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Assembly

Research and Library Service Research Paper

September 2010

DCAL's Arms-Length Bodies: Accountability, Governance and Resources

NIAR 384-10

This paper provides some details of the arms-length bodies over-seen by the Department of Culture, Arts and Leisure. It describes the governance and accountability arrangements now in place as a result of the creation of the Governance Support Unit in 2009. Outline figures are provided, where available, for each of the arms-length bodies, covering income by source, expenditure and administration costs for each of the last three years. A number of topics are suggested for a possible inquiry into DCAL's arms-length bodies.

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Key Points

- This report amplifies the information set out in the Research and Library paper NIAR 282-10. It seeks to provide further information on the accountability, governance and resources of the various culture, arts and leisure arms-length bodies in Northern Ireland.
- The UK and Republic of Ireland's governments have put in place plans to reduce the number of arms-length, or semi-state, bodies as part of deficit reduction plans. Consequently, such bodies have been under scrutiny throughout 2010.
- DCAL currently has nine arms-length bodies: Arts Council, Libraries NI, National Museums and Galleries NI, Northern Ireland Museums Council, Sport NI, Waterways Ireland, The North/South Language Body, Armagh Observatory and Armagh Planetarium, and Northern Ireland Screen. Together, these account for over 80% of the total departmental budget.
- In May 2008, a review of DCAL's Arms-Length Bodies was carried out by the Chartered Institute of Public Finance and Accountancy (CIPFA). A number of key weaknesses were found by this review.
- In early 2009, DCAL created a Governance Support Unit to address some of the shortcomings found by the CIPFA report.
- The GSU works in partnership with the traditional sponsor branches to assist them in discharging their sponsorship responsibilities and to liaise directly with ALBs on issues of governance and accountability.
- In terms of budgets, the bodies which consume the largest proportion of DCAL expenditure are Libraries NI, Arts Council NI, Sport NI, and National Museums and Galleries NI.
- The percentage of budget used for administrative purposes is calculated for each body.
- Issues which would benefit from further scrutiny are: gauging the impacts of spending cuts, examining whether the arms-length bodies could work more closely together to reduce duplication of effort, scrutinising the measures taken to address the findings of the 2008 CIPFA report, and examining the broader issue of what level of public subsidy is appropriate for the various arms-length bodies in the current economic climate.
- It is suggested that it is also important to examine what impact the extensive arms-length body changes carried out by DCMS in Westminster are having on the DCAL arms-length bodies in practice.

Executive Summary

This report amplifies the information set out in the Research and Library paper NIAR 282-10, presented to the committee in July 2010. It seeks to provide further information on the accountability, governance and resources of the various culture, arts and leisure arms-length bodies in Northern Ireland. The UK and Republic of Ireland's governments have put in place plans to reduce the number of arms-length, or semi-state, bodies as part of deficit reduction plans. Consequently, such bodies have been under intense scrutiny throughout 2010.

DCAL currently has nine arms-length bodies: Arts Council, Libraries NI, National Museums and Galleries NI, Northern Ireland Museums Council, Sport NI, Waterways Ireland, The North/South Language Body, Armagh Observatory and Armagh Planetarium, and Northern Ireland Screen. The Fisheries Conservancy Board was absorbed within DCAL in 2009. Together, the arms-length bodies account for over 80% of the total departmental budget. In May 2008, a review of DCAL's Arms-Length Bodies was carried out by the Chartered Institute of Public Finance and Accountancy (CIPFA). A number of key weaknesses were found by this review, notably that some of the governance arrangements fell short of recommended guidelines, that the boards of the various arms-length bodies were often light on financial qualifications, and that key documents such as Schedules of Matters Reserved were in some instances absent.

In early 2009, DCAL created a Governance Support Unit to address some of the shortcomings found by the CIPFA report. The GSU works in partnership with the traditional sponsor branches to assist them in discharging their sponsorship responsibilities and to liaise directly with ALBs on issues of governance and accountability.

In terms of budgets, the bodies which consume the largest proportion of DCAL expenditure are Libraries NI, Arts Council NI, Sport NI, and National Museums and Galleries NI. The proportion of budgets used for administrative purposes is calculated in each case, showing the trend in this regard over the last three years.

