



Northern Ireland
Assembly

**COMMITTEE FOR
CULTURE, ARTS AND LEISURE**

OFFICIAL REPORT
(Hansard)

Budget 2011–15

2 June 2011

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
Mr William Irwin (Deputy Chairperson)
Mr Dominic Bradley
Mrs Brenda Hale
Mr David Hilditch
Mrs Karen McKeivitt
Mr Cathal Ó hOisín
Mr Pat Sheehan
Mr Robin Swann

Witnesses:

Mrs Deborah Brown)	
Mr Arthur Scott)	Department of Culture, Arts and Leisure
Ms Cynthia Smith)	
Mr Colin Watson)	

The Chairperson:

With the Committee today is Cynthia Smith, who is the new Edgar Jardine, the new deputy secretary in the Department; Deborah Brown, director of finance and corporate services; Colin Watson, head of the sport and lottery branch; and Arthur Scott, director of culture. You are all very welcome. I invite you to make an opening statement.

Ms Cynthia Smith (Department of Culture, Arts and Leisure):

Thank you very much for inviting the Department to give a presentation on its final budget allocations, including a summary of the key issues that were raised in the consultation exercise. As the Chair said, I am Cynthia Smith, I am the new Edgar and I took over from Edgar Jardine in the Department of Culture, Arts and Leisure (DCAL) this week. With me today is Deborah Brown, the director of finance; to Deborah's right is Arthur Scott, the director of culture; and on my left is Colin Watson, who heads up our sport and lottery branch.

This morning we want to cover the background to the budget and the consultation responses, focusing, in particular, on the differences between the draft budget allocations and the final allocations and feeding in how those were informed and influenced by the consultation responses. Throughout the presentation, we will be referring to the tables and figures in our briefing paper, so hopefully all members have that in front of them.

By way of background, the draft Budget settlement was announced last December and DCAL was given a total allocation over the four-year period of some £580.4 million. That was divided between resource and capital expenditure, with £438.7 million in resource and £141.7 million in capital. By way of comparison, the Committee might find it interesting to note that the previous three-year comprehensive spending review gave the Department a settlement of £344 million in resource and £218 million in capital.

Once the Executive announced the draft Budget in December, the Department published a consultation paper on its website, which detailed its spending and savings proposals over the four-year Budget period. We ran the consultation period in tandem with the Executive's consultation paper on the wider Budget, and that ended on 16 February. During the consultation period, we engaged with the Committee for Culture, Arts and Leisure and conducted a series of engagements with our arm's-length bodies, during which we discussed the prospective allocations and asked them to work with us in developing the savings delivery plans. We also engaged at a senior level with our key wider stakeholders through a series of seminars organised by the Northern Ireland Council for Voluntary Action, and, finally, we wrote by letter and e-mail to our stakeholders to draw their attention to the draft consultation paper on our website.

I will now ask Deborah to take the Committee through the detailed figure work, focusing, in particular, on the difference between the draft and final allocations.

Mrs Deborah Brown (Department of Culture, Arts and Leisure):

After the consultation responses were received, consideration was given by the Department and the Executive. As a result of that, the Executive allocated DCAL an additional £4.8 million in resource, and £4.2 million in capital. The detail of that is set out in table B in the paper.

An extra £2.8 million of resource was allocated to the Arts Council in direct reaction to the number of consultations that we received that appealed for a fairer deal for the arts. There was also an extra £0.8 million provided to the Arts Council in respect of a bid to replace instruments for bands. An extra £0.2 million was allocated to museums for capital. That was in response to a bid that the Department made to manage slippage of the New World development, which had slipped from 2010-11 into 2011-12. It is anticipated that that project will be finished by the end of this month at a total estimated cost of £2.1 million.

A significant amount of additional funding was provided for libraries with £2 million of resource over the four years, again in direct response to the large number of consultation responses that highlighted concerns about the sustainability of the library service and the amount being spent on book stocks. An additional £2.5 million of capital was provided to libraries, again in response to consultation responses. Within that £2.5 million is £500,000 to meet some inescapable maintenance costs arising in 2011-12, such as the museums' infrastructure and specimen funds.

