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# Northern Ireland Assembly

Tuesday 9 February 2010

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

*Members observed two minutes' silence.*

## Assembly Business

**Mr Attwood:** On a point of order, Mr Speaker. Yesterday, you made a ruling on whether or not the First Minister should lodge in the Assembly Library the legal opinion that he received from Mr Maguire QC. Yesterday afternoon, I indicated to the Clerk to the Assembly/Director General that I might come back to the matter. Standing Orders and the 'Northern Ireland Assembly Companion: Rulings, Convention and Practice' are silent on the matter. Nonetheless, in light of what the twenty-third edition of Erskine May says, I ask you to consider the matter further. On page 74, under "Ministerial Accountability to Parliament", and on the basis of a House of Commons resolution, Erskine May states:

*"ministers should be as open as possible with Parliament, refusing to provide information only when disclosure would not be in the public interest, which should be decided in accordance with relevant statute, and the government's Code of Practice on Access to Government Information".*

My point of order is that, clearly, it would be inappropriate to rely on public interest in this matter. Clearly, this was an exceptional situation that encouraged a lot of public comment and interest. Therefore, given those circumstances and the fact that Standing Orders and Speaker's rulings are silent on the matter, I submit it to you, Mr Speaker, that you should rely on Erskine May and require the First Minister to lodge in the Assembly Library the legal opinion that he received, the terms of reference regarding that request for legal opinion and details of the process that Mr Maguire undertook in coming to his opinion.

**Mr Speaker:** I hear what the Member has said. I am aware that he raised the matter in the House yesterday. I ask him to let me consider the issue and to respond either to him directly or to the House.

## Committee Business

### 2010-11 Spending Plans

**Mr Speaker:** The Business Committee has agreed to allow up to two hours for the debate. The proposer will have 15 minutes in which to propose the motion and 15 minutes in which to make a winding-up speech. All other Members who are called to speak will have five minutes.

**The Chairperson of the Committee for Finance and Personnel (Ms J McCann):** I beg to move

*That this Assembly takes note of the review of 2010-11 spending plans for Northern Ireland Departments announced on 12 January 2010 by the Minister of Finance and Personnel.*

Go raibh maith agat, a Cheann Comhairle. The Committee has tabled the motion for the purpose of providing all Members, as individuals or representatives of Committees, with the opportunity to debate the proposals for the review of 2010-11 departmental spending plans.

The proposals were set out in the Minister of Finance and Personnel's statement of 12 January 2010 and the accompanying consultation paper. In his statement, the Minister asked the Committee for Finance and Personnel to produce a co-ordinated report on the revised spending plans on behalf of all departmental scrutiny Committees. This debate will, therefore, help to inform that report. The Committee wants to use the opportunity of its report both to comment on the proposals for managing pressures during the upcoming financial year and to consider a range of strategic issues going forward.

As regards the 2010-11 Budget shortfall, the Committee has previously highlighted its general concern at the range and amount of new emerging pressures on existing Budget

allocations. That concern was raised as far back as October 2008 in the Committee's submission to the Executive's strategic stocktake of the Budget position for 2009-2010 and 2010-11. At that time, the Department of Finance and Personnel (DFP) sought to assure the Committee that any pressures could be managed through the in-year monitoring processes. However, that approach has proved inadequate given the scale of the pressures and the diminishing levels of reduced requirements that are being declared by Departments at monitoring rounds. Therefore, it has been necessary to undertake the ongoing review, which resembles a mini-Budget process for 2010-11.

In fulfilling its role to lead and co-ordinate Assembly scrutiny of the spending plans, the Committee agreed a timetable for gathering evidence and preparing its report within the limited time available. That includes briefings both at departmental level and on strategic finance issues. As regards the proposals that the Minister outlined on 12 January 2010, the Committee has put a range of questions to DFP. Those questions ask about, for example, the methodology that the review used to target areas for additional savings and the evidence base that exists to support the various amounts of additional savings that are being proposed across Departments, including how front line services and delivery of Programme for Government targets have been safeguarded in identifying savings. It is worth noting that, during an evidence session on 13 January 2010, DFP officials explained that the evidence base for the targeted savings arose from bilateral engagement between individual Ministers and the Finance Minister, followed by collective discussion at the Executive.

Other issues that the Committee has raised include the detail behind some of the elements of the overall budgetary pressure of £367 million, such as the full implications for the Executive of having to meet the cost of the equal pay claim and the impact of the additional efficiency savings of £123 million that arose from the Chancellor's 2009 Budget. In particular, the Committee has queried whether that will mean a reduction in the rate of growth rather than savings from existing baselines. The Committee has also queried the criteria that will be used to assess the invest to save proposals from Departments and the detail that exists to explain the technical changes that are set out in the review consultation document.

Those and other issues were raised during the oral evidence session with DFP officials on 13 January 2010 and in a list of detailed queries that were subsequently issued to the Department for written response. The Department's response was received only yesterday. Therefore, the Committee has not yet had the time to consider it in detail. The Minister may wish to take the opportunity of today's debate to respond to some of those issues for the benefit of all Members.

I shall turn briefly to DFP's position on its revised spending proposals. On 20 January, the Committee was briefed on the Department's plans to achieve savings of £4.1 million current expenditure and £2.1 million capital expenditure, which equates to 2.4% and 12.3% respectively. Members heard that the proposals focus on streamlining and improving services in work areas and will not have a detrimental impact on the delivery of the Department's Programme for Government targets. Members received assurances that planned savings through the redeployment of staff will not result simply in costs being moved from one business area to another.

DFP also assured the Committee that the front line services provided by Land and Property Services (LPS) had largely been protected in the process. Nevertheless, the LPS remains a concern to the Committee and one which its members will wish to examine more closely.

As regards the input from other departmental scrutiny Committees, I understand that Departments were to publish on their websites further details and supporting information on their revised 2010-11 budget allocations for individual business areas. In that regard, the Committee sought submissions from the other scrutiny Committees on their respective Departments' positions by last Friday. That deadline allowed just over three weeks for each Committee to receive briefings from its Department and agree a submission. Before preparing its report, the Committee for Finance and Personnel will need to analyse those submissions and take concluding evidence from DFP on the themes that emerge from those submissions and from today's debate. However, not all Committees have been briefed in detail by their Departments, and they have not, therefore, been able to provide a comprehensive response. Some Committees have also reported that their Department did not publish revised

spending proposals on its website or that the proposals did not set out the level of detail requested in the Executive's consultation document. That is not an ideal situation.

The requirement for the mini-Budget process and the difficulties arising from the timetable highlight the need to establish a formal process. I am also mindful that time constraints have prevented the Department from undertaking wider public consultation on the proposals. The Committee published its report on the Executive's draft Budget for 2008-2011 in December 2007. At that time, the Committee called for the future Budget process and timetable to be settled early in 2008 so as to enable Assembly Statutory Committees to schedule the necessary scrutiny into their work programmes and thereby provide Departments with notice in respect of the future briefing requirements of Committees.

Subsequently, in its submission to the review of the Executive Budget process in October 2008, the Committee reiterated its call for the establishment of a future Budget process which would maximise the contribution from elected representatives in the Assembly. In that regard, the Committee anxiously awaits the outcome of DFP's review of the Executive's Budget process, which was due for completion by the end of 2008 and should inform the establishment of an effective process for determining future Budgets once the review of 2010-11 spending plans has been concluded.

The Committee's forthcoming report will look beyond 2010-11 and consider a range of strategic and cross-cutting issues. Those issues may include matters such as the scope for realising proper efficiency gains; asset management and capital realisation; the work and the future role of the performance and efficiency delivery unit (PEDU); alternative revenue streams; the review of the in-year monitoring process; and alternative methods of budgeting, including zero-based and performance-based budgeting to achieve optimum allocation of resources in future years. I believe that consideration of such strategic finance issues is important at this stage, with regard to minimising and managing any further public expenditure pressures in the years ahead. I look forward to hearing Members' contributions in this important debate.

**The Chairperson of the Committee for Agriculture and Rural Development (Mr Paisley Jnr):** I thank the Finance Committee Chairperson for

bringing the debate before the House. It is a useful debate to have at this time. Unlike a large majority of Assembly Members, the Committee for Agriculture and Rural Development received a briefing on the 2010-11 spending review, as it applied to the Department of Agriculture and Rural Development (DARD). However, the Committee received it about one hour prior to the meeting and therefore did not have time to scrutinise it, analyse it properly or drill down into it. As the Finance Committee Chairperson has just said, it was not an ideal situation. Therefore, the Committee for Agriculture and Rural Development feels that it has been unable to do its job of scrutinising important budgetary and financial control issues in the way in which it is expected to do so. The Assembly has, to a large degree, missed out on being able to analyse properly the current spending position.

#### **10.45 am**

The Committee noted that the Executive have decided to set DARD a target of saving £6.3 million on current expenditure and £3.4 million on capital investment. The Committee feels that those are reasonable amounts when set alongside the total requirement of £367 million across all Departments and does not have a beef on that point. However, although the Committee has not had an opportunity to drill down properly into the matter, it is concerned that the Department appears to have targeted the softer options of research and education to cover the majority of its additional pressures, including the sale of departmental land. The Committee is aware that the Department is undertaking a review of its entire estate and is placing on record its current opposition to the Department asset-stripping prime public property to pay for past mistakes.

When we are undertaking financial planning, the most important task is to define the current position of the business and where one intends to take it over the next five years with a properly thought-out strategic approach to financial planning. One must have the ability to see what the business environment might be like a long way into the future, not just over the coming months. One must be able to set a broad direction and make decisions along the way that will make that direction unfold correctly. One must have a degree of certainty, be committed to the proposed course and, above all, ensure that the appropriate resources, financial and otherwise, are available.

In that regard, the Committee believes that the Department of Agriculture and Rural Development has failed in its task. It has failed to plan ahead and take heed of the warnings that presented themselves to it on numerous occasions over the past three years. It has failed to respond to the environment that it has stumbled into. It has failed the rural community and the wider Northern Ireland community and economy, and it has failed through its overvaluation of the Crossnacreevy site, which left the Department with a negative capital investment budget of £174 million. It is not the only Department that overvalues land, but it has, par excellence, overvalued its land and holdings. Therefore, the Department that my colleague the Minister of Finance and Personnel has to manage has been put in an unenviable position. The Committee has long held the view that that valuation was totally inaccurate and was not substantiated by the Department. Land and Property Services, quite rightly, provided valuations based on a like-for-like use of the land. Responsibility for the overvaluation lies with DARD. Although the £200 million receipt identified by the Department in its accounts may be covered by slippage in other departmental programmes, the Committee is of the view that that represents a major loss to the Northern Ireland economy.

The Department has also failed due to the accumulation of disallowances arising from non-compliance with EU regulations governing the European Union area-based payment scheme.

**Mr Speaker:** Will the Member draw his remarks to a close?

**The Chairperson of the Committee for Agriculture and Rural Development:** That disallowance amounts to more than £30 million proposed in 2004 and 2006.

**Mr McGlone:** I thank the Member for giving way. Does he agree that, during the credit crunch, Members who represent rural areas and want to see jobs created and investments made quickly and efficiently feel that the Department's handling of axis 3 of the rural development programme has been abysmally inadequate in getting the funding out to the communities and rural areas that need investment and job creation to meet the rising unemployment in those areas?

**Mr Speaker:** The Member has an extra minute in which to speak.

**The Chairperson of the Committee for Agriculture and Rural Development:** Thank you for that extra time, Mr Speaker. I also thank my colleague Mr McGlone for his timely intervention.

I will come to the point, because I now have an extra minute in which to do so. The disallowance of £30 million in the proposed 2005-06 scheme and an additional £30 million in 2007-08 means another £60 million of pressures on the Department of Agriculture and Rural Development, and those pressures have not been properly accounted for.

**Mr Speaker:** The Member should draw his remarks to a close.

**The Chairperson of the Committee for Agriculture and Rural Development:** The Department has failed to include a budgetary requirement for axis 3 of the Northern Ireland rural development programme. My colleague Mr McGlone made that point, and I agree wholeheartedly with him.

**The Chairperson of the Committee for the Office of the First Minister and deputy First Minister (Mr Kennedy):** I confirm that the Committee for the Office of the First Minister and deputy First Minister has not received papers or briefings about the Department's revised expenditure plans. The Committee is obviously concerned about that, and I have written to the Department on behalf of the Committee to highlight its concern at the continual late receipt of papers. Such delays undoubtedly restrict the Committee's ability to fulfil its scrutiny function.

On behalf of the Ulster Unionist Party, I welcome the fact that the public spending directorate of the Department of Finance and Personnel recently outlined to the Committee for Finance and Personnel that it is to review the in-year monitor process. That is something that — *[Interruption.]* If Members wish to be entertained by other people, I am quite content to allow them to do so. My party has called for that review consistently over the past year and a half, not merely because of the moneys involved in in-year monitoring — some £2 billion during the last four years — but because it was clear that structural pressures were making the process progressively less effective.

The process, which was designed to ensure more effective spending of public money by



Departments, left less slack available for redistribution and highlighted the inadequacy of underspends as a proper and efficient means of redistribution between the Departments. In the past, that process has led to Departments undertaking spending sprees in the last few months of a financial year. This was not always properly planned and had more to do with the ability to spend money quickly than with an absolute need for many of the items that were purchased. Added to those factors, the cutbacks in block grant finance, which will become even more apparent after the forthcoming general election, even though they may be dressed up as operational efficiencies, will inevitably mean that money will be much tighter than hitherto. The UUP welcomed the Executive's decision, as part of the 2009-2010 June monitoring round, that there was a need for a more aggressive approach in managing down the level of overcommitment as part of the current and future in-year monitoring processes.

There were a variety of reasons why the old system was well past its sell-by date. It encouraged an unreasonable and unrealistic expectation that spending needs would be met; encouraged bad budgetary planning; meant that Departments did not always put in place robust enough analyses of the issues that impacted on programme spending; led to confused and often contradictory messages over real spending priorities; and, in short, was damaging to the integrity of the entire departmental planning process. The old planned underspend system was also a product of the direct rule period, in which scrutiny was not always what it might have been. It was also highly inappropriate for the scrutiny that was inevitable under devolution.

Given the increasing sophistication of financial management information systems, I hope that more frequent in-year monitoring rounds could be possible, as they would enable a far more robust and flexible response to emerging situations than has been possible hitherto. We might also be able to move to a more sophisticated common priority-based scale across all government programmes in the future. That system would see every government programme operated by being placed on a common weighted scale, with pre-agreed weightings applied for key substantive elements of all programmes and relative weightings applied for politically pre-prioritised factors such as healthcare, child poverty, job creation and

protection and social need, which are intrinsic to all programmes.

Those weightings could be represented as numerical values on a scale or as bands, so that decisions on spending cuts could be taken on a fair and equitable basis. The inevitable precursor to that would clearly be a major review of the Programme for Government, which has become unnecessarily restrictive and is more appropriate to a climate quite different to the one in which we now operate.

**Mr O'Loan:** I have some sympathy for the Minister in the position in which he finds himself. We are in an atmosphere of financial crisis, and the talk of the public every day, in every debate about services — education, health, roads or whatever — is all about the cuts that we have to endure. No one would think that three years ago there was a financial settlement for the Northern Ireland block for a three-year period that represented an increase, in real terms, in the Northern Ireland Budget. That says a good deal about the inadequate management of our public finances over that period.

The Minister had two predecessors. I respect the current Minister in one regard: he is the first of those Ministers to admit that we have a serious problem and to set out to do something about it. Had his predecessors accepted that there was a real problem, there would have been an opportunity to do something much more significant to address the problem much earlier.

There are real pressures on the Budget for next year. The cost of the deferral of water charges has been quantified at £210 million. I noticed that the Minister, in his statement, told us that other non-cash costs have been removed and that there has been, essentially, a change to the accountancy rules. The cost of deferral was previously quantified at £400 million. Had that been the cost, the crisis that we are talking about would have been even more dramatic.

The equal pay issue is very serious, and I see that it is quantified at a higher figure than it was previously. The back pay element is quantified at £155 million to £170 million. As the settlement covers a six-year period, one would expect that, at a crude calculation, the pay scales would increase by roughly one sixth, so a sum probably in excess of £25 million will also accrue annually as a result of the settlement.

I will briefly mention retired workers, because there is a fundamental justice issue in that the settlement does not provide for workers who left the Civil Service within the six-year period under discussion. Those workers are being treated most unfairly, and I ask the Minister to give further consideration to that.

There are pressures arising from the reduced income from rates because of the new reliefs, which I support, and because of the economic downturn. We know that the efforts of the Central Assets Realisation Team (CART) are now almost reduced to nil and, likewise, departmental capital receipts have been savagely reduced. For example, this is the year that the hit from Crossnacreevy will be felt, and that, in itself, will amount to almost £200 million. The Minister tells us that two other significant projects will not go ahead, and he hopes that that will adequately compensate.

The expectations are that the money provided for the Northern Ireland block in the next — presumably three-year — budgetary round will be significantly less. The Assembly agreed a motion that sought to challenge that and to make a case on the basis of need. I will be interested to hear what the Minister can tell us about what he has done on presenting the case for a needs-based assessment for Northern Ireland funding.

There is no allowance for contingencies, and we have seen that they have been a major issue for us. Even within the 2010-11 year, after the Westminster election, there is the real possibility that there may be in-year cuts.

### 11.00 am

I am concerned greatly by the fact that the statement does not refer to the upfront costs of new councils. Those costs have been estimated at £118 million. I hope that the Minister will respond to that point, because those costs surely need to be quantified.

The Department tells us that it is proceeding on a targeted basis. However, it provides no evidence on how that targeting is done. Therefore, one can only assume that a Civil Service exercise, which ought to have been democratic, was carried out.

**Dr Farry:** I welcome the opportunity to take part in this important debate. I understand that external events that are beyond the direct control

of people in Northern Ireland have knocked our Budget off course. That said, however, it is important to acknowledge and to reiterate that dissatisfaction was expressed about the Budget when it was originally set out. The opportunity was not taken to put our financial house in order by fixing the roof while the sun was shining, and perhaps in coming to terms with the changed economic and financial climate, we are now experiencing greater difficulties than would otherwise have been the case.

We are now seeing the reality of the cuts filtering through Departments as they look at their revised plans for the incoming financial year. Indeed, we can cite examples of that. We must also factor in that we will not see the missed opportunities and the things that the Executive and Departments could have done but cannot do now because the resources are not available and because greater priority is being given to protecting what we have. In trying to rebalance and modernise the economy, I fear that we will miss opportunities in, for example, the green economy.

We must appreciate that there are structural problems in our finances and that a lack of investment in infrastructure has been a legacy of the past 30 to 40 years. We will now be inhibited from putting those problems right.

In some senses, the debate on how to handle the immediacy of the crisis can be about, to put it simply, cuts versus administrative savings and the desire of all Ministers to protect front line services and for the Departments' back rooms to take all the hit. In practice, we must be wary of taking that simplistic approach. Lines between what constitutes front line services and what constitutes back room services are blurred, and there is no set definition of either. Is a receptionist in a hospital or a health centre a front line member of staff or a back room administrator? In any case, government cannot be run without administrators, and budgets are not bottomless pits from which more and more savings can be found while the veneer of protecting front line services is retained.

However, we must appreciate that there are much deeper distortions in our public finances. That is at the heart of the debate. First, the costs of trying to manage a deeply divided society are a major drain on public finances. Members will be delighted to hear that I will not labour that point; I have made it many times previously.

To an extent, I am sticking my neck out when I make my second point. Raising revenue is a major taboo in the Executive. This Administration and all the parties that are part of it are well outside the political mainstream elsewhere in Europe and further afield. The entire rebalancing of our books is to be done through cuts, rather than by considering any possible additional forms of revenue. I say that as someone who comes from what I believe is a centre-right perspective in support of the free market and the private sector. I am disappointed that some Members here describe themselves as socialists and social democrats but back an agenda that is entirely based on cuts.

I will say what needs to be said about water charges. The deferment of water charges is not covered by the block grant; rather it is done at an opportunity cost to public services. Yesterday, the Minister of Health, Social Services and Public Safety said that he wanted UK standards for our Health Service and that he wanted to ensure that we were keeping up to speed with investment levels elsewhere. I fully accept that argument, but we are not following suit on revenue raising. Instead, we are trying to have it both ways, and I am not sure how long we can continue down that route.

Declan O'Loan made a point about the vast amount of money that is being lost from the Budget because we are not biting the bullet on that difficult issue. We need to move on from talking about whether there should be water charges and how long we can defer them to actually figuring out how we can introduce water charging on a fair basis that is linked to ability to pay, use of water and affordability. Fairness must be the watchword and the way forward on that issue.

**Mr Speaker:** The Member should draw his remarks to a close.

**Dr Farry:** We need to be realistic about public finances, rather than trying to have it both ways and misleading the public.

**Mr Hamilton:** Up to this point, the debate has been useful. I welcome the tabling of this motion by the Chairperson of the Finance and Personnel Committee. We should welcome the opportunity to debate such important issues in the House as often and as frequently as we can because of the importance of public finances to each and every person in Northern Ireland. We can welcome the debate without necessarily

being overly welcoming of the fact that we must do what is included in the Minister's paper. I also welcome the fact that all the parties that have spoken on the issue to date have shown maturity in recognising the difficult position in which not only the Minister of Finance, but the whole Executive and every Member in the House, find themselves.

We all know about the tough times that we are still in the middle of because of the economic downturn. We also know about the negative impact that that has had on asset sales, on which so much of the Budget is contingent, and about the legacy of underinvestment in public services in Northern Ireland that the Executive have started to get to grips with. That underinvestment has created a difficulty in that some people have an expectation that there will be continued, massive investment. However, that cannot be sustained in the current climate.

I think that there will be more opportunity during next week's debate to talk about the original Budget, as we start to examine the Budget Bill, so I do not want to take up much time talking about that now. It is clear from the revised departmental expenditure plans that it is immensely difficult to revise the Budget. The calls for a revision of the Budget were made because of the downturn and the pressures on public finances, and it is clear from the revised departmental expenditure plans that that task would have been particularly hard given the difficult climate and that, effectively, we would only have been moving pain from one place to another.

It is important to recognise why we are facing some £370 million of adjustments. The vast bulk of those are because of the deferral of water charges, the cost of which is in excess of £200 million. Although I understand the points that Dr Farry made about revenue raising, I think that the Assembly and the Executive are correct not to increase the burden that households and, indeed, businesses face at this time when people are under pressure and are feeling the pain of the downturn.

**Dr Farry:** I am grateful to the Member for giving way. We are having an important debate on this topic. Does the Member accept that by not addressing any additional forms of revenue raising, Northern Ireland is out of line with virtually every country in western Europe in its approach to the downturn? Noticeably, the Irish Republic's Government have made some difficult choices,

and even the three parties in Westminster accept that there must be some increases in taxation. The debate is, therefore, about the balance between taxation and spending cuts, not about whether there should be one or the other.

**Mr Speaker:** The Member will have an extra minute added to his time.

**Mr Hamilton:** I agree that this is an important debate, but the time constraints that are placed on it do not allow us to go into detail to do it the justice that it deserves. However, I will be happy to return to it on a later occasion. I am sure that the Member recognises that the people of Northern Ireland are already facing tax increases that have been levied at a national level. If devolution is to have any value, it must provide local responses to problems that are affecting people locally. I think that the Executive and the Assembly can hold their heads up high about the things that they have done to help people during the downturn by keeping money, if not putting it, in their pockets.

Water charges make up the bulk of the adjustments. In addition, more than £60 million is allocated to the equal pay claim settlement. I am concerned by the continuing calls from some Members for the equal pay settlement to be extended. We all understand that a lot of people feel aggrieved because they received unequal pay for a long period of time. However, we should commend the Minister and his Department for settling the equal pay claim at the level that they did. At one time, there were vastly inflated cost estimates of £300 million or £400 million. This year's cost of £65 million is a teddy bears' picnic in comparison with the cost of opening the floodgates, bringing in an additional slew of people and extending the settlement.

It is important to remember that the decisions in the spending plans have had to be taken as a result of decisions that were taken by the entire Executive. It shows a growing maturity within the Executive that the decisions not to levy water charges and to settle the equal pay claim were made by all parties in the Executive. All parties represented in the Executive agreed to those decisions. It is important to remember that the Minister's paper, which is the focus of the debate, was agreed by all parties in the Executive. The difficulties and adjustments that we face will be dealt with as a result of mature,

sensible and thoughtful decisions made by all parties in the Executive.

**Mr Speaker:** Bring your remarks to a close, please.

**Mr Hamilton:** There are tough times ahead. However, with that level of maturity, we can get to grips with the issues much better than we may have done in the past.

**Mr McLaughlin:** Go raibh maith agat, a Cheann Comhairle. Arising from the original negotiations that led to the restoration of the Assembly and the establishment of the Executive, a comprehensive commitment was secured around the financial package. Consequently, a three-year Budget was proposed and mandated by the Assembly. That was possible because of the degree of certainty attached to the capital and resource that were available to the Executive.

The Assembly is only too aware of the dramatic and detrimental effect of the global economic tsunami and the calamitous downturn in property values, which rendered the expectation of the capital receipt of asset disposals, which, at the outset, was set at £1.4 billion. That expectation can only be realised in a more favourable economic climate, and, therefore, has had a significant impact. On top of that, the Treasury has imposed additional cuts disguised as efficiencies. The Assembly and the Executive have had to cope with a triple whammy.

The Minister has responded and would have been severely criticised if he had not. He is entitled to considerable support for his attempts to manage the Executive's Budget. His review of spending was a necessary action, and, in cutting the sail to suit his cloth, every Department has had to carry a share of the load. The detail and impact of the review, and, hopefully, a robust defence of essential front line services, will be brought forward when Departments' plans are scrutinised by their respective Committees.

