



**Northern Ireland
Assembly**

**COMMITTEE FOR
CULTURE, ARTS AND LEISURE**

**OFFICIAL REPORT
(Hansard)**

February Monitoring

4 February 2010

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Barry McElduff (Chairperson)
Mr P J Bradley
Lord Browne
Mr Raymond McCartney
Miss Michelle McIlveen
Mr Ken Robinson

Witnesses:

Mrs Deborah Brown)
Mr Mick Cory) Department of Culture, Arts and Leisure
Mr Arthur Scott)

The Chairperson (Mr McElduff):

Good morning. Department of Culture, Arts and Leisure (DCAL) officials are here to discuss the February monitoring round. In attendance are Deborah Brown, director of finance and corporate services; Mick Cory, director of the sport, museums and recreation division; and Arthur Scott, director of the culture division.

Before we hear your briefing, I want you to know that there is a strong feeling of dissatisfaction among Committee members about the late submission of your paper. We have previously made similar points on numerous occasions to the Department. It is simply not good enough for a Government scrutiny Committee to receive such a paper at around 6.00 pm yesterday. Perhaps you could address that issue before we discuss the substance of the February

monitoring round. Why did that happen?

Mrs Deborah Brown (Department of Culture, Arts and Leisure):

I apologise to the Committee for the delay in submitting the papers. Some late figures were inserted into the papers, and that caused the delay. There were some very late changes, and we wanted to ensure that we had the most up-to-date information, and that the Committee received the same final version that will be submitted to DFP. We are conscious of our responsibilities to the Committee and of its critical role in scrutinising the actions of the Department. I assure members that I will do my utmost to ensure that this does not happen again. As I said, there were a couple of very late changes, and we wanted to ensure that the submitted information was as up to date as possible.

We have processes and procedures in place to try to avoid such situations, but, unfortunately, they did not work as they should have. I will address the situation to ensure that, in future, you receive papers in sufficient time to allow you to have a good look at them. I propose to take you through the paper in detail to ensure that everything is covered at this morning's meeting.

The Chairperson:

OK. Thank you.

Mr McCartney:

I understand that you received the late changes at about 5.45 pm yesterday. It is understandable that you held the papers back until they were complete, but it might have been better if we had received a preliminary paper, which would have been about 90% of the complete paper. That would have allowed us to make a start.

Mrs D Brown:

That is helpful, but the problem is that we have to put papers to the Minister before they come to the Committee. We would have had to put an initial paper to the Minister, and then we would have had to put another subsequent paper to him for clearance before we brought it here this morning. Therefore, I welcome that suggestion, but I am not sure that the process would allow us to do that.

The Chairperson:

OK. Please take us through the paper.

Mrs D Brown:

Thank you for inviting the Department to present the February monitoring round proposals this morning. With me this morning are Mick Cory, who is director of the sport, museums and recreation division, and Arthur Scott, who is director of the cultural division.

Turning to the monitoring process, members will be aware that DFP usually commission monitoring rounds approximately four weeks in advance of the return date. The February monitoring round was commissioned on 12 January, with a deadline of today, 4 February, and this is the last monitoring round for the financial year 2009-2010.

I will provide a quick outline of the management of the public expenditure. Following the outcome of the December monitoring round, which I will provide members with some information on in a moment, the planned level of overcommitment at that point across all Departments was £22.7 million, with no overcommitment in respect of capital. As highlighted in the CAL Committee briefing paper, DFP has advised that the focus throughout this year's monitoring round, which members will be aware of, is to continue to reduce the level of planned overcommitment.

In the past, because Departments had been unable to spend their entire budgets, an element of overcommitment had been allowed. However, with financial management improving across all Departments, underspends have significantly reduced. Therefore, our level of overcommitment needs to be reduced, and the capacity to address any pressures will depend entirely on the extent to which other Departments surrender their reduced requirements at this stage.

The February monitoring round follows the completion of the Department's spring Supplementary Estimates. These are the estimates whereby we seek authority from the Northern Ireland Assembly for additional resources or cash to the original Main Estimates that were set for the financial year. For 2009-2010, the spring Supplementary Estimates were prepared to correspond with the December monitoring round position, and any changes that come into effect through the February monitoring round will then have to go through a request for a virement approval.

As part of the monitoring process, DFP has asked all Departments to provide details of their reduced requirements for current expenditure and capital. In this round, DCAL is declaring a reduced requirement of £99,000 on resource, and a reduced requirement of £2.5 million on capital. Given the constrained position, and in keeping with previous years, DFP has advised that the Department be given the opportunity to manage its emerging pressures through proactive management actions. Departments have the opportunity to put forward proposals to limit the level of expenditure on a specified service or function in order to release resources to alleviate a pressure in another, higher priority area.

