



Northern Ireland
Assembly

Committee for Finance

OFFICIAL REPORT (Hansard)

PEACE PLUS: Department of Finance and
Special EU Programmes Body

11 November 2020

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Dr Steve Aiken (Chairperson)
Mr Paul Frew (Deputy Chairperson)
Mr Jim Allister
Mr Pat Catney
Ms Jemma Dolan
Mr Philip McGuigan
Mr Maolíosa McHugh
Mr Matthew O'Toole
Mr Jim Wells

Witnesses:

Mr Dominic McCullough	Department of Finance
Ms Laura McDonald	Department of Finance
Mr Declan McGarrigle	Special EU Programmes Body
Ms Gina McIntyre	Special EU Programmes Body

The Chairperson (Dr Aiken): Dominic, would you like to make an opening statement, please?

Mr Dominic McCullough (Department of Finance): Yes, thank you very much, Chair. First, I will introduce myself and explain who I am. Good afternoon to everyone. My name is Dominic McCullough, and I am head of the European Union division in the Department of Finance. I lead the team that has the Department's role in developing, approving and implementing the PEACE PLUS programme. I thank the Chair and the Committee for providing me and Gina McIntyre, the chief executive of the Special EU Programmes Body (SEUPB), with the opportunity to update you on the development of PEACE PLUS. At an early point, I acknowledge and thank Gina and her staff for all the work that they have completed to progress the development of the programme in the context of the current health crisis. I have worked closely with Gina and her team since March, and the volume of work that they have completed has been very impressive. I thank them for that.

To explain to Committee members, through its European Union division, the Department of Finance has member state responsibility for the Northern Ireland/Ireland cross-border EU Peace and INTERREG programmes, and co-sponsor departmental responsibility with the Department of Public Expenditure and Reform (DPER) in Dublin for the SEUPB. In conjunction with DPER, it also has the financial governance and accountability oversight role for the SEUPB and ensures that it operates within its financial and business-planning framework. You have all received —.

The Chairperson (Dr Aiken): Are you also the lead Department, therefore, for all the other Departments that may feed into that?

Mr McCullough: We are the lead sponsor Department for the SEUPB. All Departments work to us, and we work directly with the SEUPB.

The Chairperson (Dr Aiken): Do you have some kind of memorandum of understanding with other Departments that shows that that is how that process works?

Mr McCullough: Yes, there is a long-standing memorandum of understanding and arrangement for the Department of Finance to lead for all other Departments in the Executive.

The Chairperson (Dr Aiken): OK. I appreciate that.

Mr McCullough: Hopefully, all members have received a PEACE PLUS update paper which outlines the key issues and current position on the development of the programme. To make members aware, an update on the programme was provided to the Executive at the beginning of August and shared with all Departments. A further paper is currently with the Executive for their consideration, and I understand that all parties have had sight of that paper through their respective Departments. The Minister of Finance issued that paper to all Departments, so you all should have seen that. The Minister of Finance also participated in a meeting of the programme development steering group on 27 October.

Progress on the development of PEACE PLUS was also noted at the North/South Ministerial Council (NSMC) sectoral meeting on 30 November, and a joint communiqué was agreed between my Minister, Conor Murphy, and the Minister for Public Expenditure and Reform, Michael McGrath. A statement on that NSMC meeting is due to be made to the Assembly during the week commencing 16 November — next week. You will also be aware that the NSMC has a formal role in approving a final PEACE PLUS cooperation programme and that it must be brought to a sectoral meeting for agreement when finalised.

As I said, my role is as the head of the European Union division in the Department of Finance, and my goal is to have this important programme approved in early 2021. I am optimistic that we will meet that target. I intend to keep the Committee fully informed and up to date throughout the development of the programme and ahead of the launch of the public consultation that is currently being planned. It is anticipated that PEACE PLUS will be a fully inclusive programme that will build on the success of previous Peace and INTERREG programmes. The final size and shape of the programme will be determined by the total funding that is made available by the UK and the EU. Final funding commitments have yet to be confirmed, and my team and I are working closely with the Northern Ireland Office (NIO) on that issue.

The Chairperson (Dr Aiken): How would you describe those discussions? We have asked the Minister on several occasions what the likely quantum of funding will be, and he has been unable to give that because he has not had much response from either the NIO or the Treasury.

