



Northern Ireland
Assembly

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

OFFICIAL REPORT (Hansard)

October 2014 Monitoring Round: OFMDFM
Officials

1 October 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
Mrs Brenda Hale
Ms Bronwyn McGahan
Mr Stephen Moutray
Mr George Robinson
Mr Jimmy Spratt

Witnesses:

Mr Stephen Boyd	Office of the First Minister and deputy First Minister
Dr Mark Browne	Office of the First Minister and deputy First Minister
Ms Sinéad McCartan	Office of the First Minister and deputy First Minister

The Chairperson: We now have a briefing on the Department's bids for October monitoring. Papers were received at 11.59 am today — a minute before noon — and are in the tabled papers. Members also have a copy of the letter from the Department that we considered last week. It outlined the outcome of the June monitoring bids and indicated a further £1.6 million reduction in resource budgets in October monitoring. It also indicated that a bid of £1.3 million would be made in October for the Victims and Survivors Service to restore the baseline to £11.3 million, which was the opening budget for the previous financial year, 2013-14.

We have Mark Browne, Stephen Boyd and Sinéad McCartan. Mark, I invite you to take up to five minutes to make some opening comments.

Dr Mark Browne (Office of the First Minister and deputy First Minister): Thank you very much, Chair. I apologise for the late arrival of the paper. We are pleased to be here to talk about October monitoring and update the Committee on the Department's financial position. I will touch on the Department's annual report on accounts as I go through, because that was also on the agenda. I will also touch on June monitoring and then move to October monitoring. It will be a relatively short presentation, Chair. For context, it is valuable to walk the journey.

The annual report noted progress in the 2013-14 financial year against the Programme for Government 2011-15 and the Department's key priorities. In addition, the report detailed the financial performance of the Department against estimates and budget. The 2013-14 report notes a total

underspend in provisional out-turn against budget of 0.4% on resource. That is the same as last year and within the very tight departmental target of 0.5%.

The C&AG qualified his audit opinion of the accounts on the grounds of irregularity due to a legacy issue relating to the Ebrington parade ground project of 2010-11. In 2012-13, the expenditure on that was not considered material enough to qualify the accounts. Expenditure of £4.3 million this year has led to a qualification re-emerging. This occurred in the past and has been dealt with, but it will have to work its way through the accounts. It is expected that next year's expenditure will be about £880,000. We hope that that will not result in a qualification next year, meaning that the matter would be finished with.

In the June monitoring exercise, the Executive agreed that we would receive £8.1 million of the £13.6 million bids that we submitted, but they also approved a 2.1% reduction in resource budgets, which, for OFMDFM, amounts to about £1.4 million. That was to take place immediately in June monitoring, with a further review of baselines to take place in the October monitoring round. The Executive paper indicated that a further reduction in the region of 2.3% was expected, which would be £1.6 million for OFMDFM, and that this would be required at October monitoring. The Executive paper also recognised the need for all Departments to ensure sound management of the Executive's overall budgetary position and to take immediate action to ensure that they live within their budget allocations following the application of all of the reductions proposed in this year. The OFMDFM board approved a series of actions, which was subsequently approved by Ministers, to deal with residual pressures following June monitoring. They included the application of a 4.4% reduction to the budget of the Department and its arm's-length bodies (ALBs). In the Department, it involved vacancies continuing to remain unfilled, a reduction in research spend, a reduction in programme delivery and a slower, or lower, level of delivery of central initiatives by OFMDFM and Departments. Budget cuts of 4.4% have also been applied to arm's-length bodies, with the exception of Maze/Long Kesh. In that case, we looked at the budgets and took a reduction of £500,000, which is approximately 27% of the opening budget, in light of current reduced activity in the corporation.

ALB accounting officers have been advised to take the necessary actions to ensure that they live within their revised budget envelope. The discussions that we have had with arm's-length bodies through our sponsor branches indicate that the majority expect to be able to remain within those revised budgets, albeit with a degree of pain. One or two of the smaller bodies in particular will have some difficulty because their budgets are mainly comprised of staffing costs.

The Department exited June monitoring having taken a series of actions designed to ensure that it lived within its revised budget. Following June monitoring, a number of further pressures emerged. They amounted to about £376,000 on exchange losses arising from EU claims — that amount could go up or down in the future, depending on what way the exchange rate moves — and £374,000 on non-cash depreciation.

As we set out in the paper to the Committee, we propose to submit to the Executive, as part of October monitoring, a bid of £1.341 million for the Victims and Survivors Service; a bid of £1.3 million to cover the cost that arose from the Hillsborough sites, a bid that we put forward in June but which was not met; £376,000 for the exchange loss on EU claims; and a further bid of £1.735 million to meet additional pressures emerging in the Victims and Survivors Service.

The Department proposes to submit as easements in October monitoring reduced capital requirements of £1.187 million at Maze/Long Kesh and £760,000 at Crumlin Road Gaol. The Maze/Long Kesh easement has been declared due to a reduction in capital, obviously as a consequence of the restriction on the development activities on the site. The capital there is spread over a number of projects that were under the control of the Maze/Long Kesh Development Corporation.

