



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

October Monitoring Round: DFP Briefing

3 October 2012

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Members present for all or part of the proceedings:

Mr Daithí McKay (Chairperson)
Mr Dominic Bradley (Deputy Chairperson)
Mr Roy Beggs
Mr Leslie Cree
Mr Paul Girvan
Mr Mitchel McLaughlin
Mr Adrian McQuillan
Mr Peter Weir

Witnesses:

Ms Preeta Miller	Department of Finance and Personnel
Ms Brigitte Worth	Department of Finance and Personnel

The Chairperson: I welcome to the Committee Brigitte Worth, acting head of the finance division, and Preeta Miller, from the finance division. Members have been provided with a copy of the Department's briefing paper on the October monitoring round. Brigitte, do you want to open up the meeting?

Ms Brigitte Worth (Department of Finance and Personnel): As set out in the paper, the Department's review of its financial position has not identified any significant pressures at this time. However, it has resulted in some £1.4 million of current expenditure and some £700,000 of capital expenditure reduced requirements, which we are going to present for reallocation. A brief summary of the reasons for the reduced requirements is given in the paper, but I am happy to answer any questions you may have.

The Chairperson: Under the reduced requirement for Land and Property Services (LPS), it is noted that the £730,000 resource being returned to the centre is mainly due to the salaries budget being reduced due to vacancies not being filled, and it is also noted that neither rates nor debt collection will be affected by the reduction. Given that the end-year figure for the last financial year exceeded £155 million and that the Committee has previously received evidence that this year's collection is challenging, what capacity was there for LPS to reallocate the funding for those posts internally to rate collection or debt collection functions?

Ms Worth: The Budget rules would have allowed it to reuse that money for that, but it already has a number of additional temporary workers in the current year to assist with that work. At this time, it does not have the management, training or accommodation capacity to take on any additional temporary workers in that area.

Mr Mitchel McLaughlin: My question is on the same general area. Has there been any review of the Executive targets on rates arrears? If so, will that have staff implications for LPS?

Ms Worth: I do not believe that the target for the Department has been revised. One of the main issues is having staff for a prolonged period. So, there is limited capacity for them to get, train and put in place staff as a result of in-year reduced requirements. We always have to look at the ongoing baseline position for LPS to make sure that any action that we take does not cause us to have difficulty living within that baseline in the forward years.

Mr Mitchel McLaughlin: I appreciate that. However, if the graph indicates that the debt burden is increasing, which it does, quite substantially, is that not an argument for an investment in the staffing resource and capacity to try either to meet existing targets or address revised targets?

Ms Worth: We would have to look at that. As I say, we do not have a mechanism at the moment to review and revise the forward year baselines. Until we have the opportunity to do that, we can take only very limited action as a result of in-year reduced requirements.

Mr Mitchel McLaughlin: Just in case we are at cross purposes, let me say that I am not talking about a complete strategic review, although, in any event, a Budget review is agreed for the final two years. I am saying that, quite evidently, we are missing targets that were agreed in the Budget process and the Programme for Government process. That would require remedial measures to be introduced within the term, even if only to pursue the existing targets, or to perhaps cause a step change to reverse that quite alarming trend.

Ms Worth: I understand where you are coming from, but I am not sure that I can say anything more. As I say, it is about the timing of having those resources and the ability to put something in place in the current financial year given LPS's current capacity. I understand your point; it is obviously something that we will need to review.

Mr D Bradley: In the June monitoring round, £700,000 was reclassified from resource to capital for the genealogical project, and the majority of that funding has now been returned. Can you outline the reason for the delay in the procurement of that project?

Ms Worth: We got to a point where the genealogical project was ready to go out to procurement, but, in the context of the Northern Ireland Direct strategy, we wanted to review how the project fits in. So, we are looking at whether there is a better way of procuring the services under the genealogical project to, potentially, provide better value for money by looking at the option of using and combining it with Northern Ireland Direct. It has caused a slight delay in that project, but we really felt that that was worthwhile to make sure that we were going down the route that would give us the best value for money in the implementation of the project.

Mr D Bradley: Is there a new timescale for it?

Ms Worth: There is not a firm new timescale at this time. They will be looking into that once the NI Direct contract has been awarded, and I believe that that is imminent.

Mr Weir: My question follows on from Mitchel's point. To be fair, I do not know how much more Brigitte can say. I just wonder why, in light of LPS's position, where it is obvious that reduced requirements have been declared, almost correspondingly, there is not a pressure identified in there. It strikes me that there should be, be it through some level of increased support for staff or in numbers. This is not just something that could, in the broader sense, as with a lot of areas of government, provide a slightly better service to people. It is actually about the fact that, if there were greater support and investment in LPS, that could lead to reduced debt, the pursuit of the recovery of debt and the generation of more income, be that through the identification of new buildings or a whole range of things. That would seem to me to be very wise. I appreciate what you have said, and maybe you cannot add anything more, but why, given the position of LPS, the pressure it is under and the staff impact, as indicated by its targets, has it not been identified as a pressure as well as a reduced requirement?

Ms Worth: As I said, the issue is really what it can achieve in this financial year that does not then create commitments going forward into the next financial year that the Department is not able to meet.

Mr Weir: I appreciate that, but I know that, in the past, for LPS, short-term actions have been taken — I declare an interest as a member of a local council — where, for example, through investment in working with some local councils, LPS was able to look at specific projects in the short term, spending a couple of months working and identifying new properties in a quicker fashion for the rates base. I would have thought that, if there was a bit of imaginative thinking in LPS, that is something that could have been looked at, at least as a pressure that could be addressed very quickly. It would be a matter, maybe, of a couple of additional members of staff, or something of that nature, maybe on a temporary seconded basis. I appreciate, to be fair, that you are only the deliverer of the news, but I want to express a bit of concern about what I think is a lack of forward-thinking in LPS and, perhaps, a lack of flexibility; that when pressures are emerging, LPS does not think a bit more imaginatively and say, "OK, we have had a certain reduction in pressure due to a loss of staff. Let us think imaginatively about how, on an in-year basis, we can address some of that and make a degree of direct input under performance." In the broader sense, that pays dividends for the public purse. I suppose, to be fair, that is more of a comment than a question, and it goes into a level of detail on LPS that is outside your bailiwick.

Ms Worth: I think I will just agree with what you said. *[Laughter.]*

Mr Cree: I certainly do not wish to shoot the messenger either, but I have to say that it is quite surprising. I wonder whether someone has done an analysis of the return, the issue of employing more staff, the possible result and the failure to collect. Has any exercise been done on that by way of financial appraisal, or are we just staggering into this blindly?

Ms Worth: I do not think that a formal appraisal has been done, but I am sure that LPS, in presenting its financial position at monitoring, will have looked at all the options open to it to enable it, within the current financial year, to address the issues that it is facing.

Mr Cree: But, at this stage, it has not addressed it, clearly.

Ms Worth: As I said, there is a limited amount that it can do in the time frame that is available to it.

Mr Cree: I do not see it that way; I see it as a management problem. Someone is not doing the whole exercise; it is drifting along. We are returning money that could arguably be used to create employment. You said that the temporary nature of it makes it very difficult to train people. I understand that in an organisation that is under pressure, but it also points me to the fact that that problem has to be solved in the short term, not in the longer term.

Ms Worth: As I said —

Mr Cree: I feel better now, but there is an issue.

The Chairperson: OK. Brigitte and Preeta, thanks very much.