

# Official Report (Hansard)

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# Northern Ireland Assembly

Monday 4 October 2010

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

*Members observed two minutes' silence.*

## Assembly Business

**Mr Weir:** On a point of order, Mr Speaker. In the statement that the Minister of Health, Social Services and Public Safety made last week in relation to the correction that he was making, he indicated that he was correcting an inaccuracy that had been made in the House. Yet, as I understand it, that inaccuracy was repeated on two other occasions. Could you clarify whether the correction to the record is for the one occasion that he referred to in his statement, or whether it is for all three occasions on which he made the inaccurate statement?

**Mr Speaker:** I hear what the Member has said. I am not aware of any other occasion on which the Minister has, incorrectly, given information to the House. When Ministers give incorrect information to the House, it is up to them to tell the House, and especially the Speaker, how they are going to correct that information. On the personal statement that the Minister gave on that particular occasion, he corrected the piece of information that, incorrectly, he had given to the House. If there are other occasions on which the Minister has given incorrect information, I will be happy to listen.

**Mrs Foster:** On a point of order, Mr Speaker. The statement from the Minister last week dealt with just one of the inaccuracies in his answer to me. However, there were three inaccuracies in his answer to me. I just want to clarify whether his statement covered all three inaccuracies or whether he needed to be clearer in relation to the matter.

**Mr Speaker:** I will look at the Hansard report and will be happy to come back to the House directly or to the Members who raised the point of order.

## Committee Business

### Statutory Committee Membership

**Mr Speaker:** The first item on the Order Paper is a motion on Statutory Committee membership. As with other similar motions, this will be treated as a business motion. Therefore, there will be no debate.

*Resolved:*

*That Mr William Humphrey replace Mr Trevor Clarke as a member of the Committee for the Office of the First Minister and deputy First Minister and Miss Michelle McIlveen as a member of the Committee for Culture, Arts and Leisure. — [Mr Weir.]*

# Private Members' Business

## Investing in the Social Economy

**Mr Speaker:** The next item on the Order Paper is the motion on investing in the social economy. The Business Committee has allowed up to one hour and 30 minutes for the debate. The proposer of the motion will have 10 minutes in which to propose and 10 minutes in which to make a winding-up speech. All other Members who wish to speak will have five minutes.

**Ms J McCann:** I beg to move

*That this Assembly recognises the positive contribution that the social economy makes to growing the economy, creating employment opportunities and regenerating communities; and calls on the Minister of Enterprise, Trade and Investment to ensure that the social economy remains a priority and that it is given adequate financial investment, resources and support.*

Go raibh maith agat, a Cheann Comhairle; thank you, Mr Speaker. I welcome the opportunity to open the debate. Given the current economic climate and the constraints on public spending, this debate is important. I believe that our priorities must be to protect jobs and to create new job opportunities by building a sustainable economy. Although more than one area must be looked at when thinking about economic recovery, in rebalancing the economy, priority must be given to the investment in and retention of jobs and to the creation of new jobs in specific sectors.

There are approximately 1,200 social enterprises throughout the North of Ireland. They employ more than 20,000 people. Instead of going to owners or directors, those businesses' profits are reinvested into their local communities. That, in turn, regenerates those communities and ensures economic growth, particularly in areas of disadvantage and need.

Those organisations can be large employers such as Bryson House, or they can be smaller businesses that employ fewer than 10 people. They cover a range of services. In my constituency, Colin Care, which was set up for a small initial investment of less than £30,000, now employs nearly 30 people. Therefore, investing in the social economy sector, giving organisations the resources that they need to sustain themselves in the short term and looking at new and innovative ways to develop

and grow them in the longer term can and should be part of the economic recovery.

The sector has a long and rich tradition of providing quality services to disadvantaged communities and of creating innovative pathways to employment for people who can, sometimes, be excluded or who are distant from the labour market. That covers a raft of organisations from credit unions, providers of childcare and care for the elderly to financial, retail and environmental services. A broad range of structures and services make up that very vibrant sector of the economy.

The sector is also well positioned to assist the Executive to meet some of their social and economic goals. It has a unique contribution to make to the economy in, as I said, regenerating those communities that are disadvantaged and in need. Growth and development of the social economy will happen only if the Executive and the Department of Enterprise, Trade and Investment, which has core responsibility for the matter, ensure that the sector is given the financial investment that it needs, that its positive contribution to the economy and local communities is recognised and that it is developed and allowed to grow.

However, we should look not only at public moneys. That is not the aim of the motion. For example, in Britain, there is a new investment fund called Big Issue Invest, which is a London-based social financing organisation. It brings opportunities to social enterprises to enable them to access investment from, I believe, a £10 million fund. In the South of Ireland, an investment fund has been set up and is operational. It is managed by the Social Finance Foundation in Dublin. That fund was set up without any public money at all; all its capital comes from the banking sector. Despite the dire straits in which the Irish economy, particularly the banking sector, finds itself, banks have made that commitment to invest €6 million a year for the next 12 years to top up their initial investment of €25 million. That fund will fall just short of €100 million. That shows the way that the social economy is starting to be viewed, even in the South of Ireland.

The issue of dormant bank accounts has still not been sorted out. Although organisations have lobbied a great deal for access to those dormant bank accounts, I say again that the Assembly and the Executive could legislate to

ensure that money from those accounts in the North is used to create a fund that is similar to those that I mentioned.

During recent Committee meetings at which representatives from the banks gave evidence, it was made clear that even though the financial regulation of banks and financial institutions is a reserved matter, there is potential for those powers to be devolved to the Executive and the Assembly. Given that we need to get the banks on board with regard to lending to small and medium-sized businesses to get that cash flow going again, and for social economy businesses, we could, perhaps, also look at that initiative.

Investment in public procurement could help the social economy. Smaller companies need to enter the competition for public procurement contracts with the same level of expertise as some of the larger companies, because smaller companies will be strategic players in delivering important social policy outcomes. By including social clauses in public procurement practices and specifications, which measure the social value of a project alongside its economic value, Departments can ensure that social economy projects are not disadvantaged at any stage of the procurement process. That will have a direct impact on challenging existing patterns of disadvantage and need because it will also include the targeting of the long-term unemployed and the creation of apprenticeships.

A recent report highlighted the totally unacceptable number of our young people who are unemployed. A percentage of those young people have, perhaps, left school without any academic qualifications; they are trying to get a job, but they cannot. There is an onus on us to ensure that although those people can go into quality apprenticeships and learn a trade, they can go back to study for further qualifications, if that is what they decide that they want to do during their apprenticeship process, or go on to work. We owe it to our young people to invest in their young lives and give them the same opportunities and access to opportunities as other people.

By creating that employment in economically and socially disadvantaged communities, we can also ensure that the wealth from those social enterprises is kept within those communities. When money is put into the social economy, services are delivered in the local community

and, subsequently, the moneys go back into the local community. It creates a system in which the local economy is also being built up, which is important.

There are examples of how that happens in places such as Britain and the South of Ireland. There is potential for job creation in the management of properties and land, for instance, particularly in social housing estates. Such estate management initiatives employ local people to cut the grass in green areas, remove graffiti and keep those estates up to standard. That has to come from local and central government contracts going into the social economy sector. It would be a win-win situation for the Executive and the Assembly and is an area in which we can make a difference to people's lives.

It is not only public moneys that can be invested in the social economy. We have to start to challenge the existing patterns of disadvantage and need and to look at the statistics. The 2001 NISRA statistics indicated the most socially deprived areas and those that were in most social need, but the 2010 statistics will show that those areas are now in a worse position.

What we are doing, and what we have been doing, has not tackled disadvantage and need. In some cases and some sectors, levels of disadvantage and need are actually worse. I know that the motion might seem to address only a small part of the issue, but it is a very important part. I hope that people will support the motion and will see that the social economy is an essential part of both growing the economy and challenging disadvantage and need.

**12.15 pm**

**The Chairperson of the Committee for Enterprise, Trade and Investment**

**(Mr A Maginness):** As Chairperson of the Committee for Enterprise, Trade and Investment, I support the motion. It is a timely motion, and it is important that we address the whole issue of the social economy. The Committee has been generally supportive of the social economy and of assisting it to develop and flourish here in Northern Ireland. I know that the Minister of Enterprise, Trade and Investment, Arlene Foster, regards the social economy as a priority in her Department, and we support her efforts to promote it. I know that she is taking time and effort to try to develop the social economy in Northern Ireland.



I say that the motion is timely because we are in a recession and are having serious difficulty in developing our economy, trying to preserve jobs and so forth. We should not regard support for the social economy as something that is expendable in these difficult circumstances. We should continue to support it. It makes a significant contribution at a local community level, and, at this time of recession, we should not say that it is something that we can do without. We should continue to support the social economy, and I hope that the Executive will support it.

I congratulate Jennifer McCann on proposing the motion. She spoke about the fact that there are probably around 20,000 people employed or involved in the social economy. Apart from those who are employed, there are many who volunteer in the social economy sector because they see that as a way of giving their time and skills to the local community. I am thinking of organisations in my constituency, such as the Ashton Centre, Bryson House and Ulster Sheltered Employment Ltd, which give tremendous support to people, particularly those who are disadvantaged in education, social skills and even physical abilities. It is very important that we continue to support them.

We have to try to enhance the social economy in a number of different ways, and I think that the Committee would support that. We need to involve the credit unions in the social economy where possible. They already make a contribution but it is not as direct as it could be, so we have to expand the powers of the credit unions so that they can make a direct contribution to and investment in the social economy. The expansion of the powers of the credit unions is very important. I am also slightly critical of Invest Northern Ireland, which has not been as supportive as it could be as regards funding, particularly funding of the Ulster Community Investment Trust (UCIT), which makes a great contribution to the social economy.

UCIT has been marvellously successful in supporting the social economy and in demanding that the enterprises that it supports work and deliver not just jobs but outcomes and profitability. Therefore, I ask the Department to look again at UCIT's contribution to the social economy, be more supportive of it and let Invest Northern Ireland develop a fuller working partnership with it.

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

**The Chairperson of the Committee for Enterprise, Trade and Investment:**

In conclusion, more Departments than just the Department of Enterprise, Trade and Investment (DETI) must deal with this issue. The other relevant Departments include the Department for Social Development, the Health Department and the Department of Agriculture and Rural Development.

**Mr Speaker:** I ask the Member to finish.

**The Chairperson of the Committee for Enterprise, Trade and Investment:**

I hope that they will assist in the whole process of supporting the social economy.

**Mr Hamilton:** Like the Chairperson of the Committee, I support the motion. A number of years ago, when I first heard the term "social economy", I was a bit unsure and, even, sceptical about it. I thought that it was a bit marginal and that not wanting to make a profit was a bit loony and a bit lefty. I have, however, developed a growing appreciation of the sector's contribution. The Chairperson of the Finance Committee, who moved the motion, continuously talks about the social economy and social enterprises. In fact, if I were to put some of her contributions in the House into one of those word clouds on the Internet, such as Wordle, "social" and "economy" would be the two biggest words to come out of it.

Like Ms McCann and others in the House, I have a growing appreciation of the growing scale of the social economy in Northern Ireland. There are different estimates for the contribution that it makes to the economy. However, the figures included in the social economy enterprise strategy cannot be baulked at, because they show that the sector has an annual turnover in excess of £350 million. Nobody can baulk at that, particularly in a recession.

There are many exceptional examples of social economy enterprises right across Northern Ireland. Last week, I had occasion to be at the launch of Bryson Group's annual review. I would not be surprised if that social enterprise were to appear in the 'Belfast Telegraph' list of top 100 companies. It is vast and does so much, and yet, all the time, it retains the essential ethos of a social economy enterprise. At the annual review, two of the Bryson Group's services stuck in my head, one of which was its recycling business, which, as everybody knows, is pretty big. It collects some 25% of Northern Ireland's



recyclable waste, and over 30% of that waste is then recycled in Northern Ireland. Unlike private operators who might ship waste off to China to make a bigger profit, despite all the environmental damage that that causes, Bryson recycles the waste here, yet it still makes a profit.

Another important aspect of the Bryson Group's work is the benefit checks that it operates for the warm homes scheme. It has done over 3,000 benefit checks in the past year and has realised around £35 in benefits for each of those who were entitled to them. Therefore, the Bryson Group, through the provision of a commercial service, is also giving something back to the community.

