the term of the Assembly is reflected in the latest version of the delivery plan, which envisages primary legislation next year on some structural changes, but that is subject, as previously, to political-level agreement.

The Chairperson: That about says it all. It is the Northern Ireland (Miscellaneous Provisions) Act 2014. It gives us more flexibility, and it has given us another year. I am not sure that there is anything to be added, unless members are particularly exercised.

Mr Attwood: My only comment is that the declaration by the senior responsible officer, which is the standard declaration, reads a bit ironically, does it not?

The Chairperson:

"I can confirm that, while this Commitment was not fully achieved in the target timescale, delivery is being managed to achieve the maximum level of performance, that identified risks and issues affecting delivery have been assessed, that appropriate mitigation measures are in place and that the actions in this delivery plan are affordable in terms of resources currently allocated."

It is what it is.

Gentlemen, I think that is us. Thank you all very much indeed for your time.