An extra £0.6 million was given for sport in response to a bid that the Department placed to meet slippage on stadia safety projects at St Colman's and to provide funding to the Mourne mountains track; commitments that had been made with the Department of Enterprise, Trade and Investment and had slipped into 2011-12. On inland fisheries, we needed money for health and safety to repair the roofing of a hatchery at Movanagher. An additional £100,000 of capital funding was provided for that.

Table C outlines the final resource and capital allocation by unit of service; in other words,

split into business areas. This is not necessarily the allocation to an arm's-length body. In the case of the arts, for example, the amount listed is the total allocation towards the arts, so it includes funding for the Arts Council, for Northern Ireland Screen and for some of the staffing budget of the Department, to allow it to deliver on the arts.

It would be more useful for the Committee if we focus on table D, which is a different analysis, set out by arm's-length body and the Department, as well as highlighting the Public Records Office of Northern Ireland (PRONI) and fisheries budget allocations. Table E, used in tandem, provides a comparison between the arm's-length bodies and shows the percentage increase or decrease against the 2010-11 baseline.

I will now take you through some of the changes that occurred between the consultation period and the final allocation to demonstrate how the Department took on board some of the representations made as part of the consultation exercise, and the consideration given by the Executive, which I outlined when detailing the additional £9 million.

The Arts Council's four-year allocation starts about £1.5 million higher than its 2010-11 allocation but gradually falls over the four years. In the draft Budget exercise, the cuts applied to the Arts Council were originally in line with those that we were applying to Sport Northern Ireland. However, the pattern there changed as a result of the Executive's additional allocation, which I have detailed.

I will move from the consultation period to the final allocation. The Arts Council loses 2.65% of its budget over the four-year period. Previously, that was 7.33% so, hopefully, you can see that a clear effort has been made by the Executive and the Department to allocate additional funding to the arts.

The allocation to National Museums falls gradually over the four years. It was not allocated any additional funding from the Executive. However, we got some depreciation reclassified. Depreciation, by its nature, is ring-fenced and cannot be used for any other purposes. However, within its budget of £4 million of depreciation, £1 million was not needed. Consequently, we made a submission to the Department of Finance and Personnel (DFP) asking it to reclassify that

£1 million from depreciation into resource. In essence, National Museums has been provided with £4 million of extra spending power over the four-year period, although it does not look like that in percentage terms. As the Department is very conscious of the need to maintain museums over the period, we also reallocated £890,000 in year 4 to National Museums. The table shows that the National Museums budget reduces by 6.71% over the four-year period, but when its additional £4 million spending power is taken into account, the reduction is only 0.94% over the four-year period.

The libraries allocation remains broadly level over the four years, in line with its 2010-11 baseline. That is a direct result of the action that was taken by the Department and the Executive. It was a conscious decision by the Department to apply a level of protection to libraries and museums from the outset, as we recognised that it would be more difficult to stop expenditure to those bodies and restart it in the future, unlike some of the grant-giving bodies in sport and arts. The Department took into consideration the fact that sport and arts have lottery funding, and we expect lottery funding to increase over this comprehensive spending review (CSR) period.

There is a small percentage increase over the four years in museums, as a direct result of the Executive's £2 million additional resource. They also got £2.5 million of additional capital. However, the Department also reallocated £830,000 in year 3 towards Libraries NI, because its draft budget allocation dipped in year 3, and that was having a significant impact on book stock. The Department was seeking to get some funding to manage that pressure.

Sport Northern Ireland's budget falls gradually over the four-year period. In the draft budget exercise, the Sports Council and the Arts Council were allocated similar budget cuts and were afforded less protection than museums and libraries. That was with the knowledge that indicative lottery funding was increasing over the four years. We recognise that lottery funding cannot replace Executive funding, but it is additional funding for the arts and sport, and it is there to complement the Executive Budget.

Sport Northern Ireland was also allocated a spend to save budget of £8 million over the four-year period. That brings the total available for community sport up to £10.25 million.

You will notice that W5 has a reduced budget over the four-year period. We hope that that can be managed by generating additional income.

Armagh Observatory and Planetarium's allocation is cut in year 1 and, subsequently, maintains a level allocation. A conscious decision was made by the Department to afford the smaller bodies some protection, as it would be difficult for them to absorb cuts without there being a direct impact on the viability of the organisation.