Every constituency probably has examples of social economy enterprises. One of the foremost examples in my area of Strangford is Daisies Café, which works with people who are mentally ill or have learning difficulties and provides them with employment to allow them to develop their skills. The fantastic job that the cafe does was recently acknowledged when it received an award for the best social firm in the whole of Europe for working with people with learning disabilities. Therefore, right on our own doorstep, we have companies that are exemplars for the whole of Europe.

Like the Chairperson of the Enterprise, Trade and Investment Committee, I acknowledge the important contribution that the Ulster Community Investment Trust makes. We all know how unwilling banks are to lend money to even the most solvent businesses, and I am, therefore, sure that people from social economy enterprises do not get much opportunity to walk into banks and borrow money. UCIT, therefore, performs an absolutely essential function.

In the remaining time that I have left to speak, I wish to stress a couple of points. First, social enterprises are not going to be the panacea to all our economic ills — far from it. However, they can, where they operate most efficiently, be a route out of poverty for many because they are operating, by and large, in disadvantaged communities where there are a lot of vulnerable people. Those are communities that private companies — sometimes even the public sector — do not make any impact in. Social economy enterprises can provide people with employment, skills that they can take elsewhere, and, most importantly, an ability to get themselves out of poverty.

There are a lot of other things that I could say. However, in the future, we should be looking to not only grow the social economy sector but to grow it sustainably. It is not good enough to have something that is just performing a social good. It must be sustainable. The best examples of social economy enterprises are big in scale and have an entrepreneurial attitude. The important ingredient is that those enterprises are profitable and that that profit is reinvested. However, that is only sustainable if the company is sustainable. Social economy enterprises cannot be sustained on the back of governmental or Peace funding or an artificial means of finance. The enterprise must be sustainable, because, without that, the sector will not grow in the way that we want it to.

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

**Mr Hamilton:** I welcome the motion and support social economy enterprises across Northern Ireland.

**Mr Beggs:** I support the motion, and I add my praise to the thousands of people who work and volunteer in the social economy sector. Such volunteering contributes to the success of many organisations.

A 2007 DETI survey found that, in addition to tens of thousands of volunteers, 30,000 to 40,000 people are directly employed by over 1,000 enterprises and contribute to an annual turnover of hundreds of millions of pounds, which is in the order of 5% of our local economy. Therefore, we are talking about very significant employers that contribute to our local economy.

I suspect that the enterprise agencies, which exist in each council area, are one of the most locally recognisable social enterprises. East Antrim has the Larne Enterprise Development Company (LEDCOM), Carrickfergus Enterprise Agency and Mallusk Enterprise Park, which serves the Newtownabbey area. I declare an interest, as my dad is an unpaid director of LEDCOM and I was formerly an unpaid director of Carrickfergus Enterprise Agency. Enterprise agencies operate on commercial lines, but they return any profits that they may have for community benefit. In the past, enterprise agencies have benefited from funding from councils, the Northern Ireland Executive and Europe, to enable them to provide competitively priced property for rental. That has encouraged more start-up businesses and been a vital

source of flexibly leased accommodation space for new companies.

Enterprise agencies have provided training under the Go for It brand and other training programmes. As I said, any profits are invested, either by providing additional training to the local business community or by supporting further asset expansion. Undoubtedly, that contribution is enabling successful new businesses to start up, and we must acknowledge that. I hope that their property assets and the rental stream from those will assist their sustainability in the long term, now that Peace and other funding is drying up.

In my East Antrim constituency, Acceptable Enterprises provides employment to able-bodied and disabled people by fulfilling work contracts for local businesses. It provides worthwhile training and employment and the associated dignity to many local people.

One of the commonest forms of social enterprise is cafes that are run for charitable purposes. Training is often provided for people who have not been successful in gaining places elsewhere, and a social need in the local community is met. Dr B's Kitchen in the centre of Belfast is perhaps the most high profile of such cafes. However, there are lots of others in our constituencies, including Mango Tree at Greenisland Baptist Church and the Friendship Centre at Carrickfergus Methodist Church, which, to fulfil its name, provides a place in the community for people to meet over coffee and food.

One of the most successful enterprises that I have been associated with is Employers for Childcare. Marie Marin, its chief executive, initially gained some Peace funding to learn about good children-friendly business and employment practices in the United States of America.

She then built up the now self-sustaining social enterprise based on the childcare voucher system, which has National Insurance advantages for employers and employees. However, it was a rocky road, and, at one time, she feared that she may have to close. I advised her to cut back her application as tightly as possible to make its value for money more apparent. She did so, and her self-sustaining social enterprise does not now require public funding. She is ably supported by a commercially aware and experienced board. Hers is the only social enterprise in the UK that provides childcare vouchers.

## 12.30 pm

Other Members mentioned that Bryson House is a major player. However, we must take care. The sobering fact is that the indebtedness of our country and of European economies that were built on a property bubble means that we are on the verge of a period of government austerity, during which public spending will be severely cut.

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

**Mr Beggs:** Committees must scrutinise each line of every departmental budget to achieve maximum outputs from limited resources, so that funding may be available for cost-effective social economy projects.

**Mr Neeson:** I welcome the opportunity to speak in the debate and to give credit where credit is due. Jennifer McCann never misses an opportunity to raise the issue of the social economy at meetings of the Committee for Enterprise, Trade and Investment. I warmly congratulate her on highlighting the issue in the Assembly today.

It is not Question Time, but in response to a question from Simon Hamilton in 2008, the Minister stated that the sector had 6,700 paid workers, 5,000 volunteers and a turnover of more than £355 million. Will the Minister, bearing in mind the economic issues that we all face, update us on that situation?

I am aware of the Department's social economy strategy. The Executive, working with the social economy sector, including the social economy network, are committed to a range of actions that are designed to deliver three key strategic objectives: to increase awareness of the sector and establish its value to the local economy; to develop the sector and increase its business strength; and to create a supportive and enabling environment.

The social economy enterprise (SEE) strategy includes actions that are designed to increase knowledge and understanding, provide support for business growth, build business skills, foster a SEE culture, and build the evidence base and measure the impact of SEEs. A key area of the strategy's work will be to establish the value of the social economy sector to the local economy.

Other Members gave examples of how various organisations, across Northern Ireland and nationally, have provided services to the

social economy. As a founding director of Carrickfergus Enterprise, I am only too aware of the contribution that the enterprise network has made to developing the social economy right across Northern Ireland. The review of public administration (RPA), if it ever goes ahead, could well have implications for that sector.

Across Departments, the definition of a social economy enterprise includes those organisations that have a social, community or ethical purpose. They operate using a commercial business model and are of a legal form that is appropriate to their not-for-personal-profit status. SEEs contribute to a fairer economy and society, and they can create opportunities and training for the most marginalised. That is an important contribution to a changing economic landscape, particularly in these tough economic times. In the current economic downturn, the role of SEEs and their ability to cushion its impact on the local economy will be more important than ever.

The Chairman of the Enterprise, Trade and Investment Committee raised the issue of financing. I agree with him that the credit unions will play an important role in that, but, equally, the banks must play their role. We are all too aware of the problems that many businesses face. Some businesses in my constituency have closed because banks did not contribute or help them out in difficult times and were not prepared to take a chance and assist companies.

The Governments in England and Scotland have been very active in assisting SEEs. We need to look at whether there is a need to develop special funds in Northern Ireland to assist SEEs.

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

**Mr Neeson:** The debate has been very useful, and I fully support the motion.

**Mr Frew:** Social enterprises, economic enterprises, community groups, co-operatives, voluntary groups and charities are very important to our lives, our community, our country and our economy. However, not everyone realises that, and they do not provide real benefits everywhere. Social enterprise can aid national recovery. We must increase awareness of the sector to develop its business strength and to provide a supportive environment in which it can prosper.

The social economy is very important, especially in the current economic downturn. However, there is significant work to be done to find the budget to support the social economy sector. Invest NI's social entrepreneurship programme, which has a three-year budget of about £2.5 million, assists social entrepreneurs in getting started. From June 2009 to March this year, 49 new social enterprises were established, with the creation of 107 new jobs. That has to be the start.

Countries that recognise and value social enterprise as part of the real economy can achieve significant growth in employment and output in the sector while addressing genuine social and environmental needs. The sector is underdeveloped and in need of appropriate support from within and from the wider policy and support infrastructure. The sector can be mainstreamed into the greater economy, and social enterprise can contribute to helping the country to work its way out of the current crisis. However, the sector must realise that it must work together if meaningful progress is to be achieved.

There are some examples of good practice in Broughshane, which is in my constituency. A very good community association has evolved into a social enterprise. There is a very good facility at Houston's Mill, which consists of offices to rent, the community office, two conference rooms, which the community groups can use, and a hydro scheme that generates 9 kW of green electricity. There is a tourist motorhome facility, where people can go into Broughshane and buy tokens from local businesses and be provided with electricity and sewerage facilities. There is also a greenhouse and a polytunnel, from which people can sell their wares. People can also support the local community in its ventures with regard to Britain in Bloom and other floral competitions.

Construction has commenced on a project called Broughshane House, which will provide three business units to rent out; community facilities for the local youth forum, which is important; and a credit union, which, as Members have already mentioned, is vital. A historical society will also be able to use that facility. With all that community activity, it is no coincidence that every retail unit in Broughshane is filled. It is also no coincidence that most of the young people in Broughshane and the Braid are engaged with the process and

the community. That will enable them to build confidence and create the ability to network through all our society, so, when they go into business, they will have a real concept of our social needs.

**Mr Adams:** Does the Member agree that Broughshane is a really great place?

**Mr Frew:** Broughshane is an absolutely fantastic place, I must add.

We are in the grip of recession, and Members have a duty to soften the blow to communities and businesses. We also have to plan for the recovery, and the social economy will be one aspect of that. The social economy is important; it is something that we will have to keep an eye on, and we must ensure that we give it the support it needs.

**Mr Butler:** Go raibh maith agat, a Cheann Comhairle.

I am glad to hear that the social economy is alive and well in Broughshane.

The debate started on a positive note, and I welcome the statement from Simon Hamilton that Sinn Féin MLAs can, from time to time, convince the DUP of the merits of the social economy. *[Interruption.]*

**Mr Butler:** I have two positive notes, and I will come to the Minister's contribution shortly.

Over the past number of years, the social economy's profile has grown from what it was in the 1990s and in the early years of this decade. I welcome that the Minister produced the 'Social Economy Enterprise Strategy 2009-2011' and that Richard Barnett referred to the social economy in his report on economic policy. He said that the social economy had a role to play in development and in enabling disadvantaged communities to manage in difficult economic times.

The strategy that the Minister and her Department came up with raised awareness of the social economy sector, helped to grow businesses and created a supportive environment to help the social economy grow. Those were welcome developments, and as a result of them, the social economy network was set up. It was first called an interdepartmental steering group, but it is now known as the social economy policy group. A social economy forum has also been established. All those measures highlighted by

the Minister and her Department are welcome developments.

I hope that everyone can support the motion. It asks where the social economy sits in relation to the expected cuts in public spending and what role it will play in future. Under the review of public administration, some of the Department's roles with regard to entrepreneurship were to be transferred to local government. I hope that the Minister can tell us where those reforms sit, now that the review of public administration is stalled? Local government has an important role to play in developing the economy, particularly the social economy, as it is more in tune and has better ties with local people and communities.

Also, we need to know how this matter affects other Departments. The Department of Enterprise, Trade and Investment is not the only one involved. The Department for Employment and Learning provides training facilities and tries to upskill people for work in the social economy. The Department of Health, Social Services and Public Safety plays a role in public procurement, and the Department of Agriculture and Rural Development plays a role in dealing with the rural community. We need answers in those respects.

I welcome the fact that the Minister of Enterprise, Trade and Development has raised the profile of the social economy, and good examples of that, such as Broughshane and the cafes, have been cited. We all know that the social economy plays an important role in looking after people with disabilities, helping them to gain employment and providing facilities for them. It also plays a similar role in recycling and addiction services in communities. We all look to some obvious social economy organisations, such as the credit unions, but there are others that are not so obvious. The GAA has played a significant role in promoting sport.

In this economic climate, the motion points to ways in which the Assembly can help communities to improve the development of the social economy. We need to know what stage the Department of Enterprise, Trade and Investment is at in developing the strategy that came out of the consultation document. We also need to know where local government and Departments will fit into the strategy in the times ahead.



