



Northern Ireland
Assembly

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

OFFICIAL REPORT (Hansard)

June Monitoring Round: OFMDFM Briefing

30 May 2012

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Mike Nesbitt (Chairperson)
Mr Thomas Buchanan
Mr Trevor Clarke
Mr William Humphrey
Mr Danny Kinahan
Mr Francie Molloy
Mr George Robinson
Ms Caitriona Ruane

Witnesses:

Mr Stephen Boyd	Office of the First Minister and deputy First Minister
Mr Noel Lavery	Office of the First Minister and deputy First Minister
Dr Denis McMahon	Office of the First Minister and deputy First Minister

The Chairperson: From the Department, we have Stephen Boyd, Denis McMahon and Noel Lavery. You are all very welcome. First, the papers were tabled only in the last 18 hours, and there were no papers at all on governance. This is an ongoing issue, and not only in this Committee. Members are getting really frustrated at late tabling and non-arrival.

Mr Noel Lavery (Office of the First Minister and deputy First Minister): I can only apologise to the Committee. Obviously, we need to get papers cleared, and we need to produce the papers. The provisional out-turn was prepared only recently. I wondered how best to deal with the governance paper. There is an issue for us at this time of year. This time last year, we met the Committee for a special session around the time of the qualification of the accounts. I suggested a mid-year update on governance, which we gave in November. This session has now come up again. The difficulty for us with this session, Chair, is that we are at the stage of having draft accounts and a draft statement of internal control, and the auditors are only starting. So, whatever we give you is only in draft, and it becomes a moving feast. I wondered what the best way to deal with that was. I can give you an oral update on where we are and what the issues are. Our accounts are not going to be signed off until the end of June. Is the Committee meeting in the first week in July? I need to get clearance to send you the accounts on the final position, and I would want to give the Committee as final a position as possible. I cannot do that until the accounts are signed off. I suspect that they will be signed off in the last week in June. I do not know how that fits in with the Committee's timetable. My point is that, at this of the year, it is very difficult to give you the up-to-date position. All I can do is give you a draft position on governance.

The Chairperson: To a certain extent, nearly everything that an official brings to any Committee is a work in progress. I accept that you have come in and apologised, and I do not mean this personally, but I have sat at the Committee for Enterprise, Trade and Investment and other Committees and heard officials say "I can only apologise." It seems to me that it is a systemic problem.

Mr Lavery: I am not sure that I can say any more, Chair.

The Chairperson: I suppose we are just noting it.

Mr Humphrey: We are a scrutiny Committee, and we do not have a paper in front of us. I suggest that we forget about doing this today and that the officials come back in the first week in July so that we can do it based on facts and figures that we have in front of us.

The Chairperson: We are meeting on Wednesday 4 July.

Mr Lavery: I think that that is the best way to deal with it, Chair. We could then give a mid-year update in January or February in addition to the November update. That would give more up-to-date information after we have done the December stewardship statements. That way, the Committee would have as up-to-date a position as possible prior to the year end.

The Chairperson: Given the specifics of this process, that proposal makes sense. Does anyone disagree? Hopefully, it would not be the case, but what would happen if there were a hiccup in your timeline? Could there be a hiccup?

Mr Stephen Boyd (Office of the First Minister and deputy First Minister): We have to lay the accounts in the Library before summer recess.

The Chairperson: So there is a very slim chance that you would not be able to come to the Committee on 4 July. Would you be able to give us papers?

Mr Boyd: We should have the accounts.

Mr Lavery: It is always subject to clearances, Chair.

The Chairperson: Are members content?

Members indicated assent.

The Chairperson: Then I apologise for having kept you waiting to give very little input. Is there anything that you usefully want to tell us on the rest of it?

Mr Lavery: I will make a couple of points on the monitoring round. It is the June monitoring round, and it is early in the year. The Committee will see that Ilex has surrendered £400,000. We requested to the Department of Finance and Personnel (DFP) through Ministers that that money be used to help fund the costs of the City of Culture programme, which the Department of Culture, Arts and Leisure (DCAL) is providing the funding for. Ilex had that money in its baseline and had allocated that money to the City of Culture, but the Executive agreed that funding assistance from the Executive towards the City of Culture should go through DCAL. Therefore, Ilex is giving that money up, and we have requested to the Department of Finance and Personnel that that money be fed through to DCAL because it does not have any money in its baseline.

The Chairperson: Has DFP agreed that or is it being considered?