The Crumlin Road Gaol easements have been declared because some of the projects that were being looked at would have had an impact on traffic flow on the road, so a traffic management survey is required to assess the impact before those projects can go forward.

Those are the bids that we propose to put forward in October monitoring. With the Executive facing such significant funding pressures, it is unlikely that all our bids will be met, although the current indications, in so far as we have them, are that the Victims and Survivors Service (VSS) inescapable bid will, we hope, be met. The Executive made a commitment to look at that bid and meet it if at all possible. We are also optimistic that the depreciation bid will be met.

The budgets for Delivering Social Change (DSC) are managed centrally by DFP and do not form part of our Department's baseline budget, but we advise DFP on the drawdown that should be allocated to the various Departments. In total, £118 million was made available over the period for Delivering Social Change, the social investment fund (SIF), the childcare fund and the six signature projects. A number of the Department's Delivering Social Change programmes, including the social investment fund and Bright Start, are beginning implementation this year. On top of that, funding is required for the other Departments' DSC programmes. We bid for an additional £6 million of resource through June monitoring, but the bid was not met.

As part of October monitoring, we have gone back to Departments and asked them to revise the pressures that they feel they have in those various central initiatives. They have identified a pressure of £6.65 million of resource to enable the SIF signature programmes currently in delivery and for the ministerial priorities of Play and Leisure and Bright Start to go forward, along with those projects that relate to other Departments. If the bid is not met, Departments will have to meet the pressures from their baseline or scale back the extent or the pace of delivery of those central programmes to ensure that they remain within budget.

Finally, OFMDFM drew down £2.5 million capital in June monitoring for a range of SIF projects, but, as a result of some project delays, the Department will hand back £1.238 million of that.

That was a run-through of the accounts; June monitoring, to set the context for October monitoring; and the bids that we have made for October monitoring. I will be happy to take questions and elucidate on any point.

The Chairperson: Thank you for the briefing. Let us start with the two capital projects — Maze/Long Kesh and Crumlin Road Gaol. I am looking at your description of Crumlin Road Gaol:

"The internal perimeter wall at the rear of D Wing of Crumlin Road Gaol needs to be realigned. It was proposed that this and associated works to create access to the car park on the upper level at the back of D Wing will be undertaken during this financial year. Parking and traffic management issues have arisen".

Surely it was obvious from the beginning that there would be parking and traffic issues.

Dr Browne: Discussions have gone on in conjunction with the Mater Hospital because some of the ground that is available around Crumlin Road Gaol, particularly at the back, is used by the hospital for parking. Part of the discussion is to determine the best way to identify additional parking for Crumlin Road Gaol and to deal with the problems that might emerge in the Mater Hospital. When we looked at those in the round, we felt that it was important to get some sense of what the impact would be on the traffic in order to make sure that it was managed appropriately, given the need to ensure access to and exit from the hospital. That survey is being taken forward.

The Chairperson: My point is that surely those are issues that should not have arisen when you went on site. Surely they should have been obvious from the get-go.

Dr Browne: It is still in the early stages, but the fact is that, as the planning has progressed, the potential extent of the problems has increased, and it was felt that a survey was necessary.

The Chairperson: Between that and the Maze, about £2 million is being surrendered. Do you have any idea where it is likely to end up?

Dr Browne: The £2 million capital that we surrender will go back to DFP.

The Chairperson: Do you have any idea how it might be used?

Dr Browne: That will be a matter for DFP to decide in light of the bids that it gets from other Departments.

The Chairperson: The paper states that the existing budget for Delivering Social Change is £1.5 million and the bid for October monitoring is £5.6 million. Why are you bidding for three and a half times the original budget in a monitoring round?

Dr Browne: I am trying to locate the bid in the papers.

The Chairperson: The existing budget is £1.5 million; the bid is £5.6 million.

Dr Browne: The £1.5 million is what is left from the overall budget. That is not the total opening budget but what remains to be drawn down. When we look at the pressures that Departments have put in, those exceed £1.5 million. Therefore, we need to bid for the extra.

There has been an issue around Delivering Social Change. Part of that issue is that funding was provided very early in the Programme for Government period when the projects and programmes to spend that money were not in place. It has taken time to develop the programmes and get the projects up and running, and there is then a mismatch between when the money was available and when the projects kick in.

The Chairperson: Is that a good way to do government?

Dr Browne: When a Programme for Government is pulled together well in advance, there is always an issue about the extent to which you can be sure what will go into it and whether you could have started the planning well before it was agreed. There can be changes, and it is subject to consultation. It would be good if we could get a better match between when programmes will kick in and the funding. We work at trying to get that, but the reality is that some money needs to be set aside up front for those programmes to give Departments certainty that they will go ahead. The detailed profiling of programmes is much more problematic.

The Chairperson: Do you see what I mean? As politicians, we make these big, all-singing announcements that we are going to do really great things for our people, such as address literacy and numeracy problems through one-on-one tuition from teachers and call it "Delivering Social Change". Then, suddenly you are saying, "Ah, we have £1.5 million, but we need over £7 million".

Dr Browne: No. Additional funding has been made available through Delivering Social Change. What is left to cover the remainder of the year is £1.5 million. The pressures the Departments have identified for the rest of the year amount to more than that, and that is why we are bidding for the difference.