Mr McCullough: That position has not changed. At the minute, we are working on confirmed funding commitments from the EU and the UK. Those may well change depending on negotiations between the EU and the UK. We are keeping close links on those with our contacts in the Northern Ireland Office. In the interim, Gina and her team in SEUPB have been engaged directly with stakeholders and Departments in drafting proposals based on confirmed funding to date, with a proviso made for any additional financial contributions. Approval for the programme will be required from the Executive, the Irish Government, the NSMC and the European Commission. We in DOF will be working to secure those approvals.

I expect members to raise a number of questions on the programme development, as per the paper provided, and the annex outlining potential themes, content and delivery. Gina and I are happy to discuss the key issues in the paper and how they have been progressed.

The Chairperson (Dr Aiken): Come 1 January, we will have a new relationship. One of the issues is the role of the Specialised Committee on the Protocol on Ireland/Northern Ireland and the EU-UK Joint Committee. One of the issues around that protocol that we talk about is how SEUPB and Peace funding is looked at and the rest of it. Have you bottomed out that relationship, or how that is going to work? Is that going to part of your reporting process to those two Committees, or has something been worked out?

Mr McCullough: It is not my understanding that we will be reporting directly to the Joint Committee. Gina, as chief executive, reports to the NSMC as a North/South body. I do not see that arrangement changing at any time. DOF is working with UK officials to contribute to a financial agreement that is being put in place between the EU and UK to allow for the appropriate governance structures to be in place to allow SEUPB to function in the way it functions now when the new programme comes on stream early next year.

The Chairperson (Dr Aiken): I think it is safe to say that we are still trying to work out what the relationship will be with the NIO and how that is going to work itself out next year.

Mr McCullough: It is, yes. The NIO took over the UK lead Department role in the early part of the summer. I have been working directly with the NIO to establish a relationship and ensure that we work jointly to get the programme in place as smoothly as we can.

The Chairperson (Dr Aiken): Your very good paper — thank you very much indeed — states, in respect of the funding available and finance arrangement, that the total programme value is approximately €650 million and that the EU has confirmed its commitment to the programme at €120 million.

Mr McCullough: Yes.

The Chairperson (Dr Aiken): Our Government have agreed a commitment of up to £300 million, which, for the sake of accounting issues, we will take as €300 million, just to make it easy.

Mr McCullough: OK, yes.

The Chairperson (Dr Aiken): And the Irish Government have confirmed another €86 million, so we are a bit short. Where do we think that money is coming from?

Mr McCullough: That is why we are in negotiations with the Northern Ireland Office. In the withdrawal agreement, the UK and the EU committed to maintaining funding proportions as they currently exist. We are working with the Northern Ireland Office on clarifying those proportions.

Mr McHugh: Fáilte romhaibh uilig. You are all very welcome. Just on that commitment for the 300 million sterling — or euro — how much of that was previously committed? Have the British Government given any indication of providing further funding?

Mr McCullough: The £300 million was announced in, I think, January 2019, and that was new money from the UK Government. As I said, we are working with UK Government and Northern Ireland Office officials to clarify what their understanding is on future commitments. I appreciate that this is at a late stage in the development of the programme, but until we get clarification, we cannot confirm any additional funding above the €650 million.

Mr McHugh: Are we confident that the British Government will follow through on that commitment?

Mr McCullough: We have worked with the British Government to try to clarify what their commitments are, and we will continue to do that. I cannot say what their intentions are.

Mr McHugh: The Chair mentioned the Department of Finance and the NIO. What outstanding issues need to be addressed or resolved?

Mr McCullough: The first issue is the funding, and the second is agreeing the financial agreement that allows SEUPB to function in the same way that it functions at the moment.

Mr O'Toole: Thank you both for coming in. When you talk about a financial agreement that allows SEUPB to function as it does at the minute, what does that mean, and how is that different from funding?

Mr McCullough: The financial agreement will look at the structures of SEUPB and its focus on operational capacity. The financial agreement is there to ensure that, although the UK is not a member of the EU as of 1 January this year, a new working arrangement will be in place from 1 January next

year. The programmes will not be starting from 1 January; it will be later in the year. The purpose of the financial agreement is to ensure that EU rules apply to the way that the SEUPB operates and also that UK/ Northern Ireland rules are respected.

Mr O'Toole: OK, so that is the interaction with the protocol. There is an interaction with the protocol, then?