Mr Lavery: I chair the governance board on the City of Culture, and, at that board, DFP has agreed to that. However, it must go through the monitoring process. It was highlighted in the Executive paper on the City of Culture when the £12.6 million was agreed. So this has gone to DFP, and it should be highlighted in Minister Wilson's monitoring paper. I guess that that is subject to whatever other pressures there are on the block. That is the main issue in the monitoring round.

The Chairperson: What was this money allocated for?

Mr Lavery: It was part of Ilex's baseline, which was part of Ilex's comprehensive spending review (CSR) settlement. However, the Ilex board had carved it out specifically and wanted to use it for funding towards the City of Culture. The Executive, however, agreed that all programme funding for the City of Culture should go through DCAL, so that there is one funder of the programme. Therefore, Ilex agreed to give up the money this year and next.

The Chairperson: Right. So is that the £12.6 million?

Mr Lavery: The £12.6 million.

The Chairperson: So this is Ilex's contribution to the pool?

Mr Lavery: Yes, but it has to be routed through DFP.

The Chairperson: Right. Were there issues around the chairmanship and the board of Ilex?

Mr Lavery: I think that we are in the middle of the public appointment process for the chair of the Ilex board. I think that interviews are being held this week. It is ongoing.

The Chairperson: There are no huge financial implications?

Mr Lavery: No. Ilex should have the budget for that.

The Chairperson: Is the chairmanship of the board like an honorarium or is it well paid?

Mr Lavery: Forgive me, Chair, but I do not know the amount of money. I can write to you on that, if you wish. I think that it is similar to what it was previously.

The Chairperson: The only other significant — if that is the right word — issue is the £500,000 on contested spaces.

Mr Lavery: There is re-grant funding aid for contested spaces, and 50% of that money is coming from Atlantic Philanthropies. So we have to forecast for the income to give us the headroom for the spend.

Mr Humphrey: How do you monitor output and delivery on the ground from spending on contested space? How is that assessed?

Dr Denis McMahon (Office of the First Minister and deputy First Minister): We monitor that and we obviously carry out an evaluation at the end of the programme.

Mr Humphrey: So you have not done it yet?

Dr McMahon: No, we have not carried out an evaluation as yet, but there will be ongoing monitoring of the programme.

Mr Humphrey: For how long has the funding been going on?

Dr McMahon: I would have to check.

Mr Boyd: It is a three-year programme, jointly funded.

Mr Humphrey: When did it start, though?

Mr Boyd: This is its second year.

Mr Humphrey: So you are into the second year and you have not yet done an evaluation?

Dr McMahon: We monitor it, but we have not evaluated the programme in its entirety.

Mr Humphrey: That is incredible. This is taxpayers' money that is going to interface areas, and so on, in constituencies such as mine in North Belfast, and we are monitoring but not evaluating it.

Dr McMahon: Normally, you monitor these programmes and check that they are delivering on the ground what they said they would and are carrying out the various activities. At the end of the programme, you monitor it to see whether you want to mainstream it or deliver a new programme that will carry on the work. That is the norm.

Mr Humphrey: You are into the second year, so you have already told them that they are going to carry on with their work.

Dr McMahon: Yes, well it is a three-year programme.

Mr Humphrey: There will just be no evaluation.

Mr Lavery: Chair, I am not familiar with that particular programme, but the process should be that a business case is done, with agreed targets and outputs for three years. I am not sure about the evaluation. Normally, the evaluation would come at the end of that period; we would have entered into a contract for three years. I suspect that that was —

Mr Humphrey: But surely, even though it is a three-year contract, after a year you are in a position to see. If it is wrong and it is not working, is it the best use of public money? If it is not delivering the results you want, would you wait until the three years are up?

Dr McMahon: Apologies; it might just be the terminology that I am using. The key thing is that we have to get information from all of those projects as they are being run. We have to know what they are delivering and we have to be able to say what is happening on the ground. One of the issues about a lot of the programmes that we run is how you connect the activities to the outcomes. A lot of the things that we are trying to deliver are not going to change the issues that we are trying to address overnight. We can say that there are so many schemes, so many people working on the ground, and the kind of projects that they are involved in, but it takes a more intensive piece of work to take it that step further to say that, over a three-year period, you have paid that money in, and here is what it is going to deliver for the community in the longer term. To answer your question, we are doing monitoring and we are making sure that what we are spending the money on is going into those projects.

Mr Humphrey: I would be very interested to see what information you have, and I am sure that my colleagues would as well.

Dr McMahon: I would be happy to come back with that.

Mr Humphrey: Thank you.