Northern Ireland Screen's allocation falls gradually over the four-year period. However, it is a higher allocation than that planned in the draft allocation, as a direct result of some of the representations made. During the consultation period, the Department allocated £50,000 per annum over the four-year period. Therefore, following consultation, the percentage reduction in Northern Ireland Screen reduces from 9.35% to 5.38% over the four-year period.

The budget for inland fisheries reduces slightly over the four-year period. However, I want to highlight that around 50% of that budget relates to staffing, which will have to absorb any pay and price increases over the four-year period.

The Museums Council's baseline remains flat. As it is a small organisation, we are conscious of the considerable impact that there would be from any significant reductions. However, although its baseline remains flat, it will have to manage its pay increase as the four-year period progresses.

On the North/South Language Body, we have mirrored the cuts with the 3% year-on-year cut in the South. You will notice that there is a slight difference between the North/South Language Body cut over the four-year period and the Waterways Ireland cut. The language body budget appears to be cut by 5.86% over the four-year period, while the Waterways Ireland cut sits at 8.53%. I want to highlight that the cuts are actually quite similar because £180,000 of the Colmcille budget, which was previously administered by the Department, has now been put into the languages budget. When you readjust for that, the language budget is still cut by around 8.73%, which is comparable with the Waterways Ireland cut.

PRONI's budget is reduced by £1.27 million over the four-year period. We hope that we will be able to manage that through efficiencies that we will achieve through the move to the new state-of-the-art building. PRONI moved into that building in January, with the building opening in March. The official opening is on 15 June.

The allocation for the World Police and Fire Games is £6 million over the four-year period. That money was allocated by the Executive in the draft Budget. The Department has a relatively flat line over the four-year period. However, that includes such things as the Ulster-Scots Academy, whose budget increases to £1 million per annum. The Department will also have to absorb pay and price over that period. Therefore, from the Department's small administration of around 130 staff, it may need to lose around 10 staff over the four-year period. We are hopeful that that can be managed through natural wastage and be absorbed into the wider Northern Ireland Civil Service system.

I will now turn to the capital budget. When we constructed our capital bid, we applied a zero-based approach. We had 56 bids, which amounted to £485 million. The Committee would have been given a copy of the list last summer. Those bids were prioritised according to contractual commitment; statutory or health and safety obligations; departmental commitment; or what was considered to be essential maintenance. That prioritised list was then used by the Executive to allocate funding to specific projects.

It is very evident from the stark capital settlement that DCAL has got that it is a significant reduction on its previous allocation. The previous programme that we had over three years was for £232 million. This allocation is only £158 million over four years. Out of that £158 million, £110 million is for stadiums, which leaves only £48 million for other capital projects. A couple of very large projects eat into that allocation very quickly, such as the electronic libraries for Northern Ireland (ELFNI) replacement project of £7.25 million; the 50m pool of £11.6 million; community sport of £10.25 million; and £3.1 million to finish off the Metropolitan Arts Centre.

The Department was awarded two sums under the invest to save initiative. I have mentioned the £7.25 million for ELFNI, and £8 million was allocated to the community sports programme. I also want to highlight under capital that the old PRONI headquarters in Balmoral was expected

to be sold in 2010-11. However, that has slipped into 2011-12. We expect to bring in receipts of £2.25 million. If the market changes and we get less, that will put another pressure on our limited capital budget.

I hope that that provides an overview of the Department's Budget 2010 allocation and hopefully demonstrates the actions that the Executive and the Department took in response to representations that were made during the consultation exercise. We are happy to take any questions from the Committee.

The Chairperson:

Thank you very much for the papers and the comprehensive briefing. We welcome the fact that consultation has actually made an impact in this instance. It put paid to those cynics who say that, often, the budget is a fait accompli when a consultation process begins. At the same time, we have to recognise that we are in difficult financial circumstances. Obviously, the budget that you have to live within is quite tight. You have recognised that.

At the last meeting, and in the meeting that I had with the Minister, I mentioned arm's-length bodies and the Committee's interest in a review that was to be undertaken. Can you give us an update on the submissions that have been made to the budget review group and whether you are going to move that forward?