Issues which would benefit from further scrutiny are: gauging the impacts of recent, and future, spending cuts, examining whether the arms-length bodies could work more closely together in order to reduce duplication of effort, scrutinising the measures taken to address the findings of the 2008 CIPFA report, and examining the broader issue of what level of public subsidy is appropriate for the various arms-length bodies in the current economic climate. It will also be important to examine what impact the extensive arms-length body changes carried out by DCMS in Westminster are having on the DCAL arms-length bodies in practice.

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1 Background

The UK and Republic of Ireland's governments have put in place plans to reduce the number of arms-length, or semi-state, bodies as part of deficit reduction plans. Consequently, such bodies have been under intense scrutiny throughout 2010. In the culture, arts and sport sector, the UK Department for Culture, Media and Sport has proposed extensive changes with a number of significant abolitions and mergers. For example, the Museums, Libraries and Archives Council (MLA) and UK Film Council will be abolished, and UK Sport merged with Sport England. In addition, the UK Department for Culture, Media and Sport (DCMS) may impose a reduction of 50% on its own staff numbers.

In Scotland, the government announced plans in 2008 for a 'Simplification Programme' with the aim of reducing the total number of public bodies by 25% by 2011¹. As a consequence of this programme, the number of public bodies has been reduced from 199 to its current level of 160. This has been achieved through a combination of mergers, abolitions, restructuring and transfer of functions to other existing bodies. In the culture, arts and sport sector, the Scottish Arts Council and Scottish Screen have been merged to form Creative Scotland, launched in July 2010. The Scottish Institute of Sport has been merged with SportScotland.

In the Republic of Ireland, the McCarthy report proposed heavy cuts to departmental funding. Instead, the government has embarked on a programme of rationalisation with some mergers already having taken place, notably that the Museum of Modern Art and the Crawford Gallery in Cork have been merged with the National Gallery, and the National Archives, the Irish Manuscripts Commission and the National Library have been combined.

These changes have been summarised in a recent Research & Library paper (NIAR 386-10). For the UK, the coalition government has stated that its policy is to reduce the overall levels of state funding available for culture, arts and sport, and replace this through an increased share of the National Lottery, and by encouraging greater private sector investment.

In Northern Ireland, DCAL staff presented an initial plan for a departmental spending reduction of 17–18% over the next four years to the Culture, Arts and Leisure Committee on 2 September 2010. However, no plans have yet been announced to merge or abolish any of the nine arms-length bodies for which DCAL has a responsibility, though the Fisheries Conservancy Board was abolished in 2009.

This report amplifies the information set out in the Research and Library paper NIAR 282-10, presented to the committee in July 2010. It seeks to provide further information

¹ The Scottish Government website. 'The Simplification Programme': <http://www.scotland.gov.uk/Topics/Government/public-bodies/simplification-programme> Accessed 5.9.10.

on the accountability, governance and resources of the various DCAL arms-length bodies in Northern Ireland.

2 Governance support

In May 2008, a review of DCAL's arms-length bodies (ALBs) was carried out by the Chartered Institute of Public Finance and Accountancy (CIPFA)². Although the report made a number of positive comments, some key weaknesses were found. A summary of the most significant weaknesses from the 2008 review is as follows:

- **Arts Council Northern Ireland:** 'light on financial skills'³; board 'does not have a qualified accountant'⁴; internal audit arrangements may not comply with standards⁵; 'does not have a Scheme of Delegation or Schedule of Matters Reserved to the Board'⁶.
- **National Museums Northern Ireland:** board 'has no professional accountant'⁷; 'places a strong reliance on the General Purposes and Finance Committee to monitor financial matters', a number of high priority recommendations made by the auditor have been outstanding for some time, level of training for the Audit Committee does not comply with HM Treasury guidelines⁸.
- **Northern Ireland Screen:** 'no Audit Committee training has been provided', 'little evidence' that risks are being discussed at the Board level, 'does not have a disaster recovery plan'⁹; there is 'no Scheme of Delegation or Schedule of Matters Reserved', the Board does not appear to monitor performance against key indicators¹⁰.
- **Sport Northern Ireland:** has 'no qualified accountants on the Audit Committee'¹¹; board members 'generally have a high involvement in local sport so there is a high risk of conflicts of interest', 'over reliance on the executive team in financial matters'¹²; 'minimal training' provided for board members who were nominated to join the Board of the Sports Institute¹³.
- **Armagh Observatory and Planetarium:** internally, there is 'no qualified accountant', 'no members of the Audit Committee are professionally qualified or have recent finance experience and no training has been provided recently', 'Audit

² CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies; see also: Research & Library Service Briefing Note 51/09. January 2009. 'Review of the governance arrangements in DCAL's Arm's Length Bodies'.

³ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p45.

⁴ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p42.

⁵ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p43.

⁶ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p44.

⁷ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p48.

⁸ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p49.

⁹ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p54.

¹⁰ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p55.

¹¹ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p59.

¹² CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p60.

¹³ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p61.

Committee falls short of HM Treasury guidelines¹⁴; CIPFA recommended that the board 'needs to be "fit for purpose"¹⁵.

- **Northern Ireland Museums Council:** majority of the board members 'represent stakeholder groups'¹⁶; 'no qualified accountants on the Audit Committee', the Audit Committee 'does not comply with HM Treasury guidelines'¹⁷; 'there is no Scheme of Delegation or Schedule of Matters Reserved to the Board'¹⁸.

As a result of this review, DCAL set up a Governance Support Unit (GSU) in early 2009 to tackle these issues. The GSU has 11 staff, and its remit and purpose is to 'work in partnership with the traditional sponsor branches to assist them in discharging their sponsorship responsibilities and to liaise directly with ALBs on issues of governance and accountability'¹⁹. The key governance and accountability arrangements are as follows:

- The relationship between DCAL and each ALB is governed by a 'Management Statement and Financial Memorandum' (MSFM), except for North/South bodies which have 'Financial Memoranda' (FM).
- DCAL has an ALB Sponsorship Manual in place which sets out processes and procedures.
- Quarterly Assurance Statements provide ALBs with an opportunity to report progress against business plan targets, and highlight risks and exceptions.
- Accountability meetings are chaired by the Senior Sponsor (Grade 5) within DCAL and attended by key personnel, including the ALB Chief Executive.
- A Centralised Drawdown process is intended to ensure a consistency of approach in the processing of funding payments.
- DCAL attends, in an observer capacity, the Boards and Audit Committees of each ALB.
- A Risk Assessment tool is being used to fully assess the risks associated with each body in order to 'provide the evidence of the level of governance required for each ALB'²⁰.

The Sponsorship Manual is a working document which outlines the procedures by which ALBs are overseen by the department, setting out the responsibilities of both the bodies and the department, financial procedures, monitoring protocols, assurance mechanisms, audit arrangements and training for the relevant staff on each side.

¹⁴ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p64.

¹⁵ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p66.

¹⁶ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p72.

¹⁷ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p73.

¹⁸ CIPFA. 2008. Review of the Governance Arrangements in DCAL's Arms-Length Bodies: p74.

¹⁹ Letter from Deborah Brown, DCAL Director Finance, to Dan Hull, Assembly Research Officer, 1.9.10. DCAL Ref: GM/554/10.

²⁰ Letter from Deborah Brown, DCAL Director Finance, to Dan Hull, Assembly Research Officer, 1.9.10. DCAL Ref: GM/554/10.

3 Arms-Length Bodies in summary

Research Briefing Paper 282-10 provided to the Committee on 24 June included a summary of the arms-length bodies over-seen by DCAL. This paper also highlighted a number of differences between the distribution of ALBs in Northern Ireland, compared with elsewhere in the UK or the Republic of Ireland. For example, bodies concerned with heritage issues are not dealt with by DCAL (with the exception of museums), but instead by DoE. This is in contrast to UK, Scottish and Welsh government departments.

Similarly, tourism is not dealt with directly by DCAL, but by DETI – this is in contrast to UK, Scottish, Welsh and Republic of Ireland departments. Finally, waterways and fishing are dealt with by environment departments and agencies within the UK, Scottish, and Welsh governments, as opposed to departments with a culture, arts and leisure remit.

The department currently has nine ALBs, which collectively account for over 80% of the total departmental budget²¹.

A summary of DCAL's Arms-Length Bodies is as follows:

Body	Executive Non-Governmental Public Body	North/South Implementation Body	Companies Limited by Guarantee	Charity
Arts Council NI	✓			
Libraries NI	✓			
National Museums and Galleries of Northern Ireland	✓			✓
Northern Ireland Museums Council	✓		✓	✓
Sport Northern Ireland	✓			
Waterways Ireland		✓		
The Language Body – Foras na Gaeilge and Ulster Scots Agency		✓		
Armagh Observatory and Armagh Planetarium			✓	✓
Northern Ireland Screen			✓	

Table 1: Summary of DCAL's ALBs by category

²¹ Department of Culture, Arts and Leisure. 2010. Arm's Length Bodies Sponsorship Manual for the Department of Culture, Arts and Leisure: p4.