**12.45 pm**

**Mr Craig:** I welcome the opportunity to contribute to the debate. The social economy is part and parcel of the growing, dynamic economy to which we all aspire. It can have a positive impact on people's lives in Northern Ireland, particularly in local communities in areas of economic disadvantage. It is vital that the social and economic enterprise be valued, encouraged and supported.

The social economy is a wide and diverse sector that has been operating and developing for many years. It has a strong tradition of supporting local communities in rural and urban areas. One successful group that comes to mind is the Bryson Charitable Group, previously known as Bryson House Enterprises. I listened with interest to a speech that was given at a fundraising event recently, in which it was stated that the group's turnover is now more than £20 million a year. It has more than 600 staff and has witnessed 22% growth over the past year. If any Member can point out to me any other company that saw that level of growth in the past year, it would be very welcome news.

In times of economic difficulty, it is vital that we try to continue developing such enterprises along with our own social economy, which is providing jobs for local people, as well as a range of other social benefits. As of June 2007, there were almost 400 social and economic enterprises in Northern Ireland, with 6,700 paid employees, 5,000 volunteers and a turnover of just over £355 million. I am pleased to see that Invest NI has been working in the social economy field by including enterprises in its Go For It campaign.

Invest NI launched its social enterprise programme in 2006 to help new and existing social economy enterprises. However, as Members said, a number of Departments have a role to play in the social development programme. Invest NI and the Department of Enterprise, Trade and Investment play the key roles, but the Department of Finance and Personnel and its Central Procurement Directorate also have a role to play in working with the sector to raise awareness of public tendering processes and to explore ways in which to deal with those processes. The Department for Social Development must take the lead on a range of strategies and dispense

advice on neighbourhood renewal, volunteering and other schemes.

I mentioned the Bryson Charitable Group, but I also wish to pay tribute to another of our local social enterprises, Voluntary Service Lisburn. It took a programme of refurbishing second-hand furniture and turned it into a thriving business in Lisburn. It now employs some 18 people. That goes to show what can be done with a social economy that benefits those who are worst off. Much of the work that Voluntary Service Lisburn does and the furniture that it overhauls benefits people who cannot afford new furniture. It is meeting a demand and helping employment in the Lisburn area.

The Department of Agriculture and Rural Development needs to support the sector through rural renewal and must encourage social enterprises to take advantage of the rural development programme. The Department of Health, Social Services and Public Safety can facilitate closer working relationships between social economy networks and the health and social care organisations. I know of a number of examples of social enterprises being developed in and around that area.

We must not forget the Department for Employment and Learning, which can fulfil a role in supporting social economy networks by providing training.

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

**Mr Craig:** You will be glad to know, Mr Speaker, that I commend the motion.

**Mr Cree:** Everyone talks about Northern Ireland's inflated public sector and underdeveloped private sector. However, we often forget about the social economy while it battles on in the background. Most businesses are profit-driven. Social enterprises are very different because any money that they make is reinvested in the community. Therefore, without the constant pressure of needing to satisfy a board of directors or shareholders with huge end-of-year profits, social enterprises can instead take decisions that have the best collective outcomes for local communities.

The social economy is important not just because it employs 30,000 workers and represents up to 8% of all economic activity here but because it plays a vital role in social

cohesion in the Province. Spanning economic activity in the community, voluntary and social enterprise sectors, the social economy has ethical values, including a commitment to local capacity building. It is accountable to its members and the wider community for its social, environmental and economic impacts.

Northern Ireland's Budget deficit stands at £7.3 billion, or 26% of GDP. That is in comparison to Greece's deficit of 14% of GDP. In facing that challenge, the speed of response to the impacts of the global recession has been a problem for every sector, not just the social economy sector. It should be noted that the social economy strategy that was launched in March this year takes little or no account of the impacts of the global recession. I am aware that a cross-departmental policy group is monitoring the delivery of the strategy and that an independent evaluation of the strategy will be undertaken early next year to assess its impact on the sector. Like others, I will watch closely to see what that group comes up with.

The social economy strategy needs more investment to put it on a par with those in England, Scotland and Wales, but where will that investment come from in the current economic climate, with the Executive facing cuts of £2 billion over the next four years? The Executive and the community and voluntary sector must reform together to deliver in extremely difficult circumstances. Effectively harnessing the public procurement process to social economy networks could build their capacity and help to grow employment and opportunity in the sector. That process must be continued and developed further. I am a great believer in harnessing departmental budgets to job creation to counter the impact of unemployment, particularly among the young, in our economy. According to a Committee for Finance and Personnel publication of February of this year, expenditure on public procurement by the Central Procurement Directorate and other centres of procurement expertise comes to some £2.4 billion a year, which is almost 25% of the Northern Ireland Executive's Budget.

I support the motion because I recognise the potential that the social economy has for our society, job creation and more effective public services. I encourage the harnessing of public procurement and building the capacity of social enterprises to that end.

**Mr Givan:** I support the motion. If I had to describe myself, I would call myself a capitalist with a social conscience. I am certainly in favour of private enterprise; it will take us out of this recession. I am not opposed to big business doing well or to shareholders receiving a good dividend, but we should put more focus and pressure on those companies to have at their heart a social conscience so that they contribute back to society from the money that they make.

Tesco receives the largest intake of any store in my constituency. When we ask it to make a contribution of £5,000 to the city centre management team, it refuses to do so. However, small retailers and other companies contribute to that organisation. Smaller local companies are often more inclined to put their hands in their pockets to support council initiatives, whereas large firms are somewhat reticent. It is important that big businesses hear the message that they need to have a social conscience.

I support the social economy because, at its heart, it aims to put the money that it generates back into the community. Good examples of such organisations in Lisburn include Voluntary Service Lisburn, which renews and sells old furniture. It takes in people, often from difficult backgrounds, gives them a skill, trains them and helps them to go on to find other employment, so it makes a good contribution to the social economy.

Our Minister is committed to the social economy. A couple of weeks ago, I attended a launch in the Long Gallery at which she was the keynote speaker, and I am sure that she will voice her personal support for that section of our economy. The DUP has made the social economy a priority. There has been investment, and the party is committed to the social economy.

Other Members mentioned that companies or, for that matter, government could look at their procurement practices. Social clauses that are related to procurement and bringing in employees from local areas are incorporated into the Maze proposals, which is a welcome development. Where there is major, significant investment by government, I support the insertion of social clauses into agreements, but I would not support it in a way that would stifle competition or people coming forward with the best possible prices for such schemes. I

support the motion. We are doing what we can, and the social economy will remain a focus for our party as we go forward.

**The Minister of Enterprise, Trade and Investment (Mrs Foster):** As has been said by many Members, this debate about the social economy is timely, not least because a lot of opportunities are available to the social economy sector and to small and medium-sized enterprises at present. The Government are asking themselves how to do things differently, and the social economy can assist in answering. I have been talking to the sector about that.

As suggested in the motion, the social economy makes a hugely positive and important contribution to Northern Ireland's overall economy. Mr Cree pointed out that about 8% of economic activity in Northern Ireland can be linked to the social economy. Therefore, I will take a few minutes to outline the sector's importance, our strategy for developing it, future opportunities and, lastly, investment in the sector.

As the Minister of Enterprise, Trade and Investment, I am well aware that growing a dynamic and innovative economy here involves the continued development of the social economy sector, which has economic activity and employment potential for us. From across the House, from Members representing most constituencies, we heard about the social benefits that the social economy brings to each area. The prize must go to Mr Frew from North Antrim for getting in so many mentions of Broughshane. It would be remiss of me not to mention the ARC healthy living centre in Irvinestown, which was the recipient of the first social enterprise mark in Northern Ireland, an award that continues to grow and is being given to social enterprises across Northern Ireland.

As I said, social enterprises play a significant role in regenerating areas of high social need by generating sources of income, promoting innovation and helping to create sustainable and cohesive communities. I will say more later about sustainability, an issue that was raised by Mr Hamilton.

As the Minister of Enterprise, Trade and Investment, I have had the opportunity and the pleasure to visit many social enterprises throughout Northern Ireland to witness at first hand the big difference that such businesses make to their local communities, particularly in areas of economic disadvantage. If our

communities are to survive the tough times ahead, our combined efforts must focus on increasing economic prosperity in and between communities and looking at ways to achieve greater social connectivity.

Mr Frew said that the sector needs to work together. I argue that not only does the sector need to work with other social enterprises but it needs to work across sectoral boundaries. Indeed, when I visited Employers for Childcare in the Lagan Valley constituency, that organisation made the valid point that it was not until the private sector came on to its board of directors that it really started to see a difference in its profits. More profits meant that more money could be ploughed into the business.

### 1.00pm

Social enterprises provide a wide range of invaluable services in the most disadvantaged areas of Northern Ireland. Many have a particular value in creating employment and training opportunities for some of the most marginalised people and in encouraging the use of sustainable business models, not for personal profit but for profit for the wider community. That is a particularly important financial model in the current financial climate, where it is increasingly difficult to maintain current levels of mainstream government funding. In these difficult economic times, the benefits of a vibrant social economy sector are particularly important, and social enterprises will have a vital role to play as we work hard to grow and strengthen the Northern Ireland economy even in these austere times.

Mr Neeson asked about the number of people who are employed in the sector. The most recent audit was carried out in 2007, so we do not have up-to-date figures on that. The figures that the Member related are the most up-to-date. Once the strategy rolls out, we will have to revisit that and see how many people are employed in the sector.

Earlier this year, I launched the cross-departmental social economy enterprise strategy, which was developed to ensure that the sector is valued, encouraged and supported. The strategy represents the Executive's wholehearted endorsement and commitment to ensuring that social enterprises play a full and valued role in the local economy. It is important to say, as Members recognised, that the issue does not belong only to DETI. It belongs right across



Departments and, indeed, as Mr Butler said, to local government.

As I understand it, strategy and policy are to remain with the Department, including the social economy forum. Local government will have representatives on that forum, and, hopefully, they will represent the interests of councils at that time. In addition, the working out of the social economy at local level will be taken forward by community planning. Therefore, if community planning goes down to local councils, that function will follow as well.

My Department has a leading role. We formulate the strategy and chair the meetings, and, as has been mentioned, a wide range of other Departments have a role. In particular, DARD has a role on the rural economy, and I know that that Department has made grants to local social economies. The Department of Health, Social Services and Public Safety, the Department for Social Development, Invest Northern Ireland, DEL and the Department of Finance and Personnel also have roles.

An integral element of the strategy is to develop the role of the social economy in the delivery of public policies with a future focus on the contribution that the sector can make to the effective, efficient and equitable delivery of public services to communities across Northern Ireland. Recently, I had the pleasure of attending the Social Economy Network's 'Meet the Buyer' event. I had an opportunity to meet up to 30 local social economy enterprises, which work across a wide range of services and make a varied and distinctive contribution, often in areas of greatest need. I was hugely impressed by the scope and quality of the entrepreneurs whom I met, and it is those organisations that have so much to offer in combating the current economic climate. I was also encouraged by CPD's participation, with its workshop on accessing public contracts and the sector's high level of interest in learning more about how to go about securing new businesses.

I will talk briefly in a few minutes about the Executive's investment in the sector and about initiatives that the sector itself has taken. First, however, I want to say a few words about the opportunities that the sector has to make a real difference to our local economy. Access to public procurement opportunities is an area of huge importance to the sector, as Members on the opposite Benches mentioned. As mentioned

earlier, much good work is already being taken forward with CPD. Members will be aware of the Committee for Finance and Personnel's 'Report on the Inquiry into Public Procurement in Northern Ireland', which was published in February this year. Many of the inquiry's recommendations relate not only to small businesses but to the social economy sector. The recommendations include increasing access to and awareness of procurement opportunities, greater consistency and standardisation of processes and the production of additional guidance for social enterprises and procurement practitioners. A number of the Committee's recommendations are already under way as part of an ongoing process of service development. A progress report on the action plan that CPD developed to address the Committee's recommendations is due to be presented to the procurement board in November this year.

Recently, I launched a DETI/Invest NI-supported social economy masterclass series of six themed and professionally organised events to help raise awareness of the sector across different areas that, perhaps, people may not automatically think of whenever the social economy is mentioned. The first event related to tourism, and there will be workshops on health, environment and recycling, culture and regeneration, human and social capital, and physical and financial capital. I hope that MLAs will have the time and the opportunity to go along to some of the remaining masterclasses.

