
COMMITTEE FOR FINANCE AND PERSONNEL

The Executive's Position Report to the Assembly: Developing the Programme for Government and the Budget for 2002-03

REPORT ON THE OUTCOME OF CONSIDERATION BY THE
STATUTORY DEPARTMENTAL COMMITTEES

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COMMITTEE FOR FINANCE AND PERSONNEL: MEMBERSHIP AND POWERS

POWERS

The Committee for Finance and Personnel is a Statutory Departmental Committee established in accordance with paragraphs 8 and 9 of Strand One of the Belfast Agreement and under Standing Order No. 45 of the Northern Ireland Assembly. The Committee has a scrutiny, policy development and consultation role with respect to the Department of Finance and Personnel and has a role in the initiation of legislation.

- The Committee has the power to:
 - consider and advise on departmental budgets and annual plans in the context of the overall budget allocation;
 - approve relevant secondary legislation and take the Committee Stage of relevant primary legislation;
 - call for persons and papers;
 - initiate inquiries and make reports;
 - consider and advise on matters brought to the Committee by the Minister of Finance and Personnel.

MEMBERSHIP

The Committee was established on 29 November 1999 with eleven members, including a Chairman and Deputy Chairman and a quorum of five members.

- The membership of the Committee is as follows:
 - Mr Francie Molloy (Chairman)
 - Mr James Leslie (Deputy Chairman)
 - Mr Alex Attwood
 - Mr Billy Bell
 - Mr Seamus Close
 - Mr Nigel Dodds MP (appointed in replacement of Mr Oliver Gibson on 2 October 2000)
 - Mr Derek Hussey
 - Mr Alex Maskey
 - Ms Patricia Lewsley (appointed in replacement of Mr Donovan McClelland on 15 January 2001)
 - Mr Peter Robinson MP (appointed in replacement of Mr Gardiner Kane on 2 October 2000)
 - Mr Peter Weir

TABLE OF CONTENTS

	Page
Report	
Introduction	3
Deliberations of Committees	5
APPENDICES	
Appendix 1. Minutes of Proceedings of the Committee relating to the Report	9
Appendix 2. Summary of Bids made by Departments	13
Appendix 3. Commissioning Letters and Related Documents	23
Appendix 4. Responses from Committees	39

REPORT 1/02 (COMMITTEE FOR FINANCE AND PERSONNEL)

REPORT ON THE OUTCOME OF CONSIDERATION BY THE STATUTORY COMMITTEES OF THE EXECUTIVE'S POSITION REPORT TO THE ASSEMBLY: DEVELOPING THE PROGRAMME FOR GOVERNMENT AND THE BUDGET FOR 2002-03

INTRODUCTION

1. General

- 1.1. On 29 May 2001 Mark Durkan, Minister of Finance and Personnel, made a statement to the Assembly on the Budget arrangements and timetable for 2002/03 on behalf of the Executive Committee. This announced that the Executive's Position Report to the Assembly: Developing the Programme for Government and the Budget for 2002-03 (the Position Report) would be made available in June 2001 for consideration. The Statement set out the indicative timetable for the process of agreeing the Programme for Government and Budget proposals for 2002/03.
- 1.2. The First Minister and Deputy First Minister subsequently wrote on 18 June to chairmen of departmental committees enclosing the Executive's Position Report and sought the comments of committees and the co-operation of the Committee for Finance and Personnel in collating the views of departmental committees on the financial issues. Details of departmental bids are given in Appendix 2. The Minister of Finance and Personnel also wrote to the Chairman on 18 June to explain the arrangements for consultation and comment. A copy of the correspondence is given at Appendix 3.
- 1.3. The Committee for Finance and Personnel undertook to co-ordinate a response to the Minister of Finance and Personnel based on committees' comments on Section 2 of the Executive's Position Report. The Chairman wrote to other committee chairmen, including the Committee of the Centre on 18 June and sought comment on the Position Report by 6 July 2001 and prior to the Summer Recess. Committees were asked to respond directly to the Office of the First Minister and Deputy First Minister on the Programme for Government. Their responses to this Committee on the Position Report are given in Appendix 4.

2. The Public Spending framework – indicative figures for 2002/03

- 2.1. The Position Report highlighted the amount of money available to the Executive for 2002/03. This was largely determined by the outcome of the 2000 Spending Review that was announced by the Chancellor of the Exchequer on 18 July 2000. The indicative figures allow for a public expenditure increase of 3% in real terms and build on a 5.5% increase in 2001/02. The DEL is as follows¹:

	Total DEL (£ Million)	
	2001/02	2002/03
Total departmental DEL	5,890.2	6,247.9 (6.1 % change)
Executive Programme Funds	8.2	51.9
Regional Rates and other items	-124.6	-230.0
Planned End-Year Flexibility ²	-34.1	-
Unallocated March 2001 Budget additions ³	19.5	21.3
Total other DEL	-131.0	-156.8
Total overall DEL	5,759.2	6,091.2 (5.8% change)

¹ Preparing for 2002-03 The Executive's Position Report to the Assembly: Developing the Programme for Government and the Budget for 2002-03, 18 June 2001.

² Approved budget plans include some expenditure funded by anticipating the carry over of spending power from 2000/01 into 2001/02. To minimise distortion of the pattern of spending plans the remainder of the expected total end-year flexibility available from 2000/01 was excluded from the table. (Position Report, page 25)

³ This includes ring-fenced allocations in respect of Action to Combat Drugs. (Position Report, page 25)

- 2.2. The Executive has indicated that, with the Departmental Expenditure Limit (DEL) fixed at the level set in 2000, there is little room for manoeuvre unless this is done at the expense of other departments. The Executive has, therefore, called for a careful consideration of the many demands placed on the Assembly's spending power and has sought the best possible distribution of the resources. As part of this process it sought the views of Committees on both the strategic priorities and the more detailed spending issues that will make up the Budget.
- 2.3. The Position Report makes it clear that the only additional resources available for allocation in this year's Budget are those amounts received through the Barnett Formula following the Chancellor's March 2001 Budget and some minor consequential additions from changes in GB programmes. The total amount available for 2002/03 is **£19.2m**.

DELIBERATIONS OF COMMITTEES

3. Information sharing and consultation - the process and timetable

- 3.1. The Position Report is part of a developing sequence of information and consultation documents that set out the Executive's proposals for public services and expenditure. Others include the Programme for Government, departments' strategic plans, business plans and public service agreements, monitoring rounds and the draft Budget.
- 3.2. The Committee welcomes this developing process of information sharing, which is in keeping with the responsibilities of the Assembly's committees as set out in the Belfast Agreement. This Committee has sought, since the first Budget was introduced, greater openness in the information that is shared with committees and the opportunity to have the information made available at an earlier stage so that committees can both scrutinise and advise Ministers in a more effective and constructive manner.
- 3.3. This is an evolving process and the Committee recognises the difficulties and time constraints that the Minister and the Executive have faced in preparing previous budgets. The need for earlier consultation between committees and departments has, in fact, been recognised by the Minister. In his Budget Timings Statement of 29 May he stated: "I said last year that Committees did not need to wait for me to fire the starting gun to begin consideration of their Department's spending plans... I hope that the departmental Committees will develop the role that they have to play in contributing to the thinking of Departments. Committees' involvement should also help to ensure that Departments make sound plans to underpin bids. Departmental committees can make a contribution towards that work even outside of the Budget cycle."
- 3.4. Responses from other committees have, however, indicated difficulties in obtaining the necessary information from their respective departments at an early enough time. The Committee for Culture, Arts and Leisure, for example, stated that "The Committee has found itself in a similar position to other departmental committees, in terms of the lack of involvement in the development of bids and the failure to provide it with relevant documentation. In this regard, the Committee finds the exhortation in paragraph 74 of the Position Report to rigorously assess the Department's spending plans somewhat disingenuous, given the blocking of Committees' requests for information and the consequent lack of time now available to consider the indicative figures for next year." The Committee was able to obtain a commitment from the Minister of Culture, Arts and Leisure that the Committee will, in future, be included in the bidding process."
- 3.5. The 18 June date for the start of consultation on the Position Report was insufficient if considered comment was expected prior to the Summer Recess. The suggestion that Committees should continue their work of considering the Position Report during the Summer Recess was also unrealistic. The Committee acknowledges that further discussions will take place in the autumn but considers that earlier discussion between departments and committees during the initial preparation of bid requirements in late spring and early summer would have produced a more effective and considered response to departmental plans. It is hoped that the commitment made by the Minister of Culture, Arts and Leisure to the Committee for Culture, Arts and Leisure will become a common and logical part of the process of consultation and development of the Budget across all committees and departments.
- 3.6. Further work is needed if the system is to work effectively. The Committee recommends that the financial timetable should clearly state that there would be ongoing discussions between departments and committees during this initial period and that departments should formally request the views of committees with regard to their departmental requirements and plans at the start of the process. The Department of Finance and Personnel could initiate this process by ensuring that the commissioning letter to the departments is copied to the respective departmental committees.
- 3.7. The Committee also considered that the Department of Finance and Personnel should make available to committees any guidelines or rules under which bids are prioritised by Departments and by the Executive. This was one of the areas where there was some variance in how bids were determined and how they related to the Programme for Government and Public Service Agreements. This problem is referred to in more detail in Section 6.
- 3.8. In order to help make more effective use of the opportunities for comment and advice, the Committee has initiated a half-day Government finances awareness session in early September for Members and Committee staff. This will help to clarify how the financial cycle could work to the mutual benefit of the Executive and the Assembly. Greater awareness of the respective needs of departments and the Assembly will ensure that

the views of committees are fed into future budget cycles more effectively in the future. The Department of Finance and Personnel has kindly agreed to contribute to the training session.

4. Programme for Government

- 4.1. Committees were asked to respond directly to the Office of the First Minister and Deputy First Minister on 'Section One: Programme for Government'. This Report concentrates on 'Section Two: Making Better Use of Resources', 'Section Three: Issues for 2002-'03 and the Annex: Departmental Positions'. It acknowledges the key role that the Programme for Government and subsidiary documents, such as the Public Service Agreements, play in determining the direction of the Budget.

5. Better use of resources

- 5.1. The Committee for Finance and Personnel considered that, with regard to the decision taking process, the aim of devolution was to allow an independent approach to be taken on a range of devolved issues, including health, education and transport. The Committee recognised that parity with Great Britain needed to be maintained in key service areas. This, of course, could present a difficult problem in determining the outcome of bids at a time of budget restrictions. This problem was highlighted in the response from other committees. The Committee for Health, Social Services and Public Safety, for example, was greatly concerned that even if the DHSSPS bid of £122.6m was met in full, Northern Ireland would continue to slip behind England in the level of service provided to the public. Such a prospect was totally unacceptable to the Committee.
- 5.2. The Committee for Education also referred to this issue when it highlighted the notional schools element for Northern Ireland of £9.2m in the Chancellor's March 2001 Budget. It believed that this should be allocated to education on the merits and needs of education here and not on the basis of following the pattern for Gt. Britain.
- 5.3. On the subject of increases to the Regional Rate the Committee for Finance and Personnel concluded that any increase should be linked to the rate of inflation and take into account the last increase that was above the rate of inflation. Consideration should be given to identifying and informing committees of alternative sources of finance.
- 5.4. The Committee for Finance and Personnel considered that there should be more evidence of cross-cutting themes in future allocation of the Executive Programme Funds and that committees could usefully be involved in departmental consideration of any bids made against the EPF budget. The Committee for Social Development pointed to the connections between Social Development; Health, Social Services and Public Safety; Education; and Enterprise, Trade and Investment to illustrate the need for greater co-operation between departments. The Committee for Regional Development pointed to the limited success of that Department's bid for EPF money and the fact that an effective, safe, reliable road system and good quality transport network were fundamental to future social and economic development.
- 5.5. With regard to using resources more effectively, including the possible use of Public-Private Partnerships, the Committee for Finance and Personnel has recommended that the Executive should use the conclusions and recommendations in its recent report on Public-Private Partnerships to develop a framework for strategic investment in public services. The Committee also called for a global review of the present proliferation of non-departmental public bodies (NDPBs), while the Committee of the Centre pointed to the value of the Review of Public Administration as being one of the fundamental issues to be addressed by the Executive.
- 5.6. On the subject of greater efficiencies in public services the Committee for Finance and Personnel believed that there should be a service-wide assessment of any opportunities for economies to ensure that scarce resources are used effectively in line with the Programme for Government priorities. Care should be taken to avoid any undue reduction in the quality of service delivery. The Committee for Health, Social Services and Public Safety listed a number of areas where even small efficiency gains could help. One suggestion was for a single audit of the whole of the health and social services budget to determine exactly how the funds are being spent and to identify potential savings. The Committee also called for the re-organisation of HSS boards and trusts in advance of the Review of Public Administration. The Committee for Employment and Learning (formerly Higher and Further Education, Training and Employment) called for a greater emphasis on a service-wide efficiency agenda.
- 5.7. The Committee for Finance and Personnel called for a review of all public sector assets. Subject to the outcome of such a review, the Executive should arrange for the disposal of unused assets on the understanding that receipts arising from their sale should be retained within the Northern Ireland Block

Grant. There should also be an assessment of the options for maximising the benefits of and revenue from public assets, for example, greater access by communities to playing fields and gymnasiums.

- 5.8. The Committee for Finance and Personnel acknowledged the comments made in the Position Report on the Barnett Formula and agreed that there have been concerns raised about its long-term suitability as a funding mechanism. The Committee welcomed the work being undertaken by the Department of Finance and Personnel and the Executive on the impact of Barnett and the relative needs of Northern Ireland. Members agreed that it was of crucial importance that the requirements of Northern Ireland should be clearly established and that the Executive and the Assembly must address the use of the Barnett Formula and the funding alternatives.

6. Issues for 2002/03 and departmental positions

- 6.1. Committees commented on departments' priorities, spending plans and bids. The departmental bids are given in Appendix 2. Committees' comments are set out in full in Appendix 4. They are initial comments only and are based on limited information and time to consider the implications of the Position Report.
- 6.2. It was apparent from an examination of the Position Report that the relationship between bids and departmental public service agreements (PSA) and corporate or strategic plans was not always clear. The Position Report includes bids, for example, from the Departments of Enterprise, Trade and Investment (Health and Safety Executive), Environment (implementation of waste management), Employment and Learning, and Finance and Personnel that do not appear to relate to their PSA. Some bids appeared to have come 'out of the blue' with references made to aims, programmes or policies in the Position Report that do not appear to have been raised in a department's PSA or corporate plan. One such example is the Department of Employment and Learning's Worktrack programme and its bid of £2.3m. Another is the Department of Finance and Personnel's bid of £2.5m for a Central Energy Fund. No mention is given in DFP's PSA although, arguably, there is a broad reference to the aim of the Fund in their strategic plan under the enhancement of business performance and service efficiency.
- 6.3. Departments may have explanations for this apparent lack of consistency, such as the time scales between the production of various documents, but it raises the question of how bids are prioritised by departments. It also reflects the need for greater openness in communication and greater consistency and clarity in the quality of information provided across departments and to their committees. Addressing this need will facilitate and improve the quality of consultation between committees and departments, and with the wider community.
- 6.4. In terms of the quality of information provided, the Committee for Employment and Learning was concerned that there was insufficient attention being paid to the value gained from the outputs and outcomes of the programmes. It was felt that this reflected a continuation of the old philosophy of asking for additional money with limited (or no) mention of tangible benefits. It was seen as being contrary to the Minister of Finance and Personnel's announcement in his Statement of 19 June 2001 that "the current financial management system is to break old patterns and promote priorities." The Committee has made it clear that it will be seeking further information to assess the effectiveness, efficiency and economy of the Department and how increases of recent years have been spent.
- 6.5. There was general support for the bids made by Departments but only after scrutiny of the reasons for such bids. The Committee for Agriculture and Rural Development, for example, sought out and received a full breakdown of the costs of testing for BSE and was aware through its legislative scrutiny of the EU requirements for this work. It was satisfied that the bid for £3.2m per annum was based on a realistic assessment of need and that the cost was genuinely additional. Some bids, however, were questioned. The Committee did not agree with the Department's bid of £5-10m per annum for capital renewal as it stood. It considered that there was an equal need for capital investment on farms and that the Committee could only support the Department's bid if it was matched by a bid for funding for a capital grant scheme for farmers. The Committee did not limit itself to commenting on departmental bids and recommended additional bids where it considered there was a justifiable need.
- 6.6. There was acknowledgement of the pressures that departments are under to meet the needs of a devolved Administration. Committees welcomed the efforts being made to address the costs of administration.

