



Northern Ireland
Assembly

Committee for Infrastructure

OFFICIAL REPORT (Hansard)

October 2020 Monitoring Round:
Department for Infrastructure

7 October 2020

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
Mr David Hilditch (Deputy Chairperson)
Ms Martina Anderson
Mr Roy Beggs
Mr Cathal Boylan
Mr Keith Buchanan
Mrs Dolores Kelly
Ms Liz Kimmins
Mr Andrew Muir

Witnesses:

Mr Gary Boyd	Department for Infrastructure
Mr Terry Deehan	Department for Infrastructure
Mr John Irvine	Department for Infrastructure
Ms Linda MacHugh	Department for Infrastructure

The Chairperson (Miss McIlveen): I welcome Linda MacHugh and congratulate her on her new role as deputy secretary with responsibility for resources, governance and EU group. The role has a new title as well.

Ms Linda MacHugh (Department for Infrastructure): Acting.

The Chairperson (Miss McIlveen): Acting. I also welcome John Irvine, the director of major projects; Gary Boyd, the director of finance; and Terry Deehan, the head of financial planning and management. The paper arrived quite late yesterday.

Ms MacHugh: I am well aware of that, and I apologise.

The Chairperson (Miss McIlveen): If you do not mind, please take us through the paper in some detail. That may reduce the number of questions, but it would be helpful for us to do that.

Ms MacHugh: That is fine. Thank you, Chair, for the opportunity to meet the Committee today to brief members on the October monitoring and on my Department's in-year budget position. I apologise for the paper being so late. As you will realise, the ongoing impacts of COVID-19 made this October monitoring round more complex than normal. We sent the paper to you as soon as the position was clear in the Department.

As you said, I am joined today by a number of my team members and also by John Irvine from Roads. We will talk you through the paper, and then we will take your questions.

At the outset, I will set this in the context of our opening budget position. The Minister briefed the Committee on 29 April on the 2020-21 opening budget position following the Finance Minister's announcement on 2020-21 budgets. While DFI received increased allocations compared with the previous financial year, they were not sufficient to meet the significant inherited financial challenges that the Minister faces.

To remind you, in resource terms, the Department bid for £57.3 million of pressures going into 2020-21, against which £33 million was received, leaving an opening pressure of £24.3 million. Each of those financial bids was a genuine service pressure, which, without adequate funding, limit the Department's ability to deliver and maintain a reasonable level of public services. All that was happening before the financial impact of COVID really hit us.

I will turn to the capital budget at the outset. The original requirement bid was for £800 million, against which £550 million was allocated as an opening position. That included funding for a number of major areas of spend, including the further delivery of the A5, the A6 and Belfast transport hub flagship projects.

The Minister has allocated the balance of capital to fund the water and waste-water infrastructure; to tackle regional imbalance; to deal with North/South connectivity; to create thriving sustainable living places; to address the climate emergency; and to assist with our recovery from the impact of coronavirus. In doing that, the Minister has struck a balance between investing in water and waste-water infrastructure, maintaining existing roads and the street lighting network, and encouraging a shift to public transport and sustainable travel, including cycling and walking, which will improve the health of our citizens and protect the climate.

While the original capital allocation fell considerably short of the original bids, it is also true to say that, in the first quarter of the year, capital programmes in the Department and in its arm's-length bodies (ALBs) were delayed by the impact of COVID-19, resulting in a reduction in requirements of £14.5 million, including £7.7 million for the A5 and £6.8 million for the A6, and further reductions in the capital programmes in our ALBs. However, I am pleased to report that all construction work has now recommenced, with full COVID measures in place to ensure the health and safety of workers on site. That is the background.

I will now turn to the October monitoring round. The financial position on resource continues to be very tight, with ongoing monitoring to ensure break-even against budget. The bids in October monitoring reflect the baseline pressures remaining at this stage in the year. They do not, however, include the outstanding COVID pressures, which are being bid for in a separate exercise.

In respect of resource, on the roads side of the business, there remains a £3.7 million estimated loss in revenues from parking and enforcement income after taking account of the £2 million already allocated to that by our Minister from COVID allocations. Winter gritting services have depended on in-year monitoring funding for a number of years. This year, my Minister set aside £3 million from the opening resource baseline allocation, and a further £5 million was received from the £7 million bid that was made for winter services in the September COVID bidding exercise. That leaves a residual £2 million to fund the full estimated cost of the service this year. That is included as part of the roads £3 million October monitoring round bid, with the remaining £1 million for routine roads maintenance.