Given the increased pressure on future public sector budgets, the focus in our new strategy is on ensuring that Departments make sure that their existing financial and other business support programmes are widely publicised and, indeed, readily accessible to social enterprises. Considerable resources that the sector can access are highlighted in the strategy. DETI funds the SEN as a representative body of the social economy sector through a letter of offer of up to £600,000. I have to say that that organisation is pivotal to the development of the sector, with over 170 business members.

Last June, I launched Invest NI's social entrepreneurship programme. That programme helps potential social entrepreneurs to start a business, and it has a budget of £2.3 million. It also encourages existing social enterprises to grow by funding innovation and enterprise. I am particularly pleased to tell the House about the success of the revamped SEP during its

first year of operation. A total of 46 new social enterprises have been financially assisted to become established. They all received business and development advice through our programme. Between them, those new businesses have created 107 new jobs and have a projected turnover of over £3 million in their first year of trading. Invest NI provided financial support of about £200,000 to 40 social enterprises, which resulted in almost £7 million of additional leverage, including resources provided by the community groups.

Alongside SEP, UCIT has identified the flexible enterprise fund worth up to £250,000 as an offer within the SEP support package. That provides flexible working capital assistance to social enterprise start-ups alongside my start-up grant that is available with the SEP.

Outside DETI, DSD, through programmes such as neighbourhood renewal and the modernisation fund capital programme, has also been able to provide funding. As I said, by working with the Social Economy Network and the rural network, DARD has been able to offer grants and support through axis 3 of the rural development programme.

An important aspect of considering future finance for the sector is the need to look to alternative options of funding to ensure the sector's future sustainability and growth. I draw Members' attention to a couple of initiatives that the sector itself is taking. Two weeks ago, I was delighted to announce a new partnership between UCIT and Big Issue Invest, giving local social economies access to the £10 million investment loan fund to help to facilitate new investment opportunities for social economy businesses right across the United Kingdom. I think that Ms McCann mentioned the fact that the Big Issue Invest fund is available on the mainland, but it is of course also available in Northern Ireland.

The social enterprise investment fund is an excellent example of creative and innovative collaboration, in which UCIT's investment of £250,000 will leverage significant additional investment and create access to new finance for the sector. Another example of how the sector is taking the initiative is the recent decision by Charity Bank and UCIT, as the two main social finance providers in Northern Ireland, to commission a consultancy project, to be

published next summer, to review social finance supply and demand in Northern Ireland.

Members can be assured that my officials and I are happy to work in partnership in any further initiatives aimed at ensuring that the sector continues to have access to adequate sources of funding to ensure its continued development. Through co-operation and partnership, we can achieve the vision for the development of the social economy in Northern Ireland, as set out in our social economy enterprise strategy.

I encourage my Executive colleagues to continue to support the fund and to attach importance to the future development of the social economy sector when looking at their budgets and talking about resourcing priorities. Someone told me recently that I am becoming known as the social economy Minister rather than the economy Minister because I have devoted quite a bit of my time in office to the sector. I make no apologies for that. I think that it can make a real difference to Northern Ireland, and I know that the House agrees with that.

**Mr McLaughlin:** Go raibh maith agat, a Cheann Comhairle. I welcome the contributions from all parties. It is clear that there is existing and significant capital of mutual interest and appreciation of the benefits that arise from social economy activity across the North. We genuinely have a voice at the Executive table to represent the sector, and I welcome the Minister's remarks today.

The motion and tomorrow's motion on the green new deal, which I also find welcome, send out a clear indication that the Assembly collectively recognises the pressure — some might say “the assault” — on our economy. Growing a dynamic and innovative economy was agreed as the key Executive priority, for which the Minister of Enterprise, Trade and Investment, Arlene Foster, had lead responsibility. Given the global economic downturn, that was a difficult and unenviable challenge, and questions have emerged as to whether the Assembly ever had the necessary power or tools in its toolkit to deliver on that. Nonetheless, I strongly support that as the number one priority and identify myself with the valiant efforts of the Minister and her Executive colleagues to address the issue. Factors outside our control will continue to dominate, but the discussion today —

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

**Mr McLaughlin:** Yes, of course.

**Mr Campbell:** To allow Executive Ministers to fight the good fight to get the necessary resources for the people of Northern Ireland in order to get the economy right, does the Member agree with me that it is appropriate that all Ministers pull in the same direction publicly and privately?

**1.15 pm**

**Mr McLaughlin:** I do indeed. I do not want to introduce a sour note, but it would be helpful if Ministers approached genuine cost-saving initiatives such as the ESA and the RPA on the basis of the moneys that could be freed up to enhance our ability to meet the Programme for Government objectives. I have been critical in recent days, but I welcome the fact that Ministers are now addressing our economic pressures in a more uniform way and are defending this region from the worst excesses of the slash-and-burn approach that emanates from Westminster. That is to the good. There is more work to be done. I take the Member's point: it is not helpful if Ministers are not in a position to act collectively. I strongly welcome our move to that position. I come back to the topic of the motion: there is unanimity as regards the fact that that is the standard or threshold that we have to achieve across the entire economic debate and, indeed, the entire policy portfolio that each Minister has to deliver.

The fact that Ministers are addressing the issues now will be reflected in how the social partners respond. Each of us can cite examples of the contribution that has been made. The statistics that have been quoted for the Social Economy Network's roster of accredited organisations understate the reality. The figure may not include some significant social economy projects that are reinvesting in developing social capital. Indeed, the figure could turn out to be three times the 400 that SEN quoted. The employment that that generates could also be quantified significantly and exponentially. That process will continue.

The question is whether we are doing all that we can within the powers that we have. The strategy that the Minister spoke about today is a clear indication that we are alive to our responsibilities. There are moves to give the credit union movement, which already contributes significantly to the social economy, additional opportunities to elaborate on and

develop that function. It will obviously require legislation and guidelines and co-ordination between here and Westminster, but the Minister is addressing that. I am a bit frustrated about how long it takes and by the fact that such extended consultation is involved. It has emerged as an initiative for this region, and it is one that could be developed much more quickly.

I would have liked to hear the Minister comment on the banks. The banks have been the subject of significant examination and criticism in recent times, which, in my opinion, is well deserved. They have also, of course, received hugely significant public investment, and we will all be asked to pay for that. I do not see the banks stepping up to the plate as regards their social corporate responsibility. When we talk about giving additional resource, it is fair enough for us, as an Assembly, to look across all our Departments and task them with identifying where they can assist. We are getting a generally positive response. I have no doubt that more initiatives will emerge and more opportunities will be responded to over time, if it does not happen in the meantime.

Organisations such as UCIT have demonstrated their value and their ability to run a social business in a responsible way. Their books balance, and they have assets. The banks could respond to UCIT's call for a sustainable, identifiable and reliable revenue stream. UCIT wanted a 10-year agreement with the four main banks, but it has not happened, and I do not understand why. The employment and, in particular, the social capital, which is difficult to quantify financially, that would accrue would be invaluable to our community. Perhaps the Minister could take a look at that issue. She has demonstrated her commitment to the social economy, generally, and there is a case to be pressed with the banks. I know that we have no devolved authority over the banks. However, the banks make a lot of noise about their social corporate responsibility. I would like them to put their money where their mouth is, particularly in respect of the social economy.

Finally, I thank all the Members who spoke on the motion. Clearly, it is not just a matter of mother and apple pie; it is a genuine benefit to our community right across the board. We are speaking about mutual benefit and mutual understanding, and perhaps there is a lesson there for us to learn when considering wider policy issues.

Question put and agreed to.

Resolved:

*That this Assembly recognises the positive contribution that the social economy makes to growing the economy, creating employment opportunities and regenerating communities; and calls on the Minister of Enterprise, Trade and Investment to ensure that the social economy remains a priority and that it is given adequate financial investment, resources and support.*

## Private Members' Business

### Property Fraud in Europe

**Mr Speaker:** The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer will have 10 minutes to propose the motion and 10 minutes to make a winding-up speech. All other Members who wish to speak will have five minutes.

**Mr Kennedy:** I beg to move

*That this Assembly notes with concern the number of people from Northern Ireland who have been victims of property fraud in the European Union and Turkey; calls on the First Minister and deputy First Minister, working with Northern Ireland's MEPs, to make representations to the European Commission to take more definitive action to protect property buyers, to raise awareness of the problems associated with property fraud and to urge the countries concerned to better regulate property companies working within their jurisdictions.*

I am pleased to have this opportunity to propose this motion, which draws attention to the very real plight of a great many people — potentially thousands — throughout Northern Ireland who have experienced problems when purchasing property in the European Union and in countries such as Turkey.

Mention of the European Union makes it possible for me to pay a glowing tribute to the performance of the Ryder Cup European team, who, as we speak, are trying to wrestle the Ryder Cup back from the Americans. I think that the whole House will want to congratulate in particular our local players, G Mac and Wee Mac, as they have been called. I very much hope that they will take home the trophy. Besides that, their performances have been excellent, and they have done the people of Northern Ireland proud.

I am sure that, in recent years, every Member in the House has been approached by constituents who have suffered as a result of the credit boom turning to bust, with a significant fall in the availability of personal credit. Personal debt has risen, and many are suffering from untold stress and pressure as bills mount up. My party colleague Jim Nicholson MEP has been contacted by a great many constituents from across Northern Ireland and, indeed, by British expatriates from across the UK who



have invested tens or hundreds of thousands of pounds in properties abroad.

Many people bought property at a time when credit was much easier to obtain than it is today. For many, a second home in the sun is a dream, and some of those who sought to purchase property did so as an investment opportunity, to supplement their income or pension or simply to retire to the sun. Some spent upwards of £100,000 or £200,000 and have literally nothing to show for it. I am concerned that more definitive action has not been taken by the EU to date, despite widespread efforts.

In Spain, complex zoning laws and urbanisation policies have meant that some properties are seized without any compensation. Some people purchased homes through the Spanish legal system, using legal representation, yet, in certain instances, it has subsequently transpired that the properties were in breach of laws designed to prevent development too close to the coastline, and, therefore, those properties were retrospectively deemed to have been constructed illegally. Essentially, those people legally purchased illegally built houses, so thousands of them have been and are being stripped of their property rights without explanation or legal redress or, indeed, compensation. Some people are waiting for the imminent demolition of their home, not knowing when it will happen.

I understand that some 400,000 householders in Spain are affected, and around 80% of them are Spanish. Some town halls in Spain gave planning permission that was on the fringes of legality, and in some cases the authorities have charged the property owners for the installation of local infrastructure even after the owners lost their properties. In other European Union countries, such as Bulgaria, and countries outside the EU, such as Turkey, the problems associated with the purchase of property appear to be slightly different from those experienced in Spain. Some constituents who bought in Turkey, for example, did not receive title deeds or take possession of the property. The property was then sold to a third party who took possession and ownership. In Bulgaria, some developers of unfinished properties took out mortgages against them. When they ended up in great financial difficulty, they took the properties with them.

Other problems include buildings being constructed without licences — strange, that, I

am sure — and lawyers taking advantage of the power of attorney to manipulate the buyer. In some instances, people bought off-plan in large developments, but the promised facilities and infrastructure were never built. Worryingly, we also heard about collusion between developers, lenders and lawyers, which means that no one acts in the interests of the purchaser. Large deposits and lifelong savings are lost, and the purchaser receives nothing.

Unfortunately, title deed trap fraud, as I mentioned in connection with Turkey, appears to be common. That involves the deed not being released to the new owner after purchase, which means that third parties can then remortgage or resell the property. That makes it impossible for the original owner to gain possession of their property.

It seems to be commonplace for purchasers to be asked to pay a large deposit, sometimes half the value of the property, with a mortgage for the remainder due on completion. The local lender then makes it difficult or impossible for the purchaser to get a mortgage. As a result, people are told by some developers that they are in breach of contract for non-completion, and they lose substantial deposits.

Many people bought in good faith and, unfortunately, were duped by hard-sell tactics. It should be noted that many people tried earnestly and did their utmost to do everything by the book. They did all the usual things that we do here when thinking about buying a home, such as making property inspections prior to the purchase and consulting solicitors. Furthermore, some companies appear to have targeted consumers with little or no experience of overseas investment and little knowledge of the separation that should exist between the estate agent, the developer, the mortgage broker and the lawyer.

Huge growth was promised in countries such as Bulgaria after they joined the EU, so people were encouraged to buy early to reap the benefits. They were promised a buoyant rental market, future development in the immediate locale and forthcoming bans on any further building. Novice investors were targeted, and many suffered untold difficulty. People have hit an economic wall, and for those who invested so much money abroad with nothing to show for it —

**Mr F McCann:** What you say is interesting because the issue affects thousands of people.

The motion calls for an appeal to the EU, but the travelling exhibitions here that sell property abroad also pose many difficulties because they explain nothing to people and use the hard sell. To avoid such pitfalls, can we do anything here to ensure that people are given the proper information in the first instance?