7. Conclusions and recommendations

- 7.1. Committees made a large number of initial comments on the process, the Programme for Government and departmental spending plans. Committees have indicated that they intend to continue their discussions with departments into the autumn. This will facilitate the debates in the autumn on the draft Budget.

- 7.2. The Committee for Finance and Personnel welcomes the growing co-operation between the Executive and Committees in the development of the Executive's spending programme. However, it stresses that access to the right information at the earliest possible time will benefit the Assembly and the Executive.
- 7.3. **The Committee recommends** that the Minister of Finance and Personnel and Executive should:
- fine-tune the budget timetable to ensure that there is a co-ordinated approach to early and effective consultation in the future. The financial timetable should clearly state that there would be ongoing discussions between departments and committees during this early period and that departments should formally request the views of committees with regard to their departmental requirements and plans at the start of the process. The Minister of Finance and Personnel could initiate this process by ensuring that the commissioning letters are copied to the respective committee chairman (see paragraph 3.6);
 - identify how bids are prioritised (see paragraph 3.7);
 - address the lack of consistency in the information provided on spending plans to committees. This reflects the need for greater openness in communication and greater consistency in the quality of information provided between and across departments and to committees (see paragraph 6.2); and consider and act on the views expressed in this Report as it prepares the Budget for 2002/03.

MINUTES OF PROCEEDINGS RELATING TO THE REPORT

COMMITTEE FOR FINANCE AND PERSONNEL MINUTES OF PROCEEDINGS

SIXTY FOURTH MEETING TUESDAY, 4 SEPTEMBER, 2001 COMMITTEE ROOM 144, PARLIAMENT BUILDINGS

Present: Mr Francie Molloy (Chairman)
Mr James Leslie (Deputy Chairman)
Mr A Attwood
Mr Seamus Close
Ms P Lewsley
Mr A Maskey
Mr P Robinson MP
Mr Peter Weir

In attendance: Mr Alan Patterson (Principal Clerk)
Mr Peter Hughes (Clerk)
Mrs Sheila Mc Clelland (Clerk)
Mr Joe Sloan (Assistant Clerk)
Ms Sharon Bowman (Executive Support)
Mr Jonathan Briggs (Administrative Support)

*The Chairman declared the meeting open at 2.34 p.m and introduced the new Committee staff to the Committee.
The meeting was held in open session*

Executive's Position Report to the Assembly: Developing the Programme for Government and the Budget for 2002/03.

The Clerk presented a draft Committee Report on Statutory Committee responses to the Executive's Position Report.

Mr Maskey attended at 2.58 p.m.

The Committee considered the Report and agreed amendments to paragraphs 5.3, 5.8, 6.2 and 6.4, and the inclusion of a new appendix outlining the breakdown of departmental bids.

Resolved: The Committee agreed the report subject to the changes discussed.

Resolved: The Committee ordered the draft report to be printed.

[Extract]

SUMMARY OF BIDS MADE BY DEPARTMENTS

**DEPARTMENT OF AGRICULTURE & RURAL DEVELOPMENT -
BREAKDOWN OF TOTAL DEL**

Details	£ million	
	2001-02	2002-03
Departmental DEL	195.4	201.6
EU Peace Programme	9.6	9.4
Total	204.9	211.0

BREAKDOWN OF DARD BIDS

Details	£ million			
	2002-03		2003-04	
	Min	Max	Min	Max
BSE Testing	3.2		3.2	
Vision Exercise	10.0		10.0	
Capital Renewal	5.0	10.0	5.0	10.0
Total	18.2	23.2	18.2	23.2

DEPARTMENT OF CULTURE, ARTS & LEISURE - BREAKDOWN OF TOTAL DEL

Details	£ million	
	2001-02	2002-03
Departmental DEL	72.6	72.6
EU Peace Programme	1.0	1.2
Total	73.6	73.8

BREAKDOWN OF DCAL BIDS

Details	£ million	
	2002-03	2003-04
Languages	0.5	0.8
Cultural Diversity	1.0	1.0
Sports	11.8	11.1
Arts	5.3	5.2
OSNI	0.6	0.6
Armagh Observatory & Museums	1.1	-
Museums	1.2	-
Libraries	1.5	-
Inland Waterways & Fisheries	0.5	0.5
PRONI	0.2	0.2
Administration	2.0	2.0
Total	25.7	21.4

DEPARTMENT OF EDUCATION - BREAKDOWN OF TOTAL DEL

Details	£ million	
	2001-02	2002-03
Departmental DEL	1,339.8	1,383.7
Chancellor's Initiative	0.7	0.0
EU Peace Programme	9.0	8.0
Welfare to Work	0.5	0.6
Total	1,350.0	1,392.3

BREAKDOWN OF DE BIDS

Details	£ million	
	2002-03	2003-04
Schools' Recurrent	13.4	13.1
– Maintain Expenditure Levels	3.4	3.5
– Fuel/Energy Costs	2.0	2.0
– School-based Staff: Job Evaluation	5.0	5.0
– Classroom 2000 (Wiring Etc)	0.2	0.2
– ELFNI (DE Contribution)	24.0	23.8
School Budget Deficit	13.4	13.9
Schools Estate	13.0	18.0
Out of School Hours Learning	2.3	4.1
Youth Service Recurrent Funding	2.0	2.0
Social Inclusion	0.8	1.1
– Disaffected Pupils (Prevention Strategies)	1.5	1.6
– SEN Children (in Mainstream & Special Schools)	2.3	2.7
Total	62.2	70.7

DEPARTMENT OF ENTERPRISE, TRADE & INVESTMENT - BREAKDOWN OF TOTAL DEL

Details	£ million	
	2001-02	2002-03
Departmental DEL	259.9	255.8
Chancellor's Initiative	5.5	0.0
Interconnector	19.9	0.0
EU Peace Programme	19.2	19.6
Total	304.5	275.4

BREAKDOWN OF DETI BIDS

Details	£ million	
	2002-03	2003-04
Energy	3.0	7.0
NITB	1.5	1.5
HSENI	0.2	0.2
NI Science Park	6.8	1.8
Information Systems	1.8	0.9
Total	13.3	11.4

DEPARTMENT OF FINANCE & PERSONNEL - BREAKDOWN OF TOTAL DEL

Details	£ million	
	2001-02	2002-03
Departmental DEL	112.8	115.7
EU Peace Programme	1.5	1.6
Total	114.4	117.4

BREAKDOWN OF DFP BIDS

Details	£ million	
	2002-03	2003-04
Restructuring	0.6	0.6
EU Programmes	0.5	0.5
Accommodation	1.4	1.7
Rate Revenue Collection System	2.1	1.4
Total Department	4.6	4.2
Central Energy Fund	2.5	2.5
Total (inc CEF)	7.1	6.7

DEPARTMENT OF EMPLOYMENT & LEARNING - BREAKDOWN OF TOTAL DEL

Details	£ million	
	2001-02	2002-03
Departmental DEL	549.4	583.8
EU Peace Programme	15.9	15.6
Welfare to Work	42.2	35.0
Total	607.4	634.4

BREAKDOWN OF DEL

Details	£ million	
	2002-03	2003-04
Further Education	1.3	1.5
- home to College Transport	2.0	3.0
- FE Lecturers Pay	1.5	1.5
- Disabled Students' Access	4.8	6.0
Higher Education	1.5	1.5
- Disabled Students' Access	2.0	2.0
- University Research	3.5	3.5
Preparation for Work	0.3	0.3
- Disability Advisory Service	1.5	1.5
- Individual Learning Accounts	1.8	1.8
Community Projects – Worktrack	2.3	2.3
Central Administration & Miscellaneous	0.9	0.9
Total	13.3	14.5

DEPARTMENT OF HEALTH, SOCIAL SERVICES AND PUBLIC SAFETY -BREAKDOWN OF TOTAL DEL

Details	£ million	
	2001-02	2002-03
Departmental DEL	2,300.8	2,455.5
EU Peace Programme	1.2	0.0
Total	2,302.0	2,455.5

BREAKDOWN OF DHSSPS BIDS

Details	£ million	
	2002-03	2003-04
Family Health Service Pay	2.3	3.5
Hospital and Community Health Service:		
Pay	7.3	11.2
Junior Doctors' contracts	2.5	2.6
Working Time Directive	1.8	1.8
Midwives' regard	1.0	1.0
Goods & Services – general	2.0	2.1
Goods & Services – acute	5.0	5.1
Personal Social Services:		
Pay	3.1	4.8
Working Time Directive	0.7	0.8
Family & Child Care – Legislative obligation	1.5	1.5
Elderly – free nursing care	2.4	0.4
Mental health – specialist drugs	0.5	0.5
Learning Disability – preserved rights shortfall	1.5	
Family Health Service:		
GMS infrastructure	1.5	1.5
National primary care standards etc	3.0	3.1
Occupational Health Service for FHS	0.5	0.5
Hospital and Community Health Service:		
Ambulance Service	6.2	4.5
New drugs, disposables, diagnostics etc	5.0	5.1
Regional Medical Services	8.0	8.2
Hospital capacity/winter pressures	12.0	12.3
Other acute developments, quality etc	3.0	3.1
Maternity and child health	3.0	3.1
Health development	3.0	3.1
“Best Practice – Best Care”	2.0	2.0
HPSS equality obligations	0.7	0.8
Personal Social Services:		
Family and child care – residential & foster	6.0	6.1
Elderly – meeting demand etc	9.5	10.8
Mental Health – community infrastructure etc	3.0	3.1
Learning Disability – comm. infrastructure etc	3.0	3.1
Physical and sensory disability – aids etc	1.5	1.5
Training:		
Pre-registration students in nursing & PAMS	2.6	2.7
Capital:		
HPSS – hospital modernisation etc	10.0	10.3
ICT – modernisation of information services	7.0	7.2
Departmental Administration	0.5	0.5
Total	122.6	129.3

DEPARTMENT OF THE ENVIRONMENT - BREAKDOWN OF TOTAL DEL

Details	£ million	
	2001-02	2002-03
Departmental DEL	100.8	108.2
EU Peace Programme	1.0	1.2
Total	101.8	109.4

BREAKDOWN OF DOE BIDS

Details	£ million	
	2002-03	2003-04
EU/Waste Water Management	1.6	1.8
Planning	0.9	0.5
Heritage	3.7	3.8
Road Safety/Transport	1.4	1.6
Local Government	0.1	0.1
General Pressures	1.6	1.9
Total	9.3	9.7

DEPARTMENT FOR REGIONAL DEVELOPMENT - BREAKDOWN OF TOTAL DEL

Details	£ million	
	2001-02	2002-03
Departmental DEL	468.7	526.4
Chancellor's Initiative	40.9	13.1
EU Peace Programme	1.7	1.8
Total	511.3	541.3

BREAKDOWN OF DRD BIDS

Details	£ million	
	2001-02	2002-03
Roads:		
Aggregates Tax	6.7	6.7
– Street Lighting	0.6	0.6
– Climate Change Levy	0.4	0.4
– Inflation	2.9	2.9
– Structural Maintenance	40.0	40.0
– Capital	15.0	-
Transport:	65.6	50.6
– Aggregates Tax	0.2	0.2
– Railways Public Service Obligation	3.0	-
– Fuel Duty Rebate	1.0	1.0
– Concessionary Fares	1.6	1.6
– Bus Purchase Grants	14.0	-
Water:	19.8	2.8
Aggregates Tax	1.0	1.0
– Environmental Protection	3.0	-
– Water Distribution Networks	21.0	-
– Water Compliance	8.0	-
– Waste Water Treatment Works	10.0	-
– Sewerage Networks	14.0	-
Central Administration:	57.0	1.0
– Accounting Services Review	0.1	0.1
Total	142.5	54.5

DEPARTMENT FOR SOCIAL DEVELOPMENT - BREAKDOWN OF TOTAL DEL

Details	£ million	
	2001-02	2002-03
Departmental DEL	414.9	467.9
EU Peace Programme	24.0	19.9
Welfare to Work	2.9	2.8
Total	441.9	490.7

BREAKDOWN OF DSD BIDS

Details	£ million	
	2002-03	2003-04
New Deal for Loan Parents		
Childcare Subsidy	2.0	2.0
NICHA	0.7	0.9
Kitchen Replacements	4.0	4.0
Voluntary Activity Unit	0.4	0.4
Total	7.1	7.3

OFFICE OF FIRST MINISTER AND DEPUTY FIRST MINISTER BREAKDOWN OF TOTAL DEL

Details	£ million	
	2001-02	2002-03
Departmental DEL	31.1	31.0
EU Peace Programme	2.0	1.6
Total	33.1	32.6

BREAKDOWN OF OFMDFM BIDS

Details	£ million	
	2001-02	2002-03
Single Equality Bill	0.3	-
Grants to Victims Organisations	0.5	0.5
Evaluation of New TSN	0.1	0.1
Equality/New TSN Research	0.1	0.1
NI Bureau Washington – rent on new Premises etc	0.2	0.2
Review of Public Appointments Policy	0.1	-
Civic Forum – stand alone strategy and Running costs	0.3	0.3
EPU – New Strategic Issues Unit	0.1	0.1
Total	1.7	1.3

COMMISSIONING LETTERS AND RELATED DOCUMENTS

APPENDIX 3

COMMISSIONING LETTERS AND RELATED DOCUMENTS

1. Mr Mark Durkan MLA, Minister of Finance and Personnel, Statement to the Assembly 29 May 2001
2. Mr Mark Durkan MLA, Minister of Finance and Personnel, letter dated 18 June 2001
3. The Office of the First and Deputy First Minister, letter dated 18 June 2001
4. Francie Molloy MLA, Chairperson, Committee for Finance and Personnel letter dated 18 June 2001

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**BUDGET TIMETABLE 2002/03
STATEMENT TO THE ASSEMBLY BY:
MR MARK DURKAN, MLA, MINISTER OF FINANCE AND PERSONNEL**

29 May 2001

INTRODUCTION

1. With permission, Mr Speaker, I would like to make a Statement on behalf of the Executive on the proposed timetable for the Budget for 2002/03.
2. When I presented the 2001/02 Budget to the Assembly on 12 December last year I acknowledged the concerns expressed by the Committee for Finance and Personnel about the time-constrained nature of the exercise and I agreed that we should in future cycles ensure that the presentation of the draft Budget should take place as soon as possible after the summer recess.
3. Mr Speaker, I wish today to put on record the Executive's commitment to meeting that target and to set out our proposed timetable for the key planning and financial events between now and December, when the Budget for 2002/02 needs to be agreed.
4. I should first of all make clear that this Statement concerns our approach to the planning of public spending for the year beginning in April 2002: this process runs from now to December, when we will seek to settle an agreed Budget in line with our Programme for Government, which will form the basis of spending plans for all Departments and other public sector bodies. Some further steps will be taken on that next month, but they are likely to coincide with the completion of our work on the spending allocations for the current financial year, which began on 1 April past: the final approval of the Main Estimates and the related Budget (No 2) Bill, will complete the process for 2001/02 which we began last autumn.
5. It may also help if I remind Members about the cycle of events which lead to decisions about financial allocations. These processes have their roots in the Good Friday Agreement which prescribed that an annual budget should form part of, and be guided by the principles and priorities of, a Programme for Government which is the expression of the Executive's key policies.
6. For 2001/02, the Assembly's agreement of the programme for Government and, separately, the Budget which I proposed on behalf of the Executive was the culmination of many months of collective effort involving determined and focused co-operation between the Northern Ireland Departments, the Assembly and its Committees.
7. Mr Speaker, in my view the production of the 2001/02 Budget was one of the first major successes of our evolving institutions. It provided a visible and tangible demonstration of how positively and constructively devolution can work for the benefit of the whole community. It was a notable achievement that we must now build upon.
8. Central to this must be the establishment of robust procedures to enable the Assembly to discharge its scrutiny role and exercise its power to modify proposals as required in the Good Friday Agreement and the 1998 Act. In the timetable I have set out today I have described the steps we propose to put in place to deliver on this commitment between now and December. The key dates are set out in the table attached to the copies of this Statement which have been provided to Members.