Mr McCullough: Sorry, Matthew?

Mr O'Toole: Is there an interaction with the protocol there?

Mr McCullough: There is a crossover with the protocol. It will certainly fall under the banner of protocol issues, but it is important that it is clarified to allow SEUPB to have a function. It is a separate agreement, particularly for the Peace programme.

Ms Gina McIntyre (Special EU Programmes Body): It is really the practical arrangements with a funding programme, such as how it is audited, where the money comes through and how irregularities are handled. It is that type of arrangement with the financing agreement.

Mr O'Toole: In what forum are those being discussed? Are they discussed at the Joint Committee?

Mr McCullough: They are not discussed at the Joint Committee. They are discussed directly between the Northern Ireland Office and the European Commission, and then we work with the Northern Ireland Office to clarify that.

Mr O'Toole: Right, because the Northern Ireland Office is directly engaging, not via the Joint Committee. That is interesting. How does this interact with the new EU seven-year budget cycle? Explain to me how those mechanics work. Obviously, in an age when the UK and the Republic of Ireland were both EU member states, it was less of an issue. Is it that the EU quotient of spending comes under the relevant INTERREG heading in a multi-annual financial framework? I do not want to get into the detail, because EU budgeting is unbelievably complicated, but, in broad terms, how does that work?

Mr McCullough: I suppose that the starting point is that PEACE PLUS is recognised as a special programme. It is there to allow a programme to be agreed in Northern Ireland that takes the best out of the current Peace programme and the INTERREG programme. It is important that that is clarified, and the basis of the financial agreement is that it will allow that programme to continue. The multi-annual financial framework is agreed on a seven-yearly basis. It was revised in June or July of this year, and that framework will provide the funding to allow the SEUPB to deliver PEACE PLUS.

Mr O'Toole: It will provide funding for the EU bit of it?

Mr McCullough: Yes, that is right.

Mr O'Toole: The note that you provided mentions a scoping study that is going to be subject to a consultation. That consultation has already happened now or is going to happen. It says that an initial scoping study is being developed that is subject to a five-week consultation. This is on the environmental assessment. There are two; there is the environmental assessment consultation and then the equality screening. Basically, there are a number of consultations. Have those all happened now?

Ms McIntyre: They have happened and are drawing to a conclusion. Once they have concluded, we will be able to go out — well, once we know the quantum of the programme and that is finalised between the UK and the EU, we will be able to go to public consultation, which is our second public consultation and the final one on the content of the programme. We hope that that will be later this year.

Mr O'Toole: Consulting on the programme in January 2021 — it sounds like you basically have a draft of the programme ready.

Ms McIntyre: Yes.

Mr O'Toole: But, essentially, you are saying that consulting on that programme in January 2021 is contingent on there being a deal between the UK and the EU, or not on their being a deal but on you understanding what that deal is.

Ms McIntyre: Yes. As Dominic has explained, there is a confirmed budget for that programme at the minute of €650 million, but there may be ongoing discussions between the UK and the EU about raising that. Certainly, the EU has offered more money, as have the Irish Government. That discussion is ongoing and, until that discussion is concluded, we will not know whether we are getting a larger programme or not. We certainly have a €650 million programme.

Mr O'Toole: Those offers have happened not in the context of the headline EU-UK trade negotiations but in the Joint Committee, or where?

Ms McIntyre: It is handled in Brussels, between the UK permanent representative and the EU.

Mr O'Toole: If they are not part of either the formal UK-EU trade talks or the Joint Committee, they are just happening in conversations.

Ms McIntyre: I would say that it is probably formally part of the withdrawal agreement discussions.

Mr O'Toole: Right, so it sounds like, basically, increased funding for this is now in the middle of the UK/EU talks and is being used as a potential move. It will not be a move in the broader trade talks, but that it is contingent on progress.

Ms McIntyre: I cannot answer that. That is between the EU and the UK.

Mr Allister: Is €650 million the total cost to various public purses?

Ms McIntyre: Yes, the €650 million is the EU contribution, the UK contribution and the Irish Government contribution in terms of the European regional development fund (ERDF) element, but also the match funding from the Departments that is always part of these EU programmes.

Mr Allister: Just remind us: is match funding still 25%?

Ms McIntyre: At the minute, it is very in between. The regulations are not finalised. It will either be 20% or 30%, but it is likely to be 20%. So when you add —.