DFP has asked that those be distinguished clearly from the normal reduced requirements, which must be surrendered in the normal way. DFP has advised that, where a Department proposes a reduction that is greater than the de minimis level of £500,000, the relevant proposed reduction and pressure will be considered jointly, and DFP will recommend that either both or neither be approved.

In the December 2009 monitoring round, DCAL made a bid of £1.7 million for libraries' redundancy costs. At that point, we did not declare any reduced requirements. That bid was not met in the December monitoring round.

Members will be aware that, in the December monitoring round, contributions were made to meet the costs of dealing with swine flu. On 13 October 2009, Minister Wilson made a statement to the Assembly in which he outlined the financial pressures caused by swine flu. He outlined a pressure of £27.9 million on current expenditure and £10 million on capital expenditure. The Executive agreed unanimously that those pressures would be funded by way of a pro rata contribution from all Departments.

Members will recall that DCAL contributed £673,000 of resource, £425,000 of which was taken from the Ulster-Scots Academy and £248,000 of which was taken from the North/South Language Body. DCAL also contributed £538,000 of capital, £338,000 of which was taken from the House of Sport and £200,000 of which was taken from the libraries budget. However, £76,000 was refunded to DCAL and allocated to libraries in the December monitoring round.

Subsequent to the confirmation of the December monitoring round on 22 December 2009,

Departments were informed of the award of further budgetary cover for the impact of equal pay. DCAL was awarded an extra £1,050,000 for provision for the one-off settlement and an extra £270,000 for the arrears resulting from the implementation of the new pay rates from 1 February 2009. The December monitoring position was adjusted by those amounts, and the revised December monitoring position was confirmed on 18 January 2010. That additional headroom was factored into the spring Supplementary Estimates. The December monitoring round confirmed that DCAL's position was £111,409,000 in resource and £66,178,000 on capital.

I shall now outline the proposals for the February monitoring round. The Department is not making any bids in the February monitoring round and is declaring reduced requirements of £99,000 in resource and £2.5 million in capital. Those reduced requirements are set out in annex A of our briefing paper. Members will see that the reduced resource requirement is against the World Police and Fire Games.

We are declaring reduced capital grant requirements on the north-west challenge fund of £62,000, on water recreation of £40,000, on elite facilities of £124,000, on safe sports grounds of £100,000 and on implementation of the sports strategy of £722,000, relating to easements in motorsport and building sport.

We are declaring a reduced capital requirement of £100,000 on the collections resource centre, which has not commenced yet and on which we are preparing a business case. We are declaring a reduced capital requirement of £100,000 on the Ulster Folk and Transport Museum visitors' centre. The business case on that has not been completed, and no spend has started. We are declaring a reduced capital requirement of £124,000 for the New World development at the Ulster American Folk Park and a small reduced requirement of £40,000 on PRONI equipment, £15,000 of which was for general equipment and £25,000 of which was for the a wider archive knowledge experience network (AWAKEN) project that PRONI is developing.

Receipts from libraries amounted to £86,000 as a result of the unexpected sale of the Ballee library after the December monitoring round. There is a reduced requirement on library capital of £570,000, which includes some slippage from Dungiven library as a result of poor weather conditions. There is a reduced requirement as a result of some revisions being made to the procurement documentation at Carrick library and the reduced purchase costs of the site at Lisnaskea.

We are declaring a reduced requirement of £398,000 on the sale of IT assets to Libraries NI. Before Libraries NI was set up, the Department purchased IT equipment on its behalf, so we have declared the receipt for the Department's sale of that equipment to Libraries NI. There are also two small reduced-requirement receipts on assets of the Public Record Office of Northern Ireland: £19,000 on inland waterways and £16,000 on inland fisheries.

On proposed realignments, DCAL has reprioritised its resources to meet pressures in other high priority areas. It has done that through proactive management and internal reallocation. The Department is moving money within its limits, below the de minimis level of £500,000, in order to meet emerging pressures. We hope to secure sufficient funding to cover the libraries redundancy bid, which was not met as part of the December monitoring round. Our submission includes detail of a technical transfer whereby we transferred £5,000 to Account NI to cover some of those costs.

The revised capital budget after December monitoring was £66 million. I have already set out the surrenders on reduced requirements of £2.5 million. We have received assurances from the arm's-length bodies that the budgets that remain post-February monitoring will all be spent. That concludes the summary of DCAL's proposals for the February monitoring round. I am happy to take any questions or comments from the Committee.

