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# Northern Ireland Assembly

Monday 14 June 2010

*The Assembly met at 12.00 noon (Mr Speaker in the Chair).*

*Members observed two minutes' silence.*

## Assembly Business

### **New Assembly Member: Mr Paul Givan**

**Mr Speaker:** I wish to advise the House that I have received a letter from the Rt Hon Jeffrey Donaldson notifying me of his resignation as a Member of the Assembly with effect from 12.00 midnight on Thursday 10 June 2010. I have since been informed by the Chief Electoral Officer that Mr Paul Girvan was returned on 11 June 2010 as a Member of the Assembly — I am sorry, Mr Paul Givan — for the Lagan Valley constituency to fill the vacancy. Mr Givan signed the Roll of Membership in my presence and that of the Clerk/Director General in the Speaker's Office this morning and has entered his designation. Mr Givan has now taken his seat.

## Executive Committee Business

### **Suspension of Standing Orders**

#### **The Minister of Finance and Personnel**

**(Mr S Wilson):** I beg to move the motions in my name. These important Supply resolutions seek the Assembly's approval —

**Mr Speaker:** Order. We must first suspend the relevant Standing Orders.

**The Minister of Finance and Personnel:** I am ahead of myself, Mr Speaker. I cannot wait to get started.

I beg to move

*That Standing Orders 10(2) to 10(4) be suspended for 14 June 2010.*

**Mr Speaker:** Before I put the Question, I remind Members that the motion requires cross-community support.

*Question put and agreed to.*

*Resolved (with cross-community support):*

*That Standing Orders 10(2) to 10(4) be suspended for 14 June 2010.*

**Mr Speaker:** The motion has been agreed, so today's sitting may go beyond 7.00 pm, if required.

## **Supply Resolution for the Northern Ireland Main Estimates 2010-11 and Supply Resolution for the 2008-09 Excess Votes**

**Mr Speaker:** As the next two motions relate to the Supply resolutions, I propose to conduct only one debate on both motions. When all who wish to speak have done so, I will put the Question on the first motion. I will then call the Minister to move the second motion formally, before putting the Question without further debate.

The Business Committee has agreed to allow up to four hours for the debate. The Minister of Finance and Personnel will have up to 60 minutes to allocate at his discretion between proposing the motion and making a winding-up speech. All other Members who wish to speak will have 10 minutes. If that is clear, we shall proceed.

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

*That this Assembly approves that a sum, not exceeding £7,019,163,000, be granted out of the Consolidated Fund, for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 and that resources, not exceeding £7,569,483,000, be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 as summarised for each Department or other public body in columns 3 (b) and 3 (a) of table 1.3 in the volume of the Northern Ireland Estimates 2010-11 that was laid before the Assembly on 7 June 2010.*

*The following motion stood in the Order Paper:*

*That this Assembly approves that a sum, not exceeding £16,272,049.74, be granted out of the Consolidated Fund, for or towards defraying the charges for the Department for Employment and Learning and the Department of the Environment, for the year ending 31 March 2009 as summarised for each Department in Part II of the 2008-09 Statement of Excesses that was laid before the*

*Assembly on 7 June 2010. — [The Minister of Finance and Personnel (Mr S Wilson).]*

This is take two, although my speech was almost read out in the motion. These important Supply resolutions seek the Assembly's approval of the spending plans of Departments and other public bodies, as set out in the Main Estimates for 2010-11 and the Statement of Excesses for 2008-09, which were presented to the House on 7 June 2010.

The first resolution relates to the supply of resources and cash for the remainder of 2010-11, as detailed in the Main Estimates. Members will recall that the Vote on Account, which provided initial allocations for 2010-11, passed on 2 March 2010. The first resolution and the Budget (No. 3) Bill that I will introduce later today will provide the balance to complete the total requirements of Departments and other public bodies of more than £13 billion in cash and £14 billion of resources for 2010-11. Those requirements reflect the Executive's revised 2010-11 spending plans, which the Assembly approved on 20 April 2010, as well as the demand-led annually managed expenditure (AME).

I remind Members that, as part of the recent devolution of policing and justice powers, the Assembly has already approved the Main Estimates for the Department of Justice, the Office of the First Minister and deputy First Minister and the Public Prosecution Service, totalling more than £1.4 billion in cash and £1.3 billion of resources for 2010-11. The resolution, therefore, relates to the remaining Departments and public bodies.

The second resolution seeks Assembly approval of two cash Excess Votes, totalling £16.3 million for 2008-09, as detailed in the Statement of Excesses. The Department for Employment and Learning exceeded the cash approved by the Assembly for 2008-09 by £15.8 million. The Department of the Environment exceeded its cash by just over half a million pounds. The Comptroller and Auditor General reported those excesses. The Public Accounts Committee has considered the reasons for the excesses and recommended that the necessary sums now be provided by Excess Votes by the Assembly. I request and recommend, on behalf of the Executive, the levels of Supply set out in the two resolutions under section 63 of the Northern Ireland Act 1998.

As I stated, the Main Estimates reflect the opening position for 2010-11, as agreed by the Executive and the Assembly. However, as Members are aware, that opening position has already been undermined by the Chancellor's announcement on 24 May of £6 billion of savings in public expenditure in 2010-11, which will result in a £128 million reduction in the Northern Ireland block grant. As we debate and approve the departmental expenditure plans today, I recognise that Members on all sides of the Chamber are concerned about what lies ahead in the remainder of this financial year and beyond. Indeed, households across Northern Ireland are worried about their jobs, their incomes and the continued delivery of high-standard vital public services, especially in the health and education sectors and services that have a direct impact on their daily lives and well-being.

The Executive have discussed the £120 million reduction and will address the options as part of the June monitoring round. Tough decisions lie ahead for the Executive and the Assembly, both in-year and for years to come. The good years of increased public spending year-on-year have come to an end. I accept that the appalling and unprecedented national deficit must be tackled. Although the largest Budget deficit in peacetime history was not of our making, the fallout will impact on this Administration for many years to come. We must rise to the challenge.

In today's debate and in debates on the Budget Bill tomorrow and next week, there will no doubt be calls for more funding for particular projects or areas of spend. I look around at all Members, because I know that those calls will come from all sides of the House. I appeal to Members and Ministers to demonstrate maturity and realism in their proposals. If they want to put forward ideas for new spending, I ask that they do so in tandem with sensible suggestions about where any additional funding should be taken from.

Difficult decisions lie ahead for this Administration, and we must not balk at those. It is a time for political maturity in our handling of the Budget. Priorities will have to be examined, and tough decisions will have to be taken. Party political and parochial preferences will have to be put aside so that we can prudently manage the public finances that are available to us in order to continue to deliver a high standard of public services for all our people. That will be especially the case

as we move into Budget 2010, which will set the spending plans for the next three financial years: 2011-12, 2012-13 and 2013-14.

I have set out to the Executive my assessment of the public expenditure context of the Budget 2010 process alongside the continued risks and uncertainties. I must confess that the picture is bleak. However, as Finance Minister, I would not be fulfilling my duty to the Assembly if I did not spell out the difficulties that lie ahead and the tough decisions that will have to be made. In the coming months, we may have to face up to the unpalatable possibility of raising local revenue. The Assembly will have to weigh up the impact on vital public services such as health or education against further delaying those decisions. The financial times have changed since the Assembly accepted its administrative and legislative responsibilities in 2007. We must face up to that and tackle the issues ahead.

I return to Budget 2010 and its timetable. It is planned that officials will take forward work over the summer months with a view to developing a draft Budget position to be considered by the Executive in early autumn. The Westminster spending review outcome in the autumn will also have an impact on any draft plans. Following the Executive's agreement of a draft Budget, which will hopefully happen in the autumn, the public consultation process will take place, leading to Executive agreement on a final revised Budget before the end of the year. I appreciate that the Budget timetable is rather tight, but unfortunately, given the recent Westminster election that led to a new Conservative-Lib Dem coalition Government, it was not feasible to commence the process any sooner.

Ideally, I would like to have commenced the Budget 2010 process much earlier, but the process is now under way. I call on Committees to commence engagement now with Departments not only on the pressures and savings in the next three years but, in the first instance, to challenge existing baselines that are set against the priorities in the Programme for Government. Too often, the focus is on pressures going forward without due diligence being given to starting baselines that may conceal funding for lower priority areas that may no longer be affordable in the current financial straits. We are in an era of tough choices, and I ask each Committee to become familiar with every expenditure line of its Department. That work should not await the

commencement of a Budget exercise; it should be ongoing by Committees on a regular basis.

### 12.15 pm

I share the concern and exasperation of many Committee members at the lack of information and the difficulties encountered by some Committees in obtaining meaningful information from Departments. I call on my Executive colleagues and their Departments to engage early with their Committees and other stakeholder groups in the Budget 2010 process. I call on them not only to engage early with Committees but to engage in a meaningful way, involving them in the detail of proposals and providing the information requested. Transparency is critical to ensure that the evolving Budget has the confidence of the Assembly and is credible to investors, the business sector and the wider public. That, in turn, will build confidence in our economy.

Since I took up the Finance and Personnel portfolio last year, I have faced challenges and pressures and criticism from Members. My challenges have ranged from securing sufficient resources for the Executive from the Treasury to recommending the prioritisation of those limited resources to a wide range of pressures identified by Departments. As we move into 2010-11, further challenges loom. However, I will continue to aim to do all I can to help Northern Ireland business and vulnerable, hard-working families through this difficult economic period. I am acutely aware of those who have lost their job and of where further prospects are under threat, and I am aware of the responsibilities that the Executive bear in both respects.

As the Executive endeavour to build confidence and work towards economic recovery, I ask for the support of all Members. We must strive together to improve the prospects of our people. Tough financial and policy decisions lie ahead that will require thorough consideration, strategic thinking, forward planning and a pragmatic corporate approach. I look forward to a lively debate today on these issues, and I ask Members to support the resolutions in order to approve the Excess Votes for 2008-09 and the opening position for the 2010-11 year and to ensure that provision is made for vital public services to continue beyond the current provision in the Vote on Account.

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

On 2 June, senior departmental officials briefed the Committee for Finance and Personnel on the Main Estimates for 2009-2010 and the associated Budget (No. 3) Bill, which gives legislative approval to the Estimates and is to be introduced to the Assembly following this debate.

Advance copies of the Main Estimates for 2009-2010 and the Statement of Excesses for 2008-09 were made available to Committee members prior to the briefing. The Main Estimates and the associated Budget Bill are based on the Executive's revised 2010-11 spending plans for Departments, which were approved by the Assembly on 20 April 2010. Members received a further briefing from officials on 9 June, although that evidence session focused primarily on issues of process. The Committee is mindful that the 2010-11 Main Estimates for the Department of Justice, the Office of the First Minister and deputy First Minister and the Public Prosecution Service have already been approved by the Assembly as part of the devolution of policing and justice, so they are not included in the Bill.

The Committee published a report in March 2010 on the Executive's review of the 2010-11 spending plans for the Departments. In its report, the Committee recognised that the Executive have limited options for addressing the additional public spending pressures that will arise in 2010-11 and supported in principle the strategic approach of targeted rather than pro rata savings to minimise the impact on the delivery of key front line services and Programme for Government targets.

The recent statement on efficiency savings by the British Chancellor has placed a further demand of £128 million on expenditure this year, and the emergency Budget, due to be announced next week, will only add to the pressure. I recognise that the Estimates before us today do not take account of those additional pressures, and the Committee awaits clarity on the steps that the Executive plan to take to manage this in a way that does not have an adverse impact on essential front line services. It is in this context that I reiterate the Committee's call for the urgent establishment of a formal process for Assembly scrutiny of future Executive Budgets and expenditure that

will enable all Statutory Committees to plan the necessary scrutiny and focus Departments' attention on meeting their Committees' briefing requirements.

Indeed, while co-ordinating responses from the other Statutory Committees on the revised spending plans for 2010-11, my Committee for Finance and Personnel colleagues and I heard time and time again of dissatisfaction about the information provided by Departments and frustration with the general level of engagement. Therefore, we also recommended that, in re-prioritising spending allocations between Departments and finalising the spending plans for 2010-11, the Minister of Finance and Personnel and the wider Executive take on board the concerns, conclusions and recommendations in the submissions from the Assembly Statutory Committees, which were included in our report. I expect that these issues will be reflected in the contributions from members of other Statutory Committees to the debate on the Supply resolution and when we come to debate the Budget (No. 3) Bill, to which the Minister referred; however, I ask him to again assure Members that those concerns have been taken into account.

I understand that one option is for the Executive to at least partially address further in-year pressures through the monitoring round process. Will the Minister shed some light on the potential approaches and scenarios over the coming months and on when he plans to make a statement to the Assembly on the June monitoring round? The Committee intends to publish its report before summer recess on the second part of the inquiry into the scrutiny of the Executive's Budget and expenditure. That report specifically considers the Budget process. I ask the Minister to encourage his Department to take into account the views and recommendations of the Committee as it prepares for the Budget 2010 process. The transparency of the consultation process must be improved if any meaningful engagement is to take place and strategic decisions are to be made on how to deal with the pressures to be faced by all Departments.

Next week, the Committee will publish its report on its preliminary inquiry into public sector efficiencies. I am not in a position to discuss that report today, but I emphasise that it will be vital that budgetary savings and efficiency gains do not negatively impact on

the delivery of essential front line services. I also take this opportunity to encourage other Statutory Committees to increase their focus on that issue in their scrutiny of their respective Departments' plans and performance. The debate next week will present a better opportunity to discuss such issues.

I turn, briefly, to the motion on the Supply resolution for the 2008-09 Excess Votes. Departmental officials advised the Committee of the Statement of Excesses 2008-09 in respect of the Department for Employment and Learning and the Department of the Environment. Members were told that the matter had been reported to the Public Accounts Committee by the Comptroller and Auditor General and that, having considered the issue, the PAC recommended that the necessary sums be provided by Excess Votes in the Assembly. Satisfied with that process, the Committee subsequently wrote to the relevant Statutory Committees to draw the matter to their attention.

Finally, I again emphasise the Committee's view that, in managing further public expenditure pressures in the years ahead, consideration by the Assembly of the medium- to long-term strategic issues faced by the Executive will become increasingly important. The provision of timely and accurate information by all Departments will be essential in enabling those considerations. Therefore, I encourage the Minister and his Executive colleagues to ensure that their Departments fully respect the role and process of the House in the Budget and financial scrutiny.

**The Chairperson of the Committee for Social Development (Mr Hamilton):** My initial remarks are made as Chairperson of the Social Development Committee. As the House might expect, the Social Development Committee spends a significant portion of its time looking at the expenditure of its Department and particularly at the challenges faced by the Department in this very difficult financial year.

The Committee noted with pleasure the Department's achievement of its key annual social housing newbuild target. The Committee also noted the more ambitious target that the Department has set for itself this year. As we all know, achieving the goal of value for money is important in social housing. It means achieving many things, not least maximising economies of scale through the procurement process. It also

means the more clever use of matching finance, as well as the intelligent use of government-owned, public land. The Committee is very pleased that progress is being made on a number of those fronts. However, we note that several recent reports on housing in Northern Ireland suggest that even more is achievable. It is also hoped that the Department strikes a good balance between newbuild and the maintenance of existing social housing stock. Indeed, Committee members raise that issue regularly.

Everyone will be aware of the important economic contribution that regenerating our town and city centres makes to the whole of Northern Ireland. We have all seen that in our constituencies in one way or another. Like everyone, I recognise the difficulties in which our financial position puts us. We hope that key urban regeneration projects will continue to be supported throughout this year and beyond. Those are of particular importance to the private sector during this time of economic uncertainty.

I want to touch on some of the Committee's concerns about the Social Security Agency, particularly where its ability to deal with its current and increased workload is concerned. The Minister for Social Development has indicated that the number of posts in the Social Security Agency will fall by around 200 but that will be achieved entirely through natural wastage and internal redeployment. That was certainly of some comfort to Committee members who were concerned about the impact of those reductions.

Although the Committee is relieved that there will probably not be any redundancies in the SSA, members are concerned that front line benefit services should not be affected in any way. Members are particularly worried about a planned further migration of 76,000 claimants over three years from income support and incapacity benefit to employment and support allowance. It is not the migration or the policy that is a particular concern; rather, the concern is the impact that that move may have on the agency's ability to deliver that migration with lower numbers. However, I assure the House that the Committee will continue to scrutinise the Department's management of that and other related issues.

I want to make some general comments about the Supply resolution. Sometimes, there is a feeling that we simply go through the motions

whenever we debate Supply resolutions, Supplementary Estimates or Budget Bills. I know that I get that sense, and I am sure that the Minister and, indeed, you, Mr Speaker, get the same sense. Such motions are like buses — if we wait for one, a couple come at the same time. When we vote today or tomorrow on Budget Bills, or whatever the motion may be, we must remember that we are voting not just on spending money and that there are key objectives for us to vote on. We do not just spend the money for the sake of getting rid of it; there are key objectives behind the idea of what we are doing today. We need to be mindful of those objectives when we vote today on the Supply resolutions and when we deal with the Budget (No.3) Bill tomorrow.

Obviously, the growth of our economy is foremost among all those objectives and policy priorities. Three years ago, we set the right objective of growing a vibrant and dynamic economy. Even though we have gone through the most unprecedented downturn in living memory, it is still the right objective. Obviously, we were unfortunate in the timing of the setting of that objective. We hoped to use the restoration of devolution to help to grow our economy. Unfortunately, however, we have endured some very difficult economic times in Northern Ireland. We all know from talking to people in our constituencies that the impact has been deep and long. We just have to look at the fact that every industrial sector in Northern Ireland has suffered a contraction of one kind or another. We are undergoing a recession in Northern Ireland that is longer than that that the rest of the UK will endure.

The latest labour force survey shows the Northern Ireland unemployment rate at 6.7%, and through my work on the Social Development Committee, I see the impact of that on the SSA. Although that figure is lower than the UK average of around 8%, we and the people who make up the 6.7% can take no comfort from that. Unemployment has had a massive impact. Indeed, in the past number of years, the figure has more than doubled.

### **12.30 pm**

In addition, the housing market is, at best, subdued. Nationwide Building Society's first-quarter figures show that Northern Ireland, with lower house prices this quarter compared to the same quarter last year, is unique among the

regions of the United Kingdom. Therefore, we know the impact that the recession is having on our country and its people.

Given public spending constraints and the limited policy levers that the Executive are able to pull, I commend the Finance Minister and his Executive colleagues for their efforts in very difficult circumstances. Without the insulation that the Northern Ireland public sector has provided, whether through maintaining high levels of expenditure, providing employment or investing record sums in infrastructure, and without the expenditure for which we will vote today and tomorrow, we would be in a much more perilous state than we are now.

To grow the economy and to get out of recession, thus ensuring that we get to where we want to be, the public sector cannot do it alone; it needs the help of others. To achieve that recovery and to get us back to economic growth, the banks must help. It would be too easy to get into a session of bashing the banks, and I am sure that others, with some justification, would like to join in. We all know that the banks played a major if not fundamental role in causing the financial crisis that has affected people not just in Northern Ireland, but globally. In many people's eyes, they are not doing enough to get us out of the situation. If the world is to get out of the current economic crisis, we will need the banks, because establishing credit and lending money are critical to getting the whole system moving again in order to establish a recovery.

As recently as last weekend, businesspeople here told me of their concerns that the banks are not doing enough to aid recovery and to get the country going again. There is other evidence that the banks are not doing all that they possibly can. The latest figures from the Department for Business, Innovation and Skills in Whitehall indicate that just over 100 enterprise finance guarantee loans have been issued to Northern Ireland companies. That is out of some 10,000 that have been issued throughout the UK. In Wales, more than 400 were issued, and in Scotland, there were more than 700. Even on a pro rata basis, the figure for Northern Ireland is significantly lower. I do not know whether that is due to Northern Ireland companies' greater caution or lack of awareness of those schemes or whether it is the responsibility of the banks for not promoting them or for not having enough knowledge about

them at branch level. Nevertheless, assistance that has been available for some time does not seem to be making it through at the Northern Ireland level.

The Institute of Directors has repeatedly produced surveys — I know that there are issues about self-selecting samples — that echo what we hear on the ground in our constituencies about lending, finance and credit issues with the banks. I appeal to the banks in Northern Ireland, as others have done and will no doubt do again, to do more to get the economy going and to aid the fledgling recovery. In the discussions that I know that he has regularly with the banks, I encourage the Finance Minister to continue to take the message that I and others in the Assembly want to give, namely that the banks must do more to help us.

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

**The Chairperson of the Committee for Social Development:** We are doing our bit in the public sector. However, if the banks can help as well, we can grow the vibrant and dynamic economy that we all want.

**Mr McNarry:** Although the debate is extremely important, it largely fulfils the technical process of making legitimate the drawing down of moneys from the Consolidated Fund in order to maintain government spending and to meet government targets until the end of the financial year. However, today has added significance, because we are drawing down from a figure that is minus the £393 million worth of cuts that Sinn Féin and the DUP voted through the Executive.

I listened to the Minister's opening remarks, which I welcome. The Minister is, of course, correct: we all face very difficult times. If his unremitting pursuit is to sympathetically address the pain and hardship that many of our people will endure, he will have my support. The Ulster Unionist Party will not be voting against the motion for many reasons, but mainly because it recognises that to do so would be to jeopardise the Northern Ireland Executive's entire Budget. However, the party still has serious reservations about the manner in which those cuts were agreed and the precedent that has been set as we enter into what will be the most difficult period of fiscal management that this devolved institution has ever seen.

For over a year before the Minister of Finance and Personnel finally recognised that there was a home-made hole in our Budget, the Ulster Unionist Party had been giving repeated warnings about it. Successive DUP Finance Ministers ignored those warnings, and they point-blankly denied that there was such a problem, which made this Minister's job more difficult. Members on the opposite Benches may be asking whether we have agreed to those reductions, and, indeed, they will no doubt inform us of that when they speak. We have agreed to them, and we have when we come to a decision. However, I recognise, and I also note, that my party did not vote for those cuts. The way in which the Minister dealt with them was, in my party's opinion, rushed, and it bore no resemblance to a coalition Government working together to deliver on their Programme for Government.

Since we recognised some time ago that there was a serious problem, I and my party colleagues have been calling for the Programme for Government to be rewritten.

**The Minister of Finance and Personnel:** I know that the Member was not at the Executive meeting in question, but, as far as I know, the minutes of the Executive meeting of 25 March are available and are quite clear. The resolution that was agreed at that meeting contained proposals from his party leader about what it should include. There was one outstanding issue about what will happen with matters that are connected to water, and that was the only element that was left to be resolved between myself and the DRD Minister.

**Mr McNarry:** I thank the Minister for his intervention. I note that it has been duly recorded, and I may come back to it tomorrow.

The Ulster Unionist Party has also called for an Assembly budgetary review committee to be set up to help to build consensus and to make decisions that are on a joint vision, rather than on what we have now, which is haggling and bartering between Ministers. We have been demanding a genuine four-party coalition since it became clear that we still have a two-party carve up at the heart of government. None of those things has either happened or changed, and we are about to enter into a new period of reductions in public spending. For example, we must find our share of the £6.2 billion reductions so that the perilous levels of the

national debt can be brought under control. Of course, on 22 June, more painful reductions will, undoubtedly, be outlined in the Budget.

Nothing has changed in Northern Ireland in how we deal with our changed circumstances. The Programme for Government is still the same, the financial management and scrutiny in the Executive and the Assembly are still the same, and the Executive are still proving to be as dysfunctional as ever. Indeed, I will go further and say that parties in the Executive appear to the public to be disingenuous with them about the financial realities that Northern Ireland faces as part of the United Kingdom.

During the election campaign, we had the spectacle of Jeffrey Donaldson — who I am sorry to hear is leaving the Assembly and whom I commend for giving up his double-jobbing — saying that we would not be giving a penny to the Treasury. However, on 24 May, when the £6.2 billion of cuts were announced, the Finance Minister, Sammy Wilson, said that he knew that those cuts had been coming down the line. Therefore, we must ask, because the public are asking, which of those statements was true. We must also listen to those outside, such as the economist Mike Smith who recently pointed out that the Assembly needs to get real quickly. We must have that discussion with the economists who point the finger at what we do here. There is also a danger that the people of Northern Ireland are starting to lose patience with the Assembly.

While we refuse to plan how to reduce public spending at the same time as increasing productivity, we continue to preside over waste and logjam and are accumulating a litany of our own errors. Rates arrears stand at millions of pounds; the stalled review of local government may well, depending on the discussions today, cost the taxpayer £9 million; the education and skills authority (ESA) has cost the taxpayer over £7 million; the Maze stadium project has cost £12.5 million; and the most serious of all miscalculations was the Crossnacreevy project, which cost £195 million.

If there have been errors, we must come clean because we need to deal with them. How many more potential economic disasters and examples of wasteful and silly spending are sitting on Ministers' desks? How many more times will the public feel that they have been let down by the Executive? There is a clear



reason why the Finance Minister tells the other Ministers to come to him so that they can all work together. He is worried that there may be some issues that we do not yet know about. However, when we are being hit from all directions, the last thing that the Assembly can afford is more surprises.

By the Minister's own admission, there has not been a consolidated vision on the economy for Northern Ireland. That must change. I have dealt with many of the past failings of the Assembly, because I do not want them to be repeated. However, I am totally committed to, and believe fundamentally in, the Assembly and what it will bring to Northern Ireland. I echo the Minister's belief that a mature debate is needed; he is spot on with that. However, we must check what we have not worked out and what we can and cannot afford, and the Minister must initiate a mature debate on that. The Ulster Unionist Party is up for it, and I know from talking to colleagues that everyone would be interested in such a debate, but it is what we focus on and bring to the table that matters. I ask the Minister to bring that focus and to initiate the debate.

**Ms Ritchie:** I am grateful for the opportunity to address our growing budgetary crisis in the context of the Supply resolution for the Northern Ireland Main Estimates; namely, the Budget for this year. In doing so, I will set out in headline terms the SDLP's perspective of the financial challenges that we all face.

The Executive drew up their Programme for Government in 2007 in relatively good economic conditions. That year had followed a decade of uninterrupted economic growth in Britain and Northern Ireland, and there was no reason to believe that the trend, at least in relation to the growth in the Northern Ireland block and net public expenditure, would not continue. Every year, we had experienced year-on-year increases in public expenditure, and the booming land and property market had resulted in a bumper harvest of capital receipts. Therefore, the economic analysis — or what passed for economic analysis — that underpinned the Programme for Government made assumptions of steady economic growth. The assumption was that all trends would continue, as would the buoyant returns to Departments.

## 12.45 pm

For the next three years, the block grant was settled favourably. When that was translated into three-year budgets, Departments were allocated resources that, in most cases, would have allowed them to expand and to develop their services. That was particularly true of those Departments closest to the economy. They, in line with the Executive's corporate decision to put the economy first, were afforded extremely generous allocations.

Then, however, it all started to go wrong. When the global downturn hit Britain and Northern Ireland, it created an almost immediate budgetary crisis, which meant that any further generosity to the North from the Chancellor was most unlikely. It seemed that we would be lucky to get to the end of the three-year CSR period without London asking for some of its money back. Recently, it asked for £128 million to be returned in the current year, which is year three of the CSR. Swingeing cuts lie ahead in the next CSR, and, no doubt, we will hear something to that effect next Tuesday, when the Chancellor of the Exchequer delivers his Budget.

The bursting of the economic bubble in Northern Ireland coincided with the global downturn, thereby producing a double whammy. Ever-growing public expenditure, a sunny economic outlook and the widespread availability of cheap mortgages had created an unprecedented property boom of our own making. Three years ago, the early signs of the economic downturn were picked up quickly in the Department for Social Development in which I resided. We experienced a dramatic slowing of Housing Executive house sales and a collapse in the market for land that was suitable for building. Unfortunately, as the DSD capital budget was based substantially on a high expectation of capital receipts from house and land sales, it faced a shortfall of some £100 million in each year.

The Executive, to their credit, recognised the problem, but they were not sufficiently mobile to address it seriously. Apart from one disgraceful smash-and-grab raid, when Nigel Dodds was Finance Minister, the Executive tried to direct extra resources to housing in various monitoring rounds. Had it not been for the financial crisis, we in DSD might not have been so quick to introduce a range of measures that allowed us to get more bang for the buck. My colleague

Alex Attwood will continue the good work that was done in that area.

DSD was not the only Department to be affected. Other Departments — I point out to Sammy that I can be generous to others — experienced new and unanticipated budgetary pressures that arose from the downturn. As Mr McNarry stated, at one point, DARD budgeted for a £200 million receipt from the sale of land at Crossnacreevy, the value of which collapsed. DFP was left with a major shortfall after the collapse of its PFI office rationalisation programme. Even the Planning Service went from being snowed under to experiencing a shortfall in receipts for fees as new planning applications dried up. Centrally, the DFP-sponsored capital asset realisation team (CART) budgeted to bring in hundreds of millions of pounds in asset sales, but ended up bringing in zero.

At the same time, extra money was needed to fund a range of new pressures across Departments. The various health trusts have had to execute cuts. The strange position in my constituency, for example, is that the Health Minister opened the new hospital in Downpatrick this week, and, at the same time, the trust decided to close a 15-bed medical unit. I am implacably opposed to that decision because it will impact on front line services. I will say it again: front line services must be protected, and the needs of the people must not be sacrificed on the altar of financial expediency.

**The Chairperson of the Committee for**

**Education (Mr Storey):** We all come to the House and condemn Ministers for the awful things that they have done. Will the Member tell the House what she and her colleagues are prepared to sacrifice from their political wish lists, which cost the Executive millions of pounds and deliver very little, if anything, for the people who want to use, for example, those hospital beds in Downpatrick and for priority front line services such as education, health and social services?

**Ms Ritchie:** The Member for North Antrim will be well aware that the SDLP is in the House and in politics to protect front line services.

What should we do about the problem? I will answer the questions that were posed by Mr Storey and the Minister. The SDLP realised very early on that our budgetary fortunes needed a turnaround and the Budget was no longer fit for purpose. We could not credibly argue

that the Programme for Government was still on course when there was a head-in-the-sand approach to the economic downturn's battering of the Budget. Given those changes, I urged the Executive, time and time again, to conduct a full review of our Budget priorities. The Executive repeatedly refused to do so and claimed that it would be too awkward and that it would lead to the reopening of issues that had been settled earlier. We were given strategic stocktakes and departmental top-slicing, none of which tackled the real issues.

In April 2009, the SDLP produced a party document, 'New Priorities in Difficult Times', which set out our view of what needed to be done. Much credit is due to my colleagues Declan O'Loan, Alasdair McDonnell and Alex Attwood for that important work. Our document was unprecedented. *[Interruption.]*

**Mr Speaker:** Order.

**Ms Ritchie:** The SDLP was the first party in Northern Ireland to bring forward a budgetary document. In fact, the First Minister and the then Minister of Finance and Personnel adopted some of the document's good ideas.

**The Minister of Finance and Personnel:** Will the Member give way?

**Ms Ritchie:** No, I will not give way.

We never claimed that our document was the finished article, but it was worthy of stimulating a serious debate. No one else brought forward any ideas. At the same time, 'New Priorities in Difficult Times' received some grudging comments, and others copied it. I saw that myself at Executive meetings.

Implementation of those proposals is better late than never. Let us re-examine ways in which to push more resources into the areas that will sustain and grow employment during the recession and will position our economy to capitalise when the recovery comes. Let us re-examine ways in which we can find savings in the public sector, with a particular focus on senior salaries and perks and, at the same time, protect front line services and ensure betterment and improvement for our people. That is what the Assembly should be about.

The SDLP made specific proposals on how to find new sources of funding and capital receipts. Most of those ideas are still valid, such as the re-profiling of Housing Executive debt and

the sale and leaseback of Housing Executive buildings. I was encouraged to do that. However, the Department of Finance and Personnel was unwilling even to consider the idea. Let us make up for lost time and examine the proposals in our party document.

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

**Ms Ritchie:** There is less than a year left in this mandate. Therefore, let us get on with the job and provide for the people who need it most.

**Dr Farry:** It is always a pleasure to speak after Margaret Ritchie in a debate. However, it seems that the SDLP believes its internal propaganda on these matters. That said, we miss Declan O'Loan and hope for his return from the naughty step to the debates in the very near future.

I will start off with a topical financial matter: the situation relating to DARD and the disallowances or fines, or whatever you want to call them, that have been announced by the European Union. That is a damning indictment of the Department and it will have repercussions for public expenditure in Northern Ireland. I appreciate that some allowances have already been made in budgets to cover the eventuality of disallowances, but clearly the scale of what has happened dwarfs the provision that has been made, so there will be consequences.

Even if the Finance Minister and his Department can address that issue without budgetary changes, it will be at the expense of the other things that could be done with the money that is tied up in that, so there is an opportunity cost. That is a reality that the House needs to take seriously. I am very alarmed at the lack of accountability around the issue, not least the fact that the Agriculture Minister has not made a statement to the Assembly on this critical matter for Northern Ireland. It is critical not just for her Department but for public expenditure here.

I appreciate that it is still a matter for negotiation, with only £30 million confirmed so far and the other £30 million under appeal. However, it is one quarter of the Department's annual budget, and it is half the level of cuts that we are being asked to fund later this year from the Treasury. That puts it into perspective and draws to attention the lack of accountability that we have had on the matter so far.

In the broad context of where we are, we have to appreciate the challenges that are coming. So far, it is just the tip of the iceberg. What is before us simply reflects the internal readjustments that we have had to make as an Executive and an Assembly, resulting from shortfalls arising and events knocking our budgets off course over the past number of years. The Assembly has also endorsed some financial distortions, which have created longer-term public finance problems for us.

In the future, we will see the cuts working their way through from the Treasury. There will be £128 million in cuts during this financial year. We will have to wait with interest to see what happens over the next three years. That will have implications for the 2011-2014 Budget, or Budgets, depending on how the Executive want to take that forward.

One aspect of that is the timing of the cuts. A number of parties have made their views known about avoiding rashly trying to pay down the debt quickly, particularly bearing in mind the risk of a double-dip recession. That is a theme that is appearing right across the UK and Europe, where we have seen a sudden shift in Governments' attitudes, from simply trying to hold off paying off debt to paying off debt very quickly with strong austerity measures. There is a sense that there is panic and that the proposed actions may go too far the other way. Those are, largely, debates for national Governments rather than ourselves. However, Northern Ireland is one of the regions that will be left to deal with the consequences of the decisions that are taken not only by our national Government but by other Governments across Europe. We will have to deal with the impact of their actions on demand, particularly if we end up with a situation in which local companies try to export to markets that are closing elsewhere in Europe.

I was baffled by some Members' comments. In particular, I was rather taken aback by David McNarry's call for a mature debate. He referred to other parties being disingenuous, but I found a number of his remarks to be disingenuous. The Ulster Unionist Party has been very clear and very strong — misguided in my opinion — in arguing about the problems of debt and the need to pay off debt quicker than other parties would like. The party has also been strong in identifying the so-called black hole in local public finances that has arisen due to other

circumstances over the past number of years. However, at the same time, the Ulster Unionist Party, more than any other party, is trying to stand back from taking any tough decisions when they have been required. It has been playing politics on the matter more than anyone else. Even today, I did not hear any new policies or proposals from that party. All we hear about is the need to be frank and mature with people and to take tough decisions, but when the opportunity comes along, they duck it.

What we did receive were proposals for process — a new Programme for Government, a new Budget. Although I concur with those proposals, we have to appreciate that those are just process matters that will frame the choices that we are facing as an Executive and an Assembly and within which we will have to make tough decisions. There is no point in Members talking about tough decisions unless they show an indication and willingness to make them in illustrating where savings can be made.

### 1.00 pm

**Mr McNarry:** Since the Member has mentioned me, I wonder whether he might be able to help me by directing me to the type of tough decisions that he is talking about and which he is prepared to bring forward, so that we can engage in a mature debate on them. Will he list them for me?

**Dr Farry:** I am just coming to that, so that is a handy introduction. First, let us go to the heart of the matter. The Executive and Assembly will have to bite the bullet on water charges during the next financial year. I have been particularly critical of the DUP for its approach to a number of populist decisions regarding finance and a reluctance to address the need to raise revenue, but I must say that I welcome the comments made today by the Finance Minister and his indication that certain things are inevitable in the near future. We may disagree over the timing of when that has to be, but there is an appreciation of coming to that point.

I draw attention to the fact that the Health Minister is going round damning anyone who dares touch his budget. There is a case for protecting money in health and in protecting front line services, but it is inconsistent to do that without appreciating the need to raise revenue and try to balance the books in Northern Ireland. If we identify the underspend in health, compared to other regions in the UK,

the flip side is that we have to be honest and frank and appreciate that there are distortions in our Budget in that some revenue-raising occurs elsewhere in the UK but does not occur here. That is the first tough decision that the Assembly has to make. My party is prepared to put its cards on the table and say that that has to be done and that it is something that every party in the Assembly, if they want to be responsible, has to sell to the electorate.

**Mr McNarry:** Is the Member saying that now that his party has a Minister in the Executive, that Minister will be encouraging cuts in the health budget?

**Dr Farry:** I am glad that Mr McNarry can count now and that he has moved on from a four-party Executive to a five-party Executive. He has not been listening to what I have said. My party wants to protect front line services in health, but, so far, we are the only party here that has been prepared to state the uncomfortable truth that we will have to raise revenue in Northern Ireland to better balance our books and to protect areas, such as health, that we deem to be important to society.

Let me take it a step further and make another point. Water charges will have to be introduced, but they will have to be linked to ability to pay and usage. They will be progressive and linked to people's income and resources. Therefore, people who are better off will pay more, and those who are not will pay less. There are vulnerable people in our society who depend disproportionately on public services, and it is those people who will suffer most from the cuts or the strong austerity approach that is taken by a future Executive.

I find it utterly baffling that the two nationalist parties here, which claim to be left wing, and the trade unions talk on the one hand about the need to, quite rightly, protect public services, but, uniquely among social democratic and socialist parties in western Europe, are reluctant to address the difficult issue of how to raise money. In fact, they totally avoid the issue. The Assembly will have to come to terms with that issue over the coming year. That is the uncomfortable truth on the way forward.

