



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

January Monitoring Round: DFP Briefing

12 December 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Daithí McKay (Chairperson)
Mr Dominic Bradley (Deputy Chairperson)
Mrs Judith Cochrane
Mr Leslie Cree
Mr Paul Girvan
Mr John McCallister
Mr Peter Weir

Witnesses:

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

The Chairperson: Brigitte and Preeti, you are very welcome back to the Committee. Do you want to make an opening statement on the January monitoring round?

Ms Brigitte Worth (Department of Finance and Personnel): I suppose that we should highlight that, as part of this monitoring round, we have not identified any need for additional money, but we have identified £3.6 million of current and £1.1 million of capital to surrender to the centre for reallocation. We are happy to take any questions on that.

The Chairperson: The Department had declared reduced requirements of £7.2 million of resource and £2.6 million of capital, half of which has been declared in this monitoring round. Will you advise us as to why it was not possible to identify those reduced requirements at an earlier stage in the financial year?

Ms Worth: Although I accept that, obviously, there is more work that we can do in that regard, this year, we have actually made a slight improvement. If our position since the June monitoring round this year is considered, we have surrendered slightly less resource since then. Since the June monitoring round, we surrendered £5.1 million and £1.8 million capital, as opposed to last year, when all reduced requirements came after the June monitoring round. We are certainly focusing heavily on that in the Department with a view to driving it down further next year. However, I recognise that it is still not a great performance.

The Chairperson: There are slight increases in the resource allocations for the final two years of the Budget period. Is there any particular reason for that?

Ms Worth: I believe that next year's opening baseline is lower than this year's by around £4.5 million, although the final year then sees a slight increase. I have the figures here somewhere. For current expenditure, next year's budget reduces to £181.9 million from this year's opening baseline of £185.3 million, although the capital position increases from £15.7 million to £17.9 million. That reflects the fact that we are undertaking a number of large accommodation projects in the last two years of the Budget period with a view to reducing the number of leases in the Department and, therefore, reducing current expenditure requirements. Compared with 2013-14, current expenditure increases in 2014-15. However, I think that that is a reflection of general inflation allocations.

Mr Weir: I want to take up a couple of issues. With regard to reduced requirements, you have identified a reduced budget for staffing. Staffing costs use up a large whack of what is there. Perhaps you could go into a wee bit more detail about where that has come from.

Ms Worth: The Department carries around 100 vacancies at any given time during the year. It comes out of the refinement of our estimate of staff costs as a result of knowing what our vacancies are at this time of year. It is probably one of the areas in which we have room for improvement in future. Business areas are concerned about overspending, so at the start of the year, they are reluctant to forecast a vacancy that might arise mid-year. The Department is looking at what it can do centrally to manage the fact that we know that, on average, we have a number of vacancies arising without putting business areas on the spot of trying to predict, for example, whether one of their 20 staff will be promoted or might decide to move on during the year, which would create a reduced requirement. Does that —

Mr Weir: Yes. I notice that, in your business areas, Land and Property Services (LPS) has reduced requirements of about £170,000. Is that on the staffing side, or what is the explanation?

Ms Worth: It is. Some of LPS's reduced requirements relate to depreciation. That might be the £170,000, but it also has reduced staffing requirements. The reasons are broadly similar to the general issue that I just described, although a number of its specific projects have been delayed. It has, for example, delayed recruitment on its team to deal with welfare reform following the announcement of the delay in the Welfare Reform Bill.

Mr Weir: Finally, is there anything more that you want to say on the specific delays of £1.1 million in capital?

Ms Worth: That goes across a range of projects. The two main ones are connected with the NI Direct project. As regards GENi, which is the genealogical project, I think that we mentioned at previous Committee meetings that a decision has been taken to see whether that can be delivered through NI Direct. LPS is also looking at a project to see whether it would be better value for money to deliver it through NI Direct. That has resulted in the timing slipping a little.

Mr Weir: It is about reassessing what is the best foot forward.

Ms Worth: Yes; for those two projects.

Mr Weir: I could make remarks about the genie remaining in the lamp; we are fairly close to the panto season. *[Laughter.]*

Mr Cree: You mention LPS showing a reduced requirement, which presumably is staffing.

Ms Worth: Yes, and, as I mentioned, it is mainly due to unanticipated levels of vacancies. It would have taken a budget at the start of the year, anticipating that all its vacancies would have been filled. Natural movement of staff has left gaps during the year in various posts.

Mr Cree: That does not sit easily with its failing performance in rate collection.

Ms Worth: It has assured me that the reduced requirements are not having any adverse impact on its performance. John is attending the Committee in January, so perhaps he can give you a fuller briefing on that. Despite having those reduced requirements, it has taken on a number of additional temporary staff and has allocated money towards those staff in the year to enable it to boost its performance in

rate collection. It has also diverted funds into additional overtime to deal with some difficult and out-of-hours cases. It is still progressing that work.

It is worthy of note that, of the money that it has surrendered, only about £200,000 is coming out of revenue and benefits, which is the LPS area of business that deals with rate collection. Many of the reduced requirements are coming out of other areas of its business.

Mr Cree: It seems a bit incongruous that you try to pad it up with temporary staff when you have experienced people and know that you are not meeting your targets. However, I will take that up in January; I will take your advice on that one.

There were no additional bids for current or capital expenditure, but there is a reduced requirement for £1.8 million current. When you read those two together, what kind of a story do you get?

Ms Worth: We have the facility to reallocate funding internally up to the de minimis level of £1 million. Very few business areas have come forward to say that they require additional funding this year. That is why the reduced requirement is going back to the centre in full because we do not have the capacity. There is nothing else that we need to spend it on this year in the Department.

Mr Cree: So you do not expect any more bids later in the year?

Ms Worth: No, I do not.

The Chairperson: Thank you very much.