



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

January 2015 Monitoring Round:
Department of Finance and Personnel

10 December 2014

NORTHERN IRELAND ASSEMBLY

Committee for Finance and Personnel

January 2015 Monitoring Round: Department of Finance and Personnel

10 December 2014

Members present for all or part of the proceedings:

Mr Dominic Bradley (Deputy Chairperson)
Ms Michaela Boyle
Mr Leslie Cree
Mr Paul Girvan
Mr Adrian McQuillan
Mr Máirtín Ó Muilleoir

Witnesses:

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

The Deputy Chairperson (Mr D Bradley): We have with us departmental officials Brigitte Worth, the financial director of DFP, and Preeti Miller from the finance division in DFP. Good morning, ladies. You are very welcome. Perhaps one of you would like to start.

Ms Brigitte Worth (Department of Finance and Personnel): OK, thanks, Chair. As you can see from the paper that we provided, we have a relatively straightforward January monitoring position. We have a small reduced requirement of £500,000 that arose due to changes in our assumptions on income generation and pay costs. In addition, as we highlighted at October monitoring, we need funds to cover the remaining equal pay liability. Our bid at October monitoring was unsuccessful, so we identified funding for that from within the Department, and we now need to request permission to reallocate it to the correct area.

We continue to work with the Strategic Investment Board (SIB) to deliver the capital investment projects from the £23 million that we bid for successfully at June monitoring. There are some commercial sensitivities in this area, so I do not want to be too specific, but things are progressing well, and I am hopeful that we will be able to spend the full allocation.

I am happy to take any questions that you may have.

The Deputy Chairperson (Mr D Bradley): You say that the Department is pursuing, along with the SIB, a number of potential invest-to-save capital opportunities, that a final assessment of spending is likely in December and that you may have a capital surrender. What precisely are the invest-to-save opportunities, and what sums of money are involved?

Ms Worth: We are looking to buy a number of office accommodation properties. That will enable us to work with wider public-sector organisations to help them to exit leases and move into owned accommodation, which will have a lower level of cost and will deliver resource savings.

We have four or five opportunities ongoing. One has completed, and we have agreement, subject to contract, on a second, and a third is well progressed. We are hoping to get the other two firmed up, shall we say, although we probably will not get final agreement before the final deadline for January monitoring.

There is a configuration of agreements that will allow us to spend exactly the amount that we have allocated. However, they are commercial transactions, so that obviously depends on somebody wanting to sell something to us at a price that we believe makes it value for money.

The Deputy Chairperson (Mr D Bradley): So, does that mean that you are going from leasing to renting to owning?

Ms Worth: Yes.

The Deputy Chairperson (Mr D Bradley): Can you give us details of the potential capital surrender?

Ms Worth: As I say, at the moment, there is a combination of circumstances that would lead to us having no capital surrender. Things are looking very promising in that respect, so I am hopeful that the amount will be zero.

The Deputy Chairperson (Mr D Bradley): Is the leasing-to-owning invest-to-save confined to DFP, or are other Departments involved in it?

Ms Worth: DFP is the —

The Deputy Chairperson (Mr D Bradley): The lead Department?

Ms Worth: — the landlord, I suppose. We own most of the office estate. In fact, under the Executive's asset management strategy, we are pursuing a programme whereby all the office estate that does not belong to DFP would be transferred into DFP to enable us to manage it holistically. Some of the savings will accrue to arm's-length bodies, but DFP will incur the expenditure.

The Deputy Chairperson (Mr D Bradley): What steps have been taken to ensure that the potential income from revenue sources such as the online genealogical service, GeNI, is maximised?

Ms Worth: That project was launched this year. This is the first year that it has been operating, and we have been pleasantly surprised by the level of demand. We have the money to hand back, because demand has been in excess of what we expected. As part of our plans for 2015-16, we are looking at ways to maximise all our income streams. This will be included in that.

The Deputy Chairperson (Mr D Bradley): You say that there was an unexpected demand for GeNI. Is the service coping? Can it cope adequately with that?

Ms Worth: Yes, it can. It is an online transaction service, so it is well able to cope. We had a profile that said that demand would gradually rise. We have seen demand come in high and remain high. This is the first year of its operation, and we will have to wait and see whether that will continue into year two.