The Minister has also bid for an additional £1.6 million to cover the expected cost of leave that will be carried forward into next year. The policy across the Civil Service is that a maximum of nine days' leave can be carried forward. It is expected that most staff will carry that maximum allowance into the next leave year, largely because they have been unable to take holidays.

On capital, despite the COVID restrictions earlier in the year, the Department is on track to spend its capital budget in full and, indeed, as highlighted in the briefing paper, has made a bid for an additional £9.1 million. In the June monitoring round, the Minister decided to surrender £14.5 million in capital funding for the A5 and A6 schemes as a result of the pandemic and its impact. However, the construction sector has returned at a much more rapid pace than was initially expected, and we were able to have £14.8 million restored for the A6 scheme through a previous COVID monitoring exercise in September.

In early April, the estimated expenditure for the Belfast transport hub project was reported as £21.4 million or £19.8 million. Those estimates were based on projected delays of four or six months respectively, again due to the impact of COVID-19. On those estimates, £20.4 million was originally allocated by the Minister in the funding allocation in June. In reality, the project was delayed by COVID-19 restrictions to a lesser extent than was predicted in either of those scenarios. The enabling works contractor ceased work in March 2020 but was able to return in May 2020, with appropriate social-distancing measures in place. As a result, the estimated spend has increased to £22 million, and Translink has requested additional funding of £1.6 million to meet that requirement.

I will move on to street-lighting column replacement. Work has progressed as usual, and we have made a bid to replace an additional 500 aged columns. The design life of a street-lighting column is 25 years, although it is common practice in the industry to assume a working life of 40 years. The Department has a lighting stock of 289,000 columns, of which approximately 13% are more than 40 years old. My Minister has allocated £14 million capital to column replacement this year, and, while that will maintain the current position going forward, it will not address the backlog of columns that need to be replaced. If successful, the allocation of £1 million would allow for the replacement of a further 500 street-lighting columns that are more than 40 years old.

The Minister has also made a £1 million bid to fund the re-profiling of the contract payments for the regional planning portal system. That will result in an overall cost saving of between £600,000 and £800,000 for the Department and the councils that are involved in the project.

Finally, there is a capital bid of £5.5 million in October monitoring for structural maintenance, which includes local transport and safety measures and bridge strengthening. An initial allocation of £75 million to structural maintenance in 2020-21 was considered a prudent approach, given the restrictions in place due to COVID, which impacted on contractor and supply chain capacity. However, as with other capital programmes, the impact of that has not been as significant as was first thought. Reassessments have been made of the capacity to deliver additional actions, and a bid for £4.5 million is being presented that includes costs for remedial works following Storm Francis. Failure to secure funding would result in an inevitable increase in the backlog and a further deterioration in the state of our roads. The £1 million balance of this bid would also allow some limited but highly beneficial minor works and local transport and safety measures, including traffic signal upgrades, some localised road-widening work, vehicle restraint systems — crash barriers — and bridge-strengthening schemes.

As outlined in the briefing paper, in addition to the October monitoring bids, there are outstanding COVID bids of £36.6 million: that is the outstanding balance despite some success in a number of previous COVID bidding rounds. My Minister will continue to put those forward as additional COVID bids at every available opportunity. Those bids are largely the result of significant levels of lost income in Translink, the Driver and Vehicle Agency (DVA) and some parts of the core Department.

In closing, it is important to reiterate that the Minister is very keen to get the Committee's views on and support for shaping and delivering improvements to people's everyday lives, and she welcomes your constructive challenge and input. I hope that the briefing on the October monitoring round will help the Committee to understand the challenges that my Minister faces and the difficult financial decisions that may have to be taken in the coming months should either the October monitoring bids or the COVID bids not be met.

At that point, I will stop talking. I have Gary, Terry and John with me to answer any questions that you have.

The Chairperson (Miss McIlveen): OK. Thank you very much. We all appreciate the financial challenges, particularly for the Department, given the demands that are continually placed on it.

That said, I have a couple of queries. First, I would like an explanation of the bid of £1.6 million for increased holiday carry-forward. I am a little confused because a later page on "Overtime/Holiday Pay states:

"no bid is required at this stage"

but that you have concerns that, if there is a settlement, you will not have the resource to pay for that. Will you explain that?

Ms MacHugh: The carry-forward issue is purely about leave that has not been taken this year. As civil servants, we can carry forward up to nine days into the next leave year. A mixture of work pressures and people not taking leave because they cannot go anywhere, means that staff in DFI have not taken the amount of leave that they would normally have taken at this stage in the year. We are telling everybody to please take their leave, but everybody is entitled to carry forward up to nine days' leave; that is the policy. We expect that many staff in the Department will avail themselves of the ability to carry nine leave days into the next year. Technically, leave not taken is an accrued cost to the Department.