Mrs Brown:

We initiated our review of the arm's-length bodies in November 2010. At that stage, we were mindful that the review probably needed to involve a two-stage approach. The aim of the first stage was to carry out a high-level initial assessment of the arm's-length bodies to identify where we could make structural changes or change their status. That meant determining whether they would remain as is, or whether they would be abolished, amalgamated or moved to another Department. There were various other options that had to be considered. That initial review has been completed, and we have used that information to provide the response that is required to be made to the budget review group. That response went to the Office of the First Minister and deputy First Minister in February 2011. The budget review group is continuing under the new Executive, and we await further guidance on what is to be done in relation to the arm's-length

bodies.

However, the Department intends to start its second-stage review, which will look at the first review in more detail. As part of that, we want to consult directly with our arm's-length bodies in order to ensure that the process is completely informed. We are setting up a small team to take that forward. We do not have terms of reference for that work yet; we have completed the first review and the terms of reference are currently being drafted. We anticipate that, given the number of arm's-length bodies that we have, the project will take between 18 months and 24 months. When we have the terms of reference and get our project initiation documents drafted we will have a better idea of the timescales involved.

The Chairperson:

Will you be able to share those terms of reference with the Committee?

Mrs Brown:

I am sure that we can, once we have them.

The Chairperson:

Given that, historically, the Committee has an interest in this matter, and the fact that it takes up such a large portion of your budget, it would be useful to have that information.

There does not seem to be a budget line nor is there any mention of any finances for the UK City of Culture. Has the culture company board produced a business case yet?

Mrs Brown:

As part of the process, we put in a capital bid for the art gallery at Ebrington. We understand that business cases are being worked up at the moment, but we have not had sight of those as yet.

Mr Arthur Scott (Department of Culture, Arts and Leisure):

The Ebrington proposal has been changed to a key cultural centre. The Department, in conjunction with the Arts Council, has been providing detailed advice and assistance on the proposal to the culture company and to Ilex. As Deborah has outlined, no funding has been

allocated towards that proposal, because we would, obviously, have to consider a business case. The head of the Department's arts branch has had a series of meetings with the new chief executive of the culture company, who is in the process of putting together a business plan, which will give some indication of the total resource required, both capital and revenue, for the City of Culture. From that, we will be able to identify any funding needs, and the Department will consider it in that context.

The Chairperson:

Are there timescales for that? Obviously it is very tight.

Mr Scott:

The draft business plan is imminent, so we should have it later this month.

The Chairperson:

Will that go to DFP for approval?

Mr Scott:

It will have to be considered first by the Department. I am not sure what the timescale is for the strategic outline case for the key cultural centre. I will check that and get back to the Committee.

The Chairperson:

That would be useful.

Mr Hilditch:

Time is creeping up on us in relation to the World Police and Fire Games, for which £6 million has been allocated. Is DCAL the lead Department for that event?

Ms Smith:

Yes.

Mr Hilditch:

Is £6 million the total money available, or are other Departments making any contribution on top

of that?

Ms Smith:

Clearly, the World Police and Fire Games is a major event for us here. It is a very significant opportunity to promote sport and tourism, and it will bring benefits to the economy. We are seized of the importance of the games and the benefits that the event can bring.

A company limited by guarantee has been set up, of which DCAL is the sole shareholder, and appointments have been made to its board. As Deborah said, over the period, the budget allocated for the games is £6 million. However, we also expect the company to raise money through sponsorship deals, for example. Therefore, £6 million is not the total amount of funding that will come in to support the games. That is the amount of public money coming in but, equally, substantial amounts will be raised through sponsorship and other such deals.

Mr Hilditch:

No other Department will make any contribution on top of that.

Ms Smith:

No, that money is being provided by DCAL. However, this is such a major project that we are looking for support in kind from many other bodies.

Mr Irwin:

A total of £4.5 million additional funding has been allocated to libraries: £2 million resource and £2.5 million capital. Do you feel that that will secure the future of some libraries that were earmarked for closure? The library in Richhill is a very important facility for that community. The additional funding being given to libraries is welcome.