The main thrust of my contribution is to raise questions around the Budget process and the monitoring rounds. We are now coming to the final year of the current agreed Budget period. Now is the time to start planning and initiating debate on the upcoming Budget process. The Finance Committee has made clear its demand that the Budget process be reviewed, be more transparent, and, more importantly, be more timely. An effective Budget review and planning process, involving all Members and all Assembly parties, could take up to six or nine months.



Therefore, bringing a review forward in short order is not necessarily the best way to go forward or to address the issues.

The Committee has been given a commitment that a proper Budget process, whether annual or based on a comprehensive spending review (CSR) time frame, will be debated, discussed and agreed. The promised review of the Budget process should also be produced in a timely fashion, but, as yet, it has not been produced. I urge the Minister to expedite the completion and delivery of the review as soon as possible to allow the parties to begin to turn their minds towards the upcoming budgetary period.

### 11.15 am

I will touch on the monitoring round. There has been a natural focus on the impacts of the downturn on the economy and its collateral impacts on the Department's ability to address all its expectations and aspirations. However, there have also been significant successes, including an improved performance in budget management, an ability to manage the perennial failure of underspend that resulted in millions of pounds being returned to the Treasury and a reduction in the dependence on overcommitment that had developed over many years. The Minister has kept the focus on that. I suggest that the monitoring round should reflect those increased capacities and that one of the quarterly reviews should become an examination of the Budget in light of current circumstances.

In the next budgetary period, a process should be brought forward whereby the Assembly can develop a consensual approach to the upcoming financial period, whether that is a one-year budgetary period or a CSR period. The CSR is not a bad process because it allows Departments to be strategic in developing their spending plans. One monitoring round should be devoted to an in-year review of the entire process, because the impact on the monitoring process has been a repeated reduction in the amount of money surrendered.

The whole process needs to be updated. I ask the Minister to consider the points that I have made.

**Mr McQuillan:** I welcome the opportunity to speak in the debate. We are all well aware of the economic and financial climate in Northern Ireland and the difficulties that our Government

have faced. To safeguard our public services and to establish an economic recovery, it is important that we make the best decisions on spending and investments.

The Executive asked each Minister to make efficiency savings, but we must ensure that those savings do not affect front line services, such as our Health Service. We must also ensure that savings do not have a detrimental effect on any section of the community in Northern Ireland.

As a result of the equal pay claim, the Minister must make outstanding payments to Northern Ireland civil servants. That process should be resolved in the near future, with any further reviews to be carried out as soon as possible. The Minister also has to contend with continual financial pressures on spending due to the deferral of water charges and the rating of vacant dwellings, which may lead to more difficult choices now and in the future.

I hope that the spending plans of each Department may mean that we do not have to increase the financial burden on households or place further constraints on the funding of public services. The constraints on each Department have more of a consequential effect on smaller Departments that operate with smaller budgets. With continual monitoring by each Minister, I am confident that the required savings can be realised, and I have every confidence that the Minister of Finance and Personnel, with the support of the Assembly, will ensure that public expenditure is controlled in a manner that gives the citizens of Northern Ireland the best value for each pound that is spent on public services.

**Mr Elliott:** We are all acutely aware of the financial constraints on the Northern Ireland Executive, but several issues should and could be dealt with in a much better manner.

I was pleased that the Minister of Finance and Personnel responded to a question that I asked recently in the Assembly about the sale of the Crossnacreevy site. I asked whether the Department of Agriculture and Rural Development (DARD) would be wholly responsible for making up the £200 million shortfall. In response, the Minister said that he would have to consider other mechanisms through which to recoup at least some of that money. I am interested in hearing how he hopes

to resolve that matter and spread the shortfall from that sale across all Departments.

I want to deal with other issues arising from DARD's budget and the efficiency savings that it must find. I am deeply concerned that on top of the £8 million of efficiency savings, DARD must find £18 million of budgetary savings simply because of a poor financial management process.

I declare an interest in the Enniskillen campus of the College of Agriculture, Food and Rural Enterprise (CAFRE), which was to receive some financial input to move equine studies from Necarne to the Enniskillen campus to enable CAFRE to pull out of the Necarne facilities, which are owned by Fermanagh District Council. I understood that that arrangement had already been put in place. However, Department of Agriculture officials have said that the arrangement is not formally in place and that the Department may have to stay there for some considerable time because it does not have the money to invest in the Enniskillen campus of CAFRE.

I am concerned about the longer term, because if CAFRE does decide to pull out of Necarne and the facility is not located at the Enniskillen campus, there may be no facilities at all. I wonder whether the Finance Minister has had any discussions with the Minister of Agriculture on that issue, which is very important to equine studies throughout the Province. The number of students who attend that college is very high. It is well respected not only in Northern Ireland, the United Kingdom and Ireland but throughout Europe. I want to ensure and have confidence that that project and that facility will not fall by the wayside.

I am extremely concerned that £5 million is required to fulfil applications under axis 3 of the rural development programme. The Department of Agriculture has indicated that that money is in a savings account in the Department of Finance and Personnel and that it cannot get its hands on it. I understand that that money should have belonged to the Department of Agriculture but that the Department of Finance has almost closed on it like a shark. Perhaps the Minister can explain that, because the money has already been made available through Europe. The match funding has been taken from farmers though modulation money, but the money that cannot be found is the Department's money. We want an explanation of that.

Some of us have heard recently that DARD is bankrupt. We have moved very quickly to a stage where some of us are starting to believe that that may be possible. I hope that that will not be the position at the beginning of the new financial year or, indeed, at the end of it.

**The Chairperson of the Committee for the Environment (Mrs D Kelly):** I welcome the opportunity to outline the Environment Committee's views on the Department of the Environment's revised expenditure plans for 2010-11.

The Committee was briefed by departmental officials on the issue at its meeting on 28 January, and I commend the Department on the detail of the information that it provided to the Committee. Members heard that the Department has been required by the Executive to make savings of 11.3% of the Department's 2010-11 baseline budget; that is a significant amount by any standards. Members acknowledged that the Department faces significant financial pressures and welcomed its commitment to reduce consultancy spend and its running costs and to review corporate service functions across the Department. Members supported the Department's intention to focus staff cost savings on not filling vacancies in order to avoid the upfront costs that are involved in rapidly addressing staff numbers.

The Committee also welcomed the Department's decision to realign the Planning Service's operating costs and urged it to expedite the process. Members noted that that involves relocating staff rather than making them redundant. The Committee felt that as planning receipts have been in rapid decline since 2007 — some two and a half years — the process should and could have commenced sooner. In light of the demands of the review of public administration (RPA) process, members accepted the Department's approach of excluding the local government division from cuts. However, they were concerned about the proposed deferral of contracts and grant funding to external non-governmental organisations for the following reasons: it is unlikely that those who are affected by cuts will have the opportunity to relocate staff; the decision, unlike the one to realign the Planning Service, could lead to redundancies and the loss of expertise from the sector or the region; and some of the organisations that are affected by the decision deliver or contribute to statutory environmental

protection obligations. The cutting of their funding may not be the most cost-effective approach in the longer term if it leads to a further deterioration of protected sites and/or EU infraction proceedings.

The Department allayed some of the Committee members' concerns by indicating that it is considering options, such as the phasing of grants over a longer period and the targeting of organisations that have a variety of funding streams available to them, and are, therefore, not solely dependent on the Department's funding. The Committee also welcomed the fact that the Department is liaising closely with the organisations that are affected but asked for a more detailed picture of the organisations that face cuts so that members can assess the real impact of the Department's proposals.

**Mr Dallat:** Does the Member agree that, in the interests of the environment, it is absolutely necessary that adequate funds are made available to the Environment Agency so that it can prevent unscrupulous landfill operators from breaking the law, which causes grave anxiety to whole neighbourhoods, and stamp out the cowboys who operate outside the law?

**Mr Speaker:** The Member has an extra minute in which to speak.

**The Chairperson of the Committee for the Environment:** The point is well made. The Committee raised that issue directly with the Northern Ireland Environment Agency and expressed concerns about the levels of fines that are imposed by a Magistrate's Court, which are inadequate to deter those who are involved in criminal activity.

Committee members remain concerned about the ability of the Northern Ireland Environment Agency to retain sufficient funds to address illegal dumping. The Committee urges the Department of the Environment to ensure that an adequate number of staff remain to tackle that problem. The Committee stressed the importance of using powers afforded by the Northern Ireland Audit Office to data-match information across Departments and of ensuring that receipts for any breaches for which the Department of the Environment has responsibility are maximised.

We live in uncertain economic times, and tough measures must be taken to ensure that savings are made and value for money is achieved. On

behalf of the Committee for the Environment, I welcome the Department of the Environment's proposed measures.

**The Deputy Chairperson of the Committee for Health, Social Services and Public**

**Safety (Mrs O'Neill):** Go raibh maith agat, a Cheann Comhairle. I want to point out that the Committee for Health, Social Services and Public Safety is unable to provide a substantive reply to the debate because the Minister of Health, Social Services and Public Safety has not supplied a detailed breakdown of how he intends to implement the proposed additional savings across his Department.

The Committee took evidence from the Minister and his officials and from representatives of various trade unions on 28 January 2010, with the intention of scrutinising proposals for making additional savings. However, Minister McGimpsey publicly took the position that his Department should be exempted from having to make any additional savings.

**Mr McDevitt:** Does the Member agree that the Minister of Health, Social Services and Public Safety is behaving recklessly in the management of his requirements under the spending plans that have been put to him, and that, in fact, we are probably facing a period of stealth cuts in front line services because of his failure to provide the House or the Committee for Health, Social Services and Public Safety with the information that we all need in order to protect those services?

**Mr Speaker:** The Member has an extra minute in which to speak.

**The Deputy Chairperson of the Committee for Health, Social Services and Public Safety:** I thank the Member for his intervention.

**Mr Elliott:** On a point of order, Mr Speaker. Is it appropriate to say that the Minister has acted recklessly?

**Mr Speaker:** I hear the Member's point of order, but that is part of the cut and thrust of debate in the House.

**The Deputy Chairperson of the Committee for Health, Social Services and Public Safety:** Go raibh maith agat, a Cheann Comhairle. I thank Mr McDevitt for his intervention, and I agree with his comments. The Minister of Health, Social Services and Public Safety is burying his

head in the sand on this issue. He has to find those savings —

**The Minister of Finance and Personnel (Mr S Wilson):** He is behaving like an ostrich.

**The Deputy Chairperson of the Committee for Health, Social Services and Public Safety:** It may be an ostrich mentality.

The Minister has often said that the Department should not be subject to the proposed additional savings of £92 million in revenue funding and £21.5 million in capital funding. He has provided a rationale for his position that is based on the rising demands on health and social care services, and he asks why his Department is not receiving more money instead of facing cuts. Any Member who is interested in the Minister's rationale will find the full Hansard report of the Committee's meeting on the Assembly's website. Those who read it will find no surprises as the Minister tends to make the same argument no matter what the topic.

Although the Committee has some sympathy for, and understanding of, the pressures that face the health and social care sector, it has pushed, and will continue to push, the Minister to provide detailed information as soon as possible.

The Committee does not agree with the Minister's strategy that no cuts should be imposed, because given the detailed information that it requires, the Committee is unable to judge the alternative. I also point out that charities, lobby groups and non-governmental organisations involved in the health and social care sector are pushing to see those figures as soon as possible and frequently lobby the Committee on the issue. On behalf of the Committee, I again ask the Minister to publish detailed proposals as soon as possible.

### 11.30 am

I will make a few comments in my capacity as the Sinn Féin spokesperson on health. We all recognise the importance of the Health Service and of ensuring that it has adequate resources. However, the Minister cannot be exempt from the need to drive efficiencies and find savings across his Department without affecting front line services. That is a Minister's job, and this Minister cannot shirk his responsibilities on that matter. It is also not enough merely to say that his Department should be exempt from finding more efficient ways to move forward, when the

reality is that the budgets of all Departments are affected. I am sure that the Minister would agree that if his Department were to be exempt, his party colleague, the Minister for Employment and Learning, would have something to say about that, because his budget would also be cut.

In the House, the Minister is often quick to criticise the Executive. However, I remind him that his party colleague voted in favour of the spending review plans when they were discussed by the Executive in December 2008. I also point out to the Minister that the Executive have not been shy when it comes to important public health issues. The Executive stepped in, and Ministers gave up money from their Departments, to help to tackle the swine flu epidemic.

The Committee has been looking at the whole issue of inefficiencies in the Health Service and has often referred to the over-abundance of managers and administrators. It has ongoing concerns on that matter. We need the Minister to get on with his job instead of constantly trying to bury his head in the sand and avoid making the hard choices that every Minister must make.

**The Deputy Chairperson of the Committee for Social Development (Mr Hilditch):** The Department for Social Development's (DSD) revised spending plans were considered at the Committee's meetings of 28 January and 4 February.

The Committee was keen to see and understand the detail of the Department's revisions to its budget and wanted to assure itself that changes would be driven by real improvements and lasting savings in the Department. No Committee member wanted cutbacks to be made purely to those front line services that are provided by the voluntary and community sector. Members also wanted to be sure that reductions across capital and resource expenditure lines would not be made by an arbitrary or fixed amount. After a detailed examination of the methodology, the Committee looks forward to contributing to the debate today and to setting out its concerns, suggestions and, when merited, its approval.

I have to say that the Department provided very little written background detail and limited oral information on its revised spending plans.

**Mr F McCann:** At the Committee meeting that departmental officials attended, members



strongly raised the issue that possible efficiencies could have been made within the Department, rather than direct cuts to front line services such as housing maintenance, social security office provision and local community funding, which was what the Committee was looking at. The Committee was concerned and asked the Department to return with a breakdown of the cuts that were going to be made.

**The Deputy Chairperson of the Committee for Social Development:** I certainly concur with the Member's sentiments. Indeed, a ministerial briefing on those matters has been promised for late February or early March.

The Committee agrees that DSD's consultation strategy, although perhaps complying with some aspects of the DFP timeline, will not facilitate adequate Committee involvement in the review of its revised spending plans. Committee members indicated their disappointment and frustration, and the Chairperson has written to Minister Ritchie about that.

The Committee considered a number of issues around the information provided. As regards resource reductions, members were disappointed to note that cuts of approximately 2.6% had apparently been allocated to all resource groups. That means that the urban regeneration and community development group will lose £1.6 million. The House will agree that there is never a good place to make a budget cut, but Committee members indicated particular concerns about the way in which quite small budget reductions for matters such as community development can have a disproportionately large adverse affect on deprived groups and areas. The Committee hopes that further information, when provided, will show that budget reductions are not being secured purely at the expense of the voluntary and community sectors.

The Committee was also unable to secure clarity from the Department on capital budgets. It is understood that decisions on the treatment of slippage of important capital projects, such as the Royal Exchange, are awaited. The Committee views the Royal Exchange as a crucial regeneration project and welcomes the Executive's assurance that it will be funded. However, it is hoped that some flexibility can be shown in the treatment of the slippage. It is hoped that some other support can be transferred in the coming

financial year to other capital projects relating to social housing, for example.

The Committee was also concerned about the absence of detail about the Department's treatment of the ongoing costs of the Northern Ireland Civil Service equal pay settlement. It is understood that those costs will amount to some £12 million in 2010-11. The Department has not yet explained how that significant additional pressure is to be managed. The Committee hopes that the Department will be more forthcoming in that regard and that consideration will be given to offering flexibility to DFP in managing the problem.

The Committee was disappointed at the absence of information from the Department on its spending plans. During our deliberations, members of the Committee referred to the limited engagement afforded to it in respect of budget matters in general and during monitoring rounds in particular. I hope that, after the debate, the Department will think again about how it can interface with the Social Development Committee in a more useful fashion during its consideration of spending plans.

**The Chairperson of the Committee for Culture, Arts and Leisure (Mr McElduff):** Go raibh maith agat, a Cheann Comhairle. Ba mhaith liom labhairt thar ceann na Choiste Cultúir, Ealaíon agus Fóillíochta.

The Committee took evidence from departmental officials on the proposed revised budget for 2010-11 at its meeting on Thursday 28 January. The Department of Culture, Arts and Leisure (DCAL) is required to make a cut of 5%, or £5.9 million, in current expenditure, and 25%, or £20 million, in capital investment based on its indicative budgets for 2010-11. The overall cuts to the region's block translate to around 2.4% in current expenditure and 10% in capital investment. Therefore, the Department's budget is being cut significantly — disproportionately so in comparison with the overall block position.

The Committee was disappointed that the Department of Culture, Arts and Leisure has the highest cuts of all Departments except the Office of the First Minister and deputy First Minister (OFMDFM). The Committee is of the view that DCAL is sometimes regarded as a soft target for budgetary cuts because the impact of its business area is not fully understood or recognised. The Committee thinks that investment in DCAL business areas — sport, arts, culture,

libraries and museums — contributes to key areas of economic growth such as the creative industries and cultural tourism. That form of activity has the potential to generate jobs and to attract tourists to the region.

The Committee took evidence from Sport NI on Thursday 4 February 2010. We took evidence from the chief executive, Eamonn McCartan, the director of the sports institute, Shaun Ogle, and the director of participation, Nick Harkness, on how the proposed cuts will affect Sport NI's ability to deliver key projects and programmes on the ground. I was grateful to Sport NI for responding so quickly to the Committee's invitation, because its council had not yet met.

**Mrs D Kelly:** Does the Member share my concern that the Minister's delay in making a decision is putting opportunities for elite facilities at serious risk?

**Mr Speaker:** The Member will have an extra minute added to his time.

**The Chairperson of the Committee for Culture, Arts and Leisure:** I concur with Mrs Kelly that, along with Places for Sport, elite facilities is one of the programmes that may be badly affected. The Places for Sport programme is very popular in communities, and grass-roots, community-based sports clubs place huge importance on it.

The Committee is concerned that a realisation of the cuts to Sport NI's budget will lessen the opportunities for young people and adults, particularly those from socially deprived areas, to participate in sport and physical activity. Dramatically increasing the number of adults and young people who participate in sport and physical activity is a key target of the Programme for Government.

**Mr Shannon:** Does the Member share my concern about the fact that £42 million of lottery money that was supposed to come to the Province has been diverted to London? That money is a loss to the Province as well.

**The Chairperson of the Committee for Culture, Arts and Leisure:** Mr Shannon served on the Culture, Arts and Leisure Committee previously, and I agree with him that sport here is being really badly hit. There should be a rethink on how sport is, and has been, affected. Jim has mentioned, for example, money being diverted away from grass-roots, community-based projects and towards preparations for the

Olympics. There is real concern in the sports community that the ability of people, particularly those living in socially deprived areas, to pursue sport and physical activity is not being properly respected. That ability to participate is key to improving health and well-being.

The Committee also expressed a number of concerns about the public consultation on, and public access to, the proposed changes to the Department's budget. The Finance Minister announced the proposed savings to the House on 12 January. In that statement, the Minister said that he had asked his Executive colleagues to publish details of the implications for their individual Departments on the departmental websites. However, the Department of Culture, Arts and Leisure did not publish that information on its website until 25 January: almost two weeks later. Given the importance of the issue, that would seem to be an undue delay.

Furthermore, no information on how members of the public should make their views known to the Department was provided, and no closing date for the consultation period was given either. The Committee understands that the main form of consultation on the revised Budget will be through Assembly Committees. However, that does not preclude the public absolutely. It does not mean that the public should not be provided with transparent information about the process and about how they can make their views known.

We re-emphasise the importance of financial investment in sport and physical activity.

**Mr Speaker:** I ask the Member to draw his remarks to a close.

**The Chairperson of the Committee for Culture, Arts and Leisure:** Sport and physical activity must not be a loser in this process.

**The Chairperson of the Committee for Education (Mr Storey):** I will inform the House of the position of the education budget, which faces an additional resource expenditure pressure of £52 million and capital expenditure pressures of £22 million following the Executive's review of their spending plans. The Minister of Education wrote to the Committee on 14 January to highlight the fact that in addition to the proposed £52 million resource saving, there was a resource pressure of £40 million in the 2010-11 education budget. Therefore, the resource pressures total £92 million, which is a huge amount of money.

Senior departmental officials had previously informed the Committee of a £70 million capital expenditure requirement in 2010-11 and a further proposed capital saving of £22 million, which amounts to a capital pressure of £92 million. It is easy to come to the House and give figures without fully understanding the impact that such pressures will have on the delivery of education in our schools. The Minister sought the Committee's views on how to deliver the savings and address existing pressures.

#### **11.45 am**

However, despite the appearance before the Committee of senior departmental officials to discuss the budget on 18 November 2009, 9 December 2009, 20 January 2010 and 27 January 2010, and the attendance of the Minister on 3 February 2010, the Committee is not in a position to give its views on how to address proposed savings and existing resource and capital pressures. I want to explain why that is the case.

The Minister identified five areas for potential reductions. The Committee was not provided with sufficient information on the nature of the spend in each area or, in particular, the impact of potential reductions. As the Chairperson of the Committee for Agriculture and Rural Development said, the information was not drilled down. Insufficient information was given to inform the Education Committee and to enable it to give help and advice.

The Minister commissioned a convergence delivery plan to reduce bureaucracy and to streamline delivery in the administration of education, but that has yet to be provided to the Committee. It is a secret document that is within the domain of the Department of Education. The Minister wants to hold it close and does not want to let anybody else see it, because, I suspect, it contains controversial aspects that should be more closely scrutinised. Furthermore, the Minister's review of the education capital programme has not been provided to the Committee. No objective criteria have been given to the Committee to tell it the basis on which decisions can be made about newbuilds in the education estate that have been announced already. No information was provided to the Committee on other measures to deliver savings, which have been posted — as other Members have said — on the Department of Education's website.

I conclude my remarks on the situation in education as an Assembly Member, rather than as the Chairperson of the Committee for Education. A serious crisis faces education, not only because we happen to have the current Minister in office, though that is problematic enough. We have a situation in which it has been proposed that schools be built. I welcome the fact that the Finance Minister has made available a huge amount of money to the Department of Education, which has allowed us to spend money on putting newbuilds in place. However, we now face a critical situation, whereby schools that have been promised newbuilds will be subjected to a review, for which neither the House nor the Education Committee has seen the criteria.

**Mr Speaker:** The Member should bring his remarks to a close.

**The Chairperson of the Committee for Education:** Given her past record, Members cannot trust the Education Minister to come to the House and give the right figures for the reconstitution of education and library boards. She cannot count. I do not think that the Minister is capable of doing her sums on newbuilds for education.

**Mr Speaker:** The Member's time is up.

**The Chairperson of the Committee for Enterprise, Trade and Investment (Mr A Maginness):** The Committee for Enterprise, Trade and Investment was briefed by departmental officials on 28 January. I thank the officials for that briefing. It was a frank and open presentation and, for that, members of the Committee are grateful.

Committee members were informed that the Executive have agreed to Department of Enterprise, Trade and Investment (DETI) savings of £4.6 million, which is 2.2%, and £6.6 million, which is 8.2%, capital expenditure, based on the opening 2010-11 budget allocations. That may not seem like much compared to other Departments. However, the Committee noted that more than £200 million, which is 71% of the Department's budget, is contractually committed, which leaves very little room to manoeuvre. It is very worrying that there is such little room to manoeuvre, and that is something about which members expressed concern.

Members were concerned about the level of committed expenditure. Those concerns were echoed by DETI officials, who informed

the Committee that if the level of committed expenditure were significantly higher, DETI would have to cease all activities apart from monitoring existing commitments. Although those pressures are difficult, but not insurmountable, I am worried about where future savings can be made in the Department because there does not seem to be room for manoeuvre. If there is a new Government at Westminster, we anticipate wider and deeper cuts in future years. Those could well impact on DETI, which is very important in respect of stimulating the economy.

The most significant areas of concern to Committee members were the £6 million reduction in the capital expenditure of Invest Northern Ireland, which probably relates to reductions in land acquisition and development; the £1.6 million reduction in the current expenditure of InterTradeIreland; the £1 million reduction in the current expenditure of Tourism Ireland; and the £400,000 reduction in the current expenditure of the Northern Ireland Tourist Board. Some members were concerned that reductions in land acquisition by Invest Northern Ireland would result in a shortage of land for business investment and would prevent Northern Ireland from taking full advantage of an economic upturn. In a situation in which we are coming out of recession, it is deeply worrying that we will not have the availability of land to take full advantage of any upturn.

DETI officials informed the Committee that, owing to the economic downturn, current stocks of development land have not been reduced to the extent that was expected. Therefore, land is available. It was also considered an uneconomical time to sell land. Most members, and I, agree.

Members raised concerns about the level of cuts to InterTradeIreland. There were concerns that cuts would put at risk the stimulation of trade and that the small and medium-sized enterprise (SME) sector across the island of Ireland would suffer. It is important that InterTradeIreland receives adequate funding. Those reductions will not unduly affect its performance, but, nonetheless, it is a very important agency.

Members expressed concerns that reductions in funding to the tourism sector would have a negative impact on that important aspect of the economy and would inhibit activity to strengthen

the economy through the stimulation of tourism. Departmental officials informed the Committee that savings in relation to North/South bodies had already been agreed with the relevant Departments here and in the South, and would have been made regardless of the review of spending plans.

**Mr Speaker:** The Member should bring his remarks to a close.

**The Chairperson of the Committee for Enterprise, Trade and Investment:** Those are the concerns, which are relevant and proper. I hope that the Minister will take them into consideration.

**Mr Shannon:** On reading the report, some things stood out right away for every one of us. In 2008-09, the Executive delivered over £10 billion worth of public services, which is the highest figure on record. That is a good news story. That figure included an investment of £1.7 billion in our public infrastructure, which is an increase of over one fifth on the previous year. That had to happen because we were in desperate need of investment. Money had to be spent to put right the neglect that we endured through many years of direct rule. We needed a dedicated strategy to provide better services and infrastructure to help every person in the Province. The Department of Finance and Personnel provided the strategy that was needed to make a difference in Northern Ireland. We need to take on board that key fact.