The Antrim camogie team won the junior all-Ireland title yesterday; I am sure that you wish them well.

**Mr Kennedy:** I am grateful to the Member for his contribution and for making an important point. As well as, I hope, providing legal assistance at some stage, the best that we can do is to advise people to source properly any likely purchase and to take proper and sensible legal advice. That is crucial. There is mounting support for action from all parties and all EU countries, and pressure is coming from Europe to clean up the whole system.

Members are also keen to raise support for the victims. MEPs are working together, but more needs to be done. We are keen that the Assembly and the Executive lobby the European Commission to take more definitive action to protect property buyers, to raise awareness of the problems associated with property fraud, and to urge the countries concerned to better regulate property companies working in their jurisdictions. We want to ensure that EU citizens all over Europe and beyond who choose to invest or to move abroad can do so with confidence in the future. I propose the motion.

**1.30 pm**

**Mr Weir:** I support the motion. I notice that Mr McCann has just left the Chamber. I do not know whether, when he originally heard that there was a motion about Turkey coming up in the Chamber, he was severely disappointed by the content of the motion and therefore felt a need to leave. I will explain that one to the proposer of the motion at a later stage.

I am happy to support the motion. Like the proposer of the motion, if I had been told a while ago that I would be spending the day looking at the intricate details of calling for action in Europe, I would have thought that it might have had something to do with the Ryder Cup team, because, to be fair, it is about the one time every two years that I support something coming from Europe. Nevertheless, this is something that the House can unite

around. Initially, the motion that was submitted also had Mr Paisley Junior's name on it.

A number of constituents across Northern Ireland have been the innocent victims of property fraud. As Mr Kennedy highlighted, a number of people have sought to find an additional house in the sun. I am not sure why they did not come to north Down and look for accommodation in Bangor or Millisle, for instance; but, for some reason, some of them have looked further afield.

The people who made those investments are not greedy or gullible. In many instances, they have scrimped and saved throughout their lives and have lived frugally. They may have been looking for a second home or, rather than getting caught in get-rich-quick schemes, looked at investment in property, which most experts say, in the long run, tends to be the safest investment. It accumulates most, and it is a very sensible investment for the future.

However, as the proposer of the motion highlighted, the people who made those investments have been let down badly by two separate sources. First, they have been let down by the actions of the Spanish Government and the threat that they appear to be imposing, particularly on some coastal areas. We should remember that approximately one million people in the UK and the Irish Republic have property in Spain or are living there. This is not a marginal issue; it affects large numbers of people, potentially. Secondly, a more sinister approach is being adopted by various people in EU countries and outside the EU — in Turkey — who have been perpetrating fraud on local people.

Anyone who looks into the issue will see that one of the most disturbing aspects is that the perpetrators of the fraud are not doing it from a long distance. In most cases, someone from another part of the UK, from Northern Ireland, or the Republic, has acted as a middleman and may well be part of the fraud. We need to be careful with some of these matters because, in some cases, the issues are before the court. Nevertheless, unfortunately, those middlemen have helped to reel some people into the property fraud.

We support the motion. Clearly, it is important that the EU takes action. Reference was made to Mr Nicholson; and our MEP, Mrs Dodds, also raised the issue. It is important that through our MEPs and through the Office of the First

Minister and deputy First Minister (OFMDFM), we work with the EU to try to resolve those issues. I do not think that the answer lies in land-grabbing from the European Union to take control of property rights. However, MEPs can apply pressure on Governments. Recently, in the European Parliament, a Green MEP got a motion passed essentially saying that any subsidies going to Spain should be held back until the issue is properly resolved because of the impact that it is having on European citizens.

Similarly, given that Turkey is seeking to join the European Union, one point of leverage for the EU would be to exert pressure on Turkey's Government, before consideration is given to membership, to ensure that people are treated fairly and properly and that such scams are dealt with. Whatever other considerations there are with regard to Turkey's membership, this should be a red-line issue, and it should be dealt with before Turkey joins the EU.

The House can unite on the motion. Citizens from all constituencies and backgrounds have been defrauded. The House should state with a clear voice that enough is enough. Let us see some action.

**Mr McCartney:** Go raibh maith agat, a Cheann Comhairle. Agus beidh muid ag tacú leis an rún seo. I rise to support this timely motion. I thank the proposers who brought it to the House. When Danny Kennedy proposed the motion, he referred to the European Ryder Cup team and local participants. He forgot to mention Pádraig Harrington, Darren Clarke and Paul McGinley, who have also played a sterling role in the victory that we hope will come this afternoon.

**Mr Kennedy:** At present, it is 12 — 9.

**Mr McCartney:** There is not much time to go, then.

The motion has three broad aims: to protect property buyers; to raise awareness of problems associated with property fraud; and to better regulate companies in European member states and other countries. There is a role for our three MEPs to play. Indeed, there is a role for any MEP to play who is prepared to give support. Obviously, OFMDFM has a role to play to brief MEPs to ensure that the matter is raised at the highest level in the EU. In the first instance, EU countries must be made aware that many people in Ireland, both in the North and in the South, have fallen foul to that problem.

People have been affected in different ways. The media have highlighted cases of people who have set out with bogus and fraudulent claims to entice people to invest in property in Europe and elsewhere. They have not spelt out the possible pitfalls and dangers. Indeed, they could be seen to be involved in the scams.

As Fra McCann mentioned, all Members have a role to play locally. When such cases come to local attention in the media, there is a sense that people get poor advice. Sometimes, people see advertisements in which everything appears to be bona fide. However, when they explore further or, perhaps, when they hand over the first part of their deposit, they are enticed to spend more and more money. Then, they find themselves in a bureaucratic or legal maze that is particular to the country concerned. Perhaps, the agent acted in good faith. However, local building regulations and Government controls in other countries can create dangers and pitfalls.

Today, a story on Radio Foyle, which I believe was also carried by Radio Ulster, revealed that people now rent properties in other countries through various websites. However, when they travel to those countries, they find that the villas do not exist or are not up to the standard that they expected when they paid their money; sometimes, upfront. Therefore, there is a need to try to ensure that the Assembly's role is co-ordinated and that MEPs are briefed properly, so that the motion will have teeth and will not be merely aspirational.

Many people must seek advice on this issue and, unfortunately, a great deal of it is legal advice. When properties are in other jurisdictions, that advice becomes extremely difficult.

The most important point is that the European Union has a role to play, particularly in regulating companies that have set themselves up as the middlemen between investment companies and buyers. When evidence shows that those companies do not act properly or in good faith, the European Union has a role to impose sanctions on them or, at least, put pressure on Governments to ensure that investment and property companies do exactly what they advertise in order to entice people to invest their hard-earned money. As Peter Weir said, the situation is not simply down to speculators. Many of the people who invested are on the verge of retirement; they put aside some money and looked on the investment as a long-term



settlement on which they could call when they might want to leave Ireland to live in another country or through which their family could enjoy the fruits of their labour. We support and welcome the motion.

**Mrs D Kelly:** I congratulate the proposers of the motion. It is depressing to read the information packs that have been prepared by Research and Library Services. Not only have many people lost out on their dream homes and their potential nest eggs, but, as Mr Kennedy said, the greed and corruption have led to the suffering of the indigenous populations of Spain, Turkey and eastern Europe. The illegal planning and urbanisation of many of the areas in which those people had hoped to live and work have drawn up property prices, and that has made it difficult for indigenous populations to purchase. It seems to have been a lose-lose situation all round, except for those engaged in the deceit.

Submissions made to the European Parliament suggest that many are passing the buck. If the Commission and the Parliament are asked questions, they respond that it is up to the domestic authorities to regulate and control matters in their jurisdictions. Clearly, that is not happening. When people seek the help of the European Parliament on the basis of their human right to family life and privacy, they are let down by the Parliament, which says that they first have to check out the regulations in their own jurisdictions. There is merit in seeking assistance from the MEPs who represent us in Europe and who represent all the people who have lost out so cruelly over recent years. Their view is that the Parliament is not taking the issue seriously enough and not doing enough to assist them.

The motion also calls on the First Minister and deputy First Minister to work alongside the MEPs, which is where the work needs to be done. It is clear that the MEPs can work jointly, and they will not be alone. There are only three MEPs in the North, but the issue goes across many jurisdictions, such as GB and the Republic of Ireland, and I am sure that many citizens from other European countries purchased property in another jurisdiction only to have been defrauded out of their nest egg. MEPs across Europe who wish to represent their citizens in trying to get justice should have a common approach. The MEPs and the First Minister and deputy First Minister should sit down and work

on a campaign and plan of action to do that. I support the motion.

**Dr Farry:** I welcome the motion. On the theme of the Ryder Cup, it is fair to say that the lack of business today may be an opportunity for Members to catch the grand finale. On a serious point, it is somewhat concerning, three weeks from the comprehensive spending review, that business here is dominated by private Members' business and is set to finish very early. However, I appreciate that that is not the fault of the Speaker.

It has been an interesting debate so far, in part for what it has revealed. By that, I mean much more than Peter Weir paying a compliment to a Green Party MEP. It has exposed a lack of proper engagement with the European Union from political parties in Northern Ireland and in the Assembly. There are parties here that are openly Euro-sceptic, at best, and, at worst, Euro-hostile. However, today we have a motion that all parties support, which clearly demonstrates not only the need for the European Union but an expansion of the European Union and a deepening of its powers. If some parties are now having a road-to-Damascus conversion, the Alliance Party will certainly welcome that.

#### 1.45 pm

Property fraud and the wider issues relating to the lack of proper legal regulation and protection are clearly matters of interest and concern to the Assembly, and, indeed, they affect the people of Northern Ireland. That reflects a much wider and welcome situation in that we are living in a transnational world. People from Northern Ireland and other parts of the UK and these islands are doing business overseas, living overseas, working overseas and playing overseas as tourists, or, indeed, in sporting competitions. We all stand to benefit from that movement of people. As people leave these shores to go overseas, people from the rest of Europe will come here, and all our economies will grow as a consequence.

The fundamental reality of transnationalism demonstrates the need for a body such as the European Union and co-operation between states. As regards the expansion of the European Union, if property fraud is a problem in Turkey, that is yet another argument as to why Turkey should be admitted to the European Union. If we are not serious about supporting Turkey's accession to the European Union, what

happens to property in Turkey will be beyond our reach. It is my understanding that there are parties here that are hostile to Turkey joining the European Union, given that it does not fit the traditional definition of our European home. I reject that, and hopefully others will, too. If we are serious about tackling the problem in Turkey, let us get them in, and then we can work through regulations to ensure that property fraud is not a reality for our citizens when they try to buy property and live overseas.

Another issue is how the European Union deals with property fraud. My understanding is that the problem is that the European Union has limited competency in that area. Issues such as privacy, competition and proper regulation of the internal market are all legitimate issues for the European Commission and European Parliament, but issues relating to land use and property are essentially matters for member states.

I am certainly open to a shift in the balance of power and to the European Commission being able to address those types of issues and create regulations through the proper democratic process. However, we have to be clear in the House that, if that is what we want — to be perfectly clear, that is the implicit thrust of the motion — that means that, in turn, the European Union will have a greater say over affairs in the UK, and, indeed, in Northern Ireland. I would welcome that development — I think that we would all benefit from it — but there are parties here that are riding two horses with respect to the issue. Hopefully, today's debate will be a turning point and will lead us to recognise the true nature of the interests that we have in common with the rest of the European Union. The motion is a clear example of that, and, given that it deals with such a serious issue, hopefully it will lead us down that path.

**Mr Spratt:** To respond to Mr Farry's comments, let me say that the support for the motion from those of us on this side of the House should not be seen as a ringing endorsement of the European Union or of lots of the things that happen within it. The concern from Members on these Benches is for the many constituents who have invested money in property. As Peter Weir said, much of that money has been hard-earned; it has not come from investing in properties of that type. Constituents, many of whom are retired, have come to me on this issue. They had always wanted a place in the sun.

They worked hard all their lives and put small amounts of money into properties in Spain and other places only to find that they had been duped by the people concerned.