Mr Stephen Boyd (Office of the First Minister and deputy First Minister): In the June monitoring round, £12.5 million was allocated to the Delivering Social Change projects and the childcare project. At the start of the year, we had a budget of £14 million. Of that, £12.5 million was allocated in June, and there was only £1.5 million left in the pot in October. We entered a subsequent bid for £6 million in June. We knew that there was a pressure in June, and it was not met at that stage.

The Chairperson: Yes. So, the pressure is building, and your tabled paper makes it very clear that, if you do not succeed with the bid in the October monitoring round:

"lead Departments may be unable to meet contractual commitments".

Dr Browne: We hope that that will not be the case, but there is always a risk.

The Chairperson: Of course you hope that it will not be the case.

Dr Browne: There is always a risk. However, in addressing any commitments that they have entered into, Departments seek to meet statutory and contractual commitments in the first instance.

The Chairperson: I see that the consequences include:

"It is also likely that there would be negative press".

Too right.

Dr Browne: The key point is that we have asked Departments to look at their pressures and identify how they would live within the budget if the bid were not met and to try to address the kind of issues that are set out in the bid to make sure that contractual and other inescapable commitments can be met. That is part of the natural budget management that goes on in Departments.

The Chairperson: I will move on to the seventh signature project, which is the play and leisure project. The existing budget is £92,500. You are bidding for £250,000, yet:

"Design of the Programme is still ongoing."

How can you bid for so much money when you still do not have a design?

Dr Browne: It is one of the more recent signature programmes, and one that Ministers are keen to bring into play and start to roll out this year. That funding would be for some of the initial work that needs to be done and some of initial actions.

The Chairperson: Such as?

Mr Boyd: There is an initial project with the Department of Health for health visitors. I think that it has a project ready to go and that it is looking for some money for it while it develops the overall programme.

The Chairperson: OK.

Dr Browne: Again, it is just an example of a programme that will build over time. This is the early stages, and the project requires the bid to be met in order to be moved on.

The Chairperson: We started with six signature projects. The play and leisure project came in to make seven, and three more were added recently, to be funded in conjunction with Atlantic Philanthropies — on dementia, early intervention for young families, and education. Have you a bid in for the Executive's complement for those signature projects?

Mr Boyd: We have no bid in this year. We believe that the Executive commitments will be in future years.

The Chairperson: I thought that Atlantic Philanthropies was wrapping up.

Dr Browne: There has been agreement to the extent of co-funding between it and us. It is putting its funding in at the start of the programme. Ours is back-ended, which means that we do not need to bid for it and put it in place until later. You are right: these are among the last allocations that I understand Atlantic Philanthropies will make.

The Chairperson: To be clear in my own mind, Mark, the three projects — to do with dementia, early intervention for young families, and education — will begin, funded exclusively by Atlantic Philanthropies, with an expectation that, to get them over the line to completion, the Executive will have to pick up the funding at some point.

Dr Browne: Yes.

The Chairperson: So, it is not a case of £1 from it and £1 from us makes £2 to start. Atlantic Philanthropies is funding the initial stages 100%, and, if you cannot find the budget, the projects will fall.

Dr Browne: The positive aspect was that the funding being put in by the Executive was being matched by Atlantic Philanthropies in order to increase the overall quantum. In discussions with Atlantic Philanthropies, related to the situation that its fund is in — as you say, it is coming to an end — and related to the profile of expenditure that we had, it was agreed that there would be a share of the funding over the whole period of the project. However, the way in which it would be profiled would be that it initially comes in from Atlantic Philanthropies and the funding from the Executive will be back-ended.

The Chairperson: It is matched funding, pound for pound.

Mr Boyd: No, it is all the value of the three programmes, which is £58.45 million, of which £25.5 million will come from Delivering Social Change, £24.65 million will come from Atlantic Philanthropies and £11.3 million will come from Executive Departments. So, there are three sources of funds for the new programme.

The Chairperson: Will that commitment be foisted on the next mandate? What is the time period for those projects?

Dr Browne: I am not sure of the precise timeline. I think that they will run over two to three years.

Mr Boyd: It is three years.

Dr Browne: It will run into the next mandate, but, again, it is not uncommon for there to be ongoing programmes.

The Chairperson: I am seeking clarification.

Dr Browne: We have identified that they will run into the next mandate. There will always be some that will have to be picked up in the next Programme for Government.

The Chairperson: So, as we stand, it is likely to be a financial commitment that will have to be picked up in the next mandate; otherwise, we fail our match-funding commitment, because Atlantic Philanthropies will have put in the money. It will already have been spent. OK.

You advised us that you were making a bid for £1.3 million for the Victims and Survivors Service, but there are two bids in. There is an additional high-priority bid for £1.73 million. Mark, why are there two separate bids and what do they cover?

Dr Browne: In the first instance, we are looking to put the Victims and Survivors Service programme and its baseline on to the same level as last year, which would be £11.3 million. When you apply a 4.4% reduction to the opening allocation for the VSS of £11.7 million, it takes you down to broadly £11.3 million. The intention in the bid is to bring that baseline up to £11.3 million, because it has had an initial allocation of £10 million at the moment.

