
NORTHERN IRELAND ASSEMBLY

Tuesday 13 October 2009

The Assembly met at 10.30 am (Mr Speaker in the Chair).

Members observed two minutes' silence.

MINISTERIAL STATEMENT

Construction Industry Training Board

Mr Speaker: I have received notice from the Minister for Employment and Learning that he wishes to make a statement regarding the outcome of the review of the Construction Industry Training Board (CITB).

The Minister for Employment and Learning (Sir Reg Empey): With your permission, Mr Speaker, I will make a statement. However, before I do that, I thank you for the flexibility that you demonstrated yesterday when we had particular pressures in our programme.

I am pleased to inform the Assembly of my Department's publication of a review of the Construction Industry Training Board. During an Assembly debate on 25 February 2008, I announced that, although the next review of CITB was due in 2009, I was bringing it forward to start in 2008. My decision was made in acknowledgement of the serious and persistent concerns that were expressed by the construction industry here and by political representatives on the value for money that employers receive in return for their levy payments. That review has concluded, and I have accepted the recommendations and asked my officials to work together with CITB on their implementation.

The review took place in two stages. At the first stage, the consultants were asked to address the question of whether there was a continued need for CITB and the levy. They concluded that the CITB and the levy were necessary interventions for the well-being of training in the construction sector. At the second stage, the consultants identified four options: option 1, CITB to remain unchanged; option 2, CITB to remain as a non-departmental public body but with a rationalisation of its activities; option 3, CITB Northern Ireland to merge with CITB-ConstructionSkills in Great Britain; option 4, CITB to be funded with a voluntary rather than statutory levy. Those options were assessed, and

the conclusion was reached that the CITB should remain as a non-departmental public body with rationalised activities.

The review recommends that the CITB retain its non-departmental public body status and the statutory levy; that the CITB and ConstructionSkills — one of the sector skills councils — fully merge under one management structure and one brand and operate from one location; and that the levy threshold be increased from £15,000 to £80,000, thus exempting small businesses from paying levy. The review also recommends that the legislation be changed to remove air conditioning, refrigeration, plumbing, utilities and gas installation from the scope of the levy; that the administrative burden be reduced on employers and the CITB, with grants to be applied for by training providers; that the CITB stop delivering direct training and contract that work out and form strategic partnerships with centres of excellence; and that the CITB running costs be significantly reduced so that levy payers get a greater proportion of their contributions back via training grants or other benefits.

I have introduced the necessary legislation to increase the levy threshold to £80,000. From 1 September 2009, smaller employers no longer must pay a levy. That accounts for almost half of CITB levy payers. That is an important measure to support small businesses, particularly in the current economic climate. Other legislative changes will follow over the next two years to allow for the other changes that I have outlined.

To reduce overheads, the CITB anticipates that it will reduce its staffing level by around one third, and it is currently assessing the skills profile required for the new organisation. Departmental officials are working with the CITB, and they will keep the implementation of the changes under close review. To assess the impact of the changes on the construction sector, I anticipate another formal evaluation in the two to three years after the report has been implemented.

The various efficiencies recommended in the report will result in a significant year-on-year increase in the proportion of levy returned to our construction industry. The report provides an important blueprint for the future of the CITB, which has a crucial role to play in supporting our construction sector during and after our recovery from the recession.

The Chairperson of the Committee for Employment and Learning (Ms S Ramsey): Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his statement. Furthermore, as the Chairperson of the Committee for Employment and Learning, I praise the Minister's willingness to bring such issues to the Committee and to the House. I know that several Committee members will be interested in the statement, as its subject matter has been discussed several times in Committee.

I welcome the increase in the levy threshold from £15,000 to £80,000, because, as the Minister indicated in his statement, small employers — a group that accounts for more than 50% of those who currently pay the levy — will no longer have to pay it. With that in mind, will the Minister outline what impact the review of the CITB will have on the quality of construction industry apprenticeships, which, up until now, have been seen as less than perfect? Furthermore, will he outline the rationale behind the changes that he intends to make to the appointment of members to the CITB board? Have any objections been raised so far?

The Minister for Employment and Learning:

Raising the levy threshold will remove approximately 1,200 employers from the levy regime. As the Chairperson will know, I have received several representations from Members who have brought delegations to meet me.

This was a continuous theme throughout. A threshold of £15,000 is very low: it effectively means one employee. We felt that that was unreasonable and the bureaucracy unnecessary. It takes almost half of those people out of the frame altogether, and members of the public — employers in particular — will be happy to have it in place in the current circumstances.

The Member raised the issue of board members. As a non-departmental public body, the board is appointed under OCPA guidelines. However, it represents various sectors; some board members represent employees and some represent employers. I have had representations in this regard, and the principal issue that has been raised is that perhaps the small and medium-sized enterprise sector may not have the representation that some people think that it ought to have. It has been drawn to my attention that the larger organisations in the construction sector may have a disproportionate influence on events. I cannot confirm the veracity of those points, but the Member asked me directly whether I had received any representations on the matter: I have, and they are along the lines that I have outlined. In appointing members to the board, I will take into account the representations that I have received. I am not in a position to confirm the veracity of those representations, but I certainly have received them. I suspect that the Member may also have had similar lobbying, because people who would come to me would go to the Committee frequently or vice versa. It may be something that we can take up together and discuss in the future.

The Member asked about the quality of apprenticeships, and I will give a pen picture of where we are. As of 8 October, there were 1,629 apprentices registered in construction-related occupational areas, which represents about 15% of the total people registered with the Department on its funded apprenticeships. However, that is about 50% less than it was before; the previous levels were much higher. However, as the

Member knows, the construction sector in particular has been hard hit by the downturn. We have just over 1,600 apprentices, but that represents only 50% of what it has been previously.

We have introduced measures to try to help apprentices who have been made redundant in the downturn, and the Member will be aware of the Skillsafe scheme. There are defined apprenticeship frameworks for construction training which have operated successfully for some years. I am aware that the Construction Employers Federation, in conjunction with the Construction Industry Training Board and the joint council, has come forward with proposals for a revised scheme. We will consider those and respond in due course.

There is a particular difficulty in the industry because of the high percentage of people who are self-employed, and that, undoubtedly, creates an issue with apprentices. It also creates an issue with health and safety. The CITB has a mobile unit, which will continue to operate under the CITB's direction. However, it will probably buy in some training capacity. There is no doubt that construction is one of the more difficult industries. The rationale for retaining was that, because of the unique nature of the industry, it was felt that if we just relied on the normal regime a lot of people could well slip through the net and not get the proper access to the necessary training and apprenticeships.

10.45 am

Mr Buchanan: I thank the Minister for his statement. Of the four options, the second, which includes a number of recommendations, is preferred. One of those is that the legislation be changed to remove air conditioning, refrigeration, plumbing, utilities and gas installation from the scope of the realigned Construction Industry Training Board. Can the Minister tell us how those training needs will be catered for? Can he also confirm whether any companies or firms have been identified to deliver the direct training that is normally delivered by CITB but which is now to be contracted out?

The Minister for Employment and Learning: With regard to the latter point, those companies have not yet been identified, but the CITB will have to contract for that service to be provided in the normal way. I can write to the Member on the issues, but I presume that the CITB will indicate a public requirement, so it will be a procurement exercise in the normal fashion. The CITB will indicate that it needs the provision of particular training and can then contract out for it. Instead of doing it all in-house, the training provision will be contracted out to various providers. As far as I am aware, those providers have not, as yet, been identified, and I am not aware of any contracts having been awarded, but that is part of the process in which we are engaged.

The removal of air conditioning, plumbing and other trades from the scope of the CITB will bring us

into line with the rest of the UK, where that has already occurred. Training in those sectors will be provided in the same way as training in every other sector. Construction is the only sector left where there is a specific levy option. As the Member will know, there used to be four or five boards with a levy power covering retailing and other sectors, but it was felt that, in the current circumstances, the unique nature of the construction sector meant that it was still important to have a board with a levy power.

Mr McClarty: Like my Committee colleagues before me, I thank the Minister for his statement. Does he agree that it is important and timely to consider the scope of which firms are defined as liable to pay the CITB fees?

The Minister for Employment and Learning: That issue is possibly one of the most contentious, because a levy is a form of tax, and no company likes to be eligible to pay a tax; therefore being in or out of scope, as it is called in the sector, is very significant. I suspect that the Member is aware that people have been lobbying significantly in the past on the issue of which firms should be in scope and which should be out. There are, however, complications.

First, some companies engage in some activities that are in scope and some that are not. For example, if more than half the payroll of a company happens to be in an activity that comes under the auspices of the CITB, that company's entire wage bill is deemed to be included. Many such companies feel that that is unfair because not all their activities are in scope yet they are charged as if they were. I will review that issue to assess whether it continues to be fair and reasonable and see what alternative means and methodologies could be adopted. I am considering whether changes are required to what is called the "50% rule". I have received representations from the Mineral Products Association in Great Britain and have planned meetings with that organisation and with ConstructionSkills in Great Britain, where similar arrangements exist. We will consider that to see whether some changes can be made to satisfy those who have made known their concerns.

Mr P Ramsey: I welcome the Minister's statement. In response to a question from the Deputy Chairperson of the Committee for Employment and Learning, the Minister referred to the outsourcing of some of the training programmes. Will the Minister outline the steps that his Department could take to ensure that locally based organisations have an opportunity and will be available to conduct training on the programmes?

The Minister for Employment and Learning: Members regularly reflect that concern about outsourcing generally and not only outsourcing that is specifically to do with training. I am sure that most Members, at some stage, have been concerned about that sort of

issue. The Member will be aware that the Central Procurement Directorate (CPD) of the Department of Finance and Personnel carries out procurement exercises on behalf of all Departments. I am not sure whether the CPD carries out procurement exercises on behalf of the CITB or whether the CITB carries them out itself. I assume that the CPD carries them out on behalf of the board.

Everyone is governed by European rules on procurement, which are explicit. One cannot favour a company because of its physical location. Some local companies may have cost advantages because they are already here, and that should be reflected in their bid. However, the Member will know that it is not possible to direct, to localise or to give advantage to a local company over a company that might bid from outside Northern Ireland. That consideration has been made regularly on all types of procurement issues, and the law in that area is very complicated. The Department of Finance and Personnel has the expertise, and it conducts most procurement competitions on behalf of Departments.

The process, however frustrating, must be followed, because, when people feel that they have been discriminated against, they often take their case to court. The Member will be well aware of that; contractual issues are still being fought over in Departments. The Department for Employment and Learning cannot guarantee that any outsourced contracts will be directed to local companies; it is up to a company to make the best bid. That is the only way in which such matters can be determined, and the Member, as an enthusiastic European, will be well aware of where the rule comes from.

Mr Ford: I also thank the Minister for his statement. I am sure that his speedy action on increasing the threshold for the levy to £80,000 will be extremely welcome to a number of very small employers. Will he indicate the timescale in which the merger of the CITB and ConstructionSkills will be achieved and the likely impact on the total number of jobs in the merged body?

The Minister for Employment and Learning: It is estimated that the CITB will reduce its staff complement by around one third. The merger of the two bodies onto one site is already under way, and the joint operation will be based at the current CITB site at Nutts Corner. The bodies are looking at the new skills profiles that will be needed so that they can assess the qualifications and the type of personnel that they will require. That process will be settled before long. I cannot give the Member precise timing, but, if it would be helpful to him, I will inform him as soon as possible. The number of personnel has been reduced by around one third, and amalgamation on the Nutts Corner site is taking place.

Mr T Clarke: I join other Members in thanking the Minister for his statement. He said that direct training

will now be contracted out. Does he have any concern that, when that training is contracted out, it will not be of the same high standard as that which the CITB delivered? I am sure that part of the rationale for contracting out is that it is cheaper. However, the word “cheaper” sometimes raises concerns that the same level of training will not be delivered.

The Minister for Employment and Learning: The Member made an important point. Throughout the consideration period and when Members brought their delegations to me, a number of employers made the continual criticism that they did not get the return that they should have because the CITB’s administration and running costs soaked up too many of their resources. Clearly, in recent years, the pattern has been that contracted-out services are, by and large, in most cases, more cost-effective than those that are delivered in-house. Therefore, that balance must be struck.

I assure the Member that my Department would not be interested in maintaining a board if its training standards were unsatisfactory. Indeed, it is fair to say that the Education and Training Inspectorate has a role to play in examining the training that is provided and reporting thereon. There must be quality control; there is no point contracting out unsatisfactory training. Therefore, I take the Member’s point. I assure him that the Department would not go down that route if it thought that the level of training was unsatisfactory. However, I am sure he accepts that we must ensure that the minimum amount of money is taken up by administration and that the maximum amount goes back into the sector.

We are most concerned about the small and medium-sized enterprises, which make up the vast majority of businesses in the sector. The Member will know of companies in his area that are of that type and size. They are very small companies. It is our job to ensure that the maximum amount of resource is redirected to them. The Department believes that those companies and their employees would not necessarily get training if that mechanism were not in place.

I assure the Member that we will keep quality under constant review, because that will determine whether the board is working. As I said in my statement, we will look at the situation in two or three years’ time to ensure that it is working. I assure the Member that that will be one of my Department’s top priorities.