Holiday pay/overtime is a separate matter that hinges on a legal case. Previously, if you got holiday pay, overtime was not taken into account. Holiday pay was calculated on a standard basis and did not include overtime. However, a legal case was taken in a number of parts of the UK, and it was deemed unfair to remove overtime from the holiday pay of people who normally have overtime as a core part of their work. That decision is being appealed, and we await the outcome of that appeal. That will impact not only on the Department but on the whole Civil Service. Many Departments will be grappling with that.

I can understand your confusion. One is holiday leave carry-forward, and the other is holiday pay. They are two separate matters.

The Chairperson (Miss McIlveen): OK. It is a broader Northern Ireland Civil Service issue, so it will have to be dealt with by the Department of Finance.

Ms MacHugh: Exactly. In fact, the whole public sector would be impacted by it.

The Chairperson (Miss McIlveen): OK. It was just because of the bid that I wanted clarification. That was useful.

You mentioned that you were on track to spend your capital budget. Earlier in the year, delays to projects meant that money was surrendered and reallocated. How did that impact on the delivery of those projects? Did it impact on them?

Mr John Irvine (Department for Infrastructure): The A5 and A6 are flagship projects, so the finance is ring-fenced. Surrendered money therefore goes back to the centre. There was a slowdown from March/April on the A6 due to COVID, as contractors, and everybody, got to grips with what the implications of social distancing would be for construction works. However, that work picked up again reasonably quickly. Construction on the two A6 projects restarted more quickly than we had thought it would. The surrender in June was to reflect our prediction that things would slow down; the bid in the COVID monitoring round reflected the re-profiling of those projects as back on track.

Ms MacHugh: Translink is bidding for an extra £1.6 million because, although work on the hub, which is probably its biggest capital programme, had slowed, it is now possible to catch up. It would be a shame to lose momentum if we did not get that additional capital bid.

Northern Ireland Water had originally indicated that it would like to bid for £176 million this year. However, when COVID struck, it revised its bid down to £150 million. It got back on track faster than expected, as did the whole construction sector, so we were able to bid for a further £15 million for Northern Ireland Water, which we were successful in getting for it in the September COVID monitoring round. Northern Ireland Water is back up to £165 million. That is probably as much capital as it can spend in this financial year. It is great if there is additional capital around, but you need a lead-in time to be able to spend it. Northern Ireland Water has said that that is the maximum that it can spend this year. We are trying to claw back any lost momentum, where possible, with the budget that is available.

The Chairperson (Miss McIlveen): My next question related to Northern Ireland Water and the fact that there had been no bid. I appreciate that the COVID money has been of assistance to it. We are more than aware of the challenges that Northern Ireland Water has, including those that we see in our constituencies. I appreciate that you need a lead-in time for substantial construction.

Ms MacHugh: Northern Ireland Water was successful in its resource bids in the most recent COVID round. It got £27 million, which largely covered its resource pressures. However, we are keeping that under close scrutiny because, if there are further restrictions that would impact on the use of non-domestic water, it would start to increase its income pressures. It is a moving picture, and we are

keeping a very close eye on it. If required, we will bid in December or January for further pressures, if they arise.

The Chairperson (Miss McIlveen): You are working on bids for support packages for the bus, coach, taxi and haulage sectors. I notice that you have indicative amounts that might be required for the bus, coach and taxi sectors, but you have no indicative amount for hauliers.

Ms MacHugh: Colleagues are working through all of this. It is a complex picture. For the First Minister and deputy First Minister to confer the powers on our Minister, they have to be satisfied that there are exceptional circumstances, which needs to be evidence-based. My colleagues are working through that. I need to check with them where they are with the hauliers. I know that they have been doing a lot of work on buses and taxis.

They will need to present that evidence to make sure that there are exceptional circumstances, that there is a gap and that the businesses involved cannot access other support. After that, the powers need to be conferred. My Minister is aware that this is pressing. We are moving forward as fast as we can, but there is a lot of work to do to make sure that the governance and accountability issues that come with a new scheme are fully thought through.

The Chairperson (Miss McIlveen): The indicative amounts are significant. Are they requesting retrospective payments as well as forecasting payments?

Ms MacHugh: Those are, I think, estimates from the sector itself. My colleagues in the Department are working through those figures to verify them. I can come back to you on that. I am not quite sure on what basis the sector provided those figures.

The Chairperson (Miss McIlveen): I am mindful that, during questions on Monday, the Finance Minister was quite cautious in his approach to how this money would be spent and what commitment would be given. Although money has been ring-fenced, the amount that has been ring-fenced may not necessarily meet the request, the demand or, perhaps, the expectation.