The Chairperson: Sorry, do you mind if I jump in there? Why is it an initial allocation of £10 million rather than £11.3 million?

Dr Browne: As part of planning for our budget at the start of the year, we identified all the programmes that we had to take forward. In the past number of years, it has been the case that we have received fairly significant funding in-year because a number of our programmes are not baseline-funded. That is partly because they started after the Programme for Government was put in place. So, we have been fairly heavily reliant on in-year funding. Part of our budgetary planning for the year is to live with a certain degree of pressure and for that to be picked up through in-year bids. As part of that, we were bidding for the VSS in June with the intention of restoring it to the baseline that it had in the previous year. Unfortunately, that bid was not successful in June, but, as I mentioned earlier, the Executive have committed to looking at it again in October and, if at all possible, find the necessary funding to ensure that the baseline is restored to that level. I think that the First Minister and the deputy First Minister have written to you to clarify that position. The additional £1.7 million is to meet some of the additional pressures that have been identified by the VSS, such as other victims having come forward for a number of its schemes. It should be recognised that, last year, over and above the £11.3 million, an in-year bid of £1.1 million for victims was met. So, VSS funding was enhanced in-year last year. That is reflecting that ongoing pressure.

The Chairperson: I understand what you are doing when you use lines such as, "There is internal pressure that we pick up during the year". In another way, a pressure was felt by victims and victims' groups that did not understand — there is no reason that they should — how this all works. They saw victims' groups putting in bids for money and being told that they ticked all the boxes and met all the criteria but that they were still not getting any money because there was no money to give them. That is not a good place to be.

Dr Browne: As I say, there are pressures across the whole range of our budgets, and some of those are in the most high-profile and difficult areas, including the VSS. We have made that initial allocation of £10 million. The full expectation of Ministers is that, through October monitoring, they will get the bid met, and I think that the Executive have been as firm in that as they could be without actually granting the money by stating in the previous paper that, if at all possible, they will find the £1.3 million as necessary.

The Chairperson: So, that is kind of an inescapable bid.

Dr Browne: That was put forward by us as what we deem to be an inescapable bid.

The Chairperson: What exactly will that go to do?

Dr Browne: It will go to making sure that the various schemes can be put in place and that the funding to victims' groups can be sustained. Depending on how the costs run through, it will hopefully enable some further support to be provided for respite care and perhaps on the education side. Again, however, that will depend on the extent to which the VSS is able to constrain costs and manage its budgets.

The Chairperson: I am looking at the £1.341 million figure in the tabled papers. In the brief description of the bid, running costs are at the top. It states:

"VSS forecast a budget of £1.994m on running costs this year."

That is £2 million to run the Victims and Survivors Service.

It goes on:

"Efficiencies have been found" —

here are those efficiencies —

"through ceasing staff training and training for groups, withdrawing the freephone number and withdrawing further public adverts of schemes."

Given the well-publicised difficulties that victims and survivors have had with the VSS, is it a good idea to cease staff training? Given the difficulty groups report in accessing funding from the VSS, is it a good idea to cease training for those groups? Given the vulnerability of individual victims and survivors, is it a good idea to withdraw the Freephone number? Given that, certainly anecdotally, we have no confidence that victims and survivors are aware of what is on offer, is it a good idea to stop advertising schemes?

Dr Browne: As I said, some difficult decisions have had to be taken as a consequence of the financial pressures that we are facing right across the Department, all our arm's-length bodies and across other Departments. The actions that the VSS has taken on its priorities for funding in the budget have been consulted on with the Commission for Victims and Survivors and the victims' forum. The Department asked the VSS to make sure that it did that.

We recognise that the VSS has had to make some difficult decisions to stay within budget. We have tried, where possible, to provide some additional assistance. For example, a number of the telephone calls are now being handled by NI Direct. That has taken some of the call-handling away from the Victims and Survivors Service to try to ensure that there is ongoing access and awareness among victims and victims' groups.

The Chairperson: I know that you are really here to discuss the finances, and this may be for different officials, but, frankly, if you are a vulnerable victim trying to phone the Victims and Survivors Service and cannot even get through to it — you have to go through NI Direct — no matter how well trained those people are, that is really bad. It is really bad that you cannot pick up the phone and talk directly

to the Victims and Survivors Service. I stress that the people who are fielding those calls in NI Direct may be extremely good at their job, but having to go through a third party sends out a really, really bad signal. The service is supposed to be there for victims. They should be able to pick up the phone and speak to somebody who works for the VSS, period.

Dr Browne: The intention, and the way in which NI Direct is used more generally, is to identify the aspects of a call that might be capable of being dealt with at a relatively general level and to signpost and pass on the calls for which more information is required. It is not a question of them not being able to get any access to support from the VSS. There is a triage system in the first instance, where whatever information can be given is given, and, if that is sufficient, that is OK, and, if not, they will be signposted on. This is a way of trying to manage the flow. The alternative could be a major blockage in the system against what is available. It is about trying to make best use of resources.

The Chairperson: I get it if you are phoning in to report dog poo, but I do not get it with victims, I am sorry.