**The Chairperson of the Committee for Education:** I will make my opening remarks in my capacity as the Chairperson of the Education Committee. I do so to remind the House that this is not the first time that we have had

occasion to speak in relation to these issues, particularly when it comes to finance and the Department of Education. Earlier this year, I reported to the House that, unfortunately, the Education Committee was not in a position to give its views on measures to address the savings and the budget pressures facing the Department of Education in the review of spending plans.

The reason for the position that the Committee has adopted, which I reported to the House and which is, as I understand, uncommon in the Department of Education and my Committee, is also being faced by several other statutory Committees. They have had the same experience. The reason is that the Committee was not provided with necessary information.

I understand that Members like to get a great deal of information and reports when they come to the House and to Committees. However, that information must be relevant. It must illustrate for Members the necessary impact of potential spending reductions, particularly on front line classroom services. We all use that phrase glibly. Therefore, we must define what we mean by front line services. When it comes to education, there can be no service more front line than that provided by the schoolteacher in the classroom.

Unfortunately, I must report to the House that the Committee remains to this very moment uninformed as to the impact of cuts in the Minister of Education's budget for 2010-11. Following the Minister's announcement of her budget on 21 April 2010, the Committee has had three separate briefing sessions with senior officials from her Department, the most recent being on 2 June 2010. For example, officials were unable to inform the Committee about the impact of the 1.6% minimum cut in the £400 million central budget to education and library boards. No information on education and library boards' resource-allocation plans was available. Let us remember that those organisations deliver 95% of services to schools. Yet, last week, in correspondence to the Committee, we heard from Mr Dominic Bradley about seconded teachers in the Western and Belfast Boards' teams who deliver literacy and numeracy being sent back to schools because of lack of information and uncertainty from the Department on earmarked funding budgets for such special programmes. Therefore, the issue is not only that there is a lack of information available to Members but

that it is not even available to people who deliver education services.

Members will recall that during her response to a recent oral question, the Minister of Education informed the House that there will be 221 teacher redundancies in 2010. The Committee awaits information on that and on any further redundancies, as it has written to the Minister and her Department on that particular issue.

The point that I am trying to make is that there is a lack of transparency on the impact of announced education cuts, particularly on classrooms, and that concerns the Committee greatly. When she announced her budget, the Minister stated that her priority has been "to protect frontline services." Yet, the Committee has not seen where she will make cuts and has growing fears that classrooms will bear the brunt of the cuts.

Cuts are with us. Unfortunately, it seems that there are more to come. I fully support the Finance Minister's point that transparency is critical to ensure that the emerging Budget has credibility. That is particularly important with regard to the education budget, which impacts directly on every child and young person in Northern Ireland, as well as, of course, on their parents and teachers.

I wish to tell Members of the House and the Minister of Finance and Personnel about a recommendation that the Committee made recently to the Committee for Finance and Personnel on the Budget process, which I trust will be actioned. The Committee for Education recommended that standard guidance to Northern Ireland Departments on the timing and provision of relevant information to Assembly Statutory Committees be drawn up by DFP in consultation with Statutory Committees and submitted to the Executive for consideration and agreement. The commitment of individual Ministers to that guidance would be essential. Again, DFP, in consultation with statutory Committees, would monitor adherence to standard guidance.

I will now make some comments in my capacity as an MLA. I return to a point that the leader of the SDLP unfortunately did not answer. It is very easy for Members to come to the House and say that it is the Minister opposite, or a Minister from another party with responsibility for another Department, who has miscalculated and has not been able to deliver the goods. All

the while, we all retain political wish lists that, in reality, have delivered very little, if anything, for the people of Northern Ireland.

If one considers the journey that we have come on to establish the institutions, we have all had to be brought to a place where, although we are not all content with the structure of those institutions, as Mr McNarry said, by being here in the House, we are committed to the process of devolution. Let me throw down a challenge to the parties in the House and reveal some of the political wish lists. Let me ask Members present whether we are content to say that it is not right to continue to have cuts in health, education and social services, while at the same time we retain 11 or 12 Departments and 108 MLAs. We remember that the very Chamber in which we sit today in Parliament Buildings governed Northern Ireland in a past generation with 54 or 57 Members. Let us be honest —

**Mr Dallat:** God forbid.

**The Chairperson of the Committee for**

**Education:** Does the Member want to reply? He has some comment to make from a sedentary position, so I will let him speak.

**Mr Dallat:** I was simply making a prayer, and saying that God forbid that those days ever return, because I remember vividly what they were like.

**The Chairperson of the Committee for**

**Education:** That is a typical answer from the SDLP — no substance. Is the Member prepared to join my party, which has been consistent on the issue, in saying that, instead of having six MLAs from every constituency —

**Mr Speaker:** I ask the Member to make his remarks through the Chair.

**The Chairperson of the Committee for**

**Education:** Through the Chair, Mr Speaker, does the Member accept that it is now time for all parties to make a commitment to having 54 Members, or whatever the number would be, instead of 108 Members? That would give the people of Northern Ireland confidence that the Assembly is more than just a very expensive talking shop that says what should be done but is not prepared to take the hard decisions to which Mr Farry referred.

Let us have honesty in the House, and, by that, I mean honesty from us all. If we must have a five-party mandatory coalition, we must have it

on the basis that we will all have to experience pain and engage for the betterment of Northern Ireland.

I will return tomorrow to the specific issues that the education service in Northern Ireland is facing. We will all do well to have a mature debate on the huge issues that face our classrooms and those involved in the administration of education. I trust that Members, rather than seek merely to make political points for the benefit of their party, will remain focused on the fact that we in the Assembly have a responsibility for all the people of Northern Ireland and not just a select few.

**Mr McLaughlin:** Go raibh maith agat, a Cheann Comhairle. I speak in favour of the motions. Four hours have been designated for the debate. If the Assembly had sufficient fiscal powers, it might be a debate on the initiatives and measures that we could design to reflect a more realistic response to those external financial pressures that are bearing down, not just on our economy but on the whole range of public services. However, we do not have those powers.

**1.15 pm**

The reason why so little of the debate has drilled down into the issues of how we apply the revenues is because we are preoccupied with managing the cuts that Westminster is imposing. We all understand that there is a global recession and that there are deficits that require responses at government level. On more than one occasion, comment has been made here about the travails facing the Southern economy, and that situation is not without consequence in other regions as well as in Westminster and, subsequently, here.

Tomorrow sees the publication of the report on the Saville Inquiry, and I wish to get to what I think is the nub of the issue. Already, some of the commentary on that matter has been predictable. Unionists have a certain wariness of the Saville report. Within nationalism, there is a burning sense of injustice, which has been compounded by the fact that the foremost law officer of the British state challenged the integrity of the people who were wounded and killed that day. The issue has been dividing parties here, and that is where I come to this debate.

**Mr Speaker:** Order. I insist that the Member come back to the debate.

**Mr McLaughlin:** I am actually dealing with it, and I will now illustrate my point. It is an issue on which there should be unanimity, and there are many issues on which we should agree a way forward. We should have a collegiate approach, but we do not. There have been predictable interventions, and there will be some more tomorrow. That goes to the heart of why the Assembly is being seen as a group of people who cannot take tough decisions and who cannot set aside partisan positions when, in fact, that is the required response.

The previous Member spelt out how we are over-governed here. I agree that we have too many Departments, Ministers, MLAs, councils, quangos and consultants. In fact, we have too much of everything. It costs more to deliver front line services here, about which we are so exercised, than it does in any other region. My point is relevant, because although it is expensive to develop cohesion and coherence, it is logical to do so. However, that does not exist at present for understandable reasons.

The reference that was made to the old Stormont regime cuts no ice on this side of the House. As a young person interested in politics, I visited that Stormont, and it did not commend itself to me as being the type of Assembly or Parliament to which we should try to return. It was mentioned in the discussion that there is a mandatory five-party coalition here. However, we should really think carefully about that, because that is not the case. It is not mandatory to nominate, and any party here, including mine, may decide not to nominate. Parties that agree to nominate are accepting the basis on which people will serve together. I think that we should set that aside, because what we must do as a group of people who have different political perspectives, ambitions and aspirations is to get on with the business of being partners in government. That would open up other options.

If we are not yet ready to discuss dismantling the arrangements that have been made in respect of the number of MLAs or the number of constituencies in the region — and I suspect that we are not ready to do so — we will have to get to that point. However, can we address the question of why it costs so much to deliver services here in comparison with other regions? In many instances, they are doing it better. What are they doing and how are they doing it? They are delivering better front line services for less

expenditure per capita. That is the challenge that we have not yet addressed.

**The Chairperson of the Committee for**

**Education:** I thank the Member for giving way. The Member and his party can help to address the cost of front line services. For example, the Police Service here costs £400 a person compared with around £20 or £30 a person in other parts of the United Kingdom.

In some parts of my constituency, there has clearly been an attempt by the Member's colleagues to create agitation on issues such as parades, thereby establishing an environment in which police resources have to be doubled. If a sensible approach were taken to such issues, money would not have to be spent and the Department of Justice would save money.

**Mr McLaughlin:** There are probably two ways of looking at the issue. If marches are controversial or, indeed, offensive to some sections of our community, why would we insist on revisiting that, given that there are so many opportunities? I acknowledge the fact that the majority of marches to which the Member refers take place in areas in which they are welcome, where there is no need for policing operations and no offence is caused.

There is a straightforward answer to the Member's challenge: problems are being policed rather than resources being poured into finding solutions. We could avoid problems and also save money with a common-sense approach.

My broad thesis today — I acknowledge your indulgence, Mr Speaker — is that the conflict, which we are all tasked with trying to resolve, continues to divide us. However, we have to rise above that if we are to deliver a different future and not revisit the past, of which we have all been victims.

**Mr Shannon:** I support the motion. The allocation of funding and the question of how much funding is available are always issues, but never so much as when we are at the heart of an economic downturn. Therefore, we are more focused today than we have been for a long time, especially in light of the Prime Minister's comments at Westminster. The allocation of funding has never been as vital as when we are faced with cuts in all Departments and worries about whether projects will continue if their funding is cut. Each and every one of us can point to such projects in our constituencies.

Since 2008, unemployment in Northern Ireland has risen by 18,000 people. Strangford, the constituency that I represent, has an unemployment rate that is higher than the UK average, leaving too many able-bodied people out of work. There has been a 63% rise in redundancies, caused not only by the decline in newbuilds and projects in the construction industry but by a decline in manufacturing. We have been trying to address those issues at a local level.

There is a well-known saying that people must speculate to accumulate, which is apt in the circumstances. A funding allocation is required to encourage growth and prosperity.

Lately A collouged wi' fowk fae the engineerin' sector i mae ain constituency. Thae boadies alloo at thair bes an appenin the noo fer a boost tae the nummer o' engineerin' joabs, bit at thon windae bes closin' an' noo bes the tim' fer iction. Innovation, new maide technology an' oangaein bettherments i engineerin' hefts economic forderin.

I recently spoke to members of the engineering sector in my constituency, who said that there is an opening at present for a boost in engineering jobs. However, that window is slowly closing. Now is the time for action, innovation, new technology and continuous improvement in engineering, which will stimulate economic development. The manufacturing sector contributes some 25% of gross value added to the Northern Ireland economy. Therefore, we must focus on the manufacturing sector to improve the Northern Ireland economy and, by association, that of the UK. It is my hope that, through the allocation of the Supply resolution, sufficient money will be granted by the Department for Employment and Learning (DEL) and the Department of Enterprise, Trade and Investment (DETI) to encourage the engineering sector in particular and, subsequently, growth in the local economy.

It is simple: the expansion of businesses means the creation of jobs, which means that fewer people will be on soul-destroying benefits and more people will live independently and make a contribution to society. Many people want to make a contribution, but they need jobs and the opportunity to do so. Redundancies in the manufacturing sector have left too many men in their 50s applying for jobs and losing out to younger men. Training for the unemployed must be a priority for the Government, and I

hope that that will be taken on board when the time comes.

Those men, who worked all their lives, have no desire to be dependent on benefits. However, they also have no training to go into other fields of work, and they must be given more chances to change that. That is what we were elected to do, and that is what we must do. I am sure that many Members are aware of that niche in the market: those who are over 50 who cannot get jobs, or are finding it much harder to get jobs, who have worked all their days, and want the opportunity to continue to work.

As I said in a debate on last year's Budget allocation, this is a time for the tightening of belts in areas where they can be tightened without affecting front line services. I think in particular about health, and the fact that I have been contacted by literally dozens of people — arthritis clubs, Chest, Heart and Stroke, MS, and the Gateway club — all of whom have been notified by the local health trust that the bus service that they have enjoyed for years could well be removed. Petitions have been organised, and are in the process of being filled. It is vital that everyone involved does their bit. Every one of those groups that I have approached, or which approached me, has stated clearly that the outings and events that they go to on their buses are essential, and are therapeutic to those who are not well and who live just for the trips out, the meals and the interaction. The threat of any cutbacks to that service is to be challenged. I have written to Minister McGimpsey, informing him that the bus service needs to be retained, and that any penny pinching and reduction in that vital service cannot be allowed to be considered.

There are dozens of those volunteer groups in the Ards borough, which I represent wearing my other hat. Other Members, too, will be aware of such groups. Part of their work depends on that free bus service. The importance of its retention cannot be underlined enough, and I urge the Minister to make his cuts in some other area where efficiencies can be made, and not in the provision of front line services.

I have highlighted before the money that can be saved with regard to the money that is wasted on the dispense weekly and Medisure packages that offer prescription aid. Those services were introduced for those who were unable to get out to collect their prescriptions, but I have been



informed that they have allegedly been abused by some businesses and are offered to anyone on repeat prescription. That was not why that service was offered. I suggest to the Minister that he should be aware of the cost of that dispensing of prescriptions has quadrupled. Therefore, there are savings to be made if he looks closely at the system. In some cases, that service is a vital aid to unwell people, but in other cases it is simply a way for some to make money. Surely that should be looked at to deliver efficiency savings.

I cannot go into great detail about the best way for all the money to go. However, we can run a healthy and prosperous Northern Ireland on the block grant if every Minister in the Executive takes a hold of their Department and makes the sensible savings that are possible, not just the obvious cuts. This will not be done by one Minister or another Minister, or by the Finance Minister on his own, but by all Ministers in all Departments.

I do not envy the Minister of Finance and Personnel in distributing the grant for which he is responsible. However, I do trust him, and I know that he will do what is best. I know that the budgets that he will allocate out of his money will be budgets on which every Department can function, and every Department should play their part in that. I support the motion.

**Mr D Bradley:** Go raibh maith agat, a Cheann Comhairle. I want to make some remarks about the education budget. Mr Storey has referred to some aspects of that budget.

The Minister of Education told us members of the Committee for Education that she seeks to make savings that will protect front line services. That, surely, is a laudable way to go about things. Unfortunately, however, her own officials do not seem to be in agreement with her. Her own senior officials tell the Education Committee that they cannot guarantee us that the savings that they will make will not impact on the classroom situation. We are therefore left wondering who is right: the Minister or her officials. That is a theme that we encounter time and time again when dealing with the Minister of Education.

The Chairperson of the Education Committee referred to the lack of information that comes from the Department to the Committee. Indeed, it is not only the Education Committee that suffers because of a lack of information.

As was mentioned earlier, the education and library boards are in a similar position. The difference is that their not receiving the information impacts on front line services.

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

### 1.30 pm

The earmarked funding that education and library boards receive annually is usually revealed to them in March or April. However, we are now in the middle of June and they have not been told how much resource they are getting for earmarked projects. Not all those projects are luxuries that can be done without; in fact, the opposite is true. Earmarked funding pays for important curricular support work, including the literacy and numeracy teams that work in education and library boards and are mainly directed at underachieving pupils. Such pupils really need the type of support that that funding enables them to get. If that is not a front line service, I do not know what is.

A Public Accounts Committee report that dealt with literacy and numeracy underlined the need for greater emphasis to be placed on effective work in that area. The phonics programme, which was much promoted by the Department and, we are led to believe, will be a key element in the literacy and numeracy strategy, is also in doubt, as are the jobs of specialist teaching assistants in literacy and numeracy. Such people are trained to support teachers at the chalk face, in the classroom. Once again, I emphasise that that is a front line service and one that is being affected because the Department of Education has not got its act together on its budget. As a result, front line services, which the Minister claims that she will protect to the end, are being affected.

The Minister of Finance and Personnel will remember his lowly days as Chairperson of the Education Committee. From that experience, he will be aware of the backlog in school maintenance. If my memory serves me correctly, while he was Chairperson, the backlog was estimated to be around £160 million worth of work. The latest estimate is £300 million. I am sure that the Minister will agree that that is a huge amount of work that is waiting to be done in schools. Some of it involves urgent health and safety work, which, obviously, must be prioritised. I can think of schools in my constituency that have been long awaiting new buildings. Some of them have been

waiting for 10 years and more. I am sure that other Members can think of projects in their constituency that are awaiting the call. That creates a huge amount of frustration among teachers, parents and boards of governors. It is hardly surprising that many of them have grown cynical about the Department's excuses, including the Minister's latest, interminable review, which is the latest in a long line of put-offs that those people have had to endure.

Time and again, the Minister has told us that she is seeking to create a world-class education system. I certainly support her in that. She has said, though, that it is not the nature of accommodation that is important but the quality of teaching and learning. I agree that the quality of teaching and learning is very important. However, apart from the odd flying visit here and there, it is obvious that the Minister has not spent much time in schools. If she had, she would know that first-class facilities have a positive effect on teaching, learning, morale and, indeed, the local perception of schools and pupils' enjoyment of their educational experience.

If every school is to be a good school, we need the investment in the schools estate that will help schools respond to the needs of the twenty-first century. Schools cannot do that in 1970s facilities. Some of our teachers tell us that they have been working in outdated buildings and facilities that are long in need of replacement. Indeed, some who have long left school will say that plans for newbuilds at their school were being talked about when they were in P1.

The most effective way of reducing the backlog in school maintenance and improving the schools estate is to invest in capital schemes. Sticking plasters here and there are not a long-term solution. The longer that work is left undone, the more the schools estate deteriorates and the worse will be the conditions in which our children and teachers have to work. The longer that maintenance is delayed, the greater will be the bill we will face at the end of the day. A lack of investment now is a false saving, which, in the longer term, will cost us more.

The further pressures on the education budget this year, we are told, may mean that no newbuilds will go on site in 2010-11. As I said, the backlog in school maintenance continues to grow. If there is no investment in school

newbuilds this year, that backlog will be even greater this time next year. The Minister of Education tells us that that is not the case and that she will make decisions in light of the review, but when will the review end? It seems to be ongoing, month after month. As I said, mixed messages emanate from the Department: officials tell us that there will be no newbuilds, while the Minister says that there will be. We need certainty about that.

In tomorrow's debate, I hope to explore some of those themes in greater detail, but, in the meantime, there is a clear need for the Department of Education to explain to members of the Education Committee and to the education and library boards the exact details of the education budget for 2010-11. With that information, we will be in a position to assess the budget and predict its effect, but without it, in the current circumstances, we will be unable to do so.

#### **The Chairperson of the Audit Committee**

**(Mr Weir):** Mr Bradley referred to what he hopes to return to tomorrow in the debate on the Second Stage of the Budget (No. 3) Bill. As a member of the Finance Committee, I frequently had to reassess or reheat what had been said the previous day, dressing up the same remarks for different debates. That is one of the reliefs of no longer being on the Finance Committee; it is a task that does not fall to me. Today, I will bite the bullet. I appreciate the prison pallor of the Minister of Finance and Personnel, who had no such early release scheme visited on him. He will have to digest remarks again tomorrow, although he is a man who can recycle remarks fairly easily.

Before I make a few general comments, I will make some observations in my role as Chairperson of the Audit Committee. Given the current economic climate, the Audit Committee believes that it has never been more important to ensure that the Northern Ireland Audit Office achieves its aims of providing objective information, advice and assurance on the use of public funds and encouraging beneficial change in the provision of public services. The Audit Office also seeks to achieve the highest standards in financial management and reporting and propriety in the conduct of public business.

There is no question that we all recognise the importance of that work. The Audit Office's main estimate for 2010-11 of just over £9 million

represents a decrease of approximately 3.5% on last year's provision of £9.39 million. Although it is the intention of the Audit Office to significantly increase the extent of its value for money work on the policing and justice bodies during 2010-11, it intends to meet the increased costs of that work through efficiencies made in the rest of its work and by the redeployment of staff. The Audit Committee welcomes that approach.

In considering the Audit Office's Main Estimates for 2010-11, the Committee consulted the Department of Finance and Personnel and the Public Accounts Committee, both of which were content. In view of that and having questioned officials from the Audit Office, the Committee unanimously agreed the Main Estimates at its meeting on 9 March 2010. The Committee will continue to scrutinise the Audit Office's expenditure to ensure value for money and that its aims are being achieved.

In aiding DFP and the Public Accounts Committee, the Audit Office makes a significant and valuable contribution. In keeping with the spirit of auditing, its work is based on financial prudence. Circumstances that are largely outside its control, namely the devolution of policing and justice, mean that the work of the Audit Office will expand. To ensure that it does not face an increased cost burden, the Audit Office is seeking to make efficiencies in its organisation. The Audit Committee welcomes the valuable work and contribution of that office.

As a former long-standing member of the Finance and Personnel Committee, I used to play a slightly more prominent role on occasions such as today. Various changes meant that I exited that role and, in case anyone had any doubts, had to hang up my anorak. Consequently, I will not go into the minutiae of the Supply resolutions. Suffice it to say that we all recognise that we are moving into a tougher financial situation. The concern is that, so far, we have seen only the tip of the iceberg. It was prudent of the Finance Minister to warn of the overall financial situation in which we are likely to find ourselves over the next few years. We must bear it in mind that about £1 billion will come out of the Budget.

My other role is that of Deputy Chairperson of the Committee for Employment and Learning. Its parent Department, in common with others, will be subject to financial scrutiny and constraints, and it will have to face up to the fact that

the cake will simply be smaller. It must be recognised that the Department for Employment and Learning will face inescapable pressures because of student loans, particularly as a by-product of the recession. That issue may need to be tackled on a wider national basis, but, with projections of approximately £20 million for the next year, we must face up to the fact that the consequences for the devolved institution are unavoidable.

As we move into more straitened financial circumstances, it is inevitable that more young people will try to gain additional qualifications. They will look towards higher and further education, and, in doing so, they will, potentially, place even greater strain on the system.

**Mr Savage:** I listened carefully to the Member's comments. I ask the Minister for Finance and Personnel to take on board the issue of the budget for research and development, which has not been mentioned. Northern Ireland can become a centre of energy, but no money is being pumped into realising that. No matter where small businesses or firms turn, their way is blocked. Something must be done, because Northern Ireland has much to offer, but the hands of businesses are tied.

**1.45 pm**

**The Chairperson of the Audit Committee:** Northern Ireland certainly has a lot to offer. The Executive and my party, in particular, have taken the approach of trying to untie hands and remove barriers to business where those exist. We are trying to ensure that our businesses have a low-cost environment, and, obviously, that applies to research and development.

In whatever decisions we take, many of which will be forced on us, we must ensure that we protect the economy for the long run. Although there will be pressures on the Department for Employment and Learning, putting training in place for young people is key. In many ways, such training programmes are the building blocks of our economy.

**The Minister of Finance and Personnel:** I thank the Member for giving way. Mr Savage made an important intervention. As a result of the independent review of economic policy, which is now being taken forward by the Minister of Enterprise, Trade and Investment, one of the main emphases will be on moving away from selective assistance for firms and towards

research and development, innovation and skills etc. As the Member pointed out, that is the way to build a high value-added economy.

**The Chairperson of the Audit Committee:** I welcome the Minister's remarks. It is important that we focus tightly on helping to develop the economy, because that is the long-term solution for Northern Ireland. That may be done through focusing on R&D or ensuring that young people receive adequate training so that they are fit to meet the demands of the twenty-first century and contribute to the economy. All of that is important.

There is also a challenge to ensure that resources are used well, and the Department of Education has a role to play in that. If we are to build long-term economic sustainability, we need to reposition our economy and place greater focus on STEM subjects in education. Although it is important that the Department of Finance, DEL and DETI play their roles, it is clear from the meetings that I have been involved in that there is also a strong role to be played by the Department of Education in respect of what is done for young people before they reach the age of 16 to prepare them for the workforce. I urge the Minister to bear that in mind when making the tough choices that lie ahead.

Unfortunately, we have moved from having a range of good choices about what good things to put money into to a much tougher financial regime of which good things we will ultimately have to cut.

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

**The Chairperson of the Audit Committee:** I welcome the proposals and look forward to the rest of the debate.

**Mr O'Dowd:** Go raibh maith agat, a LeasCheann Comhairle. I apologise for not being present for the earlier part of the debate, although I listened to it while conducting other business in my room. The debate has understandably — perhaps predictably — divided along the traditional lines of how people feel public funds should be utilised to stimulate an economy. Unfortunately, the debate has largely been about how we administer the cuts that will inevitably come from the Tory-Lib Dem Government in Britain. Therefore, the debate has not gone in the direction that it needs to go.

My colleague Mitchel McLaughlin said that we need to have a lengthy discussion about how we stimulate an economy. We are not having an economic debate in that sense. We are having a debate about how we administer cuts and work with the Budget handed down to us in what is somewhat ungraciously termed the block grant. It is as if there are no taxes or funds raised in this part of the world and we just live off a grant handed down to us by the British Government. That ignores the reality of the taxes that leave this island, the European grants and all the other ways in which the British Government benefit from being here.

That is where the debate needs to lead to. If economic debate concentrates solely on the Six Counties, that economy will not work. Since the partition of the state, through the various stages of our history, apart from in the war years, we have had a weak and weakened economy.

**The Minister of Finance and Personnel:** The Member has made an important point as regards what the debate should be about. However, does he accept that, by the time it comes to the final Budget, the debate must be about administering what we have and the spending plans for this financial year? Does the Member accept that the debate that he wants should take place before the Budget is formulated and that the place for that debate, as I said in my opening speech, is in Committees as they interview their Minister and departmental officials to establish policies? Does he accept that the Assembly collectively should consider those issues at the start of the process rather than when we are debating the final shape of the Budget?

**Mr O'Dowd:** I agree with the Minister to a degree: Committees' role is to scrutinise and support their Departments. Inevitably, however, each Committee acts in a silo from which it looks at an individual Department's budget. The same can be said of Ministers, who look at their budget in isolation. We need a debate in the Chamber and in broader society about how we manage our Budget and how we build an economy so that we are not simply dealing with a block grant or moneys handed down to us by the British Treasury to divide up, even though that money invariably does not go far enough. There is a role for Committees, and I have heard comments about the information and the time that Departments give their Committee to have that informed debate.

Our economy, apart from the war years, has largely been based on British Government subventions, and as long as it is based on a six-county model, we are going nowhere. We will continue to have these debates, and the next Finance Minister and the one after that will continue to struggle with funding that does not meet the needs of the society that we are charged with governing.

I take an all-Ireland perspective on how we build our economy. Members on the Benches opposite have pointed the finger down South and said, "Look at the mess that they made of their economy". Haven't they just? They had an opportunity to build a society on the wealth that they had created that would have laid firm foundations for future generations, but they squandered it. However, it is not productive simply to point the finger at political representatives in Dublin and say, "Didn't you make a mess of that?".

In some ways, we have an all-Ireland economy. One need only look at the National Asset Management Agency (NAMA) and the hundreds of millions of pounds that it now controls in the North. It now has an influence in the property market that may or may not be to the benefit of this society. The Finance Minister has spoken to his Dublin counterpart about the implications of such a block of money being held by that agency, and the issue has been raised at North/South Ministerial Council meetings. Those assets need to be secured and used properly for the benefit of people across the island and not just of NAMA.

I am not arguing for an isolationist policy to create an economy on the island of Ireland that turns its back on its neighbours in Scotland, England and Wales. If we move forward collectively, we can build an economy to benefit the people on all these islands. We should move forward in that way instead of dealing with the economy as we do.

As my party's education spokesperson, I may now be taking the silo approach that I spoke of. Along with many others, I believe that education and health are the two key principles on which we will build a healthy and strong economy. Thus far, our education budget has been robust enough to allow advances to be made in education. There has been a large-scale building programme and investment in schools and front line services, and new, imaginative initiatives

have been put in place. However, I not only fear but believe that all those measures will come to an end, not only because of the imminent cuts but because of some that we already face. The Education Committee has been told of the danger to our capital build programme of money running out. If that were the case, no more schools would be built. School maintenance causes great concern to everyone. Earlier, I heard mention of redundancies in schools in respect of teachers and front line services. I suspect that much of that is aligned to the falling roll numbers at this stage of the educational calendar, but it is concerning that education is beginning to feel the initial bites of the earlier Budget cuts.

I have great sympathy for the Health Minister as he pursues the delivery of health services in the current circumstances. However, the argument to simply ring-fence the health budget causes me concern because it ignores the simple fact that society, the Executive and the Assembly should be about creating good health, not simply managing poor health. If we ring-fence the health budget to the detriment of all the other services, we will spend our time treating ill people instead of ensuring that we provide proper housing, schooling, jobs and an environment in which people's mental and physical health improves. I appeal to those who use the argument that health funding should be ring-fenced to think of the full implications of that.

That brings me to another subject that has been mooted for several months and reaches fever pitch on some occasions: the introduction of direct water charges. Those charges could generate £300 million, but where will that money come from? Obviously, it will come from every household in the North, including the most vulnerable. When one looks at societies across the globe that have introduced direct water charging, it has had a detrimental effect on people's health and well-being. Therefore, what we give with one hand, we will take with the other. If that £300 million were redistributed throughout our Executive, I have no doubt that, over time, due to the introduction of extra pressures on people's lives and the reluctance to use water and all that goes with that, there would be an effect on our Health Service.

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

**Mr O'Dowd:** We live in a service economy. If we take extra money out of home budgets, we take extra money out of our service economy. That will have a further knock-on effect on the economy.

**Mr Gallagher:** I will reiterate some of the comments made by Margaret Ritchie about revisiting the Programme for Government and the Budget. We have been consistent on that. Everybody is aware of the changing financial circumstances and the worries of government Departments about how they spend their money and the worries of the public about what they will lose as a result of cutbacks. That is the logic that we have repeated time and again in our calls for revisiting the Budget and the Programme for Government. We still think that that needs to be done. We need to have a full debate about how we make best use of the money.

The cutbacks in my constituency are, like everywhere else, causing unemployment and creating difficulties for families. We are fortunate that the new hospital in Enniskillen has been started and will be completed. We hope that it will be fully functional in a couple of years and that, when it is, there will not be any ward closures, as was the experience at the Downe Hospital. I will come back to that point in a few minutes.

## 2.00 pm

The roads in my constituency are in a deplorable state. For more than 20 years, there has been no investment in new roads, and there is not enough money to maintain minor roads. Consequently, roads there are deteriorating, crumbling and breaking up.

For everybody in society — maybe it is a global thing — all kinds of unexpected shocks are cropping up. In Fermanagh, as a result of the problems at Quinn Insurance, hundreds of jobs will be lost, and the company's long-term future is uncertain. Against that background, it is important that all Departments ensure that every available resource is directed to help and support the people who will be left without a job and the families who will be left without a breadwinner. In respect of the latest crisis at Quinn Insurance, I acknowledge the hard work by the Department of Enterprise, Trade and Investment and the Department for Employment and Learning to provide what support they can.

Mervyn Storey said that it is fine and well to cut everything down. However, in the present economic

circumstances, as a border constituency, Fermanagh needs a fully functioning North/South Ministerial Council, because that is the best way to draw in financial support to stimulate business. Invest Northern Ireland's record in Fermanagh is not good, and we do not expect it to improve. Therefore, the best context for ensuring that constituency's economic future is through a fully functioning North/South Ministerial Council. We know about Waterways Ireland, which must be supported, as does InterTradeIreland, but, in the interests of the people of Fermanagh and South Tyrone and, indeed, our cross-border neighbours, all aspects of the North/South Ministerial Council need to be working at new levels and facing up to new challenges.

George Savage mentioned research and development, and, in order to find new ways to grow indigenous businesses, it is important for economic development that that area has a centre of excellence. If possible, large businesses must be developed, and, for the good of the community, a range of new micro-businesses must be developed.

Turning to health, given that it is carers' week, I shall start by talking about them. We are all aware of the heroic work that carers do and of the scarcity of resources to help them, particularly in domiciliary and respite care. For example, the demand for care for dementia sufferers is growing: 1,400 new respite care places are needed. In the Budget, only £600,000 has been made available to meet that demand. That is a considerable shortfall, which only adds to the burden of those who carry out that work.

The number of stroke sufferers is also rising. Rehabilitation is very important to those individuals; however, for the coming year, the Department does not have sufficient money to support rehabilitation services. That discrepancy, in turn, will put more pressure on carers, so that area must be looked at. Owing to financial pressures, the Department of Health, Social Services and Public Safety's policy for the coming year is for shorter hospital stays. Of course, it is often good for patients to get out of hospital. However, elected representatives know that it is not a perfect world, and, sometimes, ill people are sent home in circumstances that their families consider too early. That, again, puts further pressure on the home and on the dwindling domiciliary care budget.

I turn now to the capital development side of the Health Service and the projects that are waiting for support. Those projects range from the proposed women and children's hospital in Belfast to Antrim Area Hospital, which is under increased pressure because of the closures at Whiteabbey Hospital and the Mid-Ulster Hospital. Indeed, Antrim Area Hospital needs a new wing for additional beds, and it needs extended accident and emergency services. There is a real crisis there, because the powers that be decided, with a click of a finger, to close down the Mid-Ulster Hospital, with the result that the facilities crisis has moved to Antrim Area Hospital.

The Downe Hospital was referred to. Although it is a new hospital, lo and behold, just after it was opened, we heard that a ward had been closed down. The Department of Health, Social Services and Public Safety (DHSSPS), if not the Executive, must take a serious look at how things are managed. We put scarce capital resources into newbuild, and, as the recurrent side has not been thought through, the necessary resources are not available to support the new capital project and all its facilities. As a result, the Department of Health, Social Services and Public Safety decided to close some wards and save some money out of the recurrent budget. That is bad management.

I mentioned further capital projects. However, I omitted to mention the Omagh hospital, and I want to put that on the record. I mentioned the new hospital at Enniskillen. If money is put into those resources, we should fulfil the expectations of the people who will get the benefit of those resources. We all know that they are needed, whether in Belfast for the women and children's hospital, which is a regional facility that will serve us all, or for the more rural hospitals. Whenever people see a newbuild, they expect results. They do not expect to be let down by the management in the Health Service or the management in government through a scarcity of resources. We end up in the silly situation where the facility is in place, but cuts are made to the resources that are needed for it.

**Mr B Wilson:** I welcome the opportunity to speak in the debate. However, I am concerned about the priorities that are reflected in the Supply resolution, and I question some of those priorities. For example, is it more important to reduce hospital waiting lists or to defer water charges?

Is it more important for patients to get the drugs that they require or for the rates to be frozen? Is the abolition of prescription charges a priority? Should we be spending more money on industrial derating when it tends to benefit the most profitable businesses and does little to help those who are struggling? Should we not be spending more money on the green new deal? Is free public transport for the over 60s a priority?

I do not know the answers to those questions, but we should debate the issues now. We are in a new economic climate, and decisions that we took some years ago, such as that on water charges, should be reviewed. We must find an alternative means to fund water and sewerage services. They cannot be met from the block grant at the expense of other services. Under the Barnett formula, there is nothing in the block grant to pay for water. In the rest of the UK, consumers pay directly to water companies, and there is no call on public finance.

Therefore, Northern Ireland Water must be funded from existing resources; namely, the block grant or the regional rate. Indeed, the £300 million payment to Northern Ireland Water is a similar amount to the £367 million of budgetary cuts that the Minister proposed some months ago.

If we continue to fund Northern Ireland Water from the block grant, there must be a reduction in the resources available for other services, such as housing, health and education. As spending on health comprises half of the total Budget, the burden for paying for water services will inevitably fall heaviest on the already underfunded Health Service. I initially highlighted the problem of health funding in my speech on the Budget in November 2007, yet it has continued for three successive years. I pointed out that, in the absence of an alternative source of funding for water services, the Health Service budget would be reduced, which would inevitably lead to cuts in services and significant redundancies. Unfortunately, that has proven to be the case over the past few months.

As a result of demographic trends and the fact that NHS inflation is significantly higher than basic inflation, the increase in the Health Service budget represented, at best, a freeze in overall expenditure, which compared with an increase of 4% in real terms in the Health Service in England. That meant that the health budget was unable to meet new demands, such

as the implementation of the recommendations of the Bamford review. Therefore, in order to provide funding for water services, we were required to accept a de facto freeze in the health budget and a level of service below that of the rest of the United Kingdom. Indeed, the figures show that the Health Service here receives £600 million less than the rest of the United Kingdom.

In deciding to continue to fund our water services from the block grant, we have ignored the costs of providing other services, and that cannot continue. There must be an open debate on the implications for other services of a decision to continue to fund water services from the block grant. The public must be made aware of the issue and allowed to make a choice between the non-payment of water charges and the reduction of provision for health and education.

I am particularly concerned about the failure to implement the recommendations of the Bamford review. Mental health services are the Cinderella services of the Health Service in Northern Ireland, even though we have a higher incidence of mental health problems than the rest of the United Kingdom. We spend only 8% of our health budget on mental health services here, compared with a figure of 12% in the rest of the United Kingdom. People in Northern Ireland deserve as good a mental health service as is provided elsewhere. We are not providing mental health services fit for the twenty-first century. Despite the valiant efforts of the overworked and under-resourced mental health teams, the quality of service provided in Northern Ireland is disgracefully inadequate, particularly given the level of need. The recommendations of the Bamford review sought to resolve that problem. However, we do not have the resources to implement those recommendations, and it is clear that the proposed cuts in the overall health budget will result in a poor service. We are well behind England and Wales in providing services for people with personality disorders and severe mental health problems, and we will fall further behind if the proposed cuts are made.

We must look again at our priorities, including water charges, domestic and industrial rates, prescription charges and free bus passes. Making them a priority was fine when we had a booming economy. However, they must now be reconsidered.

Another move that may result in some Executive savings would be to scrap the reorganisation of local government. It is now clear that we will not meet the original objectives of the review of public administration (RPA).