Ms MacHugh: Yes. Some money has been ring-fenced, and there are other moneys in the centre to be allocated, but only after Health Department has determined its requirements. Whether money comes from the central pot or from what is left over, if there is any money left after Health has determined its needs, will be for the Executive to determine.

The Chairperson (Miss McIlveen): Do you have a timescale for when you may be ready to present to the First Minister and deputy First Minister?

Ms MacHugh: Not at this stage, but, again, I probably need to take this away. We will get you a formal response from the team in the Department that is looking into this, if that is useful.

The Chairperson (Miss McIlveen): OK. Thank you.

Ms MacHugh: I do not want to commit to anything that the team cannot deliver.

The Chairperson (Miss McIlveen): I appreciate that.

Mr Muir: I declare that my stepfather is a quality manager for the A6, which we were talking about.

You mentioned the £1 million bid for minor works, local transport and safety measures. I have a list the length of my arm of schemes that need to be taken forward in north Down, yet we are getting less than half a dozen resurfacing projects in this financial year. Why are we bidding for only £1 million for those schemes as part of this monitoring round? I am sure that my colleagues can list other schemes that they want in their constituency.

Mr Irvine: When you get down to the smaller-scale schemes, the resource that goes into design is highly disproportionate to the overall amount of resource. Proportionally, a bigger scheme needs less resource. A lot of work goes into those schemes. Our organisation has a capacity issue: we have a certain body of people to do the work. Therefore, we have to balance bids with our capability to

deliver. The worst thing would be giving money back at the end of the year because we could not deliver. These bids are very measured, and they are balanced against the resources that we have.

Mr Muir: I am very disappointed to hear that. At a time when the industry needs that financial support and people are crying out for these works — a number of them did not go ahead during the pandemic — there should be a higher bid and a greater ambition to deliver. I accept that that is your response, but I really hope that we are now looking towards the next financial year and that there will be a bid for funding in the next Budget to get these schemes delivered. People really are frustrated at the lack of progress.

Ms MacHugh: I absolutely understand that. We are looking at the capital bids for the next comprehensive spending review, and we are being ambitious in what we are asking for. However, bidding for money that you do not have the capacity to spend is not good, either, and that is probably where we are now as a Department. We can deliver so much but we cannot deliver much more than that.

Mr Muir: I have two more questions. Your paper, under the total amount of "Departmental COVID Recovery Bids", says that Translink's resource is "already secure". Has that £20 million already been secured?

Ms MacHugh: The Executive have given a commitment that they will consider any further financial pressures, but we have not been given that money. It is there as a bid, but we do not have it yet. That £20 million is still outstanding.

Mr Muir: My understanding is that that is what is required for the organisation to continue. If that £20 million is not received, what will the impact be?

Ms MacHugh: It would leave Translink in a difficult position. It recently announced an efficiency programme and has managed to deliver some savings, which is very good and very welcome, but, at this stage of the year, if Translink were to be asked to meet that shortfall, it would be left in a very difficult position.

Mr Muir: My understanding was that the £55 million pot that everyone wants a bit of had been earmarked for transport, including Translink: is that correct?

Ms MacHugh: That is certainly where the funding would come from. As I said, until the Executive actually commit it, it is not committed.

Mr Muir: Maybe I could get clarity from the Finance Minister. This is Wednesday. On Monday, the Economy Minister stated that it was not her understanding that funds within that £55 million had been earmarked for Translink. We need to get clarity on that; it is a key issue.

My last point is on the issue of private coach operators, taxis and hauliers, which the Chair touched on. It would be useful to get a breakdown of how the significant sums for support packages came about. Without the powers being passed across, nothing can happen. Have those powers not been passed across by the Executive Office?

Ms MacHugh: Not as yet. The case needs to be made to the First Minister and deputy First Minister that there are exceptional circumstances and gaps in the funding available to those businesses. My colleagues are working to gather that evidence. Those figures are very high level and come from the industry bodies themselves. Clearly, there is work to be done to work through those figures to understand where they are coming from.

Mr Muir: My understanding was that the First Minister and deputy First Minister had made a decision to pass over those powers. Yet we are stuck in this limbo, and they are not doing that.

Ms MacHugh: They have indicated their intention, but there is now a formal process to go through. They have asked our Minister for evidence of exceptional circumstances and gaps, to show that this is required. At the point at which they have the evidence, they will legally be able to use the Finance Act to confer those powers on to the Department and Minister. It is a complex process, but we have to work through it. As I said, the Minister is clear that time is of the essence, and we are working through that as fast as we can.