THE BUDGET TIMETABLE

9. Delivery of this budget cycle in the time available, within existing procedures, is demanding and will need to be managed carefully if the expectations of Members and Committees for consultation are to be met and if we are also to fulfil the purpose of ensuring that we promote equality of opportunity through these measures, in line with the Agreement and Section 75 of the 1998 Act. We face some time constraints because, as I

explained in both 1999 and 2000, the decisions we take here have to be developed into the detailed allocations for many budget holders in the public sector. If this is to be achieved in time for 1 April 2002, we need to have a clear outcome from the process before Christmas.

10. However, the approach I am setting out today will secure improvements to ensure that the Assembly has as much time as possible to consider the Budget proposals for the following year, in the context set by the Programme for Government, so that the spending proposals can be approved this December – and similarly in future years – after an acceptable period of scrutiny. The Vote on the Budget each December should be seen as the main authorisation of spending plans, and it follows that we should provide the best possible procedures for that purpose.

ASSEMBLY SCRUTINY OF THE BUDGET

11. Mr Speaker, the proposals set out in the indicative timetable before the Assembly today will provide for an initial stage of involvement of the Assembly Committees starting before the summer and before the Executive considers a draft Budget - a process which was not possible at all last year. In addition there can be more than two extra weeks this autumn compared to 2000 for the Assembly scrutiny stage of the Draft Budget. I have to recognise that the timings are subject to change should circumstances so require.
12. To achieve this fuller consideration the process will be triggered earlier, effectively from this Statement today. This will be followed by a Statement on the Programme for Government and a Pre-Budget Statement in June. It is proposed that these should be made as soon as possible before the summer, so that the Executive's indications of the key issues facing the administration are understood and can be the subject of debate and dialogue within the Assembly and between Departments and the Assembly Committees. To inform this process, we will provide short position reports in June showing the main issues affecting the spending plans of the Executive as a whole and each Department in particular.
13. It is likely that these Statements will coincide with Assembly business on the Main Estimates for 2001/02. I want to make it clear that these are two distinct processes, and I hope that the timing of the business can be managed in a way that helps that distinction. In brief we will need to debate and vote on the main resolution seeking approval of the Main Estimates for 2001/02 and then consider the stages of the Budget (No 2) Bill. The key point is that these concern 2001/02 while the Budget process which is set out in the timetable I am announcing today is the beginning of the cycle for 2002/03.
14. Mr Speaker, I see an important role for the Committee for Finance and Personnel in collating and channelling the views of all Committees to me as Minister of Finance and Personnel. This can apply in particular at the next phase when it can draw together the views and conclusions of each Committee following scrutiny of the report on their own department's financial issues, as prepared by the Executive. As Minister of Finance and Personnel, I would welcome the advice and assistance of the Committee throughout the process and especially at several key stages.
15. This consultation, which will be part of a wider consultation process, should not in my view be limited to examination of the information presented on departments' expenditure. It should consider implications for equality and New TSN and be informed by scrutiny of other material available to Committees. These include departmental plans and the Public Service Agreement targets set out in the Programme for Government. Committees will also need to think about how the priorities set out in the Programme for Government may be refined and developed in the light of experience in the last year, and new developments. Many of the policy and organisational issues which committees have been considering over recent months with their respective Departments will impinge on the Budget. In this way we can ensure effective examination and identification of changing financial priorities at departmental level and, at a wider strategic level, through the central role of the Committee for Finance and Personnel.
16. Mr Speaker, the key aim is to ensure that we can meet the request from the Committee for Finance and Personnel that the Draft Budget should be introduced as soon as possible after the summer recess. The timetable before the Assembly today will allow the Committees some time to consult on and consider the issues affecting Departments. Obviously we want to achieve as much as possible before the recess, and we will want to make use of the better information which will be available to Committees – and to Ministers – as a contribution to the consideration of the issues.
17. To help draw the process together, there are two stages in the timetable which I would like to highlight. First, it would be helpful if the Committees could provide preliminary views on the issues for consideration to the Committee for Finance and Personnel by 6 July. Secondly, if the Committee for Finance and Personnel

provides some views to me by the end of August, it will be possible to take these into account in the Executive's consideration of the proposals for the Programme for Government and the Draft Budget in early September. Neither of these deadlines is a guillotine on the work, as there will be scope to hear more from all the Committees at later stages. However, contributions at the times I have just mentioned will be particularly timely.

18. Between the end of August and mid-September the Executive's work will be concentrating on developing and refining proposals for the Programme for Government and the Draft Budget with a view to introducing these documents in draft to the Assembly in late September. This would then fulfil the desire expressed by the Committee for Finance and Personnel in its Report last year.
19. If the Draft Budget is introduced in late September, as opposed to mid October as was the case last year, that offers some more time to Committees for consultation on and consideration of the proposals, compared to last year. In that context, they will also have had the benefit of the earlier material in the Executive's Position Reports, and can channel comments through the Committee for Finance and Personnel. As at the stages before and during the summer, I would be relying upon the committee for Finance and Personnel to assist through working with the other Committees, and channelling views to me.
20. A further key stage of the work between 24 September and December will be consultation on the equality implications of the proposals. We intend to prepare the way for this by making the Executive's Position Reports available widely, so that those who wish to contribute to the work on equality have some prior information before the Draft Budget is presented. During this period, the Assembly Committees would also consider the Programme for Government proposals and the Public Service Agreements.
21. Later in the autumn, the Executive will need to review the Budget and decide on any revisions depending on the views expressed in response to the Draft Budget. It should be possible, before that stage is reached, to have a full debate on the Draft Budget on foot of a motion from the Committee for Finance and Personnel. In this way, the Executive will be able to reflect more fully on Assembly views than was possible last year. I would like to hear further from the Committee for Finance and Personnel on the precise sequence of events, but it may be best if, as last year, the committee makes a Report to me after the Budget Debate. The Executive could then consider and reflect on that Report in its review of the Budget, which will also be informed by the concurrent work on the Programme for Government.
22. The intention is that all the strands of work I have mentioned, including the views of the Committee for Finance and Personnel, the reaction to the equality consultation, and the Executive's review of these and other relevant factors, would come together in a Statement to the Assembly on the Revised Budget in early December, leading to an Assembly debate and vote by 10 December.

APPROACH TO PLANS FOR 2002/03

23. Mr Speaker, the Assembly should note that there is no Treasury Spending Review this year, and that in some respects the work this year will be a transition to the Review next year – SR 2002 – which will see the completion of the changes to Resource Budgeting. As we consider the issues in this cycle, we can draw on an extensive range of material including the Public Service Agreements as set out in the approved Programme for Government, the details of the Executive Programme Funds and, especially, the indicative plans for 2002/03 and 2003/04 as shown in the Budget presented to the Assembly last December. Given the transitional nature of this year, we do not anticipate a major recasting of the Budget, but we will need to address some key issues and hence the approach I have described today.

CONCLUSION

24. As I mentioned earlier, there will also be some business to be done in June on the Estimates and the Budget (No 2) Bill for 2001/02, but these are quite separate from the Budget process we are beginning today for 2002/03. To summarise our approach to that new work, we are planning that the main events ahead will include:
 - a. PfG and Pre Budget Statements in June on the main issues we need to address for 2002/03.
 - b. The supply of preliminary financial information to the Committee for Finance and Personnel and the other Departmental Committees.

- c. I will seek the views of the Committee for Finance and Personnel, reflecting the views of other Committees as well as their own by the end of August.
 - d. The Programme for Government proposals and the Draft Budget will be considered by the Executive in early September.
 - e. The programme for Government proposals and the Draft Budget will be introduced to the Assembly in late September, and this will be followed by the Committee for Finance and Personnel taking evidence from DFP and other Statutory Committees on the Draft Budget.
 - f. There will be consultation on the equality implications of the Programme for Government and the Draft Budget.
 - g. There will be a substantive debate on the Draft Budget in November, as part of the Committee for Finance and Personnel's work to collate and channel comment on the Executive's proposals;
 - h. Our aim will be that the Revised Budget will be announced to the Assembly in early December and debated and voted on a week thereafter.
25. I hope that Members will find this explanation of intended procedures and timetable helpful as an indication of what is planned and to inform Committees' planning of their own programmes.

**PROPOSED INDICATIVE TIMETABLE FOR
THE BUDGET PROCESS FOR 2002/03**

Task	Timing
Material for Position Reports, commissioned from Departments in April, to DFP/EPU, for scrutiny through June and July, liaising with Departments and the Equality Unit	mid May 2001
DFP briefs Committee for Finance and Personnel on process	22 May
Statement to Assembly on Budget timetable by Minister of Finance and Personnel	29 May
Executive considers proposed PfG and Pre-Budget Statements (papers needed by 7 June)	14 June
Executive PfG and Pre-Budget Statements to Assembly; Executive Position Reports issued to Committees and made available for public consideration.	19 June
Minister of Finance and Personnel briefs Committee for Finance and Personnel	19 June
Assembly Committees consider issues affecting PfG and Budget for 2002/03, including those in the Executive Position Reports	19 June to 24 September
<i>during this period:</i>	
Committee for Finance and Personnel discusses Executive Position Reports with other Committees	Mainly between 19 June and 6 July, but could continue between June and September if Committees so wish.
Committee for Finance and Personnel receives preliminary responses from other Committees on Executive Position Reports	6 July
Comments on Executive's Position Reports from Committee for Finance and Personnel to Minister of Finance and Personnel	End August
The Executive's Position Reports available for consideration of the impact on equality of opportunity	19 June to 24 September
First Consideration of Draft PfG and Draft Budget by Executive Committee (papers required by 30 August)	6 September
Second Consideration by Executive of Draft PfG and Draft Budget (papers required by 12 September)	17 September
Draft PfG and Draft Budget introduced to the Assembly	24 September
Consultation on Equality implications of Draft PfG and Draft Budget with the Assembly and the public	24 September to late November
Committee for Finance and Personnel takes evidence from DFP and other Committees on Draft Budget	October/Early November
[Assembly Committees consider Draft PfG and PSAs]	[October/Early November]
[Debate on Draft PfG]	[October/Early November]
Debate on Draft Budget on motion from Committee for Finance and Personnel Report from Committee for Finance and Personnel to Minister of Finance and Personnel	Early – mid November (precise timing and sequence to be determined)
First Executive consideration of Revised Budget (papers required by 8 November)	15 November
Executive decides Revised Budget allocations (papers required by 21 November)	26 November
Revised Budget announced to the Assembly	3 December
Revised Budget debated and voted on by the Assembly	10 December
Arrangements for Timing of final debate on PfG under consideration	

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**LETTER FROM:
DEPARTMENT OF FINANCE AND PERSONNEL (MARK DURKAN)**

18 June 2001

THE EXECUTIVE'S POSITION REPORT

1. The First Minister and the Deputy First Minister have now written to the Chairs of the Assembly Committees and to the Speaker, presenting to the Assembly Committees and to the Speaker, presenting to the Assembly and the Committees the Executive's Position Report. This sets out the issues and considerations which affect the preparation of the Programme for Government and the Budget for 2002/03.
2. The first section of the Position Report, as the First Minister and the Deputy First Minister have explained, sets out issues in relation to the Programme for Government. Section 2 sets out a range of general issues concerning the use of resources. Section 3 leads into the Annex dealing with the individual Departments.
3. One main reason for approaching the Position Report in this way is to ensure that the Programme for Government is seen to set the context and framework within which the financial planning process can take place. We regard it as essential that this approach is maintained and clearly demonstrated. We also want to increasingly apply the principles of Resource Accounting and Budgeting to our financial planning processes. This should ensure that spending decisions are led by clear aims and objectives and policy decisions on the outputs and outcomes which we are trying to achieve through our expenditure programmes. In this way we should be increasing integration of targets and actions through the Programme for Government and the Public Service Agreements, with the Budget process. We want to look at what is being, and what can be achieved, through spending programmes, not just at the costs, as shown by Departments' bids. The latter are obviously important, but they are a small part of a much wider process, and the Executive has sought to present that wider picture in the Position Report.
4. I would draw the attention of the Committee for Finance and Personnel in particular to Section 2 of the Report, which emphasises the possible scope for reprioritisation of activities and expenditure within the totals which are now fixed for 2002/03 and 2003/04. That section also draws out a range of issues which affect efficiency and effectiveness: improvements in the way resources are used could release some resources for redeployment outputs and actions would be obtained. These issues will be of particular interest to the Committee for Finance and Personnel, though it will be important for them also to be considered and addressed, in each Department context, by the individual Committees.
5. While the consultative arrangements for the Programme for Government and the Budget are very closely linked, the arrangements for comments on the issues raised in the Position Report are distinct. On the Programme for Government, OFMDFM have set out their requirements for the short term and later into the autumn. On the financial aspects, I would very much welcome the Committee's advice and assistance on all these issues. To inform the preparation of the initial proposals from the Executive on the draft Programme for Government and the draft Budget for 2002/03, we would need **preliminary** reflections on the issues by the end of August. To this end, I am very grateful that your Committee has agreed to draw in preliminary comments from the other Committees by 6 July.
6. However the issues in the Position Report will remain of relevance and importance as we proceed through the autumn, and thus there is a longer period, between now and late November, when the issues can be considered further. I and my officials would be very happy to brief the Committee, or give evidence on central or departmental issues set out in the Position Report. Thus as well as seeking preliminary views, my request is for the Committee's help with these issues later in the autumn as well when there will be a longer and more substantial opportunity for dialogue between your Committee and the other Committees. By that time, the Position Report will have been supplemented by the proposals for expenditure in the draft Budget.
7. As we discussed, I understand that you propose to write to the Chairs of the other Committees immediately seeking preliminary comments by 6 July, but I would also encourage you to indicate that there is an

opportunity for further work to continue through the autumn on the basis of the Position Report and that this will also be of value before the Programme for Government and the Budget are finalised.