Mrs McGill: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his statement. My question is about value for money, which the Minister touched on in his previous response. Just one quarter of the survey’s respondents believed that the CITB offered value for money. Can the Minister reassure the House that the review’s recommendations will provide value for money, particularly for those small organisations

and businesses that do not believe that they received it previously?

The Minister for Employment and Learning: That question is at the core of the matter. If the answer to that question is no, we have wasted time and effort and must, therefore, move on. Value for money provides the rationale for what we do. The Department has responded to the fact that too many people were involved. We tried to deal with that. We have cut down to 1,300 the number of companies that will be included, compared with double that number previously.

As regards quality and identifying the right service to deliver, we are trying to reduce administration costs so that as much as possible of the levy is redistributed in training grants to various companies.

11.00 am

We have said that we want that to go to smaller companies. The delegations that a number of Members brought to see me continually reflected that theme. They said that the CITB was a bit top-heavy, that its administration costs were too high, and that it should be amalgamated with the other body to ensure that it was more streamlined.

Only time will tell whether we have been successful; however, we will continually monitor that. In view of that fact, I think that the Committee broadly agreed that changes had to be made so that people feel that they are getting value for money. Between us, we will monitor this.

If there is another review in a couple of year’s time and things are not satisfactory, we will have to take a different view. Value for money is certainly at the core of the issue. That will be the determining factor as to whether we are successful in the changes that we are proposing today.

Rev Dr Robert Coulter: I, too, welcome the Minister’s statement. Does the Minister agree that many construction firms, especially small ones, will welcome the increase in the levy threshold? How will that help them on the ground to come back from the recession?

The Minister for Employment and Learning: I am sure that the all those companies, of whatever size, that will not have to pay a bill that they currently do will be happy about that. The increase in the levy threshold will be of small assistance to a number of small companies. There are a lot of small companies just above that level, and they will still be covered by this. Our objective is to try to redistribute the training resources for their benefit. The nature of the construction industry is different; it is very difficult to track apprentices, because people move around the country continuously. We, therefore, felt that there

needed to be a specific and unique solution to this case. That is the rationale for retaining the board.

Our aim is very clear: first, to remove an unnecessary burden from a lot of very small employers, which we are doing, and, secondly, to ensure that those small employers that must continue to pay the levy will see the positive impact of their contributions. Effectively, resources from the larger levy-payers are being redistributed among some of the smaller ones. That is what we are trying to do. The key to that will be the quality of the service that is delivered. While we set out with a very clear aim, only the passage of time will determine whether we succeed.

The House will have an opportunity to revisit the issue. In two to three years' time, we will be formally monitoring and assessing whether those changes are producing the results that we anticipate.

Mr Dallat: I add my thanks to the Minister for his statement and, in particular, for increasing the levy threshold from £15,000 to £80,000. However, I question whether £80,000 is such a large amount in the construction industry.

I am sure that the Minister is aware that many small businesses in the construction industry face bills of £30,000 or £40,000. Is there any hope for those businesses that have suffered setbacks such as bed debts and other difficulties since the recession? Is there any hope of their being able to negotiate with the CITB on the real cost of the benefits that they have received? Many of them have received nothing. The Minister will know that some small businesses had a very high turnover of staff because they subcontracted out to other small businesses, and they have received no real benefit.

The Minister for Employment and Learning: The Member needs to be aware that one of the downstream consequences of the current recession is that the Construction Industry Training Board receives its revenue on the basis of wages paid in the previous year. The year that we are about to enter will be a very difficult one, because last year was the year when the crash came in the construction sector. Consequently, the levy will be reduced substantially. In a sense, that is forcing some of the decisions that we are making, such as staff reductions and the need to rationalise. Clearly, the percentage that people are being charged will not change this year. No increase is being made to compensate for the reduction in the levy. The levy was designed not to add an additional burden, and we are trying to get as many people out of paying it as possible.

The Member said that £80,000 is not a lot of money, and that is true. However, what we have done means that there is a consistent approach between Northern Ireland and the rest of the UK. We will keep that under review in so far as there are inflation issues and other issues that we need to take into account, because

inflation in the construction industry tends to be different from inflation in other sectors. There are no plans to increase the levy to make up the shortfall in the current year. However, there will be a substantially reduced budget produced by the levy, not simply because of the removal of a lot of people from paying that levy, but because it is based on the payroll of the previous year. As we know, large numbers of people in the construction industry have been made redundant. There will be a dramatic drop in income, but the rate at which people are being asked to pay will not be increased.

EXECUTIVE COMMITTEE BUSINESS

Rates (Amendment) Bill

Final Stage

The Minister of Finance and Personnel (Mr S Wilson): I beg to move

That the Rates (Amendment) Bill [NIA 2/09] do now pass.

Before providing Members with an overview of the content of the Bill, I take the opportunity to thank Members for their support during the passage of the Bill through the Assembly. I thank the Committee for Finance and Personnel for considering the underpinning rating policies. I acknowledge that we would not be where we are today had we not had such co-operation from the Committee and the Assembly.

As I said in previous debates on the Bill, I, along with other Members, would have preferred that it had been possible to take the Bill through the Assembly in the normal way and to have had a Committee Stage. Unfortunately, to do so would have meant that the support for ratepayers, as provided by the Bill, would not have been in place until April 2011. We did not want to miss the deadline of the next financial year. Therefore, next April, households and businesses will experience the changes provided for in the Bill.

I thank the Chairperson, former Chairperson, and members of the Finance and Personnel Committee, for their considered evidence taking and their detailed scrutiny of the policies that have underpinned the Bill over recent years. I very much hope that the productive working relationship between my Department and the Committee will continue as the associated subordinate legislation passes through the House.

I have covered the detail of the Bill with Members before. However, I think that it is worthwhile going through that again and the advantages that the Bill will present to households and businesses across Northern Ireland.

The Bill is an important piece of legislation, and it goes a long way towards completing the Executive's review of the rating system. It also provides strong examples of how the Executive and the Assembly are delivering for the people of Northern Ireland and how they have listened and responded to the concerns that people have brought to Members, the Committee and the Executive.

The Bill will enable increased support to be given to households and businesses at a time when they are under financial and economic pressure. It progresses a key range of measures that aim to provide direct and indirect assistance to a wide range of ratepayers. In the commercial sector, the key aspects relate to the enabling

power for a small business rates relief scheme, which will also enhance rates relief for sub-post offices. It will ensure that between £8 million and £9 million of help can be provided to more than 16,000 smaller businesses each year. The Bill will also provide the Assembly with the flexibility to decide the level at which liability for industrial rating should be set in future years, and it will help to facilitate the future revaluation of commercial property.

In the domestic sphere, a wide range of measures, which were agreed by the Executive and consulted on last year, are provided for. Through subordinate legislation, the Bill will allow for the introduction of two new energy-related schemes. The first will provide for a one-off reduction in the rates of ratepayers who install loft or cavity wall insulation in their homes. The second will enable full rate relief for the first occupiers of new zero- or low-carbon homes for up to five years and two years respectively.

Importantly, the Bill also contains new data-sharing powers, which aim to improve the take-up levels for certain reliefs. Through those powers, we can ensure that people get the help to which they are entitled. As Members will agree, that will be a very important measure, particularly for pensioners and other vulnerable groups. The Bill also amends current enabling powers, which will allow for the introduction of a rates deferment scheme for pensioners and the rating of empty homes in due course. Although the scheme will offer help to some pensioners, particularly during the current economic downturn, and I want to ensure that it is effective and attracts sufficient and manageable numbers. Having too few participants may mean that the scheme is not worthwhile, and having too many may prove unaffordable and unsustainable.

In a couple of years' time, I want to conduct a thorough evaluation of the scheme's effectiveness, which will examine how many people it is helping and whether it represents value for money. That is part and parcel of the policymaking process. In due course, I will update the Committee and the Assembly on the outcome of the evaluation and take their views on board.

I have already said that I intend to postpone the rating of empty homes until April 2011, and I will keep the situation under review. However, Members may wish to note that it is not possible to introduce that measure part way through the rating year.

In the domestic sector, the Bill provides for compensating payments to be made to district councils that are affected by the reduction of the maximum capital value to £400,000. As a transition measure for that cap, it would be neither appropriate nor financially feasible to extend the time period that it covers beyond the two years that the Executive agreed or to extend the compensating payments to the original cap of £500,000.

Those are the main measures that are being taken forward in the Bill. I look forward to Members' support in ensuring that the Bill clears its Final Stage: having got thus far, I hope that it does fall at that hurdle. The debates on the Bill have been interesting. I salute those Members who showed their dedication to the scrutiny of the Bill by being here at 12.00 midnight during its Second Stage, staying awake — I did not notice anybody sleeping — and participating as they did.

I thank Members for their co-operation. I emphasise again that, although the Bill has been subject to accelerated passage, which is not the desired procedure, there has been good co-operation. I commend the Bill to the House.

11.15 am

The Chairperson of the Committee for Finance and Personnel (Ms J McCann): Go raibh maith agat, a Cheann Comhairle. The Committee for Finance and Personnel considers the Bill an important piece of legislation, not least because it includes measures to ensure that much-needed help is delivered to businesses and households in this difficult economic climate.

The use of the accelerated passage procedure meant that the Committee was not afforded the opportunity for in-depth scrutiny of the Bill. However, the Committee received a detailed clause-by-clause briefing from departmental officials at its meeting on 9 September 2009. Although there was no formal Committee Stage, I assure the House that the Committee extensively examined rating policies since 2007, and has engaged closely with the Department in developing the Bill.

The Committee undertook detailed scrutiny of the Executive's review of the domestic rating system in 2007. In addition to considering submissions to the Department's consultation, the Committee sought further oral and written evidence from the Department and a number of stakeholders. The Committee made 33 recommendations in the report on its response to the Executive's review, which was published in November 2007.

The Committee subsequently received several oral and written briefings from departmental officials, including briefings on the outcome of consultations that were undertaken on high-level rating policy changes. I wish to put on record the Committee's appreciation to the officials in the Department of Finance and Personnel's (DFP) rating policy division for the level of assistance that they provided to the Committee during the important policy-development stages of the reforms. Their approach provides a model of good practice for departmental engagement with Committees.

The Committee is pleased to note that some of the recommendations from its 2007 report have already been moved forward in advance of the Bill, such as those relating to the lone pensioner discount, and education and

training rate relief. Other recommendations highlighted in the report are provided for in the Bill, including green rebates for environmental measures, a deferred payment scheme for pensioners, measures to improve the uptake of rates relief, and the introduction of the rating of vacant domestic properties.

I said during the Second Stage debate that the Committee was, at that time, considering the Minister's proposal to postpone the introduction of the rating of empty domestic properties. At its meeting on 23 September 2009, the Committee recognised that the current economic climate was not conducive to the early introduction of that measure. Given the potential revenue that has been forgone as a result of that delay, the Committee recommends that, in 2010, the Department review its position on the timing of the introduction of the rating of empty homes.

The Bill makes provision for aspects of non-domestic rating policy, which have also been scrutinised by the Committee. In April 2008, the Committee called on the Minister not to rule out a relief scheme for small businesses, considering the importance of the small-business sector to the local economy. The Committee welcomes the inclusion of a small business rates relief scheme in the Bill, which includes enhanced relief for post offices, and notes the provisions regarding industrial derating, whereby the percentage liability will be set from 1 April 2011 by means of an Order subject to affirmative resolution.

I highlighted the Committee's appreciation of departmental officials' assistance during the policy-development stages of the rating reforms. On a less positive note, in respect of the recent legislative stages, Committee members were disappointed that they did not have time to consider ministerial amendments in advance of them being tabled at Consideration Stage, especially as the nature of the amendments suggests that the Department should have been aware of their necessity earlier in the legislative process. The Committee wrote to the Department to express its concern, and the implications that that may have when DFP seeks to use the accelerated passage procedure for future Bills.

At its meeting tomorrow, the Committee will consider a response on that issue from DFP, which offers an explanation and an assurance that, for any future legislation, the Department will ensure that the Committee is notified at the earliest possible opportunity when DFP envisages that amendments may have to be tabled after Second Stage. That response is welcome. Nonetheless, it is important to put down a marker, especially in the context of accelerated passage.

The Bill contains enabling and delegated powers by which subordinate legislation will be introduced to implement the detail of the various measures and schemes. My Committee will play an important role in scrutinising

the forthcoming statutory rules, and I ask the Minister to ensure that we are given sufficient time to carry out that role effectively. On behalf of the Committee for Finance and Personnel, I formally support the Bill at its Final Stage.

I want to make one comment from a party perspective. I am glad that the Minister said earlier that he will keep the rating of empty homes under review. I want to emphasise to the Minister the importance of keeping that matter under review. In light of the huge need for housing, we should ensure that no one could use the system to prevent people from accessing much-needed housing.

Mr O'Loan: I support the Bill at its Final Stage. It is important that the legislation be passed so that its provisions are in place and implemented by April 2010.