The Department is again faced with an overwhelming task: balancing the efficiency savings that are needed, of which we are all keenly aware, while ensuring that there is still a proper level of delivery across the board on the part of all Departments. That is an onerous task, but it is achievable.

The report points out clearly that the Northern Ireland Departments have fully reached their efficiency savings targets for 2008-09. An which the last round of taking stock suggests that good progress is being made regarding targets for 2009-2010 and 2010-11. Things are on track at present, and we simply need each Department to keep on making savings where they can on things that are improvable.

The report clearly states that Northern Ireland Departments fully achieved their efficiency savings targets for 2008-09. The latest monitoring round suggests that good progress



has been made in meeting targets for 2009-2010 and 2010-11. Savings are on track at present. We simply need each Department to continue to make savings where they can on non-essential items. Thus far, each Department has been able to make those savings, and it is up to them, individually, to spend wisely the money that they are allocated.

At a glance, Departments such as Health appear to be taking a large hit. However, the report states that savings in health amount to 2.1% of its budget, compared with 2.6% in other Departments. Therefore, the Health Service's importance and ability to thrive and to provide the excellent service currently on offer, while making savings, is recognised. The fact that the Republic of Ireland devotes 35p of every £1 of its Budget to the Health Service, but in Northern Ireland that figure is 50p of every £1, clearly demonstrates the importance of health here.

Members recently debated the Department of Health's dispensary charges, to which improvements can be made. We look forward to that happening. I stress again that in some cases, dispensary services are essential for people who are unwell, but in others, it is simply a way for chemists to make money. We ask for efficiency savings that can be made in that area to be taken on board.

I agree with my colleague Mervyn Storey on the issue of education. Yesterday, the Minister of Education made a statement to the Assembly. Not one of the questions that were asked was answered. Neither did she permit interventions. I read the Hansard report today to see whether the Minister addressed the issue of Glashy College that I raised, and she did not. Nothing was done in reply to Members' enquiries about any of the other schools or colleges. It is frustrating to find ourselves in limbo over the future of education.

The report also highlights proposed savings in DETI and the Department for Regional Development (DRD) of 8.2% and 7.2% below average respectively. We must have roads for tourists to use and thriving businesses for them to spend money in. Every Department must make cuts in the right area, not simply where most money is spent.

I sit on the Committee for Agriculture and Rural Development, and I am concerned about the farm modernisation plans, the cereal and vegetable producers, our vital fishing industry and the

European Fisheries Fund (EFF) money that it receives, and the Northern Ireland rural development programme. We must ensure that all Departments, including Agriculture and Education, are producing the goods on all those issues. We must cut out the superfluous and concentrate on essential service provision. The rest will come in time, when the returns that are invested in the future of the Province come back to where they are needed.

**Mr Speaker:** The Member should bring his remarks to a close.

**Mr Shannon:** That is when everyone — within and without the Chamber — will benefit.

**Mr Neeson:** I did not think that I would be called to speak but I am grateful for the opportunity. The Programme for Government's main priorities included growing the economy. I am deeply concerned that the proposed cuts in departmental budgets will adversely affect that priority.

As a member of the Committee for Enterprise, Trade and Investment, I agree with the statement that was made by its Chairman. We received responses on the revised Budget from the Department and from Invest Northern Ireland. The £6 million reduction in Invest NI's capital budget for property projects will impact in several ways. It will delay the further development of land, potentially reduce the amount of land acquired for future development, and delay infrastructure works and other capital improvements to existing industrial estates.

Decisions not to purchase land will impact on Invest NI's ability to meet its overall land acquisition target and on the objective to make land available in areas of economic disadvantage over the corporate planning period.

### 12.00 noon

I am deeply concerned by the financial cuts in the budgets for Tourism Ireland and InterTradeIreland. It is important that there is continued commitment to signature tourism projects, because they are important to the development of tourism. I would also like to see continued commitment to the Bombardier CSeries project. Those issues are vital to growing the Northern Ireland economy.

Although I have concentrated on the Northern Ireland economy, I wish to express my concerns about the reductions in the Health Service budget. I share the Health Minister's views

on the cuts; it is vital that front line services continue in the Health Service.

In conclusion, I put a question to the Minister: is growing the economy still the same priority for the Minister and the Executive at large?

**Mr McDevitt:** I echo the comments of the Deputy Chairperson of the Health Committee, who noted that we are yet to receive a response of any sort from the Health Minister with regard to the proposed spending cuts. Handing a Minister a blank cheque is no way to defend front line services, and that is what the Health Committee has been asked to do. A crisis in our Health Service is imminent because of the Minister's inability to come to the House or to his Committee with specific details as to how efficiencies can be found elsewhere in the system to guarantee that front line services are given the priority that they deserve.

We already know the stories of 90-year-olds on waiting lists. We know that care workers allocate pensioners 15 minutes a week for their single shower. We know that political pressure is being exerted on trusts to give the impression that a crisis does not exist when, in fact, we all know that one is imminent. We also know that much could be done to guarantee front line services in this region. We could see information on the invest to save proposals and we could understand the impact of the proposed cuts on public service agreement targets, which, of course, we do not know. We could know what conversations have taken place between the Health Minister and the Finance Minister. Perhaps the Finance Minister will be so kind as to inform the House of such conversations during his winding-up speech, because we do not know. We could know what the impact will be on trusts and on social services, or, specifically, on the Ambulance Service Trust, because the truth is that we do not know. We could try to understand better the Department's thinking on the Nuffield report, which indicates a disparity between this region and other regions in these islands in respect of the efficiency and productivity of the Health Service, because the truth is that we simply do not know.

The SDLP will stand shoulder to shoulder with any Minister who brings proposals to the House to defend front line services, but we will not write a blank cheque to the Finance Minister or to the Minister of Health, Social Services and Public Safety, because that is not in the

interests of the elderly, the sick and the poor who so rely on this Health Service, which was inherited from Britain but was made Irish and deserves our defence.

I ask the Finance Minister to try to illuminate us in so far as he can on conversations that he has had with the Health Minister. I ask the House to continue, on a cross-party basis, to support efforts to elucidate information from the Health Minister; information that is simply not forthcoming.

**The Minister of Finance and Personnel:** I could amuse the House for a long time by talking of the conversations that I have had with the Health Minister on his budget and budget proposals, but that is not my role here today.

First, I thank the Committee for Finance and Personnel for its work to date on collating the information that various Committees supplied and on scrutinising the Budget proposals. I shall re-emphasise the reasons for taking such an approach. Normally, next year's Budget would simply have been what was set out three years ago, and adjustments would have been made through the in-year monitoring process. However, as a result of pressures from, and changes in, the economic environment since then, it has become clear that such sizeable changes cannot be dealt with through the normal in-year monitoring process.

In the past, some Members described the reviewing of spending plans as a panic measure that resulted from the mismanagement of the Budget by DFP and the Minister of Finance and Personnel. I am glad that that attitude has not been quite so prevalent this morning. There is now a general realisation that economic change requires DFP to deal with changed circumstances for the Budget. That is why the Department conducted a substantial Budget review, and I am glad that Members welcomed that approach.

I shall reiterate the changes that have occurred. We hoped to sell certain assets, but the downturn in the economy has affected our ability to raise revenue in that way. We did not anticipate that we would be required to put money into certain areas of the economy, whether by helping businesses through business rates relief or additional spending on training.

Of course, we brought some problems on ourselves. The Assembly decided to defer the

introduction of water charges for the entire Budget period, and, as a result, incurred a £210 million pressure. As Dr Farry pointed out, if one decides not to raise revenue, one must find money from elsewhere.

In addition, there is the issue of equal pay, which some Members said that we had a moral obligation to address. Indeed, some Members think that we have not gone far enough, and, even though they complain about the current situation, they want us to go beyond the legislative requirements and spend more money. Perhaps I will return to what Mr O'Loan said about that subject later.

Nevertheless, none of those pressures were a consequence of financial mismanagement; they resulted from collective decisions that were taken by the Executive and endorsed by the Assembly. We are where we are with the Budget, and, in response to that, we conducted the Budget review.

I shall pick up on what individual Members said later, but I am disappointed by a common theme that emerged. Committees require relevant information to enable them at least to question whether their Ministers are making the right decisions about necessary budget reductions. However, several Ministers and Departments have not been able or willing to supply that information to their respective Committees.

Although Members talked about current expenditure reductions of 2.6% and capital expenditure reductions of 10.2%, those figures do not represent a cut in the Budget. Much of that is a result of reallocations. I shall address that point in more detail later, but the real Budget reductions amount to only 0.1% in current spending and 1% in capital spending. The widespread consultation that some Members mentioned is not, therefore, required. Those are fairly minor cuts. Nevertheless, the result of some of our decisions is that money will move between Departments.

I made it clear that Ministers have an obligation to supply Committees with information to enable them to do their jobs properly, so it is disappointing that a number of Ministers have not done so. I am glad that the Chairpersons concerned did not hold back from criticising those Ministers, and I hope that Committees will press Departments and Ministers for the information that they need to enable them to do

their jobs properly. Otherwise, the Assembly will not be in a position to carry out its role.

A number of Members, such as the Chairperson of the Committee for Finance and Personnel, raised the issue of methodology and how the Department came to its conclusions. First, we looked at the size of the pressure, which has been well aired in the debate: across budgets, it is 2.6% of current expenditure and 10.2% of capital expenditure, which amounts to around £370 million. Then, I interviewed Ministers. I asked them how they would go about things, and what type of measures they would take if they had to reduce their budgets by x% of capital expenditure and y% of current expenditure. I asked them to tell me about the pressures on their budgets and areas where they believed that they could make savings. Of course, the Department also has information from its frequent contact with finance officials. Ultimately, there was discussion in the Executive.

I have made it clear that the Department wanted to target reductions. It did not simply want to apply reductions across the board, because that would not have been a helpful way to go about it. As a result of information that Departments supplied, conversations that I had with Ministers, discussion in the Executive, and consideration of the Programme for Government priorities, my Department reached its conclusions.

Members must look at variations in reductions. OFMDFM has a 5% reduction in its current budget. When I spoke to Ministers from that Department and looked at the type of issues that it faces, I believed that it was possible to make such a reduction. DETI, on the other hand, concentrates on delivery of the Programme for Government's first priority, which is growth of the economy. It has a reduction of 2.2% in its current expenditure and 8.2% in its capital expenditure, which are both below average. Therefore, some Departments' reductions are below average, while some are above average.

Indeed, despite all of the Health Minister's complaints, his budget is being reduced by significantly less than the average. I took into consideration some of the pressures that he described to me. The current part of his budget is being reduced by 2.1%. Again, my response was based on the conversation that I had with the Minister. I believe that that answers Members' questions on methodology.

The Committee Chairperson also mentioned wider public consultation and the limited timetable for that. I must point out that, as far as the Budget is concerned, I submitted proposals to the Executive in September. That should have allowed for adequate consultation. Delays in the Executive process meant that those proposals could not be addressed until the Budget statement in January 2010. I hope that, as a result of the agreement at Hillsborough, we will get around such issues. I regret that delay, which has curtailed the consultation period. However, I believe that consultation in the Assembly is sufficient, because, as I have said, the actual size of the reduction in the Budget is little.

I noticed that, when I provided figures, Mr O'Loan shook his head. Of course, many of the figures that we discuss are a result of reallocations. Take, for example, water charges. The Department is not actually cutting money out of the total Budget; it is simply saying that, because there is pressure on DRD as a result of the deferment of water charges, rather than DRD bearing the entire brunt of that, the £210 million will be shared among other Departments to release the pressure that was created in DRD as a result of an Executive decision. The same applies to the £26 million for invest to save. That money is not being cut; it is simply being held and will be distributed among Departments when they come forward with proposals. That is how the discrepancy between the gross figure and net figure arises.

### 12.15 pm

Ian Paisley Jnr stated that the information from DARD was fairly limited and that it was provided only a short time before the Committee was due to meet. That was an issue for the Minister and the Department. He also said that the information that was received from the Department showed that the Department was targeting soft options. I think that it has been made clear that one of the reasons why we wanted Ministers to supply information was to give Committees time to see whether there were other ways in which the reductions could be made.

**The Chairperson of the Committee for Agriculture and Rural Development:** Will the Minister give way?

**The Minister of Finance and Personnel:** I want to get through as many contributions as I can, so I do not want to give way.

Mr Kennedy is not in his place. I am not sure whether he got the right debate today. Approximately 95% of his contribution was about the review of in-year monitoring, but we are reviewing next year's Budget. I was interested in what he had to say, however. Some of his contribution was contradictory. He mentioned the problems that are associated with in-year monitoring but, if I picked him up right, he subsequently said that he wanted more frequent in-year monitoring rounds. He is not here to explain those comments, but I am sure that we will have this looked at on another occasion, because we want to review the budgetary process. There are problems, regardless of which route we go down. There are difficulties with in-year monitoring, overcommitments and contingency funds, but the Chairman of the Committee for Finance and Personnel highlighted the budgetary process in her speech, and it is an area on which the Department is open to suggestions.

Mr O'Loan talked about the "atmosphere of financial crisis". We are not in a financial crisis. Nor are our circumstances a result of inadequate management. As I stated, the actual reduction in the Budget is fairly small. Reallocations in the Budget are causing pressures for each Department. I know that reductions always make the headlines, but Members should not forget that we are spending more this year than we have ever spent on capital investment in Northern Ireland. We are spending 20% more than we were spending at the beginning of this Budget period. As a result, we have rescued a lot of jobs in the construction industry. Although there are pressures — pressures that every Administration faces — it is wrong to describe our circumstances as some kind of financial crisis. There will always be those problems.

Mr O'Loan raised a number of other issues. He talked about the water costs and water charges. However, I have heard no one from his party suggest that we should introduce water charges. That is the issue. Mr Farry was the only Member to acknowledge the case for water charges in today's debate, and I will come to his contribution in a minute or two. At least he stuck his neck out and said that if we wanted to continue to provide services at a certain level



and if Departments believed that they could not make efficiencies, we would have to address additional forms of revenue. I do not agree with him, however. Rather than looking at raising revenue, our first option should be to consider how best to use the money that we have. If we conclude that we are making the best use of that money, we will have to raise revenue if we want to have more services. There is no point in complaining about water charges, but not being prepared to raise your hand in favour of introducing them.

Mr O'Loan also talked about the equal pay issue and the range in figures of between £155 million and £170 million. I think that I have explained in the House why that range has been given. It is being used because we have to interview each of the 13,000 individuals who are involved. Their circumstances will have to be looked at, and our best guess is that the range will be between £155 million and £170 million. Mr O'Loan is right; there will be an ongoing annual cost to Departments as a result of the equal pay issue.

He asked about the inclusion of retired workers in the scheme. The legislation is clear that people must make a claim within six months of leaving the Civil Service. Due to the date on which the claim was lodged by the unions, the cut-off date is as has been set out. That is what the equality legislation indicates. If the Member is saying that we should go beyond the equality legislation and its requirements, we must look at the rationale for that and the attached costs.

**Mr O'Loan:** Will the Member give way?

**The Minister of Finance and Personnel:** No, I want to refer to as many other Members' contributions as possible.

Mr O'Loan talked about the need to target our reductions: I hope that I have answered that question already. The fact that different Departments are affected in different ways is an indication that we targeted, and tried to target, along the lines of the Programme for Government priorities and as a result of conversations that I had with Ministers about how they spend their money at present.

I am not sure whether Dr Farry will be the next defector from the Alliance Party to the Tories. I know that Mr Parsley has left. Dr Farry started off talking like a Tory when he said that we did not fix the roof while the sun was shining. How

often have we heard David Cameron at that one? The Member has even got Cameron's language. You boys over on those Benches should watch out for the company that Dr Farry keeps in North Down, because you may find that you will have another defection from your party in the near future.

Dr Farry raised a number of issues about the structural defects that we had and the limit that there would be on putting those right in the future. However, he paints a rather gloomy picture. Although we need to spend money on infrastructure in Northern Ireland, and our ability to do so will be reduced, we must also take cognisance of the fact that, as a result of the recession, we can get better value for money and get more contracts for every pound that we spend. Whether the fall in the cost of doing the work will match some of the capital reductions is another matter. Mr Storey made the point that we are getting discounts of between 20% and 25% on school contracts, which means that we can get more for our money.

Dr Farry raised the important issue that we should not think that the simple and easy option is to cut administration in order to save front line services. I recognise his point, and I do not think that I have ever suggested that. Time and again I have said in discussions, and publicly in the Assembly, that if we are looking at how we use the Budget, we should determine whether savings can be made in administrative costs, whether things are being done inefficiently, whether Departments are doing things that they should not be doing, and whether there are things that Departments are doing that should be done differently. Those are the issues that Committees and Ministers should be looking at.

Dr Farry also raised the issue of whether we should have raised some of the money by increasing taxes. I point out to him that had we tried to meet all of those pressures by raising the domestic rate, for example, we would have had to increase it up by 140%. I do not think that any Member would want us to go down that route at this time.

Mr McLaughlin talked about the budget process and the importance of having transparency. We are subject to the information that we receive from the Treasury, and it will give us the information on the next CSR period. Despite all our attempts to push the Treasury on that matter, we have not got that information yet.

Together with the Finance Ministers from Scotland and Wales, I raised those issues at quadrilateral meetings. If we have the information on time, we are prepared to see how it can be given to the Committee, the Executive and the Assembly for proper discussion before Budgets are made.

I thank the other Members who spoke in the debate and apologise for the fact that I did not get a chance to answer all of their questions individually. No doubt we will have a rerun of the debate next week, when I will concentrate on those Members' contributions that I was unable to respond to today.

**Mr Speaker:** I call Mr Weir to conclude the debate. The Member has 10 minutes.

**Mr Weir:** I thought that I had 15 minutes.

**Mr Speaker:** The Member has 15 minutes.

**Mr Weir:** That is DUP negotiation. I have just achieved an extra five minutes, although Members may regret that in about 10 minutes' time. Indeed, some heckling is coming from the Back Benches already.

This debate on the review of the 2010-11 spending plans for the Northern Ireland Departments has been very useful. As the Minister said, despite Members' occasional attempts to stray outside the subject, we have largely kept to the confines of the motion. In the words of the popular entertainer Bruce Forsyth, we have had a "good game, good game" today. I thank Members for their contributions.

During last Monday's debate on the savings that could be made in the Health Service through the use of the performance and efficiency delivery unit, reference was made to the fact that there is a tendency for debates that are on the important issue of financial allocation to have a tit-for-tat quality. Indeed, some Members described last week's debate as "puerile". However, the tone of today's debate has been mature and focused. We have not had a steamer of a debate, and to some extent, I suspect that the Minister may have been disappointed that that was the case. I am sure that Mr McNarry's absence is purely coincidental to the fact that we have had such a focused and measured debate.

The wide-ranging nature of the debate is another element that has been to our advantage. Not counting those Members who are on the

Committee for Finance and Personnel, I think that nine representatives of the 11 Statutory Committees spoke on behalf of their Committees in their capacity as either Committee Chairperson or Deputy Chairperson. Consequently, we heard a wide range of views on the implications of departmental expenditure on those Committees. However, I will come to a caveat on that in a moment. As the Chairperson of the Committee for Finance and Personnel said, today's debate will help to inform that Committee's co-ordinated report on the review of the 2010-11 spending plans.

The Minister dealt with Members' comments, so I will touch on some later. Before that, however, I will pick out several themes that emerged in the debate. Undoubtedly, a prevalent theme in many Members' contributions was the concern about the lack of briefings that Departments give to the Statutory Committees. The Minister told the House that he brought his proposals to the Executive in September 2009. That means that the plethora of complaints that have been voiced today clearly demonstrates that the fault lies with the individual Departments. I will deal with some of the individual problems in a moment.

However, it was noticeable that the problem between Committees and Departments was not universal. Indeed, Dolores Kelly, the Chairperson of the Committee for the Environment, Alban Maginness, the Chairperson of the Committee for Enterprise, Trade and Investment, and, to some extent, the Chairperson of the Finance and Personnel Committee indicated that there had been a good level of engagement between their Committees and departmental officials. However, it is clear that there is a lack of openness and transparency between many Departments and their respective Committees. Indeed, it seems that those Departments treat openness and transparency in the same way that John Terry treats those issues with his wife. Many of the Departments seem to have somewhat of a hidden agenda.

I now turn to some of the comments that individual Members made. Speaking as the Chairperson of the Committee for Agriculture and Rural Development, Ian Paisley Jnr highlighted that Committee's concern at the absence of detail that DARD provided on its proposals. He said that, on one occasion, the Committee received a briefing paper from the Department just one hour before officials were due to appear before it. The Chairperson of the Committee for the Office of the First Minister

and deputy First Minister, Danny Kennedy, raised a similar complaint and said that that Committee had not received papers or briefings from the Department. The Deputy Chairperson of the Committee for Health, Social Services and Public Safety, Michelle O'Neill, spoke about that Committee's dealings with the Health Department. Judging from Mrs O'Neill's and, indeed, Conall McDevitt's contributions, there seems to be not only a concern at the lack of transparency on the Department's part but a palpable sense of anger that it was not giving the Committee the necessary details and that it was ducking issues. Furthermore, there seems to be a concern that the Department is hiding behind the belief that it should be sheltered from any financial change. Given the importance of health, that is a grave concern.

### 12.30 pm

Barry McElduff, as Chairperson of the Committee for Culture, Arts and Leisure, and Mervyn Storey, as Chairperson of the Committee for Education, highlighted points of a similar nature, one being that there was a failure to supply the full amount of information. It is important that the Finance Committee examines the approaches taken by Departments to briefing their Committees. In her opening statement, the Chairperson of the Committee for Finance and Personnel dealt with the internal situation of the Department. The Finance Committee and the Finance Department find themselves in a different position to the other Departments and Committees in that they have an overarching role. As a Committee, we want to seek assurances that Committees are being properly briefed, because, if they are not, they cannot feed that information to us. We will be looking at the wider processes.

The point was made that, when it comes to redistribution, the focus tends to be on the resource element of financing, but, in their three significant contributions, Ian Paisley Jnr, Mervyn Storey and Mitchel McLaughlin highlighted the impact of capital spend. Mr Paisley Jnr spoke about Crossnacreevy and the major impact that making a mistake on capital spend can have. Mervyn Storey highlighted the impact on the schools programme and the problem of a lack of information leading to a lack of certainty in the sector. Mitchel McLaughlin, in a valuable contribution, spoke about the problem of capital realisation. It is not simply a question of raising more money by selling off whatever we have.

A bargain-basement asset sale would be very foolish in the current circumstances. However, there is no doubt that the lack of capital realisation has had a major impact on the broader budgetary situation.

A number of Members, including Mitchel McLaughlin and Danny Kennedy, spoke about the monitoring round process, which, as the Minister indicated, lies outside the scope of the debate. However, a number of Members wanted to see if we can improve the Budget process in the future. There is an opportunity for us to see if we can create a more thematic approach. As part of the ongoing review of the Executive Budget process that DFP is considering, the Finance Committee will continue to press DFP on that issue.

In the contributions from members of different Committees, a wide range of public expenditure pressures was outlined, probably stretching across every area of departmental expenditure. It is natural that any Committee Chairperson or Deputy Chairperson will be pressing for their share of the cake.

A number of Members, including Declan O'Loan, Simon Hamilton and Stephen Farry, spoke about two key issues: the impact of the equal pay settlement and the impact of water charges. Had a different approach been taken to, for example, equal pay, we would, undoubtedly, have found ourselves in a very different financial situation. We have to cope with that and bear it in mind.

The situation in relation to water charges has been highlighted. It is undoubtedly the case that all the parties in the Executive have taken a particular line, living up to commitments on water charges that were given to the public. However, it is also the case, as the Minister has highlighted in the past, that that involves some opportunity cost. The wider issue of water charging is one that I believe we will come back to fairly regularly.

During the debate, Members referred to specific public expenditure issues, such as the RPA and the pressures on health, agriculture, DCAL, education and DETI.

Sean Neeson pressed the issue of ensuring that proper resources were available for tourism, which he views as an important device. John Dallat mentioned the issue of having proper regulation and financing for the Department of

the Environment to ensure that people do not abuse the environment.

Anyone who looks at the issue will have to bear in mind the fact that there are financial pressures, but, as Simon Hamilton and others said, the Executive have taken positive initiatives to try to reduce the burden on householders and on business. Clearly, there is a range of competing pressures, and it is impossible for the Executive to always satisfy those demands. It is important to ensure that the impact from the available resources is maximised.

Stephen Farry raised the issue of revenue-raising measures. A debate took place between him and Simon Hamilton about alternative options, particularly on different funding streams such as increased regional rates. The potential impact of increasing regional rates is limited. As the Minister pointed out, they would have to increase by 140% to meet some of the demands.

A number of Members highlighted the need to ensure that maximum efficiency gains are made where appropriate so that the focus of savings is on administration and on back room services rather than on attacking front line services. Stephen Farry made the point well that that can sometimes be a difficult line to draw. Indeed, what one person can assess to be a back room service can be assessed as a front line service by another.

The Finance Committee has taken evidence from a number of expert witnesses on the best-practice approach to realising efficiencies while protecting front line delivery. The Committee will return to that in a forthcoming report. Although the Committee did not have the time to schedule evidence from the wider public, it received submissions from the Confederation of British Industry and the Economic Research Institute of Northern Ireland. That evidence will be included in the report.

In the past couple of months, the Committee for Finance and Personnel has been considering actively the strategic and cross-cutting issues that Departments face. As the Chairperson said, the current issue is to do with the spending plans, but we must also look to the future. In the coming weeks, the Committee will give thorough consideration to the responses that we receive from other Statutory Committees to the ongoing review. Although a caveat has been added because of the lack of information that a number of the Committees have had, hopefully

the situation will become unblocked in the next few weeks.