Many of the things that I wanted to say have already been said, and I do not intend to go over those issues just for the sake of it. I will say that the Union has been involved in a number of directives and has laid down rules, but when it comes to enforcing some of those rules, as is the case with much that is in European directives, little is done.

One issue that has not been raised today is that some of the scams start in the Province. One case — I do not want to go into it, because it is and will be the subject of court proceedings — is particularly interesting and has been given high priority in the press recently. In actual fact, I think that it was the press that initially raised the alarm about the property scam. Many of the creditors in the case, who put hundreds of thousands of pounds into the operation, have now issued a creditor's petition to try to bankrupt the individual concerned. It is also interesting that many of the cases involve fraud and are being dealt with here at home. One particular case involves over 171 fraud charges relating to some £4 million of local people's money. Those charges come under the Theft Act (Northern Ireland) 1969 and the Proceeds of Crime Act 2002. That is just one case, but there have been many others.

I think that it was Mr McCann who made an intervention about the number of hard-sell shows that we see on a weekly basis in hotels around the Province. I know that some of them are legitimate and genuine. However, local people need to ask a lot of questions before they become involved in any such developments. I know folks who invested in a development in Morocco in the hope that they would get a property, when, in actual fact, planning permission for the complex had never even been applied for. It is, therefore, important that local people check things out, in a legal sense and in every other sense. That warning needs to be given.

I congratulate the Members who brought the motion to the House, because the issue affects many people. I know that Diane Dodds has been dealing with many such cases, and I am sure that all our MEPs are doing that. I am, therefore, also sure that any encouragement that OFMDFM

can give to our Members of the European Parliament in trying to assist constituents throughout the Province will be very welcome. The constituents affected come from every section of the community, and the fact that everybody is unified around the motion today shows that that is the case.

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

**Mr Spratt:** I support the motion.

**Mr McElduff:** Go raibh maith agat, a Cheann Comhairle agus ba mhaith liom tacaíocht a thabhairt don rún seo fosta. I, too, support the motion, proposed by Danny Kennedy, and welcome the fact that it has been brought to the Assembly. In a way, the motion is about EU engagement almost as much as it is about an injustice suffered by local people who have been victims of fraud. The OFMDFM Committee undertook a major inquiry into EU engagement and recommended increased engagement and formal working arrangements between the Assembly and our three MEPs in the North. That is inherent in the motion.

Essentially, we are talking about people who were caught out by unscrupulous builders who typically sell properties without planning permission, access being secured and the necessary utilities. Like other Members, I identify the fact that Bairbre de Brún MEP has been working on the issue and has met a number of people who have been affected in the North. However, time out of number, we are told by the European Council that the issue is beyond its competence. MEPs, such as Mairead McGuinness, often table questions about the issue, and they get an answer that is always along the lines of the following: "We are speaking to the member state, but it is not within the EU's competence but that of the member state to address the issue". Therefore, we need to work collectively to bring pressure to bear and to defend the local people involved, who, I agree, have not been greedy or gullible but who have worked hard, saved money all their working lives and invested their hard-earned savings in such properties.

Earlier, I spoke to a constituent who has been affected by European property fraud. He told me that, at a meeting in Belfast to discuss the issue, it came out that over 100 people were affected. He told me that a regional committee of 12 was formed to represent those 100-plus

people. Jimmy Spratt made the point that those people come from all our constituencies. The individual who I spoke to said that, on the regional committee, there is representation from Silverbridge to Newtownards. People are also seeking legal advice and taking legal action on the matter. It is my understanding that, in one case in Spain, the ownership of the land involved had not been secured by the property company, which then went about selling properties to local people.

We are all arguing for better regulation. If the EU is to mean anything, it has to up the standards throughout the European Union and then harmonise them.

Fra McCann pointed out, interestingly, that travelling advertisement roadshows take place locally. There needs to be greater monitoring of those roadshows and of what they are advertising, and it must be asked whether the advertisers are being wholly honest.

The motion talks about raising awareness. I will speak privately to the other members of the OFMDFM Committee about getting the regional committee that has been established locally to come before us to see what added value that we, as a Statutory Committee, could bring to bear. It is my understanding that there are 12 members on that regional committee and that it represents over 100 people. Therefore, it would be a good idea for the OFMDFM scrutiny Committee to hear directly from those people about their range of experiences.

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

I mentioned Fra McCann earlier. He, quite shamelessly, congratulated the Antrim camogie team on winning a big match yesterday — the all-Ireland junior finals. I take this opportunity to congratulate Coleraine Eoghan Rua on their tremendous victory over Ballinderry — not that I have anything against Ballinderry.

**Mr Elliott:** I congratulate Sunderland on holding Manchester United to a draw on Saturday.

The issue is very serious, and, thankfully, I do not have an interest to declare. However, I know some people who have been affected, and it is a very serious matter.

I listened to Mr Farry, and, from his comments, I think that he was indicating that Turkey should perhaps be brought into the EU. I was not entirely sure at the start of his comments, but I think

that that view emerged. Given that Turkey is one of the offending countries involved in property fraud, perhaps that is an issue that needs to be looked at.

Given that the EU is so scrupulous in managing some of its initiatives and directives, I often wonder why it cannot bring in some arrangement to stop this practice. I recall holidaying in Spain a number of years ago and going to a hard-sell event, which Jimmy Spratt and other Members said also happen locally. The people at those events are experts in what they do, which is targeting people both in Spain and locally to whom they believe they can sell a property, or a supposed property, and then get money from. Clearly, there needs to be some European Union directive to stop that practice. I cannot believe that property fraud has been able to go on for so long without a directive's being introduced, because, as has already been said, Jim Nicholson and other MEPs have raised the issue in the Parliament and in committee. It is an area in which we need action.

## 2.00 pm

The agricultural and business communities sometimes become fed up with the amount of bureaucracy that emanates from Europe and has to be implemented by the Assembly and Executive. We fail to understand why the EU cannot put something in place to stop this practice.

We need to find a resolution for those affected. However, we also need to raise awareness throughout the entire community. Property fraud is an ongoing issue that occurs every day of the week, whether in Northern Ireland or other European countries. I am told that Spain is one of the greatest offenders, but there are others. People need to be fully aware of how the hard sell takes place, what happens, and how they are invited to events to see luxurious premises that they are told they can maybe purchase. People's hard earned money should not be forfeited in that manner. The Assembly needs to do all in its power to stop that happening, or to force the European Union to stop it happening. If that needs laws and directives from Europe, we need to encourage that and support those who bring them forward.

**Mrs M Bradley:** It is very annoying that there is not even a Minister in the Chamber. There are four Ministers in OFMDFM. Here we are, talking

about raising awareness, and not one of them would come along to listen to the debate.

**Mr Weir:** Will the Deputy Speaker clarify that this matter was not allocated to a Department? It is not a question of a Minister not wanting to come along. The fact is that the Business Committee decided that this matter did not fall to a particular Department, and that is why there is no ministerial reply.

**Mr Deputy Speaker:** There was a brief discussion on that matter this morning, and it is a matter for the Executive whether any Minister responds or not.

**Mr Elliott:** Thank you very much, Mr Deputy Speaker. The victims, I understand, are generally left with three options: to do nothing and lose their money; to comply with the terms of the developers, which may still mean that they will get nothing out of it; or to try for legal recourse.

It would have been interesting to hear something from a Minister, and I am not specifying which Minister. However, it may have been useful to hear what legal recourse exists in some countries, or, because the practice is going on in Northern Ireland, as Mr Spratt indicated, whether there is any legal recourse here against those who carry out the hard sell on victims.

**Mr Spratt:** The issues that I raised about fraud and the like obviously fall within the Department of Justice. It is a matter for a series of Departments. However, does the Member agree that the previous intervention was just a continuation of the SDLP's weekend comments by the member of the Committee for the Office of the First Minister and deputy First Minister Mrs Kelly?

**Mr Elliott:** Far be it from me to get into that political debate across the Chamber. I will let the Members finish that themselves. In broad terms, however, I accept that there are issues for the Department of Justice, just as I am sure that there are issues for other Departments, including OFMDFM. However, I want the Assembly to look for a mechanism to stop the practice happening in Northern Ireland. Maybe we could ask OFMDFM, hopefully as a result of this debate, to raise the matter with other Departments, and, through its departmental officials, to find a way to stop the practice.

**Mr Deputy Speaker:** Draw your remarks to a close, please. Time is up.



**Mr Elliott:** Thank you, Mr Deputy Speaker.

**Mr McClarty:** I am delighted that the Ulster Unionist Party was able to secure the debate to voice the plight of hundreds of our citizens across the Province who have experienced such financial difficulty in recent years. That financial difficulty has often had a detrimental impact on family life, physical and mental health, and, for the self-employed, on their very livelihoods.

As has been said in the debate, some people have lost their entire pension savings. This is a very difficult economic time in Northern Ireland, and many are struggling with daily living expenses.

As my colleague Danny Kennedy said at the outset, some companies appear to be targeting novice investors — those who have little experience of overseas investment. Many now face crippling debt with no equity to fall back on.

First and foremost, warnings must be put out there for those who are thinking of investing. The last thing that the economically embattled people of Northern Ireland need is to see their hard-earned money either disappear into the pockets of fraudsters or be demolished by Spanish bulldozers. The prevalence of fraud in the property market abroad is a matter of grave concern, and one that the First Minister and the deputy First Minister must play their part in addressing.

We had eight contributors to the debate. The first contributor was Danny Kennedy, who stated that personal debt had risen. He said that there were complex zoning laws in some European states, which have led to the seizing of properties. He said that those properties have been purchased in countries such as Turkey and that no title deeds have been received. He wants to ensure that EU citizens who wish to purchase abroad can do so with confidence.

Peter Weir stated that the people who make such investments are not the greedy or the gullible. He said that it was important that all MEPs work together to resolve cases of fraud. He added that citizens from all constituencies and all backgrounds have been affected.

Raymond McCartney said that, most importantly, the EU must have a role in the regulation of property companies so that proper sanctions can be put in place, while Dolores Kelly said that indigenous populations are also suffering

from fraudsters' actions. She believes that Parliament is not taking the issue seriously and is not doing enough for those who have been affected.

Dr Stephen Farry said that parties are either Euro-sceptic, or even Euro-hostile, and that the motion underlines the importance of the European Union. He said that if we are serious about tackling property fraud that happens in Turkey, perhaps we should bring Turkey into the EU to resolve the issue. I wish that it were as simple as that.

Like other Members, Jimmy Spratt has constituents who invested their hard-earned money in foreign properties. He was critical of the European Union for not enforcing some of its directives. He referred to one particular case that involved 171 charges and £4 million of so-called investments. He cautioned local investors to check out individuals and companies before investing their money.

Barry McElduff said that, like the other MEPs, the Sinn Féin MEP, Bairbre de Brún, is working on the issue with her colleagues. He said that we need to work collectively to address the issue and that there is a need for a greater monitoring of foreign property roadshows.

Tom Elliott recalled holidaying in Spain, where he went to a hard-sell event. He said that there needs to be a directive from the European Union about that practice. Tom did not tell us whether the hard sell worked on him, but I presume that it did not. He said that, as a legislative Assembly, we need to do all in our power to help those affected and to prevent the practice.

I am somewhat disappointed, to say the least, that neither the First Minister, the deputy First Minister nor, for that matter, their junior Ministers, have turned up to address the concerns of the victims, many of whom simply wish to raise awareness of their experience so that it cannot happen to anyone else. Notably, however, all victims need our help to lobby the European Commission on their behalf. We must commit to working with Northern Ireland's MEPs to provide better protection for buyers and to impress upon the European Commission the need for better regulation.

In bringing the motion to the Assembly, the Ulster Unionist Party is committed to enabling local buyers to invest abroad with confidence, while seeking to ensure that the Assembly plays

its role in giving Northern Ireland the strongest possible voice in Europe.

*Question put and agreed to.*

*Resolved:*

*That this Assembly notes with concern the number of people from Northern Ireland who have been victims of property fraud in the European Union and Turkey; calls on the First Minister and deputy First Minister, working with Northern Ireland's MEPs, to make representations to the European Commission to take more definitive action to protect property buyers, to raise awareness of the problems associated with property fraud and to urge the countries concerned to better regulate property companies working within their jurisdictions.*

**Mr Deputy Speaker:** The next item of business on the Order Paper is Question Time. I therefore propose, by leave of the Assembly, to suspend the sitting until 2.30 pm.