The Bill contains several measures, including reliefs, which are desirable. It is important that people benefit from those. As I have said in the House previously, a rating system is, essentially, an unfair system. It is a property tax, and, as such, it is only loosely correlated to a person's ability to pay. Any taxation should be related to ability to pay. That brings about a need for reliefs in the rating system to ameliorate, to some degree, the existing unfairness. A balance needs to be struck between issues such as the loss of revenue and the need to create a system that is not overly complex. The preceding discussions between the Department and the Committee have resulted in a fair scheme.

I support the various measures. The small business rates relief scheme will provide useful benefits to small businesses, particularly post offices. I support the measures that will encourage energy efficiency, particularly through zero-carbon and low-carbon homes, and I welcome the measures on rate deferment. I support the provision to rate empty homes, and I welcome the Minister's comments about postponing that measure for next year and reviewing the situation thereafter. That is exactly the right stance.

Although the rating of vacant non-domestic properties is not relevant to the Bill, I have raised the issue previously. I am glad that the Minister has taken my comments on board during his evaluation. I support the measure that will provide temporary reimbursement to councils for the revenue that they lost because of the rate cap. I note the Minister's comments about evaluating that measure in two years' time; that is sound. For example, a measure was created recently to provide a relief for students; it simply did not work, and we have, sensibly, decided to phase it out.

It is important to achieve a balance, and we should not keep changing the system all the time. People must become familiar with the reliefs, because such knowledge impacts on the uptake of reliefs. If we change the scheme all the time, it will more difficult for people to

get used to the available reliefs. Nonetheless, a sensible review is the right way forward.

Dr Farry: Despite the fact that we were discussing the Bill at approaching midnight several weeks ago, it is fair to say that the Minister would never put anyone to sleep. We can accuse him of many things but being boring is not one of them, even at that late hour.

The Alliance Party is happy to support the Final Stage of this important legislation. However, given that this is a legislative Assembly and that this is important legislation, I am somewhat disappointed that the debate is petering out. However, that is another matter.

The Bill is the culmination of a process that has been under way for several years. It began when Brian Wilson and I proposed a review of the rating system in a private Members' motion in June 2007, which was followed by several consultations on various aspects of rating. The Bill is a major piece of legislation that will be in place for several years, and it may be some time before we return to the subject in the same depth.

The process has been a strange one; there has been a leisurely approach to the consultation over the years, but because of the circumstance surrounding the Executive, we had to use accelerated passage to ensure that we met the commencement dates. The Second Stage was debated extremely late at night, and we are debating the Final Stage in a leisurely fashion because other business is set to collapse.

I want to make some specific points, largely about how the legislation fits into a wider policy context. First, I will pick up on Declan O'Loan's point about rates not being the fairest approach because property is, perhaps, a blunt measurement of someone's ability to pay. During the debate on the Second Stage of the Bill, I made a point about the Alliance Party's preference for a local income tax as a better way of doing things. At that time I was not seeking to open up a wider debate; I was just making a simple point. Nevertheless, the Minister engaged with me, as is his usual way.

The Minister pointed out the difficulties of introducing a local income tax and gave the example of the Scottish Parliament, which considered the idea but moved away from it. It is worth noting that those assumptions may not apply in Northern Ireland to the extent that they do in Scotland. We have two opportunities to introduce a local income tax in a more cost-effective way. First, it may be easier to achieve if we were talking about such a tax only as a replacement for the regional rate. Secondly, we have, perhaps, a unique advantage in that all of Northern Ireland is covered by BT postcodes, which may make it easier for Her Majesty's Revenue and Customs' computers to work things out. Those are points for the record, but I accept that, in many respects, they are moot points now, as the issue has

been settled for some years to come. Perhaps we will come back to it in future.

It is worth pointing out that if the Executive are forced into considering water charges soon, any such charges will be based on property values in the same way that rates are based on property values. The issue of fairness is one that the Assembly cannot fully escape.

There are other aspects of the Bill to consider. I am sceptical about the small business relief scheme, but I am prepared to give it a cautious endorsement. I am not overwhelmed by the economic arguments for that scheme, to which a significant deadweight is attached. However, there are social benefits, which, perhaps, tip the balance in the scheme's favour. My difficulty is that such a scheme is another example of a response to the economic downturn and the problems faced by business whereby the Executive have addressed, essentially, the cost base that is confronted by businesses. We did something similar for households when we froze the regional rate and deferred water charges. We have also considered industrial rating for businesses and how to keep it down. In themselves, such measures may be justifiable; they may help businesses through difficult times and allow the economy to keep moving by demand. However, they do not give us an opportunity to change the way in which business operates in Northern Ireland, nor do they allow us to tackle the underlying structural problems in our economy.

When we come out of recession, those same underlying problems will remain. In some respects, the lost revenue from schemes such as small business rate relief could be more efficiently used in other ways to assist businesses and change the underlying dynamics of our economy in order to allow us to become a more competitive region. I am slightly cautious about the potential wisdom of those measures and the impact that they may have.

11.30 am

At Second Stage, the Minister came close to acknowledging that there is a challenge to the Executive to try to use its economic tools to rebalance our economy. He said that that had to happen and that the priority had to be to address the cost pressures. We disagree: we think that both can be done together. Measures to rebalance the economy will help us out of recession. We have a difference of opinion on that approach.

I welcome the proposals that have been made on energy efficiency and low- and zero-carbon homes. I am encouraged by the flexibility in the legislation to allow the schemes to be extended if they prove successful. However, I regard those schemes as necessary but not sufficient — not just on DFP's part but on that of other Departments — to address the challenge of energy efficiency and climate change. Leaving aside the

causes of climate change, we would all agree that there is an economic rationale for trying to change our approach to the management of energy.

The Department of Enterprise, Trade and Investment has an important role in renewable energy, energy policies and the associated costs in Northern Ireland, which are a major competitive disadvantage for businesses. The Department of the Environment has a similar role in planning, and the Department for Social Development has one in housing. It is important to stress that energy efficiency in homes and businesses should be examined from two viewpoints: taxation or rates, to provide financial incentives for people to go down that road, and regulation.

I ask the Minister to clarify where we stand in respect of building regulations. The Assembly legislated on building regulations in March of this year, and the expectation was that the Department would issue regulations on energy efficiency. There is a concern that we are not moving as quickly as other jurisdictions, particularly towards the 2016 target for low- and zero-carbon homes. That is part of a wider package in which we need to use the ratings system and buildings regulations to reach that objective.

The Minister conceded at Second Stage that we have not done the modelling to work out how far any individual aspect of policy will get us towards the targets for how we shift our energy usage. Will the Minister clarify whether households would be entitled to rate relief on low- and zero-carbon homes on an individual or group basis?

Microgeneration could be introduced to a single household via a turbine linked to an individual house. However, it is conceivable that a developer could build a new housing development in which a single set of turbines would power all the households on that estate. Those households may not be low- or zero-carbon homes on a free-standing basis, but they would be, in practice, if they were linked into the network of that development. Will the Minister clarify whether households would be eligible for assistance in those circumstances?

Finally, will the implementation of the system create significant pressures on Land and Property Services? Members have expressed concerns about the situation in that organisation, and I appreciate that LPS has done a lot of good work in recent months to turn things around. There is an impression that Land and Property Services is under-resourced. I appreciate that we face a range of financial pressures, but it is noticeable that that body makes a bid in every monitoring round and that those bids seem to be increasing. Indeed, in the last monitoring round, Land and Property Services bid for £5 million, which represents a considerable uplift on its baseline figure.

Will the Minister comment on the underlying funding of Land and Property Services and on whether there is a problem to which the Assembly and the Executive need to return? We are happy to support the Final Stage with the caveats that I outlined about what the Executive need to do in a wider context.

The Minister of Finance and Personnel: I thank all the Members who participated in the debate. One of the pleasing things has been that Members have had to strain to find criticisms of me. That is not normal for Members. I wrote down the number of times that even Mr O'Loan the Member for North Antrim said that he agreed with me, and I will keep that as a useful record. I do not think that he will say it that often, but I will endeavour to ensure that he does. I will respond to Members' points. We covered many of the same issues at the Bill's Second Stage, at its Consideration Stage and again today at its Final Stage. However, one can always be sure that Dr Farry will come up with something that has not been raised before and which had not been anticipated — that is part of the legislative process.

The Chairperson noted the assistance that was given by officials. I, too, thank the officials for the policy work that was required for the Rates (Amendment) Bill and for their work on the Bill itself. In an age of cynicism, when people who work in the Civil Service are often referred to as faceless, uncaring and inhuman bureaucrats, it is nice that faces can be attached to the names of Department of Finance and Personnel officials. They appear regularly before the Committee, and they are responsive to Members' concerns and try to provide answers to their questions. I thank the officials for the support and help that they have given to me. I assure members of the Committee for Finance and Personnel that their interfacing with officials and the work that officials have done on the legislation will characterise future work.

The Chairperson raised the issue of empty homes and welcomed the fact that we will review the situation again in 2011; she noted that revenue would be lost by not proceeding with the scheme, and she is right. However, I assure the Chairperson that work on the database of empty homes continues. The work that Building Control is doing along with Land and Property Services in seeking to identify empty homes in Belfast led to the identification of a large number of homes that were occupied but on which rates were not being paid. I have had briefings from Building Control and was informed that about £4.2 million worth of rateable value was identified during that process. Therefore, although we are forgoing revenue, work is ongoing. I want to encourage Building Control and LPS to work together right across Northern Ireland to continue their work, which may identify available revenue streams that we are not tapping into.

The Chairperson also mentioned the amendments and the late notification of those amendments. I gave an explanation for that at Consideration Stage. The Chairperson is quite right that the amendments, which were technical, were identified at an early stage, but they could not be brought forward earlier because they were identified after the Bill had received Executive approval. Had we amended the Bill before its Second Stage, it would have had to go through the approval process again, and that would have caused delay. It took long enough to get the Bill through the Executive in the first place, without putting an amended Bill through, especially as the amendments were only technical. Therefore, as per the protocol of the House, the amendments could not be published until the Bill had had its Second Stage. The Committee was notified of the amendments as quickly as possible after that.

I have written to the Chairperson and the Committee outlining in great detail the procedures and constraints under which we were operating, and I hope that that is acceptable. I hope that accelerated passage is not going to be the order of the day in the future anyhow, but the one thing that I will give a commitment on is that, where departmental or ministerial amendments are being made to Bills, we will try to give notification of that as quickly as possible.

I turn to Mr O'Loan's remarks. As I have said, I welcome the fact that he agreed with me on so many issues in relation to the Bill. He is quite right that policies need to be evaluated constantly. There is no point in simply doing things because that is what we did two or three years ago or even further back. Very often, some of the things that we choose to do are done in response to particular situations, and, as those situations change, it is good policy to evaluate the measures that we have undertaken to see whether they are effective or still needed.

Mr O'Loan made the important point that changing the system is not painless. First, especially when it comes to a policy such as this one, which is being implemented in the Bill, people have to get used to that policy and the measures involved. Constantly chopping and changing creates uncertainty. The other point that I will make to the Assembly is that very often Members are encouraged to respond to a changing situation, and we think that it is simply a case of clicking our fingers and things happen. However, they do not happen that easily; all changes involve a cost. I know that Dr Farry raised the issue of the resourcing of the LPS, and I will come to that in a moment or two. Every time we change the rating system, changes have to be made to items such as the IT systems and forms etc that are used by the LPS. In addition, the LPS staff must undergo training, and that comes at a cost. That is one of the reasons why, now that we have nearly completed the Executive review of the rating system, I hope that there will be

stability for a number of years, so that we can reap the benefits from the changes on which we have spent money.

Dr Farry started by saying that he feared that the debate was petering out. However, through his contribution, he single-handedly tried to ensure that the debate did not peter out and that a number of issues would be raised. His first point was that any policy change involves a process. This is particularly important, because some commentators expect the Assembly to be able to wave a magic wand. That process, because of the constraints on us to consult and to test the policy before incorporating it into a draft Bill, takes a fairly long time. There are those who think that there are instant answers. However, if we were to take short cuts on the consultation or other steps in the process, they would be the first to shout about it. Dr Farry brought an air of realism to the debate on how long it will take to implement the identified changes.

11.45 am

I will not debate with Dr Farry or with Mr O'Loan, who also raised the issue, on whether rates are the fairest way of raising taxation, other than to repeat the point that I made at Second Stage. I am not sure whether Dr Farry is an economist, but he speaks like one at times: "On the one hand, this and, on the other hand, something else". As an economist, he will know of Adam Smith's canons of taxation, one of which is that efficient collection is a characteristic of any good tax system. As I pointed out in an earlier debate, local income tax would not be an inexpensive way to raise money. I noted Dr Farry's point about applying it only to the regional rate. However, the same work would have to be done to apply it to the regional rate as to the district rate. I am not sure whether being covered by BT postcodes would reduce the cost of collection, because people's ability to pay would still have to be assessed. As is often the case with economics, it is a dry debate, because we have moved on, and we have decided on the system that we will use.

Dr Farry: We will declare a ceasefire on that for now.

The Minister of Finance and Personnel: We will, but I am sure that we will return to it at some stage.