The Chairperson highlighted the Committee's concerns about the pressures that have emerged since the 2008-2011 Budget was agreed and about the need to settle on a formal Budget process for future years. Therefore, the Committee looks forward to receiving the outcome of the review of the Executive's Budget process that DFP is undertaking. The Committee intends to use its report on the review of the 2010-11 spending plans not only to consider the immediate pressures for the forthcoming financial year but to look towards more strategic issues going forward. A number of Members highlighted the fact that the landscape is likely to change in the next few years, whatever Government is in power at Westminster.

The Committee will hold an additional meeting with the Minister on Thursday to discuss the review proposals with him. At its meeting on 17 February, it will receive a further briefing on strategic financial issues, and, at that meeting, it will also take evidence from Land and Property Services on the implications of the revised spending plans for the agency. The Committee aims to publish its report as soon as possible thereafter.

The debate has been useful, and, on behalf of the Committee, I thank Members and the Minister for their contributions, which I believe will lead to a mature reflection by the Committee on this important topic.

*Question put and agreed to.*

*Resolved:*

*That this Assembly takes note of the review of 2010-11 spending plans for Northern Ireland Departments announced on 12 January 2010 by the Minister of Finance and Personnel.*

**Mr Speaker:** The Business Committee has arranged to meet immediately upon the lunchtime suspension. I therefore propose, by leave of the Assembly, to suspend the sitting until 2.00 pm.

*The sitting was suspended at 12.40 pm.*



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

**2.00 pm**

## Committee Business

### Lough Neagh and Lower Bann Advisory Committees

**Mr Deputy Speaker:** The Business Committee has agreed to allow up to two hours for the debate. The proposer of the motion will have 10 minutes in which to propose and 10 minutes in which to make a winding-up speech. All other Members who wish to speak will have five minutes.

#### **The Chairperson of the Committee for the Environment (Mrs D Kelly):** I beg to move

*That this Assembly recognises the social and environmental importance of the Lough Neagh and Lower Bann regions and the economic contribution they make through employment, leisure and tourism; acknowledges the significance of the Lough Neagh and Lower Bann Advisory Committees in maintaining the value of these areas and the risks involved if funding of the advisory committees is withdrawn; and calls on the Minister of the Environment to reinstate Northern Ireland Environment Agency funding as a matter of urgency, and to encourage the other funding partners to continue their financial support.*

I welcome the presence of the Minister for the debate. I will provide the House with a bit of background information on the motion. Established in 1994, the Lough Neagh and Lower Bann advisory committees have received core funding from the Department of the Environment (DOE) through its Northern Ireland Environment Agency natural heritage division, the Department of Culture, Arts and Leisure's (DCAL) inland waterways body and nine local councils: Antrim Borough Council, Ballymena Borough Council, Ballymoney Borough Council, Coleraine Borough Council, Cookstown District Council, Craigavon Borough Council, Dungannon and South Tyrone Borough Council, Lisburn City Council and Magherafelt District Council.

After a request from the Northern Ireland Environment Agency (NIEA) in early summer 2009, the committees carried out a review of their work and structure and made recommendations on structures and ways of working. That review was considered by the

funding bodies in August 2009, and DOE and DCAL highlighted the fact that they would allocate funding for 2010-11 if local authorities also came on board. The Environment Agency sent local authorities a letter asking for financial commitment to the structure.

In November 2009, DOE and DCAL said that they would not allocate future core funding, as funding commitments were not forthcoming from a minority of the nine local councils involved. The chairperson of the Lough Neagh Advisory Committee wrote to a member of the Committee for the Environment, Mr Ford, at the end of November 2009. The Committee considered that letter at its meeting on 3 December, when members agreed to invite the Lough Neagh and Lower Bann advisory committees to brief members at the meeting on 21 January 2010. At that meeting, the Committee heard that the decision to cut funding was not based on quality of service and value for money; that there had been no independent review of the work of the advisory committees; that little was done by NIEA and DCAL to encourage dissenting local authorities, which had, according to the advisory committees, all since indicated that they supported the advisory committees; that, after being approached by advisory committee members, eight of the nine local authorities had already indicated that the allocation of financial support was very likely if central government renewed its commitment to the Lough Neagh and Lower Bann structure; that no opportunity was given to review administration costs; and that the committees were an easy target, as savings were needed at that time.

Members also heard about fears that the cuts in funding would lead to a lack of co-ordination, a loss of focus on sustainable and integrated development, an inappropriate allocation of resources, a lack of on-the-ground stimulation of projects that deliver against departmental remits and a risk of failing adequately to meet European obligations under the water framework directive for public participation in the development and delivery of river basin action plans.

At the same meeting, the Committee heard from an NIEA official that the two committees have been very successful and have ensured that the management and development of those two strategically important waterways have been properly and effectively co-ordinated during their lifetime. The official also made it clear that

NIEA would not take over that role should the withdrawal of funding lead to the disbandment of the two committees.

At the meeting, members decided to write to the Department to ask for a list of the councils involved in the funding of the advisory committees; details of the Department's communication with the councils involved, including an update on the councils' current position on funding the advisory committees; and details of whether communications on that issue were with the full council or with council officials. We also decided to write to the advisory committees asking them to forward details of a possible revision of their budgets because, at our meeting, members of the committees said that, had they been asked whether they were willing to reduce their overhead administration costs, they would have said that they were.

We wrote to the Minister, stating the Committee's support for the work of the advisory committees, expressing disappointment at the lack of opportunity for them to provide revised budgets or propose efficiency savings and expressing concern that no independent evaluation of their work had been carried out. We also wrote to the nine councils involved to ascertain their current position on continued funding to the groups.

The above actions show that the motion is not a knee-jerk reaction to the situation in which the advisory committees find themselves. Members of the Environment Committee want to provide the nine councils and the Department with an opportunity to give their side of the story. However, the Committee is mindful that funding for the advisory committees will end in March 2010 and that, therefore, there is an urgent need to get the motion to the Floor of the House before that.

Two of the nine councils involved in funding have written to the Committee to say that they will make a decision in February on whether they will fund the advisory committees in 2010-11. I am of the firm opinion that, if NIEA continued its funding, the councils involved would do the same. The Committee is concerned that the advisory committees were not afforded the opportunity to present revised budgets or indicate efficiency savings and that no independent evaluation of their work was ever completed.

As I said, we are very conscious that savings need to be made across all Departments, and the DOE is certainly no exception. However,

we are worried that, without an evaluation, the community and voluntary sector and non-governmental bodies are a soft target for such cuts. I am sure that the Minister will acknowledge that there has been no recognition of the ability of groups from those sectors to draw down European Union funding, something in which the two advisory committees have been successful.

The short-term decision to withdraw funding could cost more in the long term, due to there being no ready-made replacement for the advisory committees and to increasing obligations on government to consult and engage with stakeholders and the public on water management issues. The loss of the groups would be detrimental to the plans for transforming Lough Neagh and the Lower Bann into attractive propositions for tourism and leisure.

The vision for the Lower Bann is for a vibrant, multifunctional waterway where recreational activities and the natural, built and cultural heritage are appreciated and well managed, where there is a thriving indigenous economy supporting local jobs and where users respect each other and the local landscape. Last year, a management strategy directing the actions to achieve that vision was put in place, and that will run until 2014. However, without the support of the Lower Bann Advisory Committee, it is likely to founder.

There are other examples of what would happen as a result of the withdrawal of funding. There would be a loss of approximately £100,000 in already secured project funding; a loss of up to £300,000 of funding for live funding applications; and the potential loss of a landscape-scale heritage project planned for next year, which could attract more than £1 million in funding. That project is something that the DOE would not be able to do by itself under the funding criteria.

The absence of an organisation to steer the implementation of the Lough Neagh and Lower Bann biodiversity action plans would be a loss to us all. Those plans are already delivering against Northern Ireland biodiversity targets, which, of course, are a statutory obligation.

That is a snapshot of the Committee's concerns. In summary, the Committee appreciates the funding pressures that we face but urges the Department to look carefully at the long-term impacts of the decisions that it

makes to address those pressures. We want the Department to work with the non-governmental groups it funds and give them the opportunity and time to bring forward solutions that will allow them to continue their work, albeit in a more constrained way. We want to make sure that independent evaluations are carried out on work funded by the Department, so that, in difficult times such as now, the Department's funding partners and the public can readily see where money has been cost-effectively spent in previous years.

I stress that the Committee is not calling for the Department to make up the shortfall created by other funders. However, the Department must encourage other funders — the nine councils whose regions benefit significantly from the work of the advisory committees — to continue their support. The Department should reinstate its funding accordingly.

I commend the motion to the House and ask all Members for their support.

**Mr I McCrea:** I speak as a member of the Environment Committee, which tabled the motion. I declare an interest as a member of Cookstown District Council, which is one of the nine councils that were involved in the funding of the advisory committees. My council's position is and always has been that it will commit to funding the advisory committees if all the other councils do so. That is not a definitive position, because we have not reached the end of the process.

The main issue is how we move forward, rather than where we are and how we got here. As Members are aware, the advisory committees were established in 1994 by the Department of the Environment and the then Department of Agriculture. Therefore, the funding of advisory committees should remain a central government issue instead of being passed over to local government. As the Chairperson said, councils have benefited from advisory committees and should continue to fund them.

Along with the Northern Ireland Environment Agency and the Department of Culture, Arts and Leisure, nine councils are involved in the funding of the Lough Neagh and Lower Bann advisory committees. However, according to the officials from the Department of the Environment who gave evidence to our Committee, only three of those councils decided not to contribute in any way, namely Dungannon and South Tyrone

Borough Council, Magherafelt District Council and Ballymoney Borough Council. It is the right of any council to decide whether or not to fund an outside body, but that is not the real issue that faces us today. The real issue is that the two Departments decided to withdraw funding solely because three councils decided not to fund the committees. During their evidence to the Environment Committee, I asked members of the Lough Neagh and Lower Bann advisory committees whether they would be willing to work with a lower budget and with fewer councils. I, like other Committee members, was not surprised that they were willing to accept that.

I have a copy of revised budget options for 2010-11 from the Lough Neagh and Lower Bann advisory committees. If that had been put on the table or had even been requested by the two Departments, we would not be debating the issue today, because the two Departments would undoubtedly have been willing to negotiate with a lower number of councils. It is not fair that local councils have to carry the blame for the process not moving forward. I am concerned that the futures of the advisory committees lie in the hands of three councils. However, I have recently been informed that we now have only one council that has not committed to funding the committees.

I thank the Minister for coming to the House to respond to the Committee's motion. Will he task his officials to sit down with the advisory committees to work out how the issues can be resolved, either through a revised budget or through a lower number of councils committing their funding? It is also important that we find out what the officials in his Department did to encourage the councils that took the decision to withdraw their funding to reconsider. Is he willing to allow the future of the Lough Neagh and Lower Bann advisory committees to be left in the hands of one council?

**The Chairperson of the Committee for Culture, Arts and Leisure (Mr McElduff):** Go raibh maith agat, a LeasCheann Comhairle. Ba mhaith liom fáilte a chur roimh an deis labhairt ar an ábhar seo. I welcome the opportunity to address the House. My job is to convey the state of play as far as the Committee for Culture, Arts and Leisure is concerned. The Committee has discussed the matter.

The Committee considered correspondence from the Lough Neagh and Lower Bann advisory

committees on Thursday 7 January. At that meeting, the Committee was concerned to learn of the possibility that the funding of those two advisory committees might not be continued beyond March 2010. Given that the Department and the Environment Agency have been responsible for providing central government funding for the advisory committees, the Committee agreed to seek the views of Mr Nelson McCausland, the Minister of Culture, Arts and Leisure, on the situation.

### 2.15 pm

The Minister replied to the Committee stating that the nine local authorities have not confirmed their funding support for the advisory committees post March 2010. However, having listened to other Members, including Ian McCrea, I understand that it may be a changing situation. Of course, the Committee for Culture, Arts and Leisure remains actively involved and interested in the matter. However, if the local authorities provide that written commitment by 26 February, the Department of Culture, Arts and Leisure and the Environment Agency will meet to discuss the possibility of funding the committees for 2010-11. That is contingent on the written commitment being made before the end of February. The Committee for Culture, Arts and Leisure welcomes the offer from the Department and the Environment Agency, and we hope that the matter can be resolved speedily and to the satisfaction of everyone concerned.

**Mr Kinahan:** I am extremely pleased to speak in support of the motion today. I declare an interest as a councillor in south Antrim and as a member of the Lough Neagh Advisory Committee, albeit one who has not been able to attend as much as I would like.

The minutes from meetings of the Lough Neagh Advisory Committee demonstrate its involvement in a phenomenal range of matters, including water pollution, bathing, navigation, eels, sand trading, water levels, flotsam and rubbish, tourism and canoe trails. The committee discusses 70 or 80 different issues at each meeting. However, we must not forget that it serves one of the most heavily designated wetland areas in Europe and, therefore, has a strong need for biodiversity.

The committee, which meets monthly, provides a perfect example of the joined-up government that we all want to see. DCAL works on sport

and tourism, and the Department of the Environment works on planning, councils and biodiversity. Despite a little hiccup today, they work well together. Both Departments must provide the necessary funding. Furthermore, nine councils already work together, although we need to bring two more on board. However, most importantly, we have the personalities that we need. Farmers and wildlife enthusiasts, fishermen and canoeists, developers and environmentalists, and many other diverse users are all having to learn how to work together.

At the moment, the cost is £37,000 to each Department and some £5,000 to the various councils, which does not seem much. However, the expert volunteers that join us from 24 different groups do not cost anything. They give their time freely and, therefore, enable us to save a fortune on consultants. We know that we must consider cuts, and the bodies are happy to consider the various options that Ian McCrea outlined. We accept that the NIEA and the councils must make cuts, but I question whether the NIEA analysed where those cuts should be made as well as it could have. I am unsure whether making cuts at the coalface instead of in the offices is the most effective and efficient way to operate.

Today we ask for a way in which the funding of the advisory committees can remain in place. The councils were strapped for cash and wanted to keep their rates down. They did their best, but it is necessary to consider a better way to liaise with them and to bring them all on board. The Lough Neagh and Lower Bann advisory committees are not the only bodies that are affected; the same matters affect the Mourne Heritage Trust, the Lagan Valley Regional Park and the Belfast Hills Partnership. The future of all those organisations should be considered, because they are vital to tourism and to the management of the beautiful countryside in which we live.

During the Committee's recent visit to Brussels, members realised that a mass of legislation is coming our way and that most of it will be accompanied by fines. We must ask whether cutting the funding of important bodies such as the Lough Neagh and Lower Bann advisory committees is the way forward. Such bodies have the expertise and the people in place who, over the past few years, have planned for and know the way forward. We know that they have secured £100,000 in project funds for next



year and are working for another £300,000. The advisory committees have impartial experts who work together to implement and co-ordinate strategies.

I want the Lough Neagh Advisory Committee to work, and I want its funding to be reinstated. Friendly pressure should be put on the councils to get them all on board.

**Mr Ford:** I declare my membership of Antrim Borough Council, which is one of the nine councils that is responsible for the region in question. Furthermore, although this is not a formal declaration, I should point out that I was a founder member of both advisory committees when they were set up in 1994 and for a period of years after that.

**Mr I McCrea:** Does the Member admit responsibility for the problems that we are facing today?

**Mr Ford:** No, but the Member will use his historical experience to explain why he thinks the advisory committees served a valuable function over those years and how they built on the difficult position that existed before that time. Now that the Member has put me completely off my train of thought, I shall do my best to recover.

The motion not only refers to the work of the advisory committees but asks the Assembly to recognise the significance of the Neagh/Bann system as the most important waterway in Northern Ireland. With due respect to Members who may have an affinity for the River Lagan or the River Foyle, the whole of Northern Ireland society depends to some extent on what happens in and around the Neagh/Bann system. We have to recognise both its international and local importance.

The nature of our system of government has determined that the advisory committees' funding is an issue for nine local councils and a number of Departments, specifically DCAL and DOE through NIEA. However, issues such as river management reflect on the work of the Department of Agriculture and Rural Development (DARD). The Chairperson of the Committee for the Environment outlined the recent position that was adopted in the wake of debates on funding for the advisory committees. She highlighted the work that the advisory committees have done, as well as that that

needs to be done. Indeed, the committees are the obvious vehicles for that work.

In response to Ian McCrea's invitation, I will relate some of the history of the situation. Prior to 1994, a voluntary association existed that sought to bring together users of Lough Neagh in particular in a variety of forms. Although that body succeeded as much as a voluntary committee could, it was not able to bring people together because it did not have the same clout as the advisory committees have gained through their involvement with councils and Departments. That has made a huge difference to what could be achieved.

I can remember some of the advisory committees' early meetings. The balance that had to be struck between the economic, environmental and social and cultural interests around Lough Neagh showed that it was not easy to deal with the needs of, for example, the sand industry while dealing with tourism interests, such as shooting or boating on the lough. All kinds of interests had to be brought together. The broadly based representative advisory committees on the lough and the River Bann have enabled that balance to be struck in a way that has been extremely positive in the management of that waterway system. Striking that balance also provided a considerable bonus in that there has been a voluntary input that would not have otherwise existed.

Given the raft of EU legislation to which Danny Kinahan referred and the existing levels of European protection on that waterway, it is inconceivable that any other part of these islands would not have a joined-up approach to the management of such an important waterway. It seems that, because two or three councils were somewhat reticent about their responsibilities, the entire structure could now be lost. It is noticeable that the great majority of councils are saying that they will participate in funding and assisting the management of the Neagh/Bann system if others do the same. That seems to me to be the point where positive movement can be made. It is also the point at which we start to see the costs and benefits of the entire approach since 1994. Although there is undoubtedly a cost to Departments, the voluntary contribution of time, ability and advice far exceeds the costs to the two Departments of managing the system. It has brought together diverse interests in a way that has allowed a more positive style of management than would

otherwise have been achieved. It is what we stand to lose if, for the sake of a few thousand pounds, we tell people that the most important waterway system in Northern Ireland does not matter that much.

This is a positive example of joined-up government, of which we have few enough examples in Northern Ireland, and it is an example that we cannot afford to lose.

**Mr G Robinson:** I welcome the debate, because the Lough Neagh and Lower Bann regions have a direct impact on my constituency and are important areas for the future. However, I am concerned about funding. I understand that the Environment Agency will consider matching any investment by the local councils involved in managing that water system. That is welcome, but I also understand that not all the councils have committed themselves to providing that funding. If that is the case, I have concerns that there may not be unanimous support for the way forward.

The potential of Lough Neagh and the Lower Bann for tourism is huge, and I hope that the councils that have not yet committed to providing funding will consider that. However, I understand that their budgets are under as much strain as those of the Assembly. The Assembly, through the Environment Agency, is prepared to continue funding for the protection and development of that water system. It is not unreasonable, therefore, to ask that the areas that will definitely benefit from any improvements should help to protect and develop the system.

I am also interested to learn whether some of the costs of managing the system could be reduced. The costs seem to be high, considering that some of that management is voluntary. As Departments are required to make savings, I ask that all bodies funded by those Departments do the same. We are all aware that funding for many of the core functions of government is extremely tight, and I am concerned about spending money on projects that can afford to wait until better times, even though I recognise the potential of such projects.

I appreciate that much work has been done to enhance the Lower Bann, but I have reservations about funding until all the issues have been resolved. In spite of having reservations, however, I support the motion.

**Mr Beggs:** Some 43% of Northern Ireland's rivers flow into Lough Neagh. It is the biggest fresh-water lake in the British Isles. It is a valuable natural resource that must be managed to ensure that it has a sustainable future. Lough Neagh is important to the local economy through eel fishing and sand for the construction industry. It is important to the leisure industry, and it is becoming increasingly important to the tourism industry, particularly with the plan to expand the Erne waterway and link up with the Ulster canal. Lough Neagh is also a considerable source of water for Northern Ireland Water. Therefore, we must manage the area carefully. The Lower Bann waterway looks after some 38% of water that flows in Northern Ireland. It is a significant area, so it is important that we ensure that it is managed sustainably. That was a key function of the advisory committees.

Local council reorganisation is due in 2011. That is not far away, and we still hope that the great deal of work done on that to date will not result in deadlock, as seems to be the case at present. Therefore, we have to continue to plan on the assumption that that reorganisation will work. Greater powers will pass to those local councils in planning and community planning, and they will have a more proactive role in economic development. The Lough Neagh and Lower Bann regions will be key areas for much of the work of those councils in exercising those powers and in assisting the economy there.

There have already been significant moves to form a link with the Erne waterway. There is huge potential to introduce the boating fraternity further into the area, and tourism opportunities and money will flow from that.

### 2.30 pm

Other areas covered by the committees are biodiversity and water quality. A focus on those areas is vital if Northern Ireland is to avoid infraction proceedings under European directives. The water framework directive requires water quality to be greatly improved, particularly in the Lough Neagh area, where there have been problems. Those committees enable local knowledge to be passed to the Department, which will greatly assist the Department in meeting the requirements of that directive.

A key aim of the advisory committees is to protect the environment and to encourage biodiversity. There are many examples of projects that they have become involved in. Improving biodiversity

also improves water quality. Lough Neagh is a major source of our drinking water, so by driving up the water quality in the lough, we are ensuring that there is a better quality of drinking water in Northern Ireland. I am thinking of the capture of water at Dunore Point and Castor Bay as well.

The advisory committees have been funded by the Northern Ireland Environment Agency and DCAL, with the support of councils. However, it would appear that some councils have become lukewarm in their support. The latest information that I have suggests that the councils in Ballymoney, Dungannon and Magherafelt have not provided funding for this year or given any commitment for further years, although that information may have changed.

Are we to allow the advisory committees to fall because of the actions of three councils? I suggest to the Minister that the Department should be more proactive in ensuring that there is greater awareness of the importance of those committees. If there is a funding issue, the Department should proactively work to ensure that agreed budgets can be settled. Like others, I have been presented with revised budgets that propose 40% cuts in an attempt to provide more efficient operations so that greater value for money can be obtained.

Much valuable work has taken place in the past. Creating partnership working with a diverse group of people from different backgrounds is very difficult but it seems to have worked well in this case, to the benefit of everyone.

**Mr Deputy Speaker:** I ask the Member to draw his remarks to a close.

**Mr Beggs:** It would be easy to destroy such an organisation but very difficult to recreate it. I urge the Minister to engage proactively to ensure that funding will continue.

**Mr Dallat:** I thank the Committee for the Environment for agreeing to table the motion. Today's debate is very important, and I am pleased that the Minister of the Environment is present. However, I am rather sad that the Minister of Culture, Arts and Leisure has sent a letter to Barry McElduff that rules out funding. I do not want to be particularly cruel to any Minister, but that smacks of a kind of arrogance. That is not good.

All of us dream of a day when the River Shannon, the River Erne, the Lower Bann and Lough Neagh are connected through the Ulster canal. Such a development is particularly important to people in the Coleraine area. It is critical to create well-paid and sustainable jobs in tourism. The kind of success that we have seen on the River Shannon and on the River Erne brings with it the building of hotels and boatyards and the employment of workers in allied trades.

Only yesterday, Mr McCausland wrote to me admitting that no government body has overall responsibility for the Lower Bann. The Rivers Agency has an important role, but only in regards to flooding. It cannot intervene in a positive way. Waterways Ireland has a critical role to play and has done its best, although I would like to see it doing more.

In the absence of any overall statutory responsibility for co-ordinating Lough Neagh and the Lower Bann, it has been left to the two advisory committees to protect the rivers, on a voluntary basis, through biodiversity schemes, which will prove invaluable in the future. A day will come when the River Bann truly realises its full potential as one of the most wonderful rivers on these islands.

I would love to know who in the Departments has the capacity, wisdom, vision, commitment and knowledge to take on, perhaps on a voluntary basis, the role that is played by the two committees. The suggestion to withdraw the funding of the advisory committees is madness personified.

I am sure that the Minister of the Environment would not suggest that the Environment Agency has the capacity to take over all the activities that those two committees undertake, including providing strategic and co-ordinated advice; stimulating and advising on projects; co-ordinating action; sourcing and directing funding; and liaising with stakeholders and statutory agents on the implementation of the water framework directive. The two Departments that are involved must let us know about the vision for the future. The Northern Ireland Environment Agency, which has jointly funded the committees, must not take its guidance from the Department of Culture, Arts and Leisure.

It is not very clever to kill off a couple of committees that have a proud record of achievement on environmental issues and that

deal with two of our most important assets, namely Lough Neagh and the Lower Bann. I appeal to the two relevant Ministers to get up on the balcony and look down on the bigger picture. They should look at the vision for the future, when all the ingredients that make up our wonderful waterways will come together and provide an industry that creates jobs.

I will finish by telling a wee story. A dignitary, who was visiting from a neighbouring island and who is also a potential future king, looked into the river in my presence and said:

*“What have you got here? Pea soup?”*

We have hopefully overcome that environmental issue. In the future, we will create infrastructure, attract investment from the private sector, build hotels and provide all the other activities that will offer hope to our young people. However, we will not do all that by killing off two advisory committees that work on a voluntary basis.

**Mr Savage:** I support the motion that was proposed by the Chairman of the Committee for the Environment. I declare an interest as a member of Craigavon Borough Council and a board member of the Lagan Canal Restoration Trust. As a member of those bodies, I value the economic and tourism benefits that are created by Lough Neagh, the Lagan canal and all the other waterways across Northern Ireland. I also wish to put on record my thanks to the members of the various groups who have given their time and expertise.

I am a member of a council that borders Lough Neagh and an MLA for Upper Bann, a constituency that is important to many of the Members in the Chamber today. We appreciate the scenic beauty and recreation facilities that are afforded by the shores of Lough Neagh. It is essential that funding is provided to ensure that the work of the advisory committees can continue. I accept that there is a financial need, at local and central government level, to consider the potential for streamlining those groups within a time frame that is congruent with the review of public administration transition. That would ensure that the work continues and that the expertise of the people who are involved is not lost.

