

**OFFICE OF THE FIRST MINISTER AND DEPUTY
FIRST MINISTER**

POSITION REPORT 2003-04 to 2005-06

DEPARTMENTAL AIMS AND OBJECTIVES

The Department's aim is:

“A cohesive, inclusive and just society governed effectively through fully representative and well-informed structures.”

In support of this aim the Department has two objectives:

1. To assist the Executive in making and implementing well informed and timely policy decisions and improving public services by:
 - Supporting OFMDFM Ministers and the Institutions of Government; and
 - Building a Programme for Government and Modernising Government Programme.
2. To promote equality of opportunity, human rights and improved community relations, tackle poverty and social disadvantage, and meet the needs of victims.

PUBLIC EXPENDITURE BASELINES

| | | 2000-01 (Outturn) | | | 2001-02 (Final Plan) | | | 2002-03 (Plan) | | | 2003-04 (Indicative) | £000s |
|---|--------------|----------------------|--------------|--------------|----------------------------|--------------|--------------|-------------------|--------------|--------------|-------------------------|--------------|
| | Resource | Capital | Total | Resource | Capital | Total | Resource | Capital | Total | Resource | Capital | Total |
| Objective A | | | | | | | | | | | | |
| Support for the Executive | 9476 | 440 | 9916 | 14326 | 1257 | 15583 | 14441 | 1150 | 15591 | 14420 | 1120 | 15540 |
| Total Obj. A | 9476 | 440 | 9916 | 14326 | 1257 | 15583 | 14441 | 1150 | 15591 | 14420 | 1120 | 15540 |
| Objective B | | | | | | | | | | | | |
| Support for Equality, Human Rights & CR | 14543 | 154 | 14697 | 16805 | 652 | 17457 | 17065 | 652 | 17717 | 16215 | 587 | 16802 |
| Total Obj. B | 14543 | 154 | 14697 | 16805 | 652 | 17457 | 17065 | 652 | 17717 | 16215 | 587 | 16802 |
| Total Departmental DEL | 24019 | 594 | 24613 | 31131 | 1909 | 33040 | 31506 | 1802 | 33308 | 30635 | 1707 | 32342 |
| EU Peace Programme | 3135 | 0 | 3135 | 2574 | 0 | 2574 | 1617 | 0 | 1617 | 1617 | 0 | 1617 |
| Total Other DEL | 3135 | 0 | 3135 | 2574 | 0 | 2574 | 1617 | 0 | 1617 | 1617 | 0 | 1617 |
| Total DEL | 27154 | 594 | 27748 | 33705 | 1909 | 35614 | 33123 | 1802 | 34925 | 32252 | 1707 | 33959 |

STRATEGIC ISSUES AND PRESSURES FACING THE DEPARTMENT DURING 2003-04 TO 2005-06

1. REVIEW OF PUBLIC ADMINISTRATION (RPA)

The RPA is a significant new pressure which was flagged up as a marker bid in the Budget 2001 process. The Executive agreed that the full costs of the review (including staff costs) would be provided through in-year monitoring and the Budget 2002. An indicative budget has yet to be presented to the Executive, but it is estimated that approximately £2.5m will be required over 18 months. Of this £1.4m is likely to be needed in 2002-03, and the remaining £1.1m in 2003-04.

The objective of the Review is to examine all aspects of the public sector in Northern Ireland and make recommendations on changes necessary to ensure we have the best possible system of public administration in the context of the new devolved institutions. This relates to section 7.5, sub-priority 3 of the Programme for Government.

The key outputs from the review will be agreed with the Executive once the review team has been established and the independent experts have been appointed. At this stage the review team is expected to report on early conclusions from the initial phase in the Spring of 2003, and possibly make recommendations on a preferred option or options by the end of 2003.