Dr Farry also raised the issue of business rates relief, with which he disagrees. I know that the issue is popular with the Federation of Small Businesses, the Northern Ireland Independent Retail Trade Association (NIIRTA) and many others, yet Dr Farry is prepared to stick his head above the parapet and question whether it is the most effective way of spending public money; and I admire him for that. It is a response both to small businesses saying that they are under pressure and to the current economic situation, and it is, therefore, an appropriate way of spending money.

I do not view business rates relief as an alternative to the longer-term structural change in the supply side that is required to grow the economy, and I hope that I did not give the impression in earlier debates. If one considers the Executive's record, one will see that they do not regard business rates relief as an alternative option but as something that goes along with the longer-term structural measures that the Executive are undertaking on infrastructure, training, encouraging an enterprise culture, improving the infrastructure to help small businesses to start up in business parks and so forth.

Work on all those measures is being done at the same time. I do not, therefore, want to give the impression that the Executive are concentrating on short-term measures and ignoring longer-term measures. Dr Farry is right that, if we are to go down the road of changing the structure of the economy, there are much more fundamental issues that need to be dealt with than the short-term Elastoplast, as it could be described, of business rates relief.

Dr Farry raised several points about energy efficiency. I am glad that he did not make one particular point, because it could have led to a long debate. He did not try to attribute climate change to any one particular cause. That is also a debate for another day.

The Member is correct: the important point is that it is good policy to look at how we can save energy and make our homes more energy-efficient. That is good for individuals because it reduces their bills at a time when, ironically, because of the response to climate change, they will face increased costs. The other day, the Utility Regulator talked about an increase of anything up to 60% in electricity bills because of the fixation with reducing CO₂ emissions. People will find that energy is more expensive in the future, so it makes sense to save it. Since there is only a finite supply of many of our energy resources, it makes sense to use them wisely. Our measures are designed to do just that.

As far as progress on the building regulations is concerned, I do not have that information today. However, I will write to Dr Farry about that because the issue that he raised is important. He also mentioned rates relief for low-carbon or zero-carbon homes. I think that it makes sense to do that in some kind of linked way. We will address how the issue that he raised will be dealt with when it comes to the formal definition of zero-carbon homes.

I hope that I have gone through most of the points that Members raised, and I thank everyone for the work that they have done.

Question put and agreed to.

Resolved:

That the Rates (Amendment) Bill [NIA 2/09] do now pass.

Education Bill

Consideration Stage

The Minister of Education (Ms Ruane): Ní thairgtear an Bille. Not moved.

Mr Speaker: The Consideration Stage of the Education Bill has not been moved.

I have received notice from the Minister of Finance and Personnel that he wishes to make a statement regarding the outcome —

Mr B McCrea: On a point of order, Mr Speaker. I seek your guidance. Are there any reasons why the Consideration Stage of a Bill should not be moved? These matters were fully —

Mr Speaker: Order. This is not a debate. The Minister has not moved the Consideration Stage of the Bill. That is a matter for the Minister and the Executive. However, I was notified by the Minister of her intention not to move the Consideration Stage of the Bill. Party Whips were informed, and a letter from the Minister was put into Members' pigeonholes. Let us not have a debate: the Consideration Stage of the Education Bill has not been moved.

Lord Morrow: Further to that point of order, Mr Speaker. You are absolutely right: the Whips received notice. Are Members of this House not entitled to an explanation and perhaps an apology?

Mr Speaker: Order. I have already said that the Consideration Stage of the Education Bill has not been moved. It rests there. If Members want to discuss the issue with me further, please discuss it outside the Chamber. Let us not have a debate because the Consideration Stage of the Bill has not been moved.

Mr McNarry: Further to that point of order —

Mr Speaker: Order. I am taking no further points of order on the issue. The Consideration Stage of the Bill has not been moved. I ask the Member to take his seat. I am moving on.

I have received notice from the Minister of Finance and Personnel that he wishes to make a statement regarding the outcome of the September monitoring round. The Minister will make his statement today at 1.30 pm. I therefore propose, by leave of the Assembly, to suspend the sitting until that time.

The sitting was suspended at 11.54 am.

On resuming (Mr Deputy Speaker [Mr Molloy] in the Chair) —

1.30 pm

MINISTERIAL STATEMENT

Public Expenditure 2009-2010: September Monitoring

Mr Deputy Speaker: I have received notice from the Minister of Finance and Personnel that he wishes to make a statement regarding the public expenditure 2009-2010 September monitoring round.

The Minister of Finance and Personnel (Mr S Wilson): Following the Executive meeting this morning, I would like to make a statement regarding the outcome of the September monitoring round, so this is hot off the press.

The second monitoring round of 2009-2010 has the role and purpose, under the in-year monitoring process, of allowing the Executive to make optimal use of resources at our disposal by reviewing departmental expenditure plans in light of the most recent information available.

In my statement to the Assembly in July on the June monitoring round, I informed Members of the record levels of investment in the public services that were delivered by the Executive in 2008-09, and the fact that that was at least partly due to the considerable reductions in levels of underspending compared to previous years. However, I also indicated in that statement that the improved spending performance of Departments last year had implications for the management of the expenditure position going forward. I particularly highlighted the need to reduce our use of overcommitment as a tool for managing public expenditure.

The simple reality is that if, unlike under previous direct rule Administrations, Departments now spend the vast majority of money available to them, the return of significant funds to the Executive during the year or large year-end underspends cannot be anticipated. That point sets the important context for the September monitoring round, in which the key challenge for the Executive was managing the overall financial position to protect our own integrity, and that of the Northern Ireland block, by ensuring that we do not overspend against the amounts available to us, while supporting priority areas in which additional funding is needed. In anticipation that some Members may try to portray such a position as a self-inflicted wound, let me say that the contrary is true: it is a consequence of an Executive who deliver for the

people of Northern Ireland on levels of spend, on sound financial management and on responsive public services.

Turning to the detail, the level of reduced requirements declared by Departments in the September monitoring round was £26·8 million in current expenditure and £21·1 million in capital investment. Further details are set out in tables attached to my published statement.

To underpin my point about better financial performance, reduced requirements this year total only 57·7% of the amount declared at the same stage last year. I emphasise the significance of that position; it means that the amounts allocated to Departments in the last Budget are being used by those Departments for the purposes intended, rather than being returned for redistribution. They are meeting the purposes proposed by the Executive and endorsed by the Assembly following an extensive public consultation process — yet more evidence of a successful delivery against the considered needs of the people of Northern Ireland.

However, as a consequence of that performance, and of the overcommitment that existed at the end of the June monitoring round, no funds are freely available for allocation to Departments at present. Some in the House may seek to paint that situation as unduly problematic, but in reality the position highlights our progress in delivering the commitments set out in the Programme for Government.

In order to facilitate further sound financial management in Departments, the Executive have allowed Departments to move resources across spending areas when the movement reflects a proactive management decision that is taken to enable the relevant Department to manage emerging pressures within its existing baselines. Those Departments are to be commended for their actions to address pressures in that way.

It has also been necessary, largely due to technical issues, to reclassify some amounts between expenditure categories. Details of those changes are provided in the tables that are attached to the statement.

Although no amounts were available for reallocation to address departmental pressures, the Executive have agreed small allocations of £0·1 million current expenditure to the Northern Ireland Assembly and the Northern Ireland Audit Office. Those allocations reflect the bodies' unique circumstances and the fact that their costs are agreed by their respective Committees, as opposed to being subject to the normal scrutiny and challenge that apply to other Departments. That said, and acknowledging that the amounts involved are small, I urge the House and the Northern Ireland Audit Office to recognise the financial constraints and to do all in their power to minimise their call on the wider public expenditure position. Those institutions, more than any others, must lead by example.

When viewed in light of the lower level of reduced requirements and the amount of end-year underspend in 2008-09, those charges have resulted in a reduction in the total overcommitment to a prudent level for this stage of the financial year. However, the balance between current and capital overcommitment is slightly skewed, with current expenditure being ahead of target, while capital investment is behind target. Therefore, to redress the imbalance, the Executive have agreed to reclassify £22·5 million of current expenditure as capital investment.

That reclassification brings the overcommitment position to £45·8 million for current expenditure and £20 million for capital investment, which, based on departmental spending performance in 2008-09, represents the maximum level of overcommitment for this stage of the financial year, with no scope to increase that amount to meet any pressures at this time.

Three issues were identified as being of sufficient strategic importance to warrant action by the Executive at this time: the £20 million first call on available money for the Department of Health, Social Services and Public Safety (DHSSPS), which was agreed by the Executive as part of the last Budget; the costs of addressing emerging pressures that are linked to swine flu, which, again, is a health issue; and the Bombardier C Series project in the Department of Enterprise, Trade and Investment (DETI).

Turning first to the £20 million first call on the available resources for DHSSPS, as Members will recognise, the constrained financial position that we face means that, at this time, there are no available resources to allocate against that commitment. However, the Minister of Health, Social Services and Public Safety has helpfully offered to release £10 million capital investment through proactive management of his significant investment programme, which, through some flexibility that is available to the Executive, can now be reclassified as current expenditure and returned to his Department as a first instalment against the £20 million. With respect to the balance, the Executive have agreed that making good on that commitment will be a priority for the remaining two monitoring rounds this year, when all reasonable efforts will be made to find the remaining £10 million.

At this stage, swine flu costs are still estimates, and the Health Minister has identified likely minimum requirements of £42·6 million current expenditure and £22 million capital investment. Those amounts may be subject to change; however, the Executive have agreed to move forward on that basis. Taking account of the amounts that are available in the existing DHSSPS budget, a net pressure of £27·9 million current expenditure and £11·5 million capital investment remains to be addressed.

Finally, with respect to the Bombardier C Series project, DETI has identified a net capital investment pressure of £22.3 million.

I should explain that this £500 million investment — the largest ever inward investment project secured for Northern Ireland — is expected to create more than 800 new jobs over its production cycle, with many more jobs forecast to be created indirectly at peak employment. The supply-chain benefits for the UK, and for Northern Ireland in particular, are substantial. The investment will help to safeguard and further develop high-quality manufacturing skills in Northern Ireland for many years to come. That highlights the importance of the issue as a project in its own right and as evidence of the Executive's commitment to make economic growth their number-one priority.

In dealing with those two strategic issues, the Executive have agreed that, despite the constrained financial position, they are of such significance that support must be made available to the two Departments concerned. That will come from two sources. The Executive have agreed that Barnett consequentialities that were received in the Chancellor's 2009 Budget amounting to £23.8 million will be used, first, to cover the C Series project, with the balance set against the residual swine-flu capital costs. Before that, the Executive had intended using that funding to offset the additional efficiency reduction of £122.8 million, which will apply next year. However, given the financial position and the importance of the two issues, the consequences of the efficiencies will be addressed as part of wider work on the 2010-11 position. The Executive will consider that at their next meeting, and I will make a statement on that issue to the Assembly in due course.

As regards the balance of the swine flu pressure, the £27.9 million current expenditure and £10 million capital investment, the Executive have unanimously agreed that it will be funded by way of a pro-rata contribution from all other Departments. A table showing the total contribution by Departments is attached to that statement. However, I will continue to press the case with Her Majesty's Treasury that the UK Government should contribute to those costs, and robust monitoring systems will be put in place so that any funding not required for swine flu will be returned to Departments.

We should not underestimate the significance of this. At a time when all departmental budgets are under significant pressure, the Executive have acted decisively and in the broader strategic interests of Northern Ireland, setting narrow departmental interests to one side. Those were difficult decisions for Ministers and there was much debate about them. However, it is important to recognise that those adjustments do not mean a reduction in overall expenditure levels; they

simply represent a reprioritisation — I wish the civil servants would not use those big words in my speeches — of the funds available to the Executive as others have suggested, but without the need for a formal and time-consuming bureaucratic Budget process. The corporate approach taken by the Executive has enabled those strategic pressures to be addressed while ensuring that the overcommitment remains at a prudent level for this stage in the financial year.

Although the overall financial position means that it was not possible to address all the pressures identified in the September monitoring round, our prudent and responsible approach means that the pressures of strategic significance have been addressed, while the integrity of the Northern Ireland block has been maintained. That emphasises the importance of having a local and fully functioning Executive and delivery by the people of Northern Ireland for the people of Northern Ireland. For that reason, I commend the September monitoring position to the Assembly.

Mr Deputy Speaker: There is a long list of Members who want to ask questions. If Members ask questions and keep them precise, everyone will get their turn; if they make statements, not everyone will be accommodated. If a Member makes a statement, I will move on to the next Member.

Ms J McCann (Chairperson of the Committee for Finance and Personnel): Go raibh maith agat, a LeasCheann Comhairle.

I welcome the Minister's statement and I particularly welcome the fact that top-slicing by Departments did not have to happen in the case of the Bombardier C Series. In view of the importance of economic investment, I ask the Minister whether he agrees that it should be distributed equitably to balance regional development across the North.

1.45 pm

The Minister of Finance and Personnel: I welcome the Chairperson's support of the monitoring statement and the way in which we have decided to allocate money. We were mindful, especially when looking for the C Series money, of the impact of top-slicing across Departments.