I respectfully ask the Minister to find a third way to fund the committees for the next financial year on the condition that they streamline going forward. That will, in turn, create much needed

efficiencies. I would appreciate the Minister's thoughts on that suggestion. I remind the Minister that Members who sit on councils recognise it as imperative that local councils do their bit to fund the committees and to ensure that years of endeavour and expertise are not lost.

Let us not forget that Lough Neagh is the largest freshwater lake in the British Isles. It has won many national and international awards and designations, right across the board. In that context, we have a duty to ensure that the work that has made Lough Neagh what it is today continues, tomorrow and for many years to come. It is right that Members do all that we can to preserve the economic, leisure and tourism benefits of Lough Neagh for the next generation and those to come. To that end, I fully recognise the social and environmental importance of Lough Neagh and the Lower Bann and the areas adjacent to those waters, including the contribution that they make to employment, leisure and tourism. We should acknowledge the significance of Lough Neagh and the various advisory committees in maintaining the value of those areas, and the risks involved in withdrawing the funding for the advisory committees. That is a very important point.

Some day, if the Minister has time to spend in his travels around Northern Ireland, I ask that he goes to Lough Neagh and looks at the number of boats tied up at Kinnego marina. They are of all makes, shapes and sizes. He should consider the employment that that place creates, the leisure that it generates and everything that goes with that. We must recognise that Lough Neagh is the second most visited area for tourists in Northern Ireland. We must not lose sight of that. The Chairperson will support my point, because it is in her constituency.

Very important issues are at stake. Many people have given a lot of time and effort to make Lough Neagh and its shores what they are today. It is important that we maintain them. We rely heavily on the Minister to take a common sense approach to all those matters.

**Mr McGlone:** Go raibh maith agat, a LeasCheann Comhairle. Thank you for affording me the time to speak on this topic. It is good to see that the Minister is present. I served on the Lough Neagh Advisory Committee during its early stages, while I was a member of Cookstown District Council. Like any organisation, there were wee glitches at



the beginning in getting it established, motivated and going. However, we represented the wildfowling, boating, tourist, and government interests represented by the Environment and Heritage Service (EHS). Dredging, local government and other interests all came together, essentially to work in the best interests of the great natural resource of Lough Neagh.

I was born, brought up and live on the shores of Lough Neagh. We have one of the greatest resources in these islands; it is underutilised, under-resourced and not properly tapped into, and that is very sad. However, we had put in place a mechanism, which was starting to pull together and to represent that college of interests, and to co-operate in the best interests of the local community. We worked with EHS to improve the biodiversity of the lough; with local community groups, schools, and the like, which engaged with one another to learn about the lough and its great richness; and, principally, with local councils to try to realise the tourism potential of the lough. I will return to that point, because some false economies are under discussion.

In six years, the committee secured over £4.5 million for project work and attracted, or helped to attract, at least another £4.5 million to the area. It has been directly responsible for delivering projects worth over £500,000, and helped to deliver 26 other projects for which other partners took the lead.

### 2.45 pm

The committee helped to secure £120,000 for projects to be delivered over the next two years, and there are further live applications for an extra £300,000. It provided strategic responses to over 110 relevant Government consultations and 87 significant planning applications. It also conducted awareness exercises and conferences on a range of issues, such as erosion alleviation and whooper swan monitoring. That is the range of matters wherein that committee, with input from local people and interest groups, has it in its grasp to help.

As a local person, I do not recognise or realise the sense of withdrawing funding from that group. The potential of Lough Neagh is grossly under-realised, so why withdraw the funding? I heard George Robinson referring to cutbacks in various places. Mr Savage suggested that a visit to Kinnego may be appropriate. People should visit Ballyronan on the shores of Lough Neagh

and the Battery harbour to see how people use those resources. A wide range of community groups and boating interests are located there.

That brings me to my point about a false economy. At a time when everybody knows that people are cutting back on their holidays abroad, who oh why do we remove one of the key crutches helping our local economy to develop? It really does not stack up. It is a false economy. Why remove that potential to help to develop Lough Neagh in times of depression and difficulty? If people are staying at home, let us help them to stay at home. Let us develop our resource. We are not talking about a huge investment. We see what it has helped to realise, and I referred earlier to the sum of £9 million. It just does not make sense.

Let us keep the spending at home. Let us realise the full potential of that spending, and, in doing so, let us develop one of the greatest natural resources in these islands.

### **The Minister of the Environment (Mr Poots):**

My Department and I consider the Lough Neagh and Lower Bann advisory committees, over their lifetimes, to have met fully the objectives that were set for them by the Department of the Environment and the Department of Agriculture in 1994. The advisory committees have performed their roles with diligence and expertise, supported by a very small but committed secretariat. Today's debate should not be seen to tarnish the record that they have demonstrated over that period.

The question that has to be resolved today is whether there remains sufficient support from the councils that border Lough Neagh and the River Bann for the advisory committees to remain effective, or whether, in light of the changes that will be introduced following the review of public administration in 2011, a rethink is required to ensure that the development and management of those two strategically important water bodies is co-ordinated properly.

My officials first became aware of the district councils' doubts about the continued funding of the two advisory committees when they were invited to a meeting in the offices of Magherafelt District Council on 25 February 2009, at which representatives of all nine councils were in attendance. Speaking to me recently, Graham Seymour, my director of natural heritage in NIEA, described the views that were expressed at that meeting as a bolt from the blue. It is

worth pointing out that in his letter responding to the points that were made at the meeting, Mr Seymour refuted the claims that were made by some that a plethora of groups was involved in the management of Lough Neagh and the Lower Bann. However, he also warned that in the event of insufficient assurances from the councils to continue the funding of the advisory committees, it would fall upon NIEA and DCAL to determine their future.

Subsequent to that meeting and the Department's response, the two advisory committees were invited to review their roles and effectiveness and to justify their continuation. In a letter dated 27 April 2009 to the two chairmen, it was again pointed out that there was no certainty regarding funding beyond 31 March 2010. The report of the two advisory committees was considered at a special meeting of the Lough Neagh and Lower Bann management committee on 10 August. The management committee comprises representatives of the statutory and executive bodies with responsibilities that affect the two water bodies.

At that meeting, a proposition was made by one council to continue with the current structure for a further 12 months. None of the council officials present was sufficiently confident to commit beyond the review of public administration.

On 13 August 2009, NIEA wrote to all nine councils, seeking confirmation that they would continue to fund the two advisory committees until 31 March 2011. In response, two councils confirmed funding for 2009-2010 and 2010-11; three councils indicated that they would make no further contributions; two councils indicated that their funding would be dependent on all other councils contributing; and two councils had not made a decision by the end of October 2009. They have since joined two other councils by indicating that their funding would be dependent on the other councils' contributions.

NIEA was faced with what can be described only as a lukewarm response from the councils, so it decided, albeit reluctantly, that it could no longer continue its funding. On 9 November 2009, it advised the councils accordingly. It appeared that the structure was no longer sustainable.

I am satisfied that NIEA is not in a position to make up the shortfall resulting from the withdrawal of support from other co-funders. It is worth pointing out that, to my knowledge, that decision has not prompted a change of heart by the

councils. Only one council has since written formally to the Department. Apparently untroubled by the irony of its own funding decision of March 2009, Ballymoney Borough Council wrote to me seeking a reversal of the NIEA decision.

It is important to see that NIEA decision in a wider context. The Department's natural heritage grant programme supports a wide range of environmental bodies. That programme does not remain static from one year to the next. Changing priorities mean that funding is apportioned differently. I am sure that the same can be said for councils and the bodies that they support. I am aware that some arm twisting may go on between members of the advisory committees and the councils that have been less than enthusiastic about continuing their funding. Like it or not, councils have made it clear that they are not wholly convinced about the merits of the current structure. Given the pressures on the Department's budget in the coming year, I cannot ignore that message.

We must also take into account whether it is in anyone's interest to have a management structure that is weakened by the absence of key local authorities to the point at which it becomes little more than a talking shop. However, I recognise the strategic importance of Lough Neagh and the Lower Bann, and I will invite the councils and other public bodies to bring forward proposals for any new structures that would serve the interests of all users of those bodies of water and be sustainable beyond the review of public administration.

Importantly, in the interim, I am prepared to continue funding the two advisory committees for a further year on the basis that each constituent council also contributes. I notice that Mr Beggs, for example, indicated that we should go ahead and fund it anyway. There will be no freeloaders in this situation. The Lough Neagh and Lower Bann advisory committees have done good work that significantly benefits councils in those areas. There is no room for freeloaders. We need all the councils involved to get on board. If they do not, NIEA funding will not be available nor, in any event, will funding from four of the councils.

In case Mr Beggs does not know, I tell him that I will not roll over; I do not do that. *[Laughter.]*

**Mr Beggs:** Does the Minister accept that I suggested that the Department should be proactive by considering a revised budget, which

it could then try to sell to the other councils?  
The Minister is reading into my speech something that I did not say.

**The Minister of the Environment:** I am happy to revise the budget, but I was satisfied with it as it existed. I do not believe that £5,000 will significantly put out any council. However, I will not be pushed around by any particular council. We must stand up and say that there are significant benefits for each constituent council. They must dip their hands into their pockets to produce the modest amount of money that they need to gain those benefits.

Mr Dallat indicated that the Department of Culture, Arts and Leisure has withdrawn its funding. DCAL is in exactly the same position as my Department, and I have confirmed with the Minister of Culture, Arts and Leisure that if the councils step up to the mark, DCAL will continue to fund the two bodies. Therefore, apart from three councils — a Member said that that number is down to one, but that has yet to be confirmed to us, so, as far as the Department is concerned, it is still three councils — we are all around the table, and DCAL and DOE will step up to the mark.

Mr Savage invited me to visit Kinnego marina. My first engagement as Minister of Culture, Arts and Leisure was to visit Kinnego, and I have visited it on many occasions in a private capacity, so I am well aware of the generous facilities at the site.

We wish to move forward with the two advisory committees so that they can continue to carry out the work and assume the responsibilities that they have done for many years. I implore the relevant councils to come with us and to continue to provide funding up to the end of the review of public administration period. At that point, we will identify the best way to continue delivering quality support services for those waterways. In the meantime, I ask the councils to give us their support so that we can continue to do the job. I am in total agreement with the Member who tabled the motion and with the other Members who said that the advisory committees are worth supporting. In spite of the difficult financial circumstances in which my Department finds itself, it will continue its funding, with the proviso that everyone else steps up to the mark.

**Mr Deputy Speaker:** Given that Question Time begins at 3.00 pm, I suggest that the House

take its ease. The debate will continue after the statement from the Office of the First Minister and deputy First Minister, when the next Member to speak will be Mr Cathal Boylan, winding up the debate.

*The debate stood suspended.*

3.00 pm

## Oral Answers to Questions

### Social Development

#### DSD and Housing Executive Land

1. **Mr Butler** asked the Minister for Social Development if she has completed her report into land use within her Department and the Housing Executive. (AQO 737/10)

#### The Minister for Social Development

**(Ms Ritchie):** I am not certain what report the Member is referring to, but I can confirm that my Department and the Housing Executive have been looking at the extensive land bank already in our joint ownership. The Member may be referring to the Savills report, which was a major stock condition survey of the Northern Ireland Housing Executive's housing stock. Savills found that the Housing Executive's housing stock was very well maintained. It also pointed to the fact that the Housing Executive land bank could be reduced with the effect of boosted capital receipts and lower estate management costs. The housing budget suffered a £200 million loss from 2009-2010 to 2010-11 as a result of the collapse of the land and property market. It is not that anyone is specifically to blame; it is simply a fact that I have to deal with. Therefore, given the scarce resources available to me, I am keen to see what else I can do to make those limited funds go further.

**Mr Butler:** Go raibh maith agat, a LeasCheann Comhairle. Ba mhaith liom buíochas a ghabháil leis an Aire as a fhreagra. I appreciate that property values have fallen over the past couple of years, but does the Minister have a sense of urgency around land belonging to the Housing Executive and her Department being used to lever in, and produce, more newbuild social housing? That is a big priority for us all, but particularly for the Minister, to ensure that the waiting lists of several years can be reduced.

**The Minister for Social Development:** The Member points to what we are doing to make the best possible use of our resources. Some years ago, we did not actively pursue building houses on our own land. However, when I assumed the position of Minister for Social

Development, I instructed my officials, the Housing Executive and housing associations to ensure that we built more houses on land that we owned to enable more money to be put into construction rather than into land acquisition and costs.

Last year, when I was presented with the social housing development plan for this year, 17% of the programme was devoted to transition sites. I said that that was not good enough. Therefore, on my instruction, officials took another look at it. When they came back, we were able to ensure that 34% of the programme would be built on our own land, and the same will apply for next year and the following year. Therefore, more efforts have been made during my time in the Department for Social Development (DSD) than have been made previously with respect to building on our own land and making the best use of available resources to ensure that money is put to the best possible use for those who are in urgent need and are on the waiting list.

**Mr Shannon:** I will be the first Member during Question Time to congratulate the Minister on her elevation to the position of party leader. I am sure that many other Members will join in those congratulations shortly.

The Minister mentioned the Housing Executive's substantial land bank. Does she intend to consider opportunities in which one, two or three dwellings could be built? Sometimes that is not always feasible, but if there were half a dozen land banks in a town, such as Newtownards, for example, would the Minister consider giving opportunities to housing associations to build on smaller portions of land to accommodate one, two or three dwellings as a way of addressing the problem of elderly people and families on the waiting list?

**The Minister for Social Development:** I thank the Member for his kind remarks.

**Mr Kennedy:** He voted for you.

**The Minister for Social Development:** He must have re-designated.

When I announced the new housing agenda in February 2008, I indicated that I wished to pursue every possible option and innovative means for housing provision. My Department will examine every possible option. The bottom line is that there must be best value for money. I want quality housing that meets housing need.



**Mr B McCrea:** Will the Minister comment on land at Ballymacoss in Lisburn? Lisburn City Council, of which I am a member, made that land available for social development. That was worthwhile. However, owing to delays in her Department's processes, there was considerable loss of revenue and value to the council, through no fault of its own. The Minister has written to the council to express her regret. Will she do anything further?

**The Minister for Social Development:** I am well aware of that issue. Some months ago, I met a delegation from Lisburn City Council to discuss Ballymacoss. The bottom line is that I want a significant proportion of the new housing development programme to be provided on that site.

When I took up office, I wrote to all district and borough councils in Northern Ireland to find out their available land banks. Lisburn City Council kindly got back to me at that stage and mentioned Ballymacoss. As I said in my letter, I regret that there was considerable delay in dealing with that matter. From various correspondence that I have received from the chairperson of the council's corporate services committee, I understand that we will be able to resolve all of those issues and, ultimately, be able to provide social houses in Lisburn.

**Mr Burns:** Will the Minister tell the House what efforts are being made to build a higher proportion of the social newbuild programme on land that is already publicly owned?

**The Minister for Social Development:** Members may be interested to know that, since becoming Minister, I have built around 300 homes each year on land that is already publicly owned. In 2011, that will increase further — to upwards of 1,000 homes — subject to planning approval.

Considering that, in the year before I took up office, only 96 homes were built on publicly owned land, Members will, from those figures, see evidence that I have been active in making the best use of resources that are available to me. That is one reason why, in 2010, my Department will start to build more new homes than in any year during the past decade.

Mr Deputy Speaker, I am sure that you will appreciate that both Mr Shannon and Mr Butler, in common with Mr Burns, raised similar issues in their supplementary questions. The bottom line is that I am determined to provide the best possible housing resources with the limited

money that is available to me. That is good use of public money.

## Ross Road Flats and Ross Cottages

2. **Mr P Maskey** asked the Minister for Social Development why she is maintaining Ross Road flats and Ross Cottages despite the detrimental impact these dwellings are having on residents in the Falls area. (AQO 738/10)

**The Minister for Social Development:** I have visited the lower Falls area, and I am acutely aware of the problems that are faced by residents and the local community. There are a total of 20 properties in that area: 12 flats, two houses, and six cottages. All except three are currently occupied. Those homes are just over 30 years old. The Housing Executive has maintained them well during those years, although I accept that further work is now needed at those properties. I understand that the Housing Executive is already in discussions with residents and the local community on how work can be taken forward.

The underlying problem is not the flats themselves, but the actions of people who come into the area and engage in antisocial behaviour and serious criminality. It is primarily a community safety issue, which the wider community must work to address, alongside elected representatives and relevant statutory agencies.

**Mr P Maskey:** Go raibh maith agat, a LeasCheann Comhairle. The Minister told the House that she has visited the lower Falls on a number of occasions. However, has she ever visited the Ross Road flats and Ross Cottages? I do not believe that she has. Is she willing to meet local representatives, political representatives and residents' groups in that area? It is important to point out that the flats are the focus of antisocial behaviour in the community. Many residents in the community are calling for the demolition of the flats. I urge the Minister to ensure that they are demolished.

**The Minister for Social Development:** There is no single or simple answer to the Member's question. A wide range of issues will always have to be taken into consideration. I want to increase the housing stock, not reduce it. Paul Maskey asked me whether I would visit the Ross Road flats. I await the revised proposals from the Housing Executive, and I will be happy to meet the residents after I have considered

those. Within the past month, I met some of the residents on two separate occasions. I met several of them at Conway Mill and at the official opening of St Peter's Immaculata youth club. On each occasion, I said that I would be happy to meet them at some future stage to discuss their concerns.

Members must be clear that the answer to the problem is not demolition. I am surprised that the Member who chairs the Public Accounts Committee should ask such a question and advocate the demolition of millions of pounds worth of housing in an area of acute housing stress, in which the average waiting time to be rehoused is approximately 18 months. That does not make sense to me on a human or financial level. I am committed to providing more housing for people rather than reducing what is available. Suffice it to say, I have spoken to the residents. In fact, I have spoken to them on three separate occasions, because some of them attended my Department's public meeting at the Radisson Hotel last September. On that occasion, they presented me with a petition, which I gratefully received.

**Mrs M Bradley:** What criteria would have to be satisfied for the demolition of publicly owned housing assets to be appropriate?

**The Minister for Social Development:** I want to increase, not reduce, housing stock, and I will accept demolition only as a last resort. I will not recommend demolition in areas of high housing need when the houses are habitable. Generally speaking, demolition is appropriate when houses are in such poor condition that refurbishment is an uneconomic or impractical solution.

### **Girdwood Barracks Site**

3. **Mr A Maginness** asked the Minister for Social Development for an update on the regeneration of the Girdwood Barracks site, including the possibility of social housing provision. (AQO 739/10)

**The Minister for Social Development:** The proposals for the Girdwood site are being developed as part of a wider regeneration master plan, which includes the former Crumlin Road jail. Following public consultations on the proposals contained in the draft master plan, a revised option has been developed to try to address a number of community concerns, including the provision of housing. I understand that the provision of housing on the Girdwood

site remains contentious, but I am acutely aware of the housing crisis that exists in north Belfast. In the absence of other suitable development sites in the area, the Girdwood site presents an opportunity to provide housing. Therefore, it is my intention to bring forward the development of much needed housing on the site. Accordingly, I have instructed the Housing Executive to appoint a housing association to begin working on the development of 200 social houses on the site.

**Mr A Maginness:** I thank the Minister for her answer, and I congratulate her on taking that welcome step, which will relieve substantial housing stress in north Belfast. Will the proposed development of social housing at the Girdwood site be of assistance in tackling other housing need in north Belfast?

**The Minister for Social Development:** Members will be aware of the number of potential redevelopment areas in north Belfast. Alban Maginness brought me to the long streets and Parkside on several occasions to demonstrate the need for redevelopment in those areas. My Department is working on Queen Victoria Gardens, the long streets and Parkside. Work on the options for each area is almost finalised, and I expect to be able to make decisions in the coming weeks. Members will be aware from previous Assembly debates that redevelopment activity is likely to displace many families. With housing demand in north Belfast already significant, I do not want to add to the number of people in housing stress across the community.

That is why I am so keen to see the potential of Girdwood realised at the earliest possible opportunity. Not only can Girdwood assist in tackling our other housing priorities across north Belfast, it could tackle the waiting lists for those already in need of housing and act as a catalyst for the wider regeneration of that area, with the obvious benefits that that would bring to the wider community.

### **3.15 pm**

**Mr Hamilton:** The Minister recognised the sensitivities around the Girdwood Barracks site. Does she agree that the economic regeneration potential of the site is the foremost priority and, therefore, if the benefits that that is to bring are to be maximised, not just for that part of Belfast but for the whole of the city, consultation and agreement with the wider local community is essential?

**The Minister for Social Development:** Mr Hamilton referred to economic regeneration. I am concerned with all aspects of regeneration in north Belfast. However, the foremost reason for me was the high levels of housing stress in north Belfast that require to be addressed urgently. I have been consulting with the community and the MLAs in north Belfast about the master plan for that area since I became Minister for Social Development. The bottom line is that there needs to be final agreement on the overall master plan so that we can provide a better future for the people of north Belfast. That is why I took the immediate decision to address the particular issue of housing.

As the result of consultation, all master-planning options and equality exercises have shown the inevitability of housing on the site. Therefore, it would be remiss of me not to commence that work in anticipation of subsequent Executive approval of plans for the overall development of the site. Not only do we require housing, we require jobs and training opportunities. However, my first priority is to provide housing to address the housing stress in north Belfast.

**Ms Ní Chuilín:** Go raibh maith agat, a LeasCheann Comhairle. If, indeed, 200 homes are to be built in Girdwood, it is a welcome development.

Has the equality impact assessment on the draft master plan for Girdwood been completed? I want to touch on one of the issues that Simon Hamilton raised about the rest of the regeneration. If those 200 social houses appear, it will be an important boost to the construction industry in that area. What procurement steps has the Minister taken with the housing associations for that much needed contract?

**The Minister for Social Development:** In relation to the second part of her question, I assure the Member that I have instructed the Housing Executive to begin immediate discussions with a housing association about the provision of houses on that site. As soon as I have further details, I will come back to Mr Maginness, Ms Ní Chuilín and the other MLAs in north Belfast on that.

As the Member is aware, public consultation on the draft master plan for the site and on the subsequent equality impact assessment (EQIA) highlighted the fact that housing is extremely contentious but much needed. The consultation on the EQIA confirmed the need for social housing in the nationalist community in north Belfast, and it also confirmed the concerns of

the unionist community that housing on the Girdwood Park site would impact on community relations in the area. Therefore, the results from the EQIA consultation were factored into a revised master plan option, which proposed a series of compromises on the contentious issues. I considered the revised option, and it was presented to the junior Ministers at a meeting on 13 December 2009. The main concerns at that meeting were housing and the publication of the EQIA. The next stage for me is to discuss the new proposal with all the MLAs for North Belfast. I hope to hold those discussions shortly, and I have cleared the further stage of the EQIA today.

**Ms Lo:** Will the Minister assure the House that she remains committed to building shared social housing on the Girdwood Barracks site, and that she will not allow politicised abuse of shared future considerations to deflect her from doing so?

**The Minister for Social Development:** I said previously in the House, specifically when I launched the new housing agenda, that I want shared housing to be built on the Girdwood Barracks site. However, if that is not possible, I will allow building to proceed, as I have an obligation to address the social housing needs in that community. The social housing waiting list in north Belfast is very high, and it must be tackled if we are to urgently address the need for housing in that area.

## Mortgage Rescue Scheme

4. **Mrs McGill** asked the Minister for Social Development for an update on the mortgage relief scheme. (AQO 740/10)

**Mrs McGill:** Go raibh maith agat, a LeasCheann Comhairle. I also congratulate the Minister on her new role.

**The Minister for Social Development:** I thank Mrs McGill for her offer of congratulations.

I launched the new housing agenda in February 2008. In it, I stated that I would develop proposals for a mortgage rescue scheme, and that work was duly completed. I made an initial bid of £5 million to fund the mortgage rescue scheme in the June 2008 monitoring round, and I have made bids at subsequent monitoring rounds to enable a scheme to be introduced. However, to date, none of those bids has been met. Unfortunately, I do not have the funding to

allow me to launch the financial rescue element of a mortgage scheme.

I will not raise the expectations of those who are struggling to stay on the housing ladder when I do not have the budget to provide the type of financial assistance that is required. However, I will continue to make bids in future monitoring rounds to enable me to launch the financial rescue element of the mortgage rescue scheme.

Mrs McGill raised the issue of the mortgage rescue scheme with me in the course of several Question Times during the past year. Although the final quarterly figures for the past year have yet to be published, it appears that the number of actions for repossession almost doubled between 2007 and 2009. That indicates the need for a full mortgage rescue scheme and demonstrates the level and depth of the recession that we are experiencing.

**Mrs McGill:** I thank the Minister for her response. She made the point that she does not want to raise expectations, but perhaps those expectations have already been raised.

The Minister also talked about the rising number of repossessions. Does that level of repossessions mean that the mortgage scheme has failed? The Minister said that she has made several bids but has been unable to get the money required for the scheme. Is the scheme now defunct?

**The Minister for Social Development:** I ensured that the work on the scheme was carried out. I made all the bids for the actual mortgage rescue scheme and those bids were not met by the Minister of Finance and Personnel.

The Department has continued to monitor the uptake and level of advice sought since the launch of the pilot mortgage debt and advice service, and, considering the amount of financial resources that have been invested in it, that scheme has been quite successful. In its first six months of operation, the service assisted 373 people and prevented repossession for 29 clients who would otherwise have found themselves homeless. The results of evaluation will inform assumptions on the potential demand for a financial mortgage rescue scheme. So far, it looks like the extra money for specialist debt advice that has been provided by the Housing Rights Service is bringing benefit to a great number of those who are experiencing financial difficulties.

I urge the Member to ask her ministerial colleagues around the Executive table to support any further bids that I make for the mortgage rescue scheme.

