

OFMDFM DRAFT BUDGET 2015-16 PROPOSALS

Department	OFMDFM
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2014-15 Budget	£65.8m Resource and £13.6m Capital
2015-16 Budget	£65.4m Resource and £4.2m Capital

The Department's overall aim is to build *a peaceful and prosperous society with respect for the rule of law where everyone can enjoy a better quality of life now and in years to come*. Growing the economy, securing investment, creating opportunity and tackling disadvantage are key priorities for the Executive in the Budget period. OFMDFM contributes to these priorities through lead or shared responsibility for the following Programme for Government commitments:

- **Growing a Sustainable Economy and Investing in the Future**
- **Creating Opportunities, Tackling Disadvantage and Improving Health and Wellbeing**
- **Building a Strong and Shared Community**
- **Delivering High Quality and Efficient Public Services**

Capital Expenditure

The Department has responsibility for the strategic management, regeneration and disposal of the former military sites to maximise their value for the Executive and to deliver an integrated and co-ordinated approach to major infrastructure investment and development.

Notable achievements include Crumlin Road Gaol attracting 136,000 visitors and creating 30 jobs in its first year of operation. The regeneration of Ebrington enabled the staging of many successful events during the 2013 City of Culture year including the Turner Prize and the Radio1 Big Weekend.

The proposed draft capital budget of £4.2m will allow OFMDFM to take forward further regeneration projects in Ebrington Barracks and Crumlin Road Gaol and support ongoing health and safety and maintenance works at Maze Long Kesh.

Resource Expenditure

The Department's draft opening budget has reduced from £65.8m to £65.4m. In previous years the Department received funding through in-year monitoring rounds to cover the costs of new commitments that had arisen since Budget 2010 (such as the Historical Institutional Abuse Inquiry and the maintenance of transferred former military sites) and increased pressures in key sectors (such as victims and survivors).

The draft opening budget of £65.4m for the Department includes an allocation of £5m for the Historical Institutional Abuse Inquiry, funding which previously would have been received in-year. The HIA Inquiry has been operating since 1st October 2012. In April 2014 the Chair asked for an extension of 12 months in view of the increasing complexity of the Inquiry and it is now expected to produce its report by January 2017.

The Department has also been allocated £3m for the Victims and Survivors Service. This is a priority area for both the Department and the Executive and also received additional in-year funding in 2014/15, amounting to £1.3m. The additional funding included in the opening budget for 2015/16 will help provide a more comprehensive and responsive solution to meeting the needs of individual victims and survivors and supporting the groups and organisations which work in this sector.

On 23rd May 2013, OFMDFM published the Executive's new good relations strategy, **Together: Building a United Community**. The strategy outlines a vision of "a united community, based on equality of opportunity, the desirability of good relations and reconciliation - one which is strengthened by its diversity, where cultural expression is celebrated and embraced and where everyone can live, learn, work and socialise together, free from prejudice, hate and intolerance."

The strategy contains in the region of some 67 actions and commitments which focus on 4 key priorities:

- Our Children and Young People
- Our Shared Community
- Our Safe Community
- Our Cultural Expression

A number of strategic headline actions are also contained within the strategy, including:

- A United Youth programme;
- 10 New Shared Neighbourhoods;
- 4 Urban Villages;
- 10 Shared Education campuses;
- 100 Summer schools/ schemes;
- Cross-community sports programme;
- Removal of all Peace Walls by 2023.

Internationally, OFMDFM is establishing a new office in Beijing China which, together with the NI Bureau in Washington DC and the Office of the NI Executive in Brussels, will ensure that our profile is promoted abroad. Building new relationships with China to increase investment, tourism,

education exchanges and other mutually beneficial activities will be a key priority for 2015/16 and beyond. The Department will also seek to build on our existing strong relationship with North America and continue to strengthen our engagement with Europe to deliver investment and growth, influence emerging policy and share our experience of conflict resolution and peace building.

While the draft resource budget will allow the Department to make progress on a number of priority programmes, there will be very significant pressures across large areas of the Department's activities, including its Arm's Length Bodies.

The headline draft budget for 2015/16 of £65.4m represents a net reduction of £0.4m to the Department's opening budget. This figure includes proposed allocations of £8m for the Historic Institutional Abuse Inquiry and the Victims and Survivors Service. The effective reduction to the remainder of the Department's budget is £8.4m (12.8%) which will be very challenging to manage.

This does not include currently known pressures facing the Department's baseline in respect of staff costs, initiatives such as Minority Ethnic Development Crisis Fund, China Office and International Relations and maintaining momentum on the Together: Building a United Community (T:BUC) programme. The Department was successful in 2014/15 in receiving additional funds of £3.8m for the China Office and the T:BUC programme. The Department will bid in the first monitoring round in 2015/16 in respect of the China Office and T:BUC.

As part of Budget 2010, the Department developed Savings Delivery Plans to achieve savings of £7.33m, £8.36m, £9.37m and £10.383m over a 4 year period. OFMDFM has exceeded these targets to date and is forecasting to achieve the current year's target.

To deliver the further reductions to OFMDFM resources set out in the draft budget for 2015/16, the Department will scrutinise its entire budget including staffing, administration costs, funding for Arm's Length Bodies and funding for programmes. These break down as follows in 2014/15:

Opening 2014-15 Baseline Budget

	£m
Staffing	16.7
Non Staff Administration Costs	5.5
Department Grants	6.4
ALBs	<u>37.2</u>
Total	65.8

Within the Department, reductions of this magnitude will require substantial cuts in staffing and the proposed voluntary exit scheme will be important in this regard. Action will also be required to constrain costs (for example by disposing of the transferred military sites) and to reduce discretionary spend (for example in research). Funding for ALBs and for programmes will also be impacted and the emphasis will be on ensuring that statutory responsibilities are discharged, contractual commitments met and Programme for Government and Ministerial priorities progressed as far as possible within the available resources. While the Department will seek to ensure that impacts on front line services are minimised, it will not be possible to fully protect budget areas from the impact of the proposed budget reductions.

The Department is currently developing a range of options, taking account of the reduced allocations and known pressures, for submission to Ministers for approval.

Delivering Social Change

Creating opportunities and tackling disadvantage remains a key priority for OFMDFM and the Executive in the 2015/16 budget period. The Delivering Social Change Delivery Framework will ensure that disadvantaged areas of our community and vulnerable groups will continue to be targeted to address persistent patterns of poverty and disadvantage. OFMDFM will continue to take forward the Social Investment Fund to promote prosperity, employment and sustainability in partnership with other Government departments, organisations and disadvantaged communities. The Draft Budget 2015/16 provides £15m capital and £14m resource for the Executive's Delivering Social Change agenda. This maintains funding at the 2014/15 levels and will support the ongoing rollout of the Social Investment Fund, Childcare Strategy and Delivering Social Change signature projects.