I agree with the Member's point; indeed, if one looks at the Executive investment portfolio at present, it is quite clear that we seek to dispense the benefits of public spending across the whole of Northern Ireland. This morning, I was interviewed about some of the views that I expressed on the Bain report — I suspect that that is what the Member was alluding to. When I was questioned on the situation in the north-west, I was able to point out that, in recent months, the Minister of Enterprise, Trade and Investment and the Minister for Employment and Learning have introduced measures there to help those who have

found themselves unemployed to reskill and retrain. The Ilex programme has received £18 million, which will open up the huge Ebrington site in Londonderry and which represents substantial investment and urban regeneration for the city. New schools are also being built in the city.

That picture is replicated all over Northern Ireland. The £10 billion that the Executive dispense across Northern Ireland is spent on a wide range of projects. Indeed, one of the things that I have done as Minister of Finance and Personnel is to go to see some of those projects in the west, south, north and north-west of Northern Ireland.

Mr Weir: I thank the Minister for his statement. I particularly welcome the fact that we are now seeing Departments spending their allocation, which contrasts with the situation a number of years ago in which there were large amounts of underspend and the resources were not being used efficiently.

My question follows on from the Chairperson's question and is about the money that has been allocated to DETI on the CSeries. First, people may wonder why that money was not allocated earlier, as part of the DETI budget. Were there any particular restrictions that meant that that could not happen? Secondly, what are the implications for the economy of the allocation of money to the CSeries?

The Minister of Finance and Personnel: There was a lot of negotiation with the Treasury and Bombardier about the CSeries, and that was not finalised until after the current comprehensive spending review (CSR) period had started. Therefore, not being certain that the money would be spent, the Minister put the money back into the pot, with the understanding that, should the CSeries go ahead, the contractual obligation — it is a contractual obligation — would be met. The Executive have honoured that contractual obligation. That explains why the allocation was not in the budget of the Minister of Enterprise, Trade and Investment. Having said that, the allocation to the Department is not 100% of the funding; the Minister had to find the first £10 million and the remainder was made up from the reallocation in the monitoring round.

I have emphasised the importance of investing in the CSeries project already. At more than £500 million, it is the largest amount of money for a single inward investment project in Northern Ireland. I do not know a great deal about the technology, but it will put Northern Ireland at the leading edge of carbon fibre technology. Obviously, there are spin-off effects from that. It will generate 800 high quality, well paid, highly skilled jobs. Indeed, if the jobs that will be maintained in Bombardier as a result of the project and supply chain jobs are included, the total number of jobs over

the eight years of the investment is probably more than 2,400. Obviously, it is a very important project, and we had a contractual obligation. We have sent out the right signal that we are not simply saying in words that the economy is the priority but are showing it in our deeds.

Mr McNarry: It is clear that the Minister's inheritance is creating a struggle for him. In the circumstances, I welcome what he is doing for the Department of Health, Social Services and Public Safety and for the Bombardier CSeries project.

However, the Minister says that no funds are available for allocation. That is a sweeping generalisation. Is it not an admission that DFP's number crunching is crashing down around it, necessitating the Minister to make a full statement with bare facts, warts and all? Will he confirm whether the £380 million shortfall will be the top figure, or whether it will escalate to £480 million or £580 million? Where does the Minister stand? Does he know where he stands?

The Minister of Finance and Personnel: I anticipated that I might get such a question from the Member; in fact, I would have been disappointed had he not asked me a question along those lines. Let us look at what I, as Finance Minister, have inherited. This year, public expenditure in Northern Ireland is the highest that it has ever been; investment and capital investment are the highest that they have ever been; and Departments, which are spending to their programmes, are doing what they said that they intended to do. I am pleased to have inherited that legacy.

As I said in my statement, to some extent, those developments cause some pressures. In the past, when lots of money that was supposed to be spent was not spent, Departments declared reduced requirements, enabling any pressures that came along to be met. That is no longer possible, or, at least, it is not as easy as it was in the past. However, we should be pleased, not unhappy, about that. Even having done that, we were able to find in the September monitoring round the money for the two fairly significant pressures that I discussed.

I remind Members that we were able to find the £200 million for the deferred water charges and additional money for housing in the June monitoring round. So much for the figures being in disarray and there being some panic. Although difficult decisions will have to be made, it is unfair of the Member to say that I have inherited some kind of crumbling financial legacy that is difficult to manage.

The Member was correct to say that the Assembly is entitled to an explanation as to how we intend to go forward in the next financial year; indeed, I think that I made that point in my statement. Will £370 million be the total pressure? If it is not, how much will it be?

How do we intend to address it? I made clear in my statement that once the Executive have had an opportunity to consider the paper on that matter, I will make a statement to the Assembly so that Members can ask me difficult questions about it.

Mr O'Loan: I note what the Minister says about the dramatic reduction in reduced requirements. That calls fundamentally into question the use of monitoring rounds as a mechanism for addressing financial pressures, and it is leading to activity that has all the hallmarks of crisis management. Does he agree that, in the medium term, a better method of managing our public finances must be put in place? The mechanism for dealing with swine flu is to top-slice from all Departments, and I am surprised at the Minister's defence of that method.

Mr Deputy Speaker: I ask the Member to come to a question.

Mr O'Loan: I am surprised that the Minister offers that as the only solution. Does he agree that the use of an Ad Hoc Committee to reprioritise the Budget, which I have recommended here before, would be the best way forward in the short term?

The Minister of Finance and Personnel: Reprioritising the Budget would not have made a blind bit of difference to the situation that we face. Swine flu could not have been anticipated in a debate or in a reprioritisation of the Budget.

A reprioritisation of the Budget implies planning ahead in a different way from before, but those plans must still be made on the basis of certainties. When unanticipated factors arise, other mechanisms must be found to deal with them.

The Member criticised the use of monitoring rounds. However, there are only two other mechanisms for allocating funds from the block grant. At the very beginning of the process, the Member's party and others supported having an even greater overcommitment; that would have been far more dangerous and have led to crisis management. We would have found no money forthcoming to write off the overcommitment, which would have led to dramatic changes in the last two or three months of the financial year. That would have created a real crisis; therefore it was not an option.

The other option was a contingency fund. However, Members must recognise that if we —

Mr McNarry: *[Interruption.]*

The Minister of Finance and Personnel: I note that Mr McNarry made a comment from a sedentary position, advising me to create a contingency fund, and that the creation of such a fund was his party's idea. It was not his party's idea; his party's idea was to have an even bigger overcommitment.

We must be clear what establishing a contingency fund would mean. Money would be taken from Departments now and placed into a pot to deal with an emergency that might happen during the year. The contingency fund would have to be retained until the end of the financial year, and if an emergency did not occur, a scramble would take place to spend the money. That is not good financial management.

Whatever the option taken, it will have its disadvantages. However, I am coming to the same conclusion as Mr O'Loan: if little money is released through monitoring rounds, perhaps they are not the way forward and we should perhaps examine another mechanism for reallocating funds. That would probably mean creating a contingency fund; however, that option is not necessarily pain free, and neither would it mean that Departments would not lose money.

Mr O'Loan also mentioned the top-slicing of Departments' budgets to pay for swine flu. That was the only option that was available to the Executive for the release of those funds, after the examination of other areas from which money could be reallocated. The top-slicing arrangement is something from which many Departments benefitted in the past, and it was the only fair way of finding the money for swine flu. However, as the Member suggested, when it comes to longer-term planning we must examine the targeting of non-priorities and not fund those areas.

Dr Farry: I welcome the September monitoring round, albeit in the middle of October.

Will the Minister clarify the position with respect to the use of the Barnett consequential for the C Series project at Bombardier and what is happening to the balance of that fund? Northern Ireland received £116 million over two years for that project. Furthermore, does the Minister recognise that the source of those funds was an economic uplift at a UK level in the form of an economic stimulus? Moreover, surely the example of what the Executive are doing in supporting Bombardier demonstrates that they should be doing more to use resources to support the economy. The point that I would make about —

Mr Deputy Speaker: The Member has asked a question.

Dr Farry: OK. Thank you, Mr Deputy Speaker. *[Laughter.]*

The Minister of Finance and Personnel: The Member asked a question early in his contribution and went on to ask several more. However, that is not unlike the Member; he is well known for getting good value when making contributions in the House.

The Member is correct: only one side of the Barnett consequential money that the Executive pushed to next year was used, and that was the capital side.

There is £26.5 million for current spending, which will be available to relieve pressures next year unless a decision is made this year to bring it forward into the current spending period.

2.00 pm

With regard to the purpose for which the Barnett consequentialia were used, the whole point of devolution is that Westminster will not tell us how to spend that money. There is a mechanism through which we get our share of money that Westminster spends on items that are included in the Barnett consequentialia. That money is not ring-fenced or hypothecated; it is simply available to us, and we decide how we wish to spend it. The Assembly has decided its spending priorities.

If the Member looks at what we have done with capital expenditure, he will see that we have spent it in exactly the way in which he wanted it to be spent, which was to promote the economy — the private sector of the economy — a project that will bring in high-level skills, high-value jobs and contribute to economic growth and sustained economic growth over the longer period. Today's decision falls into line with the purpose for which the extra money was received in the first place, although the Assembly will want to guard jealously its right to make decisions as to how it spends the money that comes as a result of Barnett.

Mr Hamilton: The Minister referred to the allocation of £20 million for housing in the June monitoring round, and he will recall the condition that was placed on that allocation, which was that a further £20 million would be released immediately by the Department for Social Development for Egan contracts. Does the Minister share my concern that the Minister for Social Development has confirmed that only £8 million has been released to date? Does he also share my worry that, although the Minister for Social Development has taken the £20 million for capital expenditure, she has not kept up her end of the bargain?

The Minister of Finance and Personnel: First, the Member is correct: when I stood here in July and made a statement on the June monitoring round, I made it clear that there was a clear condition that the £20 million for capital investment that was made available to the Minister for Social Development was in respect of disability adaptations and housing renovation grants. There was a clear condition that, with capital expenditure on a sounder footing, the Minister for Social Development would immediately release the same amount of additional current expenditure to the Egan contracts. That is contained in the Executive minutes and is on record in the Assembly. Indeed, her argument for doing so at that stage was that maintenance projects and contracts had a high multiplier effect, employed a much higher degree of

local labour and could help in regenerating the construction industry in local areas. The construction industry, the public and the Assembly have expressed an ongoing interest in the matter, and I will be asking the Minister for Social Development to tell the Executive how much money she has released to the Egan projects, and I will be seeking an assurance that the full £20 million will be released by the end of the year. It is not only the multiplier effect that that will have on the construction industry that is involved; there is also the improvement in the quality and stock of homes.

The Chairperson of the Committee for Culture, Arts and Leisure (Mr McElduff): Go raibh maith agat, a LeasCheann Comhairle. Tá ceist agam don Aire, agus ba mhaith liom ceist a chur ar an Aire as a ráiteas.

Will the Minister note the importance of the Places for Sport programme operated by Sport NI? The Committee for Culture, Arts and Leisure considered the September monitoring round at its meeting on 10 September. The Committee is determined that that key programme, which benefits sporting clubs at community level, should be carried on into future funding periods.

Secondly — my question will be specific — will the Minister also note that the Committee is concerned to learn that just over £2 million that had been assigned to the Ulster-Scots Academy has been surrendered back to the Department of Finance and Personnel? That concerns us because the Committee visited various projects over the summer, including an Ulster-Scots community group in Ballymoney that needed £48,000 to continue with its programmes.

Mr Deputy Speaker: The Member must ask a question.

The Chairperson of the Committee for Culture, Arts and Leisure: Will the Minister note the Committee's interest in both those matters and perhaps place some conditions on the Minister of Culture, Arts and Leisure in future monitoring rounds?

The Minister of Finance and Personnel: The answer to the Chairperson's first question is that the Minister will make bids for his future budget. If the Places for Sport programme is a priority for the Minister and the Committee, of course the Minister will make a bid, which will be considered along with all other bids.

I am not quite clear on the detail of the Committee's visit to the Ulster-Scots group in north Antrim, but I am amazed at the Chairperson's diversity: English, Irish and now Ulster Scots. Perhaps some day he will break into Ulster Scots in the Chamber so that he and my colleague Mr Shannon, who is not in the Chamber at present, can have a conversation.

If the money that that group sought was for an ongoing project, it was probably current expenditure, whereas I understand that the money that is being surrendered is capital expenditure. I think that I am correct in saying that, although if not I will be happy to correct myself in a letter to the Chairperson. It may seem odd that the Minister has surrendered £2 million that had been assigned to the Ulster-Scots Academy when an Ulster-Scots group needs £48,000, but the money could not have been transferred. That is not just a DFP rule but a Treasury rule. The Minister could not have transferred it from capital expenditure to current expenditure, so we are probably talking about two different things. If I am wrong, I will come back to the Chairperson.

The Chairperson of the Committee for the Office of the First Minister and deputy First Minister (Mr Kennedy): I am grateful to the Minister for his statement. I wish to ask about OFMDFM departmental savings. Annex A to the Minister's statement outlines a reduced requirement of £11.5 million under the heading "EU Match Funding". Will the Minister explain the background to that match funding, what is meant by it, where it comes from and why it is not required at this stage?