Mr Lyttle: Chair, you have effectively described the impact that the reductions have had on the victims and survivors. An additional impact is that chronic pain and disability support is open only to the seriously injured, who are determined as those on high-rate DLA high-care and middle-care components. As you said earlier, Chair, victims and survivors have no access to any of that type of detailed information. The experience that they have had in past weeks and months on the ground has been NI Direct phone call services, unexpected reductions in the pain relief that they have received and the cessation of particular schemes. We know that there are key issues there.

Mark, is it right that the reduction in victims and survivors' services as a result of June monitoring was from £11.7 million to £10 million for the year?

Dr Browne: I will pick up on two points, Chris. The only information available is not from NI Direct. There is the victims' forum, there are victims' groups, and information is put out by the VSS. I accept that there is an impact from the reduction in budgets, but I cannot let it go unchallenged that the only contact that they were getting was through NI Direct.

Officials are up next week from the unit concerned. They will be able to go into a bit more detail on that.

Mr Lyttle: That is fair enough. It is a fair point to make that it is NI Direct when access to the Victims and Survivors Service is not available. The Victims and Survivors Service is obviously making those decisions under the extreme pressure of the budgetary reductions that flow from Executive decisions. It is important to make those points, so that is fair enough.

Dr Browne: On your question about the budget, the letter to the Victims and Survivors Service indicated that there was an initial allocation to the VSS of £10 million and that it should work to that initial allocation. The clear expectation is that there will be further funding through October monitoring, but until that is agreed, that funding cannot be firmed up and allocated.

Mr Lyttle: OK. What are the expectations of it being accepted? If it is not accepted, are there ways for the Department to make adjustments to meet the level of demand there at the moment?

Dr Browne: In the first instance, as I mentioned earlier, when June monitoring was being agreed, the Executive included in their paper that they would return to the bid of £1.3 million for the Victims and Survivors Service, and meet it if at all possible. That was the phraseology used. If something is to happen in October monitoring and that bid is not met or October monitoring is delayed or something, it will be for Ministers to look within their existing budgets and decide how to deploy any funding that may be available there. It would be in that context that any further funding for the VSS would be considered.

Mr Lyttle: In the June monitoring round, a £4.7 million bid was made for Together: Building a United Community, and £3.5 million was awarded. Will you detail what that £3.5 million will be spent on?

Dr Browne: The precise amounts have yet to be announced, but that funding will go towards the central good relations fund, urban villages, a number of strategic interventions, race-hate interventions, the Community Relations Council, the pathfinder scheme and some funding for T:BUC

staff costs. In addition, Ministers are still considering to where some funding should be allocated, so that is not the full amount. Ministers have yet to come to firm decisions, which will be announced in due course.

Mr Lyttle: Is there a baseline budget for Together: Building a United Community or is OFMDFM just making monitoring round bids as it goes along?

Dr Browne: The position on T:BUC is that the initiatives and projects are co-designed by OFMDFM and the relevant Departments within the overall T:BUC framework. The Departments that are taking forward the projects then bid in-year to get the funding to do so. That is the way that it works. If the projects are in OFMDFM, we bid for those. If they are in another Department, it bids for them, and they are either met or not, according to the outcome of the monitoring round.

Mr Lyttle: Is OFMDFM the delivery Department for urban villages?

Dr Browne: We are working with DSD on urban villages. Part of the funding from that bid would be for some of the support to develop the concept of urban villages in more detail so that they can be delivered. However, the senior responsible officer (SRO) is in DSD.

Mr Lyttle: The two areas designated at the moment are Colin and the Newtownards Road.

Dr Browne: Yes.

Mr Lyttle: OK, Chair. It is, I suppose, a political point, but the reality is that, as a result of the Executive's decision-making process, we have protected health and education funding but not victims and survivors. Thanks for your presentation.

The Chairperson: There is a £1.3 million bid for the Hillsborough sites that was deemed — *[Interruption.]* As soon as you mention the Hillsborough sites, MI5 goes nuts. A £1.3 million inescapable bid for June monitoring for the Hillsborough sites was not met. It is back in again. What happens if it falls a second time?

Dr Browne: This is a mixture of costs that we simply have to find, because they are charges on the Department and other costs that we want to incur in order to develop the sites or sell them. For example, some of the costs relate to basic running costs. We are pumping out the Shackleton site. We are maintaining the pumps, there is security around the site, and it is similarly so for the other sites. Those are just a totally inescapable pressure on our budget. That is why I said at the start of the year that we have to overprogramme to some extent, because all those costs are not met. Those sites came across after the Programme for Government and its associated funding was agreed. Those costs are being met in-year, but we have to programme them in as costs that we know we have to meet. They emerge as a pressure, and we then bid for them in-year. That is the long way of answering your question. In short, if they are not met, they are a pressure on our budget. It means that we have to take money from elsewhere to meet the cost of maintaining the sites and might not be able to move ahead with some of the remediation and preparation that we would like to do to prepare the sites for disposal.

The Chairperson: If you do not spend the £1.3 million and decide to sell the land, that could cost multiple factors of £1.3 million in terms of the agreed price. Secondly, presumably there are health and safety issues that are inescapable and, if they are not met, risk management dictates that the Department could be at severe risk.