Executive Non-Governmental Public Bodies	Set up by Ministers to carry out administrative, regulatory and commercial functions. They are legally incorporated with their own legal identity, employ their own staff and are allocated their own budgets.
Executive Agencies	Operate within a government department but are separate management units.
Companies Limited by Guarantee	These are private companies limited by guarantee. They are required to comply with both the companies legislation and the <i>Government Financial Reporting Manual</i> .
North-South Implementation Bodies	These are analogous to Executive NGPBs in Northern Ireland and Semi-State Bodies in the Republic of Ireland, and have sponsor departments in each government. A Financial Memorandum is put in place between the sponsor departments and the body.

Table 2: Categories of Arms-Length Body in Northern Ireland

A summary of the governance arrangements in place for each of DCAL's ALBs can be found in Annexe 1. Annexe 2 contains the financial information presented by the Department of Culture, Arts and Leisure. This has been disaggregated and presented on a body-by-body basis below.

As a comparison, the following is a summary of the closing budgetary contribution made by DCAL to each of its ALBs for 2009-10:

Libraries NI	38,038,000
Arts Council NI	27,481,000
Sport NI	25,377,000
National Museums & Galleries NI	19,878,460
Waterways Ireland	4,976,710
Foras na Gaeilge	3,577,092
Ulster Scots Agency	2,384,123
NI Screen	1,449,960
Armagh Observatory	1,021,000
Armagh Planetarium	505,000
Fisheries Conservancy Board	390,399
NI Museums Council	361,000

Table 3: DCAL budget allocations for each arms-length body for 2009-10

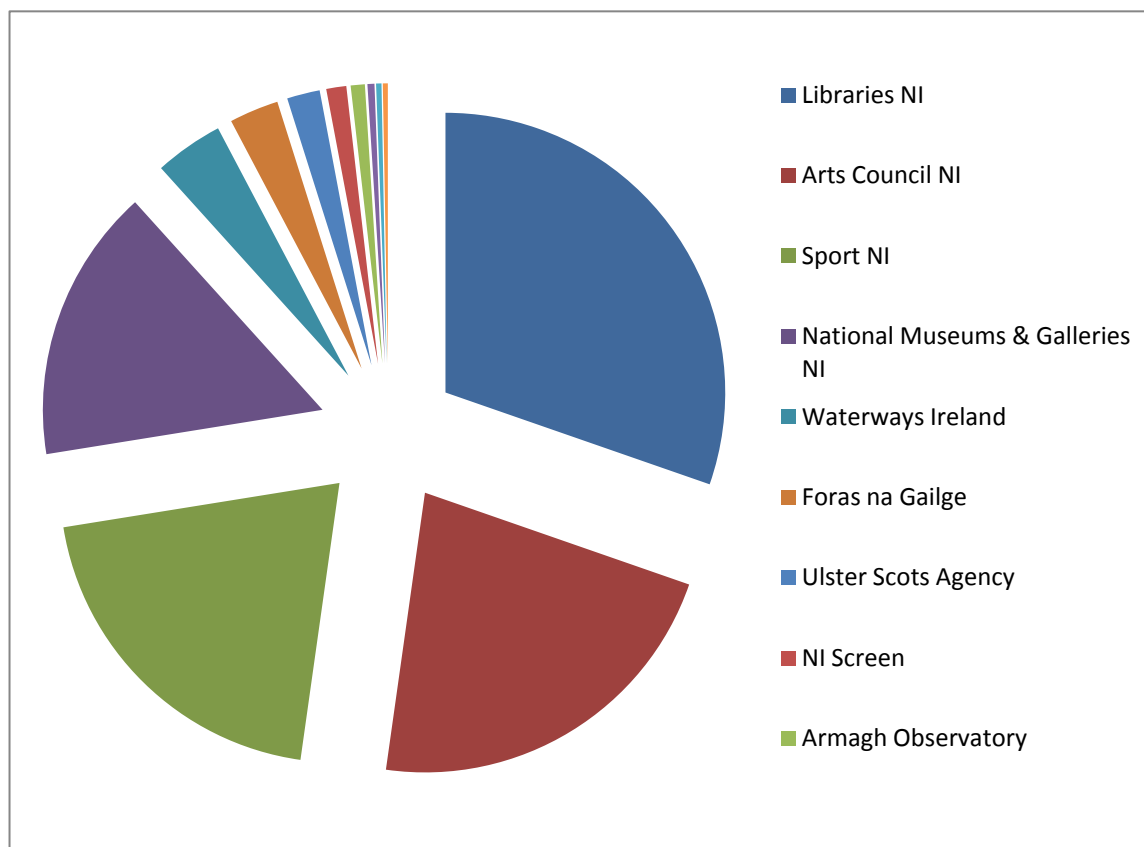


Figure 1: Pie chart showing the relative DCAL budgets by arms-length body for 2009-10