On a wider point, can the Minister confirm that the principle of the £20 million first call on available money, an arrangement one of his predecessors and the Minister of Health, Social Services and Public Safety made, still stands and will continue to stand despite current circumstances?

The Minister of Finance and Personnel: On the Chairperson's last point, I have already given a commitment in two ways. First, the resolution that the Executive agreed this morning included an explicit commitment to look for and find the extra £10 million that is required to facilitate the £20 million first call. Secondly, I made that commitment in my statement to the Assembly. Despite the constrained circumstances, I have made it clear that we will do what we can to meet the commitment to find an additional £10 million.

The figure of £11.5 million that was referred to is matched funding. Traditionally, money is held so that there will not be a hindrance. I will write to the Member on that issue, because I am trying to make out the writing in my notes. As far as I am aware, put simply, that money is held centrally to match fund EU programmes. Perhaps because some of the programmes have not come forward as quickly as might have been expected, it has not been necessary to draw on that matched funding, hence the reduced requirement. It is not OFMDFM money; it is money that OFMDFM holds centrally for EU programmes. That is the position as far as I understand it from the scribble that I have been given, and I hope that that satisfies the Member at a higher level. If he needs

more detail, I will drop him a note to explain the exact detail of the money that was not drawn down.

The Chairperson of the Committee for the Environment (Mrs D Kelly): I thank the Minister for his statement. I welcome the reallocation of the strategic waste infrastructure fund (SWIF) from the capital cost to the resource cost. I hope that that will enable the Department of the Environment to allocate the resource quickly and appropriately to ensure that Northern Ireland keeps up with its waste management obligations. However, will the Minister assure the House that the SWIF funding has now been placed permanently on that footing so that future monitoring rounds do not have to be used to address the issue and so that the organisations can be allowed to move forward on their obligations?

The Minister of Finance and Personnel: Carte blanche cannot be given for moving money from capital expenditure to current expenditure. As I explained in answer to Mr McElduff, there are rules on the reclassification of expenditure in that way.

I know a bit about SWIF funding because of my previous role as Minister of the Environment. The slowdown in the projects and the decision-making means that it is not necessary to spend all the capital money in this year. Some money was required for areas such as the communications strategy, so reallocations were enabled.

We simply cannot say that, since the money for the waste strategy is from capital expenditure, it can be shifted over into current expenditure. Design work, work on planning permission, consultancy work and so on came from revenue expenditure, so a reclassification was needed. That was perfectly acceptable, because it was anticipated that such work would be covered in the capital cost of a project. The capital project was not progressing, so the money was not available and reclassification was carried out.

The general point is that a capital project of, for example, £100 million may include costs that are regarded as revenue costs because the capital work is not progressing. In such a scenario, that money can be released. As far as I understand it — if I am wrong, I will come back to the Member — a request must be made when there is a disconnect between the project starting on the ground and the preparatory work being done. That is why the problem arose in that case.

Mr McLaughlin: Go raibh maith agat, a LeasCheann Comhairle. I take some encouragement from the Minister's statement and his noting of the fact that improved performance has a direct consequence for the amount of money that will be available in future monitoring rounds. The progress that that displays in project management and financial management must be recognised.

I am also encouraged by the degree of co-operation among Ministers, which the statement acknowledges. Ministers were prepared to take a bit of pain to contribute to the allocation for the Executive's response to swine flu. That is an encouraging sign.

2.15 pm

With regard to the Minister of Health, Social Services and Public Safety's creative and helpful contribution, I understand that the Minister for Social Development also made a proposition about a major project that will not go ahead as planned. She suggested that she bring forward some £70 million. That would have made a substantial contribution towards the swine flu epidemic as well as to the social housing fund.

Mr Deputy Speaker: The Member must ask a question.

Mr McLaughlin: Was an opportunity missed?

The Minister of Finance and Personnel: I thank the Minister for his question, albeit a long one. I must say that Ministers did not take the pain easily; they had to be persuaded. They fought valiantly to protect their departmental budgets, as one would expect. To a degree, they had to be dragged towards the pain. However, I suppose that the Member is correct: they took the pain.

Although it was a good example of how Ministers must fight their corner and argue their case, at the end of the day, we took a collective decision on two projects. We also looked for inventive ways of dealing with the issue. However, it was not a painless experience.

The Minister for Social Development offered to make available money from the Royal Exchange project, most of which had been set aside for vesting property. However, due to legal and other difficulties it was anticipated that it would not be spent next year and so could be brought forward to be spent this year.

The problem is that the Royal Exchange project is an important regeneration project in the centre of Belfast, to which private investors have contributed considerable sums in anticipation of help in assembling a site that would enable them to deliver the project. Had the money been brought forward, there would have been an element of bad faith. That would have sent out the wrong signals and put the project in jeopardy.

The difficulty with bringing forward and spending the £70 million in 2009 is that we would have to find it in 2010 or in 2011, which would be even worse, as we will have to deal with an even more constrained capital Budget. Although we cannot foresee circumstances after the election, we know that they will be worse than they are now. The chance of that bid being successful would have been much smaller, and an invaluable

urban regeneration project might have fallen by the wayside. I am sure that the Member who is sitting on Mr McLaughlin's right, Mr Fra McCann, would not have been happy if that had been the case.

For that reason, we decided that it was not a good idea to spend £70 million that had been earmarked for a project that the Executive want to go ahead and which would have substantial benefits for Belfast city centre. To have reneged or even hinted that we would do so would have affected investor confidence

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his statement. He has answered some of my questions about money from the previous monitoring round in response to Simon Hamilton. Indeed, it is also relevant to his previous answer.

In the light of continuing and emerging pressures on social housing provision, will the Minister continue to prioritise it if money becomes available in future monitoring rounds? With respect, although I accept that Belfast has priority to a certain degree, the need for social housing in my constituency is as great as it is anywhere.

The Minister of Finance and Personnel: First, as regards the Member's last point, one has only to look at the number of capital projects and at where money is currently being spent to realise that the Executive are addressing problems right across Northern Ireland.

The Rates (Amendment) Bill, the Final Stage of which took place earlier today, will affect businesses all over Northern Ireland. That is particularly relevant to sub-post offices in rural areas as they will get enhanced help with their rates.

We are also taking a range of other measures. For example, the cap on the manufacturing rate is not specific to Belfast or the greater Belfast area; rather, it applies across Northern Ireland. The measures that we are undertaking apply across the whole of Northern Ireland, and that is right. I do not want people in parts of Northern Ireland to feel that they are not benefiting from the decisions that are being made here; rather, I want people to feel collectively that they have ownership of the project here and of what results from that.

Secondly, priority has been given to social housing. The difficulty is that capital receipts have not been as high as we had anticipated. They are worth about £20 million less than we expected them to be this year. However, Members should not underestimate the fact that the recession has also given us the opportunity to get more for our money. As we all know, prices of new houses have fallen dramatically, in some cases by 40%. However, the Minister for Social Development's housing budget has not fallen by 40%. Therefore, we should not automatically assume that we will get fewer houses because less money is available. In fact, despite

the reduction in revenue as result of the fall in capital receipts, the potential exists to get substantially more for our money by buying wisely, and that is the important point.

Mr McCallister: I welcome the Minister's statement. I congratulate the Minister of Health on finding £10 million. I also welcome the news that the Executive have agreed to move forward on the estimated costs for addressing swine flu. I encourage the Finance Minister to put as much pressure on Westminster as possible in order to get funding that meets the demands that swine flu has placed on the health budget.

I seek an assurance from the Minister that he will make health a priority in the next monitoring round.

The Minister of Finance and Personnel: First, I made it clear that I alone will not be seeking additional money from the Treasury. I spoke to the Scottish and Welsh Finance Ministers, and collectively we will raise the issue at our next meeting with the Chief Secretary to the Treasury. We already raised that issue in writing; however, we have not had a very positive response. Nevertheless, we will not let up on trying to get additional funding.

If anything should qualify for contingency funding from the Treasury, swine flu should, given the nature of the problem and the spending that it entails. However, the Treasury has said that it believes that the devolved Administrations should find the additional money in their budgets. Indeed, it expects the Department of Health in England to find additional money in its budget. The issue is being pursued. Of course, the First Minister and deputy First Minister also raised the issue at the last Joint Ministerial Committee plenary meeting. The two other Finance Ministers and I will follow that up when we meet the Chief Secretary to the Treasury.

The Member asked about making health a priority. I reiterate what I said on about four other occasions — in the agreement that was signed at the Executive meeting; in today's statement; and in the answers that I gave to Members — we will make our best endeavours to find the £10 million gap in the £20 million first call in the December and February monitoring rounds.

Mr Ford: I join my colleague Stephen Farry in welcoming the Minister's "October monitoring round" statement. The Minister has correctly identified that, as Departments become more efficient in spending money, the amount of money that becomes available at monitoring rounds becomes smaller. In that light and without wishing to sound too much like Declan O'Loan, does the Minister agree that it will be necessary to have a proper Budget — however time-consuming and bureaucratic, as he described it, that may be — that can drill down into priorities, rather

than merely dealing with money that is voluntarily surrendered by Departments? Does the Minister accept that, although top-slicing all Departments to cover the cost of swine flu may be the only available short-term remedy, it is not a good example of dealing with prioritisation?

The Minister of Finance and Personnel: Seven months in advance of the next financial year, I took the step of identifying the pressures that I knew existed at that stage. Some Members have said that that £370 million might not be the end of the story because, for example, the equal pay claim had not been factored in, and we do not know what the final outcome of that will be. Nevertheless, I gave my Executive colleagues the picture, as I understood it, seven months in advance, so that we could have exactly the type of debate that the Member mentioned.

Instead of top-slicing, I would much rather that we could reassess the relevance of programmes from two or three years ago. Such programmes may have been created with the best of intentions, but we could decide whether those programmes have been effective and whether they should be continued. Some programmes must be given a high priority, and, if we do not have enough money, we could decide to cut those projects that are lower down the priority scale. That would be the sensible way forward and the right way of doing it. However, that still would not deal with an unforeseen crisis.

Knowing the pressures that are coming down the line, we plan ahead and try to deal with those in such a way that they do not become crises. However, occasionally, we will still be hit with things that we did not foresee. Such circumstances can emerge overnight and require payment almost immediately. In those circumstances, going back to the departmental budgets — to top-slice, to take action or to cut a particular programme — cannot be ruled out. No Department is going to offer to supply all the money for an unforeseen issue or emergency, especially if it falls outside that Department's remit. Therefore, we cannot totally rule out top-slicing.

We will have a debate on prioritisation. To be frank, I do not care if that comes in the form of a ministerial statement or a tabled debate; that depends on how it is to be presented to the Assembly. However, I think that that is probably a much more sensible approach to dealing with those types of pressures.

Mr Cree: I thank the Minister for his statement and his frank and honest answers. I know that he has a difficult job. In light of the fact that the reduced requirements represent 57.7% of the amount declared at the same stage last year and following the Minister's announcement that the overcommitment will be significantly reduced, does he believe that there is a

danger that the Executive will break Treasury rules this financial year? Can he outline the consequences if that were to happen?

The Minister of Finance and Personnel:

Apart from being embarrassing, I believe that the consequences would be quite dire. The Treasury would not look very kindly on that. That is why we could not, as some have suggested, simply fund pressures through overcommitment and why we could not leave the overcommitment at the level at which it stood. Therefore, we put some money towards reducing the overcommitment.

The Member has identified the issue very well: the Treasury will not tolerate overspend. We feel that we have got the overcommitment down to a level that is just on the edge of being prudent. We cannot afford to allow spending to slip and thus increase the overcommitment.

As we approach the end of the year, we will have to tighten up.

The Member mentioned the reduction in requirements. However, even if the trend in that reduction, which is currently 57% of that declared at the same time last year, were to continue in the December and February monitoring rounds, we would probably be in a position to bring the overcommitment down to an acceptable level.

2.30 pm

Mr Kinahan: I thank the Minister for his statement. He will agree that it is in the public interest to have increased visibility in all departmental finance issues.

Why has the Minister left the departmental bids out of his statement? When will he provide us with the detail of those bids?

The Minister of Finance and Personnel: The departmental bids were left out of the statement, because we dealt with only certain bids. We did not accept the other bids, so we were not considering them. We were able to consider only the bids relating to swine flu and the C Series project. However, each Committee will be aware of and, presumably, will have discussed the departmental bids; they may even have had some input into those bids.

I am quickly looking through my statement, but it only details the reduced requirements. However, it should be possible to supply the Member with details of all the bids that were made.

Mrs M Bradley: Seven health trusts are telling us that they will overspend by tens of millions of pounds this year if they do not cut front line services. As no more money has been allocated, is the Minister telling those trusts to cut front line services?

Is there any help to address the issues around Civil Service equal pay claims and the relevant back pay, because I do not see any in the statement?

The Minister of Finance and Personnel: All Departments have pressures. Indeed, there was no Department that did not seek additional money for one thing or another. The Member who asked the previous question mentioned departmental bids, and the Committees will be aware of the detail of those bids. Every Department would like to spend more money: that is the nature of any Government Department or business.