*The sitting was suspended at 2.11 pm.*

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

**2.30pm**

## Oral Answers to Questions

### Finance and Personnel

#### Budget 2011-15

1. **Mr McCarthy** asked the Minister of Finance and Personnel for an update on preparations for Budget 2011-15. (AQO 179/11)

**Mr McCarthy:** Can I pose question 1 to the Minister of Finance and Personnel?

**The Minister of Finance and Personnel (Mr S Wilson):** Can I answer the question that has been posed by the Member?

The preparations for the 2010 Budget are operating at two levels. First, there is the contact that I and my officials are having regularly with the Treasury to try to ascertain the most up-to-date picture of where the Budget proposals and decisions are going with the main Departments in GB. As the Member will know, eventually, that will affect the amount of money that comes to Northern Ireland. My last meeting with the Chief Secretary to the Treasury was on 15 September, and that meeting was also attended by the Finance Ministers from Wales and Scotland.

Secondly, in Northern Ireland, internal preparations took place over the summer. I had bilateral meetings with all the Ministers to talk about their own budget process, and, only last week, I presented a preliminary paper to the Executive for discussion. The Budget review group is also going on, at which I am always present and to which the Department of Finance and Personnel (DFP) is presenting papers.

**Mr Deputy Speaker:** Mr McCarthy, you may now pose a supplementary question.

**Mr McCarthy:** I could pose half a dozen supplementary questions, Mr Deputy Speaker, but I know that you would not allow me to.

I thank the Minister for his response. Will he agree that it would be smarter and, indeed, fairer for the Budget preparations to be carried out as early as possible? Will he provide a

guarantee that there will be a proper period of consultation on the draft Budget?

**The Minister of Finance and Personnel:** It would be fairer for the Budget discussions to take place as quickly as possible. In fact, it is a necessity that the Budget debate and the final draft Budget be settled as quickly as possible for the very reason that the Member has given. First, there is a required consultation period, and, therefore, the later the draft Budget is made available to the Assembly and its Committees, the later the consultation will start and the later the end date for the final decision will be. I am sure that the Member knows from conversations with education and library boards, health boards, voluntary groups and businessmen that people are looking for some certainty. They know that pain is coming down the line, but they want to see some of the detail of how that will affect them, and we can only provide that once the final Budget is available. For that reason, he is absolutely right; we need to move as quickly as possible.

**Mr McKay:** Go raibh maith agat, a LeasCheann Comhairle. Given the concerns about welfare reform, which we heard about this morning, and the possibility that many more families will be plunged into poverty, what measures are being taken to mitigate the significant increase in poverty levels as a result of the Budget? Will Budget allocations and reallocations to services that are vital to keeping thousands of local people above the poverty line be prioritised in the process?

**The Minister of Finance and Personnel:** If the Member is looking for some advice from me on what might be done to mitigate the impact of welfare reform, which will be decided not in this House but in Westminster, and if his party are so concerned about that, I suggest that he use his influence on the five absentee Sinn Féin MPs to encourage them to go to express their opposition where it really counts, instead of going around the countryside telling people that they are concerned but not taking the action that they could. However, having made that point — *[Laughter.]* It was only a “by the way”.

In the Executive, we have discussed what we need to do to mitigate the impact — there will be an impact across the board — on those in society who are least well off, and the Executive are well aware of that. One reason why I suggested that a pot of money should

be set aside as part of the Budget review is that Ministers could come forward with ideas on how best to spend it. Indeed, Members and Committees may come to Ministers with ideas about what new policies or actions might deal with the consequences for particular communities or groups. We need to think strategically, we need to plan, and we need to make early decisions. In the face of so many cuts, we should not merely try to consolidate everything that we do at present and stop doing anything new. We can stop doing some of what we do at present, and we can divert some resources elsewhere. When it comes to the Budget, I hope that the Assembly will support the plan to put aside some resources so that we can deal with the consequences to which the Member referred.

**Mr Storey:** Given his Department's requirement to produce savings delivery plans by 26 August 2010, will the Minister shed some light on why the Department of Education has not yet allowed the Committee, despite its repeated requests, to see the savings delivery plan? In the Minister's bilateral discussions with the Minister of Education, did he get any sense that she has identified any priorities on which to spend her budget?

**The Minister of Finance and Personnel:** I am tempted to say that, in some bilateral discussions, I did not get a sense of anything at all. However, I will not go into the details of those meetings. Savings plans were to be submitted to DFP by the end of August 2010. To date, only four Departments have submitted those savings plans, others have refused to compile them, and I have had discussions with others on where those savings might be made. It is important for Ministers to engage with their Departments.

I am a bit concerned that the Education Minister appears to believe that it is not necessary to look at savings plans until the Budget review group has had its discussions, until the Executive have had their discussions and until we know the outcome of 20 October. That is not a good example of planning.

## Budget 2010: Delivery of Public Services

2. **Mr Frew** asked the Minister of Finance and Personnel for his assessment of the potential



consequences for the delivery of public services if the Assembly fails to agree a Budget by the end of this calendar year. (AQO 180/11)

**The Minister of Finance and Personnel:** If an agreed Budget is not in place by early in the new year, there will be serious implications for public bodies in Northern Ireland. As I said in answer to an earlier question, if money were plentiful, we could, perhaps, afford to leave Budget decisions and information until the last minute. However, we face constrained budgets, and people must plan to reduce or do away with services, offer redundancies, and so forth. Therefore, it is important that they be given the earliest possible warning. I have had conversations at constituency and ministerial level with a wide range of people from the voluntary sector, the statutory sector, boards, trusts, businesses, etc. All said that it would be a catastrophe not to receive early warning, well before the start of the next financial year, of what will be in the Budget.

**Mr Frew:** Will the Minister give an assessment of the potential consequences for the private sector should the Assembly fail to agree a Budget this year?

**The Minister of Finance and Personnel:** I do not want to say that it will cause particular difficulties for the private sector; it will cause difficulties for every sector. About 30% of the private sector relies on contracts from the public sector. The private sector needs to know whether there will be an effect on its business as a result of Budget decisions. The sooner Departments know about their budgets for next year and are able to convey that to the private sector, the better.

I had a long conversation with people from the social sector last week. Many believe that they could fill the gap or, in some cases, deliver the services much more cost-effectively than the statutory sector could. I also know that Members have been lobbied by that sector, because some have written to me already about the matter. However, that change cannot be effected overnight; there must be some planning and an opportunity to look at where budgets need to be pruned and where the social sector may be able to fit in. Therefore, a whole range of people will be affected, and that is one reason why we need to come to a conclusion quickly.

**Mr McLaughlin:** Go raibh maith agat, a LeasCheann Comhairle. I am sure that the

Minister is aware that the private sector has shed 37,000 jobs since May 2008. Therefore, there has already been a dramatic impact on that sector. Returning to the original question, does the Minister agree that there is much greater potential for a collective approach if, rather than simply focusing on cuts, we talk about ways to develop a strategy to rebalance the economy? That strategy would argue for fiscal powers and would generally put together an agreed plan for economic growth.

**The Minister of Finance and Personnel:** I totally agree with the Member that there is a strategic debate to be had about the Budget. Although Sinn Féin Members have not been exclusive in this matter, many have said that, before making any decisions, we must wait until 20 October to see what allocations the Westminster Government make to the Assembly. However, many of the strategic decisions that the Member is talking about, such as the direction of travel that we want to take the economy in and the priorities that we should set, can be done without knowledge of what the specific spending proposals for Northern Ireland might be over the next four years. That is a debate that we, unfortunately, did not engage in fully, and it has left a bit of a void. Returning to the answer that I gave to the Member for Strangford earlier, if that debate starts after 20 October, we will find that there is a further delay in the whole Budget process.

**Mr D Bradley:** Go raibh maith agat, a LeasCheann Comhairle. What is the Minister's thinking on striking the balance between long-term planning and allowing time for readjustment through annual Budgets?

**The Minister of Finance and Personnel:** This Budget period will last for four years. The allocation will be made for the next four years, and that is why I said that a strategic overview needs to be taken of how we want to use resources during that time. That is also why that kind of debate can be divorced from one on the actual amounts that are available for allocation. Even if we do not know the exact amount of money that is coming from Westminster, we can still have a debate about long-term decisions.

As the Member pointed out, there will be a divide between the things that can be done in the short term and those that can be done in the long term. That is why the debate about strategy is so important. It may be that some

Ministers decide that there are things that they are doing at the minute that they no longer want to do. It may not be possible for them to do that immediately, without legislation being passed in the Assembly, but, nevertheless, that needs to be factored into the plans for the next four years. Similarly, there may be capital projects that span a long time, and although we need to make decisions about those now, they must also fit into the long-term strategy.

The Member is quite right to say that there are two dimensions to the matter. We must decide what we do immediately, but some of the things that we decide to do now may not have an impact until well into the CSR period. For that reason, adjustments for the first year may need to be made, but they may not necessarily carry on through.

### Construction Industry

3. **Mr McDevitt** asked the Minister of Finance and Personnel to outline how he will assist the construction industry, given the expectation of a possible 30 per cent reduction in capital expenditure. (AQO 181/11)

**The Minister of Finance and Personnel:** The construction industry has very much felt the economic impact of the downturn. Indeed, Mr McLaughlin pointed out that thousands of jobs have been shed by that and other industries as a result of the downturn. However, I have to say that the impact on the construction industry has, perhaps, been alleviated by the work that the Assembly has done, and the decisions that it has made, to bring forward construction projects through the re-profiling of our capital spend. We have spent about £1.7 billion this year, which is probably the last year that we will do that. About 60% of that amount goes on the construction industry, and, as a result, public sector projects now account for about 54% of construction industry employment.

### 2.45 pm

To a certain extent, decisions made by the Assembly have filled the hole that was made by the dramatic reduction in the private sector, especially the housing sector. However, until the outcome of the spending review is known, we will not have the final position of our capital budget for the next four years. The one thing that we do know is that we will not spend £1.7 billion next year or the year after; there will be a

severe reduction. We have to look at what can be done to fill those gaps that can be filled but also manage the reduction in work and ensure that we do not leave a skills gap in future years.

**Mr McDevitt:** Will the Minister confirm to the House that it would be a mistake to place an overwhelming burden of cuts on the capital side? In light of his earlier answer, will he also confirm that he does not intend to cut capital expenditure to a higher rate than he cuts current expenditure in response to what may or may not happen on 20 October?

**The Minister of Finance and Personnel:** As a result of the Barnett formula, we are not simply given a pot of money. The Treasury will already have divided the money into a pot for current spending and a pot for capital spending. Therefore, to a certain extent, the answer that the Member is looking for is outside the control of the Executive and the Assembly.

There is, of course, some possibility of movement from current spending to capital spending. The Executive will have to look at whether we should move some money over to capital spending to fill the huge gap, even given the constrained current spending. The capital spending gap could be more than 40% if the trends that we pick up from the Treasury are anything to go by.

Another question is whether we should look at the sale and privatisation of some of our assets to try to bring in revenue for capital projects. That will be a big question for many Members, one that will, perhaps, challenge their ideologies. It might be a difficult question for members of the SDLP and Sinn Féin.

We also have to look at whether we can get any greater borrowing ability through RRI; we raised that issue with the Government. What about the commitment to capital spending for the next 10 years that was made at St Andrews, albeit by the previous Government? Will the Conservative Party honour that pledge? As members of the Ulster Unionist Party claim to have great influence through their electoral pact with the Conservative Party, I am sure that they will seek to ensure that that pledge is lived up to.

**Ms J McCann:** Go raibh maith agat, a LeasCheann Comhairle. Does the Minister agree that sustaining the strategic investment programme is essential to securing the future of the construction industry?

**The Minister of Finance and Personnel:** The strategic investment programme was not there simply as a crutch for the construction industry. Nevertheless, it does, of course, present important opportunities for the construction industry. The whole point of the strategic investment programme was to improve the infrastructure in Northern Ireland so that the rebalancing that Mr McLaughlin talked about could be undertaken. If we have a better infrastructure — better roads, ports, telecommunications, schools, and so on — it will be easier for us to attract private investment into Northern Ireland and grow the private sector. That is the whole point. That is why it is so essential and why Mr McDevitt's question was so important. What are we prepared to do, and what ideologies are we prepared to set aside, to try our best to undertake the strategic investment programme that we have set down?

**Mr Campbell:** Does the Minister agree that a number of capital projects in parts of Northern Ireland, which are very dependent on the retail and tourism sectors, are ready to go? They need the imprimatur of various Ministers, such as the Minister for Social Development and the Minister of the Environment, and if that comes from those Departments to him, will very serious consideration be given to those projects to try to promote the local economy?