**Mr McCarthy:** Does the Member agree that the public would be totally aghast if the Executive were to scrap the RPA? Almost £120 million has been spent in preparing for the RPA, so to simply scrap it would be unacceptable to the public.

## 2.15 pm

**Mr B Wilson:** I do not accept that at all, because £80 million of the money that has been spent on the RPA was spent on Health Service reforms, which have been completed already. Some £9 million has been spent on local government. To continue spending would be to throw good money after bad. As the PricewaterhouseCoopers report indicated, £118 million will be needed in the next year to implement the RPA and the restructuring of local government. We do not have that money. Where will it come from? Will it come from the Health Service budget or the education budget? It is a case of throwing good money after bad, and the RPA will not achieve the savings that were indicated originally.

If one reads carefully the PricewaterhouseCoopers report, one will see that most of the savings, which will be made over 25 years, depend on making major decisions, which the councils are not willing to make; for example, centralised services —

**The Minister of Finance and Personnel:** Will the Member give way?

**Mr B Wilson:** Yes.

**The Minister of Finance and Personnel:** The nonsense that ill-informed journalists are pumping out about RPA needs to be knocked on the head. There is an upfront cost, but it will not come from this year's Budget. It will be spread over 10 years, and councils will take it as a loan. The return will be much higher than the cost, and, spread across 11 councils over 10 years, the hit will be very little each year.

**Mr B Wilson:** The cost of restructuring, of redundancies and of paying off councillors will have to be borne within the next year. There will be a considerable up-front cost, for which the money is not currently available



to meet it. Therefore, we should look again at the whole idea of RPA and at whether we can achieve the savings predicted. According to the PricewaterhouseCoopers report, that is extremely unlikely. The savings are to be phased over 25 years, and they are fairly insignificant. The savings could be met by the existing councils without their going through the disruption of reorganisation.

**Mr Dallat:** At this stage of the debate, the Members who made fine speeches have retired to the well-appointed restaurants in the Building for sustenance. For many people, however, the luxury of going to a restaurant does not exist, and many of the people whom I represent knock on the doors of the Assembly Ombudsman to look for some kind of justice and equality. The ombudsman's budget is included in the lead motion. Three years ago, the ombudsman was promised greater powers to represent more people on ordinary, everyday issues that are important to them. The Office of the First Minister and deputy First Minister (OFMDFM) made that promise, and it has not been delivered.

Although I may be going slightly off the subject, I am justified in saying that we should have value for money. Let the agencies that represent ordinary people have the powers that they need. I feel strongly about that issue, and let us hope that, now that much of the mopping-up to move the Assembly forward has been addressed, serious thought will be given to providing the ombudsman with the additional powers that he needs on simple issues, such as planning, which affects people across Northern Ireland.

The ombudsman's website states:

*"The purpose of my Office is to ensure that every citizen in Northern Ireland is served by a fair and efficient public administration that is committed to accountability; openness; and quality of service."*

He concludes by saying that he hopes that people find that to be the case. Many people cannot, but that is no fault at all of the ombudsman. Simply put, the work that should have been done has not been done. I am sure that every Member will agree that the ombudsman should get the additional powers that he needs to deliver the kind of service that I am sure that he wants to deliver to all the citizens of Northern Ireland.

My colleague Dominic Bradley covered the subject of literacy and numeracy, and I make

no apology for returning to it. That was a major issue during the first Assembly mandate, when I was Chairman of the Audit Committee. However, we still have a horrendous problem today, with 250,000 people between the ages of 16 and 64 lacking basic skills in literacy and numeracy. We may thump our chests and claim that we are delivering equality for people, but what sort of society do we live in if those numbers of people do not have those basic skills?

That issue perpetuates itself to the next generation. I say that as a former teacher. I know that our Minister, Mr Wilson, was a teacher and, therefore, knows exactly what I mean. The £7 billion under discussion today is a lot of money. It is an affront if we cannot deliver services to those 250,000 people, particularly in these times of economic depression, when a person's chances of getting a sustainable job are diminished if they do not have the basic skills. Beyond that, lacking those skills can even affect people's ability to socialise, relate to their family or read an ordinary medicine bottle. I acknowledge that work has been done, but, in these stringent times, I appeal to the House to not forget those people, who are often described as unemployable.

A decent infrastructure is very important, particularly now that we are in the doldrums. The people of Dungiven will be watching very carefully to see our plans for spending capital money. Those people live in an atmosphere that is poisoned by carbon dioxide and they will be praying and hoping that whatever decisions we make over the next couple of days, they will get their bypass. As someone who strongly believes in increasing rail use and reducing road use as far as possible, I hope that the work that still needs to be done on the railway between our two principal cities, namely Derry and Belfast, is not affected. The stretch of railway between Coleraine and Derry is in an awful state and needs capital investment to provide even a basic service to take people from one city to the other in less than two and a half hours.

**Mr Deputy Speaker:** Order. As Question Time commences at 2.30 pm, I suggest that the House takes it ease until that time. The debate will continue after Question Time, when Jim Wells will be the first Member to speak.

2.30 pm

## Oral Answers to Questions

### Environment

#### Review of Public Administration

1. **Mr McLaughlin** asked the Minister of the Environment how much his Department has spent on the review of public administration process to date. (AQO 1396/10)

**Mr McLaughlin:** Ceist uimhir a haon, le do thoil. Question number 1.

**The Minister of the Environment (Mr Poots):** I think that I heard someone say question number one; I would be responding only if that were the case, Mr Deputy Speaker.

The latest figures available are to the end of May 2010, and they show that my Department has spent £9.6 million on the local government aspects of the review of public administration (RPA).

**Mr McLaughlin:** Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his answer. I think that he is facing a difficulty in that public opinion will be holding him responsible for the squandering of the money involved in the process, given his insistence on holding up changes to the councils. Even DUP-controlled councils have criticised his approach on the matter. When will the Minister accept the reality that the RPA must go ahead and to continue to sustain the 26-council model is not value for money?

**The Minister of the Environment:** I welcome the Member's question, and I note his comments about people holding things up. It is interesting that I have a document with me relating to the policy proposals for the local government reorganisation Bill. Those policy proposals were put to the Executive a year and a half ago by my colleague Sammy Wilson, who was Minister of the Environment at that time. The only reason why those policy proposals have not been consulted on is that the Member's own party — the deputy First Minister's office — has held that back. I will not take lectures from the Member opposite about who has been holding things back when it is clear that this policy document has been held back by his party alone.

**Mr Beggs:** Does the Minister accept that until a decision is made, schedules are being binned, costs continue to mount and increased risks to ratepayers exist, as Land and Property Services (LPS) will have less time to get things right?

**The Minister of the Environment:** That is the case. I do not think that the Member will have to wait very much longer until that decision is made, one way or another.

**Mr Dallat:** I will not ask the Minister to take any lectures, but will he give some indication of whether he still intends to take a few million pounds out of the pockets of hard-pressed ratepayers to fund the scheme?

**The Minister of the Environment:** I suppose that I will have to abide by the decision of the Executive, who may well decide that it is a consequence of the £128 million of cuts this year. I think that I was being kind when I suggested to the Northern Ireland Local Government Association (NILGA) that £1 billion of cuts could be made over five years; it is looking much more like £1.25 billion over three years. Perhaps the Member and his party will assist me in identifying from where the sources of funding to do that should come, if we do not ask local government to pay for it.

The argument across a range of parties in the Executive has been that if local government is the financial beneficiary, it, rather than central government, should pay. I note that the Member is shaking his head, but that is not the view of one particular party; it is the view of a range of parties in the Executive.

**Mr B Wilson:** Does the Minister anticipate his Department contributing towards the £118 million?

**The Minister of the Environment:** Central government, or the Executive, are saying that the £118 million would, largely, have to be found by local government. To reduce the burden of the rates that the additional £20 million will mean in areas such as Fermanagh and Castlereagh, central government will be looking to assist. I remind Members that if we borrow £118 million, it will have to be paid back over 10 years at a cost of a further £33 million. Therefore, £151 million would have to be paid back over 10 years, and the Executive would have £25 million to pay back over 10 years.

## Budget

2. **Mr McClarty** asked the Minister of the Environment for an update on his Department's budgetary position. (AQO 1397/10)

**The Minister of the Environment:** Following the meeting on 15 April, at which the Executive agreed the 2010-11 revised spending plans for all Departments, my Department's current and capital budgets for 2010-11 are £129.6 million and £182.4 million, respectively.

Practically all the capital budget relates to the strategic waste infrastructure fund. As part of the June monitoring round, my officials have requested that £173.6 million be re-profiled into future years. Furthermore, a bid was included in the June monitoring submission to DFP for £5 million capital funding in 2010 to support local government with the cost of the new recycling and composting infrastructure.

My Department faces a number of significant pressures in its current budget that total in excess of £16 million, which is more than 12.5% of the opening current budget. My Department's June monitoring submission to DFP, therefore, also includes a number of bids to cover those and other current budgetary pressures.

In parallel, my officials are progressing internal reviews of the Planning Service and of the delivery of corporate services functions in an attempt to realise savings in the financial year.

**Mr McClarty:** I thank the Minister for his full response. Does he accept that it was misguided to recruit new Planning Service staff until August 2009, when, within eight months, he sought to redeploy one third of its staff?

**The Minister of the Environment:** Certainly, when I came into my position and was alerted to the Planning Service's difficulties, my Department immediately instigated a staff recruitment freeze. Therefore, I will not accept any criticism on that front. I could not have acted any quicker on that matter. It took some time for the Department's identification of the scale of the downturn in planning applications to feed through. Therefore, if a quicker response time were required, it was perhaps not realised because that information was not fed through earlier.

**Mr Campbell:** Bearing in mind his budgetary position, I am sure that the Minister will be aware of the planning issue that involves permanent dwellers and second-home owners,

particularly those on the north coast. Is he able, either in 2010 or 2011, in so far as he can determine his budget for that year, to at least keep the matter under review, given the situation that exists on the north coast for permanent dwellers?

**The Minister of the Environment:** If we consider the current position, I should say that the Department needs to identify other sources of income. It also needs to identify how it can live within its means. Staff redeployment is one issue that has come up. I make no apologies for acting early on that particular matter and for seeking to identify staff redeployment, as opposed to letting the situation get to the point where the Department would have to lay people off.

The Member's point about income was valid. My Department will continue to give that matter its full consideration. It will also look at other sources of income for the Planning Service. It will look at changing the planning fee structure to make it more fit for purpose and up to date. As a means to close the gap between where we are and where we need to be at the end of the year, we are looking at other services for which the Planning Service can charge.

**Mr McGlone:** Go raibh maith agat, a LeasCheann Comhairle. Has the Minister had any opportunity to speak to his colleague at the Department of Finance and Personnel about the redeployment of 271 staff from the Planning Service and around 80 staff from the Department? According to the most recent figures, which I have obtained from the Minister of Finance and Personnel, 246 vacancies are open for the redeployment of staff. Quite clearly, that figure is not compatible with the number of people who require redeployment.

**The Minister of the Environment:** Conversations and discussions with the Minister of Finance and Personnel are ongoing. I am also looking at other means of introducing fresh income streams. For example, the Department has an open-file policy, for which we may decide to charge a fairly nominal sum. The Planning Service has a time pressure on it, and there may be a degree of acceptance of a small fee to be charged for that policy. However, given the number of cases that are looked at, a small fee could generate further income of £500,000, which could reduce the number of staff that we need to lose.

We are looking at other potential sources of income. I know that the Member objected to the rise in planning fees that took place last year. We are at the point where we can introduce a further incremental annual rise, as I promised to do last year, as opposed to having one-off large rises. We are looking at other ways of deriving income, and that will, hopefully, offset some of the numbers that we need to lose to live within our budget.

**Mr Deputy Speaker:** Question 3 has been withdrawn.

### Local Government Reform

4. **Mr P Maskey** asked the Minister of the Environment how many councils have indicated their support for his proposal that councils provide £118 million to pay for the review of public administration. (AQO 1399/10)

7. **Mr McCallister** asked the Minister of the Environment for an update on local government reform. (AQO 1402/10)

10. **Mr Gardiner** asked the Minister of the Environment for an update on the financing of local government reform. (AQO 1405/10)

**The Minister of the Environment:** With your permission, Mr Speaker, I will answer questions 4, 7 and 10 together.

With the Executive facing substantial costs of £1 billion over the next five years, they are not in a position to fund the reform of local government. For that reason, the Executive asked me to identify whether local government would be prepared to fund the upfront costs of £118 million. On behalf of the Executive, I wrote to NILGA on 20 May, with copies to councils, to determine whether councils would fund the full upfront cost of implementing local government reform.

On 4 June 2010, the president of NILGA responded on behalf of the sector, restating the sector's commitment to the reform programme and reiterating the seven principles under which local government would contribute to the funding of local government reform. Additionally, nine individual councils and one transition committee have responded directly to express their position. In the main, they are not supportive of local government funding the full cost of reform, with most indicating their support of the seven

principles under which local government would contribute to the cost of reform.

At the Executive meeting on 10 June 2010, the Executive had very constructive discussions relating to the future of the local government reform programme. Discussion continued over the weekend, with a further Executive meeting planned for later today.

**Mr P Maskey:** Go raibh maith agat, a LeasCheann Comhairle. Given that the group representing local government has accused the Minister of being provocative, the public accuse him of wasting millions of their money and political parties here accuse him of messing around, does he not accept that the morale of the staff in councils is very low because he has not introduced the reform programme? We all hold him to account for that. I would much prefer an answer, not a lecture, from the Minister.

**The Minister of the Environment:** Perhaps I will get a question as opposed to a speech from the Member; that might be helpful.

There is no reason for money to be wasted, because we can move forward from today. Whatever decision we arrive at, we can move forward and ensure that collaboration takes place between the councils to provide savings to the public. Whether that collaboration goes forward with or without amalgamation will be decided by the Executive later.

Maybe the Member is not aware that I am Minister of the Environment in the Assembly. I take the decisions on what the Executive are asked to approve, and the Executive have not approved the papers that have been put forward. It is for all parties across the board to take the blame if there is blame to be taken for anything, as opposed to that being directed at one particular person.

**Mr McCallister:** I am sure that the Minister has been embarrassed that his colleagues in Lisburn and Castlereagh have refused to back his plan, although he can hardly be surprised, given the lack of a business case. Will the Minister now come clean and tell us which of his colleagues is blocking progress being made on the issue, and why, after three years, nothing has been finalised?

**The Minister of the Environment:** If the Member cared to read the minutes of meetings as

opposed to reading newspaper articles, he might ascertain facts. Facts are always a more useful position to speak from than the one that he has just adopted. Lisburn and Castlereagh councils are not in favour of paying the full costs, but I was sent to ascertain, on behalf of the Executive — on behalf of the Member's party, which belongs to the Executive, as do the parties of others in the Chamber — the views of local government on the issue.

The views of local government are very clear. A member of Sinn Féin put to NILGA the suggestion that the costs of reform be split 50/50, and that was rejected. Local government is prepared to make a contribution to its reform, but it is not prepared to pay for it all.

What is the Assembly's view? In the Executive, the Health Minister, the Employment Minister, Sinn Féin's three Ministers and the SDLP's Minister have all said that they are not prepared to contribute, and the Minister of Justice's budget is ring-fenced. Therefore, my Executive colleagues are indicating to me that, like local government, they are not prepared to make a contribution. Let the public read into that what they may.

## 2.45 pm

**Mr Gardiner:** I declare an interest as a member of Craigavon Borough Council. Does the Minister accept that it is unreasonable to expect local government to pay an unquantified bill for an unquantified benefit at an unquantified risk?

**The Minister of the Environment:** That might be the case. However, even if it is, is it reasonable to ask central government to take the hit, given that it has just taken a £128 million hit, courtesy of the Member's colleagues in the Conservative Party, and given that it will have to take a further hit of £1.25 billion over the next three years, courtesy of his party colleagues?

**Mr Givan:** Will the Minister confirm that one of the core objectives of RPA is delivering value for money and that he put forward proposals endorsing option five, which would have delivered £438 million of savings and maximum efficiency, but the party opposite — Sinn Féin — rejected that?

**The Minister of the Environment:** I explained at the outset that the cost would be £118 million, plus £20 million for convergence and approximately £38 million for interest payments,

and that the savings would be £159 million. For the benefit of Members around the Chamber who do not understand simple arithmetic, I will explain: that does not stack up. It only stacked up when the proposals on convergence and collaboration, which could have delivered £400 million of savings, were introduced. However, local government rejected that, and Sinn Féin was responsible for a lot of the spade work for that rejection.

Members are directing fire at me for not delivering something that could save us money, but what is on the table will not save us money. It will only save money if all the councils are engaged in the necessary collaboration. We may proceed with amalgamation, but if we do so, I will insist that collaboration is put in place, or we may proceed with collaboration, which will save money up front, and proceed with amalgamation at a later point. That is a decision for the Executive to make, and I am confident that they will make that decision.

**Mrs D Kelly:** I see that we are now getting into the blame game. If we proceed with RPA, the £400 million of savings would be made over a 25-year time frame. Therefore, the Minister is crystal ball gazing.

The Boundary Commission's report was a key component that has held up the movement on local government reform. Will the Minister tell the House whether we have decided on that report?

**The Minister of the Environment:** As I said, there have been discussions on that issue and there has been movement on it, which I welcome.

In case the Member has been living in some other location outside Northern Ireland, I remind her that the blame game has been going on for quite some time on this issue. I wish to make it absolutely clear that I will not be accepting the blame for not making those savings when others, including the Member's party, were the blocking mechanisms that stopped a potential £400 million of savings being made. *[Interruption.]*

**Mr Deputy Speaker:** Order.

**The Minister of the Environment:** I will not proceed with a system whereby we spend £170-odd million to save £150 million, because that does not make financial sense to me.

## Quangos: Plans to Abolish

5. **Lord Morrow** asked the Minister of the Environment which quangos he proposes to abolish and how he envisages their responsibilities being carried out in the future. (AQO 1400/10)

**The Minister of the Environment:** At present, I have no plans to abolish any of the quangos for which my Department has responsibility. However, I have doubts about the continuing need for the Local Government Staff Commission, particularly in the context of moving to an 11-council model and the development of collaborative arrangements across councils for the delivery of back-office services, including human resource services.

In that context, I will wish to initiate a review of the commission before the end of the year. The form and precise timing of that review will depend on Executive decisions on the future of the local government reform programme.

**Lord Morrow:** I thank the Minister for his answer. However, I am a wee bit disappointed about the future of quangos. I am sure that the Minister would agree that many quangos have long outlived their usefulness and that it is time that they were marched off the scene. Is this not a golden opportunity to save countless millions of pounds of taxpayers' money that is being spent on keeping those quangos in place? Does the Minister agree that we have devolution and that the Assembly should take on those responsibilities?

**The Minister of the Environment:** I absolutely agree with the Member. My Department has responsibility for only two non-departmental public bodies. The other three bodies are statutory advisory committees, which are required in order to meet European legislation. Significant changes are required for the two non-departmental public bodies for which the Department has full responsibility — I already referred to one of them — because the cost of some £1 million is no longer acceptable to the public. We will examine, address and challenge that issue over the coming months.

**Dr Farry:** Some quangos perform required functions and are better being at arm's length from government. What conclusion has the Minister reached on the performance of the Northern Ireland Environment Agency? Is he

prepared to reconsider an independent environmental protection agency for Northern Ireland?

**The Minister of the Environment:** It is interesting that the party that has always been aligned with quangos over the years is crying out for more quangos.

Some time ago, Arlene Foster made the right decision not to form a new quango. We have public accountability through the Minister, the Department and the Committee, which there would not otherwise be. I will defend public accountability. We fought for a devolved Administration to be brought back to Northern Ireland. We fought to ensure that local people could have their say on local issues. We fought to achieve all that, and I am not going to hand it off lightly to an independent body over which we, the public, would have no control.

**Mr Cree:** It is regrettable that quangos, across the board, have not been tackled in a more positive way. Does the Minister accept that creating another super-quango, such as the single business organisation, is fraught with difficulties? I remind him of the debacle with LPS and its work in recent times, which is still not satisfactory.

**The Minister of the Environment:** Therein lies the problem. The caveman mentality of not moving matters forward is why we are where we are with the review of public administration. Other parties continue to block and block and block again. Despite facts being put in front of the other parties to show that savings can be made and benefits derived, all of which could be delivered to the public, all we hear is that they are afraid of change. I am not afraid of change, and I am fed up with others attempting to block it.

## Planning Service

6. **Mr Savage** asked the Minister of the Environment what assessment has been made of the impact that the redeployment of Planning Service staff may have on the ability of Planning Service to process planning applications. (AQO 1401/10)

**The Minister of the Environment:** The Department faces in-year pressures of £16 million, a large proportion of which, £6.4 million, relates to a projected shortfall in planning receipts. That scale of financial pressure in one year is unprecedented in the Department of the Environment or in any other Northern Ireland

Department, and it follows a difficult position last year in which we had to absorb financial pressures of £9 million.

In specific terms, the shortfall in planning receipts arises from a 45% reduction in the number of planning applications received since a high of 36,593 in 2004-05. I estimate that a total of 20,000 planning applications will be received during 2010-11, which is much the same number as was received in 2008-09 and in 2009-2010. However, the live caseload in the system for 2009-2010 is 11,000 planning applications, which is down considerably from 18,500 applications in 2007-08 and almost 13,000 applications in 2008-09.

Whereas planning application numbers have been declining, staffing resources have remained static and costs have risen. A contingency report has been prepared on how the Planning Service can live within its opening budget allocation, and it identifies 271 posts considered surplus in terms of affordability. In light of the much reduced volume of planning applications, and the reduced income for the Planning Service, redeployment of staff is now necessary to align staffing levels and costs more closely with work demands and revenue.

The Planning Service will reorganise to live within its budget, and it will re-prioritise resources to ensure that key services to customers can be maintained and impact from the reduction in staff is minimised.

**Mr Savage:** I thank the Minister for his answer. How many staff have been redeployed since the Minister made his stark announcement more than six weeks ago, and how long will it take for staff to know what job will be available to them?

**The Minister of the Environment:** We are engaging in a consultation process to seek to identify those who are prepared to redeploy voluntarily. Considerable numbers have expressed an interest, but there is a considerable shortfall. We will probably be in a better position after the June monitoring round, when we identify whether additional funding will come to the Department to help with that problem, to decide whether to proceed with the full redeployment or a smaller redeployment as required, and we will go back to our staff to report on that.

**Mr Shannon:** A great many of those facing potential redeployment want to know

whether their grades will be maintained when redeployment takes place. Can the Minister answer that question?

**The Minister of the Environment:** The answer is very simple: yes.

**Mrs M Bradley:** What lessons have been learned from the time when new staff were recruited without any real assessment of future demands? Has the Minister had any discussions with the head of human resources, who directed that miscalculation?

**The Minister of the Environment:** Staff were recruited on the basis of the market requiring that number. A number of years ago, Assembly Members were complaining about the time that it was taking to deal with applications. At one point, there were almost 19,000 live applications in the system. That is down to 11,000, which, in reality, is about 9,500, because a lot of people are not providing full information because they are not particularly keen on having their applications processed.

The recruitment of a couple of years ago was to deal with the number of applications that were coming in. The collapse in the market was not unexpected for some, but it was unprecedented in its scale, and no one anticipated that it would be so harsh or so long. Looking into the future is very difficult for anyone, and no one knows what the future holds. We have to respond to our current circumstances, which are that we have more staff than we can afford — perhaps not more staff than we need, but more staff than we can afford — and we have to respond to that.

**Mr Deputy Speaker:** Question 7 has been grouped.

## Litter

8. **Mr Bell** asked the Minister of the Environment what action has been taken by his Department to address the issue of litter in coastal areas. (AQO 1403/10)

**The Minister of the Environment:** Under the Litter (Northern Ireland) Order 1994, district councils are under a duty to ensure, so far as is practicable, that land for which they are responsible is kept clean of litter. Such lands include coastal areas and beaches. The statutory code of practice on litter advises district councils as to the minimum standards

of cleanliness for beaches that should apply between 1 May and 30 September inclusive.

The code applies the standard to items or material originating from discharges directly into the marine environment, as well as litter left by beach users. I am aware of the good work carried out by Tidy Northern Ireland in its Clean Coast programme, which brings people together to care for their local coastal environment. My Department is providing core funding of £77,000 to Tidy Northern Ireland in the 2010-11 financial year to help it deliver a range of programmes, some elements of which impact on coastal areas.

The best way to deal with litter is to prevent it from happening in the first place. Stronger laws and bigger fines for offenders have a role to play. That is why reducing litter and making Northern Ireland a cleaner and tidier place for residents and our increasing number of tourists is at the heart of my plans to bring forward the clean neighbourhoods and environment (Northern Ireland) Bill. That Bill will be designed to help district councils to deal with litter more effectively by providing them with better and stronger powers.

**3.00 pm**

## Finance and Personnel

### **DARD: European Commission Fine**

1. **Mr Savage** asked the Minister of Finance and Personnel what action he proposes to take in light of the fine of £63 million imposed by the European Commission on the Department of Agriculture and Rural Development; and whether the cost will be borne from the DARD budget. (AQO 1410/10)

**The Minister of Finance and Personnel (Mr S Wilson):** I was delayed getting to my seat because I was impeded.

My officials continue to monitor the situation closely and are working with officials in the Department of Agriculture and Rural Development (DARD) to ensure the best resolution for the Executive. However, I understand that the impact on the Northern Ireland Budget will be considerably less than the £63 million that was quoted in the press. Any disallowance that was imposed by the European Commission will fall to

the Agriculture Minister, and she has the right, of course, to seek Executive intervention through the Budget and monitoring process.

**Mr Savage:** Has the Department of Finance and Personnel (DFP) established how the EU arrived at the figure of £63 million? In what ways will the £4.8 million that was allocated to DARD be used to help it improve its processes? Furthermore, is DFP helping DARD to have the apparently arbitrary fine reduced?

**The Minister of Finance and Personnel:** The Minister of Agriculture and Rural Development, not the Department of Finance and Personnel, will be involved in the negotiations about the exact level of the fine. However, a number of measures have been taken. First, some provision was made: the Department for Environment, Food and Rural Affairs (DEFRA) will be responsible for £11 million of the first £30 million of the fine. Technical and budgetary adjustments mean that the impact on the Northern Ireland block grant will amount to £3.3 million. Of course, there will then be a second fine.

As to what the Executive have done to try to ensure that it does not happen again, the Member will be aware that I introduced the invest to save fund in the Budget for this year. The Department of Agriculture and Rural Development successfully applied for £4.8 million from that fund to improve mapping and so on. That really should be the way forward to ensure that what happened does not happen again and we avoid fines in the future.

**Mr P J Bradley:** Coming on the back of the £190 million error in respect of the true value of the lands at Crossnacreevy, the proposed £60 million fine, should it come about, will have devastating consequences for our agriculture industry. Given that the proposed fine is essentially a loss of income for DARD — I heard what the Minister said about DEFRA — will additional money from the block grant need to be diverted to DARD to help to offset that serious loss of income?

**The Minister of Finance and Personnel:** As I said, that is basically a question for the Minister of Agriculture and Rural Development; I am simply trying to answer it from a financial point of view.

First, the first fine of £33 million will have a net impact on the block grant of £3.3 million. Allowance has been made for that. Secondly, the



second fine is, of course, still under negotiation with the European Commission. I do not know what the outcome of that is likely to be. Thirdly, where it has been identified that, for whatever reason, incorrect payments were made to farmers, that money should be recouped. I think that the Executive will say that to the Minister of Agriculture and Rural Development. My understanding is that the level of incorrect payments was identified at about £500,000 a year.

I should emphasise that it is not the case that £63 million had been paid out incorrectly: the fine is a multiple — in fact, a double multiple — of the actual amount that was paid out incorrectly by DARD to farmers.

**Mr Shannon:** I understand that, last week, the Minister of Agriculture and Rural Development indicated on the radio that some £30 million had been set aside in her Department. Has the Minister had any discussions with her to ensure that the services delivered by her Department will not be impaired because of the money that will come out of her budget?

**The Minister of Finance and Personnel:** I have already dealt with the £30 million. The technical adjustment of £11 million, which is paid by DEFRA, means that the net impact on the block grant is £3.3 million. The Agriculture Minister has not, to date, made any representations to have that paid for centrally, nor has she made a bid for it centrally. I am not sure whether such a bid will be made in a future monitoring round. The further fine is still under negotiation.

## Belfast Harbour Commissioners

2. **Miss McIlveen** asked the Minister of Finance and Personnel whether there is a mechanism by which the Executive can access the cash reserves of the Belfast Harbour Commissioners to fund infrastructure projects. (AQO 1411/10)

**The Minister of Finance and Personnel:** There is a mechanism by which the cash reserves of the Belfast port can be accessed to fund infrastructure projects. The port, which is managed by the Belfast Harbour Commissioners, is a public corporation sponsored by DRD. It is entitled, at any time, to make an equity withdrawal from the reserves. If that happened, DRD would then surrender that equity withdrawal as a reduced requirement in the subsequent in-year monitoring exercise.

**Miss McIlveen:** I thank the Minister for his answer. Is there a precedent for making such an equity withdrawal? Would the sale or privatisation of the Belfast port be an option for funding infrastructure projects?

**The Minister of Finance and Personnel:** First, there was such a precedent in the 2008-09 financial year in the form of an equity withdrawal of £10 million from the Driver and Vehicle Agency, which is also a public corporation. The Member's second question or the second part of her question — I know that she meant to ask only one — was whether the sale of the port, rather than the withdrawal of equity, would release money. We could sell the port, but it is clear that any receipts from such a sale would go to Her Majesty's Treasury.

**Mr A Maginness:** I note the Minister's comments and Miss McIlveen's supplementary question about the sale or privatisation of the Belfast port. Will the Minister give the reassurance that it has been the view of the House and successive Executives that there should be no sale of the port of Belfast and that it should not be privatised? Indeed, in the early days of the Assembly, strenuous efforts were made by Assembly Members, including his good self, to oppose the sale of the port by the British Government. Such a sale, if it had taken place, would have removed from our community a valuable resource that protects our industry and provides a pathway for commerce into Northern Ireland.

**The Minister of Finance and Personnel:** The Member knows — I was lectured by his party leader in the earlier debate — that, as circumstances and the shape of the economy change, we must consider different approaches to the way in which we address certain issues. In the earlier debate, Members continually said — no doubt it will happen after Question Time as well — that we must consider new ways of raising revenue. Where we have saleable assets for which we can get a good market value, we cannot rule that out. That is not to say that now is the best time to consider the sale of trust ports. However, there are certain advantages in selling trust ports, not least of which is that their sale would free them from the public expenditure system and enable them to borrow money that they cannot currently borrow to develop their infrastructure. The answer is not clear-cut; there are many aspects to the issue,

and, as economic circumstances change, we must consider all the possibilities.

**Mr Deputy Speaker:** I inform Members that question 6 has been withdrawn. I apologise for not mentioning that earlier.

### **Budget: Areas of Deprivation**

3. **Mr P Maskey** asked the Minister of Finance and Personnel, given the levels of income and employment deprivation within the West Belfast constituency as detailed in the recent NISRA report, if he will recommend to his Executive colleagues that areas of deprivation should be given priority in any future Budget planning. (AQO 1412/10)

#### **The Minister of Finance and Personnel:**

Recently, I presented a paper on the forthcoming 2010 Budget process to my Executive colleagues. That paper states that the financial environment is likely to be highly constrained over the next spending period. Therefore, it is critical that the Executive allocate their scarce resources in a manner that maximises economic growth and development.

As the Northern Ireland Statistics and Research Agency (NISRA) report shows, deprivation does not occur only in West Belfast. We must create employment opportunities for all if we are to address deprivation. I understand that the report shows that West Belfast scores badly across the factors that underlie deprivation. However, to address that problem, it is my firm belief that we must take action on economic activity, enhance skills and promote employment opportunities. Employment opportunities should not simply be promoted in one geographical location but be promoted generally so that people can benefit from them.

**Mr P Maskey:** Go raibh maith agat, a LeasCheann Comhairle. As the Minister of Finance and Personnel, surely he can recommend that areas of deprivation be given priority. My question may mention West Belfast, but it also mentions other areas of deprivation. My question is about areas of deprivation in general. Will the Minister see fit to try to make recommendations to his Executive colleagues to ensure that areas of deprivation are prioritised? There are areas where people have suffered for many generations, and they need a bit of assistance and a hand-up to lift them out of deprivation.

#### **The Minister of Finance and Personnel:**

I agree. One of the tests for the Assembly will be how we improve life for people across Northern Ireland and across all the economic levels within. As I said, three actions must be taken. The Executive have put the growth of the economy at the head of their list of priorities; that is the first thing that had to be done. Secondly, we need to drill down from that and ask what prevents some people from engaging in the economy, when they could have a regular wage coming in, lift their self-esteem and improve the area in which they live. We identified a lack of skill and sometimes a level of economic inactivity as reasons why people do not take up the opportunities available to them. I do not know whether that is for inbuilt, inert or historical reasons. Thirdly, we must find ways in which to direct our resources towards improving and enhancing people's skills, not to mention towards giving skills to people who find themselves in the position that the Member describes. That is the whole approach of the independent economic review. We must ensure that those people at least have the ability to take up opportunities in the economic market when they become available.

**Mr Campbell:** West Belfast has been named as one of the constituencies that has high rates of unemployment and deprivation, but does the Minister accept that other constituencies have begun to go up the unemployment league table recently because of closures, demographic changes and the outward flow of labour? That should not be ignored as we look at how to deploy resources in those areas.

**The Minister of Finance and Personnel:** Income and employment are at the top of the criteria that NISRA examined. Health, education, skills, proximity to services, living environment and crime and disorder are other factors that feed into the indices. We must be aware of changing circumstances and of the problems that are emerging in other areas. The policy that I outlined and that the Executive have espoused will help to deal with the areas that the Member describes, as well as the problems that were highlighted in Mr Maskey's question.

The Minister for Employment and Learning and the Minister of Enterprise, Trade and Investment take those responsibilities seriously. We discuss the issue at every Executive meeting. They consider what can be done to lift those areas and individuals out of their current

situation in order to enhance their prospects of employment, thus lifting them out of deprivation.

**Mr K Robinson:** Will the Minister confirm that any prioritisation of deprived individuals should be done according to their need rather than according to the area in which they reside? Does he also agree that some apparently affluent areas mask pockets of deprivation within them? He will know exactly where I am talking about in East Antrim.

**3.15 pm**

**The Minister of Finance and Personnel:**

There are obviously some areas with higher concentrations of people with individual needs, and those are registered on the NISRA indices. Of course economic policy should be designed in such a way that it picks up individuals or small pockets of individuals who, as the result of a factory closure, for example, as the Member for East Londonderry mentioned, happen to find themselves in that situation. It is important that the programmes that we devise are flexible, fleet-footed and able to deal with problems as they arise.

### **DFP: Priorities**

4. **Mr Bell** asked the Minister of Finance and Personnel to outline his Department's priorities in the current economic climate. (AQO 1413/10)

**The Minister of Finance and Personnel:** My Department's priorities are set out in the departmental 'Operational Plan 2010-11', which was published on 1 April. The plan outlines our remaining commitments made in the Programme for Government. During 2010-11, DFP, in its lead role with responsibility for finance, will continue to support the Executive by ensuring that financial resources are available to Northern Ireland, allocated effectively to Northern Ireland Departments and provide the maximum value for money in services to citizens in Northern Ireland.

Secondly, we will support the Executive in setting out spending plans for the local Departments for the next three years. Thirdly, we want to maximise the rates that are collected, which, in Northern Ireland, are almost £1 billion and, therefore, can contribute substantially to public spending in Northern Ireland. Lastly, over recent years, we have tried to promote efficiency through shared services, whether that is HR Connect or the range of other shared services that the Department oversees.

**Mr Bell:** I thank the Minister for that answer. Will he assure the House that the efficient collection of rates will remain a priority for his Department? Will he also assure us that rates relief will be provided in an accurate and timely way and that those who default on rates will be pursued according to due process?

**The Minister of Finance and Personnel:** I have made it my priority that Land and Property Services (LPS) should see its primary job as collecting revenue for people in Northern Ireland. LPS does other things, but, in my opinion, the role of LPS is to ensure that we maximise the amount of money that is brought in and ensure that people pay their rate bills legitimately. The record of LPS has received criticism in the Assembly; it has not met its targets in the past. There is an improvement, but in the current economic situation it becomes that much more difficult. However, we do not go easy on those who do not pay their way in society. Nearly 43,000 court proceedings were issued in 2009-2010, which was 7,000 more than in the previous year.

**Ms J McCann:** Go raibh maith agat, a LeasCheann Comhairle. Given the public spending constraints that the Executive will face in future and the fact that they need all potential financial resources at their disposal, will the Minister give us an update on why his Department is delaying bringing forward the priorities through which the dormant accounts scheme can be allocated?

**The Minister of Finance and Personnel:** There are two reasons. The first reason is that we do not yet even know the amount of money that we will have for the dormant accounts scheme because the Treasury has not finalised the release of the money or, indeed, how it ascertains whether an account is dormant. That is disappointing, but it is beyond our control.

The second reason is that I am having discussions with the Big Lottery Fund, which will administer the scheme, albeit under a separate heading for Northern Ireland. The Big Lottery Fund has questioned the criteria that I wish to use and, indeed, that reflect the public consultation. However, given that the dormant accounts scheme is being administered for people in Northern Ireland to reflect consultation with people in Northern Ireland and, indeed, the Assembly, I think that I am entitled to ensure that the views of the people in Northern Ireland

are reflected more than the views of the Big Lottery Fund.

**Mr McNarry:** Now that we know the extent of the Finance Minister's priorities, does he agree that there is merit in all Ministers reviewing their budgets to see how many jobs they could help to create and protect by refocusing their departmental spending on specific priorities?

**The Minister of Finance and Personnel:** I do indeed, and I have been encouraging Ministers to look ahead and to do some planning. I want to emphasise that I encourage Ministers not to be afraid of their Committee — that is something that was raised in the debate this morning and will, no doubt, be raised again this afternoon. They should go to them with their proposals and be transparent with information so that there can be a corporate approach to how Departments can best deliver opportunities, jobs and services in Northern Ireland's constrained financial situation. Ministers should not be afraid of Committee scrutiny; in fact, they should welcome Committee co-operation.