The Chairperson: Will you give us an example of some of the projects, Denis?

Dr McMahon: I would need to look at some of them in a bit more detail, to be honest. We have various projects around imaging, working with communities and working around interfaces with young people, but I would need to get that information and bring it back to you.

The Chairperson: Do those programmes have SMART targets?

Dr McMahon: Yes, that is the intention. The question is how you link that to the longer-term outcomes.

The Chairperson: You said that that would be the intention.

Dr McMahon: No, the question is how to do that — how to make sure —

The Chairperson: When I asked whether they had SMART targets, you said that that would be the intention.

Dr McMahon: No, sorry, they do have SMART targets. Absolutely. The only thing I would say about that is that there is always a challenge. Again, it is the point about clearly linking the activities and the funding to the actual outcomes on the ground. That can sometimes be difficult.

The Chairperson: Personally, I am sympathetic to the idea that sometimes the outcomes do not come during the course of a one, two, or three-year programme, but might become truly evident only after five, seven or nine years, if you are talking about social cohesion. That is not a new concept or a new issue to you. Have you found any way around it so that you can go back and continue to monitor?

Dr McMahon: Again, it goes back to some of the work that we have been doing around the poverty outcomes model. We seem to be coming up against this problem all over the place, because an awful lot of the issues that we are trying to address are symptomatic of deeper problems. For example, on interface problems, one of the things that anyone working in that area will say to you is that you are not just dealing with the interface problems in their own right. You are dealing with, for example, disengaged youth and young people not in education or training. It is really about how you link the money that we are putting in and the activities that we are paying for to the outcomes that you are delivering. That is very difficult.

An awful lot of the evidence that we get is anecdotal. You know that groups are saying that they worked with young people, got them engaged in those activities, and it actually saved a lot of problems in the longer term, but it gets difficult when you try to multiply that up and say that, for every pound we spent, here is what we got in terms of reducing tension at an interface. That is why I made the point about the SMART targets. We try to get to that.

The real aim is to have a single model so that you can say that, if we spent a pound on preschool education, that would result in a better outcome in terms of qualifications 16 years down the line, and, subsequently, more likelihood of getting into employment. We can monitor the activities, and we do that, but, to some extent, it is about the extent to which it is giving us what we need. We think that it is, and people certainly tell us that it is.

The Chairperson: If members are content, we would like to see you back on Wednesday 4 July.

Mr Lavery: My apologies, Chair, but there was a note about provisional out-turn in the papers. Do you want me to say anything, or did you just want to note that?

The Chairperson: Can you give us a very brief overview?

Mr Lavery: The first page contains a table that sets out the provisional out-turn. The overall position is 1% underspend, which means 99% out-turn. If you look at page 2, table 1 gives you a comparison of provisional out-turn against the Department's —

Ms Ruane: Sorry, what page is that?

The Chairperson: It is in out-turns. That says 1.7% on admin.

Mr Lavery: Yes; and you are just working your way down. I see you smiling at that, Chair; there was a number of vacancies that we thought would be filled that were not.

Overall, the figure of 1% equals the Department's best performance of 2006-07 or before. It is a significant improvement on where we have been and where we were last year, but that does not mean that we are complacent in any way. This is difficult stuff. Perhaps the Committee could note that, in table 2, the expenditure, if you look at out-turn as a percentage of the opening budget, which is the shaded figure that states how much of your opening budget of £90.2 million that you ended up spending, is £85.6 million, which represents 94.9%. We are seeking to maximise the expenditure that we are allocated in the budget.

If we identify underspends, we seek to give them up as early as possible. It is tricky stuff, but we are seeking to manage it as best we can. I ask the Committee to note that it is our best performance for

some time. There are some EU write-offs of old debts in there that we dealt with within the headroom that we have.

Ms Ruane: I want to pay tribute to that, because I think it is impressive. I also note that you are handing back less than 93% or 94% your opening budget, and I think that deserves credit, because sometimes it is hard to spend money. That may seem strange, but I know from experience. There is nothing worse than getting money and it then being lost. Credit where credit is due.

Mr Lavery: You do not want me to give you an oral update on the governance element, Chair? I am not trying to keep you.

The Chairperson: No, I think we are decided. Just as you are packing up, you will not be surprised if I ask for your elevated pitch update on the Shackleton site? Is there anything you can tell us?

Mr Lavery: I do not think there is anything new. I think we are writing to the Committee, because you had requested an update on that and on the timescales. I have seen a request go up for that.

The Chairperson: You will forgive me for trying. Thank you very much.