Mr Allister: Is INTERREG still 50:50?

Ms McIntyre: Sorry?

Mr Allister: On INTERREG, what is the match funding?

Ms McIntyre: It is still the same. It will be the same amount at 20%.

Mr Allister: So the €650 million includes the match funding.

Ms McIntyre: Yes.

Mr Allister: So, of that €650 million, approximately €150 million or thereabouts has to come out of our finite DEL allocation.

Ms McIntyre: Yes.

Mr McCullough: Yes, there will be a cost to the Northern Ireland Executive.

Mr Allister: There is no such thing as free money.

Mr McCullough: No, there is not.

Mr Allister: So €150 million of money that might otherwise be available for hospitals or schools has to go to match-fund SEUPB programmes.

Mr McCullough: It is to match-fund the PEACE PLUS programme.

Mr Allister: Yes, which is run by SEUPB.

Mr McCullough: Yes.

Mr Allister: How much does SEUPB itself cost in administration?

Ms McIntyre: We have quite a small administration budget. It is about £2 million, but there are administration elements within each programme as well in relation to —.

Mr Allister: Yes, so just tell me what percentage of the €650 million is likely to go on administration.

Ms McIntyre: Currently, the regulations state that 6% of the programme funding goes on the technical assistance, which is the administration, although that is not used solely by SEUPB. That will be used for appraisal work, pre-development support for the programmes that we are looking at, consultations, studies and research. It is not money that just comes in —.

Mr Allister: When there is an overspend on administration, what happens?

Ms McIntyre: We do not have an overspend on administration.

Mr Allister: There has never been an overspend.

Ms McIntyre: We do not overspend on administration.

Mr Allister: There has never been an overspend? I would like to correct you. When I was an MEP, there certainly were instances of overspend on Peace programmes.

Ms McIntyre: Oh, sorry, you are talking about the Peace programme.

Mr Allister: Yes.

Ms McIntyre: That is different from SEUPB. We always try to overspend. It is a management tool for programmes. You try to overcommit them so that they will bring in the final amount of expenditure, because projects tend to spend less than what they are allocated and you do not want to end up handing money back at the end of the programme because it has not been spent. That is a recognised management tool that we have been using for 20 years where you overcommit the programme and kind of overspend, but on the basis that you will bring it down to 100% at the end of the programme.

Mr Allister: Let me go back then, in case there is any misunderstanding. Are you still saying that the administration costs of the whole programme, quite apart from SEUPB's costs, are 6%?

Ms McIntyre: They are currently 6%, yes.

Mr Allister: Where can the money be spent?

Ms McIntyre: It is spent on the programme. It has to be spent on programme activity.

Mr Allister: Where can the programmes operate?

Ms McIntyre: It is under the term "technical assistance", and that is used for —.

Mr Allister: I have moved on from administration. Geographically —

Ms McIntyre: Oh, sorry, the location.

Mr Allister: — where can Peace funding be spent?

Ms McIntyre: Northern Ireland and the six border counties in Ireland. That is the programme area.

Mr Allister: So this is a programme that is funding projects in Northern Ireland and in six Southern counties, but the Irish Government are only putting in €86 million.

Ms McIntyre: No. The way it works is that the Irish Government put in their share of the ERDF and their match funding; their Departments also match-fund. The element that is coming directly from the EU in this PEACE PLUS programme is over and above the Irish contribution for ERDF, so that is €60 million in addition to that. The EU and the Irish have both offered to increase their elements.

Mr Allister: How much are they increasing by?

Ms McIntyre: The EU has doubled its offer; it has taken it to €120 million. The Irish Government are increasing theirs from €60 million to €87 million.

Mr Allister: From €60 million?

Ms McIntyre: Yes.

Mr Allister: But still, the residents or, more likely, groups in those six Southern counties stand to, proportionally, benefit quite handsomely from the totality of the fund, yes?

Ms McIntyre: It depends where —.

Mr Allister: It is a pretty good investment.

Ms McIntyre: You could argue the opposite.

Mr Allister: Could you?

Ms McIntyre: Yes, you could argue the opposite.

Mr Allister: The United Kingdom puts in £300 million, the Irish Government put in €86 million, and it is spent both North and South.

Ms McIntyre: And the EU is offering €120 million.

Mr Allister: How could you argue it the other way?