The Deputy Chairperson (Mr D Bradley): Your paper states that the Department is taking steps to manage internally the £0.7 million Abdulla equal pay pressure. It has, therefore, submitted a proposal to reallocate the funds accordingly. Where has that money been reallocated from, and how has it been possible?

Ms Worth: When we were looking at our reductions for the current financial year across the Department, at one point we anticipated that there was a possibility that the 4.4% that was being asked of us might rise. So, at that time we put a number of measures in place across the Department to reduce spending. Once it became apparent that the 4.4% would be the limit, we looked again and said that, rather than giving authorisation for people to continue to spend that £0.7 million, we would set it aside for this. It came out of that exercise.

The Deputy Chairperson (Mr D Bradley): What about the implications for claimants of the delay in reallocating it?

Ms Worth: We set aside some £1.2 million, I think, last year. So far, that is roughly what we have paid out. I do not think that the lack of reallocation has caused us any delays in making payments.

Mr Cree: I have two points to make, and the first is one of my favourites. I always love to see where the money passes through the centre. I am glad to see that that is still alive and well. The report says that we received a further £1.3 million in financial transactions capital (FTC). Does that come as news to you? It is on the second page of the letter from the —

The Deputy Chairperson (Mr D Bradley): Is that the autumn statement, Leslie?

Mr Cree: Yes.

Ms Worth: I am sorry; where is that?

Mr Cree: It is in the letter from the Minister dated 4 December.

The Deputy Chairperson (Mr D Bradley): Leslie, that is probably beyond the remit of the officials who are here today. It is a different section.

Ms Worth: Is that part of the autumn statement?

Mr Cree: Yes.

Ms Worth: That would be for our colleagues in public spending directorate (PSD). That has probably come to the centre rather than to DFP. Sorry.

Mr Cree: It goes to the centre; that is exactly my point. We had £30 million-odd unallocated, so it has now increased. What is the situation with financial transactions capital in January?

Ms Worth: Again, I cannot comment on that, because I am not involved in the position for the whole of the block. I can comment only on DFP's own budget position.

Mr Cree: What is it, then?

Ms Worth: We have no financial transactions capital allocated to us, and we are not looking for any at this time.

Mr Cree: OK, I will raise that in another place.

Moving on to my other point, I would appreciate you clarifying the issue on the Barnett consequentials. Does it not depend when allocations are made? If they are made in about June, for example, does that mean that the Executive would actually get the money in year?

Ms Worth: Again, it is not my area. It really is for colleagues in the public spending directorate to comment on that. I am not quite sure exactly what the timing issues are on when those consequentials become available.

Mr Cree: Obviously, that is a big thing. Deputy Chair, as you know, this letter from the Minister refers to us getting a further packet of money from that next year because of the effects on the Department of Health, for example.

The Deputy Chairperson (Mr D Bradley): That is right.

Mr Cree: You probably cannot answer this one either, but I would like to make sure that all the consequentials that we are entitled to are on the record for in-year final monitoring. In old-fashioned language, have we got all the money that we are owed?

Ms Worth: I have absolutely no doubt that colleagues in PSD will make sure that we are getting every penny that we are owed. However, I am sorry; it is just not my area, so I cannot comment.

Mr Cree: Is it above or below your pay grade?

Ms Worth: It is above my pay grade — definitely.

Mr Cree: Fair enough.

The Deputy Chairperson (Mr D Bradley): Are there any other questions?

Mr McQuillan: There is nothing in the paper on the equal pay issue for the civil servants who moved across to the police.

Ms Worth: No, and again, that is not a matter for DFP. If and when that issue is resolved, it will be for DOJ to set aside or to —

Mr McQuillan: I thought that it was the Minister of Finance and Personnel who put a paper to the Executive.

Ms Worth: It is the Minister of Finance and Personnel — that is true — but, where the actual Budget consequences are concerned, the payments and the allocation would need to come through DOJ.

The Deputy Chairperson (Mr D Bradley): There are no further questions. Brigitte and Preeta, thank you very much. No doubt we will meet again.