**Dr Farry:** Will the Minister clarify his current position on a regional economic strategy? There is a gap between the high-level commitments in the Programme for Government and, although it is quite broad, those in the Barnett review that DETI recently sponsored. Arising from that, has he taken any action to follow up on his recent keynote speech in Dundalk, in which he talked about trying to rebalance the economy by moving away from purely demand-side initiatives towards supply-side initiatives?

**The Minister of Finance and Personnel:** First, the implementation and work of the independent economic review are being taken forward by the Enterprise, Trade and Investment Minister. That review is moving towards identifying what is required to grow the economy, including research and development and emphasis on STEM subjects, training and enhancing skills and, of course, improving infrastructure. That will require a rebalancing of some of the spending that we are discussing, which relates to my answer to Mr McNarry's question. Ministers must look at their role across Departments not just in their own silo. The Assembly and Committees have roles to play in achieving that. As we look forward to the 2010 Budget, we are preparing spending plans for the next three years in constrained economic

circumstances, so now is the time to have that debate. That will mean tough choices, and the Member outlined that point very well earlier today. It will mean that we must decide what we will not do in order to ensure that we put money into the things that we should do.

## 2011 Census: Disability

5. **Mr McElduff** asked the Minister of Finance and Personnel whether the 2011 census form will include specific questions regarding disability, including visual impairment and blindness. (AQO 1414/10)

**The Minister of Finance and Personnel:** The Census Order (Northern Ireland) 2010, which was approved by the Assembly on 1 June 2010, indicates that there will be a question on whether or not a person has any conditions which have lasted or are expected to last at least 12 months and on the nature of such a condition. The census questionnaire will list 10 specific conditions, one of which will be partial blindness or partial loss of sight.

**Mr McElduff:** Go raibh maith agat. I thank the Minister for his answer and his assurance that visual impairment will be specifically mentioned in the census form in 2011. Will the Minister use information collected about the number of people who are either visually impaired or blind to determine the level of support services made available to those who require them? Will the census inform his Department and others on funding allocations to campaigns such as the Right to Read campaign?

**The Minister of Finance and Personnel:** I think that the Member must have listened to some of the arguments that I had with his party colleagues over why the whole process of getting the Census Order to the Assembly was being delayed by Sinn Féin. At the time, I argued that this information was vital to ensure that we quantified the problems in Northern Ireland so that we could do exactly what he said: direct resources towards issues that we saw emerging as problems. I am glad that there has been that conversion, and I hope that the Member had the same argument within his party, thus helping me in my job of persuading his party to bring forward the Census Order in June.

**Mr McDevitt:** Will the Minister assure the House that the necessary resources will be put in place to ensure that census data from hard-

to-reach groups, people with disabilities and others who are on the margins of society will be collected and that it will not become the subject of a cutback, thus reducing the potential impact of the census data?

**The Minister of Finance and Personnel:** The total cost of the census is estimated at £13.3 million. That will be one of the pressures. I think that we have set aside about £4.5 million of that so far. There will be an emerging pressure this year on the DFP budget for the census, but we are obliged to do the census and collect the data. Hopefully, with the co-operation of people when they get the questionnaires and with the resources that we are putting into the process, we will be able to deliver exactly what the Member has asked.

**Mr Gardiner:** Would it be possible to include in the census a question on former residences and addresses, as well as one on date of birth, so that significant movement of population into Northern Ireland from other parts of the United Kingdom, the EU and beyond can be traced?

**The Minister of Finance and Personnel:** I am not au fait with all the questions in the census. There is quite a range; I think that there are 66. I will check whether the information that the Member has asked for is being sought. If it is not, any change to the questionnaire, which has been agreed right across the United Kingdom, would be extremely costly and would not be possible. The cost of the census is already quite high. I suspect that there may be some questions that allow for the kind of information for which the Member has asked. However, I will write to him and let him know the answer.

**Dr Deeny:** Has the Minister had any discussions with the Minister of Health, Social Services and Public Safety about the special needs of our disabled, including those with hearing or visual impairments, in relation to, for example, access to health services? I am talking about primary care and out-of-hours care. Have any discussions taken place about that vital area?

**The Minister of Finance and Personnel:** The Health Minister and I always have discussions about his budget. Usually, he tells me that he cannot afford to have a penny cut from it, and I ask him to look at whether the budget is being used effectively. The Health Minister has not raised that specific issue. Our discussions are usually about the generality of the pressures on

his budget and why he needs more money for this, that or the other.

### **Executive: Additional Revenue**

7. **Mr Kinahan** asked the Minister of Finance and Personnel, given the current financial restrictions, what levers he has at his disposal to raise additional revenue for the Executive. (AQO 1416/10)

**The Minister of Finance and Personnel:** The primary source of locally generated funding for the Executive is regional rates, which are planned to contribute £542 million or 6% of the funding that is available to Northern Ireland Departments in the current year. If we were to try to raise the £128 million that is being imposed on us as a cut this year, we would have to put up regional rates by 20%. I do not think that the Member would wish that to happen. One of the other ways in which we can raise revenue — I discussed this earlier with Alban Maginness during this Question Time — is to look at the disposal of assets.

**Mr Kinahan:** I thank the Minister for his answer. Given that there is about £500 million in cuts and that there may well be more next year to the block grant, does the Minister believe that he will be able to hold the line on the deferral of water charges, as that may mean that cuts have to be made elsewhere?

**The Minister of Finance and Personnel:** Water charges or other charges are ways in which the Executive could raise revenue. The decision on water charges has to be made by the Minister for Regional Development because it is his responsibility.

When he makes a decision, he will have to bring it to the Executive for ratification, after which, of course, the relevant legislation will have to come before the Assembly, where all Members will have a say on the issue.

Given that the full level of water charges is likely to be about £400 per household, even if it were decided to introduce them, rather than having a huge bill landing on people's laps in one year, charges will have to be phased in over time. Therefore, the ability to use water charges to deal with the kind of deficit that the Member mentioned in one year is very limited.

3.30 pm

## Executive Committee Business

### **Supply Resolution for the Northern Ireland Main Estimates 2010-11 and Supply Resolution for the 2008-09 Excess Votes**

*Debate resumed on motion:*

*That this Assembly approves that a sum, not exceeding £7,019,163,000, be granted out of the Consolidated Fund, for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 and that resources, not exceeding £7,569,483,000, be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 as summarised for each Department or other public body in columns 3 (b) and 3 (a) of table 1.3 in the volume of the Northern Ireland Estimates 2010-11 that was laid before the Assembly on 7 June 2010. — [The Minister of Finance and Personnel (Mr S Wilson).]*

*The following motion stood in the Order Paper:*

*That this Assembly approves that a sum, not exceeding £16,272,049.74, be granted out of the Consolidated Fund, for or towards defraying the charges for the Department for Employment and Learning and the Department of the Environment, for the year ending 31 March 2009 as summarised for each Department in Part II of the 2008-2009 Statement of Excesses that was laid before the Assembly on 7 June 2010. — [The Minister of Finance and Personnel (Mr S Wilson).]*

### **The Chairperson of the Committee for Health, Social Services and Public Safety (Mr Wells):**

Since 25 May 2010, the Committee has been heavily involved in a series of meetings lasting more than two weeks with the Minister, senior officials and the chief executives of the Health and Social Care Board and the Public Health Agency. During that time, we explored in some depth the financial challenges facing the

Health Department, which come not only from the revised budgets that the Finance Minister announced this year, but from the operating deficits incurred by two trusts and an increased demand for services.

We believe that we have gone some way towards getting to the bottom of how the Department will spend its revenue in 2010-11. However, we are still unclear about the capital aspect of the budget. With respect to revenue, in the revised spending plans, the Department was asked to make additional savings of £105 million. On top of that, the Department has had to meet the deficit incurred by the two trusts in 2009-2010, and all trusts have experienced an increased demand for services as well as the continuing need to make efficiency savings in the current comprehensive spending review (CSR).

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

In evidence to the Committee, the Health and Social Care Board estimated that the Department will have to find £204 million of savings in 2010-11. By any stretch of the imagination, that is a very large sum, and the Minister has had to make some difficult decisions on how to move forward. The Committee wanted to know how he proposed to do that. Our concern was the protection of front line services and the most vulnerable members of our society.

On financial issues, the Committee has been critical of the Minister. However, this time, our main concern and criticisms have been about the lack of information from him and the fact that he appeared not to give the Committee its place. Frankly, Mr Deputy Speaker, getting financial information from the Minister has been like pulling hen's teeth. Eventually, long after every other Department made public how they would make their cuts, after a difficult meeting with the Minister, and two months into the financial year, the information was forthcoming.

I speak for the entire Committee when I acknowledge the difficult task that the Minister faced. No one underestimates the complexities of our health and social care system, and we all value the unstinting work of health and social care workers. However, cuts had to be made, and the Committee has a right to explore where and how they took place. In the Committee's opinion, the Minister has made some difficult decisions and brought forward a delicately balanced programme. On the whole, the Committee believes that he appears to have

made the best of what he was given. However, there is one caveat: the proof of the pudding will be in the eating, and it will be several months before we will be able to judge that.

Through access to a number of documents, the decision on how funding will be allocated is now in the public domain. Those documents include 'Priorities for Action 2010/11', the Commissioning Plan Direction (Northern Ireland) 2010 and the various Hansard reports of Committee meetings in the past few weeks. The Committee has had a number of opportunities, in open and closed session, to discuss finances and the budget. We learned that the Minister based 'Priorities for Action 2010/11' on his budget for those priorities, and that provided the strategic direction to the Health and Social Care Board and the Public Health Agency, which, for the first time, developed a regional plan for commissioning health and social care services for all of Northern Ireland. Obviously, a single document that covers all of Northern Ireland is a major step forward, and we welcome that.

Both 'Priorities for Action 2010/11' and the Commissioning Plan Direction (Northern Ireland) 2010 were underlined by the need to deliver what the Department calls a "balanced budget". One of the main elements of that balanced budget is the continued delivery of the CSR efficiency savings for 2010-11, which amount to £40 million. The delivery of fewer new services than anticipated is the second main branch, and savings of £40 million are expected from that.

The final big saving is from additional efficiencies from family health services, with particular emphasis on generic drugs, which should release up to £46 million. I am particularly keen on making savings through the use of generic drugs. We all know that a branded drug product can cost, on average, £26 to £30, and its generic equivalent can cost from £1 to £1.50. It seems a no-brainer to me to pluck the low-hanging fruit in the form of generic drugs. That is one area where we can obtain greater efficiencies without it having any impact on the needs of patients.

**Mrs D Kelly:** I listened carefully to what the Member said, and I agree that the use of generic drugs is a no-brainer. Have we heard anything from the Minister yet on the banning of bonuses at senior staff level, or are any of them prepared to take a pay cut at this stage? There are some fairly high flyers in and around the

health and social care trusts and in the public services.

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

The honourable Member for Upper Bann has a crystal ball: I wish to raise that point later in my contribution. Indeed, I understand that I have been struck off the Christmas card list of several leading consultants in Northern Ireland for suggesting that someone on an average salary of £152,000 a year may need a bonus to incentivise him or her to work harder. If the honourable Member for East Belfast, the First Minister, were to pay me £152,000 a year, I would not need much to be incentivised to do anything. The issue needs to be dealt with, because, in the present economic situation, I do not believe that we can possibly justify paying £11.7 million in bonuses to consultants who, by any standards, are extremely well-paid members of the health and social care team.

Perhaps the most difficult path chosen by the Minister is the 2% reduction in total trust payroll costs, which will generate almost £40 million of the required savings. Reducing the number of posts in health and social care was always a key component of the RPA process. Therefore, the Committee was disappointed to find that some trusts had fallen behind in achieving the agreed targets in that area. In autumn 2009, the Committee explored that issue with the trusts, and it was aware that some were doing better than others. This is not just about cutting jobs for the sake of making cuts. Every penny saved is ploughed back into new and additional services. To deliver those services, trusts need to step up to the mark, and we will continue to keep a close eye on that aspect as the year progresses.

The Committee has been lobbied extensively over the past 12 months on workforce reform. In response, it has examined the use of agency nursing in detail. We know that the shift in culture from agency nursing, overtime and locums to bank nurses has been difficult. It has been an extremely painful transition for the trusts and, indeed, for health and social care workers. However, it has to be done. Given the number of people who are employed in health and social care in Northern Ireland, I expect that the Committee, its individual members and every MLA in the Assembly will hear from constituents on that aspect. I can guarantee

that some people will feel very unhappy about that element of payroll costs.

Another area of concern is the scrutiny that each trust is expected to make in the recruitment to posts. When a post falls vacant, it will be filled only if the trust can establish that it is an essential post. That will be on top of the reduction in agency, bank or locum staff. The Committee has some concerns with that element because, from talking to staff, it knows the pressure that they are under. Nurses and front line staff tell us that they are literally run off their feet. There is great anxiety among staff that recruitment freezes, because that is what they are, will create further strain on what are already highly pressurised jobs, and the Deputy Chairperson has particular concerns about that.

The Minister has made it clear that he can undertake that 2% cut in the payroll without any compulsory redundancies, which the Committee welcomes. He has also made it clear to the Committee that any further cuts to his budget may not be so easily found.

The Committee also noted with interest that the Health and Social Care Board will be keeping a close eye on the amount spent by each trust on management costs. The Committee had previously explored that area with the trusts and the Department in autumn 2009. During that time, we noted that some trusts managed to keep their management costs quite low, while one or two others were above average. The Committee is reassured to see that one of its major concerns is now a target in the commissioning plan. Trusts must keep their management costs to 4.1% of the total resource costs, and they can be held to account by the Health and Social Care Board if that is not done. We are looking forward to following progress on that issue.

On workforce control, one issue of particular concern is the excellence award paid to consultants, with over £11 million being paid in Northern Ireland each year. Whether it is called an excellence award or a bonus, it is £11 million that could be spent elsewhere or, indeed, spread out across all staff from cleaners and handymen to nurses and office staff.

I am glad to hear that there may be a review of those awards, and I await its outcome. However, if consultants were to volunteer to forgo their award for 2010-11, I would be delighted, because the resultant £11 million saving would

go some way to meeting the deficit in what will be an extremely difficult financial year.

**Mrs D Kelly:** Does the Member have any idea how that review will proceed? Surely consultants will not be employed to take it forward.

**The Chairperson of the Committee for Health, Social Services and Public Safety:** At a recent Committee meeting, the Minister of Health, Social Services and Public Safety announced that his Department is reviewing that issue.

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

**The Chairperson of the Committee for Health, Social Services and Public Safety:** Apparently, the UK-wide agreement does not compel us to pay those bonuses. Frankly, the £11.7 million could be much better spent elsewhere.

**The Chairperson of the Committee for the Environment (Mr Boylan):** Go raibh maith agat, a LeasCheann Comhairle. I welcome the opportunity to outline the views of the Committee for the Environment on the Supply resolutions for the 2008-09 Excess Votes and to comment on the Main Estimates for 2010-11.

All Members will be aware of pressure on Departments to provide services with less and less income. The Committee for the Environment has been particularly exposed to those pressures, because one of the more immediate impacts of the economic downturn was a decline in planning applications. Given the Department's dependence on planning fees as a major source of income, that decline has a huge impact on jobs and, potentially, on services, not only in the Planning Service, but in the Department as a whole. One key way in which the Department delivers services is by funding external bodies that provide practical expertise, but the Department is increasingly withdrawing funding from those organisations. The Committee is concerned that that will lead to job losses in those bodies and to a loss of expertise from the environmental sector and the North. It will also increase the risk of our not being able to achieve the environmental standards that are demanded by Europe and that make life better for all of us who live here. Over the past few months, the Committee has urged the Department to demonstrate that it has strategically realigned its services, kept sight of its key priorities and ensured that its front line services remain uncompromised.



At the beginning of June, the Committee for Finance and Personnel drew our attention to the Department of the Environment's (DOE) involvement in the Supply resolution for the 2008-09 Excess Votes. Further information was obtained from the Public Accounts Committee's (PAC) report, which stated that the Department's £500,000 breach of its net cash requirement was due in particular to the payment of creditors earlier than had been forecast. It appears that the Minister of Finance and Personnel's directive to pay invoices within 10 days of receipt generated a reduction in creditors, which was not foreseen when the spring Supplementary Estimates were finalised. That reduction was particularly pronounced in the early payment of grants and of legal costs associated with judicial reviews that had not been anticipated.

In March 2010, the Committee was advised that the Department's record for making payments within the 10-day period was below the Civil Service average. Indeed, it was making only 50% of its payments within the 10-day time frame, compared with the average of 55% across the Civil Service. No other Department appears to have been affected to the extent of being in breach of their net cash requirements as a result of making payments within 10 days. Other Departments also seemed to make more rapid payments more successfully and consistently than DOE.

At the time, the Committee expressed its disappointment at the Department's performance. However, I am pleased to report that last month's update shows that its performance is, at 61%, now on a par with the rest of the Civil Service. However, I hope that that will not lead to another Excess Vote. We must hope that PAC's reassurance will be borne out. It states that the Department seems:

*"to have taken the necessary steps to address the issues"*

Accordingly, and on behalf of the Committee, I support the Department's Excess Vote.

### 3.45 pm

**Mr A Maginness:** I have listened carefully to the debate, primarily in my office. It has been an interesting debate that has oscillated between Members who wish to defend front line services robustly — I put that in parentheses — and those who see the need for robust cutting of public expenditure. The debate has also

been interesting because of the enthusiasm expressed for cutting public expenditure. I would like Members to pause and think about that proposition, because the Assembly should want to make a positive difference to the lives of people in Northern Ireland.

We should not be a conduit for the desire of any Tory or Tory/Liberal Democrat Government to implement severe public expenditure cuts. It is unnecessary to introduce the savage cuts that I am afraid that the Westminster Government have in mind. We should be protective of our public services, and we should zealously try to protect our people. That said, there is a need for some restraint in public expenditure. The Minister, for whom I have great sympathy, must proceed on the basis of balance, and he must seek to protect the things that are important to society and to governmental operations.

Invest Northern Ireland, for example, gets a substantial amount of money for a purpose: to attract investment into Northern Ireland, and it has done that successfully in recent years, despite difficulties. Even marginal cuts to that budget could restrain its performance in attracting inward investment to Northern Ireland. We need inward investment to create a step change in our economy so that we can produce wealth and employment and raise people's standards of living. Therefore, the Finance Minister must tread warily in considering any proposition to limit the funding to Invest Northern Ireland and, indeed, other agencies.

To achieve a step change in the economy, a change in the fiscal powers that are available here is required. Mr McLaughlin referred to that, and we should have the right to vary some taxation. For example, and importantly, we should have the right to vary corporation tax. The Economic Reform Group has presented the case well that reducing corporation tax would have a radical impact on how this economy operates and how we attract investment into the economy to create wealth and employment. A reform along those lines would go a long way to bringing about a step change in the economy.

Despite my comments on the Conservative Government, in one respect at least they are proposing something that is important for our economy: they are looking at ways and means of varying corporation tax so that we can effect a step change in our economy.

We need investment in the economy and in the private sector, and we need to use our tremendous resources to develop our renewable energy sector. We have wind, sea and natural organic production from farms such as those that produce grass and so forth, which can be used to create additional resources of renewable energy. If we can attract investment in those sectors, we can regenerate our economy.

We have expertise in our universities and in our engineering base, which Mr Shannon referred to. Our engineering base should be a rich vein for investment in our economy. Therefore, we will have several opportunities in the next number of years to improve our economy and to change its direction radically.

I accept that there are serious difficulties. Dr Farry referred to the problems that have been created as a result of the European Union's imposing a fine as a result of the Department of Agriculture and Rural Development's (DARD) performance. That should be deeply regretted. One must ask why the deficiencies in DARD were not recognised long before EU officials inspected the way in which funding is distributed here in Northern Ireland, thus avoiding the imposition of a swingeing fine. That has come at a very bad and difficult time for all of us here, and it adds to the problems with our public finances.

Dr Farry referred to the introduction of water charges. Are we serious about introducing water charges, especially now, of all times, given that they will impose a very serious burden on many people throughout Northern Ireland? I do not believe that it is appropriate to introduce those charges now, and my party is of the same view. We should be mindful that the introduction of water charges will impose an onerous burden on many people. We are in a serious situation, where people who are in work are also on the margins of poverty. We must support them in every way to ensure that they do not become impoverished. Therefore, imposing water charges on people at this time would be sufficient to drive them out of employment and into a situation where they need to receive benefits and, in that way, avoid water charges. Therefore, one must consider very carefully the introduction of additional charges, whether it be water charges or otherwise, on people in our society, because doing so could drive them over the edge.

We have an opportunity to strike a balance and to make efficiencies and savings. However,

they should not be so severe as to damage our chances of attracting investment and improving people's lives. We are here to make a positive, not a negative, change for people in Northern Ireland, and I encourage everyone in the Chamber to look positively at what they are doing today.

**The Chairperson of the Committee for Employment and Learning (Mrs D Kelly):** I

welcome the opportunity to speak on behalf of the Committee in the debate, specifically on the Excess Vote required by the Department for Employment and Learning — a sum totalling just under £15.8 million.

As Members will be aware, an Excess Vote is presented when a Department has exceeded its budget provision in the Main Estimates and Supplementary Estimates approved by the Assembly and authorised through the Budget Acts. One imagines that in cases where an Excess Vote is sought, it is simply a case of a Department not sticking to its budget and requiring to be bailed out. However, as with so many budget issues, nothing is as straightforward as it may seem.

In the case of the excess declared by the Department for Employment and Learning, £10.1 million was for interest receivable on student loans, which was not forecast in accordance with the correct budgetary treatment. Some £5.6 million was paid to the Student Loans Company on 31 March 2009, when it should have been processed on 1 April 2009, which was the beginning of the next financial year. Therefore, it was not the clear-cut lack of careful budgeting on the part of the Department that was involved. In fact, it was only after clarification from the Department of Finance and Personnel as to how interest receivable on student loans should be forecast that the issue of the £10.1 million was sorted out. It is vital that the Departments have all the information they need to ensure that they make the appropriate payments at the appropriate time. It also seems that the Finance Department had that information, and we must assume that there was a breakdown in communication that led to the Department for Employment and Learning not acting correctly on that occasion.

The £5.6 million that was paid early to the Student Loans Company appears to have been the fault of Account NI, which is the centralised

payments system for the Departments. One would have hoped that there would have been sufficient expertise at Account NI to understand the impact of paying funds at the end of one financial year rather than at the beginning of the next. Who is to blame for that? It does not appear to be the fault of the Minister for Employment and Learning and his Department, but seems to be an error by Account NI — another to add to the many — which falls under the control of the Finance Minister. The Department of Finance has made much of Committees encouraging Departments to make prompt payments, but it is going a bit far when the payment is being made in the previous financial year.

The Public Accounts Committee has examined the issue and is satisfied that the excess required by DEL is not just a case of careless budgeting or reckless expenditure on the part of the Department. The Department now has Department of Finance and Personnel (DFP) guidance on the correct procedures for forecasting the interest receivable on student loans and has undertaken to benchmark its procedures against those of the other Departments and other comparators.

I urge the Finance Minister to undertake to sort out the Account NI issue. In this case, a payment was processed early and had considerable consequences. However, we constantly hear across the Departments that payments miss the 10-day turnaround because of issues and failures around Account NI. I understand that the Department for Employment and Learning is one of the higher performing Departments in making the 10-day payment, at 60 plus days. However, for those who are owed money, it is not a high enough outcome as many would like to see. The Committee accepts that the Department has learnt from that episode. It is, after all, the Department for Employment and Learning, and Members understand the requirement for the excess. Therefore, the Committee supports the motion on the Excess Vote.

I will use some of the remaining time available to speak from a personal perspective on a range of matters. Has the Minister given any guidance or instruction to his Executive colleagues in relation to the payment of bonuses and consultants? We heard from the Chairperson of the Health Committee about payments of more than £11 million being made to consultants, that is, “consultants” in the

sense that most people understand the word — medical consultants. Is there an expectation about whether those people, who, in many cases, are paid more than the First Minister, will take the bonuses? I will let the Minister speak.

#### **The Minister of Finance and Personnel**

**(Mr S Wilson):** I am more than happy to give the Member an assurance at this point. First, I took a decision as far as Northern Ireland senior civil servants were concerned. Their bonuses stopped last year, and the same thing will happen this year. The Executive then adopted a position whereby Ministers who wished to pay bonuses to people at senior grades could make application to the Department to have those cleared.

The only exceptions applied in instances in which it was deemed that there was a contractual obligation and that failure to meet that obligation would have put public funds in jeopardy. I am not sure whether the bonuses that the Member has been speaking about are contractual bonuses or bonuses for which the Minister should have sought permission. I know that, on occasion, the Health Minister has applied for the payment of bonuses even though they were not contractual.

#### **4.00 pm**

#### **The Chairperson of the Committee for**

**Employment and Learning:** I thank the Minister for that. I understand the difficulties that Ministers will face with regard to contractual arrangements, and I hope that that will be under the microscope when people look to renew contracts. There is an issue around consultants and bonuses, and for the greater good of society, people who are paid such amounts of money should take a responsible attitude and lead the way on the issue.

In his previous portfolio as Minister of the Environment, I know that the Minister had concerns about planning processes being speeded up to allow the economy to seize economic investment opportunities. I know that planning appeals fall to OFMDFM, but I am aware of the lodgement of planning appeals in my constituency and of one, if not more, bid for investment that is being held up under the planning appeals system. Given that the Executive have made the economy a key priority, is there any legal impediment to moving those forward, out of chronological order?

I have spoken to a number of INTERREG groups, and I declare an interest as a member of the East Border Region. I do not know whether the difficulties have been resolved around DETI, SEUPB and decision-making. We are already two years delayed. We have only two and a half years in which to spend the money, and during that time, the planning permission, for instance, has to be granted. SEUPB falls under the Minister's portfolio.

During a visit to Brussels with the OFMDFM Committee last week, it was clear that although the structural funds are very much pertinent to Northern Ireland, there are many opportunities for funding and investment under other EU measures. I would like to know whether the Department is fully taking account of those.

I hope that when the Minister looks to give guidance to different Departments, the issue of consultants, in their broadest sense, comes up. A couple of years ago, a review was carried out on the capacity of civil servants and the public sector to drive forward infrastructural projects, and there was found to be a lack of capacity. I hope that those gaps are being addressed, if they have not been already, so that we will see fewer consultants coming in from the private sector to make decisions or to help civil servants to cover their backs in making decisions. I look forward to the Minister's response on those matters.

**The Minister of Finance and Personnel:** I will try to get through as many of the points that have been raised as possible. It has been a fairly predictable debate, because we have had the debate on this year's Budget on a number of occasions since January. I think that the Member for North Down Mr Weir described it as reheated meals. I think that some of this debate has been through the political microwave a few times.

We have had the predictable responses. The SDLP will always bring up its alternative budget, albeit that it was raised by a different individual on this occasion, because Mr O'Loan seems to have got himself out of favour. However, I noticed that there was a little thawing today when the party leader gave some acknowledgement of Mr O'Loan's part in the alternative budget.

Mr McNarry returned with his black hole. We had not heard of his black hole for a long time, but it seemed to re-emerge in the debate today. Mr McLaughlin, who, of course, always tries to

be the acceptable face of Sinn Féin, mentioned the usual stuff about tax-raising powers. I will deal with that issue in a minute. Then we had a number of Members who we can always be sure will raise a plethora of their own constituency issues.

Mr Farry did not disappoint. When Mr Ford became a member of the Executive, I feared that we would see Mr Farry go native, he would cease to be an independent thinker and he would keep his head well under the parapet, but he has not done that, and I appreciate that. Of course, as usual in these debates, members of the Committee for Education line up to have a good kick at the Minister; they have done so from all sides of the House today. Therefore, the debate has been fairly predictable from that point of view.

At the outset, I want to acknowledge the Committee's role in getting the debate to the Chamber today. Ms McCann said on behalf of the Committee that she believes that there had been appropriate consultation on the public expenditure proposals, the Main Estimates, the Statement of Excess, the related Supply resolutions, and the Budget Bill. I want to put on record my appreciation for the constructive way in which the Committee has dealt with its important role with regard to the Budget. I say that genuinely, not just as a matter of form. The Committee for Finance and Personnel plays a constructive role without being a pushover. As a result of the Committee's agreement, the Budget (No. 3) Bill, which I plan to introduce shortly, will proceed under accelerated passage, which will exclude Committee Stage. Again, I appreciate the Committee's assistance to the Assembly and to me in that manner.

A number of Members, including the Committee Chairperson, raised the need for engagement with Committees and asked what had been done to take that forward. I have listened to the remarks of Committee Chairpersons during other debates on the Budget. I have written to Ministers. I have reminded Ministers in Executive meetings. On more than one occasion, I have named and shamed Ministers in the Assembly, including some from my party, who have not given the relevant Committee the requisite information.

As Finance Minister, I take the issue seriously. If departmental budgets are to be scrutinised properly, Ministers must supply

proper information in good time in a form that is understood so that it can be queried by Committees. To that end, proposals are coming forward on the Budget process, and guidance will be issued to indicate the nature and form of departmental consultation with Committees. Ultimately, however, it is up to Committees to hold Ministers to account and to insist that information that is required to carry out proper scrutiny be provided to them.

The second point that the Committee Chairperson raised was the £128 million reduction and when the June monitoring round would be brought to the Assembly. The Executive will consider the June monitoring round at their next meeting when we will decide what to do with the £128 million. Of course, we could defer all or part of that reduction until 2011, although there would be grave risks in doing so. We still need information from the Treasury on the capital/current split of the £128 million. We also await a response from the Treasury on our request for access to the end-year flexibility stock and some other technical issues. Only when we have that information will we be able to decide how to deal with the £128 million reduction. There will, of course, be a statement to the Assembly on the June monitoring round and on that particular issue.

Mr Hamilton raised the issue of Social Security Agency staff reductions and the protection of front line services. Of course, the Minister for Social Development is responsible for how staff reductions are managed while protecting front line services. I am addressing all those issues, but I notice that none of the Members who raised them are in attendance. I should put my responses on record anyway.

Mr Hamilton also raised the economic downturn, the response to it, and the key objective of growing the economy. I agree with Members that one of our priorities must be the impact of the downturn on the economy and what can be done to deal with it. The four primary areas for what can be done were identified by the Economic Development Forum, which has been central to addressing the impact of the credit crunch, boosting the construction sector, financing SMEs and assisting businesses in difficulties while enhancing workforce skills.

The First Minister and deputy First Minister set up the cross-sector advisory forum, and it has reported with 107 recommendations on

measures that can and should be taken. One of the subgroups of the cross-sector advisory forum dealt with banking and lending. Through that, we tried to identify the scale and nature of the problem, and the Institute of Directors was very helpful in providing information through surveys of its members. A lot of that information was then taken to the Treasury. I have spoken to the Finance Minister in the Republic about the banks that are based there and the whole issue of NAMA.

At Treasury level, we now have access to the bank lending panel, where we can bring some of those issues to the attention of the Exchequer. There is also to be a report on lending by banks that are based in the Irish Republic: the Mazars report. Brian Lenihan has agreed that there should be a section on Northern Ireland in that.

I now come to the contribution of Mr McNarry, who is not in his place. He said that we should have a mature debate. Unfortunately, what we got from him was a self-serving, cheap, party political whinge. I wish that he had been here to hear that, but he is not. I listened to what he said, and I agree that we need to have a mature debate about the issues. However, that has to go beyond infantile finger pointing. He said that others were at fault and did not listen to his warnings. Then, of course, he threw a lot of misinformation into the pot to try to justify that.

Allow me to address some of the nonsense that we heard. First, because of the black hole in the economy, we had £370 million in cuts this year. We did not have £370 million in cuts at all. We had a redirection of spending, because of decisions that Mr McNarry and his party, including the Ministers from his party, supported, as well as everybody else in the Assembly. We deferred water charges, so we had to redirect money to cover that part of the Budget. We decided that we were going to spend money on helping hard-pressed ratepayers, so we had a number of deferral schemes for businesses and individuals. We froze the regional rate, and that meant redirecting money towards that. There was no cut. The total reduction was 0.1% of current spending and 0.1% of capital spending.

We redirected money on account of decisions that the Assembly took. There was no black hole, and the re-emergence of the "Cromac Street economists" in the Ulster Unionist Party, looking into the great big hole that they say

exists, is a sad reflection on them at a time when we are called upon to have a mature debate.

#### 4.15 pm

Mr McNarry tried to say that his party was divorced from any consideration of the Budget. The Executive debated the Budget on 25 March 2010, and from what I can remember, part of the resolution, at that stage, included a paragraph that I negotiated with his party leader. Although the Budget did not go through on that day, the only issue outstanding was the finance for Northern Ireland Water.

**Dr Farry:** I am grateful to the Minister for giving way. Further to the Minister's points, given that the Ulster Unionist Party, together with the Tories, championed the quicker repayment of debt more than any other party in these islands, surely the logical position for the UUP, rather than duck any sense of collective responsibility among the parties for what must happen, would be to advocate quicker, deeper cuts in our Budget than those advocated by the Executive.

**The Minister of Finance and Personnel:** I sometimes wonder whether logic comes into the debate; it is usually just rhetoric.

The rest of us did not turn our backs on the SDLP and the Ulster Unionist Party when we were having that debate, so they were not totally divorced from the decision-making process. In fact, they were fully engaged in the debate. Therefore, for them to run away from any involvement or association with it is, to use Mr McNarry's words, disingenuous.

Mr McNarry made the usual comments about waste in the public sector. He said that we wasted around £12 million on the Maze site. In fact, most of the money spent on the Maze site was for decontamination, which had to be carried out if the site is to be developed.

**Mrs D Kelly:** Will the Member give way?

**The Minister of Finance and Personnel:** I will give way in a moment or two. I wish to finish my point about waste.

Mr McNarry also said that we wasted money on RPA. So far, £9 million has been spent on RPA, which, I understand, was started by the previous Executive to reduce the cost of government. Had we not planned for such an event, we would have been criticised. Is it waste to spend money on planning for something? It was also said that

the Crossnacreevy project put a big whole in the Budget. What does Mr McNarry want us to do? Does he want us sell the site at a reduced price in the middle of an economic recession? That is something for which we would be criticised. The one bit of waste that Mr McNarry did not mention was the money that was spent tackling swine flu. His Minister made a bid that took money off every other Department in Northern Ireland. However, £23 million of the £27 million that was given over from other Departments was never spent. Perhaps, he conveniently forgot about that.

**Mrs D Kelly:** I thank the Minister for giving way. I listened carefully to what he said about how others define waste. Surely, if no decision is made, money is wasted. The opportunities presented by a preferred bidder almost two years ago for the Maze site were wasted by indecision and lack of decision-making at Executive level, particularly by the First Minister and deputy First Minister. We know that because it was the Minister's ministerial colleague Mr Poots who said that the deputy First Minister was holding out and was refusing to put some items on the table. Of course, opportunities were also wasted when the Executive did not meet for several months. It will be a real waste if decisions are not made.

**The Minister of Finance and Personnel:** The real waste will be if we do not realise the value of the site when there is an eventual opportunity to develop it. We still have the site, and valuable and necessary work has been done on it, and there will be future opportunities to develop it. We must view the situation in that context. Eventually, I hope that we will get to the point where we can have a mature debate about those issues because we need to have that debate.

I now come to the SDLP leader's contribution. To be fair to her, she did not accuse me of engaging in a smash-and grab on her budget. However, she accused my predecessors of doing just that, and I will defend them valiantly.

The smash-and-grab on the DSD budget, the Department for which she was, of course, Minister, involved reduced requirements being declared, as should be the case, and the Executive making a decision as to how that money should be reallocated. I do not think that any Member would wish that process to be any different. Say, for example, a Department bids for £100 million at the beginning of a year to

do something and then finds halfway through that year that it cannot do that something. In those circumstances, would the Assembly prefer that the Minister decided just to keep the £100 million and to use it for something different? I suspect that the SDLP would not be too happy if a DUP Minister, or any other Minister, did that. If taking money off a Minister in those circumstances is smash-and-grab, that is a very strange definition. There was no smash-and-grab on DSD's budget.

If Members look at what happened to the housing aspect of the DSD budget, they will see that I made extra money available for housing maintenance and grants in two monitoring rounds last year. Last year's newbuild programme for over 1,800 houses was the biggest that there has been for many years. Therefore, one can hardly say that that budget has not been dealt with.

**Mrs D Kelly:** The Minister valiantly defended his predecessors, and I, too, will valiantly defend our previous Minister for Social Development. The Social Development Minister made social and public housing a priority and delivered on that. Success has many authors, and we have no difficulty with that. However, surely the Minister will acknowledge that in December 2008, money that could have gone to DSD to deliver on public housing was allocated to slurry tanks and slurry housing. Surely the point was to get work back into the construction industry, which is a priority. The Social Development Minister delivered on the SDLP's commitment not only to those who are most marginalised and vulnerable in our society but to the tradespeople and suppliers who needed the construction industry to get back on its feet.

**The Minister of Finance and Personnel:** We are becoming too esoteric in this debate. Whether somebody is building a house or a slurry tank, I imagine that that is all part of the construction industry. Therefore, there can be no loss for the construction industry in that situation. However, it would be different if the money had been allocated for something other than that for which the Minister intended to use it and there was then a reduced requirement. I do not know whether the Member was listening. However, I do not think that anybody in the Assembly, Members of which vote to allocate money to Ministers for a certain purpose, would endorse any action that allows a Minister to say, willy-nilly, that they are not going to spend

money on that which it was allocated for. It would undermine the authority of the Assembly if Ministers made up their own minds as to what to do with the money that they are allocated.

**Mr F McCann:** The Member who made the previous intervention mentioned money that was reallocated in December 2008. That money was moved across from DSD's capital build programme, yet the construction industry was hit because it did not go ahead with the build.

**The Minister of Finance and Personnel:** I have answered that question and am not going to labour the point. When Departments have reduced requirements, the process is that the money comes back to the centre and is reallocated on the basis of collectively made decisions. That is the right way to do that.