It is difficult to predict the precise resource requirements as this will depend on the outcome of the initial phases of the Review. However, It is very likely that detailed implementation work will be taken forward by the relevant departments (e.g. any implementation work involving the local government sector, including any legislation needed, will be taken forward by DOE). This will create significant pressures in those departments from early 2004 onwards. OFMDFM will continue to have a role in co-ordinating and overseeing the implementation phase, and a

small team will be needed for the remaining period up to 2005/06. It is estimated that provision of £250k per annum will be needed from 2004-05 onwards to cover the costs of this team.

2. COMMISSIONER FOR CHILDREN AND YOUNG PEOPLE/CHILDREN'S STRATEGY

It is estimated that £1.9m will be required to provide funding on an annual basis for the Office of the Commissioner for Children and Young People. The Commissioner will act as an independent and influential champion for children and the office is due to be established in Autumn 2002, in accordance with PfG sub priority 4 of the Executive Priority 'Growing as a Community'. It is anticipated that the Office of the Commissioner will consist of approximately 20 staff headed by a Commissioner at Grade 3 level. Staffing costs are estimated at 0.9m with an additional £1.m required to cover office running costs, travel, publications, advertising, legal expenses, accommodation etc.

Provision of £0.2m is also required to provide for the continuing existence of the Children and Young People's Unit in OFMDFM. This Unit has the task of developing a 10 year over-arching strategy for children in Northern Ireland, which will set out a vision for children and young people and will ensure that children's issues remain a high priority within the Executive. The Unit will also have the role of monitoring the implementation of the strategy and may also have additional specific tasks arising from the strategy. The development of the strategy is a PfG commitment (Sub-priority 4 of Executive Priority 'Growing as a Community').

3. COMMUNITY RELATIONS STRATEGY

It is planned that, following consultation, a cross-departmental strategy and framework will be put in place during 2002, within the devolved administration, for the promotion of community relations and to ensure

an effective and co-ordinated response to sectarian and racial intimidation.

The high level tasks are likely to include:

- public consultation on proposals emerging from the current review of community relations strategy, including equality impact assessment(s);
- establishment of arrangements for co-ordinating and monitoring agreed actions by Departments;
- possible changes to the role and status of the Community Relations Council;
- possible modifications to and re-targeting of the District Council Community Relations Programme;
- development of an acute intervention role;
- development of cross-border liaison; and
- new community relations legislation.

It will not be possible to accurately assess cost implications pending completion of the review of community relations strategy and decisions by the Executive on the way forward. However, while work is still ongoing to assess the likely additional costs, it is estimated that in the region of £5.0m per annum will be required.

4. VICTIMS PROGRAMME

The following table details the various components of the funding required to take forward the Victims Programme:

| Issue/Development | 2003-04 £'000 | 2004-05 £'000 | 2005-06 £'000 |
|---------------------------|--------------------------|--------------------------|--------------------------|
| 1. ESF Peace II Programme | 1,913 | 1,133 | 513 |
| Peace II Matching Funding | 637 | 377 | 204 |
| 2. Victims Programme | 200 | 150 | 150 |

| | | | |
|--|--------------|---------------|---------------|
| 3. Core Funding of Victims' Groups | | 1,600 | 1,600 |
| 4. Core Funding Technical Assistance | 150 | 150 | 150 |
| 5. EPF | | 1,750 | 1,750 |
| 6. Administration | 60 | 82 | 105 |
| 7. Victims/Survivors Grant Aid Scheme | | 330* | 330* |
| 8. Northern Ireland Memorial Fund (NIMF) | | 1,000* | 1,000* |
| 9. NIMF Technical Assistance | | 100 | 100 |
| 10. Post Peace II sustainability | | | 1,500 |
| Total | 2,960 | 6,672 | 7,402 |

* The NIO currently funds these. Bids are made on the assumption that NIO funding will cease when it no longer has responsibility for any victims' issues.

ESF Peace II Programme and Matching Funding

The Victims Unit is responsible for the management of Measure 2.4b and part of Measure 2.8 of Peace II.