Ms McIntyre: Because it depends on where the projects are being funded, where the majority of the funding goes and where the majority of the applications are. The projects in the INTERREG programme are cross-border — they involve partners from both sides — but the Peace programme is predominantly cross-community. Of course, there are cross-border elements as well, but it is predominantly cross-community.

Mr Allister: In terms of cross-community, did your equality impact assessment, such as it was, show a reach to all communities?

Ms McIntyre: We have not carried out the like of the equality impact assessments that you remember from 20 years ago. Instead, each project has to individually demonstrate its contribution to the cross-community aspect of the programme and peacebuilding activity.

Mr Allister: You know that, historically, those programmes had a chill factor that they found difficult to overcome in the Protestant and unionist community. Is that still the case?

Ms McIntyre: I do not believe so. We fund —.

Mr Allister: But you have not done any surveying to establish whether it is or it is not.

Ms McIntyre: We do not do surveys on participation as such, but look at the range of projects that we are funding. There are two new shared spaces projects in your constituency, with the Bushmills courthouse being refurbished and the shared education facility in Ballycastle. We have been able to reach into those communities. We have done a significant amount of research this year and a scoping study on why groups did not apply to the programme in the past. We want to make sure that, for PEACE PLUS, those groups will be able to apply and access the programme. We want to encourage them to access the programme.

Mr Allister: But you are not going to monitor it to see what the outturn is, as you formerly did —

Ms McIntyre: We do not count numbers —

Mr Allister: — which was always a very embarrassing outcome.

Ms McIntyre: — and actually, when we did our stakeholder consultation earlier this year — thankfully, before COVID — we were able to go out around all the counties. We had 16 events, which over 1,000 people attended. The very clear message that we received from those people in every county was that asking for numbers and looking for quotas of religious participation in projects was not welcome any longer. They found it quite divisive at times. As you know, we fund a lot of young people's projects. They do not want to be asked that question any longer.

Mr Allister: Do you have a section 75 obligation?

Ms McIntyre: Yes, we have, and we have a —.

Mr Allister: But you could not produce any statistics to show how well you are meeting that.

Ms McIntyre: We have done an equality impact assessment in relation to the PEACE PLUS programme, and we do —.

Mr Allister: Did you complete the —.

Ms McIntyre: — but we do not do statistics.

Mr Allister: Did you do a full equality impact assessment?

Ms McIntyre: We have had that looked at. It is for going in to PEACE PLUS.

Mr Allister: You just screened it, did you not?

Ms McIntyre: It has been screened by an expert, who —

Mr Allister: Yes, but there was no equality impact assessment.

Ms McIntyre: — said that it does not require a full equality impact assessment.

Mr Allister: OK. Thank you.

Mr O'Toole: The thematic areas and descriptions that you sent us do not mention EU exit or the context that there will be an EU member on only one side of the border. Was that a deliberate choice?

Ms McIntyre: No, you have a summary of the programme content. We have detailed theme papers for each of those six themes. We have left an element of flexibility in the programme — particularly in theme 2 on delivering economic regeneration and transformation — to address some of the practical issues that may arise, either because of Brexit and/or COVID, because, at this time, those issues are unknown. Therefore, we have written it in such a way that there will be funding provided within those themes to address that.

Mr O'Toole: Thank you. On the specific strands and specifically cross-border projects, what work have you done to establish whether the EU exit will affect your ability to carry out those projects on a

cross-border basis? For example, is there any interaction or issue around mutual recognition of professional qualifications?

Ms McIntyre: We have looked at that in the context of our current programmes, and the projects that are currently funded are doing very significant work. There are no particular issues that are causing the projects problems, but, as we said, that will develop. We have left flexibility in the programme to address those, but, given the fact that they are unknown, it is uncertain what those issues may be. However, it is there.

When we examined the stakeholder consultation and the 320 detailed surveys that we received, Brexit and its challenges and what it would do economically and socially in this region came up strongly as a challenge.

Mr O'Toole: In a sense, as well as the consultations, your next step is to wait for the NIO and European Commission to confirm what the global amount will be for 2021-27.

Ms McIntyre: Yes, although there is still a lot of work ongoing in finalising the programme, but we do need to know that quantum before we go out to public consultation. Having said that, we have a figure on the table of £650 million.

Mr O'Toole: Sorry, I have been dancing around this; I should have asked the question more directly. Have you had a steer from the NIO as to when they think that they will be able to give you confirmation on that?