Mrs Brown:

Obviously, a consultation process is finishing now, with the outcome being considered. It is not just about the budget; it is also about the viability of libraries. That funding will help towards any specific issues. As to whether it will prevent closures, we will not know until we hear the outcome of the consultation process. We will consider the budget implications again at that

stage.

Ms Smith:

Libraries NI has just completed its two-stage review of library provision. It completed a review in greater Belfast, and the second stage looked at libraries across the rest of the libraries estate. With the creation of the new libraries body, there are clearly opportunities to look at rationalisation issues. The public consultation has been completed, and the responses are being considered. However, we do not expect any decisions on that until the autumn.

The Chairperson:

There are issues around the board and so on, and the elections also caused a delay.

Ms Smith:

The Minister indicated last week that she is keen to fill those vacancies and that it is important to press ahead so that a gap would not be created by the local government elections.

Mr Irwin:

Do you not think that that will have slowed down the process of filling those posts?

Ms Smith:

No. As I said, the Minister said that she is keen to fill them and she is aware of the importance of ensuring that elected representatives are on the board.

Mr Swann:

I will follow the same line of questioning as Mr Irwin. Mrs Brown, you described the £4.5 million additional funding as significant. May I ask about the timing of the assignment of that £4.5 million in relation to Libraries NI's review of the closures of rural libraries? Was that £4.5 million allocated to the Libraries NI budget before or after it went out to consultation on the closure of rural libraries?

Mrs Brown:

It was provided by the Executive as part of the consultation period.

Mr Swann:

Mr Irwin mentioned the review of libraries in rural areas. There is potential for the closure of 10 libraries, one of which is in Kells and Connor. I am asking about the time frame of the Executive's assignment of that £4.5 million to the Libraries NI budget in relation to when Libraries NI started the consultation on closure.

Mrs Brown:

I am sorry, but I do not know the actual date that Libraries NI started the consultation on the closure of those rural libraries. I would need to double-check the timing of that and get back to you.

The Chairperson:

We will receive a briefing from Libraries NI before recess. We can put those questions to its representatives.

Mrs Hale:

Can you explain the massively reduced allocation for W5, particularly in 2013-14 and 2014-15? Such a reduction will clearly have an impact on that project.

Mrs Brown:

The thinking behind that was that we wanted to encourage W5 to look at alternative sources of income in order to reduce the pressure on the public purse. When we looked at how we would distribute the budget and allocate the cuts, we were mindful of areas that had opportunities for income generation, and we felt that W5 was one such area where there was some scope to achieve and maximise other sources of income.

The Chairperson:

Has W5 come up with other suggestions for how it is going to generate that income?

Mrs Brown:

There are ongoing discussions, but I do not have the details with me. I know that the Department

has been discussing things with W5.

The Chairperson:

Is the amount of money allocated to W5 at the moment really just for overheads such as rent?

Mrs Brown:

Yes, I think so. I can get you more detail on that.

The Chairperson:

It would be useful to have that.

Mr D Bradley:

Good morning. Presumably, as the infrastructure for the Olympics nears completion, lottery funding that was previously directed towards that project will increase over the budget period — I think that you said that it will do so. Can you put a figure on that increase?

Mrs Brown:

We have been given some indicative figures, but I do not really want to quote them at this point. We would like to think that the allocation will be at least £1 million per annum more to the arts and sport, because it will obviously affect them. Subject to the recalculation of the formulas, taking into consideration the Olympics, the Department is looking at the way in which funding is being distributed in line with what has happened with the Big Lottery Fund and at perhaps placing more focus on sport and the arts.

Mr D Bradley:

What will be the legacy of the Olympics for Northern Ireland as regards infrastructure?

Mr Colin Watson (Department of Culture, Arts and Leisure):

We had been looking at new facilities provision, which we have not been able to fund. However, we are certainly going ahead with the 50m pool. This is not just about the legacy of the 2012 Olympics but the legacy for many years beyond that. The real legacy of holding major games, be they the Olympics or whatever, is the enthusiasm that they generate in young people to start

participating in sport: to me, that is the real legacy. However, we do have to look forward and we do have to provide quality facilities. It is not a case of building something new all the time but refurbishing what you already have. We have put a lot of time and money into helping clubs and organisations improve the facilities they already have.