Victims Programme

The Victims Unit has not been allocated any Programme Funding for the period of the Spending Review. Without this funding it will not be possible to implement the actions to which it is committed in the victims' strategy recently approved by the Executive. The Unit is committed to carrying out research in 2003-04 to assess what improvements to services for victims have taken place and what further steps need to be taken.

Core Funding of Victims' Groups

Ministers have agreed in principle that the Victims Core Funding Scheme will be transferred from NIO to OFMDFM in the course of the 2002-03 financial year. The NIO will transfer funding for 2002-03 and 2003-04 but it is anticipated that OFMDFM will have to fund the scheme thereafter.

Core Funding Technical Assistance

The Core Funding of Victims' Groups is administered by an Intermediary Funding Body (IFB). OFMDFM will be responsible for paying the IFB costs of administering the scheme from 2002-03 onwards.

EPF

EPF funding of £1.25m p/a in 2002-03 and 2003-04 provides for a Strategy Implementation Fund accessible by Departments and Agencies to develop radical approaches to implement the victims' strategy and address the marginalisation of victims. It also provides for Trauma Advisory Panel Co-ordinators based in each of the Health and Social Services Board areas to develop cross-departmental, cross-sectoral networks and partnerships to take forward work with victims at local level. The current strategy, which runs to March 2004, will be reviewed and rolled forward and will entail a further series of co-ordinated developments across Departments which will need continued funding.

Administration

Taking on core funding of victims' groups and implementing the commitments in the Victims' strategy will require an additional Staff Officer and an extra staff member will be required in 2005-06 to deal with Post Peace II sustainability. If the NIO transfers its Victims Liaison Unit (VLU) responsibilities to OFMDFM we do not foresee that it will be necessary to replicate the full staffing structure of both Units (VLU currently has 6 staff) and efficiencies will be gained.

Victims/Survivors Grant Aid Scheme

This scheme, which supports projects not eligible for assistance under Peace II, is currently funded by NIO but it is anticipated that OFMDFM will have to fund the scheme thereafter when NIO no longer has any responsibility for victims' issues. It is administered by an Intermediary

Funding Body and technical assistance of £100k p/a is included in the figures.

The Northern Ireland Memorial Fund (NIMF)

The NIMF is an independent charity, which was set up as a result of the Bloomfield report on victims' issues to provide assistance to individuals, is mainly funded by the NIO. It provides six schemes covering areas such as small grants, respite breaks, pain relief, education and training and wheelchair and amputee assessment. It is seen as an important channel of delivering help and assistance to individuals, particularly those who do not belong to victims' groups. It is anticipated that OFMDFM may have to fund the NIMF when NIO no longer has any responsibility for victims' issues. The figures above include secretariat costs.

Post Peace II Sustainability

The European Commission has indicated that there will not be a continuation of funding beyond the end of the Peace II Programme which contains a Victims' Measure of £6.67m. This funding will provide the support needed to continue some of the innovative projects to retrain, re-skill and reintegrate victims begun under Peace II.

Victims are amongst the most marginalised people in our society and research has shown that the majority of victims come from those areas objectively described as being most deprived. Implementation of these proposals would therefore target the most disadvantaged people and areas. An Equality Impact Assessment associated with the victims' strategy indicated that any differential impact of these proposals is not adverse and has the potential to enhance equality of opportunity to redress advantage.

5. E-BUSINESS STRATEGY

The OFMDFM e-Business Strategy is a key component of the Department's Modernising Government programme and sets out the initiatives and projects which will contribute towards ensuring compliance with the 25% and 100% targets for electronic service delivery which were agreed with the Executive last summer.

Failure to correctly resource the strategy will result in the Department failing to meet its e-Government objectives. This would have significant ramifications as OFMDFM is considered to be key to the overall NICS programme and as such should be seen as an exemplar in its adoption of e-Business. Furthermore, OFMDFM through CITU(NI), have overall responsibility for the co-ordination and monitoring of e-Government and e-Business strategies. This task will be made considerably more difficult if OFMDFM itself is not seen to be adequately addressing the issue.