Mr McCullough: We would expect confirmation fairly soon, although I cannot put a time on that. I have been working directly with my contact at the NIO to stress that it is important that we get movement in this area. I know that Gina and her team have been developing the programme based on the funding as we understand it at the moment, but there are contingency plans for increases in funding. It will not be a major move to upscale the programme if significant additional funding becomes available.

Mr O'Toole: So from January onwards —.

The Chairperson (Dr Aiken): Matthew, you are getting an awful lot of indulgence for a very short question.

Mr O'Toole: This is my final question. Do you budget on a calendar or financial year basis?

Ms McIntyre: It is calendar.

Mr O'Toole: If you need to know for 2021, you will need to know soon to be able to plan for —.

Ms McIntyre: The programme has to be finalised and the budget has to be agreed. It then has to get approval through the Northern Ireland Executive, the Dáil and the Commission. That will be early next year. It is unlikely, as traditionally these programmes do not spend much in the first year, but you can make your commitments.

Mr O'Toole: OK.

Mr Catney: Thank you, Dominic, Gina, Laura and Declan for presenting today.

What I am taking out of what has been said is the figure of £650 million and that it can possibly grow by a million pounds. I would like to state the good work which has come from Europe and the SEUPB projects, PEACE PLUS and the money that is there.

I would like to start at the back and then work my way forward. The biggest challenge for us is going to be the forthcoming projects being able to draw down the funds. In looking at your consultation, I see that there were 320 valid responses to engage. What steps can be taken to maximise the money and the spend, driven by the councils and yourselves? How can we make it more approachable for groups, such as community groups, to allow them to apply to draw down those funds, which make such a difference in the border regions?

I represent Lagan Valley and want to ask a personal question about the Ulster canal. Where are we with that? I have a couple more questions, but I will leave it at that for now.

Ms McIntyre: Our themes were developed based on evidence. Departmental economists carried out a socio-economic profile for Northern Ireland and the border region. We have EU papers on what it would like to see and the frameworks that it has, and we have all the stakeholder consultations. We also aligned the programme with the Departments and worked very closely with them. We looked at their priorities and priorities for the Governments in Ireland and Northern Ireland and aligned it very closely with those. Fortunately, what we heard at the stakeholder consultations and received in our surveys aligned beautifully with the priorities for the Governments.

We have met all the permanent secretaries in Northern Ireland and the secretaries general in Ireland. They are very engaged in the programme and see its benefits. More than 90 officials attended a meeting and talked about what they could do jointly and collaboratively.

As you rightly said, the projects on the ground are more important. The stakeholders that we met were very clear that they had the projects and just needed the money. We listened to what we heard when we were out there, and accessibility to the programme was certainly a key issue. It may not have come out so well in the summary papers, but in themes 1 and 6, there are elements for small projects, so they will have much more straightforward access to the programme. In theme 1, all 17 local authorities will also be given a budget allocation to do work with their communities. We have requested that that work and those plans be very much co-designed with the communities at heart and that it should not be a tick-box exercise or anything like that. It should be about what those communities need in their local areas. We will provide some support to councils next year so that they can do that work.

We are very clear that the projects are there. In fact, in the detailed theme papers that I referred to earlier, we have indicative actions that came from the people who want the money and can see its benefits and are very excited about getting those funds and what they can do with them.

The Chairperson (Dr Aiken): You also asked a short question about Lagan Valley.

Mr Catney: Yes, I was going to come back in. I wondered about the Ulster canal and the joined-up nature of the councils that sit along the canal. Is there any progress or movement? The Irish Government have pledged extra money, above and beyond what is here, but has there been any thinking about that to get it through?

Ms McIntyre: I had not heard about that.

Mr McCullough: I think that you are referring to the shared island fund

Mr Catney: Yes.

Mr McCullough: That is an Irish Government initiative, but I understand that it is based very closely on their commitments in New Decade, New Approach. I am not 100% sure where the Ulster canal sits within that, but I would be surprised if it sits within PEACE PLUS because of the cost of developing an element of that programme. However, it certainly has not been ruled out.

Mr Catney: So —

Ms McIntyre: We are funding a greenway.

Mr Catney: My last question is on the latest timeline for the consultation. Does that timeline make it difficult to have a final draft in place for January?