The following describes the governance and budgetary arrangements for each DCAL ALB in turn. Budgets are presented over the past three year period for the sake of comparison. In general, only the closing budgets are provided, though for 2010-11, only the opening budget is given. Opening budgets appear somewhat lower than closing allocations for two reasons. Firstly, ALBs are funded on a 'cash required' basis, so funds are drawn down as they are required, rather than when budgets are first assigned. This may impose differences on the opening and closing budget allocations. Secondly, further funds can be applied for throughout the year in addition to the opening budget.

Where overhead/administration costs are specified, this term comprises any expenditure which is not grants or capital. Further details of these costs and what they consist of may be obtained from the specific bodies in question.

4 Arts Council NI

Governance and accountability arrangements

Arts Council NI is an Executive NDPB, established under the Arts Council (Northern Ireland) Order 1995. ACNI is the lead development agency for the arts in Northern

Ireland, and the main support for artists and arts organisations, offering a broad range of funding opportunities through Exchequer and National Lottery funds²².

Income

	2007-08	2008-09	2009-10	2010-11
DCAL budget	19,112,057	18,344,519	27,481,000	16,710,000
ACNI Lottery (grant-making & recharges income)	6,896,134	7,115,850	8,149,601	-
Other sources	867,167	1,295,937	601,626	-

Expenditure

	2007-08	2008-09	2009-10	2010-11
Grant spend	19,170,132	20,460,469	21,042,382	-
Capital spend	9,689,273	6,777,103	14,883,902	-
Fixed asset/ collections additions	117,770	47,320	68,130	-
Overhead/admin costs	3,652,735	3,763,220	4,235,748	-
	32,629,910	31,048,112	40,230,162	-
Admin as proportion of overall expenditure	11.19%	12.12%	10.53%	-

5 Libraries NI

Governance and accountability arrangements

Libraries NI is an Executive NDPB, established under the The Libraries Act (Northern Ireland) Order 2008. Libraries NI began operating in 2009-10. Previously, the library service was undertaken by Education and Library Boards whose sponsor department was the Department of Education. LNI aims to 'provide and promote a range of high quality library and information services for everyone in Northern Ireland'²³.

Income

	2007-08	2008-09	2009-10	2010-11
DCAL budget	34,532,000	33,883,000	38,038,000	31,400,000
National Lottery	Not known	Not known	200,000	-
Other sources	Not known	Not known	1,507,000	-

²² Arts Council NI website. 'About Us': <http://www.artscouncil-ni.org/subpages/aboutus.htm> Accessed 13.9.10.

²³ Libraries NI website. <http://www.librariesni.org.uk> Accessed 13.9.10.

Expenditure

	2007-08	2008-09	2009-10	2010-11
Grant spend	0	0	0	-
Capital spend	<i>Not known</i>	<i>Not known</i>	3,849,000	-
Fixed asset/ collections additions	<i>Not known</i>	<i>Not known</i>	<i>Not known</i>	-
Overhead/admin costs	<i>Not known</i>	<i>Not known</i>	33,082,000	-
	-	-	36,931,000	-
Admin as proportion of overall expenditure	-	-	89.58%	-

6 National Museums and Galleries NI**Governance and accountability arrangements**

NMNI is an Executive NDPB, established under the Museums and Galleries (Northern Ireland) Order 1998. Its stated purpose is to be 'Northern Ireland's premier cultural, learning and tourist attractions' presenting collections which 'reflect the creativity, innovation, history, culture and people of Northern Ireland and beyond'²⁴.