8. Given the difficulties that have arisen this year, I thought I should also comment on our discussion on 14 June and the handling of these arrangements for future years. As I said when we met, there is never any impediment on Departments and Committees discussing and analysing spending issues either in the context of work on policy programmes or strategic and business plans, or as a free-standing item. I believe it is very important that we all focus our attention on the spending plans as a whole and not simply on the marginal changes which might or might not be required, that is the Department's bids.
9. In preparation for each Budget cycle, it would be quite possible for Committees and Departments to discuss overall spending plans and the spending priorities and for Committees to influence what Departments might seek for the years ahead. As I have emphasised before, for this cycle, the Programme for Government, the Public Service Agreements as well as the indicative figures published in the December Budget provide a ready basis for ongoing scrutiny and consideration of these issues at any time.
10. I would acknowledge that there were some unclear signals in the last number of months which have inhibited this process. The intervention of the election also made the timetable this spring much more difficult. In future years, if we repeat the approach taken in the Position Report, the aim would be to have this with the Assembly at an earlier stage before the summer recess so as to improve the quality of time available.
11. I would also emphasise that, as you will see in the Position Report, we have placed the Budget process in the context of some wider considerations: these would not be apparent if we focussed solely on the individual Department's bids. The purpose of the document is to be helpful to the Assembly and the Committees in undertaking this process. This is why the Executive decided not to release information on the amounts sought by Departments for additional bids for 2002/03 until the Position Report was ready so that they would be seen in the context of the Programme for Government rather than in isolation. If the process becomes too directed by Departmental bids, we would risk losing the very important point that the Programme for Government should be driving out budgetary processes and not the other way around.
12. However the Executive's approach to the release of information through the Position Report should not have been an inhibition on Departments and Committees from having constructive and thorough dialogue of spending issues and priorities in the last few months. I hope this will happen in future cycles and I would want to ensure that all Departments and Committees are encouraged to take that forward. That initial scrutiny and consultation can and should influence the approaches Departments take to making proposals to DFP and EPU for each coming Budget year, and should improve as Committees and Departments become more familiar with each other's concerns and priorities.
13. I am grateful to the Committee for providing a central facility in the consultative process at this stage, recognising the awkward points in the timetable this year.
14. I am copying this letter to all Ministers for information. Copies also go to James Leslie and to Billy Bell as Chair of the Public Accounts Committee and John Dallat as Chair of the Audit Committee. You may also wish to circulate this letter to other Committee Chairs.

MARK DURKAN MLA
Minister of Finance and Personnel

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**LETTER FROM:
THE OFFICE OF THE FIRST MINISTER AND
DEPUTY FIRST MINISTER**

18 June 2001

EXECUTIVE'S POSITION REPORT - PROGRAMME FOR GOVERNMENT

The Executive's Programme for Government (PFG), covering the three years from April 2001, was endorsed by the Assembly on 6 March. The Programme sets out what the Executive is seeking to achieve and how it plans to deliver. The Programme contains five broad priorities and within each there are sub-priorities, descriptions of the challenges faced and specific actions to be pursued. The Programme also explains how the Executive intends to improve the way departments work together to achieve the Executive's priorities.

The Belfast Agreement states that "the Executive Committee will seek to agree each year, and review as necessary a programme incorporating an agreed budget linked to policies and programmes, subject to approval by the Assembly, after scrutiny in Assembly Committees, on a cross-community basis". We are only a few months into the implementation of the Programme but we need now to prepare for decisions by December on the Budget for next year. In doing so the Executive needs to re-examine its plans and priorities, identify any new problems and issues emerging and what actions are required, looking at areas where we may need to do more and anywhere we perhaps should do less. These considerations will inform decisions on the Budget later this year.

The Minister of Finance and Personnel's Statement to the Assembly on 29 May on behalf of the Executive, set out the indicative timetable for the work on the Programme for Government and the Budget. A key input to that work must be the views of the Committees. Accordingly we are launching today the first stage of our consultation with the Committees on the Programme and the Budget. The Minister for Finance and Personnel will be setting out the details for the work on the Budget in a statement to the Assembly tomorrow.

The issues set out in the Position Report will affect our thinking and planning from now through to the autumn and up the point when Assembly approval is sought for the Programme for Government and the Budget for 2002/03. Thus there is a substantial period for discussion and examination of the issues, though time is limited for the first stage of preliminary discussion as is explained below.

At the outset, it is important to stress that there is no UK Spending Review next year, so the overall Northern Ireland public spending total for 2002/03 is already fixed. Within that total (and apart from the five Executive Programme Funds) there is some £19 million currently unallocated. While there is therefore much less scope next year to undertake many new actions, new actions can of course be undertaken by reprioritising within the cross departments' existing programmes. Further, there is important work to be done in examining the priorities and sub-priorities of the Programme for Government and the actions departments propose to take. There are, for example, key issues to address in terms of how departments propose to improve effectiveness and efficiency in their programmes.

The Executive has produced the attached Position Report for the Assembly as a suggested starting point for the Committees' examination. The Report identifies some key aspects of the Programme for Government and the Budget which the Executive will need to consider and which Committees might usefully scrutinise. A key issues for the Executive and the Assembly will be the prioritisation between issues.

Section One of the Report focuses mainly on Programme for Government-related issues. As the Report explains, the list of issues identified is not intended to be exhaustive and indeed Committees may well have other issues and questions which they would wish to pursue with their respective departments. The Position Report also identifies in an annex areas where departments are seeking additional resources beyond their indicative allocations for 2002/03.

The Report contains a lot of detail. The Executive wants to ensure that the Committees have a full account of the current position as the Executive commences its work on the PFG and Budget. We trust that the Committees will

examine the information carefully and provide views on the issues particularly those relating to their respective departments. As the Minister of Finance and Personnel indicated on 29 May, the Committee for Finance and Personnel has agreed to collate the views of all Committees on the financial aspects. Committees have been asked to provide preliminary views to the Committee for Finance and Personnel by 6 July, so that the Committee might provide views to the Minister by the end of August, though there will be scope for further input at later stages as well.

We would find it very helpful in developing the Programme for Government if Committees could work on the PFG aspects to similar timescales to that for the Financial issues. Thus we would request that Committees provide preliminary views on the PFG to us by 6 July and any further issues by the end of August. Comments provided in early July would help influence the drawing up of proposals over the summer for the draft Programme for Government. We would stress, however, that the process continues after that stage and the Executive wishes to hear substantive comment between now and the final stages of the process in the autumn.

It is planned that the draft Programme would be introduced to the Assembly in late September and that the Committees would then have until early November to examine the details of the proposals and provide comments. It is also anticipated that there would be an Assembly debate on the draft Programme in October. The Minister of Finance and Personnel will present the Draft Budget and consult on it, liaising with the Committee for Finance and Personnel, in parallel with these stages of work on the PFG.

We hope that you and your Committee will find the Position Report helpful in scrutinising the work of the Department and providing views on the refinement and development of the Programme. The Report provides the first stage in the consultation process on the Programme for Government and Budget. We look forward to receiving the Committee's comments.

We are writing in similar terms to the Chairs of the other Committees and copying this letter to the Speaker. We will also be making the Position Report widely available and seeking the views of the public and interested bodies on the issues raised.

RT HON DAVID TRIMBLE MP MLA
First Minister

SÉAMUS MALLON MP MLA
Deputy First Minister

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**LETTER FROM THE COMMITTEE FOR FINANCE AND PERSONNEL TO:
THE CHAIRPERSONS OF THE STATUTORY DEPARTMENTAL COMMITTEES**

18 June 2001

2002/03 FINANCIAL YEAR: THE EXECUTIVE'S POSITION REPORT

You will have received the Executive's Position Report from the First Minister and Deputy First Minister and I am now writing to you to seek your Committee's preliminary comments on the Report.

I enclose also a letter from the Minister of Finance and Personnel in which he sets out the mechanism for handling these matters over the next few months. As suggested, my Committee will ensure that all preliminary responses from committees are passed, in full, to the Minister at the end of the first week in July. Over the summer your committee may wish to commission some work to analyse the funds proposed in the Position Report in the light of the commitments set out in the Programme for Government, Departmental Public Service Agreements, etc. It would be my intention to draw such committee analyses together in the form of a report from the Finance Committee during September.

You will note that Mr Durkan acknowledges that committees should be consulted by their departments in the period leading up to the compilation of bids in April/May each year. There is, however, a reluctance to involve committees in the actual consideration of the composition of the bids themselves. In my view it is clearly a matter for individual committees to involve themselves in the formulation of departmental policy on any issue – particularly to do with budgets. I will continue to press, therefore, for a change of heart on this matter. Your support would be much appreciated by my Committee.

As noted above my Committee has agreed to co-ordinate replies to the Minister by the 6 July and I would be grateful if you could let my Clerk have your response by that date.

FRANCIE MOLLOY
Chairman

RESPONSES FROM COMMITTEES

RESPONSES FROM COMMITTEES

Statutory Departmental Committee

1. Committee for Agriculture and Rural Development
2. Committee for Culture Arts and Leisure
3. Committee for Education
4. Committee for Enterprise Trade and Investment
5. Committee for Finance and Personnel
6. Committee for Employment and Learning
7. Committee for Health Social Services and Public Safety
8. Committee for the Environment
9. Committee for Regional Development
10. Committee for Social Development
11. Committee for the Centre

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**WRITTEN SUBMISSION BY:
AGRICULTURE AND RURAL DEVELOPMENT COMMITTEE**

6 July 2001

EXECUTIVE POSITION REPORT – PRELIMINARY COMMENTS

1. The most recent correspondence, dated 18 June 2001, from the Chairperson of the Committee for Finance and Personnel, sought Committees' preliminary comments on the Executive's Position Report.
2. The Agriculture Committee met with the Minister, Brid Rodgers, on Friday 29 June and agreed this minute as its formal response to the Finance Committee during its meeting on Friday 6 July. It further agreed that the minute should be copied to the Minister.
3. Please note that the Committee's comments in relation to the Programme for Government have been sent directly to the office of the First and Deputy First Minister.
4. The Committee agreed that it should begin by commenting on the three main bids made by the Department for additional funding for 2002/03.
 - **£3.2m per annum for BSE testing.** The Committee sought and received from DARD a full breakdown of the estimated costs. Through its legislative scrutiny responsibilities, the Committee is already aware of the EU requirement for additional BSE testing. The Committee is therefore satisfied that the bid is based on a realistic assessment of need and cost which is genuinely additional. Furthermore, the Committee is satisfied that long-term benefits may accrue from this testing – namely the provision of information in support of the case for a relaxation of the export ban on NI beef. Five years ago, these exports were worth £200m per annum. There are also targets relating to low incidence BSE status within both the Programme for Government and DARD's Public Service Agreement – the Committee therefore accepts that the bid is consistent with these documents. Finally, the Committee has established that the cost of BSE test kits (estimated at £1.25m per annum within the overall bid) is refundable by the European Union. However, the Department must make provision for the cost in its budgets in advance of reimbursement. *In view of these factors, the Committee fully supports this bid and urges the Executive to meet it in full, provided that there is a clear commitment to pursue low incidence BSE status for Northern Ireland at the earliest opportunity.*
 - **£10m per annum for implementation of the findings of the Vision Group.** The Vision Group's report, delayed by the Foot and Mouth crisis, will be published in the Autumn of 2001. The Committee understands that a number of the Group's recommendations will be consistent with those contained in the Committee's own reports, emanating from its Inquiry into debt. The Minister has, understandably, refrained from pre-empting the Vision Group report and its recommendations by bidding for funds for specific actions. However, there is a clear commitment in the Programme for Government to take into account the recommendations made by the Group. There are also clear objectives for the PFG to deliver modernisation and restructuring of farming in Northern Ireland. Furthermore, a sub-group of this Vision group is also to report and lessons learned and actions required as a result of the Foot and Mouth crisis. Their recommendations must be seen in the context of a full-blown crisis rather than, as we all hope, after the crisis has abated. Such a crisis must not be allowed to happen again. In response to the Committee's questions, the Minister stated her belief that the Executive would understand that there will be a price-tag on the Vision group proposals. The Committee believes that this is a price which must be paid if the Executive is genuine in its commitments to people who live in rural Northern Ireland. *The Committee fully supports this bid and urges the Executive to meet it in full. The Committee reserves the right to comment on the actual proposals for how the funds should be spent.*
 - **£5-10m per annum for Capital Renewal.** This bid, according to the Minister, reflects a backlog of maintenance and repairs resulting from a lack of investment in recent years. A 'Conditions Survey' was carried out by Construction Service in 1998 a potential work programme of some £40m over 10 years

was identified. The Committee has not been furnished with any detailed breakdown of these works but accepts that, as a manager of substantial assets, DARD must pay due regard to maintenance of its capital stock. However, the bid must be seen in a wider context. Firstly, the Committee notes that DARD was successful in securing £2.4m in the 2001/02 budget for refurbishment of Category 3 pathogen laboratories. The Minister has advised that the work has been delayed and has not yet commenced. However, the Committee must assume that the funding is secure and, indeed, that the £2.4m is included in the baseline carried forward to the following financial year. In addition, DARD has declined to address the Committee's desire to see a capital grant scheme for farmers. The Minister stated to the Committee that such a scheme would not tackle farmers' real problems and that they were not "in the mood" to invest at a level to justify such a scheme. The Committee disagrees. During its debt inquiry, the Committee learned that there had been little or no capital investment on farm for a number of years. Farmers cannot, it is true to say, afford to invest by themselves. However, the Committee believes that if assistance was made available at sufficiently high grant levels, there would be uptake of a capital grants scheme. The Minister's argument for carrying maintenance and repair now, rather than needing costly renewal at a later date, applies equally to farm assets. The Committee would be content for reasonable conditions to be applied to a grant scheme – such as a link to environmental objectives and would urge DARD to reconsider its line on this. The Committee cannot therefore support this bid as it stands. ***The Committee would, however, support a bid if matched by a bid for funding towards a capital grant scheme for farmers.***

5. The Committee would also put forward a suggestion for a further bid. For two years now, Northern Ireland's fishermen have suffered from closure of their fishing grounds as part of the Cod recovery Plan. Contrary to the arguments usually made, EU Regulations allow for compensation to be paid to fishermen (and to fish processors) affected by closures. The Minister has undertaken to review the economic effects of these closures and discuss the possibility of compensation with the other UK Fisheries Departments. The Committee has also suggested that specific mention should be made, in the Programme for Government, of the plight of the fishing industry and fishing-dependent communities. The Committee is very anxious to ensure that, should the Minister agree to pursue a compensation scheme, she will have appropriate resources to do so. In response to a Committee question on this subject, the Minister has stated that resources would have to be re-prioritised from the Structural Funds Plan. The Committee does not accept this, as the plan provides much needed assistance to the fishing industry in other important ways. The Committee believes that 'robbing Peter to pay Paul' would negate the objectives of compensation altogether. One of the Fishing organisations recently provided figures to the Committee suggesting that a 'tie-up' compensation scheme would cost £760,000 in 2001. Allowing for inflation, ***the Committee suggests that an allocation of £800,000 be set aside for a potential tie-up scheme, or at least that the Executive takes note and undertakes to provide additional funding should such a scheme emerge.***
6. The Committee noted, from the Position Report, that DARD has not lodged a bid for additional funding for animal disease compensation. The bid submitted for 2001/02 was not met in full – indeed the allocation secured was £6m less than required. When questioned about this, the Minister advised the Committee that she would be bidding for funds in the monitoring rounds to meet the shortfall. It seems reasonable and preferable, to the Committee, for the Executive to allocate funds where it is certain they are needed, rather than have the Department rely on the 'begging bowl' approach in-year. ***The Committee therefore recommends an additional £5-6m be included in the DARD budget for disease compensation, although the Committee would also expect to see plans for the eradication of these diseases.***
7. The Position Report asked for a realistic approach to be taken by Departments, Committees and others regarding the availability of funds. There is a suggestion that any call for additional money should be matched by savings on existing expenditure. The Committee asked the Minister about any areas she felt could be prioritised, particularly in light of the fact that staff were reallocated to Foot and Mouth Disease related duties. The Committee asked whether this process had identified any areas on which staff had been previously under-employed. The Minister's response was that staff in DARD were not under-employed. ***In the absence of any review data from the Department, the Committee does not have the resources or opportunity to establish whether or not there are areas which could sustain any reduction of funding or a complete cessation of activities. However, the Minister has a number of reviews in the pipeline and it may be that some of these offer suggestions in that regard.***
8. The Committee is also asked for its views on how Departments should deal with pay and price pressures and with rising administration costs. Notwithstanding the Minister's response to the effect that no staff were

under-employed, the Committee believes that DARD and other Departments should bear any costs, over and above those increases built in to take account of inflation, through efficiency savings.