The Health Minister has to manage his budget within the agreed limits. I remind the Member that when the three-year Budget settlement was agreed, the Health Minister said that he had got a good deal for health. Those were his words, not mine. He negotiated what he felt was a deal and, like every other Minister, he must live within his allocation. When efficiencies have to be made, I prefer them to be made in ways that do not hit front line services. However, it will be up to the Health Minister and the trusts to decide how to live within their budgets.

The Member's second point was about equal pay in the Civil Service. We cannot factor in anything for equal pay at the moment; £100 million is available from the Treasury for pressures, including equal pay. I do not know what the final figure for equal pay will be, but, as I said to other Members, if that pressure arises this year, we will have to revisit existing budgets. If it arises next year, it will be included in the debate that the Executive must have about pressures. I have already identified £370 million of pressures. If there are additional pressures as a result of the equal pay issue, they will be included in that debate.

Mr Boylan: Go raibh maith agat, a LeasCheann Comhairle. Cuirim fáilte roimh ráiteas an Aire. I welcome the Minister's statement. I refer him to the money for road safety that was returned by the Department of the Environment. The Minister may be aware that road fatalities are up compared with this time last year and, indeed, the year before. Will the Minister clarify what that returned money was for, and does he agree that the Department should use that money properly to address road safety issues and introduce measures to reduce road fatalities?

The Minister of Finance and Personnel: Again, the Department of the Environment is responsible for the detail of why that money was returned. I understand, however, that there was a depreciation and cost-of-capital cover which the Department did not require in this financial year. That money could not have been spent on, for example, an advertising campaign. Therefore, it had to be returned.

I would rather see money being returned than simply being spent without any real planning. The proper way to use money which becomes available as a result of a reduced requirement is through a programme of planned spending, rather than spending it quickly. If the Minister identified money that could not be used for the purposes for which it was allocated, then he did the right thing in returning it.

Mr Deputy Speaker: As the next item of business is Question Time, I propose, by leave of the Assembly, to suspend the sitting until 3.00 pm.

The sitting was suspended at 2.36 pm.

On resuming (Mr Deputy Speaker [Mr McClarty] in the Chair)

3.00 pm

Oral Answers to Questions

SOCIAL DEVELOPMENT

Royal Exchange

1. **Mr B McCrea** asked the Minister for Social Development for an update on the Royal Exchange development in Belfast. (AQO 216/10)

The Minister for Social Development (Ms Ritchie): The Royal Exchange is the next major retail-led development planned for the north-east quarter of Belfast city centre and is similar in scale to the Victoria Square development. My Department is currently finalising the development agreement for the scheme, which provides the legal contract for the statutory planning, commercial and funding requirements. The development agreement will set out the timetable and funding requirements for the scheme, and I will make an announcement about that as soon as the agreement has been finalised with the developer.

Mr B McCrea: I thank the Minister for her answer, spoken like a true leader. *[Interruption.]* Not that there are not others, of course.

I wonder whether, when she is not considering other important matters of state, the Minister would care to tell me what plans she has to support Lisburn, the real capital of Northern Ireland?

The Minister for Social Development: The Member will be very well aware that, in the last two and a half years, I have visited Lisburn on a number of occasions. I have examined the potential of the Lisburn City Council area and have talked to the MLAs, the MP and the councillors for that area about its requirements. I am very pleased that a hotel development was recently opened in Lisburn, the first one for a long time. For me, that signals progress.

As part of the master plan for Lisburn, the consultants, as the Member will be only too well aware, have been asked to produce a retail strategy for the city centre, and that will guide us on the scale and type of retailing provision that Lisburn can sustain to help it maintain its competitiveness. The master plan will look at other ways in which the economy of Lisburn can be developed, so that it is not solely dependent on retailing. The master plan

will look at strategies to develop the office market, the leisure market and other areas of the economy in order to broaden the city's economic base and ensure economic, environmental and commercial regeneration for the next 25 years. That is the whole purpose of a master plan: it looks at the potential of a place such as Lisburn and suggests how it can be developed to its full potential for the benefit of the local residents.

Mr Hamilton: The Minister will be glad to hear that I will not give her leadership bid the kiss of death by intimating anything that might sound like support. Does the Minister agree that the undue delay in the Royal Exchange scheme is creating uncertainty that is not helpful for potential developers of land or buildings adjacent to or around the area outlined for the scheme? Does she also agree that the sequential development policy could be having a detrimental effect on potential investment in Belfast city centre?

The Minister for Social Development: The Member has posed two specific questions about the issues of the potential slippage in the Royal Exchange budget and the policy of the Department in relation to the sequencing of development. In relation to the latter, I have already been looking at that issue, and, as the Member is probably aware, legal advice has been received in respect of that matter.

In relation to the first question, as part of the Budget 2008-2011 settlement, £110 million was allocated in the investment strategy to take forward the Royal Exchange project from next year onwards. I am hopeful that that could happen and I look forward to receiving support for that. The project has slipped, but I have every confidence that it will go ahead. We all must remember that we are in an economic downturn and a global recession, and we have to be able to reflect that and work with it.

Mr P Maskey: Go raibh maith agat, a LeasCheann Comhairle. Basil commented on the Minister's leadership challenge. Perhaps Basil has a similar conflict of interest in his party, but I will not delve any further into that.

Will the Minister clarify some points about how the sequencing policy affects the north-west quarter of Belfast? Several years ago, Westfield proposed to spend more than £200 million in the hope of regenerating that part of Belfast. No one has questioned the sequencing policy when it comes to the Royal Exchange, because that area badly needs regeneration. However, the north and west of Belfast are also areas of great need, and the sequencing policy has delayed their regeneration by several years. If, after considering that in the near future, the sequencing could be changed to allow that development to go ahead, it would help to regenerate that part of Belfast too.

The Minister for Social Development: I thank Mr Maskey for his question. He also referred to the Department's policy of sequencing developments whereby when one is complete, another comes on track. He will know that, in the past, the Department relied on retail-led analysis and retail-capacity analysis of Belfast city centre. I do not deny the need for the north-west quarter of Belfast to be developed, particularly the area around the CastleCourt complex. Over the past year, I met potential developers to discuss that. However, the Department's policy on regeneration in the city of Belfast is guided by legal advice.

Mr A Maginness: Will the Minister provide an update on the Streets Ahead initiative in Belfast?

The Minister for Social Development: I am delighted to inform the Assembly that the Streets Ahead project in Belfast is on course for completion by September 2011. The benefit from my Department's £20 million investment in renewing the public streets in Belfast city centre can be seen in the creation of an attractive environment for shoppers, visitors and investors. The project will enhance Belfast's reputation as a major retail city, alongside cities such as Manchester, Glasgow, Newcastle and Dublin. However, I sound a note of caution: an investment in creating a quality public realm will achieve its full potential in a city centre such as Belfast only when accompanied by an excellent maintenance and cleansing regime. I am confident that that will happen in Belfast.

Only last week, I had an opportunity to walk round the city centre to see evidence of the regeneration work that has been done, and I was most impressed. The staff on site were a bit shocked to see me walking through the city centre alone. I also identified that, on completion of the project, a partnership approach will have to be taken with Belfast City Council on a total cleansing regime. The important benefit of Streets Ahead is that it acts as a further catalyst for the economic and retail-led regeneration of the core of Belfast city centre.

Mr Deputy Speaker: I remind Members that supplementary questions should relate to the original question.

Warm Homes Scheme

2. **Mr Hilditch** asked the Minister for Social Development for her assessment of the services delivered by the new service provider for the warm homes scheme. (AQO 217/10)

10. **Mr Campbell** asked the Minister for Social Development what progress is being made to ensure that the revised warm homes scheme has the maximum impact and that landlords, and tenants who are

currently in receipt of benefits, are aware of the advantages of the scheme. (AQO 225/10)

The Minister for Social Development: With your permission, Mr Deputy Speaker, I will answer questions 2 and 10 together.

The warm homes scheme is the Executive and the Department for Social Development's (DSD) main weapon in tackling fuel poverty. I remain committed to alleviating fuel poverty in Northern Ireland. Following a competitive tendering process, the new contract for the scheme was awarded on 1 July 2009. H&A Mechanical Services and the Bryson Charitable Group are the new managers. It is expected that that competitive process will yield the maximum value for money in the delivery of the scheme. In other words, we should get more done with the resources that are available.

The Member will be aware that we have stringent monitoring arrangements in place with the Housing Executive, which is responsible for administering the scheme, and with the scheme managers. Monthly monitoring meetings are in place at which scheme managers provide detailed reports on progress to date against targets. Inevitably, as with the award of any new contract, there is a settling-in period. However, I am pleased with the progress that both scheme managers have made to date. At the end of September, over 2,500 eligible referrals had already been received. The scheme managers recently submitted a joint marketing plan, and extensive activities are planned over the coming months.

I suggest that all Members should encourage eligible constituents to make contact with the scheme managers to avail themselves of the range of energy efficiency measures that are on offer under the warm homes scheme. Furthermore, the scheme is being promoted through information and advice material in the jobs and benefits network. It also forms part of the overall approach that is being taken to increase benefit uptake. There is a joint approach to tackling fuel poverty with those who are in receipt of low incomes and with those who urgently need their homes heated to keep warm this winter.

Mr Hilditch: I thank the Minister for her answer. I have met one of the contractors, and I appreciate the work that has been carried out to date. However, I am concerned that people who have oil heating systems have been removed from the criteria. What are the Minister's thoughts on that matter, particularly as it impacts on many of those who are in fuel poverty and live in areas of social deprivation? Many of those heating systems are probably pushing 20 years of age.

The Minister for Social Development: As the Deputy Chairperson of the Committee for Social Development, the Member will recall that the Public Accounts Committee advised the Department to

refocus the scheme to target those who were in receipt of low incomes. That approach was endorsed by the Committee for Social Development.

I am well aware that there are many people who require replacement heating systems. Currently, however, I want to focus on the most vulnerable people and ensure that all those who are in receipt of low incomes, and who are eligible, get the appropriate heating in place in their homes so that we can tackle the issue of fuel poverty in a fulsome and holistic way. The Member will be well aware that over 71,000 households are now warmer since 2001 as a result of the successful warm homes scheme.

Mr Campbell: The Minister outlined some of the benefits of the new scheme. I think that people will warmly — pardon the pun — welcome the scheme. In that respect, does she agree that public meetings, such as the meeting that I am organising on Thursday night in Coleraine town hall, in which the contractor speaks to landlords and tenants who have received invitations from active public representatives are a good way to publicise the scheme and ensure that the contractor gets the message out to a targeted audience so that the best benefit is reaped by those at whom the scheme is targeted?

The Minister for Social Development: I am sure that there is always a benefit in advertising. I agree with the Member that that is a good way to publicise the scheme. My colleague from Mid Ulster Patsy McGlone is organising such a meeting in Cookstown. All Members should inform their constituents of the potential benefits of such a scheme so that they can see quite clearly what is on offer.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. In the Minister's answer to question 1, I wonder whether she was suggesting that she should not be let out on her own. Will the Minister give us some idea of when the backlog for the warm homes scheme will be dealt with? In particular, I am thinking about pensioners in my constituency who have been waiting since July 2007.

3.15 pm

The Minister for Social Development: I will deal with the second part of the question first. The details of those on the waiting list have been passed to the new scheme managers, both of which are contacting individuals on the waiting list to advise them of the new eligibility criteria. I expect that process to be completed by the end of November, but I have indicated that I want the task dealt with as expeditiously as possible: in other words, much more quickly.

In relation to the first part of his question, as a public representative the Member will know that we go to many places on our own to examine the needs of our constituents.

Mr Kennedy: I am grateful to the Minister for her earlier replies on this important matter. Will she assure the House that the proactive promotion of the warm homes scheme will ensure that people in all parts of Northern Ireland, particularly in the Newry and Armagh constituency, will be made aware of the details of the scheme: how to apply, when to apply and what they can expect?

The Minister for Social Development: The Member is probably aware that for the scheme's purpose, Northern Ireland has been separated in two; the northern part is managed by H&A Mechanical Services and the southern part, which includes Newry and Mourne, by the Bryson Charitable Group. To my best knowledge, all of that information has been communicated through all available media. However, if the Member knows of any "chinks in the armour", he should let me know so that I can rectify them.

Mrs M Bradley: Can the Minister tell us what contribution the warm homes scheme has made to the alleviation of fuel poverty in Northern Ireland?

The Minister for Social Development: The three factors that impact on fuel poverty are income, fuel prices and energy efficiency. The warm homes scheme has been hugely popular and very successful since its introduction in 2001. More than £118 million has been spent on making more than 71,000 households warmer.

In addition to heating and insulation measures, householders have received advice on maximising household income through ensuring that vulnerable people claimed all of the benefits to which they were entitled. We estimate that, since introducing benefit checks as part of the warm homes scheme, an additional £4 million a year is now being paid in benefits. We also estimate that £200 million of indirect benefits have accrued in the form of health, education, employment and the environment.

However, energy efficiency is but one element in the alleviation of fuel poverty. Energy prices and incomes are the other key variables, and the best that we can do in relation to them is to build a strong, prosperous economy that raises current incomes and, above all, lifts people out of fuel poverty.