**Mr F McCann:** On a point of order, Mr Deputy Speaker.

**Mr Deputy Speaker:** Points of order will not be taken during Question Time.

**Mr Kennedy:** I congratulate the Minister on her recent election as leader of the SDLP. Has she established from Minister Wilson why that long-standing bid has never been met?

**The Minister for Social Development:** I cannot read the mind of the Minister of Finance and Personnel, but I urge DUP Members to ensure that future bids for the mortgage rescue scheme will be met, because that will go a considerable distance to help to alleviate the great levels of housing stress that are felt by those who cannot meet their mortgage commitments.

**Mr McGlone:** Go raibh maith agat, a LeasCheann Comhairle. The situation is deeply concerning for the families that are affected. It must be a concern for the Minister and her Department that the number of families that action is being taken against has doubled. It is a concern for all of us who deal with constituents who find themselves in difficult circumstances. The Minister has been provided with limited resources for specialist advice for such people. What is the impact of that? How many people have been helped by such specialist advice? Has the value of that advice been assessed?

**The Minister for Social Development:** In May 2009, I provided funding to launch a pilot mortgage debt advice service to increase the level of advice for people who were experiencing difficulty in making mortgage payments. That pilot service will run for 12 months and is due to conclude in May 2010. The pilot will be fully evaluated at the end of that period, and the results will inform assumptions such as the extent of the repossession problem in Northern Ireland and the potential demand for a financial mortgage rescue scheme.

My officials continue to monitor the uptake and level of advice sought since the launch of the mortgage debt advice service. In the service's first six months of operation, it has assisted some 373 people and prevented repossession for 29



clients. The results of the evaluation programme will inform assumptions on the potential demand for a mortgage rescue scheme. I am sure that the Member will agree that it seems that the additional money for the specialist debt advice provided by the Housing Rights Service is benefiting many people who are experiencing financial difficulty. The Member, like other Members and me, knows many constituents who have encountered unforeseen financial difficulties due to the economic recession. Therefore, we need to be charged to address their problems.

**Mr Deputy Speaker:** Question 5 has been withdrawn.

### Employment and Support Allowance

6. **Mr Paisley Jnr** asked the Minister for Social Development for an update on the time taken to process employment and support allowance claims. (AQO 742/10)

**The Minister for Social Development:** The latest figure available for the time taken to process a claim for employment and support allowance is 19.2 days; that was the average time taken to process claims between April 2009 and December 2009. That figure compares favourably with the former incapacity benefit target of 22 days, and it demonstrates the continuous improvements achieved by the employment and support allowance centre since the start of 2009, when clearance times were more than 23 days.

The latest available figures show an average processing time of 16.6 days during December 2009, which was an excellent performance. I invite Members, as I did at my last Question Time and during debates on the issue, to take up the invitation extended by the Social Security Agency to visit the employment and support allowance centre at James House in the Gasworks complex to see for themselves the good work that goes on there.

That would also give Members an opportunity to talk directly to staff about any constituency or policy issues that they may have encountered.

### 3.30 pm

**Mr Deputy Speaker:** That concludes Question Time to the Minister for Social Development. I ask that Members take their ease until there is a change in the Chair.

**Mr McCarthy:** On a point of order, Mr Deputy Speaker. We are all sitting in expectation of a statement from the First Minister and deputy First Minister, yet we do not have a copy of that statement. Is there not something wrong with that?

**Mr Deputy Speaker:** Thank you, Mr McCarthy, for raising that point of order. It will be up to the Ministers to explain why copies of their statement are not available.

*(Mr Speaker in the Chair)*

## Ministerial Statement

### Outcome of the Agreement at Hillsborough Castle

**Mr McDevitt:** On a point of order, Mr Speaker. Under Standing Order 18A(5), a period of questions on a ministerial statement may last no longer than one hour. I am sure that Members from across the House will consider that to be grossly inadequate, given the importance of the statement that is to be made today. Mr Speaker, I know that the SDLP Whip raised that issue with you at the Business Committee. What is your opinion on the adequacy of that Standing Order? The SDLP will seek to amend that Standing Order through the Committee on Procedures in due course.

**Mr Speaker:** I understand that, undoubtedly, there will be considerable interest in the statement. The Member is correct to say that the SDLP Whip raised the matter at the Business Committee today. However, Standing Order 12(7) is clear that motions relating to the business of the House shall be taken at the start of business and certainly after notice. The term “after notice” has been ruled to mean appearing on the Order Paper, and, as I already said to the Business Committee, it is not possible to move a motion for suspension of Standing Orders without its being on the Order Paper. That was made absolutely clear at the Business Committee. I refer Members to Standing Order 12(7).

I have received notice from the First Minister and deputy First Minister that they wish to make a joint statement. Following the statement, questions will be answered alternately by the First Minister and the deputy First Minister. However, Members should note that I shall call only one Minister to answer each question.

**The First Minister (Mr P Robinson):** The deputy First Minister and I wish to make a statement on the agreement that was reached last Friday at Hillsborough Castle. I will deal with the devolution of policing and justice powers and the establishment of a working group to identify proposals to improve Executive functioning and delivery. The deputy First Minister will outline our agreed approach to parading, including

finding local solutions to contentious parades, and addressing outstanding Executive and St Andrews issues.

This agreement is the result of an extensive negotiation to resolve a number of significant outstanding issues, the first of which is the devolution of policing and justice responsibilities. The agreement on policing and justice devolution builds on decisions that the deputy First Minister and I had taken previously, notably in our statement of November 2008, and on solid work by the Assembly, in particular by its Assembly and Executive Review Committee.

The Assembly has already passed legislation that will facilitate the establishment of a Department of justice and has set out the procedure for the appointment of a justice Minister. The agreement reached last Friday sets a timescale for the achievement of devolution. A process of community consultation will be undertaken over the next few weeks. On 9 March, the deputy First Minister and I intend to table jointly a motion requesting that a broad range of policing and justice responsibilities cease to be reserved and are devolved to the Assembly. It will be for the Secretary of State to lay an Order in Council at Westminster to effect that. The Government will set out publicly a parliamentary schedule for taking forward the necessary transfer Orders to implement that devolution. The transfer of responsibilities should take effect on 12 April. From that day, the Assembly will have responsibility for the broad range of policing and justice powers that previously fell under Westminster control.

The model for the new Department of justice and the method for appointing its Minister has already been the subject of extensive debate in the Assembly and consideration by the Assembly and Executive Review Committee. Last year, the Assembly passed a Department of Justice Bill that sets out the method for appointing a Minister. That method requires a cross-community vote in the Assembly to elect a justice Minister, following a nomination by any Member. In due course, that process will be initiated here in the Chamber.

Today, we met party leaders to consider applications of interest for the new ministerial post. The purpose of the meeting was to allow us to identify the candidate who, we believe, is best able to command cross-community support when the election takes place. Given the stated

position of the parties, it has not yet been possible to identify an appropriate candidate. A new justice Minister will be elected on the Floor of the Assembly when powers have been transferred on 12 April.

The Hillsborough Castle Agreement sets out two principles that will be essential for the operation of the devolved policing and justice responsibilities. The first is the independence of the judiciary, which underpins the rule of law in all modern democracies. We re-emphasise our commitment to that principle in the agreement. The second principle that is restated in the agreement is the Chief Constable's operational responsibility, free from partisan or political interest, for directing and controlling the police within a framework of policies and objectives that are set by the Policing Board and the Department of justice.

The agreement looks forward to the work of the future Department of justice. It commits to an addendum in the existing Programme for Government that reflects the extended responsibilities that will devolve to the Assembly and the Executive. The new Minister will draft the addendum to the Programme for Government and bring it to the Assembly for approval. The addendum will set out a programme of work for the new Department and will also demonstrate how that will mesh with the work of other Departments. The agreement offers an indicative list of policies that might usefully be included in the addendum. That sets a challenging agenda for the new Department — one that supports effective policing, avoids delay in the criminal justice process, aims to rehabilitate offenders and protects the interests of victims and witnesses.

The agreement makes it clear that the new Minister of justice will be a full member of the Executive: he or she will have the same standing as other Ministers when attending and voting at the Executive. He or she will have operational responsibility for matters in the Department of justice, which will be subject to his or her direction and control. From time to time, the justice Minister will have to take quasi-judicial decisions. In line with best practice, we are agreed that those shall be made by the justice Minister without recourse to the Executive.

The agreement also enables the Minister to bring proposals to the Executive on how the ministerial code and related procedural

guidance might be amended to ensure effective decision-making on urgent, confidential or other matters within his or her responsibilities that might, under current arrangements, require Executive consideration. Any amendment to the ministerial code will require Executive and Assembly approval, and we expect any new agreed arrangements to be in place by the summer recess. In any event, cross-cutting issues, legislative proposals and financial allocations to the justice Department will still require Executive consideration.

We believe that the arrangements in the agreement on the devolution of policing and justice represent an effective basis on which to move quickly to the assumption of those new responsibilities.

It has also been recognised for some time that the successful implementation of devolved policing and justice responsibilities is dependent on an adequate level of resourcing. That was the motivation for our prolonged engagement with the Prime Minister last autumn, to ensure that identifiable shortfalls in the current levels of funding were rectified. The outcomes of our negotiations with the Prime Minister were set out in his letter published on 21 October 2009. The generosity of that offer, especially at a time of financial restraint, was widely acknowledged, and that offer has been repeated in full in the text of the agreement.

The Prime Minister and the Secretary of State repeatedly made it clear that the additional funds offered in that package were dependent on the successful devolution of policing and justice responsibilities. If the Assembly votes on a cross-community basis on 9 March to request devolution, and if the other essential steps are taken to achieve actual devolution on 12 April, our policing and justice agencies will have access to that additional level of funding over the coming years. That will contribute considerably to the success of the new responsibilities that will devolve to the Assembly and the Executive.

The effectiveness of the Executive in delivering positive outcomes for the community, and, in particular, how that could be improved, was an important theme of discussion at the talks. As we have indicated in the agreement, parties have put forward their ideas, and we wish to facilitate and to continue that work by establishing a working group to consider all

proposals for arrangements that would improve the functioning of the Executive and their ability to deliver. As Members are aware, we have proposed that the leaders of the Ulster Unionist Party and the SDLP should co-chair the working group, and we will be discussing that further with them. Following that, we will seek the Executive's agreement on the establishment of a working group, which we hope can start its work by the end of the month. We hope to have Executive endorsement of that approach by the end of the week.

I commend the agreement to the Assembly and to the wider community.

**The deputy First Minister (Mr McGuinness):** Go raibh maith agat, a Cheann Comhairle. The Agreement at Hillsborough Castle is evidence of our commitment to resolve the issues around parading, including finding local solutions to contentious parades. As part of that, we have established a process to develop a new and improved framework for dealing with parades. That framework will be fashioned by all stakeholders and will maximise cross-community support. For the first stage of that process, we have agreed to set up a co-chaired working group comprising six members. The membership of the group was announced last night. The group had its first meeting earlier today and will complete its work within the next two weeks.

We recognise the importance of support from all sides of the community, and that support will be vital in creating a new, improved framework for the management and regulation of public assemblies, including parades and related protests.

We believe that an effective framework should be built on a number of key principles. First, no two situations are the same and, therefore, no solution can be imposed. It is our view that local people are best placed to provide local solutions. Secondly, we must respect the rights of the people who parade and the people who live in areas affected by parades, acknowledging that, at times, those rights may be at odds. The new framework will recognise that everyone has the right to be free from sectarian harassment. Transparency, openness and fairness must permeate all aspects of the framework, and total independence will ensure the credibility of the decision-making process.

The interim report of the Strategic Review of Parading will provide the basis on which the

working group will take forward its deliberations. The report will also inform the public consultation, which is scheduled to take place between March and June. The five key areas that the working group has been tasked to consider include procedures relating to the receipt and notification of parades and assemblies, and objections relating to those; the facilitation of dialogue and mediation, and, in the event of the failure of mediation, recourse to independent adjudications and procedures; adjudication arrangements; a legally enforceable code of conduct; and the right of citizens to freedom from all forms of harassment. That list is not exhaustive, and the working group, by agreement, may add to it. We will promote and support all the agreed outcomes of the working group.

### 3.45 pm

A number of core principles will underpin the improved regulatory framework. In the first instance, we recognise that the framework must be capable of maximising cross-community support. However, we are mindful that we need also to promote resolution to ongoing parading issues while the work of the working group and the legislative process are continuing. It is incumbent upon us to ensure that the appropriate support mechanisms are in place.

With that in mind, support will be provided to help local communities and those who parade to find local solutions to contentious parades and related protests. That will encourage local accommodation and will take account of lessons to be learned from successful local models.

The involvement of all key stakeholders is intrinsic to the resolution of contentious parades. With that in mind, we are keen to promote and to support direct dialogue with representatives from the Loyal Orders, band parade organisers, local residents' groups and other stakeholders, because that work is advanced. We will also encourage the participation of locally elected representatives in the process of resolution.

The current adjudication mechanism of the Parades Commission will continue until the new, improved arrangements are in place. It is our intention that a draft Bill will be completed for consultation by late March. The consultation process will run until early June. We will introduce a Bill to the Assembly in September. We intend to support all necessary steps in the Assembly to ensure that the Bill completes all



its stages before the end of 2010. We will also take all the necessary steps to enable the reclassification of parades as a transferred matter.

The agreement also provides for the junior Ministers to chair a working group to identify all Executive papers and decisions that are pending. The aim of that exercise will be to make recommendations to the Executive on all those outstanding issues on which it may be possible to make progress and to explain how that might be achieved. We intend for that work to be completed by the end of this month.

Finally, the agreement commits us to bringing forward a report to the Executive by the end of this month, detailing the level of progress made on the outstanding matters arising from the St Andrews Agreement. The junior Ministers will also chair a working group to bring forward recommendations by the end of March on how progress can be made on those outstanding issues, following which we will agree a programme for the implementation of agreed conclusions.

I commend the agreement to the Assembly and to the wider community.

**The Chairperson of the Committee for the Office of the First Minister and deputy**

**First Minister (Mr Kennedy):** I am grateful for the opportunity to ask a question as the Chairperson of the OFMDFM Committee. I will ask further questions from my party political perspective.

Will the First Minister confirm what role he envisages for my Committee in the working group that has been established to bring forward agreed outcomes for a new and improved framework for parades?

Speaking from my party political perspective, I would like to know whether the First Minister will provide to the House today a comprehensive list of the outstanding issues from St Andrews, which were referred to in section 5 of the Hillsborough Castle Agreement. What does he think would constitute an agreement on parades? Have the First Minister or his party colleagues had any discussions with Ministers or officials from Her Majesty's Government, including the Secretary of State and the Prime Minister, on the possible reintroduction of suspension legislation for the Assembly? Will he confirm whether he has shared the identity of

his secret device with the deputy First Minister or his party colleagues?

**The First Minister:** In answer to the question that Mr Kennedy asked as the Chairperson of the OFMDFM Committee, the deputy First Minister and I talked earlier today and agreed that it would be appropriate for us to meet the Chairperson and the Deputy Chairperson of the Committee to consider how best we could interact with them as part of the process, particularly with regard to the work that they will want to do on parading. There are almost two parallel processes that we could usefully draw together. That might be beneficial and could save some time.

As far as identifying a list of outstanding issues from the St Andrews Agreement is concerned, I thought that we had just agreed to set up a working group to do precisely that. There are a number of issues from St Andrews that my party and I regard as outstanding. Some matters in the St Andrews Agreement were not implemented, and others were not faithfully implemented; there are distinctions between those two. Therefore, the working group, on which Mr Kennedy's party will have a member if it takes up that position, will identify the issues, consider the extent of that commitment, determine what progress has been made on issues, consider what further progress can be made and report to the Executive.

As far as suspension legislation is concerned, I am glad to say that it never entered my mind to ask Her Majesty's Government about the reintroduction of suspension legislation for the Assembly. I want the Assembly to run smoothly, and I hope that the Member feels the same. Perhaps we should be moving forward in a more positive vein.

I know that you like answers to be short, Mr Speaker. However, I do not think that I will be able to be so when answering the next question. Therefore, I rely on your legendary and acknowledged patience as I respond to the issue about the secret device.

Everybody has recognised that there are methods available, particularly to the two main parties in the Assembly, which can be used at any and all times to bring down institutions, to ensure that things do not work and to act as vetoes. It is well recognised that a leader of the Ulster Unionist Party once wrote out his post-dated resignation and eventually caused

a suspension of the Assembly, and it was reported in the newspapers that the deputy First Minister was prepared to resign. Had he done so, we would have unquestionably ended up with something worse than the suspension of the Assembly. The Assembly would probably have collapsed. I, too, have the ability to do exactly the same things if I feel that there is bad faith on the part of the signatories to the agreement.

At Hillsborough, the Prime Minister indicated that he will act as a guarantor for the agreement and its faithful implementation. However, there must be a time during any negotiating process when you look across the table at the person with whom you are negotiating and you make a determination as to whether you believe that that person will seriously keep the commitments that they are entering into. Quite frankly, if you do not believe that that person will do so, you should walk away from the table and have nothing to do with it. I have entered into this agreement on the basis that my party and I will meet all our commitments, and I expect that Sinn Féin will meet all its commitments in the agreement as well. It is on that basis that I believe that the Assembly and the community should be looking forward. I will have the other agreements in my back pocket: it is a case of trust and verify all the way. However, if that is what we must rely on, there is little hope for this Assembly.

Over the past months, I have had plenty of drama in my life. I could have walked away very easily. Every brain cell and every blood cell cried out to me to watch from the sidelines rather than from the front line. I am here because of a sense of duty, because I believe that what we are doing actually matters and that what we are trying to achieve in this Assembly is for the betterment of all the people of Northern Ireland. It is so that young people, such as those in the Public Gallery, will be able to enjoy a future not like the past that many of us had to go through. If other Members in the Assembly do not collectively agree with that, we would all, quite frankly, be far better packing our bags and going home.

**Some Members:** Hear, hear.

**Mr Moutray:** Is the deputy First Minister confident that new parading legislation can and will be delivered this year?

**The deputy First Minister:** Yes. I am supremely confident that the legislation can be delivered. I am also supremely confident that the transfer of policing and justice powers will happen

on 12 April. I agree with the First Minister, although I am not sure that the word “clever” can be applied to a scenario that would see the dismantling of the institutions.

It is much better to move forward in a positive vein than to look on the black side. In the couple of days since the agreement was announced on Friday past, it has been interesting to see some media outlets doing their damndest to unpick the agreements that were made. They have done their damndest to drag Members on to their radio programmes, for example, in order to put the negative side of things to them so that the community who watched with considerable hope and optimism as we made the Agreement at Hillsborough Castle would continue to be disillusioned.

I travel with hope and optimism; I look on the bright side. When my party makes commitments, it is absolutely dedicated to keeping them. It is true that, having moved into the scenario that we are in, and in dealing with the very difficult issues that we face — whether the history of the past 800 years or the past 40 years — in order to make the progress that we need to make, we need to move forward with courage and decisiveness and with no fear of those who are opposed to the power-sharing, the North/South or the east-west institutions that were agreed between our parties in recent times.

I will move forward to make this place and its institutions work. The institutions need to work if we are to deliver a better future for our children and our grandchildren, and if we are to tackle the difficulties that ordinary citizens face as a result of the recession: people losing their jobs, elderly people living in fear, and families and children in poverty. Those are evils that the Assembly and the Executive have to tackle.

I am absolutely committed to playing my part, and I am absolutely committed to working in harmony with the First Minister to ensure that we deliver for the people who sent us to this place.

**Mr McElduff:** Go raibh maith agat, a Cheann Comhairle. Tá ceist áirithe agam don Chéad Aire.

Will the First Minister confirm that the working group on Executive functioning will be mindful of the safeguards that were developed in the Good Friday Agreement and in the St Andrews Agreement?

**The First Minister:** I hope that the group that will deal with Executive functioning will be under the co-chairmanship of the leader of the Ulster Unionist Party and the leader of the SDLP. I congratulate the new leader of the SDLP on taking up her new and extended duties. I assure her that the deputy First Minister and I will be happy to work with her as she moves forward in the leadership of her party.

The working group will conform to all our rules and practices. However, the practices that it will not conform to are those that, I believe, have caused the delay in many of the decisions that we have taken. All the parties that submitted papers during the talks process demonstrated that there was a remarkable degree of overlap in the methods that they could use to make the Executive function and to deliver better. All of us, working as a collective Executive, rather than having a Government and an opposition in the Executive, can move forward with better structures and better arrangements to get better delivery for the people of Northern Ireland.

**Ms Ritchie:** Paragraph 2 of the introduction to the Hillsborough text states:

*"We wish to see this agreement reflect our willingness to ensure the Executive and the Assembly reflect better this spirit of partnership, mutual respect and equality which remain vital for the success of devolution."*

How does the First Minister square those saccharine words with the distortion of democracy that he has engineered, with Sinn Féin assistance, to deny nationalists a rightful additional Minister at the Executive table?

**4.00 pm**

**The deputy First Minister:** There have been a number of debates on that issue in recent times, and I made remarks during those debates that I will now repeat. Every single Member knew from the very beginning of this term of the Assembly that there was no prospect whatsoever of the Democratic Unionist Party agreeing to the transfer of policing and justice powers in the context of the d'Hondt mechanism. We all knew that. It is also abundantly clear — *[Interruption.]*

**Mr Speaker:** Order.

**The deputy First Minister:** It is also abundantly clear that the community, in widely welcoming the transfer of policing and justice powers,

would prefer to see a local Minister in charge of the Department of justice. During the debate, there were suggestions from the SDLP that ignored the DUP position as stated from the beginning of this term of the Assembly.

I was determined during the negotiations to see the transfer of policing and justice powers. However, one thing that I know for certain, for absolute certain, is that there was no prospect whatsoever of the SDLP getting a second Ministry, for the simple reason — *[Interruption.]*

I have all the time in the world, and, like the First Minister, I — *[Interruption.]*

**Mr Speaker:** Order.

**The deputy First Minister:** Like the First Minister, I want to congratulate the new leader of the SDLP — *[Interruption.]*

However, I remind the SDLP that when the First Minister and I had a previous conversation with the leaders of parties in this House, it was made clear at that meeting by the former leader of the SDLP that he wanted to see d'Hondt run again. If d'Hondt had been run again, we can be absolutely certain that the Department of justice would have been taken by a unionist party for the simple reason that — *[Interruption.]*

**Mr Speaker:** Order.

**The deputy First Minister:** For the simple reason that the SDLP would have had fourth choice when d'Hondt was run. If I had accepted the arguments made by the SDLP during the course — *[Interruption.]*

**Mr Speaker:** Order.

**The deputy First Minister:** If I had accepted the arguments made by the SDLP during the course of those discussions, one thing is absolutely certain: we would not have had the transfer of policing and justice powers in this term of the Assembly. The other thing that is absolutely certain is that we would have continued to have direct rule Ministers from London lording it over the justice and policing arrangements here in the North of Ireland.

**Mrs D Kelly:** No nationalists need apply.

**The deputy First Minister:** You can heckle — *[Interruption.]*

**Mrs D Kelly:** No nationalists need apply.

**Mr Speaker:** Order.

**The deputy First Minister:** You can heckle as much as you like, but we all know that, since Sinn Féin and the DUP became the largest parties in the Assembly, the SDLP and Ulster Unionist Party have developed into the two grumpy parties. *[Interruption.]*

Liz O'Donnell, a former junior Minister in the Department of Foreign Affairs, said when observing from Dublin what was happening in the North — and she expressed her view publicly — that the SDLP and Ulster Unionists were in denial about the election results. That was many years ago. I feel that you are still in denial and still unable to accept — *[Interruption.]*

**Mr Speaker:** Order.

**The deputy First Minister:** You are still unable to accept the changes to the political landscape that have taken place in recent years.

The answer is very clear: for Sinn Féin to have agreed with the SDLP's approach to the debate on the transfer of policing and justice powers would have been to guarantee continuing stewardship of justice and policing in the North by British direct rule Ministers. *[Interruption.]*

**Mr Speaker:** Order. I call Mr David Ford.

**Mr Ford:** Thank you, Mr Speaker. *[Interruption.]*

**Mr McNarry:** Make way for the justice Minister.

**Mr Speaker:** Order. Let me remind the House, especially the Chief Whip of the Ulster Unionist Party, who should know better — he should know how to behave in the House — that I will not tolerate Members speaking from a sedentary position. I will not tolerate that from any Member.

**Mr Ford:** On behalf of my colleagues, I welcome last Friday's agreement. I also welcome the constructive joint statement that the two Ministers made today as a demonstration of a different way of working and moving forward, and frankly, one that is in sharp contrast to the cheap heckling coming from either side of me at this end of the Chamber.

There is no doubt that the people of Northern Ireland want these institutions to work, and they want politicians to be constructive. They do not want the silly catcalls that are going on. *[Interruption.]*

**Mr Speaker:** Order.

**Mr Ford:** Does the First Minister agree that we need more than the words of last Friday and that we need serious actions to demonstrate a different way of working together? Does he agree that the best way to demonstrate that is by serious movement on promoting a shared future for all our people, specifically through the cohesion, sharing and integration (CSI) strategy?

**The First Minister:** I thank the Member for welcoming the agreement and the joint statement that was made today. I am sure that he cringed somewhat when, to his right, he heard the leader of the SDLP referring to a cross-community vote in the Assembly as a corruption of democracy. I cannot understand how that term can be used for something that could not have been more democratic in seeking a more widespread support for a way forward or for a Minister.

**Some Members:** Hear, hear.

**The First Minister:** He is right to say that people outside the Chamber want our institutions to work and deliver. He is also right in saying that more than words are needed; actions are needed as well. That is why we have set up the three working groups. Their purpose is to nail down the delivery problems that exist in the Executive, to look at the decisions that have not yet been taken, or, where there are difficulties, to see if we can find a pathway through those difficulties.