Another point was raised, which I really cannot pass over. Every so often, the SDLP wrings its hands and says that if only the whole Budget had been reviewed, that would have helped, because, after all, it produced a review. However, the SDLP produced a review that amounted to £200 million, much of which was money that could not have been reallocated anyway. Some of that money was from capital receipts or sales of assets that were already considered to be disposals. Some of it was a re-profiling of Northern Ireland Housing Executive debt, which, due to certain Treasury restrictions, could not be done, and, oddly enough, although that was within the remit of the Social Development Minister, was not done by her. During the year, more than £200 million was reallocated in the Budget anyway through the monitoring rounds. Therefore, rather than being some radical Budget change in response to the changing economic circumstances, it was really a very small part of total spending in Northern Ireland. When one looked at the detail, it certainly did not represent a huge reallocation or re-prioritisation of the Budget, yet we get that argument pumped out all the time.

As I said already, I am glad to see that Mr Farry has not lost his independent streak or his willingness to take political risks. He stressed that a greater emphasis should be placed on taking tough decisions. At least when he used that rhetoric, he talked about some of those tough decisions. I am not so sure that some of them will make him all that popular among the middle class in North Down. Perhaps they will; I do not know.

He spoke about the way in which public service cuts fall on the poorest, while revenue-raising measures are more likely to hit the better-off. That is a very blunt and crude equation, because much public sector spending is, of course, directed towards the middle class as well. Indeed, many would argue that middle-class families probably get more out of education spending than working-class families do, and so on and so forth. It must also be accepted that many middle-class and lower-middle-class families that would be hit by the increased charges that the Member mentioned are also struggling with bills. Therefore, there will be an economic impact on people who although they may be described as better-off, are not well-off. Any progressive system will start to work at that level and work its way up.

However, at least Mr Farry spoke about some of the tough decisions that will have to be made, although it worries me a wee bit that all the issues that he talked about tended to be revenue-raising ones. Some of the tough decisions will require our looking at some of our spending programmes, too.

**Dr Farry:** That was only part 1; I am keeping part 2 for tomorrow. With all Mr McNarry's interventions, I ran out of time before I could get on to the second part of my speech.

**The Minister of Finance and Personnel:** I look forward to part 2 tomorrow. At least Mr McNarry has guaranteed us that we will not get a reheated meal tomorrow but something that is fresh, and I look forward to that.

Mr Farry also raised the issue of capital allowance. I dealt with that matter during Question Time. The fine is disproportionate. The payments were around £2 million above what they should have been, yet we had a potential fine of £63 million, which is 5% of the total disallowance. Of course, that is disproportionate, and negotiations are ongoing.

The Member asked why the Minister of Agriculture and Rural Development was not answering questions on that issue. He knows full well that there are ways in which to get the Minister to the Assembly to answer questions, whether they be through tabling a motion or a question for urgent oral answer. I am sure that if Members want to question the Minister on that issue, there are ways in which that can be done.

Mr Storey spoke about Committee engagement, which I have dealt with, and savings in the Department of Education. Education spending went up by 1.9% for this year, on top of a 5.8% increase on the previous year. The Minister of Education accepted that. It is useful to put some of the myths to bed when it comes to cuts in education spending or cuts in health spending. There have been increases in spending in those two major Departments.

Mr McLaughlin raised the issue of fiscal powers. He said that we are really debating only the allocation of the existing Budget, not how we will raise money.

We do have limited revenue-raising powers. However, he decided not to mention those because his party has problems with the one revenue-raising power that we could have in this House; namely, water charges. Therefore, he chose to talk fairly ambivalently — I hope that I am not being unfair to him — about the need for tax-varying powers. I am not sure which taxes he was referring to, because it did not come through in his speech. Everyone must recognise that tax-varying powers of any nature will hit some sector of the economy. Of course, if we call for full tax-varying powers, we will immediately run into the problem of the Treasury saying that we are on our own. Given the deficit that exists in Northern Ireland, I am not sure that anyone would wish to move in that direction.

#### 4.30 pm

Mr Shannon talked about efficiencies in the Health Service. I note that the Health Minister has confirmed that his Department is committed to achieving savings, and it has published plans for doing so on its website. However, as Mr Wells said, there is scope for more savings in the Health Service.

Mr Dominic Bradley raised the issue of investment in education. Again, an impression was given that there is no investment in education or that it has been reduced. Capital funding for the Department of Education for this year is 28% greater than the level of spend at the beginning of this mandate or in 2006-07, the last year of direct rule.

The £700 million that has been spent during the period of devolution has led to more than 100 major school projects being taken forward. Of that 100, 25 have been completed, 15 are on



site and there are nine PPP schemes. I visited two of them in north Belfast last Thursday at the Boys' Model and Girls' Model schools. Anyone who wants to see first-class educational facilities should go to those schools, because they are good examples of how the capital spending that is voted for in this Assembly benefits young people on the ground and their school environment. That is a smart way to spend money, because there is great potential for those facilities, which include fantastic indoor sports halls, keep fit studios, dance studios and theatres, all of which are inside the schools.

Looking across the Chamber at a member of Belfast City Council leads me to ask whether there is a way in which, by smarter working between councils and schools, we could avoid burdening ratepayers with bills for building more leisure centres or maintaining existing ones. Some schools have better facilities than some leisure centres, so why are the schools closed from 4.00 pm? Why are they not open to the public to allow for dual provision for some areas? That is the smarter way forward for public investment.

Mr Weir spoke about public spending projections. We do not yet know the projections for the next three-year period. Hopefully, we will have greater insight after the Budget of 22 June. We do know that the Prime Minister has been preparing us for the reductions that we are going to face. He has talked about the painful times ahead, the cuts that could affect our way of life and the fact that the overall scale of the problem is even worse than he had thought. Therefore, its potential consequences are more critical than we feared. We are going to have to live in that environment. That will be the background to Budget 2010. As Finance Minister, I will seek clarification about the implications for Northern Ireland as quickly as possible.

Mr Gallagher raised the issue of Quinn Insurance and a number of other detailed constituency issues. I assure him that every effort is being made to address the issue in Fermanagh. I know that Mr Gallagher likes to give the impression that the people at the end of the M1 and west of the Bann are forgotten about. That is not the case. Indeed, at every Executive meeting, we have had an update on what Ministers — there are at least four — are doing about the

economic situation that the collapse of the Quinn Group in Fermanagh caused.

It would seem now that compulsory redundancies, at least, are unlikely in Enniskillen. Invest Northern Ireland and the Department for Employment and Learning have held information sessions with employees at which they outlined the details of benefit entitlements and offered advice on how people might consider self-employment as an alternative. Mr Leslie Ross has been appointed to co-ordinate the interagency approach for those facing redundancy in Fermanagh. I have also spoken to Martin Mansergh, a Minister of State in the Irish Republic, and we are looking at what can be done with INTERREG money, for example, which may be available for helping to promote schemes to deal with the issues that have arisen as a result of the collapse of the Quinn Group.

Mr Gallagher also raised the issue of the more fundamental re-prioritisation of departmental budgets. I agree with him on that. The Executive have, through in-year monitoring, sought to deal with particular issues as they have arisen. In addition, when we conducted the review of the 2010-11 spending plans, we wanted to ensure that public services remained on a more secure basis. The priorities that we set in the Budget were aimed at reflecting those changing priorities and on emphasising some of the priorities that we wanted to keep.

Mr O'Dowd talked about the block grant and how we seem to concentrate our discussions on how it was allocated. The point of this debate is that we have reached the end of the process and have established the Budget. There is not a great deal else that we can talk about. There is no point in talking now about whether we should have done this, that or the other, because the Budget process is over. We have had the Committee scrutiny, the conversations with departmental officials and the discussions on the draft Budget, which led to the final Budget. One of the reasons why I wanted to begin the discussion on the Budget 2010 is that that is where we will have the kind of discussion that Mr O'Dowd lamented that we are not having today.

I will point out three things to Mr O'Dowd. First, the block grant makes up 90% of the funding available to the Executive. Secondly, although I understand that he and Sinn Féin in particular like to think about the all-Ireland economy, most of our trade, investment and money come

from our links with the United Kingdom. I am not one for sticking my head in the sand: no one can accuse me of pretending that nothing exists over the border, that we do not have contact with Ministers over the border or that we cannot work with Ministers over the border. Thirdly and equally, Sinn Féin has to realise that the main focus of our economic activity is with the rest of the United Kingdom. There must be some recognition of that. Whenever it comes to people sticking their head in the sand, they are more likely to take the approach that Sinn Féin sometimes takes on the issue, rather than the approach that unionists adopt.

I do not know how I got on to Mr O'Dowd, because I am back to Mr Gallagher. I have got them all mixed up — it does not matter. Mr Gallagher talked about structural maintenance of the roads in Fermanagh and the way in which they were crumbling. The impression that sometimes comes out of these debates is that we no longer spend money on education, health or roads. If I was listening to the debates as a member of the public, I would be wondering, "What do those boys spend money on?"

**Ms Ní Chuilín:** Boys?

**The Minister of Finance and Personnel:** Sorry — and ladies. I would wonder what the money is spent on. There are a lot of things going on. I have mentioned schools and hospitals. The maintenance budget for roads for 2009-2010 was £85 million; that is a 35% increase on the previous year.

**Mr McNarry:** They did not come near Strangford.

**The Minister of Finance and Personnel:** I do not know where the money is spent. I am not responsible for what the Minister for Regional Development spends the money on. I have responsibility for taking part in a debate around how the money is allocated, but I am sure that, if there were good constituency representatives in Strangford, they could get the roads fixed. I will leave that with Mr McNarry.

The maintenance budget for this year is £70 million. I understand that rural roads will receive resurfacing treatment as far as budget allocation permits. The roads around my house have been beautifully resurfaced recently, and I did not even have to talk to DRD.

Mr Gallagher mentioned the health capital programme. The Executive have given priority

to health spending, contrary to some of the comments that have been made. Of all the budget adjustments this year, the lowest adjustment was in the Department of Health. When a claim was made for help to deal with the swine flu epidemic, Ministers immediately responded by top-slicing their budgets. They then found, to their anger, that the vast proportion of the money that was allocated was never even used. That money was offered back to them with around three weeks left in the financial year. The Department of Health is not the pauper in this; health spending has been protected by the Executive, and Ministers recognise the importance of that.

Mr Wilson also said that the Executive were not providing sufficient or adequate funding for health. I have made the point about the amount of money being spent on health, the way in which the budget has been protected and what has been done when emergencies have arisen. He also raised the important issue of the Bamford review of mental health. The Health Minister plans new investment for mental health and learning disability services in support of Bamford. That will amount to £87 million over the next three years. There will be £44 million of additional investment in this year's budget.

I would like to see more detailed information given to Committees in the Budget process in future, rather than the global figures that Ministers produce. Sometimes, things happen without people realising because the money is just put into a huge pot and line-by-line commentary on it is not available to Members.

Mr Dallat raised the issue of the ombudsman's budget. I was not clear if he was talking about the ombudsman's budget or his powers. The ombudsman is independent, but he is free to apply for additional resources through in-year monitoring, which is considered by the Executive. Mr Dallat also mentioned the Dungiven bypass and rail funding. The Executive's capital plans for the next four years will set out the priorities for road and rail funding in the Budget 2010 process. In the short term, the Member will want to be aware that capital funding available for roads and transport is due to increase by 23% to over £350 million.

**4.45 pm**

I am sure that you will be glad to hear, Mr Speaker, that I have a couple more points

to make. Mr Wells and Mrs Kelly raised the issue of senior public service pay in the Health Service. Public sector pay accounts for about half of the total DEL resource. The control of pay growth will, therefore, be crucial over the next number of years, although much of that is outside our control because it is agreed nationally. We negotiate with the Civil Service and on some other local pay awards, but it is important to note that our ability to impose a blanket pay freeze is constrained by the agreements on nationally determined pay settlements that apply to many local groups. We cannot introduce pay freezes in that way, but we have been given a fair indication that the national Government may take a more robust attitude to public sector pay, which would be reflected in cuts to pay in Northern Ireland.

Mr Maginness raised the issue of public spending cuts. I was a bit disappointed in Mr Maginness's speech because it started off well, when he talked about the need to proceed on the basis of balance. However, he went on to list things on which we should spend money. As I said at the start of my contribution, I do not mind Members' outlining issues that are a high priority for them and on which they think that money should be spent. However, if we are to have the kind of debate that is required, rather than simply playing to the gallery, it is incumbent on Members to outline lesser priorities on which less money should be spent. Even at Question Time today, Mr Maginness told me that we should close our eyes to raising revenue through the sale of assets. We are not to put up water charges or sell assets, but we are to spend more money on the range of issues that Mr Maginness mentioned. We would not get far with that approach, and the public would regard us as a laughing stock.

Ordinary people in the street recognise that any reduction in the amount of money coming in every week requires them to make certain decisions, such as whether they stop going out for meals. People who want to go on holiday may decide not to buy a new car or something for the house. That elementary concept seems continually to escape Members. Sometimes, they simply want to list their favourite things on which money should be spent, even adding those to what we spend on at present. If we were to go down that route, our only choice would be to raise the taxes that are available to us in Northern Ireland.

Mrs Kelly raised the issue of student loans and excess funds. I refute the allegations that my Department was responsible for DEL's Excess Vote. Although the budgeting for student loans is complex, the treatment is set out by HM Treasury in its consolidated budgeting guidance, and that did not change during the year. DEL sought clarification from the Treasury on some issues, but that did not change the substance of the guidance. As the Department with responsibility for the management of student loans, DEL must take full responsibility for forecasting the level of interest and ensuring that the budget guidance is followed.

I am concerned about the Member's view that an Excess Vote is not a serious breach of the controls of the Assembly. It is, and Departments must adhere to the controls of the Assembly. It is right that such breaches are reported to the Comptroller and Auditor General and the Assembly because, if we overspend on budgets, all of Northern Ireland will bear the penalty. It is not a matter to be taken lightly, and DEL should have been aware of it. At the end of the day, it is DEL's responsibility to adhere to Treasury guidance.

*(Mr Speaker in the Chair)*

My time to speak is almost up. In conclusion, I thank everybody who spoke in the debate, including Members with whom I was cross and barged a wee bit. I look forward to a repeat performance from them tomorrow. No doubt some of them are listening to my winding-up speech and saying that they will get me back tomorrow. I will be happy for that to happen. I thank the Committee Chairpersons, Deputy Chairpersons and all Members for their contributions. Those who did not speak today will, no doubt, speak tomorrow, and some of those who spoke today will, no doubt, speak again tomorrow.

I appreciate that Members have reflected the genuine concern that members of the public feel when they look into the economic unknown that we face in the next three or four years. People are worried about their jobs, the services on which they rely, their economic future and so on. Therefore, it is good that Members have taken the opportunity to express those concerns. The Executive acknowledge that there are financial challenges ahead as we seek to manage prudently the reduced resources available.

Monday 14 June 2010

Various pleas were made during the debate, but no Department can be immune from the reductions in public finances during the remainder of this year or for the foreseeable future. However, I am confident that, as we complete the last financial year of this mandate, the Assembly will not be found wanting.

The people of Northern Ireland expect that; therefore, we must deliver. The importance of this stage of the public expenditure cycle — the Assembly approval of the Supply resolutions today and the associated expenditure plans that are laid out for 2010-11 in the Main Estimates — cannot be overestimated. Failure to pass the resolution would have serious consequences: Departments would run out of cash, and public services would grind to a halt. For that reason, I commend the Supply resolutions to the House and seek their endorsement.

**Mr Speaker:** I remind Members that the motion requires cross-community support.

*Question put and agreed to.*

*Resolved (with cross-community support):*

*That this Assembly approves that a sum, not exceeding £7,019,163,000, be granted out of the Consolidated Fund, for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 and that resources, not exceeding £7,569,483,000, be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 as summarised for each Department or other public body in columns 3 (b) and 3 (a) of table 1.3 in the volume of the Northern Ireland Estimates 2010-11 that was laid before the Assembly on 7 June 2010.*

*Resolved (with cross-community support):*

*That this Assembly approves that a sum, not exceeding £16,272,049.74, be granted out of the Consolidated Fund, for or towards defraying the charges for the Department for Employment and Learning and the Department of the Environment, for the year ending 31 March 2009 as summarised for each Department in Part II of the 2008-09*

*Statement of Excesses that was laid before the Assembly on 7 June 2010. — [The Minister of Finance and Personnel (Mr S Wilson).]*

## **Budget (No. 3) Bill: First Stage**

**The Minister of Finance and Personnel (Mr S Wilson):** I beg to introduce the Budget (No.3) Bill [NIA 26/09], which is a Bill to authorise the issue out of the Consolidated Fund of certain sums for the service of the year ending 31st March 2011; to appropriate those sums for specified purposes; to authorise the Department of Finance and Personnel to borrow on the credit of the appropriated sums; to authorise the use for the public service of certain resources (including accruing resources) for the year ending 31st March 2011; to authorise the issue out of the Consolidated Fund of excess cash sums for the service of the year ending 31st March 2009; and to repeal certain spent provisions.

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

**Mr Speaker:** I inform Members that written notification has been received from the Chairperson of the Committee for Finance and Personnel, confirming that the Committee is satisfied that there has been appropriate consultation with it on the public expenditure proposals contained in the Bill, in accordance with Standing Order 42(2), and that the Bill can, therefore, proceed under the accelerated passage procedure. The Second Stage of the Bill will be brought before the House tomorrow, Tuesday 15 June 2010.

## **Welfare Reform Bill: Consideration Stage**

**Mr Speaker:** I call the Minister for Social Development, Mr Alex Attwood, to move the Consideration Stage of the Welfare Reform Bill.

*Moved. — [The Minister for Social Development (Mr Attwood).]*

**Mr Speaker:** Members will have a copy of the Marshalled List of amendments detailing the order for consideration. The amendments have been grouped for debate in my provisional grouping of amendments selected list.

There are three groups of amendments, and we will debate the amendments in each group in turn. The first debate will be on amendment Nos 1, 2, 3, 6, 7 and 9, together with opposition to clauses 5 and 9 and to schedule 2, which stand in the names of Mr Brady and Mr McCann. The group deals with social security matters relating to children and couples and with income support.

The second debate will be on amendment No 8, together with opposition to clauses 19 and 20 and to schedule 3, which stand in the names of Mr Brady and Mr McCann. The group relates to benefit sanctions for benefit fraud and violent conduct and to non-compliance with jobseeker's allowance.

The third debate will be on amendment Nos 4 and 5, which concern the requirement for pilot schemes and a duty to report on a pilot scheme.

I remind Members who are intending to speak that, during the debates on the three groups of amendments, they should address all the amendments in each group on which they wish to comment. Once the initial debate on each group is completed, any subsequent amendments in the group will be moved formally as we go through the Bill, and the Question on each will be put without further debate. The Questions on stand part will be taken at the appropriate points in the Bill. If that is clear, we shall proceed.

*Clause 1 ordered to stand part of the Bill.*

**Mr Speaker:** We now come to the first group of amendments for debate. With amendment No 1, it will be convenient to debate amendment Nos 2, 3, 6, 7 and 9, together with opposition to clauses 5 and 9 and to schedule 2, which stand in the names of Mr Brady and Mr McCann. The

group deals with social security matters relating to children and couples and with income support.

I advise Members that the opposition to schedule 2 is consequential to the opposition to clause 9. In addition, amendment No 9 is consequential to opposition to clause 9. Therefore, I will call amendment No 9 only if it is voted that clause 9 will not stand part of the Bill.

### **New Clause**

**Mr Brady:** Go raibh maith agat, a Cheann Comhairle. I beg to move amendment No 1: After clause 1, insert the following new clause:

*“Children affected by Welfare Reform*

*1A.—(1) It is the general duty of the Department to take such action as the Department considers appropriate to promote the well-being of children who may be affected by this Act.*

*(2) Further to the general duty imposed by subsection (1) the Department must have regard to this Act’s impact on any child so far as relating to the following aspects of a child’s well-being—*

*(a) physical and mental health and emotional well-being;*

*(b) protection from harm and neglect;*

*(c) education, training and recreation;*

*(d) access to appropriate and affordable childcare (where required).”*

*The following amendments stood on the Marshalled List:*

No 2: In clause 3, page 10, line 33, leave out “under the age of one” and insert “under the age of five”. — *[Mr Brady.]*

No 3: In clause 3, page 11, line 4, leave out “under the age of one” and insert “under the age of five”. — *[Mr Brady.]*

No 6: In clause 24, page 32, line 9, at end insert

*“(c) the person’s responsibility for a child under the age of 16 who is—*

*(i) in receipt of any rate or component of a disability living allowance; or*

*(ii) was in receipt of a disability living allowance and has made and is pursuing an appeal against a decision that he is no longer entitled to a disability living allowance, and that appeal has not yet been determined.” — [Mr Brady.]*

No 7: In clause 24, page 32, line 20, at end insert

*“(c) the person’s responsibility for a child under the age of 16 who is—*

*(i) in receipt of any rate or component of a disability living allowance; or*

*(ii) was in receipt of a disability living allowance and has made and is pursuing an appeal against a decision that he is no longer entitled to a disability living allowance, and that appeal has not yet been determined.” — [Mr Brady.]*

No 9: In schedule 4, page 62, line 19, leave out from line 19, page 62 to end of line 22, page 67. — *[Mr Brady.]*

**Mr Brady:** The Welfare Reform Bill is the most important social security legislation since the inception of the welfare state in 1948. It will affect all our constituencies and some of the most vulnerable people in them.

The purpose of amendment No 1 is to place the well-being of the child at the forefront of all policies or directives that are put in place as a consequence of the Bill. The amendment recognises the importance of parents and people caring for the child in safeguarding the child’s well-being. It includes adequate childcare in its definition, thereby providing additional safeguards about the quality of childcare provision.

One of the difficulties that we have here is that childcare provision is inadequate. At present, we do not have a recognised childcare strategy. In fact, in some areas, we have some of the worst childcare provision in western Europe. The amendment puts the well-being of the child at the forefront.

### **5.00 pm**

Amendment No 2 ensures that the Department cannot impose a requirement or a sanction on a lone parent with a child under five. The Department has yet to evaluate the impact of imposing work-related requirements on lone parents with a youngest child aged 12 or under, which was introduced in October 2008; a 10-year-old from October 2009; and a seven-year-old from October 2010. Eventually, it is intended that lone parents with a child as young as one will be required to undertake work-related activities. It is much too early to consider imposing requirements on lone parents when a child reaches the age of one. The Department may well say that it will not impose sanctions because of a lack of adequate childcare, but that needs to be enshrined in legislation. It is much easier to impose sanctions once legislation is in place.

As to amendment No 3, as I said in respect of amendment No 2, it is much too early to consider introducing requirements when a child has reached only the age of 12 months. Therefore, it is intended to leave out “under the age of one” in clause 3 and insert “under the age of five”.

Amendment No 6 ensures that families with a disabled child who are in receipt of any component of DLA and those awaiting the outcome of an appeal are exempt from conditionality in respect of job-seeking activities and cannot have their benefits sanctioned. Again, that is relevant to the whole issue of the well-being of the child. Amendment No 7 has the same purpose as amendment No 6, as it also deals with children who are disabled or who are in receipt of components of disability living allowance.

Amendment No 9 deals with the abolition of income support. That is a fundamental reform and, again, there are no details of how it will work in practice. For example, what will happen to carers if income support is abolished? Until a feasible, practical alternative is proposed, it is not acceptable that it should even be considered. The Department of Work and Pensions (DWP) in Britain has said that it will bring forward proposals but, as yet, it has produced nothing. That is not the way to run a social security system that affects the lives of many of our most vulnerable citizens.

I will now talk about the opposition to clauses 5 and 9 and the opposition to schedule 2. Clause 5 will remove entitlement to income support and income-related employment and support allowance for couples when one member of that couple is capable of work. That will mean that the only route to income-related support for such couples will be through income-based jobseeker’s allowance, and the member of the couple who is work ready will be required to fulfil the job-seeking requirements. Regulations will then prescribe the circumstances in which a member of the couple will not be treated as capable of work; for example, if he or she has claimed employment and support allowance or he or she is in receipt of carer’s allowance.

As for opposition to clause 9, the Bill grants the Department the power to abolish by Order income support in respect of any category of person.

Clause 9 should be read in conjunction with clauses 4 and 5. Clause 5 allows for some claimants to lose access to income support when they are part of a couple of which the

other person may be capable of work, and clause 4 allows people to claim jobseeker’s allowance without seeking a job. It is totally unacceptable to allow the Department the power to scrap income support when the fate of different types of claimants such as carers and others with highly specific needs has not been explained. If that power remains in the Bill, the Assembly’s role in scrutinising social security policy and its impact will be undermined.

Schedule 2 seeks to abolish income support, and no feasible alternative has been suggested. As a result of the impact that the abolition of income support will have on particular client groups, it is essential that those groups have some knowledge and detail of what they can claim when income support is replaced. There is an onus on the Department not to abolish income support until a feasible alternative has been put in place.

**The Chairperson of the Committee for Social Development (Mr Hamilton):** The Committee for Social Development has carefully and seriously considered the many complex matters in the Welfare Reform Bill. As the House will be aware, Committee members spent a great deal of time on the Bill during its pre-legislative consultation phase, its Second Stage and particularly during its Committee Stage. The Committee’s lengthy report reflects members’ interests and concerns on the social security and child maintenance issues in the Bill.

I wish to thank present and past members of the Committee for Social Development for their contributions to the debate in Committee and to the content of the report. I also place on record the thanks of Committee members to the many witnesses who provided such useful written and oral submissions and to the departmental officials who provided a fast turnaround on some detailed queries from Committee members. Finally, I want to thank the Committee staff, who facilitated the commencement of formal evidence taking, the conclusion of the clause-by-clause scrutiny and the production of the report within a three-week period. That may be a record in the House.

During the Bill’s Final Stage, I will comment on the timing of the different stages of the Bill and the usefulness of its Committee Stage. However, with the Speaker’s indulgence, I want to address some of the Committee’s

considerations of the Bill and those issues for which ministerial assurances are sought.

As the House is well aware, the majority of Committee members and Members of the House support the principle of maintaining parity with the rest of the United Kingdom on social security, pensions and child maintenance matters. As a consequence, and following debate and division, the majority of Committee members agreed that there was no opportunity to amend the Bill without endangering the generally beneficial access to social security support afforded to claimants in Northern Ireland. Notwithstanding the majority of members' concerns about breaking parity, the Committee nevertheless critically reviewed all the clauses and sought to secure important assurances where amendment did not appear possible.

Chief among members' anxieties was the possible impact of the Bill on vulnerable claimants, particularly those with childcare problems, mental illnesses, learning disabilities and other caring responsibilities, or those who are victims of domestic violence. Members wanted to be sure that those claimants would not find themselves subject to mandatory directions that could unfairly impact on them or their dependants. Therefore, the Committee was happy to receive assurances from the Department that guidance to benefit advisers would set out that additional and appropriate consideration would be given to those claimants. That is an important issue, and the Committee would welcome confirmation of that assurance from the Minister today for DSD and DEL benefit advisers.

During its consideration of clause 6, the Committee sought confirmation that claimants in receipt of income support or statutory sick pay would continue to be passported to other benefits. Members had concerns about that issue and would also welcome an assurance from the Minister.

The Committee spent some time considering the proposed changes to community care grants in clause 15. Many stakeholders felt that the substitution of grants with goods could lead to additional bureaucratic costs, the stigmatisation of claimants and even poor product quality. The Committee also seeks an assurance from the Minister that the best practices will be employed when goods and services are procured through community care grants.

The Committee would also welcome confirmation that it will be consulted by the Department prior to the completion of the relevant contracts.

The Committee noted the absence from the Bill of provisions to allow piloting of the automatic payment of state pension credit. It is understood that those provisions are included in the equivalent Westminster Bill. Members felt strongly that the automatic payment of state pension credit would be of particular value to impoverished pensioners in Northern Ireland. The Committee hopes that the Minister will confirm today that, following successful Great Britain pilot schemes, the roll-out of the automatic payment of state pension credit will, if those pilots are successful, be extended to Northern Ireland.

Mr Speaker, I thank you for allowing me to refer to the key ministerial assurances that the Committee sought, and I will now address specifically the amendments in group 1. On proposed new clause 1A, the Committee considered the provisions that affect lone-parent claimants and that include, for example, the requirement to comply with certain directions from advisers. Members were quite exercised about how those provisions might affect the children of claimants. It seemed to some members that it was unfair for parity on social security conditionality to be applied to lone parents in Northern Ireland when there was apparently an absence of parity with Great Britain in childcare infrastructure.

Members welcomed assurances on the nature of work-related activity and the provision of clause 25, which refers specifically to the well-being of children. In that regard, members are keen to hear the Minister confirm that benefit advisers will recognise the childcare issues that are peculiar to Northern Ireland and will accept the wide range of difficult scenarios in which lone parents and parents with disabled children can find themselves.

It is essential that the operational flexibility that the Minister's predecessor mentioned at Second Stage is brought to bear for all claimants with children. The majority of members took the view that, despite their reservations, amendments to the Bill's provisions in that regard would endanger parity with the rest of the United Kingdom on access to social security benefits.



The Committee, therefore, proposed a similar amendment.

The Committee also considered clause 3, which refers to the conditions of eligibility for lone parents for income support. Members note the Department's assurance that the intent of the clause was to reduce conditionality for certain lone parents in receipt of benefits. Nonetheless, members did not welcome the restrictions on eligibility for lone parents without the provision of supporting childcare infrastructure. Following a useful debate in Committee, and as our report shows, the majority of members took the view that, despite all of their reservations, for parity reasons, they would support the clause as drafted.

Members of the Committee were concerned that clause 5 might lead to carers being denied access to employment and support allowance and the specialist work-related activity support and additional payment regime. Members were glad to receive assurances that carers would continue to have access to ESA or income support. That is an important issue, and members would value further confirmation from the Minister that those provisions will not apply to carers, regardless of whether or not they receive carer's allowance or other similar benefits. As our report shows, the majority of members, for parity reasons, therefore agreed to support the clause as drafted.

Clause 9 deals with the abolition of income support and, through regulations, the termination of eligibility for groups of claimants. Not surprisingly, and given the experience of the transfer to employment and support allowance, Committee members expressed great disquiet on that clause. Members would welcome an assurance from the Minister about further transfers of claimants from income support to other benefits. Members would particularly welcome assurances that vulnerable groups, including carers, will not be transferred from income support until suitable alternative benefits have been identified and are in place. As our report shows, the majority of members, for parity reasons, agreed to support the clause, subject to confirmation of the assurances that I have just mentioned.

Members welcomed clause 24, the so-called good cause clause. As I mentioned before, the Bill contains many challenging provisions. The majority of the Committee felt that the Bill had to be accepted to maintain parity in social

security matters with the rest of the UK. Crucial to members' acceptance of the Bill was the assurance that good cause for non-compliance with its provisions would include childcare issues, mental illness, learning disability and other caring responsibilities. I ask that the Minister reaffirms that assurance and signals clearly that appropriate, informed discretion will govern benefit advisers' administration of the provisions of the Bill.

In summary, and as our report shows, the majority of members, for parity reasons, agreed to support all of the relevant clauses as drafted, subject to confirmation of the assurances that I have just mentioned.

I will conclude by making some remarks in a personal and party capacity. Having endured the Committee Stage over the past number of weeks and months with the Members opposite, I understand where they are coming from. In fact, nobody on the Social Development Committee or in the House will, when reading the amendments tabled by the Members opposite, fail to understand why they have proposed the changes. Nobody will disagree with the sentiment. Of course, there will be a divergence over the means with which they are seeking to achieve their ends.

### 5.15 pm

The Members opposite who tabled the amendments have been beaten with the stick of parity long enough without me starting to wield it as well. However, it is worth reiterating that, to some degree at least, and despite its flaws and faults, the welfare system is better than what might replace it. There is a risk that damage could be done to that system and to the shield that it provides for the most vulnerable in our society.

**Mr Brady:** The Member mentioned parity, which is dealt with under section 87 of the NI Act 1998. Parity is not set in stone. The Act states that the Secretary of State for Work and Pensions and the Minister for Social Development will be responsible for social security and shall consult with each other to secure that, to the extent agreed between them, the legislation provides single systems of social security, child support and pensions for the UK. There is no legal requirement for parity. Effectively, it is about co-ordination.

Our amendments aim to make the Bill more structured and to improve administration and

how it affects the outworkings in the North. Ultimately, we are not saying that the subvention will necessarily be affected. That is an extremely important part of the issue of social security benefit. We are not suggesting that that will have a huge impact or that the Treasury will, as the Chairperson said, beat us over the head with parity.

**The Chairperson of the Committee for Social Development:** I thank the Member for his intervention. The Member has heard the interpretation of parity more times than I have and knows where a breach might happen. The Member is right: it is not a carbon copy or an exact lift. Although the words in the Bill may be more or less the same, it appears that there is flexibility on how benefits are administered here in Northern Ireland in comparison with Great Britain. The House will recognise that flexibility has been instilled into the system. Indeed, some of the issues that the Member wants to address through his series of amendments have been addressed by assurances that Northern Ireland's particular circumstances will be taken into account.

Childcare is the best example. I understand why the Member and his colleagues have put forward amendments that try to increase the Bill's recognition of the differing childcare circumstances between Northern Ireland and Great Britain. The Member does not need me to repeat those differences. He knows that there is a more private sector focus on childcare in Northern Ireland, whereas there is a more public sector focus on childcare in Great Britain. That poses problems for us in Northern Ireland.

It is a very noble objective to try to ensure that everybody in society who is willing and able to work can do so regardless of their circumstances, whether that is disability, mental illness, long-term generational unemployment or because he or she is a lone parent. If a person is willing and able to work, Members, the Minister and the Department should do all that they can to encourage people back into work. The lack of childcare provision in this country has certainly been an impediment to getting single parents back into work.

Although it may seem that some clauses in the Bill try to force individuals back into work, the Member and his colleagues should reflect on the many assurances that the Committee received from the Department. In fact, one of

the few benefits of the Committee Stage was that we were able to get so many assurances from the Department, particularly that lack of childcare will be taken into account.

It is very clear from the assurances, which I asked the Minister to reaffirm today, that "work for your benefit" schemes or work-related activity will not be imposed on any single mother who cannot find childcare. In fact, a very good point that was raised at Committee Stage was that, when a mother presents herself to a benefits adviser and says that she cannot find childcare, they take her word for it. There is no questioning of that. However, we will see how that works in practice. The Member has given a knowing wink in my direction, but at least we have that assurance on the record. Hopefully, we will receive similar assurances today. It is important to note that —

**Mr F McCann:** Will the Member give way?

**The Chairperson of the Committee for Social Development:** I will just finish my point. It is important to note that, at least in respect of the administration of that particular area of childcare, the Department and the Minister have acknowledged that there are different circumstances in Northern Ireland that have to be borne in mind.

**Mr F McCann:** Mickey Brady has just told me to say that you are an optimist. When the Bill was going through its earlier stages, we raised concerns about the passage of some elements of it. One of those concerns was about advisers and people with mental health problems or autism. We were given concrete guarantees that those issues would be taken care of, yet we listened to organisations that looked after people who have autism or mental health problems, and they said that they still face the same problems.

**The Chairperson of the Committee for Social Development:** I thank the Member for his intervention, and I draw his attention to the comments that I made about clause — *[Interruption.]* That was a musical interlude. We could have done with that sort of musical interlude when Mr Brady was struggling with his papers.

I draw the Member's attention to comments that I made about clause 24, and I appreciate that we are relying heavily on assurances from the Department, but we can only take

those at face value and in the spirit in which they were offered. The Member is right to draw attention to particular problems. In my time as Chairperson, and as a member of the Committee, we held at least two evidence sessions with representatives from Autism NI. They spelt out for us, in very graphic detail at times, the problems that their members and people with autism in Northern Ireland have had to endure. I have taken from those evidence sessions, and the follow-up meetings that we have had with the Department, that the message is very much getting through at the top. There is an understanding that there is a problem, and steps have been taken to try to arrest the problems and change some of the procedures, but, rather than a lack of understanding, it is more about a process problem. The system cannot deal with some of the difficult circumstances that arise when people suffer from autism; for example, advisers do not realise that callers have that condition when they speak to them on the telephone.

That message has got through at the top, and there have been some changes, but there is an obvious difficulty in filtering that down to everybody in the Social Security Agency. The Committee will continue to give attention to that and will try to press for ongoing, progressive change in respect of how the Department deals with people with autism.

I referred earlier to the comments that I made about clause 24, on which we have the assurance that good cause for non-compliance would include not just childcare, which I mentioned before, but issues in respect of mental illness, learning disability and caring responsibilities. We can test that with the Minister and get that assurance again. However, it is worth noting that good cause is a fundamental counterbalance to some of the other provisions in the Bill. Good cause is so extensive that it includes mental illness, learning disability, caring responsibilities, as well as childcare issues.

To return to Mr Brady's points about childcare, clause 25 is fundamental, and I mentioned it previously in my remarks as Chairperson. The well-being of the child is considered right across the Bill when it comes to arranging a jobseeker's agreement. The impact on the well-being of the child, who is defined as someone up to 16, is also important. It is worth noting that if a single parent who presents themselves and drafts up

a jobseeker's agreement and all the various conditions that that will contain, it will have an impact on the child, be it related to childcare or something else. That would be considered as the Bill progresses.

Mr Brady mentioned parity. Colleagues on this side of the Chamber and I are concerned that, although the amendments in this group might have been put forward with the best of intentions, they do, in some respects, fundamentally alter the conditions in which somebody applying for a benefit in Belfast, versus somebody applying for the same benefit in largely the same circumstances in Birmingham, Newcastle or Edinburgh, Cardiff, or wherever, in the rest of the United Kingdom can do so. That would be a fundamental change in the conditions. I hope that the Member will accept that that would be a breach of parity. An individual who applies here would do so on the basis of different conditions to somebody in Great Britain. In that respect, and even if the amendments are well intentioned, they would bring about a breach.

**Mr Brady:** I thank the Member for giving way. People in Birmingham pay a council tax; people in Belfast do not. There have been breaches of parity already. People here get a lot more deducted from their benefits in relation to overpayments, etc, than people in Birmingham.