Miss McIlveen:

Thank you for the presentation, Deborah. I am a bit concerned about the handing back of £722,000 in respect of sports strategy implementation and, in particular, the slippage in motorsport investment. Correct me if I am wrong, but I have a sneaking suspicion that that money was earmarked for motorsport safety work. I understand that that was a ministerial priority, given the amount of road deaths that have occurred. Indeed, just last month, John Leckey, the senior coroner in the case of William John Donnan, who died at the Tandragee 100, made a damning indictment of the standard of health and safety at such events. When was the project initiated? When was the Department first aware that the money would not be spent?

Mr Mick Cory (Department of Culture, Arts and Leisure):

You are right. The Minister set out a priority package of £2 million that was to be spent on safety of sports and, in particular, motorsport. Some £1 million of that was allocated from the sports

strategy fund in 2009-2010 and another £1 million was to be allocated in the 2010-11 financial year. Sport NI, which manages and administers that fund, was notified before last summer. It has been working with the governing body that has primary responsibility for overseeing sport to ascertain how and where to target the work that is required. Sport NI is also required to work with the Central Procurement Directorate (CPD) to ensure that the procurement processes being followed adhere to public procurement policy.

We were not notified of the underspend in the December monitoring round, but we have been notified of the underspend since December. We have challenged Sport NI to find out the reasons for the underspend, and why the notification was late. I understand that the issues are quite complex. The governing body has suggested that more than 50 small safety works are required at a variety of circuits.

An example of the issues that have been uncovered is that the works are required on private land. Normally, before public money is distributed, Sport NI requires a security of tenure to be evident. Given that the governing body that will be carrying out the works cannot provide that without the private landowner's permission, Sport NI has had to look at setting aside that particular requirement. That is one of the reasons why the notification appeared late.

CPD has specified that, given the amount of the money involved, a project manager must be put in place to oversee the works. Some of the procurement requirements have slowed the process down. There have also been issues associated with the capacity of the governing body to produce business cases that meet the required green book standard.

To cut a long story short, the issue has emerged only since December monitoring. We are in ongoing dialogue with Sport NI about why the notification came so late. However, more importantly, we will require, subject to ministerial agreement, that the spend is maintained into the next financial year. That remains a ministerial priority. Therefore, we still expect the ring-fenced £2 million to be —

Miss McIlveen:

Will you give us an assurance that the money has not been lost?

Mr Cory:

When you do not spend in-year, there is no guarantee that you will be able to get the money back. We will not get the money back from DFP, but we will require Sport NI to reprioritise its other spend. Therefore, the money may have to come from the budgets of other priority areas.

Miss McIlveen:

Another concern is that, because Sport NI has not got its act together in this financial year, and this is a priority that needs to be addressed, other sports will suffer. Will you provide an assurance that Sport NI is capable of carrying out the project? Alternatively, could the Department do it?

Mr Cory:

Sport NI is the body responsible for developing sport and interacting directly with the governing bodies. It has that responsibility, and I can give you an assurance that we will ensure that it is held to account in its delivery on ministerial priorities. Sport NI is best placed to manage the distribution of funds; in fact, it is the only body that will do it. If we spent the money directly, a precedent would be set that the Department would have to look at very carefully. If we have a body that is responsible for carrying out the project, we should make sure that it delivers.

Miss McIlveen:

I have genuine concerns, because the issue is one of health and safety. We are talking about the safety of both spectators and participants, so I take the issue very seriously. Thank you for your response.

The Chairperson:

Other Committee members share that concern. With reduced requirements of £2.5 million being declared on the capital side, was there not an opportunity to quickly start a programme, such as Places for Sport? There is considerable community demand for the reopening of the Places for Sport programme to assist grass-roots and community-based sports clubs with projects for which they have received planning permission, done community fundraising and own their own land. Those clubs have projects that are ready to go, so was there a missed opportunity to reprofile budgets to allow them to bid for available money that is now being sent back to DFP?

The Tyrone County Board of the GAA recently held a lobbying event in this Building for a

multi-million pound programme that it is advancing. The Tyrone County Board want a government top-up for that programme and feels that it has been treated unfairly in the process. Voices inside the Irish Football Association and the Irish Rugby Football Association are also saying that they would have liked money to be allocated to the Places for Sport programme. Was there an opportunity to do that?

Mr Cory:

Deborah may want to talk more generally about the capital side. From a sports perspective, we largely rely on Sport NI to inform us of where they see the priorities.