I am glad to say that there has been wide agreement within OFMDFM as to how the CSI strategy will be taken forward on a policy basis. I do not believe that it will be one of the issues on which we will get stuck. I believe that we can make real progress. I think that we have already shown in the agreement that we have reached a large measure of agreement on the framework for any addendum to the Programme for Government. That is how we should be moving forward, and I hope that we will get encouragement from all sides of the House, no matter what their party affiliation may be.

**The Chairperson of the Assembly and Executive Review Committee (Mr Spratt):** I declare an interest as a member of the Northern Ireland Policing Board. I thank the Ministers for their statement, and I acknowledge the First Minister's comments about the work of the Committee.



How do the Ministers envisage the office of the Attorney General will be set up, and at what cost? How do they consider the Attorney General might report to the Assembly? What plans do they have to share with the Committee the paper that John Larkin QC submitted to their office in September 2009?

I ask the Ministers to share with the Committee any views they might have on any or all of the category 2 list of issues that the Committee considers need to be dealt with. Quite a number of those issues were dealt with at the Committee's meeting this morning. I also ask the Ministers to share their views on the overall budget that will transfer from the Northern Ireland Office.

Finally, given the plans for a:

*“resolution for a cross-community vote in the Assembly on 9 March”*

to ensure that powers are devolved on 12 April 2010 —

**Mr Speaker:** I urge the Member to come to his question.

**The Chairperson of the Assembly and**

**Executive Review Committee:** I ask that the Ministers appear at the Assembly and Executive Review Committee, possibly even next week. That request was made at today's Committee meeting, and a letter to that effect is on its way to the Ministers' offices.

**The deputy First Minister:** The Attorney General will have a range of functions, including legislative and legal functions such as referring the legislative competence of Assembly Bills to the Supreme Court and defending the public interest in civil law matters. He will also have functions in relation to the Director of the Public Prosecution Service (PPS), such as appointing the director and arranging for the annual report of the PPS to be laid in the Assembly.

The Attorney General will also have consultative and advisory roles, such as issuing guidance on human rights standards and being consulted on the programme of criminal justice inspections. We intend to invite the Attorney General to be the chief legal adviser to the Executive. The Attorney General will have no role in individual prosecution cases. On the devolution of policing and justice, the Director of the Public Prosecution Service will become solely responsible for all decisions with regard to the prosecution of offences relating to devolved matters.

The Justice Act 2002 provides for the Attorney General to participate in the proceedings of the Assembly to the extent that is permitted by its Standing Orders. It is envisaged that that participation might involve the Attorney General's answering questions on the exercise of his responsibilities in relation to the Public Prosecution Service and the work of his office. The Attorney General will have no voting rights in the Assembly, but he will prepare an annual report on the exercise of his functions. The First Minister and deputy First Minister, acting jointly, must lay that report before the Assembly.

We are considering a report that was prepared by John Larkin QC on the establishment of the office of the Attorney General and its potential role. After that, we will make arrangements with the Assembly authorities for the preparation of suitable Standing Orders. The Attorney General and his support office will be funded by OFMDFM, but final decisions have yet to be made on long-term structures. The Assembly will have an opportunity to debate the Estimates and the budget for the office of the Attorney General as part of the budget Bill that is required to support expenditure on policing and justice functions.

As I said, we are still considering the report that was prepared by John Larkin QC on the establishment of the office of the Attorney General. We are aware that the Assembly and Executive Review Committee has an interest in that. We intend to share the report, along with our considered views and commentary, with the Committee in due course. We will be more than willing to take up the invitation to appear before the Committee about the important measures.

Mr Spratt referred to the category 2 list of issues. In connection with the Assembly and Executive Review Committee's ongoing inquiry on the devolution of policing and justice matters, it identified a list of issues to be addressed. We understand that the Committee has reached a view on several of the major issues, such as the full-time status of the Attorney General post and the judicial appointment arrangements. In other cases, we have taken forward work that has changed the context significantly. Examples of that work include our financial negotiations with the Prime Minister and the conclusions that were reached in the Hillsborough Castle Agreement on parades and the relationship between the justice Minister and the Executive.

**Mr McCartney:** Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire as a ráiteas. The deputy First Minister said:

*“no two situations are the same and, therefore, no solution can be imposed. It is our view that local people are best placed to provide local solutions.”*

Will the First Minister confirm that his Department will support local communities to arrive at local accommodations in disputes relating to parading?

**The First Minister:** I can certainly give that assurance. There are two different elements to the resolution of parading issues, the first of which is the generality of parades. A working group is considering how we might have a more transparent, open and fair process. That will be to everyone's benefit and will ensure that everyone knows precisely where he or she stands on parading and protest issues.

#### 4.15 pm

As for those parades that have attracted more contention, either through the parades themselves or the protests that are associated with them, there is a requirement for a greater deal of work, and not just in the week or so before the parade is due to take place. The deputy First Minister and I are totally committed to giving whatever assistance we can to encourage local engagement, dialogue and solutions. Other Assembly Members who have taken an interest in parading issues will want to do the same in their own areas.

Ultimately, the resolution to contentious parades and protests lies in local accommodation. That is why I was involved in the Drumcree issue and attempted to start a dialogue. The Portadown Orangemen showed a willingness to take part; regrettably, the Drumcree residents' group, which had earlier indicated an interest in taking part, has not yet done so. That meeting has not yet taken place. That is the type of issue on which we need, on a year-round basis, to encourage people to resolve such disputes.

It is in all our interests, and those of the Police Service, justice and the finances to deal with policing and justice, that we overcome the problems that we have had with parading over these past years. There will be no want of energy or commitment on the part of the deputy First Minister or myself in giving support to achieve local solutions.

**Lord Morrow:** The First Minister said:

*“On 9 March, the deputy First Minister and I intend to table jointly a motion requesting that a broad range of policing and justice responsibilities cease to be reserved on 12th April, our policing and justice agencies will have access to that additional level of funding over the coming years.”*

From that point, we will have the devolution of policing and justice.

Does OFMDFM accept that there are other significant dates in the Hillsborough agreement that relate to parading and, in the event that they are not met, policing and justice will not be devolved?

**The deputy First Minister:** There is no point in regurgitating what I said earlier. I am moving forward in a positive spirit, with a good heart for the agreement and with absolute commitment and determination to make it work.

**Mr McNarry:** Following on from that very interesting question from Lord Morrow, does the First Minister agree that no one speaks for the Orange Order except the Orange Order? The institution has not been involved in the negotiations on the Hillsborough agreement and it will not comment further until it has studied the agreement in due course. Therefore, in light of the timescale set out in the agreement, will the First Minister wait for the Grand Lodge to give its verdict on the agreement at a time of its own choosing?

**The First Minister:** As the Member said, no one speaks for the Orange Order except the Orange Order: not me, not him, nor anyone else in this Chamber. Therefore, we will listen to what that institution and the other Loyal Orders have to say on these issues. However, I was encouraged to hear the remarks of the Orange Order, the Royal Black Preceptory and the Apprentice Boys, which indicate a positive outlook and a preparedness to consider seriously the proposals in the Hillsborough agreement.

I want the whole community in Northern Ireland to be able to have a say on the agreement that we reached at Hillsborough. It is essential that we have community confidence in the institutions that would grow as a result of the further devolution of policing and justice powers. That is why we are holding a consultation process. It is essential that we have support from all sections of the community and from all parties in the Assembly as well. As far as I am concerned, the

only way forward is to have that support, both in the community and the Assembly.

**Mrs D Kelly:** Will the First Minister confirm that the chief negotiator for Sinn Féin, namely the deputy First Minister, has, essentially, told the House that no nationalist need apply for the post of justice Minister, and that the devolution of policing and justice will be achieved only if the parades question is resolved?

Will he also confirm that nationalist votes are of less value than unionist votes in this House, and that Sinn Féin has rolled over to DUP demands?

**Some Members:** Hear, hear.

**Mrs D Kelly:** On the issue, Mr Speaker —

**Mr Speaker:** I really must insist that the Member comes to her question.

**Mrs D Kelly:** Will the Minister also confirm that the parades working group is a set-up, and that the Ashdown proposals are the only ones on the table?

**The deputy First Minister:** I can certainly confirm that if Sinn Féin had accepted the SDLP position in relation to how we deal with this issue, policing and justice powers would reside in the hands of British Government direct rule Ministers for the remaining term of this Assembly.

**Mrs D Kelly:** No nationalist need apply.

**Mr Speaker:** Order.

**The deputy First Minister:** That is the reality. The contention that has been made is absolutely without any foundation whatsoever. *[Interruption.]*

**Mr Speaker:** Order.

**The deputy First Minister:** The confusion that is clearly evident in the SDLP's mind —

**Mrs D Kelly:** There is no confusion.

**The deputy First Minister:** Well, we certainly had confusion when the former leader of the SDLP said that he wanted to see d'Hondt being run again, which would have meant the collapsing of a Department and absolute certainty that the justice Department and its responsibilities would have been taken by a unionist Minister. To then have — *[Interruption.]*

**Mr Speaker:** Order. I must insist that the deputy First Minister be allowed to answer the

question. I remind Members not to try and speak from a seated position.

**The deputy First Minister:** The SDLP is obviously afraid to hear, or does not want to hear, the answer. In recent days, we have heard a different position from the SDLP, arguing that it is entitled to a second Ministry. With the full running of d'Hondt, the SDLP would still have the one Ministry that it has at the moment.

I have been informed that it is the intention of the working party, since its meeting this morning, to invite representatives from the other parties to make submissions and to come and see it. *[Interruption.]*

If the Member is not interested in going, that is a matter for her. However, I am reliably informed that all parties in this Assembly will receive an invitation from the working party.

**Mrs D Kelly:** Very inclusive.

**Mr Speaker:** Order.

**The deputy First Minister:** By dint of the process that we have agreed, it will move forward at different stages of the Committees in this Assembly and will be subject to a cross-community vote in the Assembly on the basis of the legislation.

**Mrs D Kelly:** A DUP/Sinn Féin vote.

**The deputy First Minister:** I know that the Member from Upper Bann —

**Mrs D Kelly:** Portadown.

**The deputy First Minister:** I know that the Member for Upper Bann does not like to hear the answer and likes to keep interrupting. She has very little manners. With respect, the interjections are taking place because the SDLP arguments have been holed below the waterline. *[Interruption.]*

**Mr Speaker:** Order.

**Ms Ní Chuilín:** Thank you, a Cheann Comhairle. I thank the First Minister and deputy First Minister for their statement. My question has been partly answered, but are there any details of the role of the current Parades Commission as the working group and the new and improved processes roll out?

I am convinced, now more than ever, that the stoops — I mean, the SDLP, is quite happy —

**Mrs D Kelly:** No stoop —

**Mr Speaker:** Order. Mrs Kelly, you are coming very close to challenging the authority of the Chair.

**The First Minister:** The working group on parades will look at the experience of the Parades Commission, which has been appointed for the remainder of this year. The agreement indicates that we will look to a new framework that will take into account the work of the Parades Commission but build on the work that was carried out with the strategic review of parading.

The people on the working group have experience and knowledge of the parades issue. Attending the first meeting of the working group with the deputy First Minister this morning, I saw a determination from them to do their work within the time limits that they set down and to come out with an agreed approach. I believe that that is the way forward. I really cannot understand anyone in this House who would attempt to undermine the working group's efforts. I say again that it is in the interest of the whole community that we find a way through the parades issue, so that we have a better framework and system with more community respect than existing systems.

**Mr Shannon:** I welcome the statement from the First Minister and deputy First Minister. The functionality of the Executive is a key issue to Members and the people we represent. What importance does the deputy First Minister attach to the work on improving how the Executive function? That is the key question.

**The deputy First Minister:** If we were all to be honest, we would readily accept that, although there have been great successes for the joint decision-making process at the Executive, an awful lot of our work has left a lot to be desired in terms of forging agreements and moving forward in a way that delivers for our people. That was certainly the case until Hillsborough.

I said all along that securing agreement at Hillsborough would present a new launching pad for the Executive and the Assembly to move forward in a way that delivers for citizens. That is why the establishment of the three working groups is so important. It is an inclusive process. It is an attempt to improve our performance. It is an attempt to deliver for our people. The First Minister and I are absolutely determined to move forward in a spirit of harmony and partnership to ensure

that the citizens who voted us into this place can be rightly proud of the delivery record of the Assembly and the Executive.

The SDLP's fractious contribution to the debate will confuse a lot of people, just as they found the steps taken by the SDLP during the passing of the Department of Justice Bill very confusing. The SDLP consistently voted against that Bill, and then abstained, before voting for it in the final vote. The SDLP must make up its mind.

**Mr O'Dowd:** Go raibh maith agat, a Cheann Comhairle. The deputy First Minister raised an important point. All Members should be aware that the appointment of the justice Minister was decided in the House. There was a vote in the Chamber on how the justice Minister should be appointed — by cross-community vote. The SDLP voted for that Bill. However, my question is: will all outstanding matters from the St Andrews Agreement be implemented?

**The First Minister:** We have indicated in the Hillsborough agreement that we will identify all the issues outstanding from St Andrews. The text of the St Andrews Agreement had varying levels of commitment to various issues, and, of course, there are varying levels of commitment from political parties to those issues. However, some issues go beyond the St Andrews Agreement and are part of legislation, so they involve legal obligations. Those matters will be identified by the working group, and it will recommend how we might move forward.

**Mr Ross:** A number of Executive working groups have been established as part of the agreement. How long does the deputy First Minister anticipate those groups taking to complete their work?

**4.30 pm**

**The deputy First Minister:** In short, a few weeks.

**Mr Elliott:** I thank the Ministers for their statement. Will the First Minister indicate what changed in the agreement between last Monday and Friday to buy off the DUP Members who were deeply unhappy with it on Monday and who said that there would be no devolution of policing and justice powers in a political lifetime or in the lifetime of the Assembly?

**The First Minister:** The Member did not speak to me like that when we were sitting down together in Hatfield House. I am sure that he



wants a common way forward within unionism on those difficult issues.

The real difference was that we did not have agreement on Monday. By the end of the week, we had reached agreed terms. During Monday's discussions, there were gaps in the agreement. We talked about them, and a group that nobody could say was not representative of the party came down to indicate to the press that the party had unanimously been encouraged by the progress that had been made at Hillsborough Castle and that issues that had to be dealt with had been identified. During the week, we dealt with those issues, and, just as we ended up with a unanimous decision on Monday, we ended up with a unanimous decision on Friday.

**Mr O'Loan:** The deputy First Minister told us that there was no prospect of the SDLP ever getting a second Minister and that he knew that from May 2007. Today, he told us that the devolution of justice and policing powers was conducted on DUP terms and that, from the outset, he capitulated to those terms. I doubt whether they will, but will the First Minister and the deputy First Minister assure Members that the Hillsborough Castle Agreement is the full extent of what has been agreed between them? Furthermore, do they agree that, if parties and people are to make an informed decision about the arrangement, they need to know what is on the table and what is under the table? Do they agree that the lack of detail in the agreement leaves them open to the conclusion that everything is not on the table and that things have been agreed under the table?

**The deputy First Minister:** With the First Minister's agreement, I confirm that everything that we agreed between us is in the paper that Members received in the aftermath of the Hillsborough agreement. That is the full extent of the agreement between the First Minister and me.

As the Member tries to return to what is a very weak argument, I remind him that, before these institutions were established, we had a shadow meeting in which we agreed what Departments each party would take. In effect, we ran d'Hondt behind the scenes before coming here to do it officially, and, fair play to all the parties, everybody kept their word. However, during that process, both behind the scenes — *[Interruption.]* The Ulster Unionist Party and the SDLP were also involved, so Members should not be shaking their heads and saying "That's

interesting" as if they did not know. Maybe they did not know, but I can assure them that all parties were involved.

When d'Hondt was run behind the scenes, the SDLP was entitled to one Department. When it was run in the Assembly, it was entitled to one Department. If it were to be run again tomorrow morning in the Assembly, the SDLP would still be entitled to only one Department.

**Ms Purvis:** I welcome the agreement that was reached at Hillsborough. I congratulate the First Minister and deputy First Minister on their statement and on their determination to make the Assembly and Executive work to deliver politics for the people of Northern Ireland.

I will ask a two-part question: will either Minister give a bit more detail on the process of community consultation that is mentioned in the Hillsborough agreement? What consideration has been given to, and what mechanism has been chosen for, the appointment of a Committee for justice, and will that Committee include representation from every political persuasion in the Chamber?

**The First Minister:** I thank the Member for her good wishes as we attempt to move forward. I will take the second question first: the Assembly will be in charge of the structures of the Committee that will be set up to scrutinise the Department of justice. I suspect that the Committee may want to operate under the d'Hondt system; equally, it may want to operate under another system. Perhaps the SDLP will propose an alternative method to d'Hondt under which it could operate. However, it will be entirely up to the Assembly to decide on its structures and how people are appointed to it.

As far as the determination of community confidence is concerned, we had some discussions last night and again today on how we might take that forward. It is likely that we will use some newspapers as an element of the wider community consultation, and we will also consider other, more modern techniques. However, there could be other considerations, including the recognition that stakeholder groups throughout the community will want to have their say on the issue. The Assembly will also want to discuss the issue. Although the community will have an opportunity to have its say at a grass-roots level, we are the elected representatives of that community, and what we say about those issues is important. I will want

to ascertain that all parties in the Assembly are supportive. If we are truly to argue that community confidence exists, the support of all Assembly parties will be necessary.

**Mr Hamilton:** An important aspect of the devolution of policing and justice is the identification of a candidate for the post of justice Minister. When does the deputy First Minister believe it might be possible to identify a likely Minister?

**The deputy First Minister:** As many Members know, prior to Christmas, at meetings between the First Minister, me and the leaders of the other parties, we set in train the process of allowing all the parties to consider how we would identify a justice Minister. It is clear to everybody that any Member of the House can be nominated for that position. We had a further meeting this morning, and people have undertaken to consider the situation.

The SDLP is on public record as having nominated Alban Maginness for the position. Other parties have reserved their position at this time, and, out of common courtesy, we must give them space to consider the matter. However, it could well be that we will not know the identity of the justice Minister until we come to the Floor of the Assembly on 12 April 2010, when our task will be to install a Minister with responsibility for that Department. However, a justice Minister could, conceivably, be identified prior to that.

Although this morning's meeting was with all the party leaders collectively, the First Minister and I agreed that we will meet each party leader individually over the next while to discuss that issue and other matters of concern. It is only appropriate that we undertake to have those meetings, and we will see what comes out the other side of them. However, come what may, we are confident that we will be able to emerge from the Assembly sitting on 12 April 2010 with a Minister for justice.

**Mr McCarthy:** I thank the First Minister and deputy First Minister for coming to the Chamber. All that I can say is that the agreement was a long time coming. Thank God that it came. The situation would be worse had there been no agreement at Hillsborough. I commend my Alliance Party colleagues for sticking the pace, as it were. Some colleagues did not stick the pace — *[Interruption.]*

A question is coming for whoever wants to answer it. In respect of parades, the deputy First Minister referred to:

*“the facilitation of dialogue and mediation”.*

Do the First Minister and the deputy First Minister accept that the parading issue is one of good relations, not just of conflicting rights?

**The First Minister:** The Member is right: there were many hours of negotiations. I believe that someone bothered to count them and there were 120. I make no apology for that whatsoever. Throughout the process, I argued consistently that it was important to get the agreement right, rather than to get it quickly.

For decades upon decades, the two issues that we tackled had escaped resolution from all parties in the Chamber. We have been able to reach agreement on two matters that I do not believe any other parties in the Assembly would have been able to reach. They were not able to reach agreement in the past. The issue of dealing with policing and justice was deemed so outrageous that, during previous talks that I can remember, it did not even make it onto the agenda. The issue was deemed impossible to resolve. Therefore, that achievement is significant, although it took a long time.

Policing, justice and parading have placed a cloud over the community and, indeed, over the Executive during the period that we have existed. The ability to find a way forward on those issues liberates the Executive to deal with other issues, to make progress and to achieve better delivery.

As for parading, there must be recognition of the cultural rights of every section of the community. There must be respect for each other's traditions. Through that, we can all have the right to enjoy our own culture and way of life in a way that offends no one. The issue is about good relations. However, it is also about people being able to talk to each other to find resolutions to disputes and difficulties that exist at present.

**Mr Paisley Jnr:** Does the deputy First Minister agree with the characterisation that was given to the accord by the First Minister at Hillsborough, when he said that the deal was made in Ulster and that, therefore, all the people of Northern Ireland or Ulster, however one wants to define it, have won political stability and the opportunity for economic growth that flows from it? With that in mind, will he indicate to the House

whether, in his view, the Assembly and Executive Review Committee will continue to carry out its important scoping functions or whether he envisages a change to the workings of that Committee?

**The deputy First Minister:** Probably the only disagreement between the Member for North Antrim and me is the definition of Ulster. His Ulster has six counties, and mine has nine. However, that is not a major issue.

I agree absolutely with the sentiment that Ian Paisley Jnr expressed. I have been out and about publicly at all kinds of functions. Indeed, on Saturday night, I was one of thousands of people who watched Derry play Tyrone in a Gaelic football match at Celtic Park. Much to Barry McElduff's sadness, on that occasion, at least, Derry beat Tyrone.

People's mood is upbeat. They are conscious of the Hillsborough agreement's significance. There is recognition that, although we have stuttered along from the institutions' beginnings to the Hillsborough talks, circumstances are now presented, as the First Minister has said, in which the agreement can mean liberation for all of us to move forward and provide proper support and government for the people whom we represent.

#### 4.45 pm

On the day that the agreement was made, I said that it could be the day on which politics finally came of age here in the North. Sinn Féin is absolutely and utterly determined to work with its ministerial colleagues from the unionist tradition and from the SDLP in a spirit of co-operation, harmony and partnership to build a better future for our children and grandchildren.

The agreement has been widely welcomed. The people who argue against what we are trying to do are coming at it from different positions. We respect the positions of those who disagree with us, but I think that there is a danger that they have misread the mood of the people in the streets, towns, villages and cities and the position that they are coming from. Whatever about the controversy around this, in the run-in to the agreement, when people were concerned about whether the institutions were sustainable and whether they would fall, people I met on the streets said that the Assembly had to continue because it provided the only hope for the future. Whatever about their reservations, criticisms and concerns, the last thing that people in the

unionist or nationalist/republican community want to see is the collapse of the institutions that we have agreed over the course of what is undoubtedly one of the most successful peace processes in the world today.

Therefore, it is important that we use the Hillsborough agreement. It could be the most significant agreement that we have made in recent years, if we implement it and allow ourselves to be liberated by it to move onward and upward and to bigger and better things for the people whom we represent, as the First Minister rightly said.

The First Minister and I will be pleased to go along to an Assembly and Executive Review Committee meeting at the convenience of that Committee and subject to diaries being suitable to discuss the implications of the events for the Committee and to discuss what future the Committee has in the context of this work. I have no doubt that the Committee will want to remain in existence over the coming weeks and months. There is still work to do, and we will be glad to make first-hand reports to the Committee.

**Mr Beggs:** Will the First Minister advise the House what method will be used for the appointment of the justice Minister beyond 2012, or will the Department face an uncertain future? We have been told that there is no deal between the DUP and Sinn Féin and that everything relating to the Hillsborough Castle Agreement is on the table. Have there been side deals done between Her Majesty's Government and the Democratic Unionist Party or with Sinn Féin?

**The First Minister:** It will be for this House or, should I say, the House that will be elected at the elections in 2011 to determine what should occur after 2012. There is a sunset clause, and the House will have the opportunity to use the same system or a different system. That will be entirely a matter for the new Assembly to decide. There is no doubt that, in doing that, we will learn lessons from the processes as we move forward under these arrangements.

Mr Beggs also asked about side deals. I have heard a lot being said about the Presbyterian Mutual Society and so forth. At a time when we were talking to Government Ministers, particularly the Prime Minister, whose ear we were able to whisper into, our community would have felt that we were not doing our duty if we had not tried to indicate to him that there were issues that were

important to our community. That is not a side deal. There is no attachment between the agreement that we have reached and the Presbyterian Mutual Society issue or any other issue.

We raised other issues, and I hope that the Member's party raised other issues with the Secretary of State and with Ministers. It was right for us to do that, because there are issues to be resolved that affect everybody. The Prime Minister has offered us a date to talk further about the Presbyterian Mutual Society, and I know that the deputy First Minister and I are eager to take it up.

**Mr Speaker:** I apologise to Members who have not been able to ask the First Minister and deputy First Minister a question, but time does not permit it. That ends questions on the ministerial statement.

**Mr D Bradley:** On a point of order, Mr Speaker. On a previous occasion in the House, the party to my right was referred to as "the Provos" and/or "Provisional Sinn Féin". The matter was referred to you for consideration. I refer you to the unparliamentary reference that Ms Ní Chuilín made to the SDLP, and I ask you to report back to the House on the matter.

**Mr Speaker:** I hear what the Member said. I have already made a ruling on this matter in the House. Let me be clear about this: whenever Members name parties, I expect them to name them by their designation. I have always made that ruling. Members should not tag names on to parties. I make it absolutely clear that parties should be recognised in the way in which they are designated in the Chamber. I made that ruling a number of months ago, and I have no problem doing it again.

The House will take its ease for a few seconds before it moves on to the next item of business.

*(Mr Deputy Speaker [Mr McClarty] in the Chair)*

## Committee Business

### Lough Neagh and Lower Bann Advisory Committees

*Debate resumed on motion:*

*That this Assembly recognises the social and environmental importance of the Lough Neagh and Lower Bann regions and the economic contribution they make through employment, leisure and tourism; acknowledges the significance of the Lough Neagh and Lower Bann Advisory Committees in maintaining the value of these areas and the risks involved if funding of the advisory committees is withdrawn; and calls on the Minister of the Environment to reinstate Northern Ireland Environment Agency funding as a matter of urgency, and to encourage the other funding partners to continue their financial support. — [The Chairperson of the Committee for the Environment (Mrs D Kelly).]*

### The Deputy Chairperson of the Committee for the Environment (Mr Boylan):

Go raibh maith agat, a LeasCheann Comhairle. I cannot promise that my winding-up speech will be as exciting as the past hour, but I will do my best.