Ms McIntyre: Again, as we said, we have an indicative value for the programme that we could consult on, but that is not the final position. Until we are told that that is finalised, we cannot go out to public consultation. We have the papers and everything else ready to go and are doing some final work with the Departments to make sure that they are content with what we put in as themes and indicative targets and budgets.

Mr Catney: I know that the timelines and management of money in the SEUPB are very strict —

Ms McIntyre: Yes.

Mr Catney: — but that sometimes frightens off the smaller groups.

Ms McIntyre: Yes.

Mr Catney: Can you build capacity into those groups so that they feel more confident to apply to draw down those funds and enhance the areas in which they live?

Ms McIntyre: I mentioned some of the small project funding that we are putting into themes 1 and 6. I also mentioned to Mr Allister our technical assistance money, which will come throughout the programme. We will use that for pre-development support for projects.

Mr Catney: Will that be provided through the councils?

Ms McIntyre: No, it will probably go directly to help applicants who come forward. The councils will have their own plans. We are very cognisant of the fact that small groups do not have the capacity, and therefore we will do everything that we can to make sure that they can get access.

Mr Catney: Thank you.

Ms Dolan: Thank you both for coming in. This question is along Pat's theme. Following the feedback from December to February, you had a consultation, and there were 21 events. How will you overcome the fact that you obviously cannot have events now? Will it all be online?

Ms McIntyre: It will all be online. As part of the Peace programme, we recently opened a call for applications in the area of social innovation capacity building. In answer to Pat, that is part of building for PEACE PLUS, to try to get communities to build skills to be able to apply for grants, particularly in the area of social innovation. We did that online, and it was very successful.

We have a plan in place to do the consultation online and have videos there for people to view. To be honest, the consultation will not be as extensive or as in depth as the first one, because, in the first one, we said to people, "This is what you can have. What would you like?". We had a lot of feedback, and we had great discussions. We also had to take criticism about access to the programme and the like, but it was really beneficial. This will not be the same type of event, so we believe that we can do it online OK.

Ms Dolan: I am kind of going backwards here. On the community engagement at those events, were different communities involved, or did you see a theme in that it was the same communities that got funding before?

Ms McIntyre: There were obviously people who had received funding before, but we saw a lot of new people coming in, which was great, and a lot of new sectors. We had people from farming communities on the north coast. We had also people come along who said, "We saw this advertised, so we came to see what it is about". We did a big marketing campaign for it online and in the papers. The events were totally public, and anybody could come along. We got new people and new views, and that was really great and interesting.

The fact that the Peace programme and the INTERREG programme are being brought together in PEACE PLUS means that people from an environmental background came along and listened to what people were saying about peace and peace-building activities. Indeed, it is the same for healthcare. As you will see from the way in which the programme is structured, the area of healthcare, which is funded through INTERREG, will now be about not only the physical side of healthcare but the mental well-being of communities and how they can get engaged in their local healthcare services.

Ms Dolan: That is great. That is all from me.

Mr McHugh: I have one quick question. On the UK Internal Market Bill, specifically the provision on state aid, is that likely to cause problems or pose challenges for you?

Ms McIntyre: Currently, we do not have many funded projects that require state aid clearance. We do not really get involved in funding projects directly for SMEs, so we have been able to avoid that. We go through intermediaries and provide supports for SMEs, rather than funding them directly. State aid is applicable in the current programmes and will be applicable in the future programme.

Mr McCullough: May I pick up on that, please? Certainly, we are aware that elements of the Internal Market Bill will have an impact on the state aid position. We in DOF are working closely on that to ensure that the state aid arrangements will allow SEUPB to function as it does now. I do not know whether my colleague Laura, who has been working on state aid, wants to chip in there.

The Chairperson (Dr Aiken): Go ahead, Laura.

Ms Laura McDonald (Department of Finance): DFE currently leads on the Northern Ireland response to the Internal Market Bill, of which state aid is a part. We have been looking at it in regard to SEUPB and its role. The PEACE PLUS programme, as you know, is an EU programme and will have to comply with all EU regulations, including those on state aid. The Internal Market Bill could create the potential that PEACE PLUS will also have to apply the provisions in the Bill. There is potential for a substantial drift in the state aid regimes across the eligible area, and that may add an additional layer of complexity to programme delivery, which could impact on SEUPB and the programme beneficiaries.