The e-Business Strategy also incorporates funding for electronic document and records management which is seen as a key enabler to allow the Department to meet its commitments under the Freedom of Information Act.

Funding of £1.1m in 2003-04, £0.6m in 2004-05 and £0.6m in 2005-06 will be required to provide for the OFMDFM e-Business Strategy.

6. SINGLE EQUALITY BILL /ADVISORY AND ENFORCEMENT SERVICES

The timeframe for the development and production of new equality legislation has changed from that originally envisaged in the Programme for Government. The Single Equality Bill Team will now be required up to and including 2005-06 creating a need for additional provision of £254k in 2003-04, £234k in 2004-05 and £224k in 2005-06.

In addition, the Equality Bill will create a need for new services including advice and complainant assistance to support new equality grounds such as age and sexual orientation. The new legislation will require an adequate means of redress for persons experiencing discrimination (this is an EU requirement in respect of employment issues). Additional resources for these purposes will be recurrent and are estimated at £50k in 2003-04, £400k in 2004-05 and £300k in 2005-06.

7. LOUVAIN

The Louvain Institute for Ireland in Europe has approached the Irish Government and OFMDFM for funding to assist refurbishment and renovation of their premises in Belgium. A business case is currently being developed. It is currently estimated that £500k will be required in each year.

8. NORTH SOUTH MINISTERIAL COUNCIL

It is difficult to accurately estimate the requirements of the NSMC as much will depend on the number of Sectoral, Plenary and Institutional meetings that are scheduled. However, the identified pressure primarily reflects an early estimation of the possible cost of the provision of new permanent accommodation for the NSMC. An economic appraisal is currently being carried out but the report will not be available until May 2002 at the earliest. It is estimated that provision of £600k in 2003-04, £600k in 2004-05 and £3,200k in 2005-06 will be required.

9. DEVELOPMENT OF RECORDS MANAGEMENT

A report made to the e-Government Board recommends a new approach to records management across NICS. The report recommends the appointment of a Northern Ireland Information Manager post within OFMDFM. The postholder will have responsibility for developing and promoting NICS electronic records management corporate policies and standards.

Additionally the report foresees each NI department procuring hardware and software to assist records management.

OFMDFM will be responsible for project managing the overall procurement of such systems for NI departments via a "bought in" project manager.

It is estimated that funding of £0.1m in 2003-04, £0.1m in 2004-05 and £0.1m in 2005-06 will be required. The IT system cost for electronic records management is included in the E-Business Strategy bid.

10. REVIEW OF OMBUDSMAN'S OFFICE

The Assembly Committee on Standards and Privileges has recommended the creation of an Assembly Commissioner for Standards to investigate complaints against Assembly Members. The Committee has suggested that the Assembly Ombudsman take on the function. The First Minister and Deputy First Minister have agreed that the proposal should be taken forward within a wider review of the Ombudsman's office.

The review will start in 2002-03 but will run into 2003-04 and will likely result in a revision of legislation. The estimated cost in 2002-03 is £0.2m.

11. SUMMARY OF STRATEGIC ISSUES AND PRESSURES

The following table details the strategic issues facing the Department:

| Strategic Issue / Development | Key Objective | High Level Targets | Indicative Cost |
|---|--|--|--|
| 1. Review of Public Administration | To examine all aspects of the public sector in Northern Ireland. | Make recommendations on changes necessary to ensure we have the best possible system of public administration in the context of the new devolved institutions. | 2002-03 £1.4m 2003-04 £1.1m 2004-05 £0.3m 2005-06 £0.3m |
| 2. Commissioner for Children and Young People, and Children's Strategy. | To establish the Office of the Commissioner for Children and Young People and 'roll-out' of 10 year strategy for children and young people in accordance with sub-priority 4 of the Executive PfG Priority 'Growing as a Community'. | Monitor implementation of the strategy for children and young people. | 2003-04 £2.1m 2004-05 £2.1m 2005-06 £2.1m |
| 3. Community Relations Strategy | Deliver measurable improvements in community relations. | Targets will flow from the consultation exercise during 2002. Establishment of arrangements for co-ordinating and monitoring agreed actions by Departments. | 2003-04 £5.0m 2004-05 £5.0m 2005-06 £5.0m |
| | | | |