**The Chairperson of the Committee for Social Development:** I hope that the Member is not arguing for bringing in the council tax here, because the average council tax bill is substantially higher than what people in Northern Ireland pay through their rates bills. Perhaps that is not what the Member intended to say. We are talking narrowly about welfare. There is no doubt in my mind that, if passed, the amendments would constitute a significant breach in parity conditions.

I do not wish to sound like the Minister's predecessor, who regularly rammed the lesson of parity down our throats, but it is a fundamental issue for me and my colleagues. It is imperative that the safety net, or umbrella, of the welfare system that we enjoy in the United Kingdom is protected and not risked in any way. The Member is right in some respects: nobody knows what the consequences would be if there were a fundamental breach of parity.

Whatever the circumstances, we have a subvention of £3 billion plus for social security

payments. That is too much money for me to endorse being reckless or gambling with. In the economic circumstances in which we find ourselves, with severe pressure on our economy and public spending, it would be foolish and foolhardy to go ahead and risk any change. If the Member and his amendments were able to give me a cast-iron assurance that that subvention would be protected, I would be happy to test the Bill to its limits. Given that he cannot do that, and given that the Minister would be unable to do so, it is too much of a risk for us to take. For those reasons, as well as the assurances that I talked about, which I am happy to rely on, I cannot support the first group of amendments.

**Mr Kinahan:** I am pleased to speak on this subject, although, sadly, I am not a member of the Committee. I agree that this is an incredibly important Bill, and I salute the great deal of work that has gone into it. I am sure that the Committee has had much more discussion on it than I have.

The Ulster Unionist Party feels that we should be pushing for parity with the rest of the United Kingdom. We should also make it clear that, at the moment, Northern Ireland has a tax take of some £12 billion, but we receive somewhere in the region of £19 billion. That is a difference of £7 billion. The largest proportion of that money comes via the benefit system. It is important, therefore, that we play our part. I do not think that Scotland, England and the other parts of the United Kingdom would like to think that we are trying to get more out of the system than them.

**Mr F McCann:** Will the Member give way?

**Mr Kinahan:** I would like to carry on. Amendment No 2 asks that the age of the child for whom a lone parent in Northern Ireland cares be increased to five. That cost would end up falling on us. The mainland would pay for the first year, and the cost for the other four years would fall to us.

I do not believe that that is correct or that we should follow that route.

### 5.30 pm

Furthermore, there would be cost implications to the implementation of clause 5. If we were to remove entitlement to income-related employment and support allowance for couples, where one member of that couple is capable

of work, we would have to foot that bill. That is also wrong.

If I move on to clause 3, I should say that Professor Gregg recommended a system of personalised conditionality matched by personalised support, with virtually everyone of working age who is on benefits being expected to take steps towards work. To rephrase that jargon, it basically means that everyone who is on benefits should understand that they must take steps to find work and that we will support them while they do so. Again, my party disagrees with the amendments to clause 3.

One of the Bill's key goals is to break the cycle of dependency. The Ulster Unionist Party feels that many of the amendments will not do that. Therefore, my party rejects the amendments.

**Mrs M Bradley:** Having been a member of the Committee that undertook a thorough appraisal of the Bill, I am surprised by some of the amendments that have come from the Sinn Féin Benches, especially as those ideas were, for the most part, discussed and ruled out by the Committee, which, of course, includes Sinn Féin members. The Committee for Social Development voted for the legislation. Now, however, it seems as though Sinn Féin is changing its position.

**Mr Brady:** On a point of order, Mr Speaker. If the Member actually reads the minutes of the Committee's meetings, she will find that Sinn Féin members voted against those parts of the Bill that we now seek to amend.

**Mr Speaker:** The Member has certainly made his point.

**Mrs M Bradley:** As I said, the Committee voted for the legislation. Sinn Féin tells me that I am incorrect. I will look at the minutes.

Now more than ever, in the current climate, it is vital that the people who will benefit from the legislation are well protected and provided for. It is highly questionable whether Sinn Féin's amendments would ensure that level of protection. I have no doubt that Mickey Brady and Fra McCann mean well. However, their efforts are badly directed. Many of their amendments are well intentioned, and it is relatively easy to see what they are trying to achieve. However, some of the amendments seek to make provisions that the legislation covers already. Indeed, other amendments

would, unfortunately, undermine some of the protections that the legislation offers.

If those amendments were agreed to, it is likely that the British Government would argue that they have significant implications for parity, especially where clause 9 is concerned. I do not know whether Sinn Féin has considered that problem or has done so and is simply happy to accept the British Government treating the people of the North differently and, indeed, like second class citizens. I, for one, did not realise that that was how Sinn Féin viewed equality.

It is interesting, however, that alongside a misunderstanding of what breaking parity could mean for the people of the North, Sinn Féin is showing again that it is unable to represent those people properly. Gerry Adams has made much of the need for other parties to stand by Sinn Féin in opposing Government cuts, yet his party is now happy to assist that process by unthinkingly suggesting breaking parity with no consideration of the consequences. Such a measure would require significant consideration and debate in the Chamber and would require more than Sinn Féin simply altering its position between the Committee and Chamber.

**Mr F McCann:** On a point of order, Mr Speaker. Earlier, my colleague pointed out that in Committee, we voted against the clauses to which we have tabled amendments. The Member should take that on board. She said that she would look at that, yet she keeps repeating that Sinn Féin has altered its position. That is inaccurate.

**Mr Speaker:** I have no doubt whatsoever that both Members are now on the record.

**Mrs M Bradley:** It is also important to note that as the Assembly still practises the principle of parity, it is the Chamber at Westminster where vital decisions will be finalised. However, Sinn Féin will not be there — will it? Perhaps it is so keen to put forward these misguided amendments because of its inadequacies in defending the people of the North against British cuts. I support the Bill.

**Ms Lo:** First, I want to thank all the staff and stakeholders who helped us along the way during the process of scrutinising the Bill. In group 1, my party supports amendment No 1. In fact, we were hoping to put in the new clause suggested by the Law Centre, but Sinn Féin

was ahead of us, and, therefore, our proposed amendment was not accepted.

I had a number of concerns. I am sympathetic to a number of the amendments put forward by Sinn Féin, although we all have to consider the consequences of breaking parity. I hasten to add that the plentiful assurances from departmental officials have given me some comfort, and I hope that a balance will be struck between encouraging people into employment and having sanctions against them.

Amendment No 1 proposes a new clause to place an additional safeguard for the well-being of the child. Although clauses 24 and 25 of the Bill refer to the need to take cognisance of the well-being of the child and the availability of childcare in relation to failure to comply with regulations in jobseeker's agreements and action plans, it is important that the impact of the Bill on the well-being of the child should be extended beyond the reach of clauses 24 and 25 to cover other aspects of the Bill, including sanctions.

We have high levels of child poverty in Northern Ireland — shamefully so. In 2005-06, one in 10 children in Northern Ireland was experiencing severe poverty. That meant that they were living in families with particularly low incomes and that the parents and children were going without basic necessities. A recent study by Save the Children showed that, over a four-year period, 21% of families — one in five children in Northern Ireland — experienced persistent poverty. That means that they were experiencing poverty in at least three of the four years. That compares with only 8% in Great Britain.

The Northern Ireland Commissioner for Children and Young People has indicated that the impact of poverty on children throughout their childhood is severe, resulting in, for example, higher infant mortality rates, greater physical and mental ill health, increased likelihood of teenage pregnancy or drug or alcohol abuse, increased likelihood of being not in education, employment or training when they become 16, and many other disadvantages.

The review of child poverty by OFMDFM highlighted the importance of families taking up benefits as a means to help them to get out of poverty. It is important, and it is consistent with central government policy. In Great Britain, in relation to childcare provision, welfare reform developments have gone hand in hand with a

resourced childcare strategy, including a statutory duty on local authorities to ensure that adequate childcare provision is in place. A transformational fund was established in England to invest in high-quality, sustainable, affordable provision. In contrast, in Northern Ireland, there is no lead Department, no statutory duty and limited resources. As a result, we have a very poor level of childcare provision.

It is important to acknowledge the contributions of parents and grandparents who look after children at home. They should be thanked. It is essential that the welfare of children be paramount in all the policies that come out of the Bill.

As I say, we oppose all the other amendments in group 1.

**Mr Easton:** I intend to be as brief as possible. The amendments proposed by the Members opposite are an attempt to break parity with rest of the United Kingdom. Although I think that the amendments are well meant and are not meant to be malicious, I believe that parity is the best way to go.

In group 1, the crux of the amendment to clause 24 is already dealt with by the Bill in paragraph 2 of proposed new article 14B, which states:

*“The provision made by the regulations prescribing those matters must include provision relating to —*

*(a) the person’s physical or mental health or condition;*

*(b) the availability of childcare.’”*

The amendment is, therefore, unnecessary as anyone who is suffering from a mental or physical condition or who is restricted because of the need for childcare is already protected by the provisions of the Bill.

I have sympathy with the amendment to clause 3 that exempts a lone parent with a child under five, as opposed to under one, from work-focused interviews.

Clause 5 amends existing legislation in relation to the entitlement to income support and income-related employment and support allowances for couples, where one member is capable of work, and removes any entitlement to benefits should one member of a couple be able to work. Therefore, people should be working if they can. That excludes people who are receiving carer’s allowance, if the person who can work is caring for the other individual in

a couple or is receiving employment and support allowance. I, therefore, support that clause.

The Members opposite seem to be opposed to getting rid of income support, as evidenced by their amendment to clause 9. Schedule 2 relates to income support, and the Members opposite also seem to be opposed to that aspect of the legislation. Schedule 4 relates to the repeal of the legislation governing income support, which the Bill will get rid of. I support that schedule as it stands and, therefore, disagree with the proposed amendments. Parity with the rest of the United Kingdom is probably the best way forward in this case.

**Mrs McGill:** Go raibh maith agat, a Cheann Comhairle. I do not sit on the Committee for Social Development, so I have relied on the knowledge and expertise of two party colleagues, Mr Brady and Mr McCann, despite what Mrs Bradley said — apologies, Mary. I relied on those colleagues for a briefing on Sinn Féin’s amendments, which I fully support. By way of reassurance to Mary Bradley, I also looked at recent and not so recent evidence to the Committee. Given the evidence from organisations that are particularly involved in issues such as child poverty, the difficulties faced by lone parents and the barriers to education, employment and training, I share the Committee Chairperson’s view that it is a noble ideal to try to get those who are not in work into work.

I will concentrate on amendment Nos 2, 3 and 6 and will comment on them by referring to the evidence that was given to the Committee.

#### 5.45 pm

Clause 3 refers, in general terms, to lone parents, and amendment Nos 2 and 3 relate to the age of a child above which a parent could be sanctioned for not attending a work-related interview or activity. The Law Centre said that sanctions along those lines would certainly have an adverse impact on poverty levels, and its evidence was convincing. Save the Children’s figures show that 70% of children in one-parent families live in poverty. Therefore, imposing sanctions is the wrong route to take. I have also seen evidence to show that imposing sanctions does not always get a positive result and, in fact, encouragement, particularly for those who face barriers to employment, is better.

Gingerbread NI said that we have 95,000 one-parent families, with perhaps 150,000 children in those families. Therefore, we are talking about a substantial number of children who could be affected by sanctions where childcare is not available. The Committee Chairperson and Mr Brady touched on the issue of childcare. The Child Poverty Action Group said that if sanctions are imposed, we could end up with a situation in which people have to work for something in the region of £1.73 an hour. If that is accurate, and considering how far short of the minimum wage that that figure falls, I would not expect anyone to give up benefits.

Amendment No 6 relates to children with disabilities. Mencap is very concerned about the hidden costs for parents of children with disabilities, such as added transport costs and the added time that those parents have to spend with their children. A range of factors impacts on those parents, who already have a lot to deal with in caring for their disabled children. Therefore, Mencap was concerned about the imposition of sanctions.

At one Committee evidence session, Margaret Sisk, a departmental official, said that the majority of children who live in poverty come from lone-parent families. We must be mindful of that fact. She also said, in what was a telling evidence session, that the purpose of the legislation is to move those lone parents out of poverty. Will the Bill do that? My party colleagues believe that Sinn Féin's proposed amendments would go some way to addressing the gaps in the Bill's provisions.

Finally, Marie Cavanagh, a representative from one of the disability groups, said that her organisation was seriously concerned that those with significant and complex disabilities are being gradually removed from employment and training provision through the implementation of welfare reform.

That is a fairly graphic comment, and is important in the context of what may be criticism of the party bringing forward amendments to the legislation. My route was to quote those groups that have an interest in and are close to the issue that we are discussing.

#### **The Minister for Social Development**

**(Mr Attwood):** I welcome the efforts of the Committee over recent weeks in preparing for the Consideration Stage of the Bill. It must be cold comfort to them that having endured the

Committee Stage, as the Chairperson of the Committee outlined, they now have to endure a speech from me, given the length of time that I have taken in the past to contribute to the House. I hope that I will get some consideration for all that.

**The Chairperson of the Committee for Social Development:** Like a Japanese game show.

**The Minister for Social Development:** Yes, water torture.

I want to make some general comments before I deal with some reassurances on matters that were raised by the Chairperson of the Committee. I will then deal with the body of the amendments.

I took the time before this past weekend to acquire the Law Centre's submission to the Committee, in which it drafted a series of amendments. In my personal capacity, as with many Members, I have sympathy with many of the assertions made by the Law Centre in its draft amendments, one or two of which have been followed through into today's amendments. Therefore, I asked officials to arrange a meeting with the Law Centre in advance of the Further Consideration Stage to scope out what the Law Centre was thinking and to determine whether anything further, consistent with best practice and all the issues that I am about to talk about, can properly and usefully be added to the Bill. I am not prejudging that. It will be very difficult. It might even be very risky, for reasons that I will explain. Nonetheless, I am prepared to undertake that meeting and to determine whether anything further can properly, usefully, legitimately and without risk be added.

Although the Committee Stage may have been an endurance, it was a useful endurance, given that there has been a change of Government in Britain, the statement made in a speech by Iain Duncan Smith, the Secretary of State for Work and Pensions, and subsequent comments by the Chancellor in particular. It has been useful and coincidental that we have been able to consider welfare issues with regard to this Bill, given what may or may not be developing in Westminster around the Tory/Liberal Democrat wider welfare agenda.

It is only fair to confirm to the House that Mr Duncan Smith forwarded to me a copy of his speech. I replied immediately, scoping out the terms of any conversation that I think

should arise between my Department and his Department about welfare reform. It is not appropriate at the moment to share the contents of that Bill, because it would not be fair to open a public negotiation, as it were, with London about those matters. However, I reassure the House that I put down clear parameters about how the welfare reform agenda may be taken forward, informed in part by this Bill.

I also reassure the House that I carefully considered the amendments. I will not be dogmatic. If a Bill can be made better, let us make it better, and if amendments add to legislation, let us legislate. However, in dealing with the amendments globally before I deal with them specifically, it is only fair to outline three principles.

The first, and I will outline this in more detail shortly, is that in my view and in the view of the Department, one or two of the amendments create a mischief. It is not intentional, but it is a consequence of the amendments, and I will outline the reasons for that. If certain amendments are made, there will be tension between some clauses to the point of making the Bill inconsistent, if not contradictory. I ask the proposer of the amendments to reconsider pursuing one or two of them because of the mischief that may be created. I hope that my argument may, at least, convince Claire McGill, who, through the briefing that she received this morning, was swayed by the arguments of her colleagues.

Secondly, the Committee requested reassurances, and I hope that in the course of the debate, I will be able to provide all those reassurances, of which there were quite a number. In those circumstances, the substance of the reassurances that I provide to the Chairperson of the Committee will enable the House to consider whether the amendments should have been tabled and whether they should be supported.

Thirdly, having considered all the issues, we must be vigilant and mindful of parity, which clearly casts a long shadow over this debate, the Bill and, no doubt, future welfare reform. Members commented on that in some length in the debate and their comments should be taken on board. I do not want to open the door now and enable the Treasury in London to race through in a way that may affect the people who

we are trying to legislate for in the Bill; namely, those who are vulnerable, in need, or who suffer an incapacity or disability of one sort or another. Therefore, in taking forward the debate on parity, which we should do, I am anxious that we do not open the door in such a way as to enable the Treasury to exploit the people for whom we are legislating.

During an intervention, Mr Brady rightly referred to section 87 of the Northern Ireland Act, which laid down how the principle of parity kicks in. However, legislation is, obviously, always open to interpretation. The Treasury interpreted it in the following way:

*"If, in the future, the Northern Ireland Executive change social security policy to differ from the rest of the United Kingdom, United Kingdom Ministers will need to take a view on whether and how to adjust this funding".*

Therefore, not only is the Treasury saying that if we go down the road of raising issues about parity, it will take a view, it is saying that the view will be how to adjust social security funding to the North.

**Mr F McCann:** I do not disagree with what the Minister is saying, especially about parity. He mentioned the Law Centre. Its representatives appeared before the Committee a couple of times and produced a paper about parity. That paper said that although we may not want to breach parity, we do have control over how the benefits are administered, which can be done for the benefit of claimants. That is big part of our argument.

**The Minister for Social Development:** I absolutely agree with the Member, and he anticipated my next point about how, consistent with the policy of not running foul of the Treasury, my predecessor, Margaret Ritchie, stretched the limits of operational responsibility for social security in a way that benefits people in the North. I will talk about that shortly.

I will make some further comments about parity shortly. However, at this stage, I am not convinced that this is the correct time or that the correct circumstances exist to begin, through this Bill, to push the issue of parity. We are going to have to have that debate, and the circumstances of the Treasury in London may come across the Irish Sea in a way that will make us consider the issue further. In that regard, I met the Social Fund Commissioner



last week in what was simply a stocktaking meeting. My understanding is that the Scottish Government received a report that outlined why it may be appropriate to devolve the social fund to them in a way that London may find acceptable but that does not necessarily open the door on parity. It would provide the people in the devolved jurisdictions, including here, the potential to administer funds in a way that more suitably deals with their issues. I am prejudging that issue.

**6.00 pm**

**The Deputy Chairperson of the Committee for Social Development (Ms Ní Chuilín):** The Minister will know by now that his honeymoon period is probably well over. The Minister and his Department have the ability to administer the disability living allowance locally in a different way and to change how it is administered at present. I refer the Minister to the report of the Committee's inquiry into the administration of that allowance. He should take into account the impact of the conflict here, and the higher levels of poverty and disability that are recognised as prevailing here, as opposed to those in Britain. That is another example of how the Minister could use his flexibility to implement a universal benefit locally in a different way. It is not so much breaching parity as administering it differently. That can work.

**The Minister for Social Development:** I hear clearly what the Member says. I am not speaking out of turn when I say that, in the letter that I sent to Iain Duncan Smith, I scoped why the situation in the North is objectively different to that in Britain, and how, in various debates on funding over the past number of years, it is acknowledged that the North's circumstances are somewhat different to those that prevail in Britain and in the other devolved jurisdictions.

I am not averse to stretching parity, consistent with not breaching it. I refer to comments that Anna Lo and Simon Hamilton made. Currently, after the Bill becomes law, if the House chooses to pass it, no lone parents in the North will have their benefits sanctioned where there is no suitable or affordable childcare. The practice was employed in the North by the previous Minister for Social Development, Margaret Ritchie, and it pushes the limits of flexibility regarding parity. It applies to children up to 16 years of age where no suitable or

affordable childcare is available. Anna Lo outlined the case in Britain in some detail. The Childcare Commission was set up there and worked through the issue, and the work of the ministerial subcommittee on children and young people here is ongoing.

Given Northern Ireland's particular adverse circumstances when it comes to securing suitable and affordable childcare, that practice represents a broad flexibility. It informs the payment of benefits, and this Bill will do that further. Over and above all the other flexibilities that I will talk about in order to provide the reassurances that Mr Hamilton, the Committee Chairperson, seeks, the bottom line is that the people who make the assessments retain discretion. Over and above all the flexibility laid down in regulation or in primary legislation, staff have the ability to exercise discretion and say yea or nay, depending on particular circumstances.

I welcome what Ms Ní Chuilín said about pushing or stretching parity without breaching it. That is the mindset that I have. That is one reason that I have asked to see representatives of the Law Centre. It has presented a paper with ideas, which, thus far, have not convinced the Department. The Department is well-intentioned, but it is useful to have a further conversation, without jumping in and going too far.

After the Committee Stage concluded, Mr Hamilton asked that I put on record a number of reassurances to the Committee and to the House. I will not deal with all those matters now; some will be addressed in later comments. However, I did not hear properly one of the Chairperson's requests, so if there is something that my officials or I miss, we will rectify it in due course.

The first reassurance that I wanted to give was in relation to clause 6, which deals with statutory sick pay and employment and support allowance. I can confirm to the Chairperson and the members of the Committee that I am able to give the reassurances that were sought on the maintenance of passported benefits; namely, that existing rules relating to the passporting of claimants receiving income support and statutory sick pay onto other benefits would continue.

Secondly, there was a question about clause 10, which deals with the power to direct a claimant to undertake specific work-related activity.

The Committee sought reassurances about training guidance for DSD and DEL staff and the involvement of voluntary disability organisations in developing guidance for advisers. I assure Members that voluntary disability organisations will be involved in the development of guidance for advisers.

I heard a comment from a Member about dealing with parents of children with autism. That issue has been flagged up to me independently over the past few days. I checked with officials this morning about what is meant by the involvement of voluntary disability organisations in developing guidance for advisers. I look at that issue in the same way that the Chairperson of the Committee looks at it; it represents ongoing and progressive changes to the way in which disability organisations may have input. Ultimately, however, as I understand it — over and above the fact that advisers get training and meetings are held with the relevant voluntary disability organisations to enhance the capacity of advisers to give advice — the advisers are themselves advised by healthcare professionals when it comes to a particular judgement. However, if in the outworkings of the further guidance on those matters, there are further efforts to bring about the progressive change that Mr Hamilton referred to, I will encourage my officials to take them into consideration. I hope that I have provided sufficient reassurance on that matter.

Clause 15 deals with community care grants relating to specified goods or services. I am pleased to confirm that there will be further Committee involvement in the relevant contracting processes. I asked officials what that would translate into, and I have been advised that, as the programme is rolled out, officials will be happy to give advice to the Committee on those matters.

There is one further matter relating to pension credit in Britain. I want to assure Members that, if it is decided to roll out the automatic payment of pension credit in Great Britain, Northern Ireland will follow suit.

Those are the reassurances that I wanted to give, other than those that I will deal with in subsequent comments.

I wish now to deal with the amendments. Amendment No 1 inserts a new clause 1A entitled “Children affected by Welfare Reform”. As has been pointed out, amendment No 1 inserts a new clause mandating the Department

to promote the well-being of children who may be affected by the Bill and to have regard to its impact on the well-being of a child. There are 10 or 11 mechanisms already in place that fulfil the purpose of amendment No 1; namely, that in making assessments of relevant welfare benefits, the well-being of children is a major and primary concern. However, unless we fix issues such as affordable childcare, we will always fail our community when it comes to issues such as the well-being of children.

What are the 11 mechanisms that properly or reasonably address the protection of the well-being of children in relation to the management of benefits? I am mindful that the proposer of amendment No 1 said that childcare provision in Northern Ireland is the worst in Europe and that the ministerial-led subgroup on childcare had unfinished business.

The first mechanism is that parents claiming jobseeker’s allowance who have older children are required to be available for work for as many hours as their caring responsibilities permit. That can be limited to 16 hours a week or fewer. That is an easement put in place by the former Social Development Minister, Margaret Ritchie. Those 16 hours can be managed around school hours as opposed to out-of-school hours.

Benefits office staff are trained in developing an understanding of a claimant’s circumstances and ensuring that jobseeker’s agreements and action plans are appropriate. That includes consideration of the person’s caring and other responsibilities. When requiring parents to undertake any mandatory activity, such as work-related activity or participation in the “work for your benefit” programme, any decisions made around their treatment or the activities that they are to undertake will also be made with due consideration to the well-being, welfare and education of any of their children who may be affected.

When making agreements or agreeing an action plan with a parent, before the plan is finalised and agreed an adviser will ensure that the person’s wishes and individual family circumstances are taken into consideration. They will then make a decision, in conjunction with the parent, on the appropriateness of the activities and ensure that they do not adversely affect the welfare, well-being or education of the child. That will be detailed in guidance for staff, which is currently being drafted. I will attempt to

assure that the guidance is drafted consistent with the principle that I have outlined. Given the importance of the matter, I will ensure that the Committee is given sight of whatever is prepared.

Failure to carry out the agreement or an activity outlined in the plan could lead to further action, and, as a very last resort, a sanction. We will ensure that safeguards are in place so that claimants are not asked to comply with a requirement that is unreasonable or inappropriate to their individual circumstances. That will include circumstances where appropriate childcare is not available.

We will ensure that anyone facing a possible sanction can easily rectify the situation so that they should not suffer unnecessary hardship. If a parent is required to undertake training or work experience in the school holidays, they will only do so if they can access appropriate childcare. In considering the imposition of a sanction, an adviser will refer the evidence supplied to an expert decision-maker, who will make a decision based on the reasonableness of the activity agreed between the adviser and the parent. The evidence may relate to the welfare or education of any child involved; for example, attending school, sickness or the availability of appropriate childcare.

A person will not be sanctioned for failing to participate in a mandatory activity if they have good cause. Examples of what constitutes good cause will be prescribed in regulation as well as in comprehensive guidance. Dealing with that in guidance rather than in primary legislation gives the adviser and the decision-maker latitude to consider all of the individual's circumstances, which include but are not restricted to the factors set out in the proposed amendment. Lack of childcare, the well-being of the child, transport difficulties, a physical or mental health condition and care responsibilities are just some of the factors that personal advisers and decision-makers can consider. All the circumstances of the individual customer will be taken into account.

Finally, personal advisers and decision-makers are already highly skilled, and currently deal with complex circumstances and discussions with parents. We will build on that by enhancing the comprehensive training package that they already undertake. By ensuring that personal advisers and decision-makers are suitably trained so that they can judge in discussion with

the parents the effect that advice or directions may have on the welfare, education or care of the children involved, we will ensure that they will be able to deliver the more personalised and family-focused approach that we require.

People have said that they have some sympathy with the amendment. We must bear in mind that the well-being of the child is a requirement of all Departments, not one Department alone. I am mindful of my earlier comments about parity. I hope that there is enough reassurance in the comments that I have made and the 11 points that I have outlined that Members will be minded not to move the amendment, or to oppose it.

### 6.15 pm

**Mr Brady:** The Minister has related 11 examples of protection of the well-being of the child. Surely inserting new clause 1A would simply reinforce that. It does not deviate from what the Minister has already said. It simply reinforces, in the context of the Welfare Reform Bill, what the Minister has already said. I am not sure why that clause should not be included. If the Minister is aiming for the round dozen, why not include it? I do not mean that in a facetious way. The Minister has outlined 11 different areas, and I do not see any reason not to include that clause. I wonder to whom it could potentially be mischievous; that needs to be clarified. I do not see any problem with the insertion of that clause, because it simply reinforces what the Minister has already said.

**The Minister for Social Development:** I thank the Member for that intervention. My comment was not that the amendments were mischievous but that they would create mischief, contradictions and tensions in the Bill, not in respect of this clause but in respect of amendment Nos 2 and 3 to clause 3, which deals with lone parents.

We have been advised that there are parity issues. However, over and above that, operational, financial and legal consequences could arise if the Department takes on responsibility for the well-being of the child in the legislation. As Ms Lo indicated, no Department owns the issue of childcare currently. Indeed, some would suggest that there has been a battle of wits between Departments about where childcare should be located. Departments will be supportive of the principle but anxious about the consequences of having sole or primary responsibility for

childcare. Putting it in the Bill that the Department has responsibility for the well-being of the child could have legal consequences for the Department. It could result in the Department assuming responsibilities that do not necessarily fall to it and that may fall to more than one Department or to other Departments. I have to be mindful of that.

Given the parity issue, the possible legal consequences and the ongoing discussions about a — as yet un concluded — ministerial subgroup on childcare, I think that the wiser counsel at this stage is to acknowledge the existing safeguards. I tried to outline what some of those might be and explain that they provide sufficient reassurance around the various subsections and paragraphs of the clause that the Member has proposed. I am trying to create legal certainty and a proper operational approach and to give confidence to those in the community who need confidence as regards protecting the welfare of the child.

**Mr Brady:** I accept what the Minister is saying, but surely the well-being of children is paramount to all Departments. Since I have become an Assembly Member, I have heard a lot about cross-departmental co-operation and so on. Surely this is an opportunity for all Departments to take on that responsibility. Being open to legal action and litigation is another issue entirely. The well-being of the child is paramount here, and inserting this clause would simply reinforce that.

**The Minister for Social Development:** As I have said repeatedly, I give reassurances that that is my view and the Department's intention. The proof positive of that is how the Department has stretched itself. I am prepared to look at stretching the Department further to ensure that, on an issue concerning the well-being of the child, those in receipt of benefits have all the appropriate flexibility. For all the reasons that I have outlined, my current judgement call is that that is the right side of the line. We will go as close to the line as possible and work through the matter as fully as we can. However, for all the legal, operational and financial reasons that I have outlined, that is the appropriate way to proceed at the moment.

Amendment Nos 2 and 3 relate to clause 3, which deals with lone parents and contains important safeguards for existing and new claimants of income support, jobseeker's

allowance and employment and support allowance. The additional safeguards will form part of a wider framework of flexibilities that are already in place to help parents to balance work and family life. I listened attentively to what the proposer of the amendments, Mr Brady, said. He may want to reflect a little further on the possible consequences of the clause. My interpretation of what Mr Brady said suggests that there might have been some misunderstanding about what clause 3 means and what it will do.

Under clause 3, lone parents with a youngest child aged under one will not be subject to any benefit conditionality, whereas I heard the proposer of the amendment say that there was an intention to require a lone parent with a child aged under one to take part in work-related activities. That might have been a misstatement, but I reassure Members that clause 3 intends to ensure that during the first year of their child's life, lone parents will have the right and the opportunity to look after and bond with their child without any requirements to engage with jobs and benefits offices.

Lone parents with a youngest child aged between one and two will be expected to attend six-monthly, mandatory work-focused interviews. We know that such support helps people to overcome barriers to work and that the requirements that we place on people through work-focused intervention helps more lone parents to start the process of overcoming those barriers. When their youngest child is aged between three and six, lone parents will be expected to attend three-monthly work-focused interviews and to agree an action plan with their adviser to undertake work-related activities.

Amendment Nos 2 and 3 seek to remove the requirement for a lone parent with a child under the age of five to attend a work-focused interview. However, that is where the mischief arises, because it seems to me that the amendment would end up creating a situation in which the right hand would not know what the left hand does. By that I mean that clause 2 of the Bill provides for a mandatory work-related activity for parents with a youngest child aged three to six. Therefore, the consequences of accepting amendment No 2 would be as follows: lone parents with a youngest child aged between three and five would not be required to attend a work-focused interview but would still be required to carry out mandatory work-related

activity. Thus, on the one hand we remove the requirement for them to attend a work-focused interview, but we impose a requirement to carry out mandatory work-related activity. To tell a parent whose youngest child is aged between three and five and who is minded to return to work that they have to carry out mandatory work-related activity without having been required to attend a work-focused interview could create an inconsistency, if not a mischief. It works against the interest of the lone parent of a child aged between three and five. Therefore, I —

**Mr Brady:** Will the Member give way?

**The Minister for Social Development:** Just one second.

Therefore, I ask the Member to consider whether that was the intention of amendment No 2. I do not think that it was. In those circumstances, will he review whether the amendment should be withdrawn?

**Mr Brady:** I thank the Minister for giving way. I want to make the point that when the Committee was briefed by the Department, its definition of what work-related activity might be was nebulous; there was nothing specific about what work-related activity might be. Essentially, the Department said that a lone parent with a child as young as three did not have to go into any detail about their work-related activity. Difficulty arises once that is enshrined in legislation. There is so much local office variation and interpretation, which the Minister himself has mentioned and which I have experienced over the years, that front line staff, who are under extreme pressure and with whom I greatly sympathise, will interpret the legislation as set out in the Act and not flexibly, as the Minister has suggested.

**The Minister for Social Development:** I thank the Member for that intervention. It is not a matter of flexibility; it is a matter of what process will govern the parent whose youngest child is between three and five years old. The Member said that the mandatory work-related activity was nebulous — I think was the word that he used in the Committee. However, for somebody who has not been in work for a period of time but who may be thinking about going back to work and whose youngest child is between three and five years old, surely it is better practice to try to create the greatest comfort zone around that person to help them to consider getting back into work. That is the

case, given that the evidence is that, in many circumstances, work can be a passport out of poverty. Therefore, if we are to create the most accommodating environment for that person, it seems sensible to carry out a work-focused interview and then to give them mandatory work-related activity.

I remember that the Committee for Employment and Learning received a lot of evidence about people who were out of work and about the dedicated measures that were needed to build up their self-esteem in some cases, their capacity and the confidence to get them thinking in work-related ways. In those circumstances, parachuting somebody into mandatory work-related activity without going through some preamble could create a mischief. It could mean that somebody is suddenly thrown in at the deep end when there are ways to encourage them to go into the sea, if I may use that phrase. I understand what the Member is saying about how some of this legislation may work out. To some degree, it is still a work in progress, because, as I indicated earlier, guidance is still being developed for various aspects of it. Nonetheless, we have to step back from that and identify the right process. This seems to be the right process, so in those circumstances, the Member may wish to consider further whether the amendment is appropriate.

Clause 5 deals with couples where at least one member is capable of work. The provisions in that clause form part of the raft of legislative changes that are needed to produce the recommendations that are in Professor Paul Gregg's review. He recommends that people who receive benefits should be divided into three groups: first, those who cannot be expected to fulfil any labour market conditions; secondly, those who should make progress towards work; and thirdly, those who are work ready. Clause 2 deals with the provisions that are being introduced for claimants and their partners who are capable of making progress towards work. Clause 5 makes provisions for couples where one member is capable of work.

Entitlement to income support and income-related employment and support allowance is calculated on a family basis. That means that in couple families, the needs of both members of the couple can be met. However, although the whole family receives support from those benefits, only the person who makes the claim is required to undertake any significant action

to move towards work. Therefore, we have a situation in which the partners of claimants receive financial support, but they are required to do somewhat little in return. It would be remiss to allow that situation to continue under a welfare system that expects almost everyone to take the necessary steps to enter employment. Indeed, in many instances, it makes sense to focus help on partners, rather than on the benefit claimant. For example, the healthy wife of a sick or disabled man many have a better prospect of an early return to work than their partner. Currently, however, she is given little help or encouragement to do so.

Support must be targeted to meet the needs of individuals to ensure that everyone is given the chance to fulfil their potential. To achieve that, the clause inserts additional provisions into the basis of entitlement for income support and income-related employment and support allowance. The new provisions will mean that, for couples where at least one member is work ready, the only income-related support available will be income-based jobseeker's allowance. Receipt of that benefit will be subject to the work-ready partner's fulfilling the full labour market conditionality regime and jobseeker's allowance. For example, they will be required to enter into a jobseeker's agreement to remain available and to actively seek work. Where a partner claims that they also have limited capability for work, that will be tested via the assessment process for employment and support allowance. It is again intended to devise regulations for those groups to which the new provision will not apply. For example, couples with young children will be excluded, and people of pension credit age or who are in receipt of carer's allowance will not be considered as being capable of work. I think that that may have been referred to earlier, and I give that reassurance.

Many of the couples concerned are parents, so it is important to note that the jobseeker's allowance system contains safeguards to ensure that people are not sanctioned for failing to comply if they have good cause.

### 6.30 pm

If a parent cites difficulties in sourcing suitable childcare or has other care responsibilities, that will form part of the decision-maker's consideration of good cause. Assurance is given, as requested by the Chairperson of the

Committee, that partners who are not capable of work can claim employment and support allowance and that certain claimants who have care responsibilities but are not in receipt of carer's allowance can claim income support. We are moving towards a welfare system, which, I trust, should have as its objective that it is leaving no one behind, where all people, as appropriate, are either looking for work or are preparing for work and in which everyone is treated as an individual and given the support that they need. In such a system, both members of a couple are subject to a regime appropriate to their circumstances. However, I am saying that with caution, given the debate that is being engaged in at Westminster.

If the Executive are to achieve their child poverty objectives, which we know are in jeopardy due to the economic downturn and because our legislation may have to follow in the wake of legislation in Westminster in that regard, we must reach all those who are capable of work and provide them with help to find employment. Introducing obligations for partners of benefit claimants is intended to reduce the number of workless couples as a step towards helping those families find a way out of poverty. It is not meant to be punitive, and it is not intended to be uncaring. I hope that it will be a measure to address the many families in the nationalist community in which there is not a parent, grandparent or child in work and the growing number of families in the unionist community in which there is not a parent, grandparent or child in work.

I urge the proposer to consider his opposition to clause 9 and schedule 2 and the amendment to schedule 4. Those provisions relate to the abolition of income support. Clause 9 is important because it sets out how the structure of the benefits system will be reformed and simplified. It provides the basis for a streamlined system in which there is no longer a separate benefit called "income support". When income support was first introduced, it was a catch-all benefit for everyone who satisfied an income test. It was, essentially, a one-stop shop benefit covering all situations and all bases, but that is no longer the case. Over the years, new benefits have been introduced to provide support for different groups, including income-based jobseeker's allowance, pension credit for older people and income-related employment and support allowance for sick and disabled people. In addition, lone parents with older children now receive jobseeker's allowance rather than income support. Once the

changes come in, income support will serve a much narrower purpose than was intended. It will be a benefit mainly for lone parents with young children, carers and a number of much smaller groups.

The people who get income support still need help, and clause 4 amends jobseeker's allowance to ensure that they get that support. The amendments in clause 4 will create a new form of jobseeker's allowance that will, to all intents and purposes, provide the same comprehensive safety net that income support currently provides. Crucially, a person will still receive the same amount of benefit as they did while in receipt of income support. Therefore, clause 9 provides a mechanism for abolishing income support when there are no longer any groups that require it. I gave that reassurance to the Chairperson of the Committee because he asked for that reassurance to be stated on the record.