Dr Browne: We would not allow health and safety issues to occur, because it would be a legal obligation to make sure that we met our health and safety obligations. That is why I say that it is an inescapable cost. We meet those costs from other budgets.

The Chairperson: But, you said that in June and you did not get the £1.3 million.

Dr Browne: That is right; it means that that is part of the pressure on our budget —

The Chairperson: So, you kept spending the money.

Dr Browne: We have to keep spending the money. It is an ongoing cost to us even though it is not covered in our baseline. That is why we are resubmitting the bid in order to try to meet those costs.

The Chairperson: George, we have just been discussing Shackleton.

Mr G Robinson: Apologies. *[Laughter.]*

The Chairperson: Sorry about that.

Mr Attwood: Has the paper gone to DFP?

Dr Browne: The October monitoring paper?

Mr Boyd: It should go tomorrow.

Mr Attwood: When did the Ministers sign off on the paper?

Dr Browne: They signed off on that paper to go to the Committee today. We will take any comments or anything that arises from this and get the final submission to DFP if anything emerges that requires any sort of change.

Mr Attwood: Without labouring it, getting a paper at one minute to noon is, again, not good enough, but that is probably outwith your responsibility. In the week that is in it and the months that are in it, when there is all this dust being thrown up about monitoring papers, pressures, overspends and reaching budget lines, you would think that this would be one occasion when we would be given a bit more early warning about the paper.

Can you give us — not now, but in a paper — details of all contractual commitments that have been entered into in respect of SIF and Delivering Social Change? Are you able to provide a paper within the next week confirming all the contractual commitments entered into?

Dr Browne: I can certainly ask my colleagues to pull that together. Many of the SIF projects are still at an early stage and many will not yet have entered into a contractual obligation. There is one on which work has started on the ground. Many of the rest are at the approval of business case stage and affirmative letter of offer stage.

Mr Attwood: What I want to know is the profile of contractual commitments, because the theme in the paper is that contractual commitments have been entered into. Therefore you have to pay money and you draw down the money from DFP for that purpose, is that right?

Dr Browne: Yes.

Mr Attwood: I would like to know whether there are contractual commitments greater than the budget allocation and, if there are no contractual commitments in respect of various projects, whether they can be suspended.

Dr Browne: The budget for this year to cover SIF is £14 million resource and £15 million capital. We do not have any firm figures for next year. We hope that it will continue at broadly that level. You raise a good point because, as accounting officer, I am also concerned about the extent to which, when we enter into letters of offer — which are basically a form of contractual commitment — we have the right profile of expenditure the following year. To go back to the Chair's point earlier, the initial allocations were made some time ago and were split reasonably evenly across the years to make up the total £40 million resource and £40 million capital that was available for SIF. They were not informed by detailed profiles.

We are now in a situation where bodies have come forward and have been assessed in a business case. Some of them moved more quickly than others and we are starting to get a better profile. The work that is ongoing with my colleagues on the equality side who are taking that forward is to try to get from groups, when the letter of offer is going out, a clearer plan as to when exactly they will be able to implement the various elements and when therefore the expenditure will fall. That is an ongoing

process. The only information we have at the moment is through the initial outline from some of the business cases, which is now quite dated. So, the profiles are very soft.

Mr Attwood: It is a very frank admission, however many years after SIF was agreed — three — that some of the profiles are, to use Mark's words, "very soft". It is quite a strange place to be this long into a programme to hear that the profile is soft or very soft. It all goes to prove the point, does it not, that this was an ill-conceived approach from the First Minister and the deputy First Minister?

But put that aside —

Dr Browne: Sorry, Chair, can I respond to that? I do not accept that. I am saying that at this point in time we are working to get clearer profiles, and that because the only information we have is from business cases, it is not as clear. We are in the process of getting them from various groups.

It has to be recognised that the nature of this programme is that it was an innovative-type programme. Individual groups on the ground, through their area committees, were coming up with the ideas that they felt their communities needed in their area. Of necessity, that kind of bottom-up approach takes a long time to develop, involves a lot of brokering among communities and the political parties and then has to be brought forward in a form in which it is capable of being delivered. That is why it has been such a long lead-in to getting them to the point where you can say, "This is ready to go". You can do it the other way, where Government decide what is happening and it then goes on to communities, but that is not what this intended. This was about communities determining what they needed in their own areas.

Mr Attwood: Without labouring the point, you used the words "very soft" in terms of the profile. I was only saying it back to you, and, in any case, your analysis is wrong. Partnership boards in neighbourhood renewal areas, through a bottom-up approach and a ground-level-up approach, have been developing plans for their communities. So, this is not an innovative approach. This is an approach that DSD, neighbourhood renewal and partnership boards have been deploying in areas of need for a long time. What happened was that the First Minister and deputy First Minister wanted part of that, and, as you probably innocently said, it had to be brokered between political parties. Too right, it was brokered between two political parties, and therein lies the flaw.