Mr Deputy Speaker: Question 3 has been withdrawn.

Special Purchase of Evacuated Dwellings Scheme

4. **Mr Spratt** asked the Minister for Social Development for an update on the funding of the special purchase of evacuated dwellings scheme, with particular reference to cases which have already been approved. (AQO 219/10)

The Minister for Social Development: Funding for the special purchase of evacuated dwellings (SPED) scheme for this year is £1.5 million. It is estimated that £9 million in funding will be required to meet the current level of applications. To date this year, 53 applications have been received and 13 completed.

The scheme is normally self-financing, or close to it. The difficulty is that the Housing Executive finds itself paying for houses that it has problems selling on. Following the recent Executive announcement on the SPED scheme, it was agreed that the Department for Social Development would immediately provide the money to fund the statutory SPED scheme to enable all approved applications to be met. Immediate and intensified efforts will be made to sell the existing SPED housing stock, and, if a shortfall is identified between the moneys paid and the income received prior to the end of the February monitoring round, the Executive will meet that shortfall.

To be candid, I should say that I have strong reservations about the scheme in general.

Although there is a need to help those who have been intimidated, for whom we all have great sympathy, a situation in which we buy homes from such people and sell them on to people who are more acceptable to the intimidators is not a long-term solution to the problem, and that is a matter that I will take up with the Northern Ireland Office. I have already had discussions with the Security Minister, Paul Goggins.

Mr Spratt: Does the Minister agree that the Chief Constable only issues certificates in cases in which it is absolutely necessary to do so? Given the number of certificates that he has issued so far this year — I think the Minister mentioned a figure of 53 — and the fact that he has turned down quite a number of others, does the Minister agree that the Northern Ireland Housing Executive is legally bound to purchase those houses? In addition, given the areas in which some of those houses are situated, could some of them be used for social housing? Furthermore, does the Minister agree that the extra strain and pressure that was so publicly exerted over the airwaves on a family a number of weeks ago was unnecessary, hurtful and unhelpful?

The Minister for Social Development: The Member raised some issues with respect to the SPED scheme, the first of which was in respect of Chief Constable's certificates. I can safely say that responsibility for that scheme should not be with the Northern Ireland Housing Executive; it is a security matter, and responsibility for it should be with the Northern Ireland Office. Secondly, it is wrong to highlight any particular issue. I do not wish to get into predicting levels of intimidation in Northern Ireland. For me, one more case of intimidation is one too many.

Finally, the Finance Minister and I have drawn a line on this issue, and I suggest that the Member should do likewise.

Mr P Ramsey: I welcome the Minister's response. Will she outline to the House the expected shortfall in the housing budget for 2010-11, which will have a detrimental effect on those exceptional cases under the SPED scheme?

The Minister for Social Development: The projected funding shortfall for the next year is £107 million. We are facing a significant shortfall in the capital budget, so all programmes are likely to be affected. Some people may think that I am making too much of this issue, but no other mainstream Executive programme, whether in health, education, roads or training, has been as devastated by the economic downturn as the housing programme. I repeat: we must all agree once and for all to put housing on a firm financial footing.

Ms Ní Chuilín: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for her answer. However, only 13 out of 53 applications have been approved. I am glad for those 13 families, but, in my constituency, I am dealing with two families that, unfortunately and disgracefully, have received racial abuse to the point at which one family's house was petrol-bombed. Since then, that family has found out that it has been refused a certificate. Does the Minister have any influence with the Chief Constable in issuing certificates? Moreover, what circumstances qualify a family to be issued with a certificate? If one family is deemed to be under threat in one set of circumstances and another is refused a certificate under another set of circumstances, people in my constituency rightly conclude that it all depends on who you are and who you get on the radio with.

The Minister for Social Development: I do not know about those particular cases; the Member should pass on the details of them to me. I firmly repeat what I said at the beginning: I will not get into predicting levels of intimidation. I greatly sympathise and empathise with anybody who finds themselves in such a situation. I have also had constituents who have found themselves in that position. However, the programme clearly belongs to a security budget, rather than to one for housing, and the matter requires further discussions between me and the Security Minister.

I ask the Member to pass me details of those cases so that they can be fully investigated directly with the Housing Executive and, more importantly, with the Chief Constable. Confidential issues are involved, and we want to safeguard everyone's privacy, security and safety.

Mr Cree: I heard the Minister say that she would like to draw a line under this matter, but I am sure that

Members want to know whether she is happy with how the Minister of Finance dealt with her on this matter and whether she had any difficulty in how the negotiations were handled.

The Minister for Social Development: I have had various conversations with the Minister in the Executive. I tabled the matter for discussion on 10 September. I did not beckon publicity in respect of this matter. I am happy with the outcome of that Executive meeting, which was arrived at after extensive discussions and negotiations. It is a satisfactory outcome for everyone.

Social Housing

5. **Mr F McCann** asked the Minister for Social Development how many units of social accommodation have been agreed with the developers of the Titanic Quarter and the Sirocco works.

(AQO 220/10)

The Minister for Social Development: The Member asked me a similar question in May. I am surprised that he continues to ask about those specific sites. Perhaps he has his eye on one of the new homes.

The new developments at the Titanic Quarter and the Sirocco site offer significant opportunities to deliver social and affordable housing as well as shared housing. As part of phase 2 of the Titanic Quarter, 15% of the homes provided will be for social and affordable housing; 10% will be provided in the Titanic Quarter itself; and a further 5% at another site to be agreed. The developer has also agreed to provide 15% of the Sirocco site for social and affordable housing. In both cases, it is not possible to say exactly to how many homes that will equate, as that will ultimately depend on the final number of private homes provided. However, both arrangements have been made possible only with the goodwill and agreement of the developers.

Members will recall that, as part of the new housing agenda, I made it clear that Northern Ireland should no longer be the only region in Britain and Ireland that did not have a formal policy to direct a developer contribution in all new developments. Such a policy would remove any inconsistency or ambiguity between developments, as well as offering certainty and clarity for all future developments.

Mr F McCann: I thank the Minister for her response, but she seems to be offended every time I ask a question in the House. I continue to try to find out how many units of accommodation will be forthcoming from those developments. The number of housing units that will be built in the Titanic Quarter and the Sirocco site is an open secret.

Has the Minister discussed whether that accommodation will be for single people or for a mix of single and family accommodation? Will she guarantee that communities that live around those developments in east Belfast will be fully consulted to ensure that their considerations will be taken into account in the making of decisions?

The Minister for Social Development: I am sorry if Mr McCann feels offended. He is fully aware that, in social housing, the largest complement on waiting lists for any urban area is made up of people who live by themselves. I am sure that the needs of the local community will be fully addressed in relation to that matter.

In relation to community consultation, I am sure that the developers will be available to talk to Mr McCann if he wishes to have such a meeting.

3.30 pm

QUESTION FOR URGENT ORAL ANSWER

Cattle Theft: Keady

Mr Deputy Speaker: The Speaker has received notice of a question for urgent oral answer, in accordance with Standing Order 20A, for the Minister of Agriculture and Rural Development.

Mr Savage asked the Minister of Agriculture and Rural Development to detail the circumstances surrounding the theft of 16 cattle infected by tuberculosis and brucellosis, which were under DARD responsibility on Castleblayney Road, Keady, on Monday 5 October and to outline:

- a. what immediate action has been taken, or will be taken, by her Department to regain possession of the infected cattle;
- b. what immediate action has been taken, or will be taken, to protect cattle across Northern Ireland; and
- c. what immediate action has been taken, or will be taken, to stop a similar incident taking place in the future.

The Minister of Agriculture and Rural Development (Ms Gildernew): The question is about the theft of 16 cattle infected by tuberculosis (TB) that were under the control of the Department of Agriculture and Rural Development (DARD) on the Castleblayney Road in Keady on Monday 5 October.

The contracted haulier arranged to collect 17 TB-reactor cattle from a herd in Armagh. Initial indications are that, when the haulier arrived at the farm, he was unable to negotiate the entrance with two trailers attached to his lorry. He unhitched the rear trailer and parked it in a lay-by in the area. He then returned to the farm to collect the 17 TB-reactor cattle. On arrival, he discovered that the animals that had been gathered for collection had disappeared; they are presumed stolen. On returning to the parked trailer, the haulier then discovered that the 16 TB-infected animals had been unloaded and had also disappeared. The theft is under investigation by the PSNI, and my Department will work closely with the PSNI and co-operate fully with that investigation. My Chief Veterinary Officer has written to the Chief Constable to underline the seriousness of the issue.

The theft of TB-reactor cattle is a very irresponsible action as those animals pose a significant risk of TB infection to any livestock with which they come into contact. All DARD field staff have been alerted to the theft and told to report any suspicions, as have the

authorities in the South. I also ask any farmer who is offered cattle and whose suspicions are aroused to report the matter to the authorities. As this stage, there is no indication of the whereabouts of the cattle, thus it is not practical to apply any additional disease-control measures. I have stated publicly that the perpetrators of this crime have total disregard for the health status of the cattle population here and for the good reputation of the industry.

The question asks what immediate action is being taken to stop a similar incident taking place in the future. The contractor responsible for the collection of reactor cattle has been instructed to enhance security measures and precautions to prevent any recurrence of such an incident. DARD will also consider the need for additional safeguards as a result of the incident.

Mr Savage: One thing that concerns me and many others in the farming industry is the amount of time spent testing animals and finding cattle that have been infected with such diseases. This incident has inflicted stress on farmers who fear losing their cattle, and it has had financial costs for the Department and embarrassed the Department and all those involved in the agriculture industry.

The Committee for Agriculture and Rural Development discussed the welfare of animals at its meeting today. If it had been a farmer —

Mr Deputy Speaker: I ask the Member to come to his question.

Mr Savage: Had it been an individual farmer who had lost even one animal from an infected farm, the Department would have thrown the book at him. It would have confiscated everything belonging to him for keeping cattle. At this point in time, we need an assurance from the Minister that what happened will not happen again. The Department of Agriculture and Rural Development cannot take for granted the well-being of the farming industry here. The industry has already been put through a lot of stress, only to find out that cattle lifted from a farm were parked along the side of the road and that somebody came along and took them. That cannot be allowed to happen again in this day and age.

The Minister of Agriculture and Rural Development: I want to clear up a couple of points. First, this type of theft has never occurred in the North before, and my Department will review procedures as a result. I emphasise that the responsibility for this crime — it is a crime — rests with the people who committed it. Those people are content to undermine the good work that DARD and the industry are doing to control and eradicate major diseases.

The Member referred to diseases. The stolen animals were TB reactors, so there is a very low risk of brucellosis. Some of them came from a farm that had

been closed down for brucellosis, but the animals concerned are not brucellosis reactors. The disease in question is TB; there is no risk of any other disease in this case.

The Department has to be robust in its dealings with animals. If an animal goes missing, for whatever reason, we have to know why that happened. We cannot allow farmers to put us in the position where our traceability systems do not stand up. In August 2007, there was an outbreak of foot-and-mouth disease in England. We argued for our industry, and it was our robust traceability systems that saved our industry from the same types of restrictions that were placed on Britain at that time. We cannot allow those systems to be undermined in any way. We work with the industry and with the farmers' unions, as we should, to ensure that we have the best traceability systems and that they are robust.

The Chairperson of the Committee for Agriculture and Rural Development (Mr Paisley Jnr): The Committee echoes what has been said today about reporting any information to the police. I urge anyone who has any information about the matter to bring it to the attention of the police immediately and allow them to bring to book the person who is responsible for the theft, thereby ensuring that that person is punished properly and adequately.

However, we echo some of the concerns that have been raised. The beasts that were taken from the farm were under the duty of care of the Department, and that duty of care is being examined. We look forward to the outcome of that examination, and, if it is recommended that tightened regulations be put in place, we want to see that happen.

What value has been placed on the beasts that were stolen? Will the Minister inform the House of any communication that is going on with counterparts in the Republic of Ireland and the rest of the UK as a result of the theft?

The Minister of Agriculture and Rural Development: I do not have a valuation of the animals. An indicative value is around £1,000 a beast, so we are talking about a value of £17,000 for the 17 animals. However, I stress that that is a ballpark figure.

We informed the PSNI about the theft, and we talked to the Garda Síochána to let them know that the animals were in transit somewhere and that they should be on the alert. As has happened in the past, we have had to deal with the issue on an all-Ireland basis. That is because the threat of the TB-reactor animals to farms in the South is equal to the danger that is posed to farmers in the North. Our systems kicked into action straight away, and we informed all the necessary agencies.

Again, I appeal to people who have knowledge of the animals' whereabouts to make it known to the authorities. The animals were to be lifted and taken away so that they could be destroyed. We do not want 16 or 17 animals that pose a risk to the industry to be located around the country. We are working very hard to eradicate TB and brucellosis, and I get angry about anything that is done to undermine that work. I am angry about this unfortunate incident; we did not want it to happen. We want to have robust systems in place, and we will be looking at all aspects of the incident to make sure that systems are tightened up.

Adjourned at 3.39 pm.