Income

	2007-08	2008-09	2009-10	2010-11
DCAL budget	17,690,221	20,451,069	19,878,460	19,318,000
Donations	8,892	12,956	1,340,048	-
Other sources	1,837,726	5,183,095	3,743,587	-

Expenditure

	2007-08	2008-09	2009-10	2010-11
Grant spend	14,280,037	16,172,537	17,202,605	-
Capital spend	6,170,629	10,546,505	8,325,522	-
Fixed asset/ collections additions	-	-	-	-
Overhead/admin costs	112,645	167,618	215,186	-
	20,563,311	26,886,660	25,743,313	-
Admin as proportion of overall expenditure	0.55%	0.63%	0.84%	-

²⁴ National Museums Northern Ireland website. 'About us': <http://www.nmni.com/Home> Accessed 13.9.10.

7 Northern Ireland Museums Council

Governance and accountability arrangements

NIMC is treated as an Executive NDPB, and is also a registered Company Limited by Guarantee with charitable status in the Companies (NI) Order 1986.

Its stated purpose is to 'promote and advance education by supporting and assisting museums and galleries and to encourage the use and enjoyment by the public of museums and galleries in Northern Ireland'²⁵, through grants, training, publications and an accreditation scheme.

Income

	2007-08	2008-09	2009-10	2010-11
DCAL budget	306,000	308,903	361,000	279,000
Donations	92,824	28,633	31,786	-
Other sources	29,419	25,139	12,219	-

Expenditure

	2007-08	2008-09	2009-10	2010-11
Grant spend	312,964	357,212	388,831	-
Capital spend	0	0	12,000	-
Fixed asset/ collections additions	-	-	-	-
Overhead/admin costs	70,430	76,020	82,554	-
	383,394	433,232	483,385	-
Admin as proportion of overall expenditure	18.37	17.55%	17.08%	-

8 Sport Northern Ireland

Governance and accountability arrangements

Sport NI is an Executive NDPB, established under the Recreation and Youth Service (Northern Ireland) Order 1986. Its stated purpose is to be the lead agency for developing sport in Northern Ireland, and with a corporate vision 'to promote a culture

²⁵ NIMC Memorandum of Association. Available at: <http://www.nimc.co.uk> Accessed 13.9.10.

of lifelong enjoyment and success in sport which contributes to a peaceful, fair and prosperous society²⁶.

Income

	2007-08	2008-09	2009-10	2010-11
DCAL budget	12,792,528	24,184,000	25,377,000	13,283,000
Sport NI Lottery (grant-making & recharges income)	7,727,623	6,576,405	6,468,223	-
Other sources	2,103,172	1,160,007	1,025,280	-

Expenditure

	2007-08	2008-09	2009-10	2010-11
Grant spend	15,968,477	29,518,171	27,736,311	-
Capital spend	462,799	1,373,154	4,253,556	-
Fixed asset/ collections additions	-	-	-	-
Overhead/admin costs	5,662,679	6,750,123	7,448,214	-
	22,093,955	37,641,448	35,184,525	-
Admin as proportion of overall expenditure	25.63%	17.93%	21.17%	-

9 Waterways Ireland

Governance and accountability arrangements

Waterways Ireland is a North-South Implementation Body established under the North-South Co-Operation (Implementation Bodies) (NI) Order 1999, and British Irish Agreement 1999 and 2002 (Acts of the Irish Parliament). It is governed by the North-South Ministerial Council. It has responsibility 'for the management, maintenance, development and restoration of inland navigable waterways principally for recreational purposes. The waterways under the remit of the body are the Barrow Navigation, the Erne System, the Grand Canal, the Lower Bann, the Royal, the Shannon-Erne Waterway and the Shannon Navigation'²⁷.

²⁶ Sport NI website. 'About us': <http://www.sportni.net/about> Accessed 13.9.10.

²⁷ Waterways Ireland website. 'About us': <http://www.waterwaysireland.org/index.cfm/section/article/page/AboutWaterwaysIr> Accessed 13.9.10.

Income

	2007-08	2008-09	2009-10	2010-11
DCAL budget	7,745,568	9,771,852	4,976,710	4,502,000
Dept of Community, Equality and Gaeltacht Affairs	24,774,922	30,298,697	30,716,275	-
Donations	-	-	178	-
Other sources	242,003	487,432	385,807	-

Expenditure

	2007-08	2008-09	2009-10	2010-11
Grant spend	0	0	0	-
Capital spend	11,850,321	14,964,911	8,587,022	-
Fixed asset/ collections additions	-	-	-	-
Overhead/admin costs	21,107,691	25,714,836	27,440,284	-
	32,958,012	40,679,747	36,027,306	-
Admin as proportion of overall expenditure	64.04%	63.21%	76.17%	-

10 The North-South Language Body: Foras na Gailge and the Ulster Scots Agency

Governance and accountability arrangements

The N/S Language Body is a North-South Implementation Body established under the North-South Co-Operation (Implementation Bodies) (NI) Order 1999, and British Irish Agreement 1999 and 2002 (Acts of the Irish Parliament). It is governed by the North-South Ministerial Council. The N/S Language Body consists of Foras na Gailge and the Ulster Scots Agency.