I will go back to the monitoring. We need to know the contractual commitments, and the letters of offer that are deemed to be contractual commitments, both in respect of Delivering Social Change and SIF so that we know what further pressures will arise as this gets rolled out over the next number of years. We also need to know, given the severe budgetary situation that exists — that is, two thirds a budgetary situation outwith the welfare pressure — if anything can be pulled back in that regard. I hope that the First Minister and deputy First Minister are looking at that rather than just trundling on putting money into projects when we do not even know if there will be any money to fund them.

Dr Browne: We are looking at that, and that was the point that I was making. I said — it is important to get this absolutely clear — that the profile information from the business cases is soft because it is out of date. At the minute, we are getting revised profiles from the groups now that we are close to the letter of offer stage. I am not saying that all the profile information we have is soft; I said that the information from the business cases is soft, and we are firming that up.

Mr Attwood: I have one other question. Are you discovering, when it comes to SIF projects, that what was anticipated to be the spend is lower than is proving to be the spend when a contract is being entered into?

Dr Browne: It is too early to say at this stage because, as I said, the letters of offer are being firming up and it is through those letters of offer and the plans that come in with them that we are getting a better idea of the extent of the costs and what will be delivered around those. In some cases, when the plan has been firming up, groups have had to revise their plans, and that is only to be expected. In other cases, some costs, for example capital costs, have changed over the past year and a half. Costs have changed up and down, and the groups that feel they are capable of delivering have changed. I am sorry; until we have the profiles in, I cannot answer that question.

Mr Attwood: My final question concerns the Atlantic Philanthropies (AP) spend. What you essentially told us was that close to £40 million has to come from government, of which nearly £26 million comes from OFMDFM and nearly £25 million — I am sorry; £25 million comes from AP and the rest comes from government one way or the other. Is that right? In terms of the AP projects, we are facing

another inescapable pressure of £35 million? That is another inescapable pressure coming down the tracks.

Dr Browne: There is £22.5 million coming from the Delivering Social Change fund and £11.3 million from other Departments, so there is £33 million of commitments that the Departments are entering into in order to lever £58 million.

Mr Attwood: In order to lever £24 million from AP?

Dr Browne: A total of £58 million, yes.

Mr Attwood: That is a more accurate way of putting it. So, that is another pressure on top of all the other pressures — on top of whatever else is going to come by way of the £25 billion of further cuts that London are going to deploy after 2016. Is that the case?

Dr Browne: These are all commitments that the Executive have entered into, yes.

Mr Attwood: Thanks very much.

Mr Spratt: I am not trying to shoot the messenger, Mark, but I want to go back to the VSS money. In your paper you say that there is £302,000 to:

"fill staff vacancies, deliver training to groups and staff, meet Ministerial commitment on phone calls".

One of the most appalling things that the Committee found during initial investigations into the VSS and hearing from various victims was the very simple thing that telephone calls, emails, and all the rest of it were not even being returned. That was appalling. Are you now saying that you are back into an appalling situation? I cannot understand this and maybe you could clarify it for me. I know that officials are coming to the Committee next week, and there will be an opportunity to ask questions of them. However, when it comes to filling staff vacancies, if there is a complement of staff in a particular Department, surely the budget is there for those units of staff. So, if you need to fill vacancies that have occurred for one reason or another, and fill them quickly, is the money not already there for that? We have heard that, in some other areas, folk are being moved on. Look, for instance, at the redeployment of staff in the situation in Limavady when the jobs went to Swansea.

Mr G Robinson: Coleraine.

Mr Spratt: Coleraine — the redeployment of staff there. Was there not an opportunity to get those vacancies filled quickly, given that there should have been a budget there for that? It just worries me that that budget has been mismanaged in some other way by the VSS.

Dr Browne: I would not characterise it in that way. The VSS has a budget that implies a certain number of posts. It has been asked to make savings of 4.4% and, indeed, because of the pressures it is trying to face across a range of areas, it has tried to look beyond that.

Mr Spratt: So, they have not filled those vacancies?

Dr Browne: There are a number of actions that you would take when vacancies occur. You would decide whether it is an essential post, whether you are going to fill it, and whether that can contribute towards a reduction in spend. You can also look at temporary posts to see whether you want to continue with them or let them go. However, in doing all that, it is for the chief executive, as accounting officer, to ensure that the capability of the organisation is maintained. That is a judgement that that person has to make — it is between making necessary reductions and maintaining the capability of the organisation. Those are the judgements that have to be made and they are difficult.

Mr Spratt: Of course, it is only an acting chief executive at the minute.

Dr Browne: It is an interim chief executive.

Mr Spratt: I do not know what assurance you can give on this matter, but I am seeking some assurance. If NI Direct is answering the calls — and the Chair has already raised the issue with you — how quickly is the response from the VSS taking place? For instance, if somebody telephoned at 10 o'clock this morning, when is that victim likely to get a response?

Dr Browne: I am sorry, but I am not in a position to answer a question of that detail. That is something that would be more appropriately picked up next week. We deal with the higher level finance.

Mr Spratt: From an OFMDFM point of view, there was an absolute commitment that folks would be answered in a very timely and proper manner.

Dr Browne: I believe that that remains a priority for the service.