| | | | |
|------------------------|---|--|--|
| 4. Victims Programme | To address the needs of victims (PfG Priority 3 sub-priority 3) | <p>To take forward the actions contained in the victims' strategy</p> <p>To support the work of victims' groups and enable them to develop their role.</p> <p>To provide assistance to individual victims.</p> | <p>2003-04 £3.0m</p> <p>2004-05 £6.7m</p> <p>2005-06 £7.4m</p> |
| 5. E-Business Strategy | OFMDFM e-Business Strategy. | <p>Move towards electronic document and records management.</p> <p>Provision of a computer based facility to track applications and allocations under EPF's.</p> <p>Provision of a wide range of information via the Department's web sites.</p> <p>Through development of the Knowledge Network provide additional services to support key business functions across Government (i.e. Consultation, Executive meetings etc.)</p> <p>Online access to legislation.</p> | <p>2003-04 £1.1m</p> <p>2004-05 £0.6m</p> <p>2005-06 £0.6m</p> |

| | | | |
|---|---|--|---|
| | | | |
| 6. Single Equality Bill/Advisory and Enforcement Services | To provide support following the extension of protection against discrimination in employment | Provide complainant support and advice, and enforcement duties following the introduction of new equality legislation. | 2003-04 £0.3m 2004-05 £0.6m 2005-06 £0.5m |
| | | | |
| 7. Louvain | To develop effective links with European Institutions and throughout Europe to further the interests of Northern Ireland. | To assist the Louvain Institute for Ireland in Europe with refurbishment and renovation of their premises in Belgium. | 2003-04 £0.5m 2004-05 £0.5m 2005-06 £0.5m |
| | | | |
| 8. North South Ministerial Council | To ensure the efficient and effective operation of the NSMC. | Provision of new permanent accommodation. | 2003-04 £0.6m 2004-05 £0.6m 2005-06 £3.2m |
| | | | |
| 9. Records Management | To develop and promote NICS electronic records management. | To develop policies and standards | 2003-04 £0.1m 2004-05 £0.1m 2005-06 £0.1m |
| | | | |
| 10. Review of Ombudsman's Office | To review the Ombudsman's Office | | 2003-04 £0.2m |
| | | | |
| TOTAL | | | 2003-04 £14.0m 2004-05 £16.5m 2005-06 £19.7m |

CURRENT AND PROJECTED ADMINISTRATION COSTS

The following table details the current and projected administration costs for OFMDFM. It does not include the support staff costs associated with the North South Ministerial Council, the Civic Forum or the International Fund for Ireland Secretariat.

| | 2000-01 Outturn | | 2001-02 Dec. Mon. | | 2002-03 Plan | | 2003-04 | | 2004-05 | | 2005-06 | |
|--------------|--------------------|------------|----------------------|------------|-----------------|------------|---------------|------------|---------------|------------|---------------|------------|
| | £k | Nos | £k | Nos | £k | Nos | £k | Nos | £k | Nos | £k | Nos |
| OFMDFM | 10,201 | 335 | 13,447 | 356 | 13,995 | 356 | 14,780 | 359 | 14,780 | 359 | 14,780 | 359 |
| ECNI | 4,454 | 134 | 5,478 | 138 | 5,137 | 143 | 5,137 | 143 | 5,137 | 143 | 5,137 | 143 |
| Total | 14,655 | 469 | 18,925 | 494 | 19,132 | 499 | 19,917 | 502 | 19,917 | 502 | 19,917 | 502 |

PROGRESS TOWARDS PFG/PSA TARGETS

Details of OFMDFM's progress on commitments in the Programme for Government and the Public Service Agreement are contained in the return made on [19 April 2002].