That has emerged since the December monitoring round. Part of the problem is timing. Because it has emerged since December, and because it affects the capacity to move quickly and get the money out there, we cannot set aside the normal procurement processes. I refer, for example, to the need for normal competitive processes to identify grant applicants to get those projects going, or the need for business cases. Those issues are still there. One could argue that that is a lost opportunity, but the counter-argument is that we cannot move that quickly, and still guarantee to meet public procurement and economic appraisal requirements. We are not in a position to set those aside.

If we cannot use it within sport, we must either use it elsewhere in the Department or declare it as an underspend to ease overcommitment elsewhere in the system. Those decisions have had to be taken in a short timescale.

Mrs D Brown:

Absolutely. Our capital programme board meets every two months. We consider how we can redistribute the budget to make sure that we maximise it when we become aware of any slippage or easements. In this instance, when we are so close to the end of the financial year, there was no opportunity to use this money internally.

Mr Cory:

The underspend in sports was about £1.2 million. However, by re-profiling within sports, that has been reduced to the minimum possible. Some movement was already handled by Sport NI in this, so we cannot say that no rapid movement has happened to take advantage of underspend in one sport area or another. Some has taken place, but it has not been possible to move all of it.

Mr McCartney:

I accept that there has been no time to process the alternatives. However, with respect to Places for Sport, clubs had qualified, met the criteria, had all the approvals and had applications stamped as approved — the only thing missing for them was the cheque. Surely, they needed no reassessment. Could something not have been done to accommodate such clubs?

The Chairperson:

I think that the process could have allowed for a reopening of the Places for Sport programme, had there been the will to do it.

Mr Cory:

I am not able to answer directly in respect of particular cases. I am happy to go back to Sport NI and ask that question on your behalf, or the Committee may ask Sport NI directly. If you want me to do that, I will.

Mr McCartney:

Thank you for your presentation. I have a couple of questions. In relation to the equal pay issue, must you find the extra £200,000 this year?

Mrs D Brown:

No. We were given the £270,000, which covers from 1 February 2009 right through to the end of this financial year. However, in 2010-11, we will have to cover the equal pay pressures by ourselves.

Mr McCartney:

You will have to find that money from your own budget.

Mrs D Brown:

Yes.

Mr McCartney:

In annex A, is there a reason why the £99,000 from the Police and Fire Games was not used? It was in the original bid.

Mrs D Brown:

Some £175,000 was transferred to us from DETI in the December monitoring round, and we spent £76,000 on fees, but there was no further progress that would have allowed us to spend the remainder.

Mr McCartney:

You outlined the sale of IT by Libraries NI. What accounted for the sale of PRONI and IWIF assets?

Mr Cory:

With respect to fisheries, that item refers to a few boats that had exceeded their use-by date or had become unnecessary. That accounted for some £16,000, and there were some other small assets sold.

Mr McCartney:

That sum came into the Department and the Department sent it on.

Mrs D Brown:

The PRONI item relates to some equipment that had been sold. I do not have the specifics.

Mr McCartney:

I only ask to satisfy myself about the procedure.

Mr K Robinson:

Unfortunately, as papers have come to the Committee late, members may not be questioning as carefully as they might. I refer you to annex E and the libraries item, which shows a reduction of £570,000 in major capital funds. Francie Brolly is no longer a member of the Committee, but he was always concerned about Dungiven. I will be worried about Dungiven on his behalf this morning. I can understand the site work being held up by poor weather, given the geography of the area, but I do not understand why there were delays in Carrickfergus. Were the delays due to the revision of procurement documentation? Surely the procurement timeline is well set out and well known. Why should there be delays at this late stage?

I am also puzzled about the additional £86,000 that came in from the Ballee sale. Given the housing and land sales markets, why is there such a discrepancy between what was anticipated and what was achieved? How did we manage to acquire £86,000 extra on the sale of something on the fringes of Ballymena? Why could we not get the procurement timescales in line in the Carrickfergus project?

Mrs D Brown:

If I recall rightly, the issue in Carrickfergus related to the design, so they had to go back to the procurement process. There was an issue with the roof, if I recall rightly. I think that it was a technical issue with regard to what was originally in the procurement specification, and something had to be changed when they got into the design work. I do not have the specifics, but I am sure that we could get that detail for you.

Mr Arthur Scott (Department of Culture, Arts and Leisure):

There were technical design changes, so it was not a fault with the procurement; it was the nature of what was being carried out.

Mr K Robinson:

Surely we have been waiting for so long for these libraries that the design features and so on would be well anticipated, would they not?

Mr Scott:

Each library is in some ways standardised, and, in some ways, unique. They have a different history in the sense that this programme was inherited from the previous education and library boards. Some of the projects and the approaches taken were not on the same basis. When they were examined in detail and brought forward, some issues emerged. As they go through the process of seeking approval, more questions are raised, and we find ourselves having to go back and do aspects of the work again.