Mr Muir: I want to note, finally, that, unfortunately, the First Minister and deputy First Minister have, unfairly and wrongly, raised expectations. The process will be long and convoluted. There is significant demand on the funding pot. Day after day, we hear that more and more sectors are being earmarked for access to the funding pot — quite legitimately, given the strong needs for assistance. However, the money may not be there to give people that level of assistance; nor will the timescales be there. It is important that that is put on the record.

Mr Hilditch: You are very welcome. I acknowledge the work of the Department and of workers on the ground. They have been doing a fantastic job during a very difficult period.

Ms MacHugh: Thank you.

Mr Hilditch: Was it a bit rash, or even a mistake, to surrender that £14.1 million of capital funding in June, considering that, in May, there was an indication that construction workers would be going back on site? Now, we are looking for the money again. Also, it was thought that the construction of roads and so on would, by its very nature, allow for social distancing. To my mind, it was always going to be one of the industries that would get up and running again fairly quickly. Was it a mistake or rather rash to surrender that money?

Ms MacHugh: The estimates at the time were based on the evidence that we had and on our consultation with the construction sector. John, do you have anything that you want to add?

Mr Irvine: Those were very uncertain times.

Mr Hilditch: You had an indication in May that contractors would be back on site.

Mr Irvine: They might have been back on site, but their productivity or output might not have been of the profile that we were anticipating, and therefore we had to give the money up. Essentially, when they got back on track, probably in June, work started to ramp up again. The extra bid was for re-profiling. There was a degree of uncertainty. They were very uncertain times. We have to make a call on these issues. Our team will have done an analysis of the best guess at the time. That ended up with the Department surrendering money in June.

Mr Hilditch: You still had the rest of the year to work with as far as surrendering funding was concerned.

Mr Irvine: Yes, but you have to realise that a phenomenal amount of money was being spent on those two A6 schemes. It could be £1 million a week. When you look at it in those terms, £14.1 million is a difficult one to call. Certainly, we made a call on it at the time, and that was made on the basis of the best evidence. It has since been proven that things have picked up, and we have made the bid again.

Mr Hilditch: As a layperson, it bugs me a bit that, here we are in the mouth of winter, and we are looking for £3 million for winter service. Should you not lobby the Finance Department for that so that it is in place at the outset of the budget period rather than depending on monitoring rounds for winter service funding?

Ms MacHugh: This is my first experience in this particular role, but I know from my experience in the Department that, every year, we try to get this baselined, and, every year, it is just not possible. However, I take your point absolutely: it is an essential service to make sure that we are safe in the winter months.

The other thing about winter service is that it depends on the severity of the winter, so we keep a very close eye on long-term weather forecasts to see what amount of money will be required.

Mr Irvine: Linda is right. For the past four or five years, funding for winter service has been an issue, and it is very closely monitored. We have had to be quite resourceful in making bids and redirecting funding within the resource side of the Department to cover winter service. Last year's winter, for example, was very mild. I am not sure of the figure, but the cost of winter service was probably £3.5 or £4 million. However, go back two years, and it was probably £10 million. Providing for winter service is a difficult challenge that requires an ongoing monitoring exercise to ensure that we can deliver it. This year looks quite good: with the bid, we will have cover of up to £10 million, which is probably the best situation that we will have been in for a number of years.

Mr Hilditch: Good.

The Minister announced some park-and-ride projects. Are those included in the bids or are they in the budget for the year?

Ms MacHugh: Some are Roads projects; some are Translink projects. All of those are factored into the capital programmes.

Mr Irvine: In June, the Minister allocated £4 million of capital to the development of park-and-ride projects, so those are already factored into the departmental budget for this year.

Mr Hilditch: Very good.

Mr Boylan: I do not think that there is anything left for me to say. *[Laughter.]* Good luck in your role as acting deputy secretary.

Ms MacHugh: Thank you very much.

Mr Boylan: I want clarification on an important issue, and it follows on from what Mr Muir said. It is not a case of which Minister is which and who is responsible. You are saying that the powers lie under the Finance Act or the Budget Act.

Ms MacHugh: That is where the powers lie.

Mr Boylan: OK, and we are waiting for a process whereby a bid has to be placed. Is that right or wrong?

Ms MacHugh: We are waiting for the evidence that this is needed to be put by our Minister to the First Minister and deputy First Minister.

Mr Boylan: Yes, but it is still part of a process.

Ms MacHugh: That is part of the process. They will determine whether there is a need. If there is, they will confer the powers.

Mr Boylan: One hundred per cent. I see the figures in your paper, and they are big. Obviously, you have to put forward a business plan, or whatever you like to call it, but it is a bid. I just want to clear up that point, because that is where we are sitting.