The Republic of Ireland Department of Community, Equality and Gaeltacht Affairs funds 75% of the budget of Foras na Gaeilge, and DCAL the remaining 25%. DCAL funds 75% of the budget of the Ulster-Scots Agency, and DCEGA the remaining 25%.

Income**Foras na Gailge**

	2007-08	2008-09	2009-10	2010-11
DCAL budget	4,016,055	3,928,857	3,577,092	3,781,000
Dept of Community, Equality and Gaeltacht Affairs*	12,950,004	16,216,579	16,850,812	-
Other sources	-	-	-	-

**These totals may also include 'other sources' since the figures were not provided in a broken down manner.*

Ulster Scots Agency

	2007-08	2008-09	2009-10	2010-11
DCAL budget	1,946,069	2,481,932	2,384,123	2,996,000
Dept of Community, Equality and Gaeltacht Affairs	627,548	846,112	793,152	-
Other sources	46,143	165,406	2,244	-

Expenditure**Foras na Gailge**

	2007-08	2008-09	2009-10	2010-11
Grant spend	9,536,815	11,581,859	11,358,542	-
Capital spend	22,867	44,940	70,257	-
Fixed asset/ collections additions	-	-	-	-
Overhead/admin costs	7,160,423	8,260,426	9,556,907	-
	16,720,105	19,887,225	20,985,706	-
Admin as proportion of overall expenditure	42.83%	41.54%	45.54%	-

Ulster Scots Agency

	2007-08	2008-09	2009-10	2010-11
Grant spend	1,007,945	1,245,678	1,371,954	-
Capital spend	13,173	58,217	15,365	-
Fixed asset/ collections additions	-	-	-	-
Overhead/admin costs	1,910,531	1,964,182	1,536,179	-
	2,931,649	3,268,077	2,923,498	-
Admin as proportion of overall expenditure	65.17%	60.10%	52.55%	-

11 Armagh Observatory and Armagh Planetarium

Governance and accountability arrangements

The Armagh Observatory and Armagh Planetarium is a Statutory Corporation, registered as a Company Limited by Guarantee and has charitable status. The Armagh Observatory and the Armagh Planetarium are distinct institutions, though are part of a single statutory corporation and arms-length body. This arrangement was established by the Armagh Observatory and Planetarium (Northern Ireland) Order 1995.

The stated purpose of the Armagh Observatory is 'to undertake original research of a world-class academic standard that broadens and expands our understanding of astronomy and related sciences'²⁸.

The purpose of the Armagh Planetarium is to 'bring astronomy to a wider audience; and to demonstrate to our visitors the amazing objects that exist in the cosmos'²⁹.

Income

Armagh Observatory

	2007-08	2008-09	2009-10	2010-11
DCAL budget	694,000	956,000	1,021,000	1,750,000
Other sources	400,000	241,000	326,000	-

²⁸ Armagh Observatory website. 'General information': <http://star.arm.ac.uk/general-info.html> Accessed 13.9.10.

²⁹ Armagh Planetarium website. 'What do we do?': http://www.armaghplanet.com/html/what_do_we_do.html Accessed 13.9.10.

Armagh Planetarium

	2007-08	2008-09	2009-10	2010-11
DCAL budget	574,000	550,000	505,000	See table above**
Other sources	255,000	219,000	258,000	-

**This is a combined figure for both institutions.

ExpenditureArmagh Observatory

	2007-08	2008-09	2009-10	2010-11
Grant spend	0	0	0	-
Capital spend	34,000	77,000	86,000	-
Fixed asset/ collections additions	-	-	-	-
Overhead/admin costs	1,110,000	1,120,000	1,261,000	-
	1,144,000	1,197,000	1,347,000	-
Admin as proportion of overall expenditure	97.02%	93.56%	93.62%	-

Armagh Planetarium

	2007-08	2008-09	2009-10	2010-11
Grant spend	0	0	0	-
Capital spend	77,000	68,000	22,000	-
Fixed asset/ collections additions	-	-	-	-
Overhead/admin costs	753,000	701,000	734,000	-
	830,000	769,000	756,000	-
Admin as proportion of overall expenditure	90.72%	91.16%	97.09%	-

12 Northern Ireland Screen

Governance and accountability arrangements

NI Screen is a Company Limited by Guarantee under the Companies (Northern Ireland) Order 1986. It is 'the national screen agency for Northern Ireland whose aim is to accelerate the development of a dynamic and sustainable screen industry and culture in Northern Ireland'³⁰.