9. The Position report raised some questions about Departmental assets and possibilities for disposal, along with opportunities for private sector delivery of services. The Committee raised these issues with the Minister. She advised that DARD do not have it “in mind” to dispose of assets, pointing out that they work for farmers (laboratories, colleges, local offices). The Committee has no particular desire to see public assets disposed of. However, it is incumbent upon departments to ensure that their assets offer value for money and the Committee would wish to see a detailed review of the assets and their use before commenting further on this aspect. The DARD bid for capital renewal raises the question as to why individual Departments should have to ‘scrape around’ for maintenance and renewal funding. The Committee believes that this is not a problem likely to be unique to DARD and that there should be a central review of all departments’ assets and their maintenance/renewal needs. These could then be prioritised and funded centrally by the Executive.
10. On the potential for engagement with the private sector, the Minister advised that her Department was considering using the private sector to deliver some of the BSE testing requirements. There seems to be an element of ‘wait and see’ as the UK government is considering putting this testing out to tender. The Committee would recommend that this is given careful consideration, but warns that the integrity of such important testing must not be compromised or sacrificed by such a move.
11. Finally, the Committee agreed that it should comment on the use of Executive Programme Funds. The Committee supported DARD’s bids in the first round of these funds and there were a number of successes. The Committee agrees that the new round of funds offers further opportunities and that DARD should revisit some of the bids which were either rejected, or which secured less than the sum bid. High on the Committee’s priorities would be funding for schemes which offer direct benefits to farmers – such as Organic farming, Countryside Management and Farm Waste Management. The Committee would support any DARD bids in these areas. The Committee believes that schemes such as these, which offer environmental benefits as well as direct benefits to farmers, are worthy of support across a number of Departments.
12. Ultimately, the Committee believes, the “New Directions” EPF would be entirely appropriate for schemes which were designed to restructure and modernise farming. The Minister agrees. The Committee would therefore seek to raise a marker against these funds for potential schemes to support new entrants to farming and for schemes to allow older farmers to leave the industry with dignity.

PAUL MOORE
Committee Clerk

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**WRITTEN SUBMISSION BY:
CULTURE, ARTS AND LEISURE COMMITTEE**

The Position Paper sought comments on a number of issues and the Committee would respond as follows -

- The Committee is broadly content that the priorities set out in the PfG remain relevant.
- We are satisfied that the pressures identified by DCAL are real and compelling and that none can be met from within its existing budget.
- The Committee considers that all the pressures identified by the Department are key candidates for additional funds. DCAL could well have doubled its bids but the Committee appreciates that it took a realistic approach. It is essential that its position as a new Department is borne in mind, along with a recognition of the problems it has inherited in a number of areas, and the history of underfunding of many of its activities. I would draw your attention particularly to the following three issues.
- The pressures identified in relation to the outcome of the staffing review of the Education and Library Boards – which the Committee understands was inherited from the former Department of Education – is likely to total some £10.8m. Clearly, this cannot be accommodated by DCAL, or the Boards, from within existing budgets. The alternative is to shut libraries and make staff redundant. The Committee regard this pressure as a key requirement for additional funding. We also consider that it would be appropriate for at least part of the funding to be provided from the Department of Education’s baseline, in view of its close involvement in the issue prior to devolution.
- The Committee would also strongly support the Department’s bid for additional funds for Museums and Galleries of NI (MAGNI). When the Ulster Museum was amalgamated with the Ulster Folk and Transport Museum and the Ulster American Folk Park, it was agreed that £300k per annum would be needed to introduce a streamlined, effective management team for the new MAGNI organisation. These monies were not provided within the baseline transferred to DCAL from DE. As a result, MAGNI is unable to develop and deliver an attractive programme of activities and exhibits at its various locations. The Committee strongly believes that this is an area that is vital to the growth of a quality cultural tourism product which Northern Ireland can offer to the growing number of visitors we are attracting from around the world, particularly those who are engaged in a search for their “roots”. The relatively small amount of funding required would have a significant economic impact in this area.
- The monies required for health and safety improvements at sports grounds is critical. This also appears to the Committee to be an area that has a direct relationship to the responsibilities of the Department of Health, Social Services and Public Safety. It is also the case that top quality, safety assured sports grounds are essential if world class sporting events, which would have a major impact on the tourist industry, are to be hosted here (DETI).
- In terms of opportunities to improve cross-cutting policy development, the Committee would reiterate its contention that DCAL’s activities impact on a number of the priorities and sub-priorities in the PfG, particularly in relation to the improvement of the quality of life of all our people. The Committee considers that the Department’s potential for significant impact in the areas of “Growing as a Community”, “Working for a Healthier People”, “Investing in Education and Skills”, “Securing a Competitive Economy”, “Developing N/S, E/W and International Relations”, and “Working Together” has not been recognised by DFP in the allocation of resources to date.
- In terms of opportunities for the Department to streamline administration costs and deliver efficiency improvements, the Committee was glad to learn that DFP has recognised that there is simply no fat to cut and that efficiency savings are not expected from DCAL.

CONSULTATION WITH COMMITTEES

The Committee has found itself in a similar position to other Departmental Committees, in terms of the lack of involvement in the development of bids and the failure to provide it with relevant documentation. In this regard,

the Committee finds the exhortation in paragraph 74 of the Position Report to rigorously assess the Department's spending plans somewhat disingenuous, given the blocking of Committees' requests for information and the consequent lack of time now available to consider the indicative figures for next year. However, while our experience this year has fallen far short of what we would consider acceptable, the Minister of Culture, Arts and Leisure has given a commitment that the Committee will, in future, be included in the bidding process.

CONTENT AND LAYOUT OF BUDGET DOCUMENT

The Committee is concerned that the tight deadline for responding to DFP on this complex and technical issue is indicative of the type of lip-service that has been paid to date to genuine consultation with statutory committees. As you are aware, budget training is not to be provided for members until after the summer recess. In the circumstances, the Committee has no comments to offer at this stage.

I hope that you have found this response helpful.

Yours sincerely

EAMONN ONEILL MLA
CHAIRPERSON

Committee for Culture, Arts and Leisure

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**WRITTEN SUBMISSION BY:
EDUCATION COMMITTEE**

INTRODUCTION

The Education Committee welcomes the opportunity to give its initial comments on the Executive's Position Report with regard to the Department of Education. The Committee would wish to highlight that, given the short timescale involved, there has not been an opportunity for detailed analysis at this stage. Further analysis and consideration will be undertaken in the coming months.

PROGRAMME FOR GOVERNMENT

The Committee has submitted to the Office of the First Minister and Deputy First Minister our views on the Programme for Government. The Committee firmly believes that Investing in Education and Skills must remain one of the key priorities of the Executive given its role in personal, community and economic development. Within this overarching priority the Committee is of the view that investment in Early Learning/Early Intervention initiatives and Capital Building projects must be given high priority. We believe that investment in Early Intervention initiatives such as Reading Recovery projects and literacy/numeracy schemes is an investment in the future. We also believe that the infrastructure to deliver the key priority is essential and investment in it is an indication of the Executive's commitment to the priorities in the Programme for Government.

2002/03 Budget

The Committee would point out that the budget must reflect the key priorities outlined in the Programme for Government and support their delivery.

While we appreciate that the Executive faces some very difficult decisions, investment in education must therefore receive a very high priority.

The Committee would make the following detailed comments:

1. Additional money was made available in the Chancellor's March 2001 Budget for education. We understand that the notional schools element for NI was £9.2 million. The Committee believes that this money should be allocated to education, not on the basis of following the pattern in England but on the basis of the merits and needs of education in Northern Ireland and the high priority given to it in the Programme for Government. School budgets are extremely tight and the need for additional money is great. In particular, if a Common Funding Formula is implemented it will be necessary to find additional funding for the general schools budget to enable the High ASB to be implemented to ensure that as few schools as possible are losers.
2. The Committee would strongly support the Department's bids for £24 million in 2002/03 and £23.8 million in 2003/04. These bids are to meet the following inescapable pressures and maintain current spend and it is therefore essential that funding is provided:
 - Schools' recurrent costs which are required to address a previous baseline deficiency of £8m necessary to maintain expenditure levels and meet higher than expected 2001 teachers' pay award.
 - Increased Fuel Costs
 - Job Evaluation of School-based staff
 - Infrastructure work for Classroom 2000 (IT project) and school library element of DCAL's electronic libraries project
3. The Committee would point out that the main element of the Department of Education's budget is schools' recurrent costs. Over 90% of these are made up of teachers' pay and other classroom related expenditure which provides little or no scope for manoeuvre. As already highlighted school budgets are under immense pressure.

4. The Committee would also wish to highlight that if the bids to meet these pressures are not met and these costs have to be absorbed within the indicative budget the Department has indicated that there could be a detrimental effect on the ability to deliver the targets in the Public Service Agreement on Key Stage 2 and 3 assessments. These targets relate to increased standards in numeracy and literacy and it is essential that progress is maintained to improve these standards.
5. The Committee appreciates that there will probably be very limited scope for increases in spending. However we again would ask the Minister for Finance and Personnel and the Executive to recognise the priorities in the Programme for Government and meet all or part of the following bids:

	2002/03	2003/04
School Budget Deficit	13.4	13.9
- to prevent further erosion of school budgets and better address need		
Schools Estate	13.0	18.0
- to enable the capital programme to be progressed		
- and to undertake work to meet requirements for		
- Disabled Access which will arise from forthcoming		
- legislation		
The Committee will continue to support the use of PPP/PFI where necessary to support the conventional Capital Build programme but would point out that conventional funding will still form the most important element.		
SEN Children in Mainstream and Special Schools	1.5	1.6
- targeted support for children with learning difficulties		
Increased support for Reading Recovery in Schools	5.2	6.2
Out of Schools Learning		
- Extension of Programme	2.3	4.1

6. The Committee, over the coming months, will explore and discuss with the Department of Education what scope or opportunities there is for improved efficiencies, savings or reprioritisation of existing resources.

Conclusion

The Committee recognises that difficult decisions have to be made and there is little room for manoeuvre. However, Investing in Education and Skills is one of the key priorities for the Programme for Government and the budget allocations must focus on the delivery of these priorities. A number of inescapable pressures have been identified within the education budget and the Committee would strongly press for these bids to be met to avoid reducing the ability to delivery the targets set down in the Public Service Agreement. There is also a strong case for providing funding to improve services rather than just maintain the current position.

DANNY KENNEDY MLA
(Approved by the Chairman and signed in his absence)

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**WRITTEN SUBMISSION BY:
ENTERPRISE, TRADE AND INVESTMENT COMMITTEE**

PART 2 - 2002/03 BUDGET

Amount of additional resources available for 2002-03 is £19.2m. mainly as a result increases in provision for health and education in England which the Executive can allocate to its priorities, but not necessarily health and education.

The Decision Making Process

Q Should the Executive seek to follow the English increases in health, education or transport spending or should it determine, on merit, the most important priorities for NI based on PfG?

Comment	The Committee agree that spending should be based on the priorities in the Programme for Government.
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Reprioritisation

Q What scope is there to save on existing public spending programmes to enable resources to be redirected to greater PfG priorities?

Comment	Selective Financial Assistance to Industry is the subject of major needs and effectiveness review. The results of the review will inform future public expenditure prioritisation and allocation, but is unlikely to be completed before the 2003-04 process. There may, of course, be opportunities to reprioritise from resources that may become available under End Year Flexibility arrangements.
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Rates

The Rating Policy Review will not affect decisions on the level of regional rate which need to be taken as part of the 2002-03 Budget

Q By how much should the Executive and the Assembly increase rate revenues to fund public spending priorities in NI 2002-03?

Comment	
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Executive Programme Funds

Q How can EPFs be best used, given the range of cross-cutting and Departmental issues identified?

Comment	
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Using Resources More Effectively

1. Public/Private Partnerships

Q What opportunities exist to secure more private sector funding as a means of improving the quality of public services?

Comment	
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2. Procurement review

(No questions)

3. The Efficiency Agenda: Improving Public Sector Productivity

Q. What opportunities exist to streamline and improve the efficiency of public services?

Comment	

Q. Are there any major business areas within the public service which could be delivered more effectively by the private sector?

Comment	

4. Use and Disposal of Assets

Q. What new opportunities exist to increase resource availability through asset disposals? [see page 33]

Comment	

Q. Does the public sector possess any assets which could be used to generate revenue for that service or the public sector in general?

Comment	

5. Needs and Effectiveness Evaluations

Q. What scope exists to change spending priorities in 2002-03?

Comment	

6. Barnett

No questions

DEPARTMENTAL POSITION

DETI [SEE PAGE 62]

2002-03

2003-04

Issues – pressures arising from:

Energy	3.0	7.0
Northern Ireland Tourist Board	1.5	1.5
Health & Safety Executive for NI	0.2	0.2
NI Science Park	6.8	1.8
Information Systems	1.8	0.9
TOTAL	13.3	11.4

Q How reliable are the assessments of pressures and easements which have emerged since 2001 Budget allocations?

Comment	A full and rigorous assessment has been carried out by the business and senior management in the Department and the Minister has approved all these bids.
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Q How well has the department planned to deal with any unforeseen new issues?

Comment	There is some room to manoeuvre within those elements of budgets not fully committed. However timing changes in major deals can produce in-year pressures and easements which require equivalent adjustments. Clearly, it is the Department's aim to be in a position to respond positively to new opportunities that arise.
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Q What impact will new issues have on PfG/PSA targets and can these be accommodated by re-prioritisation within existing baselines?

Comment	PfG/PSA targets have been set in the light of existing budgets. Any major new developments with significant financial consequences would almost certainly have implications for the PSA.
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Q What opportunities exist for improved efficiency in 2002-03?

Comment	The formation of Invest Northern Ireland in 2002 will present opportunities for greater efficiency. These are not quantifiable at present.
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Departmental issues – Prioritising of departmental pressures

Rises in Pay and Prices

Q How should Departments deal with the issue of pay and price pressures above those forecast (3.5%) when the 2001-02 Budget was agreed?

Comment	It would be difficult for the Department to absorb pay and price increases without the benefit of End Year Flexibility.
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Administration Costs

Q How should Departments deal with the rising administration costs over and above those provided for in the 2001-02 Budget?

Comment	The Department has already, principally through reprioritisation, absorbed a number of costs arising from devolution and should be able to continue to do so provided there is continued access to End Year Flexibility. However, the major exercise to restructure DETI and to establish Invest Northern Ireland may well generate additional costs in the current year that could not be absorbed and it may be necessary for the Department to seek additional resources.
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**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**WRITTEN SUBMISSION BY:
COMMITTEE FOR FINANCE AND PERSONNEL**

9 July 2001

QUESTIONS RELATED TO THE 2002/03 BUDGET

The Decision Taking Process

Q Should the Executive seek to follow the English increases in health, education or transport spending or should it determine, on merit, the most important priorities for NI based on PfG?

Comment	The Committee considered that the entire purpose behind devolution was to provide for an independent approach by the regional administrations on issues such as health, education or transport spending. Nonetheless the Committee recognised that there will be an expectation within the population that parity will be maintained regarding expenditure in these areas.
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Reprioritisation

Q What scope is there to save on existing public spending programmes to enable resources to be redirected to greater PfG priorities?

Comment	The Committee believes that there should be service-wide assessment of the opportunities for economies. Members concluded however that care will be needed to ensure that such savings are not made at the expense of a reduction in the quality of service delivery.
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Rates

Q By how much should the Executive and the Assembly increase rate revenues to fund public spending priorities in NI 2002-03?

Comment	Members concluded that increases in the Regional Rate should be linked to the rate of inflation. Members also recommended that thought should be given to identifying alternative sources of finance.
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Executive Programme Funds

Q How can EPFs be best used, given the range of cross-cutting and Departmental issues identified?

Comment	Members would like to see more evidence of cross cutting themes in future allocations of EPFs. The Committee suggested that this might be accomplished in future rounds if Committees were involved at the earliest stage of the procedure: i.e. they should be consulted by departments about the compilation of their bids.
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Using Resources More Effectively

1. Public/Private Partnerships

Q What opportunities exist to secure more private sector funding as a means of improving the quality of public services?