For a number of months, all of us have been lobbied. As a Committee, we want support for those sectors, to be honest. Whatever that support will incorporate is down to the bid process. I just want to clear that point up.

As a former member of the Committee for Regional Development, I understand the question about the winter service, and I hope that you will get the bid. I want to focus on that and on street lighting. Mr Muir talked about some of the local programmes in his constituency, and we all have similar programmes in our constituency. How is the £3 million bid plus the £1 million bid for street lighting, in essence, divvied up among different areas? If your bids end up being successful, will it be down to the section engineer or manager in each area?

Mr Irvine: Street lighting is probably divided in proportion to the number of columns in each area, so it is pro rata. The £1 million capital is in addition to the £14 million capital already allocated for street lighting column replacements. In simple terms, it is pro rata based on the number of columns.

Mr Boylan: What about the winter programme?

Mr Irvine: For the winter programme, there is a network of gritting routes that cover something like 7,000 kilometres. You have probably heard this before. It is —

Mr Boylan: I know the system well, John.

Mr Irvine: — divided across each section office, and the money is allocated on the basis of gritting actions. As you can imagine, that depends on the type of winter, so high routes in certain areas might get more gritting and the west might get more than the east. It depends on the weather, at the end of the day.

Mr Boylan: I am asking in the context that, for some of us who live in a reasonably high area, it is down to the roads that carry the highest percentage of traffic; it is not necessarily down to the high areas, because some of those roads are not on the full schedule. That is the point that I am making.

Mr Irvine: You are perfectly right. The high areas on the schedule maybe get gritted more, but I accept that certain high areas may not be on the schedule. This has probably been indicated to the Committee before, but the rationale for that is that doing more than that requires a disproportionately higher level of funding, so this is seen as the optimum way to provide a winter service.

Mr Boylan: I know that others want to come in, but, finally, Chair, I want to make a suggestion to Linda, who is now the deputy secretary. Most of us from some areas know that we get challenged every year, particularly when there is a bad winter. The schools in high areas that need gritting are not on the schedule. It is back to the question about coming late in the day — you go to the October monitoring round — to ask for the moneys for the winter programme. I would like that to be focused on. Those questions need to be asked. Those schools have been down there for years; they are sitting in the local areas and the council structures. People know those areas and roads. I do not think that there would be any harm in asking. It is not about putting every road on the schedule, because we know that it happens on a yearly basis, but I would like the Department to look into that and to investigate asking for a bit extra money for some of those areas on an annual basis. It is something to consider.

Ms MacHugh: For schools?

Mr Boylan: Yes, particularly for schools in some of those higher areas.

Mr Irvine: That is a fair enough point, and we can take that one away. In the winter policy, there are criteria that are used for schools and school bus routes, but I know the point that you are trying to make. Essentially —.

Mr Boylan: John, we have been there before, trust me. It is just for consideration, but thank you.

Ms Anderson: Some of my questions have been answered. In the September monitoring round, we were notified that the loss of revenue for Translink was £27 million. In the October round, it is £20 million. Can you explain the differential, please?

Ms MacHugh: That is because Translink managed to get that down through efficiencies. I do not think there is more income; it has managed to be more efficient, so that has brought down the level of the bid. It has been through internal efficiencies.

Ms Anderson: I will look into that a bit more. When we are given papers late, it is hard to interrogate them.

The Chairperson (Miss McIlveen): Sorry, Martina, we cannot hear you.

Ms Anderson: Sorry. Can I pick up on one other matter in what Cathal said about gritting? He asked how the £14 million on column replacements was divided up between councils. I am thinking particularly about lighting. Does that fall into the same category as outlined on how the roads are gritted? I just want to know how that money has been allocated across the 11 council areas and what the criteria are for drawing it down.

Mr Irvine: I will answer that one, Linda. The criteria are probably slightly different to those for the winter service, which are based on routes and gritting actions on those routes. The criteria for street lighting, as I said, will be some sort of pro rata against the number of columns in each of our section office areas that align to council boundaries.

Ms Anderson: Could we get a breakdown of what that is for each council? Obviously, I would be keen to hear what Derry and Strabane District Council is allocated in comparison with other councils. I would not mind that being broken down if possible.

Mr Irvine: We should be able to come back on that one.

Mrs D Kelly: Thanks for the presentation. I recall that it used to be the case that the Department for Regional Development had to rely on monitoring rounds. My understanding is that that opportunity has decreased for Infrastructure.