We have been working, with the support of the Departmental Solicitor's Office, to ensure that the Bill does not impact the operations of SEUPB in its role as a cross-border vector for state aid through the delivery of the current Peace and INTERREG programmes and the future PEACE PLUS programme.

As you will know, the Internal Market Bill is currently making its way through the Lords, and there are substantial changes to it, so we are not sure what the outcome on state aid will be. We are not sure about the impact until SIs get laid under the state aid regime or what the UK state aid regime will be following the EU one, but we will continue to work with the NIO and the Cabinet Office as the Bill continues to progress and is implemented by the Whitehall Departments to ensure that there is no impact on the body or its programmes.

The Chairperson (Dr Aiken): Thanks very much. Have you had much discussion with the Scots or the Welsh? Obviously, we are in different circumstances with state aid, particularly with the special committee and the Joint Committee and our "unique circumstances", but this might have a read-across for other programmes. We talked about the Shared Prosperity Fund, which is the next large chunk that we expect to get some resource from, and we want to see a quantum of that and how that is going. So, have you had much discussion with them? What is the general sense out there? None of us expect the Internal Market Bill to look the same as it looks now by the time it has gone back and forth through the House of Lords. We have heard a lot about the Finance Bill, or, to be more appropriate, the lack of Finance Bill. The Committee would welcome your thoughts on those questions.

Ms McDonald: Do you mean the Shared Prosperity Fund in the state aid, or the Shared Prosperity Fund on its own?

The Chairperson (Dr Aiken): Both.

Ms McDonald: The Shared Prosperity Fund will be an internal domestic fund, so it will have to apply whatever state aid regime comes into play with the UK when it decides what that will be.

We have been in discussions with officials in Wales and Scotland, and there is not an awful lot of information on the Shared Prosperity Fund. It will be subject to the spending review. We are all in the same boat. There is a severe lack of information coming forth from that. As you will know, Bill Pauley presented some evidence to the Northern Ireland Affairs Committee on the fact that we have not had any kind of clarification on that.

We have been working to ensure that Northern Ireland views are understood by the Minister of Housing, Communities and Local Government, as well as the Treasury, to ensure that they understand the situation in Northern Ireland and that they understand that the best vector for delivery of the Shared Prosperity Fund is through the Executive.

The Chairperson (Dr Aiken): For the information of members, there is correspondence on page 302, which is a letter from the Northern Ireland Affairs Committee about the Shared Prosperity Fund. I thought it appropriate to bring that up at this stage.

I have a couple of final questions. What engagement have we had with the Northern Ireland Affairs Committee, now that we have mentioned it, the Oireachtas Committee on Public Finance, Expenditure and Reform? Have we had any discussions about how we are going to look at this?

Mr McCullough: Laura mentioned Bill's engagement with the Northern Ireland Affairs Committee last week. I read his evidence, and he was very clear about where we stood on the main issues that concern us, particularly the Shared Prosperity Fund and lack of information. I am not aware of any communication from our end or representations to the Oireachtas.

The Chairperson (Dr Aiken): You said that you are getting fairly close to being able to send a final draft of the proposals to the Executive. When can you share those with us so that we can have a look at them before the get there?

Mr McCullough: As I said in my opening remarks, it is my intention to keep the Committee fully informed on developments in this area. Unfortunately, with COVID, the European Union and everything else, it is very difficult to pin down when we can move into a consultation period. We want to do that as quickly as possible, and I assure you that we will make you aware of when we are going to do that.

The Chairperson (Dr Aiken): The Committee would be delighted to have regular updates. No progress is just as important to report to the Committee as progress so that we are aware of the situation.

Mr McCullough: OK.

The Chairperson (Dr Aiken): The other issue that we have, which I was teasing out in questions when you were giving your evidence, is the Committee for Finance's role as the primus inter pares of all Committees when we come to deal with it as well. That, then, leaves a role for the Assembly and, particularly, Committees. I think that it would sit naturally with the Committee for Finance to take the lead on that. One thing that we might do — I will discuss it with the Committee after you have given your evidence — is write to the other Committees to say that we will take the lead on this, and to ask them to input directly to us if we can do that.

Mr McCullough: OK. Thank you.

The Chairperson (Dr Aiken): That might ease the process, and, in particular, ensure that we have accountability and transparency as well.

Thank you very much indeed, Dominic, Gina, Laura and Declan. We did not get to hear from you, Declan. Thank you very much. Keep yourselves safe.