It is clear from the debate that the work of the advisory committees has been of interest to people across large areas of the North over the past 15 years. I thank those who have taken the time to inform the Committee about the issue.

I want to make it clear what the debate has been about. The Committee is mindful of the financial constraints that face the public sector at all levels, be that central or local government. The debate has not been a call for more money. As the Chairperson made clear in her opening remarks, the Committee's concern focuses on the fact that there was no evidence to suggest that DOE's decision to cut funding was based on an assessment of cost-effectiveness. I use the Department's own words:

*"The Advisory Committees have been very successfully delivering far beyond their remit since inception".*

We know from evidence that was provided to the Committee that the advisory committees were not given an opportunity to review their budget with a view to reflecting current financial circumstances. The Committee has seen figures



that suggest that the advisory committees could manage on less, certainly in the short term, to allow them to continue their function. In fact, DOE's decision was based purely on the withdrawal of match funding from councils.

It is not for us to speculate on the reasons for those council decisions. However, the Environment Committee is concerned that, during the 15 years of their existence, there has been no independent evaluation of the work of the Lough Neagh and Lower Bann advisory committees. In the absence of such information, it will be difficult for councils to make a decision that is based on anything other than the financial pressures that they are facing, and it will be impossible for the Environment Committee to truly assess the short- and long-term impacts of the Department's decision.

The Chairperson and several Committee members spoke about the potential loss that will result from the disbandment of those committees.

We must be careful about making quick decisions now to meet our difficult financial circumstances, as they could ultimately cost us more in the long run. I note that stakeholder engagement is increasingly becoming a requirement of European legislation, particularly freshwater legislation. Therefore, it would seem unwise to undermine the capacity to deliver stakeholder engagement just as it is becoming essential.

Speaking as a Sinn Féin MLA, I must say to the Minister that no matter how much funding the project costs, it must deliver value for money. During their presentation to the Committee, the representatives of the advisory committees said that they felt they were not getting a fair deal when it came to assessment and guaranteeing value for money. Therefore, I am delighted that the Minister has made a decision on that matter today.

However, the Minister also said that he was willing to provide funding for the advisory committees only if all the councils concerned were on board. I ask him to clarify what the position would be if one council did not agree to provide funding. I am an MLA for Newry and Armagh. I was once a councillor on Armagh City and District Council, and I am aware that councils, as corporate bodies, will ultimately have to make that decision themselves. However, following on from today's debate, Sinn Féin would like to see the development of a

model that will allow local councils to address similar issues in future.

I will now move on to some of the comments made during today's debate. Ian McCrea was the first DUP Member to speak, and he said that advisory committees should remain a central government responsibility. He also said that when the representatives of the advisory committees appeared before the Committee for the Environment, they agreed to work within a lower budget, and he felt that they should have been given the opportunity to do so. I am sure that all Committee members would agree with that point.

Danny Kinahan highlighted a long list of issues that the advisory committees were dealing with and commended them for tackling those issues, a commendation that the Committee would agree with. He also discussed employing consultants, and I agree that there is no point in removing funding from groups and then paying consultants to do the same job.

We will not accuse Mr Ford of starting the debate or mess in the first place by being one of the first members of the advisory committees; he is entitled to have his say on the issue. He recognised the valuable contribution that the advisory committees have made over the years, and he also made the valid points that the functions that they carry out are covered by several different Departments and those Departments must examine those functions. The Committee for the Environment will certainly work with other Committees and Departments in considering those issues.

George Robinson talked about the potential that the advisory committees have to generate revenue. However, he also had some reservations and said that it was for councils, as corporate bodies, to make their own funding decisions, a point that the Committee also recognises.

Roy Beggs talked about Lough Neagh being a source of drinking water and discussed the importance of its biodiversity. Furthermore, he talked about how the advisory committees could pass on their local knowledge and expertise to the Departments. Moreover, he discussed funding and expressed his hope that the Minister could redress that issue today, and, thankfully, the Minister has given a commitment to his future funding of the advisory committees.

Mr Dallat discussed the critical importance of the Lower Bann region. He also raised a valid point that had come to the Committee's attention: which body would be responsible for the work of the advisory committees if they were stood down? During a Committee meeting, departmental officials clearly said that they would not be able to undertake that role.

George Savage discussed the economic benefits of Lough Neagh and the Lower Bann, and I think that he may have invited the entire Chamber to Kinnego marina. Perhaps some Members will take up that invitation. He also encouraged the councils to recognise the work that is undertaken by the advisory committees, and, as I have said, it is up to the councils, as corporate bodies, to make that decision.

Patsy McGlone spoke about the potential to develop tourism in the Lough Neagh area.

#### **5.00 pm**

Finally, the Minister said that the record of the advisory committees should not be tarnished. I agree. The Committee understands the valuable work of the advisory committees, but their role should be considered in future. The Minister implored all councillors to work with DOE on that matter.

In conclusion, I thank all Members for their contributions. I am delighted that the Minister has made the decision that he has, and I hope that councillors will work on the matter. However, we need to find a proper long-term solution.

*Question put and agreed to.*

*Resolved:*

*That this Assembly recognises the social and environmental importance of the Lough Neagh and Lower Bann regions and the economic contribution they make through employment, leisure and tourism; acknowledges the significance of the Lough Neagh and Lower Bann Advisory Committees in maintaining the value of these areas and the risks involved if funding of the advisory committees is withdrawn; and calls on the Minister of the Environment to reinstate Northern Ireland Environment Agency funding as a matter of urgency, and to encourage the other funding partners to continue their financial support.*

## **Private Members' Business**

### **Local Government (Disqualification) (Amendment) Bill (NIA 7/09): First Stage**

**Ms Purvis:** I beg to introduce the Local Government (Disqualification) (Amendment) Bill (NIA 7/09), which is a Bill to amend the Local Government Act (Northern Ireland) 1972 to disqualify members of the Northern Ireland Assembly from being elected, or being, a councillor.

*Bill passed First Stage and ordered to be printed.*

**Mr Deputy Speaker:** The Bill will be put on the list of future business until a date for its Second Stage is determined.

*Motion made:*

*That the Assembly do now adjourn. — [Mr Deputy Speaker.]*

## Adjournment

### Ulster Canal Project: Importance to the Coleraine and Limavady Council Areas and Beyond

**Mr Deputy Speaker:** The proposer of the topic will have 15 minutes in which to speak. All other Members who wish to speak will have approximately 10 minutes. As this is the first occasion that the Assembly will hear from Billy Leonard, I remind the House that it is the convention that a maiden speech is made without interruption.

**Mr Leonard:** Go raibh maith agat, a LeasCheann Comhairle. Before embarking on my speech I would first like to refer to my predecessor, Francie Brolly, and pay tribute to his work in the Chamber, the Committees and the general life of the Assembly. My taking over the position as MLA for East Derry was made all the easier because of Francie and his gentlemanly approach to matters. I would like to put on record that even last Friday, when I had an important appointment to attend about the Magilligan ferry, Francie was the gentleman who organised it and attended with me. That should let the House know that his commitment to the community goes on despite his standing down, and I pay tribute to him for that.

I selected for discussion a topic with an east Derry slant, yet, as we know, the reopening of the Ulster canal is a tremendously important issue in many areas, not least the immediate hinterland. Discussions on the Ulster canal project have been ongoing for years. There is some movement on it, but the reopening of the entire waterway that is known as the Ulster canal is the key to the Coleraine to Limerick waterway vision for Ireland: an accessible and beautiful waterway vision for the entire island. There has been a long-term campaign, but now is the time to begin making that aspiration a reality.

For those in the House and beyond who recoil from every new project because of the recession, I will make one core point: there will be life after the recession. In fact, the 2008 report produced for the Department of Culture, Arts and Leisure (DCAL) on the issue was still

confident about that. It referred to the upturn, the fact that it was a seven-year project, and the potential for long-term growth. We must look beyond the recession on this important topic. In practical terms, the Dublin Administration are living up to their €34 million commitment for the section leading to Clones. We should live up to our £9 million commitment and move on one more part of the project. That action would send a declaration of intent to everyone that the project is doable.

The people who have acted as long-suffering lobbyists for the project speak of the need to prepare funding streams now. The vital point is that we do not have to wait until the recession is over. They make the good and serious point that, given that more of the big money will be available after the suction effect of the London Olympics, the funding streams should be prepared now. Let us not park the issue in the long-term car park of fiscal straitjackets, but let us look at the vision of the potential Ulster canal project.

That potential is all about the improvement of the tourism product. In an earlier debate, the fact that tourism is one of the few potential growth areas was referred to. Home tourism was mentioned, through which people are encouraged not to travel abroad but to take their breaks in Ireland. It is also about the improvement of towns and villages along the rivers and loughs that would be linked by the successful completion of the Ulster canal project.

An important point that is perhaps difficult to tabulate is that it would result in an improvement in the confidence of the communities around the waterways that would be linked up. I do not make that point on the basis of a theoretical aspiration. We know already what the work from the Shannon up to the Erne has meant to communities along those waterways. It would be the same if the Ulster canal were linked up and a gateway established from Coleraine to Limerick.

In early December 2009, I had the privilege of visiting Ballinamore, one of the small towns in lovely Leitrim that benefited from other work on the other linking canals. Even in early December, it was obvious that that small town had received a great lift from the activity around the canal and the waterways, and the potential for more was obviously there.

Let us imagine the linking of Limerick to Coleraine, the linking of sea to river and of river to sea. People could sail from around different parts of Ireland, and people could arrive in Ireland from

Scotland and further away, and make their way through a major part of Ireland via a linked and beautiful waterway.

The linkage could allow leisure activities, such as sailing, walking and other on-shore pursuits that would cluster around the waterways, and the waterways would have many other sustainable uses. That would have great consequences for job opportunities, spin-off activities and business for everyone in East Derry, not only for the people in the towns and villages along the Bann. The entire constituency would benefit directly. In addition, if common sense were to prevail so that little soldiers stopped playing war games in Magilligan and other institutions were done away with, a beautiful vista could be opened up for the entire north coast, from Donegal across Derry to Antrim.

I purposely included the word “beyond” in the title of the Adjournment topic because, obviously, the Ulster canal is not a single-constituency project. It is a national project, and I regard it as an important gem in the Irish nation. Others will see it as an all-island, all-Ireland or cross-border project, and some might even see it as an Ulster project. So be it, but whatever one’s aspiration and whatever classification one gives it, it is genuinely a win-win project.

It is a project that requires vision and a driver. DCAL is meant to be the driver for this institution, along with Waterways Ireland as a linked body. I regret to say that many people who have worked on the project for many years feel that the Minister of Culture, Arts and Leisure and his Department are not sufficiently behind the vision of the Ulster canal project.

The Minister has said that he had too many commitments to meet one of the main groups. Yet, that group was able to get appointments with the Minister for Regional Development and the Minister of the Environment. Those Ministers were not too busy to see the group.

I wish to use this debate to strongly urge the Minister — it is good that he is here this evening — and his officials to buy into the vision and to become the driver for that work. Of course, there are other stakeholders, but this is not rocket science. Suggestions on the way forward were made in the 2008 report, and we seek an update today on whether and how those are being pursued. It is not necessary for me to go into, articulate and rehearse all the reports, consultants’ information and stakeholder

groups’ contributions on the issue, because the main kernel now is whether we have a driver for the project.

If the will is there to work with the appropriate people to drive that forward, we could start claiming that that vision was part of DCAL’s role and that of the Assembly. If the will is there, we could drive that forward as a flagship project — even an iconic one. There are groups that would be willing to support the project, if we put it on that pedestal, and that is why we should be planning for that now. If the will was there, the marketability of Ireland would move up not just one rung but several, because we would have a major and brilliant attraction. We must remember that the Ulster canal is a tourism product not only for visitors but for all the people of Ireland: North, South, east and west.

It is not my intention to quote facts and figures but to draw out two main points from my presentation. First, that this doable project should not be put on the back burner. Secondly, that DCAL needs to take on board and enter into the spirit of driving it as a doable project. I am glad for the opportunity to raise the issue in the Assembly this evening, but I hope that it will not be an issue that gets plenty of air but little resuscitation. We cannot let the Ulster canal project fester. We need to be able to prepare the way to finally deliver that project for the benefit of east Derry, the north coast, Armagh, Tyrone, Fermanagh, Monaghan and the rest of Ireland. I look forward to the contributions of other Members and, in particular, that of the Minister.

**Mr G Robinson:** Following on from the earlier debate, I reiterate that I fully recognise the potential benefit of the Ulster canal project for the tourist and leisure industry in the Coleraine and Limavady areas. I am also fully aware that, at this time, the Assembly must concentrate on providing its core functions and be careful when considering the use of additional expenditure.

Much excellent work has been done by the Ulster canal project, and I am delighted to acknowledge the positive legacy that that will leave. It is good that we have such strong foundations to build on in the future and that we have a vision that we can aim for. I am sure that the idea of sailing from Portstewart to Limerick is appealing to many, but we cannot get away from the basic problem of funding. I fully acknowledge and accept that developing natural tourist resources is an important part of building



Northern Ireland's local economies, especially in the Coleraine and Limavady areas, which have lost so many jobs in recent years. However, aiding development must be done with careful consideration of the impact that that will have on the Assembly's overall finances. Although I welcome planning for the future — that is what this debate is all about — I cannot justify spending money that would be better spent on alleviating the shortage of public sector housing, improving the Roe Valley ambulance service, attracting high-quality jobs to the area or helping to train people who need new skills to get back into employment.

Developments that have taken place, such as the Portneal Lodge in Kilrea and the provision of additional fishing stages, have proven to be beneficial. Those were developed at a time when the Budget was not under the extreme pressures that it is today because of the financial crisis. That said, I realise that those facilities have to be maintained and kept to a reasonable standard. I will be the first to seek and support the development of this natural asset. However, I will do so when the economy is, hopefully, much stronger.

### 5.15 pm

**Mr Dallat:** I welcome the opportunity to take part in the Adjournment debate. The Ulster canal project is, in reality, a vision for the future. As was said, boats from the River Shannon will be able to come north, through Lough Neagh and the Lower Bann, before making their way out to sea or continue their journeys to Derry and beyond, perhaps even to Scotland or its islands. Such a journey would be retracing that of the O'Cahans, the MacSweeneys, the O'Donnells, the MacDonnells, the McQuillans and many others. History would repeat itself, albeit a little bit before the Plantation.

The Ulster canal project will attract long-term investment to build hotels, boatyards, marinas and a host of other river-based projects that will generate thousands of well-paid, sustainable jobs, many of which will be locally based. I am aware of that thanks to the findings of a conference organised by the SDLP a couple of years ago, at which the major players were brought together to discuss the future of the Ulster canal project. It was clear then that much still had to be done to ensure that the project would remain on course and would deliver that which those who inspired it believed it could.

Earlier, we debated the future of the Lough Neagh and Lower Bann advisory committees, which were threatened with closure. That tells me that there is a lack of understanding of the importance of the Ulster canal project and the impact that there could be when the entire canal is eventually reopened in the next few years. That will happen only if we believe in ourselves, have a vision for the future and convince investors that it is a project worth investing in. In recent years, investors were badly nipped by the short-term prospect of gains in the building industry, and many are now looking to long-term sustainable projects. That is where the future of the Ulster canal lies. The Minister is nodding his head in agreement.

Unfortunately, the Lower Bann is still seen by government as a major drainage system, with no Department having overall control of the development of that great river and its huge potential for tourism and leisure, which could rival the River Shannon for excellence.

In recent correspondence with the Minister of Culture, Arts and Leisure, I was told that the Rivers Agency can only intervene in riverbank erosion if there is a threat of flooding. That was an honest reply. Waterways Ireland has a remit to provide jetties along rivers at strategic points and to organise a few water-based activities. However, its remit is for nothing major or substantial and falls far short of what it wants to do. That is frustrating for Waterways Ireland, which is a cross-border body with a vision for all six rivers that it is responsible for in Ireland.

Hopefully, Minister, funding for the Lough Neagh and Lower Bann advisory committees has been secured and there is now a better understanding of the need for a body with an overarching view, to make certain that the Lower Bann retains all the elements and protection necessary to ensure that future development is carried out in a balanced way, that biodiversity is central to all plans and that commercial exploitation is managed in a way that maximises potential but does not ruin the river. That was a major point that emerged from the conference to which I referred earlier.

At this stage, we can safely say that the Ulster canal project is no longer a dream, because substantial work has been done on the southern side. The project will become a reality sooner rather than later, provided that we have the vision to recognise its potential. We must bring

together the major players and investors, sit down with them and create an overall plan, particularly for the Lower Bann. We must transform the Lower Bann from a giant drainage system into a paradise that will bring prosperity not only to Coleraine and Limavady but to the smaller towns through which her waterways pass. It would be a mistake to sit back until the final stage of the project has been completed.

Mr Robinson referred to Portneal Lodge, and I am proud and pleased to have been the chairman of the local enterprise group that built it. The lodge makes a substantial contribution to the development of the river as well as providing other tourist-based activities. It would be remiss of me not to mention Portglenone's excellent marina facilities. I hope that I have helped to illustrate the benefits of investment to the smaller rural towns through which the river meanders.

We must protect the riverbanks that were mentioned in the earlier debate. A serious problem exists in the Lower Bann, as the Minister of the Environment kindly acknowledged in his response to that debate. Tourism-related projects are important, but I understand that the River Bann is the only place that welcomes jet skis and that they are banned in other European countries. That hurts me greatly, because that is the very opposite of the type of activity that is needed to ensure that the river is in first-class shape to welcome people not only from other parts of Ireland but, I hope, from other parts of the world.

People already question the wisdom of exposing their pale skin to excessive sunlight. Many more people now know about the risks of melanoma and other skin cancers. The attraction of cheap flights to other European countries will diminish rapidly, one reason being that they are not cheap any more. When that day comes, many more people will discover the pleasures to be had in our own country. An increasing number of people already choose water-based activities.

That day will come sooner rather than later. I base that statement on evidence that I gleaned during recent visits to Lough Erne, where people have made substantial inroads in creating jobs from the types of activity that the River Bann can offer. Again, all of that requires vision, a new approach to tourism and a reappraisal of the need to invest heavily in tourist infrastructure. In the past, we relied on a few weeks of good sun and, in the distant past, the bucket and spade.

We neglected to invest in the infrastructure around the north coast.

It is important to set out a vision for the future. In the Coleraine area, I envisage at least five hotels being built from where the Salmon Leap used to be to the Barmouth. I foresee the creation of many more facilities, because I believe in the project and have spoken to people involved in the development of the Shannon and Erne regions. I know that it will happen, but the Assembly must be a driving force. When investors see the activities of the Assembly starting to roll, I have no doubt that they will invest the same amount of money in the Lower Bann as they invested and lost in apartments.

### **The Minister of Culture, Arts and Leisure**

**(Mr McCausland):** I am grateful to Members for their wide-ranging contributions. I am grateful to John Dallat for his historical tour; he took us back to the eleventh century, when the O'Cahans drove the Danes out of Ireland and eventually settled in Scotland. I am also grateful to Mr Leonard for his geographical tour, which took us well away from the Ulster canal to Magilligan and Donegal. There is great tourism potential there. I am delighted that the folk in Moville suggested that the town is associated with the family of Field Marshal Montgomery and his father, Bishop Montgomery, who signed the Ulster covenant in 1912. I welcome the great opportunity to turn those ideas into tourism products. The debate has been historically and geographically wide-ranging.

I will return to the subject. Our debate should have been about the importance of the Ulster canal project to the Coleraine and Limavady council areas and beyond. In considering the matter, it is important to note the existing works that have been undertaken on the Lower Bann navigation, the work to reopen a section of the Ulster canal, its wider strategic significance in the context of Northern Ireland's inland waterways network and the associated costs and benefits.

I will outline the significant investment that has already been made in the navigations of the Lower Bann. Waterways Ireland is responsible for the management, maintenance, development and restoration of the operational navigable waterways throughout Northern Ireland and the Irish Republic, principally those for recreational purposes. In Northern Ireland, that responsibility applies to the Lower Bann navigation and the

Erne system. More than £2.3 million of capital works have been carried out on the Lower Bann since 2000, including 580 m of additional public moorings.

The number of boat passages recorded at five locks along the Lower Bann has increased by more than 74% since 2001 at the Cutts, Carnroe, Movanagher, Portna and Toome; from 1,070 in 2001 to 1,858 in 2009. In fact, the increase between 2008 and 2009 was 18%. However, we must recognise that, at some point, the cost of investing in a navigational infrastructure on the Lower Bann must be linked to a proportionate economic return. Thanks to our investment in the Lower Bann to date, the standard of infrastructure has improved greatly in recent times, and that stretch of water is now well prepared to cater for increased river usage.

Waterways Ireland also has responsibility for conducting appropriate studies and appraisals on the possible restoration of the Ulster canal. In light of the outcome of those studies and appraisals and with the authority of the North/South Ministerial Council, Waterways Ireland can be responsible under its statutory remit for the restoration of the Ulster canal and, following restoration, for its management, maintenance and development, principally for recreational purposes.

In that context, studies and appraisals have been carried out in recent years to examine the costs and potential benefits of reopening the 45-mile stretch of the Ulster canal which starts in Northern Ireland. About half its route is in Northern Ireland. The latest socio-economic report indicated that reopening is technically feasible at an estimated £125 million at 2006 prices. That figure should bring some realism to our discussion because, on the basis of a 50:50 split, Northern Ireland's share of that cost is approximately £62.5 million. Despite extensive and expensive studies, it is regrettable that the economic benefits remain unproven. However, that is an essential requirement before we can decide if the project can proceed in its entirety.

The Irish Government have identified the Ulster canal as one of their strategic priorities for agreement in joint projects with Northern Ireland. The restoration was an agenda item at meetings between my Department and its counterpart in Dublin, the Department of Community, Rural and Gaeltacht Affairs, as well at British-Irish Intergovernmental Conference meetings.

### 5.30 pm

During its meeting in inland waterways sectoral format on 17 October 2007, the North/South Ministerial Council approved Waterways Ireland's proposals to take forward the restoration of the 12-kilometre Clones to Upper Lough Erne section of the Ulster canal over the next six years. The total estimated cost of those restoration works is €35 million or £24 million at 2006 prices. The full capital cost is to be met by the Exchequer in the Irish Republic, with subsequent recurrent costs to be shared between the two jurisdictions. It is important to emphasise that that decision did not confer any commitment on either jurisdiction to fund further restoration of the Ulster canal, but both Administrations will keep that under review.

The current position on the work being undertaken on the Clones to Upper Lough Erne restoration project is that Waterways Ireland is on target to submit planning applications in summer 2010 for approval to allow land acquisition and then to proceed towards awarding of contracts for the construction phase, to commence in 2011 with completion scheduled for 2013. Work on the environmental impact assessment and the strategic environmental assessment is progressing well. The environmental impact assessment is due for completion in July 2010.

The work that is under way represents a significant investment in the waterways and will provide an excellent opportunity for my Department to assess the economic, social and wider potential that the reopening of the waterways offers. In considering the proposals, I recognise the potential strategic and cross-border significance of reopening the Ulster canal in its entirety. That would re-establish an extensive North/South navigable network, linking Coleraine and the Lower Bann navigation with Enniskillen, Limerick and Dublin via existing operational waterways.

There is further potential to consider the wider strategic importance of linking all our now-disbanded waterways. The Ulster canal to Lough Neagh and the Lower Bann would open up our northern shores to the extensive Shannon-Erne waterway. The Lagan navigation would link Belfast to the Lower Bann and the Shannon. There is also the Newry canal and other smaller waterways. Those are significant and costly works that we must consider carefully in these

constrained financial times — unless, that is, John Dallat can convince the Minister for Social Development to generously give of the amounts that have gone to her Department to put towards those projects. Perhaps Mr Leonard could convince the Minister of Education that it would be in her best interests to divert money to the Department of Culture, Arts and Leisure. I can assure both Members that my Department would be glad and happy recipients of any of that money. I am sure that Mr McElduff, as Chairperson of the Committee for Culture, Arts and Leisure, would be openly and avidly delighted to receive that money.

I will return to the subject at hand. As part of its remit to promote and develop the recreational or navigational potential of waterways, my Department continues to assess the scope for further development opportunities, ideally in partnership with other key stakeholders such as local authorities. To that end, my Department recently commissioned a completed business case to assess the viability of establishing a navigation authority for Lough Neagh, the River Blackwater and the upper River Bann. The total capital cost of full implementation was estimated at £6.7 million. That would have increased DCAL's contribution to Waterways Ireland's North/South resource budget from the current 15% share to 24%. Reluctantly, I have had to conclude that, under current Northern Ireland budgetary constraints and priorities, the capital and resource implications of implementation are currently unaffordable.

My Department is also funding a business case assessment of the viability of restoring the 10-mile lower Lagan canal linking Belfast and Lisburn. That assessment is due for completion in March 2010. It will need to prove value for money, and we must also consider affordability. The assessment will also provide a basis for seeking and potentially securing partnership funding.

The collective total capital cost of restoring navigation on the Ulster canal, at £125 million, and the Lagan canal, at £50 million, as well as establishing a navigation authority for Lough Neagh at £7 million, with the commensurate infrastructure improvements, amounts to an estimated £182 million, as well as involving significant year-on-year recurrent costs. Those are significant costs, given the current financial climate. Against that background, I have to conclude that we should wait to see

the outcomes from the completion of works in 2013 on restoring the 12 km section of the Ulster canal between Clones and Upper Lough Erne. With the benefit of that experience, we will be better placed to establish and assess the benefits of undertaking further significant project works as a basis for evaluating the strategic worth of committing to future canal restoration projects.

*Adjourned at 5.35 pm.*