I want to ask about the regional planning IT system just so that I understand it. Is it only for those who are based in headquarters, or is it an IT system that will be rolled out in conjunction with councils? I understand that there has been a huge backlog in the processing of planning applications at council level and that that is largely due to a lot of the COVID restrictions, with people working at home but not having the IT infrastructure to enable them to process applications through the planning portals.

Ms MacHugh: This is the replacement for the planning portal, which has reached the end of its natural life. The Department and 10 of the 11 councils are moving together to develop a new planning portal, which will certainly improve the way in which the planning portal interacts. This additional bid is for a massive programme that is very technical. They have looked at it and at how they work with a contractor, and if they can bring some of that work forward, it will actually save money in the long run, so it is almost an invest-to-save investment. My understanding is that the new planning portal system will be up and running but will take another year or two to work through before it is fully operational. It will be of benefit to planners not only in the Department but in 10 council areas.

Mrs D Kelly: OK. Thank you.

Mr Beggs: The first area that I want to follow up on is COVID funding and, in particular, those groups that to date have been excluded from any funding from the Department of Finance or the Department for the Economy: the coach operators; the hauliers; and the taxi drivers. Furlough is coming to an end and the contributions have been increasing, so there is a significantly increased risk of redundancy the more time goes on. My question is this: what time period are you targeting to try to get a bid in in this area, because it is very urgent?

Ms MacHugh: Yes. As I said, the Minister is aware that it is very urgent. We are working as fast as we can, from what was a standing start, to get our heads around exactly what is required and how a scheme would be geared. All that I can say is that it will be as soon as possible.

Mr Beggs: Is it going to be in a month, in a week, at Christmas? What is the time frame? Is there any target date?

Ms MacHugh: I am sorry, I do not have that information. You probably need to get a more detailed briefing on this precise issue from the people on the team that is actually working on it. All that I know is that they were not in a position to make a bid now because it is not there yet. However, we know that it is urgent. They are doing whatever they can to move it forward.

Mr Beggs: I see that there is a bid for £11 million for lost revenue for DVA, but I do not see any bid for capital equipment or staff for the future. There are huge pressures on DVA. For instance, yesterday, there were approximately 1,000 people queueing to get onto the website to book an MOT. I declare an interest as someone who will need an MOT in a few months' time. There were 730 people queueing to get onto the website to book a driving test. I understand that it has been extended beyond Christmas and opened up for January. There is considerable pressure for those tests. Can you confirm that the reason that there is no bid is that it is all self-financing because people pay for them, or is there a need for additional money to enable this to happen?

Ms MacHugh: There is a bid for £11 million for lost income to DVA. That is for the costs of the vehicle and driving tests.

Mr Beggs: My question is this: in order to allow tests to occur more speedily and the backlog to be dealt with, does the Department need any additional resources, or is it all entirely self-financing, with people paying for tests when they do one?

Ms MacHugh: Clearly, the DVA has been through a very difficult period, first with the lift issue and then with COVID, and its ability to deliver was stretched. I know that it got back as fast as it could. It is also the case that some MOT centres were being used for COVID testing, although I think that the last of those has now been returned to the Department. DVA is working as fast as it can to deal with the backlog. It is working within the resources that it has, but it needs that money to help to make good the loss of income so that it can keep working at the level at which it is currently working.

Where capital is concerned, I believe that the lifts are now installed, so that was big capital expenditure that was clearly needed. It is hoped that having those lifts back in place will start to help to clear the backlog, certainly in MOT testing.

I know what you are saying about resource, and that is in the bid. In capital, I think that the lifts were probably the biggest issue. Gary, do you have anything to add?

Mr Gary Boyd (Department for Infrastructure): Motor vehicle testing and driver testing are self-financing in DVA. As Linda said, there have been drops in income that have created the bid for £11 million in resource. Having resumed the testing, there is clearly the backlog that Linda suggested, and there are capacity issues that the Minister is dealing with. I know that DVA is considering how that can be dealt with. It is very aware that there is a queue and that there has been a backlog over the last number of days.

Mr Beggs: Chair, we should follow up with DVA about the backlog, and perhaps we should discuss it later.

My final point on your briefing is that you indicated that in the regional planning IT system significant cost savings of between £600,000 and £800,000 will occur by investing a further £1 million. Is that purely the scheduling of the payment for the new system and that you are not investing £1 million to save £600,000 in the long term?

Ms MacHugh: No, it is the scheduling. By bringing forward the payments, in the long run you are going to end up saving £600,000 to £800,000 on the overall project.

Mr Beggs: Thank you.

Mr K Buchanan: Thank you, Chair, and thank you, Linda, and the rest of your team. Just to follow on from Roy's point, are you saying that, for example, from today or next week and moving forward, DVA's revenue is back up to speed in that it has a full revenue stream coming in?