Ms Smith:

I think that the Olympics provide the opportunity not just for sport participation but for — take the Cultural Olympiad, for example — volunteering, and they have an impact on tourism and the economy. They affect a whole range of things. It is really important that we work together to try to maximise the benefits, because they are really significant across all those areas.

Mr D Bradley:

I am thinking more along the lines of the physical infrastructure. You mentioned the 50m pool. Will we have any other major projects as a result of the Olympics?

Ms Smith:

As you are aware, other proposals for facilities were put forward, but unfortunately funding was not provided for them. The business cases had to be analysed to ensure that they were providing value for money. The bottom line is that no funding was available for other facilities beyond those that are there already.

Mr D Bradley:

From the point of view of National Museums, you said that £4 million will be moved from depreciation to resource. My understanding is that that is not allowed under Treasury rules, but perhaps I am wrong.

Mrs Brown:

It is ring-fenced, which means that you have to go back to DFP and the Executive for approval. DFP will look at this at block level, so it might not exceed the movements between depreciation and resource at block level. In other words, someone somewhere needed depreciation and we needed a resource, so there was a swap. I assume that that was how they were able to manage it.

Mr Swann:

Moving on from the legacy of the Olympic Games, what legacy will the general public in Northern Ireland get from the £6 million for the World Police and Fire Games? Will any infrastructure remain from that?

Ms Smith:

There will be no specific infrastructure projects, but the legacy will be similar in that we are trying to maximise the opportunities those games will provide for the economy, tourism, encouraging participation and volunteering. There is a whole range of things beyond physical facilities, but no separate physical facilities will be built as a result of the World Police and Fire Games.

The Chairperson:

Will there be any upgrade of venues for that particular event?

Mr Watson:

Decisions have yet to be taken on where the venues will be for the individual sports. Some preliminary work was done when we submitted the bid to see if we had facilities that would enable us to run the events, and enough were identified to enable us to put the bid in. Once the company starts looking at what is required, how many sports they are going to run and where they are going to run them, they will start to look at the facilities available and what needs to be done. At this point it is too early to tell.

Mr Swann:

Should this not have been budgeted for already, if it were necessary for any additional civic works to be done?

Mr Watson:

It is hoped that we will be able to use the facilities that are in place. We already have some very good facilities in Northern Ireland for a lot of these sports, and those are usable at the moment. We do not envisage that any major upgrades will be needed to those facilities.

Mr Ó hOisín:

It is a piece of infrastructure that is currently in place that concerns me. Mr Scott is telling us that there is currently not a worked-up business case by Ilex or the Culture Company 2013 for the City of Culture designation. The new footbridge there opens next week, and that cost £14.5 million. For clarification, are we being told that the business case for the Ebrington site is not ready?

Mr Scott:

As I understand it, the case that we were involved in for the Ebrington site was originally for an art gallery. The Department was fully engaged with the Arts Council in providing our advice and comment on that to enable that case to be submitted. My understanding is that it has changed to a key cultural centre, and the Department is fully engaged in that process to get the clarification that we seek to enable us to get us to where and what is expected.

In relation to no resources being currently allocated to the project by the Department, the bid was submitted for the art gallery, but it was not successful as part of the CSR process. There is currently no funding, but our Minister is very supportive of the City of Culture bid and has asked us to engage fully with Ilex and the Culture Company 2013. As indicated earlier, when the business cases are complete, the Department will consider them against its own priorities and the available budget.

Mr Ó hOisín:

As I said, £14.5 million has been spent on a bridge that is actually going nowhere at the moment. That is a reason for concern.

Mr D Bradley:

There is an ongoing consultation, which we were discussing earlier, on the configuration or reconfiguration of funding for Irish language organisations in the North and South. That is being conducted by Foras na Gaeilge. Has the Department received any representations from Irish language organisations here and, if so, has the Department in turn made representations to Foras na Gaeilge in that respect?