We are confident that the programme for next year is more firmed up and definite, and it should be of better quality. As Libraries NI develops the capability and the capacity to deliver this programme, it is less likely that such issues will occur.

Mr K Robinson:

I am interested in that answer, so I will pursue it. The Committee has a particular interest in the Libraries Authority, as set up, because it played a major role in structuring and shaping it. As a former member of the North Eastern Education and Library Board, I know that that board worked for many years in extending its library provision and its schools. Was there slippage in that handover from one authority to the other, or have the difficulties with the procurement process and the technical points that you have raised regarding the roof been long standing?

Mr Scott:

I will speak with the relative experience that I have had in my post. In working with colleagues in Libraries Northern Ireland, I have found that a number of projects have a historical legacy. They are referred to as legacy issues. Across the education and library board network, different approaches were taken to projects. The different education and library board programmes have been inherited, and some issues are emerging.

Mr K Robinson:

Could such issues emerge in the future?

Mr Scott:

Following discussions that I have had with the chief executive of Libraries NI, I am optimistic that most of the problems have been ironed out. Expertise has been built up in the new authority, and, hopefully, that will allow us to deal with issues more quickly.

Mr K Robinson:

The important point here is that something has been flagged up, and it is something that could occur again. I ask the Department to pay particular attention and to ensure that there are no more issues out there when they are dealing with the Libraries Authority and other bodies.

Mr Scott:

That is a good point. Each of the projects is put through a strict disciplinary regime. Therefore, every effort is made to ensure that the approach to and the control of each project is correct. That means that issues are identified early in the portfolio of projects and risks addressed. They are closely managed by Libraries NI and the Department.

Lord Browne:

Will you clarify that the £1.7 million that was set aside for redundancies is sufficient? Has it been spent? Will there be a review of that at some stage?

Mrs D Brown:

No. We have a business case, and at the moment, the figure is £1.8 million.

Lord Browne:

Given the health and safety implications, the topic of sports safety is extremely important. Why is there a delay in the commencement of that strategy? It is a very serious issue, and sports safety should be a priority.

Mr Cory:

Is that separate from the previous question about motorsport? Do you mean general safety at sport grounds?

Lord Browne:

Yes.

Mr Cory:

DFP and the Minister of Finance and Personnel conducted an exercise to seek options for savings in the 2010-11 Budget. That has impacted on the various options for projects that should spend in this financial year. Some of the spend is lead-in spend for money that should be spent next year. One option was to reconfigure the arrangements for safety of sports grounds. That option has not been taken up, because it is a priority. However, that meant that the £100,000 could not be spent in this financial year; that is why the delay has happened. However, I assure members that spend on the project at Institute Football Club will proceed.

The Chairperson:

I notice that there are no reduced requirements on the arts side. Is that right?

Mrs D Brown:

Yes.

The Chairperson:

That reflects well on arts spending.

Mr P J Bradley:

I know that we are meant to sit here and nod our heads at everything that we are told. However, given that DCAL will not make any bids in the February monitoring round, which is the final round of 2009-2010, what message should we send to the Department? It is difficult to agree fully with its position.

The Chairperson:

We have asked our questions. As a Committee, we can perhaps decide what action to take on foot of what we have just heard. I thank Deborah, Mick and Arthur for coming along this morning.

P J asked what message we should convey to the Minister and the Department on foot of what we have just heard. Personally, I think that there is a culture of underspend in the Department. That is a very strong allegation. However, £2.6 million will be returned in the next monitoring round even though projects are waiting to be funded. Should we write to the Minister to express concern about lost opportunities and a culture of underspend in the Department?

Mr K Robinson:

That would be worthwhile. We all know that money that is well spent on culture, arts and leisure generates a return. We have all made that point before. I would hate the Finance Department and others to consider DCAL a soft touch.

The Chairperson:

Members' individual points about motorsport and health and safety should also be captured in our response to the Minister.

Miss McIlveen:

I want to address P J's point. My concern is that a lot of this goes back to arm's-length bodies. I have mentioned at the Committee on a number of occasions that we should conduct a piece of work on how arm's-length bodies function, as well as our scrutiny of them. That is reflected in what we have read today.

The Chairperson:

The Minister inherited that organisation.

Miss McIlveen:

I do not disagree that the Department bears a certain amount of responsibility. However, we cannot forget the role that arm's-length bodies play in this part of the organisation.

The Chairperson:

Over 80% of the Department's functions are devolved to arm's-length bodies. It is a peculiar Department in that respect.

Miss McIlveen:

That is my primary concern.

The Chairperson:

We are agreed on that action.