Comment	The Committee recommended its recently published report on the use of PPP as a framework for developing a strategy for investment in public services.
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2. Procurement review

3. The Efficiency Agenda: Improving Public Sector Productivity

Q What opportunities exist to streamline and improve the efficiency of public services?

Comment	The Committee suggested that there should be a global review of the present proliferation of NDPBs (health/education boards etc.). Members also felt the structure of the local government network, comprising 26 District Councils, should be reviewed.
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Q Are there any major business areas within the public service which could be delivered more effectively by the private sector?

Comment	The Committee felt unable to comment in detail but suggested that this question should give rise to a detailed review. Members also felt that many of its recommendations in its PPP Report would be of assistance.
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4. Use and Disposal of Assets

Q What new opportunities exist to increase resource availability through asset disposals?

Comment	The Committee suggested that a comprehensive review of all public sector assets should be undertaken. Subject to the outcome of such a review the Executive should arrange for disposal of all unused assets on the understanding that receipts arising from such assets should be retained within the Northern Ireland block grant.
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Q Does the public sector possess any assets which could be used to generate revenue for that service or the public sector in general?

Comment	The Committee felt that an assessment, setting out options for maximising the practical use to which public sector properties can be put, should be undertaken. For example, evening and weekend community access to school facilities such as playing fields, gymnasiums, etc.
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5 Needs and Effectiveness Evaluations

Q What scope exists to change spending priorities in 2002-03?

Comment	The Committee felt it had insufficient information to provide comment on this issue.
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DEPARTMENTAL POSITION

OVERALL COMMENT

The Committee had no objections to the Department’s bidding proposals as set out in the Executive’s Position Report.

BUDGET DOCUMENT

The Committee had no comments on the format and presentation of the Budget document.

FRANCIE MOLLOY
Chairman

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**WRITTEN SUBMISSION BY:
COMMITTEE FOR EMPLOYMENT AND LEARNING**

RESPONSE ON DEPARTMENTAL BIDS FOR 2002/03 FINANCIAL YEAR AND OTHER FINANCIAL MATTERS

This is a preliminary response from the Committee for Higher and Further Education, Training and Employment. The Committee intends to reconsider the bids following further research and receipt of additional information from the Department. The response is made subject to the understanding that there will be another opportunity for the Department of Employment and Learning to make bids for Executive Programme Funds in the autumn.

The Committee has considered and debated the bids submitted by the Department for 2002/03 following evidence taken from officials on 21st and 28th June 2001. The Committee's response is set out below.

1. Whilst the Committee welcomed the evidence provided, members expressed their frustration in respect of the late arrival of the information and the absence of any details of the proposed bids until immediately before the Minister's statement in the Assembly on Tuesday 19 June 2001. Full and early consultation will be expected in future years.
2. The Committee supports the areas of work in respect of the bids in the 2001/02 July monitoring round and the budget bids 2002/03 (Annex A) and their link to the Programme for Government and the Public Service Agreements. The Committee welcomes the additional monies for the provision of facilities for Disabled People in both FE and HE along with the Child Care Subsidy for New Deal Lone Parents in the additional allocation in the June monitoring round. The former will assist in achieving the targets in the Public Service Agreements. However, members are somewhat surprised that the only easement set out in the combined bids is as a result of a change of plans, combined with a delay in expenditure due to the Public Private Partnerships/Public Finance Initiative proposals on the Springvale Campus.
3. The Committee supports the principle of the establishment of a unit to examine staffing matters in the Department. However, the Committee will be seeking more detail on its remit, cost/benefit and why this could not have been financed out of existing Departmental Running Costs (DRC). However, we must emphasise that this unit must not replace the general requirement for management throughout the Department to seek reductions in staff costs through improvements in efficiency and effectiveness. Scarce resources need to be released for redeployment and thus drive up outputs for the benefit of our citizens and the Northern Ireland economy. Furthermore, we would encourage the Committee for Finance and Personnel to examine the potential scope for greater emphasis on the Efficiency Agenda: Improving Public Sector Productivity as set out in the Executive's Position Report, June 2001. Unless there is a rigorous cross-departmental approach taken to securing efficiency gains, the room for manoeuvre available to the Executive in the future will be seriously curtailed.
4. The Needs and Effectiveness Evaluations into Training and Vocational Education Needs announced by the Minister of Finance and Personnel in his statement to the Assembly on 19 June 2001 is supported by the Committee. We would like further details of this work, in particular how will an external evaluation of the effectiveness be ensured?
5. The Committee will wish to further scrutinise the Department's budget to clearly identify the allocation of additional funding from 2000/01 to 2001/02 and the further increase in 2002 03. After scrutiny of the outcome of the Annual Business Plan for 2000-01, the draft three year Strategic Plan for 2001-04 and the Business Plan for 2001-02 the Committee is concerned that there is insufficient attention being paid to the value gained from the outputs and outcomes of the programmes. The continuation of the philosophy of asking for additional money with limited or no mention of tangible benefits appears to be all too apparent. This is contrary to that stated by the Minister of Finance and Personnel in his statement of Tuesday 19 June 2001 "the current financial management system is to break old patterns and promote priorities". Thus the Committee will be seeking further information to assess the effectiveness, efficiency and economy of the

Department of Higher and Further Education, Training and Employment, and in particular how the considerable increases in recent years have been spent.

6. A further issue raised during our evidence session was the non-allocation of the three-year flexibility to individual departments by the Department of Finance and Personnel. Is this a case of still too much central control leading to less than optimum management of individual departmental budgets? This may be an issue the Committee for Finance and Personnel would wish to consider from the wider perspective.
7. The Committee considered the issues raised by the Minister of Finance and Personnel in his statement of 2 July 2001. Our view is that the allocation of additional monies must be dealt with in a planned manner relating back to the aims of the Programme for Government. The Committee suggests that consideration should be given to using at least a proportion of these monies to supplement the Executive Programme Funds. This would mean that approved cross-cutting bids would be enhanced and these specific outcomes could be achieved earlier. For example, the DHFETE bid for literacy and numeracy could receive additional funding and this money could be allocated earlier. This would enhance the Executive's aim of tackling poverty and social disadvantage through improving basic skills.
8. The Committee for Higher and Further Education, Training and Employment has considered the format of the Public Expenditure Plans: 2001/02 to 2003/04. In general the Committee is content with the overall format and layout of the document but would recommend that longer-term trends of individual departments' total expenditure may be useful in the future.

A more comprehensive response will be submitted in the early autumn period following further consideration of additional information.

DR ESMOND BIRNIE, MLA
CHAIRMAN

5th July 2001

ANNEX A**MONITORING AND BUDGET BIDS**

BID	JULY MONITORING 2001/02 £m	BUDGET BIDS 2002/03 £m
FE Home/College Transport	1.30	1.30
FE Lecturers' Pay	2.00	2.00
FE Disabled Persons' Access	1.50	1.50
HE Disabled Persons' Access	1.50	1.50
University Research	0.00	2.00
DAS: Pay Pressures	0.00	0.34
Individual Learning Accounts	2.00	1.50
Worktrack	2.20	2.36
New Deal for Lone Parents	2.00	0.00
DRC - New Functions	0.30	0.40
TOTAL	12.80	12.90
EASEMENT Springvale Campus	1.75	3.00

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**WRITTEN SUBMISSION BY:
HEALTH, SOCIAL SERVICES AND PUBLIC SAFETY COMMITTEE**

INTRODUCTION

1. The HSSPS Committee welcomes the opportunity to comment on the Executive's position report on 'Developing the Programme for Government and the Budget for 2002-03'. The Committee would have preferred to have been able to discuss with the Department its draft budget bids prior to their submission to the Executive. It would also have preferred more time to seek advice and to consider its response to this document. It does note, however, that there will be further opportunities to comment on both the PfG and the budget proposals.
2. The Committee wishes to put on record its gratitude to the Department for its clear and comprehensive submission on the budget bids. The unavailability of the Department's corporate and business plan was, however, a problem that needs to be addressed.
3. The Committee notes that, at first glance, a growth of funding of 6.7% from 2001-02 to 2002-03 appears to be generous. However, on closer inspection, the real terms increase is around 2%, when pay and price increases as well as the transfer from the social security baseline to the HPSS of £19m, are taken into account.
4. The morale of both patients and staff in the health service is at an all-time low. Due to the long term underfunding of the Health Service waiting lists are growing, the unacceptable practice of patients being placed on trolleys continues, and the availability of services fails to meet the demand in many areas. Members of the Committee are continually being lobbied by patients, health organisations, charities and staff about the inequities and failings of the health service. They have every sympathy, however, with all of the staff who are endeavouring to provide a quality service, often in very difficult circumstances.
5. The Committee therefore wishes to support the Department's bids in full, while taking into account the financial pressures facing the Executive. The Committee notes that, even if all of the bids were successful, we would still lag behind England, and more so Scotland, in terms of standard of health service care. The Committee cannot accept that the people of Northern Ireland should be expected to receive poorer standards of care than the rest of the United Kingdom.

SECTION ONE: PROGRAMME FOR GOVERNMENT

6. The Committee has not had sufficient time to consider fully all of the questions posed, but its responses to the questions directly relevant to its remit contained in the Executive's document are as follows:

Do the priorities and sub-priorities as set out in the Programme for Government remain relevant? If not, how might they be amended and developed?

The Committee is content that the five priorities as set out in the Programme for Government are still very relevant and should continue to influence directly public expenditure. Should, as a consequence of this exercise, any of the priorities change the Committee would wish to be promptly informed. It would like to comment on the priorities and sub-priorities directly relevant to its remit as follows:

▪ *Growing as a Community*

It has been proven that poverty and social disadvantage, as well as poor housing, have a direct link to ill health. The Committee notes that many of the actions detailed in the PfG should have already been implemented. Although the sub-priorities are all still relevant, their effectiveness depends on the implementation of the actions. The Committee will take a keen interest in the first report on the implementation of the PfG.

▪ *Working for a Healthier People*

In its budget bids paper to the Committee, the Department has clearly stated that many of the targets in the PfG will not be met without additional funding. The Committee is most concerned that there are already doubts about achieving targets that were set only a few months ago. If adequate funding is not in place, the targets cannot be met. The sub-priorities and therefore the overall priority cannot be achieved.

Which of the pressures listed by your Department might be met from within existing budgets either by replacing existing services or actions or through efficiency savings?

The Committee is of the opinion that the pressures in the health service are such that it is not possible to replace existing services.

The Committee endorses the proposals in the Acute Hospitals Review Report that the numbers of Health Boards and Trusts should be dramatically reduced, thus generating some efficiency savings. The majority of the Committee accepts that although this will not happen in time to influence the 2002-03 budget, it should proceed as quickly as possible and not await the general review of public administration. One proposal detailed in the Report, however, concerning the merger of the Royal, City and Greenpark HSS Trusts should be implemented immediately and the efficiency savings should be identified.

Which aspects of your Department's programme could be delayed or abandoned to release funds for high priority pressures in other departments?

In the opinion of the Committee there should be no aspects of the Department's programme that can be delayed or abandoned.

Which of the pressures would the Committee regard as key requirements for which the Department should receive additional funding, either out of the current unallocated funds or from allocations between Departmental baselines?

The Department has identified in the Executive Position Paper inescapable pressures of £31.5m. The Committee is of the opinion that these additional funds must be met. Much of this money is to cover pay pressures based on a projected 4% uplift, as compared with the 3.5% included in the 2000 budget. These are inescapable commitments.

The Committee notes with great concern that if the remaining bids totaling £91m are not met, the current standards and service levels will decline. As the current standards and service are already unacceptable in many areas, the Committee is strongly opposed to any reductions whatsoever. Even if all of these bids are met, the position in Northern Ireland will not reach the standard of service in England and Scotland.

The Committee is deeply concerned that there does not appear to be any provision for the funding of the Regional Cancer Service Centre at the Belfast City Hospital. The facilities at Belvoir Park Hospital are totally unacceptable. The uncertainty about when the new regional centre will be available is causing great concern among both patients and staff.

Are there any other issues that Committees feel should be addressed?

Other matters that need to be addressed include:

- the lack of sufficient community care packages to relieve the pressure on acute hospital beds;
- the need to resource the implementation of primary care proposals and to start the implementation of the recommendations of the acute hospitals review immediately the consultation period ends;
- free personal care for the elderly;
- the speedy provision of a new Regional Cancer Centre at the Belfast City Hospital;
- the need to expand renal services as patients are dying needlessly;
- the need to fund the resettlement of both mental health and learning disability patients in the community rather than having them remain in inappropriate institutional care;
- sufficient resources for children's services and to implement fully the Children (Northern Ireland) Order 1995; and
- sufficient resources to fund equitably the introduction of new drugs for conditions such as cancer, rheumatoid arthritis or MS.

How might cross-departmental co-operation be improved? Which cross-cutting policies should be reviewed in 2002-03?

The Committee is unable to comment effectively as little is known about the inter-departmental work that is ongoing. It is aware of the inter-departmental group on public health chaired by the Minister and awaits signs of progress in its work. The Committee recommends that the Executive should compile information and issue a paper detailing current cross-departmental co-operation and the outcomes that have been achieved to date.

Although the Committee is in agreement with the policy of working more effectively across departments and across policy areas, it is very concerned that the Executive Fund has £52m to distribute in 2002-03 while at the same time there is only an extra £19m available for funding departmental bids. There must be an acceptable balance.

Do we need to redefine the sub-priorities in the Programme for Government relating to children and older people, and if so what proposals would you make?

The Committee believes the sub-priority 'promoting the health and social development of children' to be very laudable. However, there does not appear to be a sub-priority in the Programme for Government that specifically mentions older people.

Are there new actions in relation to children and older people that should be taken, and if so what priority do these have?

The Committee welcomes the proposal to appoint a Commissioner for Children. It would, however, wish to see the full implementation of the Children (Northern Ireland) Order 1995. The Committee believes that it is a disgrace that a piece of legislation that is 6 years old has not yet been fully implemented.

The Committee believes that there is an need for targets in regard to respite care for children with physical and mental difficulties as well as for the elderly.

With regards to older people, the Committee would like to see the introduction of free personal and nursing care for the elderly but recognises the significant financial implications that this would have.

From the latest figures available, there are over 150 elderly people in hospital who could be discharged if sufficient residential or community care packages were available. At a time when waiting lists are rising, every effort should be made to free these beds to allow for more patients to be treated. There is a crisis looming in the private residential homes sector because of the cut backs in real terms, of the funding of patients. This must be addressed urgently or the problem of hospital bed blocking will dramatically increase.

All of these matters are of the highest priority.

Prior to the conclusion of the (Investing for Health) Review, are there additional actions which might be taken across departments to improve health, reduce accidents and tackle inequalities in health status.

Without adequate funding it is difficult to understand how significant improvements can be achieved.

There are some matters that can, however, be taken forward without major expenditure. The Committee welcomes the very graphic advertisements regarding road deaths. It believes that similar equally graphic campaigns should

be introduced in relation to smoking (apparently Australia has a very hard-hitting and effective campaign), accidents at work and in the home. Departments should listen more closely to local community calls for traffic-calming measures such as ramps and crossings.

Much work needs to be done to make health care accessible to all. The post-code lottery system of access must end. This will not, however, be solved prior to the conclusion of the Investing for Health review.

What are the key issues that need to be addressed in the health and personal social services? What relative priority should be attached to them?

There is insufficient funding to meet the needs of patients.

There is a need to resource the implementation of the primary care proposals.

There is a need to resource the implementation of the acute hospitals review immediately the consultation period ends.

There is a need for sufficient residential and community care packages to relieve the pressure on acute hospital beds.

There is a need for free personal and nursing care for the elderly.

Sufficient resources should be made available for children's services and to implement fully the Children (Northern Ireland) Order 1995.

Sufficient resources should be made available to equitably fund the introduction of new drugs.

The funding for the new Regional Cancer Centre must be found quickly.