NEEDS AND EFFECTIVENESS EVALUATIONS

The work undertaken by the Department is not covered by any of the current Needs and Effectiveness Evaluations.

ANALYSIS OF RESOURCE NEEDS

The application of the indicative minima position reduced the provision for 2003-04 by £1.2m. If constrained to this level of funding it would have serious consequences for the effectiveness of the Department. It is estimated that £3.0m will be needed to maintain and develop the Departments business in accordance with the OFMDFM Corporate and Business Plans and to meet the objectives and outputs in the PSA and SDA.

Funding is required for the following:

EPU Policy Development

£0.1m £0.1m £0.1m

Additional staff and other costs required to enable EPU to contribute fully to policy development work in the Department and across the administration.

Equality and Social Needs staffing/research £0.2m £0.2m £0.2m

New research and staffing pressures arising from the Executive's Equality and Social Need Research Strategy, the Community Relations Review, cross-departmental policies and strategies on Race, Gender, Older People and Travellers and the evaluation of New TSN.

EIS Communication Strategy**£0.1m £0.1m £0.1m**

To meet the cost of ongoing market research to establish public perception, opinion and understanding of the policies, messages and achievements of the devolved administration.

Equality Commission for NI**£0.4m £0.4m £0.4m**

Restoration of the indicative minima reduction to enable the Commission to continue to fulfil its statutory duties and services to the public.

PAC/WAC**£0.4m £0.4m £0.4m**

These resources are needed for additional Commissioners, administration staff and other running costs to meet the demands of the anticipated increased number of planning appeals.

Strategy for Europe**£0.5m £0.5m £0.5m**

To develop the Executive's strategy for European policy. Funding is required to contract, such as the NI Centre in Europe, to provide a range of services related to the Executives strategic objectives in section 6.7, sub-priority 5 of the PfG. Also, in accordance with the emerging Executive's Strategy Framework, OFMDFM wish to provide funding for a number of trainee posts for NICS in Brussels. It is anticipated that in the first instance around three such posts will be involved.

EPU Research**£0.1m £0.1m £0.1m**

To maintain a research facility in order to develop evidence based policy making to help inform resource related decisions.

EPU Economic Advice**£0.1m £0.1m £0.1m**

This additional funding may be required for the implementation of the report on the review of the provision of independent economic advice to Ministers.

Maintenance of core services**£0.7m £0.7m £0.7m**

This funding is required to fund the level of core services needed to maintain effective and efficient delivery of the Departments business.

| | | | |
|--|--------------|--------------|--------------|
| Pay and Price | £0.4m | £0.4m | £0.4m |
| Assessment of the effect of pay and price assumptions on administration. | | | |

| | | | |
|--------------|--------------|--------------|--------------|
| Total | £3.0m | £3.0m | £3.0m |
|--------------|--------------|--------------|--------------|

ADMINISTRATION AND PROGRAMME EFFICIENCY

The Department has introduced a series of staffing reviews, which are being undertaken by the Business Development Service, to determine whether the numbers and grades of staff at Grade 7 and DP are appropriate to discharge the present and future workload of Directorates. These reviews will be completed in 2002. Further staffing reviews covering lower grade posts will be undertaken where the BDS team identifies a particular need.

Business process reviews are also planned in appropriate areas to ensure that work is being undertaken in the most efficient manner.

A quinquennial review of the Planning Appeals Commission and Water Appeals Commission is underway and is due to be completed in June 2002.

The Department plans to seek IIP accreditation in a phased programme with work starting in selected areas in the course of 2002.

DEPARTMENTAL INVESTMENT POLICY

OFMDFM has a very small asset base comprising mainly of IT equipment. We have no land or building assets and no investment programmes. The IT assets will continue to be maintained primarily on a basis of a three year replacement policy.