**Mr Brady:** When the welfare state was introduced in 1948, the whole issue surrounding what was then called supplementary benefit was that it was a safety net; it was there to catch those who did not qualify for other benefits. You are saying that the scope of income support will be narrowed, which serves that intention. Surely, we will be going back to the original purpose, which was for there to be a safety net for the people who do not qualify for other benefits or do not fulfil the conditions for other benefits. I thought that that was the original intention.

**The Minister for Social Development:** Yes: 2010 is not 1948. The noble objectives of the welfare state after the Second World War have worked to the benefit of generations of people in a way that was unknown in the history of Britain and Northern Ireland and, arguably, unknown in western democracies.

In my correspondence with Iain Duncan Smith in respect of other matters that fall to the jurisdiction of the Department for Social Development, I am not going down the road of undoing the welfare state or privatising public services. There will be more of that in due course. However, the nature of benefits has changed. I outlined the various benefits that have been introduced to fine-tune and target appropriate benefits to those in need and those who are vulnerable. This legislation will mean a further change. As I said, these are matters of parity, and it would be unwise to open up any issues at this stage.

Clause 9 provides a mechanism for abolishing income support when no groups of people require it. Therefore, as long as one group of people requires income support, I will not ask the Department to bring a motion to the Chamber. That may be for a future Minister — whoever that may be — to address, but I do not envisage it happening during my tenure or the next year. I assure the House — this is important in the context of the amendment — that, even in the event of no group requiring income support, the Committee would be consulted and a motion tabled in the Assembly. The authority will lie not at ministerial or departmental level; it will fall, as is appropriate, to the Assembly to decide, and Mr Brady — if he is still a Member — and the rest of the Assembly will have the final say and ultimate sovereignty on that matter. However, given the changes that the coalition Government in London may introduce to income support, the debate may become academic.

Over and above all that, not to include the clause would have major implications for Northern Ireland. If income support were to be abolished in Britain, we would have no power to uprate it. In addition, the Social Security Agency shares IT systems with the Department for Work and Pensions. Those would be enhanced to accommodate a change in the benefit system. If we did not have the power ultimately to abolish income support, existing and new claims for income support would have to be maintained clerically. In this day and age and given the numbers who may still seek income support, it would be self-defeating and prohibitively costly to maintain that system clerically. That argument has, understandably, been deployed in favour of parity. The Department has taken certain measures to reshape the deployment of benefits in Northern Ireland. Were it to go further, it would need to introduce costly IT systems. Every year, £3 billion in various benefits comes across from London. If parity were broken, it would be neither feasible nor manageable to introduce new IT systems to facilitate the payment of benefits.

Amendment Nos 6 and 7 relate to clause 24. They seek to add a specific reference to:

*“the person's responsibility for a child under the age of 16 who is—*

*(i) in receipt of any rate or component of a disability living allowance; or*

*(ii) was in receipt of a disability living allowance and has made and is pursuing an appeal against*

*a decision that he is no longer entitled to a disability living allowance”.*

I hope that I can reassure Members that those amendments are unnecessary. Clause 24 makes it clear that the decision on whether a person has good cause for failing to undertake a mandatory activity must always consider:

*“(a) the person’s physical or mental health or condition;*

*(b) the availability of childcare”.*

When any employment and support allowance, income support or jobseeker’s allowance applicant fails to undertake a mandatory activity such as attending a work-focused interview, he or she is given the opportunity to demonstrate good cause for this before any action is considered. Applicants are invited to submit reasons for non-compliance to the decision-maker, who decides whether the evidence that has been provided demonstrates good cause. The new provision will be an important safeguard, ensuring that customers are not sanctioned unfairly. The provision will also apply to decisions on whether a person has just cause to leave employment voluntarily.

Current regulations on good cause already contain flexibility on the factors that decision-makers have to take into account when considering whether a person has good cause for failing to undertake mandatory activity. I do not intend to rehearse those now, but if it were useful to the Committee —

**Mr Brady:** Will the Minister give way?

**The Minister for Social Development:** I will in one second. If it were useful to the Committee, I would provide, through officials, a note to the Chairperson of the Committee to outline what the current regulations on good cause mean. It has always been appreciated that discretion is the safety net when it comes to the operation of such matters.

**Mr Brady:** The people that will affect might feel more reassured if it were enshrined in legislation. The Minister mentioned the decision-maker and good cause. I have worked in appeals for almost 30 years, and, in my experience, good cause is very open to interpretation, and, unless it is clearly laid out and defined, it is open to the individual who interprets it. With discretion, subjective rather than objective decisions are made, and that has been my experience over the years.

**The Minister for Social Development:** I

appreciate the Member’s insight. At the Committee meeting last Thursday, I said that the Member clearly had a long-time interest and understanding of all such matters. I am mindful of the wider debate about parity, and a combination of three elements should provide reassurance. First, in some places, good cause is already defined in law. I am not hostile to defining something in law, although I am more interested in what is best practice. In some places, some matters are defined in law. Secondly, given that the Member raised the issue, I will share a note that outlines the regulations that govern just cause. Thirdly, the power of discretion that falls to the person who makes the decision can cover a multitude of reasons, explanations and the background to individual claimants’ circumstances. Taken in the round, the use of those three prongs of good cause seems to be the more appropriate way to proceed.

In any case, the regulations ensure that the list is not exhaustive. In the event that circumstances change, thinking widens or experience informs the Department to go further, we can certainly do so by the introduction of regulations. In that way, we could legislate through regulations that arise from primary legislation and legislate and regulate in a way that might reassure the Member, given his different and difficult experience.

I stress that the current legislation and the guidance provided to personal advisers and decision-makers ensure that they also have the discretion to take account of all the facts of each individual case when considering good cause, including a mental or physical disability or condition of a person or child for whom they are responsible and the lack of suitable childcare for that child. Therefore, account is currently taken of people with a child under 16 years of age who are in receipt of any disability living allowance when considering good cause for not undertaking a mandatory activity.

In addition, clause 25 makes provision for the well-being of any child to be taken into account when completing a jobseeker’s agreement or action plan for people who are claiming jobseeker’s allowance and employment and support allowance. Therefore, at the initial stage of the claim or during the period of the claim, any specific needs of the parent and the child will be taken into account, including those of



any child in receipt of any rate of disability living allowance, when considering mandatory activity.

I hope that, in light of the reassurances that I have provided, the Member may be minded not to press his amendments. If he is not, for the reasons that I outlined when I discussed the specific amendments and the wider narrative that I outlined at the beginning of my contribution I urge Members not to accept the amendments. Although they are undoubtedly well intentioned, they are not necessary, create unintentional mischief or begin to wander beyond the principle of parity. Although we have explored what to do in the short term, never mind the longer term, it could open up the debate in a way that could give the Treasury in London the opportunity, if it is minded to do so, to drive a coach and horses through social security in the North.

**6.45 pm**

**The Deputy Chairperson of the Committee for Social Development:** Go raibh maith agat, a Cheann Comhairle. Although I am winding on the amendments, Members will be relieved to know that I have absolutely no intention of going through every contribution. You have worn me down, Alex. You gave us notice that you were going to talk at great length about everything and, in fairness, as is your prerogative, you did that.

I will mention some specific points that Members raised. Committee members displayed great endurance during the Committee Stage, and, although Mickey and Fra are colleagues whom I love dearly, I felt sometimes that they were taking the hand out of me. Therefore, I had great sympathy with the rest of the Social Development Committee. I want to record our gratitude for the work of the Committee staff and congratulate them on that. The report is 645 pages; that is no mean feat for any Committee. Many witnesses gave evidence to the Committee, including the departmental officials who are sitting to my right. This is a fairly weighty piece of legislation that is going through the House.

We are still debating the first group of amendments. Two groups remain, and, therefore, I will horse on. Mickey Brady spoke to amendment Nos 1, 2, 3, 6, 7 and 9 and stated his opposition to clauses 5 and 9 and schedule 2. He outlined the reasons why we tabled the amendments in the first place. Those reasons

are well rehearsed. Members did not speak so much in opposition to the amendments but expressed their sympathy for the amendments or their disagreements or concerns about breaking parity, rather than, perhaps, stretching it. However, the intentions behind the amendments are genuine.

We must accept that there are political parties in the Chamber that will never agree on the colour of grass. It is green, by the way. At times, we come from very different ideological positions. However, for the best part of the debate, there has been a generosity towards and an acceptance of those positions. For example, Danny Kinahan, who is not on the Social Development Committee, showed his Toryism and his Conservative allegiance.

**Mr Kinahan:** Sort of.

**The Deputy Chairperson of the Committee for Social Development:** It came out big time, Danny, not “sort of”. If that is your assessment, I do not know what you will say during the debates on groups 2 and 3.

I knew after the first five minutes of the debate that we were in the minority. In fact, I knew that after five minutes of the first day in Committee. However, we did not table the amendments for the sake of it. We fully believe in the availability. That is what this is about. Mickey’s point is correct: there are 11 examples — the Minister described them as 11 protections — and Mickey’s argument is that there should be a twelfth. We must ensure the protection of families, lone parents, children and those who are very vulnerable.

The Chairperson, Simon Hamilton, said that we needed to seek assurance from the Minister, particularly on clause 15 and others that I cannot recall. However, clause 15 stuck out. I will give an example of why clause 15 stood out, particularly in relation to white goods, procurement and contracting out in respect of community care grants. I am not being flippant, but there are various examples in which that did not work in the past. That included the stigma of people going with a token, a voucher or a docket to ask for a cooker. Mickey talked about people’s experiences, but maybe that was a Newry phenomenon. I know of other experiences. There was a consignment of Spanish cookers, and, when people turned on the grill, the back left ring came on. Often the ovens did not work. It was almost impossible

to get them fixed, and it was a waste of time to go back to the supplier. Therefore, people felt that the opportunity through the community care grant was wasted. They felt embarrassed and ashamed. However, everyone on the Committee identified with that and had different anecdotal bits and pieces about their experiences. Therefore, that assurance is welcome.

We accept the idea — the Minister alluded to it — that, if the pilot state pension credit scheme in Britain ends, it will be brought in here automatically. However, if we already know that that is going to happen, why not introduce it here? Large numbers of people are on state pensions, and they would certainly benefit from it. Anything that will raise the quality of life and make it easier for those people has to be welcomed.

I will not go into the issue of good cause. We are coming from different positions on that matter. We have argued it backwards and forwards and around again.

**Mr Brady:** The good cause clause.

**The Deputy Chairperson of the Committee for Social Development:** Yes; the good cause clause. Our position is clear. I was disappointed by Mary's speech. The Committee report is published, and it is 645 pages long. She had loads of opportunities to speak at Committee meetings. There were times when we all agreed with one another, but the way in which Mary's opposition to our amendment was delivered was disappointing. However, we are big girls and big lads, and that is what this place is for, so I am not going to burst out crying because Mary was particularly petty. We will just try to get on with it.

The idea that Anna Lo raised about additional safeguards and the well-being of the child extends beyond clause 25. As Anna and others pointed out, the high levels of child poverty are the main reason why she supported the amendment. That is a concern.

In no circumstances will Alex Easton break parity. That is fair enough, even though he has sympathy for aspects of our amendments and why we tabled them. That is Alex's position, that is his party's position, and that is fine.

Claire McGill read a 645-page document in summary this morning, and I am really impressed. I have been sitting on the Committee and have struggled with it, but,

obviously, there is a lot of skill there. Claire pointed out certain examples that various organisations have mentioned, particularly in respect of amendment Nos 2 and 3 regarding lone parents and the age of the child, from the Law Centre, Save the Children, Gingerbread, the Child Poverty Action Group and Mencap. She gave a variety of examples of concerns from well-established, well-respected groups who advocate on behalf of some of the most vulnerable people in our society. That is a clichéd phrase that we bandy about here quite a lot, but even the Members who oppose the amendments will accept that there is concern about some aspects of the Bill from bodies and organisations that do exceptionally good work.

In fairness to the Minister, I note that he took a different approach to the issue. The impression that I get — I am not asking him to confirm it, even though I am really tempted to — is that, if he was convinced that stretching matters and breaking parity on the issue would not affect a subvention, he might actually go with it. That is the sense that I got.

I am relieved that the Minister realises that Mickey, Fra and I are not being mischievous with these amendments. I accept — I do not agree — that pushing some of the amendments to a vote may have consequences for other parts of the legislation, although I can tell that it will not fly through. I heard what the Minister and other Members said, but I am not convinced that that is the case.

Fra and I say something behind Mickey Brady's back, but everybody else knows it, so I will say it out front. I think that Mickey Brady was working in welfare rights from 1948. He has a breadth of knowledge and experience that many people in the Chamber respect. However, we are not just relying on Mickey's word. We spoke to some of the groups outside the Committee evidence session and to individuals and welfare rights workers on the ground. It is because of all that and more that we are sticking to what we brought forward.

The Minister accepted the intervention around the local administration of benefits, of which disability living allowance is one. There is an example of where the Scottish could, possibly, do something different, and other devolved institutions are prepared to test that out. There are interesting times ahead with regard to

welfare reform and delivering to people who need support.

I think that many of us have been lobbied by, spoken to or met, on several occasions, the autism groups and the Don't Write Me Off campaign, particularly on the ongoing training with advisers. Few committees that I know of have not raised concerns regarding that issue. The fact that the training is ongoing is to be welcomed. I am not saying that in a patronising way. It is the same for anybody who is doing something for a while. Members who have been here for a couple of years get surprised now and again, and it does us no harm. If training is ongoing as part of the process and if autism advocates and people with a disability play a part in advising the training advisers, that is to be welcomed. I am not sure if I picked it up right, but I do not think that that is the case. It could, however, be good practice.

I have loads of stuff here, but, in conclusion, I am content that, although we disagree politically over aspects of the Bill and the implementation of the Bill from ideological positions, we do it from positions of constructive respect for our positions on the Committee. We had genuine reasons for tabling the amendments. I am still not convinced; I think that it will go to a vote.

I hope that Members appreciate that I have cut down eight pages of my winding-up speech. The Minister spent an hour and 45 minutes on his, but that is his prerogative.

**The Minister for Social Development:** I did not.

**The Deputy Chairperson of the Committee for Social Development:** Sorry. We are an hour and 45 minutes into the debate on the first group of amendments, and the Minister, rightly, took a lot of that time. I ask the House to support the amendments.

*Question put, That amendment No 1 be made.*

*The Assembly divided: Ayes 25; Noes 47.*

## AYES

*Mr Adams, Ms Anderson, Mr Boylan, Mr Brady, Mr Butler, Mr W Clarke, Dr Farry, Ms Gildernew, Mr G Kelly, Mr Leonard, Ms Lo, Mr F McCann, Ms J McCann, Mr McCarthy, Mr McElduff, Mrs McGill, Mr M McGuinness, Mr McKay, Mr McLaughlin, Mr P Maskey, Mr Murphy, Ms Ní Chuilín, Mr O'Dowd, Ms S Ramsey, Mr B Wilson.*

*Tellers for the Ayes: Mr Brady and Mr F McCann.*

## NOES

*Mr Armstrong, Mr Attwood, Mr Beggs, Mr Bell, Mr D Bradley, Mrs M Bradley, Mr P J Bradley, Mr Bresland, Lord Browne, Mr Buchanan, Mr Burns, Mr T Clarke, Mr Cree, Mr Dallat, Mr Dodds, Mr Easton, Mr Elliott, Sir Reg Empey, Mrs Foster, Mr Gallagher, Mr Givan, Mr Hamilton, Mr Hilditch, Mr Irwin, Mrs D Kelly, Mr Kinahan, Mr McCallister, Mr McCausland, Mr B McCrea, Mr I McCrea, Mr McDevitt, Dr McDonnell, Mr McGimpsey, Mr McGlone, Miss McIlveen, Mr A Maginness, Mr Moutray, Mr Newton, Mr Poots, Mr P Ramsey, Mr G Robinson, Mr P Robinson, Mr Ross, Mr Storey, Mr Weir, Mr Wells, Mr S Wilson.*

*Tellers for the Noes: Mr P J Bradley and Mr Burns.*

*Question accordingly negated.*

*Clause 2 ordered to stand part of the Bill.*

## 7.00 pm

### Clause 3 (Lone parents)

*Amendment No 2 proposed: In page 10, line 33, leave out "under the age of one" and insert "under the age of five". — [Mr Brady.]*

*Question put and negated.*

*Amendment No 3 proposed: In page 11, line 4, leave out "under the age of one" and insert "under the age of five". — [Mr Brady.]*

*Question put and negated.*

*Clause 3 ordered to stand part of the Bill.*

*Clause 4 ordered to stand part of the Bill.*

### Clause 5 (Couples where at least one member capable of work)

**Mr Speaker:** Mr Brady and Mr McCann's opposition to clause 5 has already been debated. Members are advised that they will now be asked to vote on whether clause 5 should stand part of the Bill.

*Question, That the clause stand part of the Bill, put and agreed to.*

*Clause 5 ordered to stand part of the Bill.*

*Clauses 6 to 8 ordered to stand part of the Bill.*

**Clause 9 (Abolition of income support)**

**Mr Speaker:** Mr Brady and Mr McCann's opposition to clause 9 has already been debated. Members are advised that they will now be asked to vote on whether clause 9 should stand part of the Bill.

*Question, That the clause stand part of the Bill, put and agreed to.*

*Clause 9 ordered to stand part of the Bill.*

*Clauses 10 to 18 ordered to stand part of the Bill.*

**Clause 19 (Loss of benefit provisions)**

**Mr Speaker:** We now come to the second group for debate. With amendment No 8, it will be convenient to debate the opposition to clauses 19 and 20 and to schedule 3, which stand in the names of Mr Brady and Mr McCann. The amendments relate to benefit sanctions for benefit fraud and violent conduct and to non-compliance with jobseeker's allowance.

I advise Members that the opposition to schedule 3 is consequential to the opposition to clause 19.

*Question proposed, That the clause stand part of the Bill.*

*The following amendment stood on the Marshalled List:*

No 8: In clause 27, page 36, line 7, after "prescribed period" insert

*"of not less than 21 days". — [Mr F McCann.]*

**Mr F McCann:** Go raibh maith agat, a Cheann Comhairle. I propose amendment No 8 and oppose clauses 19 and 20 and schedule 3 to the Welfare Reform Bill. *[Interruption.]*

**Mr Speaker:** I ask that Members leave the Chamber quietly.

**Mr F McCann:** First, I wish to state that any act of violence or abuse against staff in social security offices is to be condemned and the strongest possible actions should be taken against those who perpetrate such actions.

At Committee, it became obvious to us from the evidence given by a number of groups that there was opposition to many parts of the Bill. There was particular opposition to the aspects that proposed the extension of sanctions to deal with those who use violence against staff, who

have been charged and convicted of fraud, or who, for whatever reason, do not, on the days allocated, sign on or turn up for meetings.

We explained to the Committee that the pursuance of further sanctions in respect of their benefit payments against people who have already been through the courts and who may have already been sentenced, fined or both seemed to be a double hit against such people. We are concerned that that could not legally be defended and would be an injustice against the person who committed the offence in the first place. We have argued that offenders should be pursued through the courts, which we believe would send the clear message that attacks on members of staff, verbal or otherwise, will not be tolerated.

**7.15 pm**

Our other concern is that many people who have been tackled or charged for their behaviour are suffering from mental illness or are alcohol- or substance-dependent. It would be wrong to issue an additional sanction against such people, many of whom are homeless and could not survive but for the monetary help that they receive from the state, especially if they have just been through the court system and have been charged with and convicted of an offence.

Amendment No 8 deals with the proposal to strengthen sanctions against those who do not turn up for a meeting. However, some people may have good reasons for not doing so. Within five days of not turning up for a meeting, people can find their benefits suspended, and they will then have to go through the procedure of making a fresh claim. That would be too strict a penalty. The timeline should be extended to 21 days in order to give people with genuine, sound reasons for not signing on, or for non-attendance at a meeting, enough time to contact their local office, or for the office to remind them that they have failed to attend.

In his evidence to the Committee, Mr Les Allamby from the Law Centre said that he does not believe that a sanctions-based approach works. He went on to say that evidence of the success of sanctions is very mixed, with many people realising that they have been sanctioned only after it has happened. Our benefits system is so complex that people often do not understand the ramifications of non-attendance. He also said that the Department in Britain has prejudged its use of sanctions

by setting up the Gregg review to examine the efficiency and effectiveness of sanctions. That review has not reported, yet the Department for Work and Pensions is talking about a considerable extension of sanctions: it has said that that is what it is going to do, and then gather information to see whether it will work. Mr Allamby said that he had never seen such a cart-before-the-horse approach before.

A number of organisations referred to the detrimental impact of extending sanctions. Therefore, the Department should have gone back to the drawing board and accepted the weight of professional opinion from many of those who gave evidence to the Committee. Representatives from Gingerbread said that they did not agree with additional sanctions being brought against those who use violent behaviour in offices, as there is a criminal justice system to deal with that. Gingerbread went on to say that any sanctions on individuals, which impinge on the provision of food, clothing, warmth or shelter, impact not only on the individual but on his or her family.

We also learned of additional problems leading to non-attendance at meetings. For example, there are people with mental illnesses who find it difficult to cope with life, and people who suffer from autism and have difficulty handling their mail. Let us not forget the vast numbers of people in our communities who suffer from general learning difficulties, stress or illness, or are looking after a loved one who is ill. Those people may genuinely forget about an interview. However, the only time that such people will know that they have been sanctioned is when their benefit is stopped.

We are opposed to the introduction of schedule 3, which impinges on the rights of people who have already been charged with the offence of committing fraud. Again, the Department is asking that we agree to a two-strikes-and-you-are-out system of penalties for those found guilty of fraud. Clause 19 seems to say that the decision of the courts is not strong enough and, therefore, the Department will impose its own penalty to punish people. Stopping benefits is an additional punishment for someone who has gone through the judicial system and been punished for an offence. If, in any such case, the evidence exists to pursue an offender through the courts, that is the proper road to go down to deal with those who break the law, not the Department's additional punishment,

which could have far-reaching effects on families and individuals. I hope that the House takes on board the consequences of passing the Bill without the additional checks and balances that are required so that people are not punished twice for the same offence.

We have an opportunity to adopt a North of Ireland approach to administering benefits, which does not punish those who most need our protection. I ask the Assembly to support our amendment.

**The Chairperson of the Committee for Social Development:** Members spent a great deal of time at Committee Stage considering the new benefit sanctions that the Welfare Reform Bill introduces.

With regard to clause 19 and the new one-strike provisions, some members felt strongly that additional penalties for benefit fraudsters who had been punished by the courts were disproportionate. Those members also highlighted anxieties about sanctions that could severely and unfairly affect the blameless dependants of those responsible for benefit fraud. The Committee divided on clause 19, with a majority of members supporting it.

Members also debated the issue of benefit sanctions for those cautioned or convicted for violent conduct against benefits office staff. The Committee unanimously wanted to demonstrate its support for benefits staff and to set out its abhorrence of violent conduct in benefits offices. That said, a minority of members felt that the approach taken in that provision was inconsistent with other similar circumstances. Members noted, for example, that violent conduct targeted at tax office staff is not subject to sanctions over and above those imposed by a court. Those members again highlighted the view that such sanctions should be left to the courts. The Committee divided on clause 20, with a majority of members supporting it.

Clause 27 deals with sanctions for non-attendance in connection with jobseeker's allowance interviews. Members were surprised by evidence provided by the Law Centre (NI) that claimants sometimes may not be aware that they had been sanctioned and may not understand what they had been sanctioned for. Members again looked to the reasonable interpretation of the good cause provisions as a means to provide protections for vulnerable

claimants. A minority of members again indicated their opposition to clause 27, and the Committee divided accordingly.

Members were surprised by evidence on the apparent ineffectiveness of sanctions. They also noted assurances from the Department that the blameless dependants of those in receipt of sanctions would not suffer as a consequence of the actions of a member of their family. The majority of Committee members took the view that the sanctions regime is part of the parity package. Consequently, the Committee agreed that the provisions relating to sanctions should be accepted.

I want to make some remarks as a DUP Member. As with the group 1 amendments, I understand where the Members who tabled the amendments and registered their opposition are coming from. However, that hackneyed word “parity” applies strictly in this case. If we were not to include those clauses in the Bill, different conditions would exist for people claiming benefits in Northern Ireland as opposed to the rest of the United Kingdom. Different sanction levels would also apply in Northern Ireland. If anything among the amendments constitutes a clear breach, that is it.

There are good reasons for not only maintaining but strengthening the current sanctions regime for benefit fraud and violent conduct. In some cases, people think that the system does not go far enough and want the Department, for example, to name and shame clearly those guilty of benefit fraud, perhaps on its website.

An attitude used to prevail in which people who took a few extra quid out of the system were, with a nod and a wink, almost to be encouraged. Fortunately, we have all come around to a position of opposing that for the crime that it is because it constitutes theft from a benevolent benefits system. We may have issues with the benefits system and think that it is not fair or does not pay enough to certain people, particularly vulnerable people at certain stages of their life. However, it is a benevolent system, and people abuse it. They take money to which they are not entitled out of the system; that money could be given to people who need help.

Some people cite the fact that we are experiencing some of the lowest levels of benefit fraud in many years and that there is no need to increase sanctions. Why is the level of fraud so low? One good explanation is that

a concerted effort has been made to try to combat and clamp down on benefit fraud and remove the sense that it is socially acceptable.

However, the two-strike policy has been a change in recent years, and my argument is that it has acted as a disincentive for people who want to commit benefit fraud. If it has worked, and I believe that it has, there is an argument to reduce it to a one-strike policy. Doing so would be a disincentive and would act only to discourage even greater numbers of people from committing benefit fraud.

The message must go out clearly this evening, as it did during the Committee’s deliberations, that violent conduct towards those in social security offices is completely and utterly unacceptable, just as it is when it is directed towards any other member of staff in the public sector. There has been public uproar about attacks on workers, particularly those in the emergency services, such as doctors, paramedics and ambulance staff, who work at the coalface to deliver vital public services. I do not want to see the message going out —

**Mr F McCann:** I understand perfectly what Simon said. Such issues have been debated on a number of occasions in the Chamber, and I fully understand that we want to take the strongest possible action to protect people who work in benefits offices. The Member mentioned Health Service workers. If someone verbally or violently abuses a Health Service worker, they are charged and brought to court, but they are not refused healthcare. This is like a double dunt: people could be fined and jailed, and then, when they get out, they face another sentence.

**The Chairperson of the Committee for Social Development:** I thank the Member for his intervention. This is where he and I will have to diverge in our views. Some may be of the view that the punishment for people who are convicted of benefit fraud or violent conduct is harsh enough and we should not penalise them by withdrawing their benefits for as short a time as one week, or, as the Bill proposes, for as long as five weeks. However, others, including myself, believe that that is not harsh enough. If people defraud or abuse the system, which, at its heart, tries to be benevolent to the vulnerable in our society, they deserve punishment. I do not think that it is, by any means, as harsh a punishment as some in society may wish to see, particularly for those who engage in violent conduct. I made

the point about healthcare workers. I do not want the message to go out that any member of staff in a benefits office is in any way less important than those who work in the Health Service or in any other area of the public sector.

We are talking about moving from what is effectively a two-strike position to a one-strike position. Currently, if someone is twice found guilty of benefit fraud or violent conduct, they are punished by having their benefits removed. Therefore, the principle exists, and this is about tightening that. Perhaps the Members on the opposite Benches disagree with the two-strike policy, but if they were to oppose it, I think that that would be a bad sign. This is simply about tightening a principle that already exists.

Hardship provisions are in place. Therefore, it is not as though I am backing draconian measures for people who are found guilty of benefit fraud or violent conduct without caring about the impact that that would have on their dependants. Provisions are in place to ensure that the innocent family members, who may depend on the benefits of someone who is found guilty, are not affected. The only benefits that would be withdrawn would be those that relate exclusively to the individual concerned. Therefore, family benefits would not be affected in any way.

### 7.30 pm

I also take comfort from the good cause clause that ensures that the vulnerable, those who are mentally ill or those who use childcare provisions and so forth will not be adversely affected. I am talking about the clause that concerns people who do not attend jobseeker's allowance interviews and the subsequent punishment that they receive. Therefore, as the proposer of the amendment said, if someone has mental illness issues or learning disability problems and cannot understand what they are being called for or if it causes havoc to their usual regime, the good cause clause will take that into account.

I take some comfort from that clause. Such punishment ought not to be inflicted on people in those circumstances.

On behalf of my party, I oppose the amendments and support the clauses. We must send a strong message that benefit fraud, and especially violent conduct towards benefits advisers, is intolerable. The regime needs to be

strengthened to further dissuade those inclined to defraud the benefits system or to be violent towards those working in it.

**Mr Armstrong:** I wish to speak on the group of amendments dealing with the sanctions to be applied where those in receipt of benefits do not live up to their responsibilities.

Much has been said about people's entitlement to benefits. In our society, the right to receive benefits exists as a safety net; however, with rights come responsibilities. The amendments fail spectacularly to recognise that basic principle and must therefore be rejected.

Clause 19 is perfectly reasonable; it provides for the withdrawal of benefits for a period of 13 weeks where a claimant is convicted of benefit fraud on two occasions and the second offence was committed within five years of the first. Benefit fraud is a massive problem, and it is only right and proper that those found guilty of it should pay the penalty. They have stolen money from the public purse and have done a disservice to all those genuinely entitled to benefits. I therefore oppose the amendment and propose that clause 19 stand.

I cannot support the proposed amendment to clause 20, which seeks to prevent the withdrawal of benefits from jobseeker's allowance claimants who have been convicted or cautioned for violent behaviour towards staff. Once again, that relates to rights and responsibilities. Just as this House has constantly called for stronger action to be taken against those who assault Health Service staff, so it must send out a clear message that attacks on Social Security Agency staff will not be tolerated. The amendment sends out entirely the wrong message: if people are to exercise their rights to receive benefits, society has the right to expect that claimants will act responsibly when engaging with staff. Those who fail to meet their responsibilities by assaulting staff must be punished. There can be no room for doubt.

I also reject the amendment to clause 27 because I do not agree that it is reasonable to extend to 21 days the time that a claimant has to attend mandatory interviews before they lose benefits or have their claim closed. The proposed extension is excessive. I refer again to the principles of rights and responsibilities. If claimants cannot attend an interview, it is their responsibility to contact the benefits office

within a reasonable time. The five days laid out in the Bill is quite fair enough.

**Mrs M Bradley:** I thank the Minister for his work on the Bill and I am happy that he has been able to assure the Assembly on the concerns raised by the Committee for Social Development. I am sure that he will want to ensure the best protections for vulnerable people in the North.

Many Members are concerned about protections for lone parents. I am glad that there is no question of the lone parents of children of any age being sanctioned where suitable and affordable childcare is not available. That is important.

I said earlier that many of the amendments are well intentioned but misdirected. Amendment No 8 seeks to increase the period before sanctions are applied, in the case of someone failing to attend an appointment, from five to 21 days. Instead of protecting the applicant from sanctions, that could leave him without any money for up to five weeks. Therefore I ask the proposers to consider withdrawing their amendment.

**Ms Lo:** I support the four proposed amendments on sanctions in group 2.

In no way do I condone fraud, but I fear that the sanctions in clause 19 may cause undue hardship for many individuals and their families.

Many people on income-related benefits are already socially and economically marginalised. The removal of their only income source may just push them further into exclusion, which may all too easily lead to offending or criminal activities when individuals become desperate. The one-strike approach is also likely to increase the number of appeals and may, in turn, increase the workload of Social Security Agency staff.

Clause 20 outlines the sanctions that may be applied for violent conduct in connection with a claim for jobseeker's allowance. I condemn any aggressive behaviour by claimants towards Social Security Agency and job centre staff. However, as a liberal, I see an assault on an individual as a criminal matter that should be dealt with by the law enforcement agencies. People should not be punished twice, first by the court and then through benefit sanctions.

Amendment No 8 seeks to amend clause 27. Five days is far too short a period to allow people to contact the relevant agencies. That time period is totally unacceptable. That sanction will disadvantage people with mental or physical health problems, many of whom are dependent on others to take them to the social security office. I am also thinking of ethnic minority people, who may depend on a relative or a friend to interpret for them in the social security office in the event of a query. The timescale proposed in the Bill is far too short, too restrictive and too rigid. There are also cost implications, given the likelihood of an increasing number of appeals in relation to the short period for queries.

**Mr Easton:** I intend to be very quick in dealing with the second group of amendments. The amendment to clause 27 simply sets the prescribed period in the Bill as "not less than 21 days". A person should have a good reason why he or she fails to turn up to a benefit interview. There is ample opportunity in the Bill as it stands for a claimant to argue the case as to why he or she was unable to attend an interview. Schedule 3 to the Bill relates to sanctions on those who engage in violent conduct towards Social Security Agency staff. The Bill clearly sets out that violent crime against public sector workers is unacceptable.

**The Minister for Social Development:** The Chairperson of the Committee captured the dilemma in the Bill, particularly with regard to the clauses that outline loss of benefit provisions. I am also on the horns of a dilemma. The proposer of the first group of amendments correctly relied on section 87 of the Northern Ireland Act 1998 with regard to social security and child support provisions. The 1998 Act places a statutory duty on the Minister for Social Development and the Secretary of State for Work and Pensions to work together — this is the critical phrase — to secure single systems of social security, child support and pensions for Britain and Northern Ireland.

That is the dilemma in the Bill to which the Chairperson of the Social Development Committee referred. "Single systems" is code for parity. If, as the Treasury and the Department for Work and Pensions see it, there is not a single system in respect of, for example, loss of benefit provisions, there could be consequences. By that I mean that if the loss of benefit provisions in Northern Ireland is more flexible than the



system that prevails in England or with the other devolved Administrations, there is a risk that people who have suffered more severe loss of benefits in Britain could come to the North, where the approach might be more flexible.

Although I do not like the terminology because it has echoes of some sort of American dogmatic view, if there is a one-strike policy in Britain and a two-strike policy in Northern Ireland, people from Britain might come to Northern Ireland to avail themselves of benefits. Therein lies the dilemma of this legislation. There is a statutory duty to work together to secure a single system of social security. If we were to end up with two different systems of social security, when it came to the loss of benefit provisions, parity would be turned on its head. A more flexible system in the North could end up being more costly than that in Britain, and the Treasury might seek to penalise us for going down that road.

The clause and the proposed amendment capture that dilemma, which is what the Chairperson of the Committee was trying to outline in more robust terms. Speaking in a personal capacity, I do not like the loss of benefit provision. If I were more free, I might take a view on it. However, I am not. The provision would have consequences and would result in issues around parity and open that debate.

**Mr F McCann:** The Law Centre indicated that there was no real difficulty in extending the period from five days to 21 days. Most people are paid below the poverty line, so I cannot see a big rush of people migrating here for the £55 a week that they would get on the dole.

**The Minister for Social Development:** I hear what the Member is saying. I will explore that particular matter with the Law Centre. However, I am not talking about that clause; I am talking about the loss of benefit, not the attendance requirement. I am talking about the loss of benefit clause in respect of benefit fraud; I am sorry, I should have made that clear.

**Mr F McCann:** I am talking about sanctions in general.

**The Minister for Social Development:** I am talking about this particular sanction. There could be a cost consequence that could raise issues around parity. Bearing in mind what the Treasury states in its guidance, what is in law, and the principle of single systems that we signed up to in the Northern Ireland

Act, which gave expression to the Good Friday Agreement, that is where consequences arise. I have personal issues around the change to the benefit fraud sanction regime, but this is where the Assembly is captured. That particular amendment creates particular dilemmas and consequences. I urge caution about that amendment in that regard, although I have significant personal sympathy for its intention when it comes to benefit fraud.

The new sanction adds to the current fraud sanctions regime. That is the argument that informs this particular provision. The intention is to send a message to those who abuse the benefit system. It proposes that those who commit benefit fraud should be subject to the new sanction. The existing provisions, which Ms Lo referred to as the two strikes provisions, in the Social Security Fraud Act 2001 enforced the principle of rights and responsibilities by ensuring that those who repeatedly defraud the system can lose the right to continued benefit provision.

#### 7.45 pm

The argument now is that an equal principle should apply to all those who are guilty of fraud — the one strike rule — to deter more people from committing benefit fraud in the first place by making the benefits system more active as regards those who do not honour the rules. The existing benefit fraud sanction means that claimants who are convicted of benefit fraud twice in a period of five years are disqualified from benefit for a set period. I do not think that there would be much division in the House if that were being proposed now.

However, the introduction of the new clause, under which the loss-of-benefit sanction can be applied to first-time benefit offences, extends the penalties faced by people who are guilty of fraud. It will be a further deterrent against committing benefit fraud. All claimants who have committed benefit fraud, whether a first or subsequent offence, will now face loss or reduction of their benefit for a set period. That is further to any administrative penalty, caution, court conviction and any requirement to repay the overpayment.

I have indicated my view on the matter, but I also have to indicate the ministerial view. My Department accepts that the level of recorded fraud across all benefits is 0.3%, or around £12.6 million, of benefit expenditure.

In evidence that I gave to the Committee for Social Development last Thursday, I outlined that successful measures have been taken through a range of interventions to try to reduce that further. Mr Jonathan Craig is exploring that matter both through the Committee and publicly.

Existing hardship payments that protect the basic needs of vulnerable claimants who are faced with a sanction following two offences will also extend to the new one-offence sanction. Those payments will mitigate the situation by helping to ensure that the basic needs of vulnerable claimants or those with families continue to be met. Underlying entitlement to passport benefits, housing benefit, free school meals and so on will remain.

Before turning to opposition to clause 20, namely jobseeker's allowance and sanctions for violent conduct, I wish to put on record that, given the violent conduct that took place outside the jobs and benefits office just off the Shankill Road a number of weeks ago, the staff of that office showed remarkable resilience and dedication to service for the people of the Shankill. When I attended the office shortly after Mr Moffett was murdered, my staff were handing out cheques at the gate to ensure that claimants received their payments in advance of the bank holiday weekend. I spoke to staff on all four floors of the building that day. They had heard the shots and could look out of the window at the horrific scene a matter of yards away. Their dedication in the face of such trauma spoke for the true spirit and nature of the people of the Shankill. I know that the Minister for Employment and Learning concurs with me on that point.