Ms MacHugh: It is working as hard as it can to get back up to full speed. My understanding is that it is, or is very nearly, back at full capacity. Like everything, we are keeping a very close eye on the potential impact of further restrictions if they are required. It is something that we will need to keep under constant monitoring, but, at the moment, I think that it is back up to full capacity.

Mr K Buchanan: OK. On Translink, and Ms Anderson touched on this, there is a big differential between £27 million and £20 million, obviously with the savings that it has pulled in. Has Translink or whoever missed the trick with furloughing its workers?

Ms MacHugh: No. Translink looked at that, but whilst the buses might have been fairly empty, they were still needed to run because essential workers still needed them. It was not the case that there was lockdown and suddenly there were no buses on the streets; they were just emptier. You cannot cut a public transport service because fewer people are using it.

Mr K Buchanan: Did the Department look at furloughing workers, or was it Translink that looked at it? Who made the call that said, "We have looked at this, and we cannot do it"?

Ms MacHugh: I think that it was done in conjunction with the Department. It was certainly given active consideration. The current savings included redundancies for the part of Translink that runs the commercial operations such as the Ulsterbus tours. Translink had to take the commercial decision that, given that that business was not subvented by the Government, it was no longer viable. That is where some of the recent cuts have been made.

Mr K Buchanan: I have a final point, and I appreciate that other members picked up on this. For clarity, considering that the Minister knew about the taxi, haulage and coach industry issue — we have been talking about it in the Committee since April/May time, and there has been a lot of correspondence from the sectors — has the Department a plan in place given that the deputy First Minister and First Minister will say yes to that plan if there is a financial impact on those organisations and they need to be supported? Has the Department a plan in place waiting for that instruction, bearing in mind that we are now in the middle of October?

Ms MacHugh: We are working on that plan.

Mr K Buchanan: Have you not got it in place? Bear in mind, the Committee has talked to the Infrastructure Minister many times and said, "This is your issue." The First Minister and deputy First Minister have also now told the Infrastructure Minister that it is her issue.

Ms MacHugh: It can be the Minister's issue only once legislation has been put in place to give her the vires to do it. Until that happens, it is not her issue. However, it has been accepted that something needs to be put in place, and we work collectively with other Departments and the Executive. There is now a means to get vires identified, and that process needs to go through.

Mr K Buchanan: This is no reflection on you, but the delay in this process is going to cost businesses and livelihoods.

Ms MacHugh: Yes. We are working as fast as we can to get the evidence together to allow the First Minister and deputy First Minister to confer on my Minister the powers to act, but that is the process that we are now going through. We cannot ignore that process. We have to make sure that whatever system is produced is robust, that any governance and accountability issues are identified and that the scale of the problem is well-understood.

Mr K Buchanan: Other Departments and other Ministers have been taking flak because a process took two weeks. Some Departments have pulled a process out in one to two weeks.

Ms MacHugh: Yes, but we are sitting as a Department that has no vires, and we are working through the process to get the vires so that we can act.

Mr K Buchanan: OK. Thank you.

The Chairperson (Miss McIlveen): Finally, has the gritting fleet for the winter service been kept in good maintenance, or is there any requirement to replace any aspect of it this year?

Mr Irvine: Over the last number of years, there has been an ongoing replacement of the gritting fleet in order to keep it serviceable. There is an optimum age at which we intervene. I am not sure of the details, but I can come back to you on that with more detail. I assure you that the fleet has been refreshed over a number of years.

The Chairperson (Miss McIlveen): OK. Thank you. Mrs Kelly has indicated that she wants to come back in.

Mrs D Kelly: I welcome the clarification. Given all the messing about with additional measures to help the taxi, haulage and coach industries, that was very clearly the responsibility of the Economy Minister. It is now the decision, based on evidence, of the First Minister and deputy First Minister. I understood that the Economy Minister had a draft proposal that did not get through the Executive that had, one assumes, an evidence base for those industries. I am very disappointed that people are continuing to try to play the blame game when they know quite well that the Infrastructure Minister did not have the vires, or legal powers, to put any such scheme in place but was merely the regulator. I want to put that on the record alongside Mr Muir's comments. Thank you.

The Chairperson (Miss McIlveen): A considerable amount of information has to come back to the Committee about that, and some work still has to be done. We are all very mindful that there is an urgency with this issue, and we look forward to getting some more detail on it. No one else has indicated that they wish to speak. Thank you for your attendance this morning, and, Linda, we will meet you again next week to talk about Brexit. Thank you.