The waiting lists for occupational therapy assessments need to be radically reduced.

The Ambulance Service must be modernised urgently.

Have we defined effectively how our policies and programmes will protect vulnerable children?

It is unclear what definition is being referred to.

Do Committees have views on new actions or ways of working that might improve the life chances of children in care? If so, what priority should these have?

The Committee is amazed to find that this question is being asked bearing in mind that it has completed a comprehensive report into 'Residential and Secure Accommodation for Children in Northern Ireland'. The report was debated and approved by the Assembly on 12 December 2001. If the 36 recommendations in the report were speedily implemented, the life chances of children in care would be dramatically improved.

The current plight of children in care is so appalling that it must receive the highest priority.

SECTION TWO: BETTER USE OF RESOURCES

Should the Executive seek to follow the English increases in health, education or transport spending or should it determine on merit, the most important priorities for NI based on the Pfg?

It is the opinion of the Committee that there is no contradiction in the two options with regard to health as it must be the top priority.

The Committee is greatly concerned that even if the DHSSPS bid of £122.6m is met in full, Northern Ireland will continue slip even further behind England in the level of service. We must therefore aim to exceed the English increases on health if we are ever to catch up. As stated earlier, the 6.7% increase in the baseline for 2002-03 is in fact 2% when pay and the £19m transfer from the Social Security baseline are taken into account. This will result in even poorer services than we have now i.e. longer waiting lists and more people lying on trolleys. This prospect is as totally unacceptable to the Committee as it should be to the Executive. The Committee wonders why the Department's bids are not greater.

What scope is there to save on existing public spending programmes to enable resources to be redirected to greater Pfg priorities?

It is difficult for any committee to comment on the budgets of departments other than its own. It is, however, more than surprised that DCAL is looking for 32.2% increase on the 2001-02 baseline through its bids.

How can EPFs be best used, given the range of cross-cutting and Departmental issues identified?

The DHSSPS share of the total amounts allocated over the three years to the EPFs is only 24% despite the fact that the Department accounts for about 40% of the total discretionary spend in the Assigned Budget. The Committee welcomes the cross-cutting policy but it believes that there must be a more equitable allocation. Although it will have a significant effect on the health budget in 2002-03 when the EPF budget will be £52m, it will be much more significant in 2003-04 when the budget will be £220m. The Department must have a more equitable share, otherwise health services will suffer and the first two of the Executive's own priorities will have no chance of being achieved.

What opportunities exist to secure more private sector funding as means of improving the quality of public services?

The Department has already awarded PFI contracts to the value of £25.4m, and possible schemes with an estimated value of £90m are currently being processed. The Committee believes, however, that PFI is no substitute for public funding of the health service.

What opportunities exist to streamline and improve the efficiency of public services?

Over the last number of years there has been a number of efficiency savings in the health service. Not all of them, however, have been to the benefit of the patients. Over the last 10 years there has been a reduction of 25% in the number of hospital beds, while at the same time there has been a 22% increase in the number of patients being treated. This has resulted in longer waiting lists and trolley waits.

The Committee accepts that even a small percentage increase in efficiency would result in significant savings. It therefore suggests that the following areas should be carefully scrutinized:

- The provision of modern IT facilities.
- A single audit of the whole health and social services budget, under the supervision of the NI Audit Office, to determine exactly how the funds are being spent and to identify efficiency savings.
- The speedy introduction of the recommendation of the Acute Hospitals Review Group with regard to the number of Boards and Trusts. This should not await the review of public administration.
- The management of the hospital waiting lists.
- The efficiency and effectiveness of the prescribing of drugs and prescription fraud.
- The examination of hospital theatre down times.
- The examination of consultant contracts.
- The examination of the method of payment and the amounts of money paid as 'special incentives' to a select number of consultants.

Are there any major business areas within the public service which could be delivered more effectively by the private sector?

The Committee does not accept that there are any major business areas in the health services that can be delivered more effectively by the private sector. The great concerns over cleanliness and the spread of diseases in hospitals, for example, calls into question the wisdom of privatisation.

What new opportunities exist to increase resource availability through asset disposals? Does the public sector possess any assets which could be used to generate revenue for that service in the public sector in general?

The Committee accepts that there is a need for the rationalisation of the HPSS Estate. For example, the value of the Belvoir Hospital estate is in the region of £15/20m. This value could be realised if the Regional Cancer Centre was built and operational on the Belfast City Hospital site. There must also be room for rationalization on the Knockbracken estate.

SECTION THREE: ISSUES FOR 2002-03

How reliable are the assessments of pressures and easements which have emerged since the 2001 Budget allocations?

The Committee is of the opinion that the Department has underestimated its requirements. As has been stated previously, the standard of service will fall further behind England even if the full bids are met.

How well has the Department planned to deal with any unforeseen issues?

The Committee is greatly concerned that the 'winter pressures' now last throughout the year with patients regularly having to wait on trolleys. The Committee accepts that the Department has introduced systems to try to manage this but without adequate resources it cannot solve the problem.

The Department is unable to absorb the impact of the higher than planned movements in pay and prices beyond the baseline provision. In total, the costs amount to £31.6m, and if additional resources are not made available, reductions in the quality and level of service will be required. This is unacceptable to the Committee.

What impact will new issues have on Pfg/PSA targets and can these be accommodated by re-prioritisation within existing baselines?

The new pressures cannot be accommodated by re-prioritisation. Their impact on the Pfg/PSA targets will be very significant if extra funding is not made available. Targets that would be affected include:

- Waiting lists would not be reduced by a quarter by 2004.
- The Ambulance Service would not be modernised.
- The provision of ICT systems would significantly be affected.
- Public health targets would not be met.

What opportunities exist for improved efficiency in 2002-03?

This has already been answered in earlier responses.

How should Departments deal with the issue of pay and price pressures above those forecast (3.5%) when the 2001-02 Budget was agreed.

Although the pay forecast was 3.5%, the final outturn was 4.0%. It has to be assumed that the outcome for 2002-03 will be around 4.0%. As pay is such a large element of the overall budget, it is simply not possible to fund the difference out of the budget baseline without having a direct effect on the level of services. As already stated, the funding for 2002-03 is already inadequate and it is not acceptable to the Committee for the extra funding required to be taken from services.

There are other pay pressures where it is not possible to estimate easily in advance. For example, the actual cost of the introduction of the Working Time Directive and the revisions to the Junior Doctors' contract are dependent on the rotas and working hours of individual employees. It is not until the final negotiations at local level have been concluded that the actual costs will be known.

How should Departments deal with rising administration costs over and above those provided for in the 2001-02 Budget?

The Committee accepts that the creation of the Executive and the Assembly has had a direct effect on the administrative workload of the Department. However, the Committee is most anxious that as much funding as possible be directed to the provision of services. We should be minimising the spending on administration in order to maximise the spending on patient care. The Committee would therefore expect the Department to examine its current administrative procedures to identify savings to allow it to absorb the rising administration costs.

CONCLUSION

7. It is clear to the Committee that, even if the Department's full budget bid of £122.6m were to be fully met, the standard of service the people can expect will be less than that provided in Scotland and England. This is not acceptable to the Committee. If the bid is not met in full then the current service in Northern Ireland will actually decline. This is also not acceptable to the Committee.
8. The Committee is concerned that the level of funding for the health service in England is expected to increase by significant amounts in the coming months. There is no guarantee that the Northern Ireland share will go

directly to the health service. If it doesn't the expectations of the people will not be met and we will fall further and further behind in the levels and standards of service.

9. The Committee objects to funds specifically ear-marked for health and social services being diverted to other services. It also calls for the ring-fencing of funds within the health service to ensure that budgets are not plundered to meet pressures in other areas.

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**WRITTEN SUBMISSION BY:
THE ENVIRONMENT COMMITTEE**

6 July 2001

THE EXECUTIVE'S POSITION REPORT – 2002-03 FINANCIAL YEAR

1. The Chairman of the Committee for Financial and Personnel wrote to all Chairpersons of Statutory Departmental Committees on 18th June 2001, confirming that preliminary views from Committees on the above should be passed to his Committee by 6th July 2001. In addition, Margaret Miskelly's letter of 22nd June 2001 sought the Committee's views on the layout and presentation of the Executive's Budget Document (12th December 2000), again for 6th July 2001.
2. The Committee received a detailed presentation from DoE Officials on 21st June 2001 on the key pressures (and further pressures) recorded in the Annex of the Executive's Position Report. Committee Members questioned Officials on these pressures, what plans the Department has to access some of the £51.9 million allocation of Executive Programme Funds for 2002-03 and finally some general questions (highlighted in the top half of page 12 of the Executive's Position Report) on the indicative DoE baseline of £108.2 million for 2002-03.
3. Following specific requests, the Department forwarded to the Committee their full 'Position Report on Financial Needs 2002-03' and a detailed breakdown of both its 'High Priority bids' (pressures) and the 'Other Pressures' together with explanatory notes.
4. The Committee considered the information presented by Officials and their detailed follow-up material, in the context of the DoE Public Service Agreement (PSA) in the PFG (February 2001), the DoE's Corporate Plan for 2000-2003 and Business Plan 2001-2002. The Committee's preliminary views at this first stage in the Executive's consultation on developing the Programme for Government and the Budget for 2002-03 are as follows:
 - (a) The Committee noted that there is only some £19 million currently unallocated to meet the key pressures now identified by Departments and the emphasis placed by the Minister for Finance and Personnel on examining the possible scope for reprioritisation of activities and expenditure within the totals which are now fixed in Departmental baselines for 2002-03 and 2003-04. e.g. efficiency and effectiveness improvements to release resources to other areas where greater outputs would be obtained. The Committee accepts the focus of attention must be on the spending plans as a whole and not simply the Departments' bids.
 - (b) The Committee cautiously welcomes the indicative 2002-03 DoE baseline of 108.2 million which represents a 7.4% increase on the 2001-02 position. However, this must be seen in the context of years of underfunding resulting in the need for an extensive programme of work to bring standards up to the levels the public expect and deserve e.g. implementing key EU environmental standards, improving road safety (so evident from our deplorable road death statistics), reforming antiquated Planning legislation and radically improving the control of waste and pollution.
 - (c) The Committee, having examined Section One of the Executive's Report, is seriously concerned with the absence of any reference in the Executive's five Priorities of

‘Sustainable Development will be a key theme running through our work and priorities.’ highlighting ‘the effective protection of the environment.’

‘a good quality built and natural environment is also the key to our economy....being integral to the future of agriculture....and of major importance of the personal health and sense of well-being of everyone, now and in the future.’

These are direct quotes from the key ‘Making a Difference’ section of the Executive’s Programme of Government published in February 2001. The Committee see such omissions from this Executive Position Report as a major shortcoming.

- (d) On the general questions asked of Statutory Committees in the Executive’s Position Report i.e.

Which of the pressures listed by your Department might be met from within existing budgets either by replacing existing budgets or by replacing existing services or actions through efficiency savings?

Which aspects of your Department’s programme could be delayed or abandoned to release funds for high priority pressures in other Departments?

The Committee, at this stage, would offer the following viewpoint:

DoE is a relatively small, largely regulatory department with the vast bulk of its expenditure (£108.2m) committed into the future because of staffing costs (£36.8m) and the inescapable needs of other expenditure such as General Exchequer Grant to Local Councils (£47.2m) and EU and the international obligations (£19.9m). This leaves a relatively small sum (£4.3m) which would be available, theoretically, for Room to Maneuvre (RTM). The reality is that there is very little discretion over spending in this element of the budget either since it is spread thinly over the Department’s other functions. Unlike other larger department’s, it is not feasible to create significant RTM by, for example, the cessation of a service, or the postponement of a major capital scheme.

- (e) On the question of efficiency savings, the Executive has already correctly recognised through recent increases of Departmental Running Costs (DRC) provision, that many of the Department’s functions have been suffering from serious underfunding in terms of both administrative and professional staffing. This points up that it is illogical to suggest that while the Department is struggling to staff up to the levels the public need, it should simultaneously be seeking reductions in those levels. The Department’s first efficiency target is to provide proper services and this process does not, at least initially, generate savings for potential reallocation. However, examples of efficiency ‘drives’ include the Planning Service’s PFG target to reduce planning application backlogs as well as streamlining the development process and DVLNI and DVTA year on year saving of 2.5% and 2.3% in 2000-01.
- (f) On the other general questions raised on prioritising the pressures which the Department has identified including

Which of the pressures would the Committee regard as key requirements for which the Department should receive additional funding, either out of the current unallocated funds or from allocations between Departmental baselines? and

Are there any other issues that the Committee feel should be addressed?

- (i) The Committee concluded that its **first priority** is the inescapable pressures arising from EU/ International Obligations (£1.56 million). Work must begin on the transposition of new EU Directives, particularly in the area of waste management (£0.8 million). The inability to meet European Commission deadlines would run the risk of infraction proceedings and fines, plus breach the commitment at 3.3 of the PFG. The Committee, in particular, is most concerned with the lack of progress on waste reduction and education within Waste Management in terms of, for example, waste recovery targets. Policy measures against specific targets must be progressed as a priority by the Department alongside District Councils. Indeed, the Committee noted the absence of any bid from DoE in this area in the June Monitoring and was most disappointed that none of the DoE bids in this monitoring round were successful – whereas all other departments, with the exception of one, received additional allocations. The Committee consider that the now deferred DoE pressures, particularly the inescapable bids, should be met in the Autumn Monitoring round.

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- (ii) The Committee's **second priority** must be in the area of Road Safety/Road Transportation Regulation (£1.386 million) – with EU Directives also applying to transport regulation and a risk of default. The Committee is currently responding to the Department's Road Safety Strategy 2001-2010 Consultation Document, recognises the high priority which needs to be given to implementing a radical Road Safety Plan for NI as quickly as possible. The Executive must provide the necessary resources in 2002-03 and 2003-04 (£1.4 million and £1.6 million respectively) to implement such a plan and modernise seriously outdated arrangements for regulating the taxi industry.
- (iii) The Committee's **third priority** is under the heading General Pressures (£1.636 million). The DoE, as largely a regulatory department with demand-determined functions (such as planning, environmental regulation and driver and vehicle licensing) must not allow its existing level of service to drop because of erosion through inflation of its important DRC baseline. The Committee recognises that the area of policy development should not be neglected because of staff budget pressures – so much needs to be done to modernise services and catch-up from years of under-resourcing. This budget pressure (£1.6 million) must be seen in the context of maintaining a £36.8 million DRC spend.
- (iv) The Committee's **fourth priority** is Planning with a pressure for £0.912 million. The Committee recently heard directly from Planning Service staff of the urgent need to take forward the update of a whole raft of planning legislation (£0.3million) – which the Committee see as currently ineffective. The Committee also recognises the importance to Northern Ireland of taking forward a well thought out Belfast Metropolitan Area Plan but would also stress that this priority should not be to the detriment of other areas plans.
- (v) The Committee's **fifth priority**, which the Committee has for sometime endorsed as an area which badly needed extra funds, is the Built and Natural Heritage (£3.731million). The level of protection of the built heritage was further deteriorated during the recent moratorium on Historic Building Grants and a worrying trend of de-listing protected buildings. Fortunately, the moratorium has been lifted through successful in-year monitoring bids but this should not be allowed again. Likewise it is important that an adequate budget is available for Heritage Lottery leverage for on-going protection of the built heritage. Also, protecting landscapes and habitat sites must continue to be adequately funded or failure to do so will lead to EC infraction proceedings.
- (vi) The Committee's **final priority** is for a Local Government bid (£0.119 million) to meet the PFG commitment to undertake a review of public administration – this will ensure proper consultation with the local government sector.
- (g) On the subject of Executive Programme Funds, the Committee was most disappointed that DoE received no substantive funding in the first tranche allocations, except for 300k for each of the years 2002/03 and 2003/04 for the Road Safety Strategy. The Committee has been actively encouraging the Department to be in a strong bidding position for the upcoming (September/October) round of allocations. It would endorse strong bids on the Modernisation Fund for IT infrastructure and for digitisation of the EHS archive. In addition, the Committee will recommend a bid under the New Directions Fund for the setting up and running of a Coastal Forum. Another area which has a cross-department theme worthy of EPF Funding is the development of a Sustainable Development Strategy.
- (h) Finally, the Committee's view of the layout and presentation of the Executive Budget Document was sought. At this stage, the Committee has no substantive comments but may come back to this when the Committee is consulted on later stages of the PFG/Budget process in the Autumn. One minor observation is that more use of subheading could be used throughout the Document to facilitate the readers identification of key subjects. Along with this, a fuller contents page would help readers quickly identify key items of interest.
5. I am copying this letter to OFM/DFM on the Committee's preliminary views on he Section One of the Report which focuses mainly on PFG-related issues

JOHN SIMMONS
Clerk to the Environment Committee

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**WRITTEN SUBMISSION BY:
REGIONAL DEVELOPMENT COMMITTEE**

July 2001

THE EXECUTIVE'S POSITION REPORT – PROGRAMME FOR GOVERNMENT

Thank you for your letter of 18 June 2001 asking for preliminary comments on the Executive's Position Report. Unfortunately, the Chairman of the Regional Development Committee, Alban Maginness has had a family bereavement. In his absence I am replying to you.