I turn now to the sanction for violent conduct. I have more sympathy with that matter, although I have an issue regarding those who suffer from mental disability or stress and how that works itself through in respect of the sanction. Clause 20 introduces the benefit sanction for jobseeker's allowance, which applies to customers who commit acts of violence or exhibit threatening behaviour against staff or contracted staff in benefit offices during the course of a claim for jobseeker's allowance.

The claimant will be entitled to benefit during the period of the sanction, but it will not be payable. It is hoped that the new sanction will deter disruptive behaviour. It is important to stress that the sanction will apply only

following a conviction or caution. That means that the courts will have already considered and reached judgement on the offence. Guilt will have to be admitted by the offender in the case of cautions. The sanction will only apply to offences that involve violence or harassment that are committed by jobseeker's allowance claimants against benefit office staff or contracted staff who are going about their duties in the benefits office.

It will apply to offences such as assault, battery, threats to kill, wounding with intent to do grievous bodily harm, affray, causing fear or provocation of violence, intentional harassment, causing alarm or distress and committing racially or religiously aggravated assaults or harassment. The new sanction reinforces the link between a person's conduct and their engagement with the jobseeker's regime in actively seeking work and visiting benefits offices.

The sanction is an enhancement of the existing jobseeker's allowance labour market conditionality regime that may help customers to engage appropriately with the support on offer to help them move into employment and improve their lives. However, I assure Members that we do not envisage having to use that approach very often. The sanction is there to address the behaviour of a relatively small proportion of jobseeker's allowance customers. As I indicated, I am currently and actively looking at the matter of those who may have committed a criminal act as a consequence of or influenced by their mental disability, but I accept the principle that our staff in offices and contracted-out work must be protected.

Finally, I turn to amendment No 8, which relates to attendance in connection with jobseeker's allowance. Again, I ask Mr McCann to consider whether he wishes to pursue the amendment, because, again, unintentionally, in my view, amendment No 8 creates a mischief in the legislation that comes back in the face of claimants, for reasons that I will explain. The purpose of clause 27 is to introduce an incentive for customers to attend their appointments and to reduce the operational burden on the benefits office in having to close and reopen claims. The amendment proposes to prescribe the period for which a customer can show good cause for failure to attend a mandatory appointment for jobseeker's allowance as "not less than 21 days". That period currently stands at five days.

A person receiving jobseeker's allowance is made aware of their obligations at the outset. They know that they are required to attend the benefits office on a two-weekly basis and that they lose entitlement to benefit if they fail to do so, unless they can show good cause. That is all subject to the current regulations, which prescribe when people have flexibility about attending. I will share those details by way of a note to the Committee. Individuals who fail to attend the benefits office for an appointment are advised to contact the office within five days — a working week. I consider that a reasonable amount of time to wait for a customer to contact the office about their failure to attend. Contacting the office may not, necessarily, mean that they need to attend; it may be acceptable for them to contact the office by phone.

I suggest that it is self-evident that people in receipt of jobseeker's allowance are not in a financial position to wait for three weeks before going to their benefits office. Benefit payments will be suspended from the date they fail to attend until they do attend. If amendment No 8 were to be accepted, it could become nearly five weeks since they last received a benefit payment. Taken to its logical conclusion, if it becomes law that people will have 21 days in which to go back to the benefits office, it could be a further two weeks before they receive payment. Therefore, the amendment creates a mischief in the legislation. Unless people in need and the vulnerable seeking benefits have to attend within five days, they could end up running that time up to 21 days, with a further period thereafter before they receive benefits. That is the mischief: it puts some people who need to get into the office quickly to regularise their situation in a situation where some might decide to just wait.

**Mr F McCann:** I understand what the Minister is saying. In reality, sanctions already exist and are applied to people who do not sign on or forget to do so. I have dealt with cases where, on phoning up, a person is told that they are entitled to a crisis loan. However, they are entitled to only one crisis loan, and that takes no account of their benefit being suspended for four weeks. That sanction already exists; there are no safeguards to ensure that those people have money over that period. We are saying that there may be some people who suffer from mental or other illnesses who cannot handle their mail and do not realise that they have been invited along to a meeting.

They will only find out when their benefit is stopped, and they will then go through that process anyway. That could take five days, 10 days or two weeks. Safeguards need to be built into the legislation to ensure that those people are not affected because of their disability.

**The Minister for Social Development:** I hear what the Member is saying, but I have two points in reply. First, the potential consequence of the amendment for such individuals is to compound their situation, not alleviate it. Secondly, there are various provisions in the requirements to attend a benefit office that mitigate the situation for individuals who for good cause, because of circumstances beyond their control, is not able to attend when they are supposed to. There are already some provisions that protect the individuals about whom the Member is talking. However, we do not want to compound their difficulty by creating a situation in which they do not feel that they have to go to an office for 21 days and then end up not receiving benefits for five weeks. The amendment's intention to protect the individual is understandable and good, but the consequence of it puts that person in a more difficult situation. That is why I argue that the longer the individual stays away from the office, the longer it will be before they receive a payment. That is not in the interests of particular claimants. For those reasons, I urge Members not to accept the amendments, if they are moved.

**Mr Brady:** Go raibh maith agat, a Cheann Comhairle. I will first say that I condemn unreservedly and absolutely any violent behaviour against any member of social security staff. As someone who has worked in a social security office and has been at the receiving end of what would be considered violent behaviour, I have the greatest sympathy for staff. In the case about which I am talking, it was accepted that the lady had severe mental health problems. In other cases that I witnessed when I worked in a social security office in Belfast where there were incidents of violent behaviour, people were prosecuted and brought through the criminal justice system. Going through the criminal justice system is the proper way to deal with people who behave violently and aggressively towards staff.

Mention was made of people being sanctioned. The point was well made, and Fra McCann and other Members stated that people do not know

that they are sanctioned until it happens or until their benefit does not arrive. The Chairperson said that he was astonished, as some of us were, by the statistics that were given by the Law Centre. Violent behaviour should be dealt with through the criminal justice system and people should be punished appropriately for it. All of their circumstances should be taken into account. There may be incidents of drug or alcohol abuse, or mental health issues. There may be a situation in which somebody has been promised a benefit or whatever and it has not happened. There are various circumstances to be taken into account, but people with particular difficulties, such as autism or mental health issues, should be dealt with in an appropriate and sensitive manner.

Much has been said about the sanctions in relation to jobseeker's allowance and changing the prescribed period from five days to 21 days. Fra McCann stated that that change is to give people the opportunity to contact the office. There may be particular circumstances, such as bereavement, illness or hospitalisation, that lead to people relying on others to contact the office. I imagine that the number of people affected would be relatively small because nobody would put themselves in a position in which they would not receive benefit and would be sanctioned if they could possibly avoid it.

Simon Hamilton talked about support for benefit office staff, with which I agree absolutely.

He talked about inconsistency in the approach, because someone who is guilty of violent behaviour in a tax office is not sanctioned in the same way.

### 8.00 pm

The Member also talked about a reasonable interpretation of good cause, and I know that the good cause clause is close to his heart because he mentioned it frequently in Committee. He was and continues to be consistent in his view on the parity package, which also seems to be close to his heart. He is entitled to his view on that. He said that he that he understood where the amendments were coming from and acknowledged that they were not meant to be mischievous. In my opinion and that of my Sinn Féin colleagues on the Social Development Committee, the aim of the amendments is to lessen the impact on the vulnerable groups who will be most affected.

Social security fraud was mentioned many times. Tax fraud, however, is much more prevalent but never receives the same publicity. People who claim social security benefits seem to be marginalised and are, therefore, much easier targets.

Simon also said that the sanctions did not go far enough. I am not sure how far he wants them to go. He talked about publishing details on the Internet. However, that may have legal ramifications, and, if it were to progress, it would have to be opposed. He also talked about a benevolent system, but I am not sure whether he was ever a recipient of that benevolent system. If he was, I presume that he encountered someone who was more benevolent than those whom the rest of us came across.

We talked about benefit fraud and how effective it can be. Simon mentioned that the level of fraud had fallen, presumably because the level of detection has increased. In my experience, the vast majority of people are detected by friends, neighbours or family members who pass on information about them. They are not necessarily detected through the vigilance of special investigation officers, who largely rely on the public to give them information.

Billy Armstrong talked about benefit claimants not living up to their responsibilities, and I agree that people on benefits have responsibilities. He said that clause 19 was perfectly reasonable, and he talked about the two-strike and one-strike policies. He also said that benefit fraud was a massive problem. However, I argue that, based on the available statistics, social security fraud is not a massive problem. DLA claims, for example, are the least fraudulent, with less than 0.01% of fraud. In general, the level of social security fraud here is not high.

Mary Bradley talked about protections for vulnerable people, and I agree with her point. She said that people were being left without money for five weeks. However, the increase to 21 days is designed to give people the chance to get in touch with their local office after five days should they be unable to do so within five days. That situation must be examined.

I thank Anna Lo for supporting the amendments. She talked about the undue hardship that was caused by sanctions, and she said that people on benefits were marginalised and that sanctions removed their only source of income.

She condemned violent behaviour and said that assault was a criminal matter.

Alex Easton was succinct in his reiteration of what is in the legislation. He seemed to oppose the amendments, although I am not sure. We will find out later.

The Minister talked about the 1998 Act in connection with parity. He talked about the responsibility of the Social Development Minister and the Secretary of State for Work and Pensions to consult one another. I am not sure whether he mentioned the extent to which there would be agreement between them. Presumably, there could be three levels of agreement: a lot of agreement; a middling amount of agreement; and very little agreement. That is something I will leave to the Minister to contemplate.

The Minister also talked about there being a two-strike rule here when there would be a one-strike rule in Britain and said that a lot of people would come across the Irish Sea to benefit from our social security offices. If that should happen, will the Minister put in place more front line services to cope? The existing ones are overstretched. The Minister also talked about there being a cost consequence, and he returned to his favourite point of parity and the extent to which parity would be agreed between himself and the Work and Pensions Minister in Britain.

I ask the House to support the amendments. Sanctions are something that no one wants to see, nor is violent conduct against staff. The Minister commended the staff in the Shankill Road social security office, and I absolutely endorse that. Having been in Newry when a lorry tragically overturned killing some people outside the social security office, I know that the staff there were very much up to the mark and dealt with the situation competently. That was around 1978, when the Minister was perhaps beginning to think about starting his political career; he can perhaps inform the House about that later. The Minister also talked about when and why sanctions would be implemented for violence, harassment of staff, assault and battery, threats to kill and racial or religious harassment. The Minister also talked about mental instability and having a sensitive approach, which is something that must be considered in all cases.

The Minister told the House that the purpose of some of the amendments was to create mischief. I reiterate that that was not the intention behind any of the amendments. The

intention was to raise awareness and show that Sinn Féin is thinking of the most vulnerable in our society who have been marginalised and are very much reliant on state benefits.

I believe that Danny Kinahan spoke about the culture of benefit dependency, but in many ways that has been encouraged. Twenty years ago, my constituency had the third highest level of unemployment in western Europe. People had to survive, and they had to be on benefits, because, historically, there had been very high unemployment and neglect. All those things must be put into context. I ask the House to support the amendments.

**Mr Speaker:** Mr Brady and Mr McCann's opposition to clause 19 has already been debated. Members are advised that they will now be asked to vote on whether clause 19 should stand part of the Bill.

*Question, That the clause stand part of the Bill, put and agreed to.*

*Clause 19 ordered to stand part of the Bill.*

**Clause 20 (Jobseeker's allowance: sanctions for violent conduct etc. in connection with claim)**

**Mr Speaker:** Mr Brady and Mr McCann's opposition to clause 20 has already been debated. Members are advised that they will now be asked to vote on whether clause 20 should stand part of the Bill.

*Question, That the clause stand part of the Bill, put and agreed to.*

*Clause 20 ordered to stand part of the Bill.*

*Clauses 21 and 22 ordered to stand part of the Bill.*

**Mr Speaker:** We now come to the third group of amendments for debate. With amendment No 4, it will be convenient to debate amendment No 5. The amendments concern the requirement for pilot schemes and a duty to report on a pilot scheme. I advise Members that amendment No 5 is consequential to amendment No 4. Therefore, I will call amendment No 5 only if amendment No 4 is made.

**New Clause**

**Mr Brady:** I beg to move amendment No 4: After clause 22, insert the following new clause:

*"Pilot schemes in Northern Ireland*

22A.—(1) *Article 31 of the Jobseekers Order (pilot schemes) applies to the first regulations made under Article 19A of the Jobseekers Order (as inserted by section 1 of this Act).*

(2) *In Article 31 of the Jobseekers Order (pilot schemes) —*

(a) *in paragraph (1), for ‘Any’ substitute ‘The’, and*

(b) *in paragraph (1), for the words from ‘may’ substitute ‘must’.*

*The following amendment stood on the Marshalled List:*

No 5: After clause 22, insert the following new clause:

*“Duty to report on a pilot scheme in Northern Ireland*

22B.—(1) *The Department must prepare and publish a report on the pilot scheme, referred to under section 22A.*

(2) *The report must consider—*

(a) *the social and economic impact on those persons affected by the pilot scheme within Northern Ireland; and*

(b) *the lessons learnt under the operation of the scheme.*

(3) *The report, under subsection (2) must make recommendations to the Assembly as to the further implementation of the Act following the evaluation of the pilot schemes.” — [Mr Brady.]*

**Mr Brady:** Go raibh maith agat, a Cheann Comhairle. Amendment No 4 is an amendment to enforce powers to establish a pilot scheme in the North.

As the legislation stands, the results of pilot schemes carried out in Britain will be implemented here. One such scheme will be carried out in Cambridgeshire and, although I am sure that that is a nice part of the world, I am not sure what relevance it has to deprived areas here in the Six Counties. Our amendment to that clause asks that a pilot scheme that would suit local circumstances be carried out here. Surely, it is right that a relevant pilot scheme that deals with local issues and with how to address them to best effect be carried out here, rather than less relevant results from other pilot schemes in Britain being superimposed here.

That would not breach parity, because other local pilot schemes have been carried out by the Minister’s predecessor. Under the strategic business review, pilot schemes were initiated.

Initially, the pilot scheme was supposed to take place in the south region, but that was changed to the north region. There is a precedent for pilot schemes and, if they were carried out, they would impact here in the way that they should. In other words, they could be considered in light of how local issues are affected.

Amendment No 5 is to the clause to provide for a duty to report on a pilot scheme here. It would allow an evaluation of the social and economic impact on people who are affected here, and it would allow us to learn from the lessons of the scheme’s operation, rather than from other pilot schemes that have been introduced in Britain and superimposed here. Those schemes might or might not be relevant, but they would probably not be relevant to the areas with which we are dealing here.

In Committee, a DUP member asked why, if parity were to exist in such cases, a pilot scheme was being run in Britain but not here. I agree with that and, although I am not a great advocate of parity, the member made a valid and telling point. I commend the amendments to the House.

**The Chairperson of the Committee for Social Development:** The Committee considered the clauses relating to the introduction of mandatory “work for your benefit” schemes, and members recognised that the implementation of those schemes in Northern Ireland may be some way off. It is understood that the schemes are to be piloted in Great Britain and extended to Northern Ireland only if and when resource constraints allow.

Members were concerned about being asked to legislate on an important provision with such a dearth of detail. Members were also worried about the mandatory nature of the schemes and how they might impact on vulnerable claimants; for example, on school leavers and adults with autism. Some members were concerned about job displacement and the impact of the scheme on low-paid employees in receipt of the national minimum wage. Some members felt that, if the schemes must be undertaken, there needed to be protections for certain groups of claimants and pilot schemes in Northern Ireland might offer a good opportunity to explore those protections.

In summary and as our report shows, the Committee divided on clause 1, which refers to “work for your benefit” schemes. At that time,

members voted that they would not support any of the amendments that had been tabled, including one that proposed a measure to carry out a Northern Ireland pilot “work for your benefit” scheme. The majority of members, therefore, supported the clause as drafted.

As this should be my last contribution as Chairperson to the debate, I thank Committee members for their contribution and the Minister for the assurances that he has provided so far today.

I will make some final remarks as a DUP Member. As with the other amendments that Members opposite tabled, I understand the rationale and the arguments for them. There is a pilot scheme in Great Britain, so why not have one in Northern Ireland, particularly when Northern Ireland’s different circumstances are considered? Those have been teased out in the debate, particularly the issue of lack of childcare. Some of the places where pilot schemes are taking place in England do not suffer the same lack of childcare infrastructure as Northern Ireland. The argument that there are different circumstances in Northern Ireland is reasonable. Goodness only knows that we —

**Mr Brady:** Will the Member give way?

**The Chairperson of the Committee for Social Development:** Yes, I will.

**Mr Brady:** The Member mentioned childcare provision in Britain. In 2006, legislation was introduced in England and Wales that makes it incumbent on the local authority to provide proper childcare provision, and, if a gap is identified, it has to be filled by the local authority. We simply do not have that legislation in place, so there is absolutely no comparison. I agree with the Member.

**8.15 pm**

**The Chairperson of the Committee for Social Development:** I thank the Member for his intervention. In some ways, he makes the broader point that the objective in the Bill, as has been said before, is moving people from welfare to work. We all agree with that objective and want that to happen. In many ways, achieving that goal in Northern Ireland is hampered by issues such as the lack of a childcare infrastructure. We are, perhaps, many years behind Great Britain in our ability to make the most of some of the Bill’s clauses. I believe

that it will be some time before we see any benefit from the Bill’s provisions.

The argument for a pilot scheme is, on one level, reasonable. However, I want to stress that there is no impediment in the Bill to prevent the Department from holding a pilot here, if that is its desire, to address the different circumstances in Northern Ireland. I have raised that point with the Minister and sought his assurance that, if a pilot scheme in Great Britain flags up particular issues, we will look at it and say that that may not work in Northern Ireland. That should be the exact moment — the trigger point — for running a pilot scheme in Northern Ireland.

In many ways, the entire discussion is academic because it is now mid-2010, and it is my understanding that the pilot scheme in Great Britain does not commence until November 2010. It is a two and a half-year pilot scheme; that takes us into 2013. It is being run in Cambridgeshire — I have been in Cambridge, but I do not know what Cambridgeshire is like — in Suffolk, which I know to be a rural area, and in greater Manchester. Although I imagine that Cambridgeshire and Suffolk have been picked because they are rural areas and not because of their high levels of deprivation or disadvantage, I have been in Manchester several times, and greater Manchester appears to suffer from the same disadvantage and deprivation as Northern Ireland. There is certainly no deprivation or disadvantage for the football teams in Manchester, given the money that they appear to have, but some of the people who live there seem to experience it. The pilot scheme in that area should flag up some of the problems that we might expect here.

Those pilot schemes do not start until the end of this year and will run until 2013. As has been mentioned several times during the debate, while we are dealing with this welfare reform, there are more coming down the line. Iain Duncan Smith, the new Secretary of State for Work and Pensions, has said that he intends to make far-reaching changes to the benefits system. Therefore, what is before us now may be entirely academic. The reforms that the Tory Party are likely to bring forward may well make what is before us today look like a teddy bear’s picnic. The Minister may be privy to more detailed information than I am, but the Tories are talking about amalgamating all the existing welfare-to-work schemes into one. Therefore,

by 2013, when the pilot scheme across the water has concluded, that scheme itself may be redundant.

In conclusion, I point to the fact that this all desperately hinges on resources — not the Minister's resources but those of his colleague the Minister for Employment and Learning. I imagine that rolling the scheme out depends strictly on the resources that are available at the time. That issue was flagged up during Committee Stage and was touched on in our discussions with officials, who underlined the point that resources will be a consideration. If we were to roll this out today, the Minister for Employment and Learning might find it difficult to get money from his colleague the Minister of Finance and Personnel. I cannot imagine our public finance position, never mind our welfare position, in 2013.

Therefore, there is a largely academic and moot element to the discussion. We must legislate to confer the necessary power, even if we may never have to use it. I would not be surprised if, by 2013, when the pilot scheme across the water has concluded, we will be considering a different and perhaps even more draconian pilot scheme. With that in mind, I do not support the amendments. I support the Bill as drafted.

**Mrs M Bradley:** I agree with the Chairperson of the Committee for Social Development. It is right, proper and in everyone's interest that we give the flexibility to conduct the pilot schemes to DEL, because Northern Ireland has unique requirements. Therefore, I do not support the amendments.

**Ms Lo:** I support the amendments that relate to the pilot scheme. We should have the right to run pilot schemes that reflect our circumstances. Many points were made about childcare, and Northern Ireland also has a higher prevalence of mental and physical health problems. There are low levels of academic attainment, a need for better training and public transport difficulties. A pilot scheme may throw up some of those issues.

**Mr F McCann:** I support my colleague Mickey Brady's proposal to roll out a pilot scheme in the North of Ireland. Over the period of the pilot scheme, the impact that the Welfare Reform Bill would have on the local population in the North could be evaluated. To be honest, I cannot understand the Department's reluctance to roll out a local pilot scheme.

The Committee heard evidence from many groups who spoke of the far-reaching consequences of the Bill's implementation for people who are in receipt of social security benefits. We should take on board their words of caution, and, rather than relying on the results of the pilot schemes that will run in two areas of Britain, the Assembly should endorse the amendment and instruct the Department to proceed with a locally tailored pilot scheme.

Every area is unique and will be affected differently. Circumstances will determine what will be detrimental to one place but prove all right for another. When giving evidence to our Committee, Mr Les Allamby from the Law Centre spoke about childcare:

*"Where we have a very different set of childcare arrangements in"*

the North of Ireland

*"social security provisions need to be tailored to those arrangements. Therefore, part of devolution involves the recognition that there are areas in which we differ in broader policy terms."*

In response to my colleague Carál Ní Chuilín's question about whether the Bill would be in breach of section 75, he said:

*"the Bill would have an adverse effect on lone parents, particularly as regards compulsion, conditionality and possible reduction of benefit. From a departmental point of view, the question then is whether one can justify the basis for those adverse impacts. I do not think that anybody will argue that those will not have an adverse impact."*

That, in itself, is startling.

I have already dealt with the issue of sanctions and their possible impact on the people who are most in need of our help. The Bill is riddled with pitfalls that would have a detrimental impact in the North. A decision to wait until the two pilot schemes in Britain have ended does not answer the question of whether we would benefit from a pilot scheme being run here; there seems to be no doubt that we would.

The other question is whether anything prohibits the holding of such a pilot scheme, to which the answer is no. The Department has the power to order that a pilot scheme be run in the North. Again, I ask why there is resistance to that. It is not that there is no precedent. In fact, when debating the change from housing benefit to the local housing allowance, the Committee argued



that the pilot schemes based in England would not fairly reflect the additional problems that may show up here. At that time, the Department refused to consider a local pilot scheme, but the then Minister overruled that position and ordered that a pilot scheme be rolled out across the North to gauge the impact of the new methods being introduced.

Although we are still opposed to elements of the Bill, there could be benefits from a localised pilot scheme that could embrace local peculiarities and allow them to be dealt with from a local perspective. When one considers the effect that 30 years of conflict have had on our communities; the mental strain that people suffer as a result of living in a low-pay economy; the worst childcare in western Europe; the shocking figures released last week that show that people in north and west Belfast are among the biggest users of Prozac and other such drugs; and the fact that all groups who gave evidence to our Committee had serious reservations about various aspects of the Bill, we as laypeople should listen to the experts on those matters and agree that a local pilot scheme will provide the evidence that we require to make the right decisions. That is something that a pilot scheme in Cambridgeshire will not provide.

I ask Members to support the amendment, put their constituencies first and ask the Department to prepare a local pilot scheme to properly determine the impact that the Bill will have on our constituents. I support the amendment.

**The Minister for Social Development:** I acknowledge the contributions that have been made over the past three and a half hours. I acknowledge also your patience, Mr Speaker, for sitting on the Chair throughout the debate and that of the officials who have joined you.

I will confirm a number of things to avoid doubt and to create certainty. I have not suggested that the amendments tabled today have been mischievous. I have not said that they are mischievous; I said that the passage of two of the amendments might create a mischief, which is different. The mischief could mean that the amendment could penalise those whom we are seeking to protect. In case there is any doubt about that, that is what I have said on the record, and I repeat that that is the situation.

I concur with the Chairperson of the Committee for Social Development that the picture is

changing on a week-to-week basis, given the election in England, the views of Iain Duncan Smith, the comments of the Chancellor and how all of that will wash through over the next weeks and months. Whatever about pilots of the “work for your benefit” scheme, more significant material proposals could be emanating from London over the next number of months in the run-up to the comprehensive spending review and the Budget in the next couple of weeks and thereafter. In the event that something comes down the road from London that is in conflict, I hope that we will be on the same page when it comes to protecting the social security budget and the child maintenance regime that we have in the North.

I do not think that there is an argument between the Members about pilot schemes. I understand why the amendment has been proposed. However, I think that it places restrictions on the capacity of the Assembly, Ministers and the Committee to do what they think is in the best interests of people in the North. That is why I oppose the amendment. In its essence, however, we are not on different pages when it comes to the proposal, because new clauses 22A and 22B propose to ensure that the Department for Employment and Learning pilots the “work for your benefit” programme. Those clauses also place on that Department a duty to provide a report on the pilot, which would contain recommendations to the Assembly on the implementation of the programme in Northern Ireland.

I have to put down a health warning in that regard, because a decision has to be made as to whether a pilot of the “work for your benefit” scheme in Northern Ireland is the responsibility of the Minister for Employment and Learning, Sir Reg Empey. Therefore, I tread warily in making any comment, lest I tread on his toes. When pilots are completed and evaluated in Britain — as the Committee Chairperson indicated, that could be some 30 months away — the Department for Employment and Learning will consider in consultation with the Committee and the Assembly whether to introduce the programme here, modify it to suit the needs in Northern Ireland or pilot its own programme. Even if we are in the same political context 30 months down the road, which, given the intentions of the new coalition Government in London, we will not be, those are the options that will be presented to the Assembly at that

time. The choice will be whether to introduce, modify, or pilot a programme.

That is the sensible and logical way to proceed, because the consequence of new clause 22A would remove the Department for Employment and Learning's discretion to decide whether to run pilots. The amendment's consequence would be to mandate the Department to run a pilot and take away from the Assembly, the Minister and the Committee the freedom of choice to decide the appropriate course of action at a particular time.

### 8.30 pm

Over the next 30 months, it may well be that proposals will emerge that result in pilots being run in the North. I believe that the better judgement is not to mandate a Department to run a pilot but to give it freedom to run a pilot if it is appropriate. A situation could arise in which a consensus emerges around the Assembly as to what programme should be rolled out. We are saying that a pilot would be mandatory in those circumstances. To mandate a pilot would have consequences for cost-effectiveness and value for money, and would have resource implications. All that must be put into the mix in order to determine what does or does not happen.

**Mr F McCann:** I understand what the Minister is saying. What we were talking about at Committee was two pilot schemes being run in Britain, the results of which would be evaluated here. If a pilot scheme were initiated here now, in 30 months' time, at least we would have all the necessary evidence on which to base recommendations.

**The Minister for Social Development:** As I understand it, the circumstances are that we will not get to the point of making a judgement on whether to run a pilot until after the evaluation of the pilots in Britain has run through. Therefore, our actions would be a consequence of the evaluation of a pilot that is only about to commence and will not conclude for 30 months.

**Mr Brady:** I thank the Minister for giving way. Is he suggesting that it could be another two years' time before we have evaluated the pilot schemes in Britain and initiated a pilot scheme here? Are we, therefore, talking about four or five years before the legislation comes into being here?

**The Minister for Social Development:** As I have said, when the pilots are evaluated in Britain — because it is a pilot for a “work for your benefit” programme — it is in that context that we will have to make judgments about what we do or do not do. Therefore, it will be 30 months before there is an evaluation of what has been done in Britain. Given that we are not going to just swallow what is done in Britain without some evaluation, that is, as I understand it, the consequence of what will happen.

In any case, the architecture of that is all changing. As the Committee Chairperson said, and as I said in my opening remarks, the political narrative from London suggests that more fundamental changes to welfare provision, social security roll-out, and pilots may come down the road. Therefore, in those circumstances, this is a better way to proceed — not in the event that, in the future, there is an evaluation that the Assembly, the Committee and the Minister want to consider. In those circumstances, we will have given ourselves the freedom to run our own pilot, no pilot or a modified pilot. That is the sensible option, which does not tie our hands.

I want to move to the proposed amendments to article 31. In the Department's view, substituting “The” for “Any” in paragraph (1) makes no impact whatsoever. Substituting “must” for “may” actually restricts the period of any pilot. The Bill extends the period for any pilot from 12 to 36 months. As it stands, clause 31 allows flexibility to lengthen the period to 36 months, whereas if the word “must” is inserted, pilots will be restricted to 12 months at the most. Again, that ties our hands and is not a sensible way to proceed.

In summary, the proposed new clauses remove the Department for Employment and Learning's discretion, particularly as to whether a pilot would be a cost-effective and good use of scarce resources. The Bill does not preclude pilots on our terms. In any case, with the sands shifting in London, those matters will no doubt be the subject of continued political debate there and here.

I ask the Member not to pursue the amendment; if he does, I ask the House to reject it.

**The Deputy Chairperson of the Committee for Social Development:** Go raibh maith agat, a Cheann Comhairle. I do not intend to go through a great deal of detail, as our position

is clear. There is disagreement on whether to introduce, modify or develop our own pilot; that is something that we are stuck on. My understanding is that the Bill will enable DEL to carry out a pilot scheme of some description — or not, as the case may be.

The issue for us, and why we proposed the amendment in the first instance, is that by the time the legislation goes through, it is almost a question of “better looking at it than looking for it.” I appreciate the Minister’s comments, but I am still not convinced.

Some of the issues raised were discussed by the Committee. Poor physical and mental health, autism and vulnerable people, such as those who experience domestic violence, have been consistent themes since the start of the debate. The issue of who has responsibility for a childcare strategy has loomed not only throughout this debate but through many others.

The Minister and I fenced over the Financial Assistance Bill.

**The Minister for Social Development:** We did.

**The Deputy Chairperson of the Committee for Social Development:** Do you remember? One of the issues that we disagreed on was how it could be used. The point that I made then and which I make now is that somebody needs to lift responsibility for the provision of childcare. For the purpose of the Bill, we are talking about welfare reform and the effects of not having childcare; that is why we proposed the amendments in the first place. However, greater even than the question of whether the public or the private sector should take responsibility for providing childcare is the issue of affordability. That particularly restricts people’s ability to present themselves for work.

Our other difficulty is the differences in broader policy in how the Bill would have an adverse impact on lone parents. Fra raised that issue during Committee Stage when asking questions of witnesses from the Law Centre. That is still at the heart of the issue. It may have an adverse impact on some of the other section 75 groups by possibly not making a pilot scheme available. I understand that the provisions of proposed new articles 22A and 22B are DEL’s work, and I appreciate the health warning.

We could argue the reverse of the argument that the Minister and others made. There is a load

of stuff that I could go through bit by bit, but I do not see the point at this stage. Our points have been well made and the reasons for our amendments have been explained. Once again, I ask the House to support our amendments.

*Question, That amendment No 4 be made, put and negatived.*

**Mr Speaker:** Amendment No 4 has not been made, so I will not call amendment No 5.

*Clause 23 ordered to stand part of the Bill.*

**Clause 24 (Good cause for failure to comply with regulations etc.)**

*Amendment No 6 proposed: In page 32, line 9, at end insert*

*“(c) the person’s responsibility for a child under the age of 16 who is—*

*(i) in receipt of any rate or component of a disability living allowance; or*

*(ii) was in receipt of a disability living allowance and has made and is pursuing an appeal against a decision that he is no longer entitled to a disability living allowance, and that appeal has not yet been determined.’” — [Mr Brady.]*

*Question put and negatived.*

*Amendment No 7 proposed: In page 32, line 20, at end insert*

*“(c) the person’s responsibility for a child under the age of 16 who is—*

*(i) in receipt of any rate or component of a disability living allowance; or*

*(ii) was in receipt of a disability living allowance and has made and is pursuing an appeal against a decision that he is no longer entitled to a disability living allowance, and that appeal has not yet been determined.’” — [Mr Brady.]*

*Question put and negatived.*

*Clause 24 ordered to stand part of the Bill.*

*Clauses 25 and 26 ordered to stand part of the Bill.*

**Clause 27 (Attendance in connection with jobseeker’s allowance: sanctions)**

*Amendment No 8 proposed: In page 36, line 7, after “prescribed period” insert*

*“of not less than 21 days”. — [Mr F McCann.]*

*Question put and negatived.*

Clause 27 ordered to stand part of the Bill.

Clauses 28 to 37 ordered to stand part of the Bill.

Schedule 1 agreed to.

**Schedule 2 (Abolition of income support: consequential amendments)**

**Mr Speaker:** Mr Brady and Mr McCann's opposition to schedule 2 has already been debated. Members are advised that they will now be asked to vote on whether schedule 2 should be agreed to.

*Question, That the schedule be agreed to, put and agreed to.*

Schedule 2 agreed to.

**Schedule 3 (Loss of benefit provisions: further amendments)**

**Mr Speaker:** Mr Brady and Mr McCann's opposition to schedule 3 has already been debated. Members are advised that they will now be asked to vote on whether schedule 3 should be agreed to.

*Question, That the schedule be agreed to, put and agreed to.*

Schedule 3 agreed to.

**Schedule 4 (Repeals)**

**Mr Speaker:** Amendment No 9 is consequential to the opposition to clause 9. Clause 9 stands part of the Bill, so I will not call amendment No 9.

Schedule 4 agreed to.

Long title agreed to.

**Mr Speaker:** That concludes the Consideration Stage of the Welfare Reform Bill. The Bill stands referred to the Speaker. I ask the House to take its ease until we move to the next item of business.

8.45 pm

## Committee Business

### Caravans Bill: Extension of Committee Stage

**The Chairperson of the Committee for Social Development (Mr Hamilton):** I beg to move

*That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 17 December 2010, in relation to the Committee Stage of the Caravans Bill [NIA Bill 17/09].*

The Caravans Bill undertook its Second Stage on 24 May 2010. As part of the Committee Stage, the Committee for Social Development received a number of substantive written responses and is shortly to hear evidence from key stakeholder organisations. The Committee's undertaking to conclude promptly its consideration of the Welfare Reform Bill has taken up a great deal of members' time. As a consequence of that, and of the Committee's very substantial legislative commitments in the autumn, a significant extension to the Committee Stage of the Caravans Bill is sought. I assure the House that the Committee will endeavour to conclude its work well in advance of the proposed extended deadline of 17 December 2010. Nonetheless, the Committee asks for extra time in which to consider responses associated with the Bill and to manage the rest of its extensive legislative programme. Therefore, I ask the House to support the extension of the Committee Stage of the Caravans Bill to 17 December 2010.

*Question put and agreed to.*

**Resolved:**

*That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 17 December 2010, in relation to the Committee Stage of the Caravans Bill [NIA Bill 17/09].*

**Licensing and Registration of Clubs  
(Amendment) Bill:  
Extension of Committee Stage**

**The Chairperson of the Committee for Social  
Development (Mr Hamilton):** I beg to move

*That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 17 December 2010, in relation to the Committee Stage of the Licensing and Registration of Clubs (Amendment) Bill [NIA Bill 19/09].*

I am tempted to say “ditto”.

The Licensing and Registration of Clubs (Amendment) Bill undertook its Second Stage on 1 June 2010. As part of the Committee Stage, the Committee for Social Development is seeking written evidence and expects to hear from key stakeholder organisations in September. The Committee’s other legislative commitments, which I mentioned previously, have introduced an unavoidable delay to the commencement of formal evidence taking for the Bill. As a consequence of that, and of the Committee’s legislative commitments, which could amount to four simultaneous Committee Stages, a significant extension to the Committee Stage of the Bill is sought. I again assure the House that the Committee will endeavour to conclude its work well in advance of the proposed extended deadline. Therefore, I ask the House to support the extension of the Committee Stage of the Licensing and Registration of Clubs (Amendment) Bill to 17 December 2010.

*Question put and agreed to.*

*Resolved:*

*That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 17 December 2010, in relation to the Committee Stage of the Licensing and Registration of Clubs (Amendment) Bill [NIA Bill 19/09].*

**Dogs (Amendment) Bill:  
Extension of Committee Stage**

**The Deputy Chairperson of the Committee for  
Agriculture and Rural Development (Mr Elliott):**  
I beg to move

*That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 29 November 2010, in relation to the Committee Stage of the Dogs (Amendment) Bill [NIA Bill 20/09].*

On behalf of the Committee for Agriculture and Rural Development, I seek the approval of the House to extend the Committee Stage of the Dogs (Amendment) Bill to what might seem to be a very generous deadline. However, the Committee has already received substantial input from stakeholders, and it is expected that that will be repeated during the formal consultation period.

The Bill aims to strengthen the Dogs (Northern Ireland) Order 1983. However, during Second Stage, some Committee members, and other Members of the House, expressed concerns that the Bill does not sufficiently address a number of areas. Given the personal impact that the Bill will have on our communities — namely, protecting people from fatal attacks by dogs — it is entirely appropriate that the Committee takes sufficient time to scrutinise the Bill and to assess its impact.

In setting the date of 29 November 2010, the Committee is being mindful of the legislative pressures that face the House, its own legislative programme, and those of other Committees. Obviously, if the Committee can complete its formal scrutiny of the proposed Bill any sooner, it will.

I am aware that our Committee office and officials from the Department have already met to discuss the logistics of progressing the Bill. That contact will continue throughout the process. I am also aware that the Department has been advised of and is in agreement with the extension period that I seek to have approved by the House.

*Question put and agreed to.*

*Resolved:*

*That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 29 November 2010, in relation to the Committee Stage of the Dogs (Amendment) Bill [NIA Bill 20/09].*

## **Executive's Priority Measures to Deal with the Economic Downturn**

*The following motion stood in the Order Paper:*

*That this Assembly takes note of the written ministerial statement, 'The Executive's Priority Measures to Deal with the Economic Downturn.' — [The Chairperson of the Committee for the Office of the First Minister and deputy First Minister (Mr Kennedy).]*

**Mrs D Kelly:** The Chairperson of the Committee for the Office of the First Minister and deputy First Minister has asked that the motion not be moved tonight. The Committee will ask the Business Committee to reschedule the debate.

*Motion not moved.*

*Adjourned at 8.51 pm.*