Mr Spratt: That was almost a quick fix to sort that out. In fairness to the Department, the problems were rectified very quickly. I am just worried that we are slipping back to the situation we were in before.

Dr Browne: We do not want to slip back to that situation. It is a question for the VSS and for making the best judgement they can about how to maintain the service as best they can with the pressures they face. To give you some other reassurance, albeit that we have to apply the reductions to our arm's-length bodies, we have tried to give some support to the VSS. We have placed a grade 7 accountant there to help out for four days a week, in light of the fact that, as you said, the interim chief executive is acting up from her own position. We have also put in another finance officer. So, we are trying to provide what support we can from the Department to ensure that services can continue to be delivered.

Mr Spratt: Given that there is staff training and group training, what is the breakdown of the £302,000? What is the figure for staff in that £302,000?

Dr Browne: I will have to come back to you with the detail.

Mr Spratt: It might be helpful to know that for next week.

The Chairperson: Could that be done for next week?

Dr Browne: Yes, we will try and get that breakdown.

Ms McGahan: Thank you for your presentation. Regarding the SIF projects and project delays, how much money was handed back, if any?

Mr Boyd: We gave back £1.2 million on the capital side. At present, there is a possibility that we might have to give £0.5 million resource back, but we are looking at that. It is not in the monitoring round at the minute, but the £0.5 million of resource is a possibility.

Ms McGahan: Can you clarify what cluster area that is in?

Mr Boyd: At this stage, the budget was set at global level. It depended on what projects rolled out first. They would not specifically be for one cluster area.

Ms McGahan: In what cluster area did that project delay happen?

Mr Boyd: I am sorry, but I do not have that detail.

Ms McGahan: Will you come back to us on that?

Dr Browne: I think the question you are asking is this: Is the overall £80 million commitment, and the split across those areas, going to be maintained, and will that spend be there, or is the fact that some of the spend has not been achieved at this point in time going to mean a reduction in those areas? We hope that we will be able to maintain that commitment. We would seek to divert any underspend

to other areas within Delivering Social Change to ensure that the money is used appropriately. It would be a matter of using it for something else within DSC in order to maintain the spend indicated for each of the cluster areas, so that when a project comes forward, the funding will be there for them.

Ms McGahan: Say, for example, in the southern zone, there is a shovel-ready project sitting at number 7 on the list, and money is awarded to the first five projects. If there was a project delay, could the money move to the project that is shovel-ready?

Dr Browne: We have to remain within the allocations made for each zone. Those priorities have been ascribed by the steering groups.

Ms McGahan: Yes, but I am talking about project delays.

Dr Browne: I understand, but, as discussed in the steering groups, we would have to agree that, if projects were moved up and done slightly earlier because they were slightly further advanced, they would not do damage to the priorities agreed, and we would have to ensure that projects that were not in the top priority for the group were not coming in. We have to respect the priority established by the steering group. These are the sorts of things we are looking at to try to ensure that we match the spend set out for each year for current and capital against the progress that the various projects are making. Progress in different zones happens at different rates, and trying to manage that is part of the challenge we are facing.

Mr G Robinson: Thank you Chair, and apologies. As you said, I want to ask a couple of questions about the Shackleton site. Is there an estimate of how much it will cost to maintain the pumping station at the Shackleton site?

Dr Browne: I do not have that detailed cost. We will firm it up for you, George, but my recollection is that it costs in the region of £500,000 a year to maintain Shackleton, in overall terms. That is pumping, maintenance, security and all of the various elements of that. We can get you the breakdown.

Mr G Robinson: Is the pumping station included in that?

Dr Browne: Yes.

Mr G Robinson: What revenue was generated from a farmers' market that was held there in the past few weeks. Maybe you do not know about that, but there was a farmers' market.

Dr Browne: No, I did not know that.

Mr G Robinson: It was a full weekend.

Dr Browne: Do you mean the revenue generated for the site or for the farmers? *[Laughter.]*

Mr G Robinson: For whoever?

Dr Browne: I can ask and see if we have any knowledge of that. Normally, access to the site is provided for those kinds of activities. I will check whether any revenue was generated for the site.

Mr G Robinson: It was fairly well attended and very successful.

Dr Browne: It is a very useful facility for the local community up there.

Mr G Robinson: Is there anything on the horizon from anyone? Is there any uptake on the site?

Dr Browne: As you know, we went out for soft market testing. We got a range of proposals back. At the minute, we are discussing with Ministers how best to take this forward to dispose of the site in a way that allows some of those proposals to come to fruition. We are discussing this with Ministers, and we hope that a way forward will be agreed fairly soon.

Mr G Robinson: There is no date yet —

Dr Browne: Not yet.

Mr G Robinson: Is it fairly imminent?

Dr Browne: We are keen to make progress as quickly as possible. There is an ongoing cost to us in maintaining the site, and we would like to dispose of it. We would also like to see the site coming into productive use and be of value to the community more widely.

Mr G Robinson: In other words, the sooner the site is occupied, the better financially.

Dr Browne: Absolutely.

Mr G Robinson: I would encourage that.

Dr Browne: I support that as well.

The Chairperson: Mark, Stephen, Sinéad, thank you very much; I appreciate it.