The First Minister and deputy First Minister have also sought the views of the Committee in relation to Section 1 of the Position Report. As there are a number of crosscutting issues this letter also goes to them.

The bids made by the Department for Regional Development were higher than any other Department. This reflects the real pressures it faces in trying to maintain and improve infrastructure here. The Committee is very concerned that only £19.2 million remains unallocated from the block for the 2002/03 year. The Department has inescapable bids amounting to £18 million. Its total bids amount to £142.5 million. Given the level of underfunding in Roads and Water Services, it will find it extremely difficult, if not impossible, to make efficiency savings that will meet its inescapable pressures, let alone try to maintain and improve the roads and water infrastructure.

The Committee agrees that the Department must look to prioritise its services. DRD should not be looking at its own bids in isolation but in the context of the spending plans as a whole. The Committee welcomes the Department's attempts to streamline its services by undertaking major change processes in the Roads and Water Services. However the Committee is very concerned that the Department is being squeezed so much to meet its inescapable bids of £18 million, such as the pressures arising from aggregates tax and the climate change levy, that it has little room to manoeuvre. The Committee is worried that the Department will have to curtail services in order to meet these pressures. It feels that this may also affect the Department's ability to meet targets set out in the Programme for Government and the Public Service Agreements.

The inescapable bids must be met either by reducing output (e.g. less road maintenance) or by diverting resources from other areas. The latter course has no easy choices. To reduce capital spend on water and sewerage would further defer compliance with EU Directives, while road schemes would similarly have to be deferred with the effect of undermining other work on strengthening the economy. These are unpopular and difficult decisions. Efficiency savings will play a part in reducing costs, but neither they nor service reductions could provide anything like the scale needed to meet the underlying funding gap. The situation is further compounded by the fact that the Department for Regional Development loses out when the read across from the Barnett Formula is calculated because there is no equivalent public expenditure in GB in relation to water and sewerage services because that service in England is privatised.

The Committee is also concerned that the Department's bids for Executive Programme Funds has met with only limited success and does little to help the Department arrest the spiral of decline in the Roads and Water infrastructure. The backlog of roads maintenance alone stands at £100 million. Indeed the Programme for Government states that the development of an effective, safe and reliable road and a quality transport system is central to the future development of the region. If we are to achieve this, then substantial additional funding must be made available. One should not underestimate the contribution that a reliable roads network and public transport system can make to the economy, the environment and public health and safety. Consequently, this should be a key spending priority for Government.

The Committee welcomed the additional money for the railways announced by the Minister for Finance and Personnel in December 2000 as part of the consolidation option of the Railways Task Force. Transport, however, remains drastically underfunded and both rail and bus services will continue to suffer. It was disappointing to note that only £1.7 million was allocated for bus replacement. This will ultimately lead to standards on our buses falling further behind and the strong possibility of some services being withdrawn. It was also disappointing to note that bids for transport in the Executive Programme Funds were not met. The Committee strongly believes that the

Executive's objective of securing a competitive economy cannot be realised without an efficient and effective transport network.

The Committee believes, therefore, that there is a need to urgently look at the funding problems faced by the Department and how they can be addressed through the Public Expenditure System/Executive Programme Funds and through other means of raising finance. The Committee welcomes the fact that the Committee for Finance and Personnel has undertaken an Inquiry into the use of Public Private Partnerships. It looks forward to examining the report, which was published on 2 July 2001, and hopes it will support the Department for Regional Development in its exploration of ways of raising additional monies. Tough decisions will need to be made to ensure that there is political acceptance of using alternative sources of funding, some of which may not be popular. The underfunding of Roads and Water Service must be addressed to enable the infrastructure to support a competitive, growing economy.

In this respect, the Department is set to produce two major documents, the Regional Development Strategy (RDS) and the Regional Transportation Strategy (RTS). The RDS "will provide an important planning framework for tackling the deficiencies in our infrastructure and helping the overall development of our economy and society". The Strategy covers the future development of Northern Ireland up to 2025. The RTS aims to produce a transport system which reduces adverse environment impacts, improves safety, contributes to economic growth, promotes accessibility and social inclusion, and provides integrated transport. The Department is also determined to introduce work programmes such as those on waste water treatment. These strategies and programmes will impact on other Departments and will require cross-departmental co-operation for their successful implication. Adequate funding is crucial to their success. There must be speedy progress in determining the types of alternative funding that are appropriate and can be used so that there is no further deterioration in the roads and water infrastructure and the proposals contained in the strategies and programmes can be implemented successfully.

The Committee hopes, given the importance of the work the Department intends to carry out, that the Department of Finance and Personnel will give favourable consideration to supporting its bids to the Executive under the Infrastructure Renewal section of the Executive Programme Funds.

The Committee looks forward to the publication of the report on the review of rates. It believes that if the regional rate is increased, the additional receipts should be used for infrastructure improvements.

The Committee would like confirmation that the pressure of £1.6 million arising from the Free Fares for Older People scheme will be met from central funds.

Mr Durkan, in his letter of 21 June 2001, asked for comments on the format of budget documents, such as the one produced in December 2000. The Committee is content with this format and has no proposals to make changes to it.

However, the Committee believes that there is a need to involve the Committee at an early stage of the process of preparing the Department's bids so that it can support and influence the Department on the bids and their priority.

The Committee looks forward to the opportunity during September to further analyse the funds proposed in the Position Reports and in the Executive Programme Funds in relation to the commitments set out in the Programme for Government and the Public Service agreements.

ALAN Mc FARLAND MLA
Deputy Chairman

**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**WRITTEN SUBMISSION BY:
SOCIAL DEVELOPMENT COMMITTEE**

PART 1

[THE PROGRAMME FOR GOVERNMENT]

The Executive's Priorities

Q. Do the priorities and sub-priorities as set out in the PfG remain relevant? If not, how might they be amended and developed?

Comment	<i>The Social Development Committee has had extensive and prolonged discussions with the Department on its priorities and sub-priorities within the Programme for Government. The Committee feels that those priorities and sub-priorities remain relevant if the Department and the Assembly is committed to seriously promoting social inclusion and eradicating social deprivation.</i>
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Q. Which of the pressures listed by your Department might be met from within existing budgets either by replacing existing services or actions or through efficiency savings?

Comment	<i>The Committee does not have sufficient information to be in a position to suggest how pressures might be met from within existing budgets or efficiency savings.</i>
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Q. Which aspects of your Department's programme could be delayed or abandoned to release funds for high priority pressures in other Departments?

Comment	<i>The Committee does not consider that it is in a position to provide a substantive response to this question but doubts if there is scope to release funds from the Departmental budget.</i>
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Q. Which of the pressures would the Committee regard as key requirements for which the Department should receive additional funding, either out of the current unallocated funds or from allocations between Departmental baselines?

Comment	<i>Through a number of inter-Committee discussions and discussions with the Department, the Social Development Committee feels there are a number of areas that need specific attention. In particular the Committee has already highlighted kitchen replacements, fuel poverty, and the North Belfast Strategy as areas that need special emphasis.</i>
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Q. Are there any other issues that Committees feel should be addressed?

Comment	<i>The Committee has previously held discussions with the Department on the introduction of the Warm Homes Initiative. In these discussions, the Committee voiced grave reservations over the satisfying criteria for the Initiative and in particular the restrictions on people over 60 with small pension, people under 60 with young families, and people with disabilities. The Committee believes that the Department, if tackling social deprivation seriously, should boarden the scheme to cater for such groups.</i>
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Q. How might cross-departmental co-operation be improved? Which cross-cutting policies should be reviewed in 2002-03? How might, for example, sustainable development principles and other cross-cutting issues be reflected either in the sub-priorities or in specific new actions which might be included in the PfG?

Comment	<i>The Committee has had discussions with the Department on a number of issues with cross-cutting implications. In particular, the Committee has detailed several areas which it would like to see given priority status and these have included funding for out-of-school clubs, the adaptation of Housing Executive homes, combating homelessness, and fuel poverty. To achieve effective cross-cutting co-operation, the Committee suggests the connections between Social Development, Health, Social and Personal Services, Education, and Enterprise, Trade and Investment should be more widely acknowledged.</i>
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Growing as a Community

Tackling poverty and social disadvantage

Q. Do we need to redefine the sub-priorities in the PfG relating to children and older people, and if so what proposals would you make?

Comment	<i>Following from the Warm Homes Initiative, under this heading of 'tackling poverty and social disadvantage' the Committee feels that more tangible help should be targeted towards those individuals that fall outside the scope of the scheme. Specifically, families with children, people over 60 with small incomes, and people with disabilities should be catered for.</i>
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Q. Are there new actions in relation to children and older people that should be taken, and if so what priority do these have?

Comment	<i>The Committee considers that initiatives for families with children and the over 60's with small incomes should be considered. An extension of the Warm Homes Initiative to meet the needs of these groups should be regarded as a priority.</i>
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Regeneration

Q. Can we define our work in this area more clearly?

Q. Are there new actions we need to take in this area?

Comment	<i>The Committee agrees that a sharper definition of regeneration would be useful. At present the Committee is aware of a number of Initiatives and Strategies that are considering the overall area of regeneration. It is aware of, and has contributed to, the Department for Regional Development's 'Shaping Our Future' Strategy. It is also aware of the Department for Social Development's 'Draft Strategy for Neighbourhood Renewal' and the Department's proposals for reinvigorating Northern Ireland's town centres. The Committee itself is currently conducting an inquiry into community development and urban regeneration. Until the outcome of the draft strategy, proposal and Committee inquiry are completed, the Committee is not in a position to comment effectively on redefining current work or indeed consider initiating new actions. The Committee does however expect that the outcomes of the strategy, proposal and inquiry will yield some new initiatives for future consideration.</i>
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Housing

Q. Have we defined this policy area in the most effective way? Are there other means of achieving the outcome of decent, affordable housing? What budgetary priority should housing have?

Comment	<i>The Committee is undertaking a 3 phase Inquiry into housing related matters which may reveal the need for more clearly defined policy in this area. Furthermore, the Committee is anxious to engage with the Department in relation to the forthcoming Housing Bill. In the meantime, the Committee is convinced that housing should remain high on the Department and Executive's list of priorities.</i>
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Public Health

Q. Prior to the conclusion of the Review, are there additional actions which might be taken across Departments to improve health, reduce accidents and tackle inequalities in health status?

Comment	<i>The Committee considers that the emphasis should be on 'Prevention rather than cure', and favours greater cross-Departmental co-operation as the means of achieving this objective (see also response to para 22 of the Position Report).</i>
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PART 2

[ISSUES 2002/03]

Departmental Positions

Q. How reliable are the assessments of pressures and easements which have emerged since the 2001 Budget allocations?

Comment	<i>The Committee is content with the assessments of pressures that have emerged since the 2001 Budget allocation. With regard to easements, the Committee has noted the £6m underspend by the Department in last year's budget and intends to discuss with the Department current levels of underspend to date in the current monitoring round.</i>
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Q. How well has the Department planned to deal with any unforeseen new issues?

Comment	<i>To date, unforeseen new issues have not been brought to the Committee for discussion. The Committee is therefore not in a position to comment on this area.</i>
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Q. What impact will new issues have on PfG/PSA targets and can these be accommodated by re-prioritisation within existing baselines?

Comment	<i>See above.</i>
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Q. What opportunities exist for improved efficiency in 2002-03?

Comment	<i>To date the Committee does not have sufficient information to give an informed opinion in this area. In recent discussions with the Department, there was evidence that tangible efforts were being made to improve on efficiency and service delivery (e.g. the Social Security ONE Initiative), however the Committee recognises that further discussions will need to take place with the Department on this whole area.</i>
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Administration Costs

Q. How should Departments deal with rising administration costs over and above those provided for in the 2001-02 Budget?

Comment	<i>The Committee has previously expressed its concern to the Department about rising administration costs but it is not in a position to suggest what actions might be taken.</i>
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**COMMITTEE FOR FINANCE AND PERSONNEL
REPORT ON THE OUTCOME OF CONSIDERATION BY
THE STATUTORY DEPARTMENTAL COMMITTEES**

**WRITTEN SUBMISSION BY:
THE COMMITTEE OF THE CENTRE**

22 August 2001

**PRELIMINARY VIEWS OF COMMITTEE OF THE CENTRE ON
BUDGET PROPOSALS 2002-03**

1. The Committee has a general concern that it did not have an opportunity to input to the OFMDFM proposals until after these had been considered by the Executive and announced in the Executive Position Report. Nevertheless, the Committee welcomed the opportunity to discuss the proposals with the Junior Ministers.
2. In general terms the Committee has concerns about the increasing expenditure in the budget proposals on administration costs and particularly in relation to additional staffing. However, the Committee recognises that OFMDFM as a new and central Department undertakes a number of co-ordinating functions and that a number of its functions, such as the role of the Economic Policy Unit and its relationship with DFP, are still developing. The Committee, therefore, welcomes the staffing reviews planned by the Department and due to be completed by the end of the current financial year.
3. The Committee also notes the OFMDFM case that it does not have sufficient staff to deal with short term activities and longer term development of policy and planning and the proposed New Strategic Issues Unit to address this deficit. This Unit will address such issues as the forthcoming Review of Public Administration. The Committee sees the Review of Public Administration as one of the most fundamental issues to be addressed by OFMDFM over the coming years and recognises that it will be expensive and take considerable work and time to complete.
4. The Committee notes the bid for research for New TSN. The Committee will wish to consider this issue further when the OFMDFM consultation document becomes available in the autumn.
5. The Committee also considered the bid for additional running costs for the Civic Forum to provide a stand-alone secretariat and give the Civic Forum a greater sense of independence. While the Committee recognises that it will be difficult to measure the benefits of this investment it has serious concerns about such a bid being made at a time when it has not yet seen the Civic Forum Business Plan and Budget projections for the current year. At the same time the Committee is deeply concerned that funding for the appointment of a Children's Commissioner, an issue which the Committee strongly supports and which would provide tangible benefits, has not been included in the bids but rather shown as a pressure that may arise. The Committee would wish to see specific funding for a Children's Commissioner included in the budget.
6. The Committee, while recognising that a bid has been included for grants to victims organisations, notes that the programme fund for victims is only shown as a pressure that may arise. The Committee is concerned that providing practical support for victims has not been given the priority it should have.
7. The Committee notes the bid for the NI Bureau in Washington. The Committee has some misgiving about the expenditure on a move to new offices without having had the opportunity to consider the outcome of the review of the role of the Bureau due to be completed shortly. The Committee will also wish to explore the relationship and links between the NI Bureau and the IDB.

HUGH FARREN
Committee Clerk



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