Mr Scott:

The Department received representations from the Irish language sector regarding the review last year. As a result of those representations and concerns by both sponsor Departments, a steering group was established. I, as the senior sponsor from DCAL, and Máire Killoran from the Department of Arts, Heritage and the Gaeltacht sit on a monthly steering group to monitor progress towards the implementation of the restructuring of funding for the Irish language sector. In addition, given the concerns expressed by stakeholders from the Irish language community, an advisory committee was established to fully engage the Irish speaking community in the process. Furthermore, in addition to the public consultation regarding all the proposals for how funding for the schemes will be administered, there are two public workshops. One was held previously and the second is, in fact, being held today in Dublin. So the sector is fully engaged in the process.

However, it would be fair to point out that the sector is not overly convinced by some of the proposals. It is certainly fully engaged through the structures that I indicated; and in the formal consultation process stakeholders will have an opportunity to submit written applications, which will be considered by Foras na Gaeilge's board and the two sponsoring Departments when determining the way forward.

The Chairperson:

Will you give us an update on the creative industries innovation fund? Where is does that sit currently?

Mr Scott:

Under the CSR settlement, the Department was awarded another £4 million over the survey period. So there will be a second fund. The first fund, during the previous survey period, 2008-2011, enabled the Department to support 133 businesses and 23 sectoral bodies, and we distributed around £3.6 million, which helped the sector to promote innovation in business, innovation through people and innovation through sectoral development.

From the Department's perspective, the new allocation is being seen as a critical contribution to the new economic strategy for Northern Ireland to rebuild and rebalance the economy, with a particular focus on export-focused growth and stimulating wider innovation across the economy.

Although the new fund will support the creative industries as a whole, we intend to prioritise sub-sectors within the creative industries, such as digital content. Those sectors are best placed to access international markets and enhance our global reputation as a creative and innovative hub. In addition, the types of projects invited this time will encourage collaboration in the sector. Often, they are small firms working in a particular area; yet, potentially, there are opportunities for them to come together to produce something bigger and better, particularly in the global market, so we are very keen to encourage that.

In addition to collaboration across sectors, such as in production and manufacturing as we mentioned earlier, there are benefits for tourism. Nowadays, there are many areas in which digital media can provide a new way to showcase our wares on the international stage — for example, what to do and where to go when you come here — in a more interactive way than a traditional website, which, when you look up pages, is static. For instance, people can download video clips and so forth. It is really about bringing in technical expertise from the creative industries to help people in the cultural sector market our culture and diversity and explain why people should visit, stay and spend their money in Northern Ireland. We are finalising arrangements with the Arts Council on how the scheme will be administered, building on lessons learned from the previous period, and we expect to announce the new fund and its focus in the next few weeks.

The Chairperson:

Will the Arts Council oversee that?

Mr Scott:

Yes. The intention is that the Arts Council will be involved in administering it.

The Chairperson:

OK, so you reckon that that could be within the next couple of weeks?

Mr Scott:

Yes.

The Chairperson:

Will there then be an announcement for applications?

Mr Scott:

Yes.

Mr Hilditch:

I am sorry to return to this matter, but, looking at the budget allocations between arm's-length bodies and the Department that you submitted, it seems that the Department is not doing too badly, although everybody else seems to be taking a wee bit of a hit over the five-year period. Included in the list are front line services provided by inland fisheries and PRONI. Will you give us a wee idea of what is going on?

Mrs Brown:

Over the four-year period, PRONI's allocation will reduce by about £1.27 million. The inland fisheries' budget will remain fairly flat, but, under fisheries legislation, we have statutory obligations to protect certain fish, such as salmon and eels. Therefore, although the allocation looks fairly flat, 50% of it will be required for staffing costs and we will have to absorb year-on-year pay and price increases.

The departmental admin figure increases slightly over the period. However, as I have said, we will still have to find some staff cuts as a result of the allocation. Also included is the 2012-13 unit, which looks after the Olympics, and the Ulster-Scots Academy. The unit previously had a budget of only £700,000, but it will jump up to £1 million, so there will be an increase of £300,000. We have a fairly flat line across inland waterways: it has a very small budget of £430,000. There are areas in the Department in which we will have to take cuts. There are areas in which it is staffing related, so we will have to manage pay and price, which means that we will have to pare back. We will have to lose some staff as a consequence.

The Chairperson:

Thank you.