Income

	2007-08	2008-09	2009-10	2010-11
DCAL budget	4,576,196	4,005,759	1,449,960	1,207,000
National Lottery	718,250	478,224	510,369	-
Other sources	4,405,091	5,163,128	10,631,737	-

Expenditure

	2007-08	2008-09	2009-10	2010-11
Grant spend	9,121,455	8,814,742	11,662,728	-
Capital spend	166,964	0	0	-
Fixed asset/ collections additions	-	-	-	-
Overhead/admin costs	103,862	93,625	110,290	-
	9,392,281	8,908,367	11,773,018	-
Admin as proportion of overall expenditure	1.11%	1.05%	0.94%	-

13 Fisheries Conservancy Board

Governance and accountability arrangements

The Fisheries Conservancy Board was established in 1966 for the conservation and protection of the salmon and inland fisheries of Northern Ireland (other than those which fall within the responsibility of the Loughs Agency). The functions of the FCB included the issuing of fishing licences, enforcement of fishing regulations and byelaws and assisting in the investigation of pollution incidents which involve fish kills.

As part of the Review of Public Administration (RPA), the Fisheries Conservancy Board (FCB) was abolished and its functions, staff and assets transferred to DCAL from 1 June 2009.

³⁰ NI Screen website. 'About us: overview': <http://www.northernirelandscreen.co.uk/page.asp?id=209> Accessed 13.9.10.

Abolition of the FCB was considered 'consistent with the RPA aim of reducing the number of Public Bodies and creates opportunities to streamline decision making and the regulatory process. The transfer of FCB functions will mean that policy responsibility and enforcement personnel will now be under the one management system resulting in a more integrated and strategic conservation and protection service.'³¹

The FCB income for 2009-10 given below is for the five months ended 31 May 2009 (up to the date of its closure).

Income

	2007-08	2008-09	2009-10	2010-11
DCAL budget	660,780	556,098	390,399	354,000
Other sources	463,563	436,874	317,696	-

Expenditure

	2007-08	2008-09	2009-10	2010-11
Grant spend	0	0	0	-
Capital spend	4,166	5,658	0	-
Overhead/admin costs	866,138	893,535	2,377,375	-
	870,304	899,193	2,377,375	
Admin as proportion of overall expenditure	99.52%	99.37%	100%	

14 Potential issues

The information presented here suggests a number of issues for further scrutiny:

1) Impact and concerns

- What are the impacts of recent, and future, spending cuts from central and local government on DCAL's arms-length bodies?
- How well-equipped is each arms-length body to predict the economic and social effects of cuts to their budgets – are the techniques, personnel and studies available for this to be carried out?

³¹ Fisheries Conservancy Board website: <http://www.fcbni.com> Accessed 10.9.10.

2) Efficiencies and streamlining of working practices

- What could the various culture, arts and sport arms-length bodies do to work more closely together in order to reduce duplication of effort and to create economies of scale?
- Following the 2008 CIPFA report, are the current governance arrangements now fit for purpose? Is there room for improvement, from the point of view of the department, the arms-length bodies, and the public?

3) The future of DCAL's arms-length bodies

- What level of public subsidy for culture, arts and sport arms-length bodies is necessary and sustainable?
- Can businesses and philanthropists realistically play a long-term role in funding culture, arts and sport in Northern Ireland? What is the view of Arts and Business NI on this matter?
- What can DCAL (and other departments) do to provide greater incentives for private sector support for culture, arts and sport?
- Is the current system, and structure, of funding distribution the right one?
- What impact will changes to the distribution of National Lottery funds have on culture, arts and sport arms-length bodies?
- What impact will recent changes to DCMS arms-length bodies have on bodies in Northern Ireland?
- What impact will recent changes to Republic of Ireland Semi-State Bodies have on their counterparts in Northern Ireland?