**The Minister of Finance and Personnel:** In the discussions that I have had with Ministers, I have been asking them to give me a list of their priority capital projects. Some of them have been reluctant to do that. The Member has hit the nail on the head; that is exactly why we need that information. Of course, if a Minister makes a particular project a priority and justifies why it should be so, that bid will have more chance of succeeding.

## Government: Revenue

4. **Mr Savage** asked the Minister of Finance and Personnel what steps he has taken to identify and encourage any revenue-generating capacity within Departments. (AQO 182/11)

**The Minister of Finance and Personnel:** It is the responsibility of individual Ministers to bring forward proposals on raising additional finance, and the ongoing work of the Budget review group on that matter is most welcome. We had discussions at Greenmount College on 5 July, and a number of work streams were initiated,

one of which was to look at the potential for raising revenue in each Department. As regards revenue-raising in my Department, I will be bringing proposals to the Executive, and it will be up to the Executive to decide whether they find those acceptable.

**Mr Savage:** I thank the Minister for his answer. At what point will he bite the bullet and speed up the sale of government assets as part of the plan to offset the cuts?

**The Minister of Finance and Personnel:** The sale of government assets is one of the things that we have looked at in the work streams for the Executive. I love the way that Members sometimes attribute that sort of power to me. I wish that I had the powers that Members think I have. Some Members wish that I did not have those powers and will resist my ever getting them.

The money that could be obtained from assets is, to a certain extent, limited in the current financial circumstances because many of those assets are land banks, and banks are not lending developers money unless they have a specific use for the land in mind. However, there are other assets that have revenue streams attached. Those are the ones that are most likely to be acceptable and to find a ready market. It is, of course, up to Ministers to look at the assets in their Departments and bring forward proposals for them.

**Dr Farry:** It is my understanding that the UK Government are trying to close their fiscal gap with a 77:23 ratio between revenue and spending. Does the Minister have an opinion on what the ratio should be in Northern Ireland?

**The Minister of Finance and Personnel:** To a certain extent, we are already subject to the ratio that the Member described, because some of the 23% of revenue that the UK Government wish to raise will be raised here in Northern Ireland. We are already paying some revenue consequences. However, I know the point that the Member is making: can we simply get away without looking at what potential revenue there might be from additional charges in Northern Ireland, or do we simply make up the whole deficit through spending cuts? He knows my view on that. It is the same view that I have expressed to him on a number of occasions: there must be a balance. I have stuck my neck out, as I know he has, on a number of occasions by suggesting some things that might be done. There is a whole host of other ways in

which revenue might be raised. It is part of the work of the Budget review group to tease out from Ministers the potential for revenue-raising in their Departments.

## Corporation Tax

5. **Mr I McCrea** asked the Minister of Finance and Personnel what the potential costs are of reducing corporation tax in Northern Ireland to the level that prevails in the Republic of Ireland.  
(AQO 183/11)

**The Minister of Finance and Personnel:** A broad range of figures has been provided on the cost of reducing corporation tax and on the cost of giving us the ability to reduce corporation tax in Northern Ireland. Assuming that we bring it down to the same level as exists in the Irish Republic, which I suppose is what the Member is referring to, the estimates have been anything between £200 million and £500 million. The Northern Ireland economic review group suggested £200 million, Varney suggested £300 million, and my Department estimated it to be £500 million. Members will be aware that the coalition Government are preparing a paper, and we have said to them that we want a very clear picture of the likely costs. I have also asked that officials from my Department be part of those discussions.

**Mr I McCrea:** I thank the Minister for his answer. The Minister will be aware that many UCUNF candidates for the Westminster election canvassed the country promising that a Conservative and unionist Government would deliver on corporation tax. Can the Minister give the House any idea as to whether he feels that that will actually happen?

**The Minister of Finance and Personnel:** I do not want to cast any aspersions on the influence that the Ulster Unionist Party has on the Conservative Party, but the fact that the UUP could not even get the Conservatives to stand down in a constituency, resulting in a unionist seat being lost, indicates how much influence there has been.

Leaving that aside, since the Government got in with the promise of a package to help us to rebalance our economy, it is important that all parties in the Assembly collectively engage with the Government and push them to ensure that that additional work is done. We know that we are going to have a painful Budget, but if we can

at least have some help with the restructuring of the economy, that would be a step forward.

**Mr A Maginness:** I thank the Minister for his answer to the Member's question. I could be forgiven for thinking that perhaps it was not the previous election that Mr McCrea was referring to but the upcoming one, but that is by the by.

Does the Minister agree that the work towards devolving the power to vary corporation tax should begin immediately? At the very least, if the power is devolved to the Assembly, the Assembly can exercise that power in whichever way it wants to. There is a lot of work to be done, including going to the European Commission once Westminster devolves that power.

**The Minister of Finance and Personnel:** It should be done immediately, because there is a twin-track approach here; namely, that we would have Budget cuts, which would impact on the public sector, and that we would have help from Westminster in rebalancing the economy. We were promised a paper in the autumn. I am not too sure when that will appear, but it will certainly not be shortly after the spending review. It is important that we engage with the Treasury, and, over the summer, along with the Minister of Enterprise, Trade and Investment, I met the Treasury Minister to discuss the way forward on the matter and to emphasise the need to have a Northern Ireland input into it.

We have to be quite clear: the cost of this may be too high for us. Therefore, we must have an alternative strategy. In conversations with the Treasury, we have been looking at other things that might be done. Let us not put all our eggs in the "reduce corporation tax" basket. I would like this paper to look at whether there are possibilities when it comes to corporation tax credits for research, development, investment, training and a whole range of other things. My officials will certainly be encouraging the Treasury to look at that.

## Education

### Middletown Centre for Autism

1. **Mr Moutray** asked the Minister of Education to outline the terms of reference for any review of the Middletown Centre for Autism currently being undertaken by her Department.

(AQO 194/11)



**The Minister of Education (Ms Ruane):** Níl baint ag mo Roinn le haon athbhreithniú ar Ionad Choillidh Chanannáin d'Uathachas faoi láthair agus níl sé ar intinn aici a leithéid d'athbhreithniú a dhéanamh san am atá le teacht.

My Department is not involved in any review of the Middletown Centre for Autism and has no plans for such a review. I will continue to work closely with An Tánaiste, an tAire Oideachais agus Scileanna i nDeisceart na hÉireann, Mary Coughlan, the Minister in the South of Ireland. I remain committed to the Middletown project and to achieving the goals that have been set for it.

### 3.00 pm

**Mr Moutray:** The Minister said that her Department is not undertaking a review. Why then did one of her departmental officials say that a review was taking place in the Department of Education in light of the financial crisis in the Irish Republic?

**The Minister of Education:** I do not know where the Member got the information that one of my officials said that, but I would welcome any details on that.

**Mr D Bradley:** Go raibh maith agat, a LeasCheann Comhairle agus seo í mo cheist ar an Aire. What is the Minister's assessment of the need for an autism Bill for Northern Ireland?

**The Minister of Education:** As the Member will be aware, the Department of Health, Social Services and Public Safety is discussing and leading on that issue. At this point, it would not be appropriate for me to comment. However, it is important that all Departments work together to provide the best health and education services for young people who are on the autistic spectrum.

**Mr McCallister:** Will the Minister explain why the capital expenditure for the Middletown centre has been cut from £2 million to £1.2 million? She knows my views on the centre, but will that cut have an impact?

**The Minister of Education:** My Department is working closely with the Department of Education and Skills in the South of Ireland, and I have ring-fenced funding in the North for the capital budget. I would like that project to continue, and I am working closely with my counterparts in the South.

## Education and Skills Authority

2. **Mr Leonard** asked the Minister of Education how many staff within the education sector volunteered for redundancy to facilitate the establishment of the Education and Skills Authority. (AQO 195/11)

7. **Mr P Maskey** asked the Minister of Education whether she and Protestant transferors are content to proceed with the establishment of the Education and Skills Authority. (AQO 200/11)

**The Minister of Education:** Go raibh maith agat. A LeasCheann Comhairle, tabharfaidh mé freagra ar Cheist uimhir a dó agus ar cheist uimhir a seacht le chéile. Tá ceithre chéad agus a deich ball foirne i ndiaidh a chur in iúl go mbeadh said sásta éirí as a bpost. I will answer questions 2 and 7 together. Some 410 staff responded to requests for expressions of interest in voluntary severance. New service delivery models are being developed for a range of services, and those are being discussed with the convergence programme management board and the chief executives of the education and library boards. When those models have been fully developed and agreed, I hope that voluntary severance can be considered in line with convergence implementation and business needs.

For all the reasons that I outlined, I am content to proceed with the implementation of the review of public administration and with the establishment of the Education and Skills Authority. I have been ready to do so for the last year. Some political parties have attempted to block reform of the education system and to use the genuine concerns of the transferors to do that. To the best of my knowledge, all issues raised by the transferors have been resolved to their satisfaction, and I hope that all concerned will seize the opportunity to move forward.

**Mr Leonard:** Go raibh maith agat, a LeasCheann Comhairle. I am sure that the Minister and her staff are aware that the uncertainty and lack of movement are causing considerable stress among members of staff. How can that be dealt with?

**The Minister of Education:** Bhuel, aithním go bhfuil na baill foirne buartha faoina gcuid post agus aithním go bhfuil siad faoi strus dá bharr. I recognise that staff have valid concerns about their position and that those may cause stress, but the process was never intended

to be so protracted. Had the Education and Skills Authority been implemented in January as planned, staff could have been released as expected. However, we are now in a situation that is less than ideal. It has required much new thinking and planning, which cannot be rushed through without considering the complexities of delivering regional services during the lifetime of the existing organisations. Organisations cannot release staff until new service delivery models have been fully developed and agreed.

The progress that has been made to date reflects the scale of the challenge and the importance of agreement from all organisations involved. Staff have valid questions to ask of parties that attempt to block the reform of public administration.

**Mr P Maskey:** Go raibh maith agat, a LeasCheann Comhairle. It is interesting to hear that. I have spoken to people who have expressed concern about the blocking of reform in the education system.

My question relates to the Protestant transferors. Are they content with the proposed establishment of the ESA? By and large, if the block on reform is removed, the ESA will save £20 million per year.

**The Minister of Education:** The Member is absolutely right: it will save £20 million per year. Obviously, we have to invest to save. I have secured the necessary funding to do so. The ESA will also ensure that we can target on the basis of need and that money is not squandered unnecessarily on bureaucracy and administration. Often, I hear parties opposite say that money is wasted on administration and that there are too many quangos. However, when there is an opportunity to do something, they talk the talk, but they cannot walk the walk.

As regards whether the transferors are satisfied, ar feadh m'eolais, tá na hAistreoirí sásta leis na réitigh a bhí ar na ceisteanna ar fad a d'ardaigh siad. To the best of my knowledge, all issues that have been raised by the transferors have been resolved to their satisfaction. Therefore, it will be interesting to see what the next excuse will be from the parties opposite.

**Mr Storey:** For a Minister to come to the House and say, "to the best of my knowledge" is a clear indication that she is not across her brief.

**Mr Deputy Speaker:** Question, please.

**Mr Storey:** If the issue relates only to the transferors, how does the Minister respond to the criticism that appeared in a recent newspaper article in August 2010 from the chief executive of CCMS, who now says clearly on behalf of that sector that there are still outstanding issues that have to be addressed? He is clear that the issue does not just relate to the transferors. He wants equality. How does she answer that?

**The Minister of Education:** First, I am well across my brief on the establishment of the Education and Skills Authority. I have chaired —

**Mr Storey:** *[Interruption.]*

**The Minister of Education:** If the Member would not be rude and interrupt me, I would answer his question. He had his chance to ask his question.

I chaired a high-level group. Representatives from the Catholic trustees were at practically every meeting. The trustees support the establishment of the Education and Skills Authority. Maybe the Member would be better to use his energy and that of this party to support the establishment of the Education and Skills Authority. That, in turn, means supporting the movement of staff from education and library boards and, indeed, other organisations to the Education and Skills Authority, which would save money that is currently being wasted on unnecessary bureaucracy and administration and would get rid of 11 quangos, when one Education and Skills Authority is enough. Maybe it is time for the Member to show a bit of leadership.

**Mrs M Bradley:** What difficulties do education and library boards face due to the migration of staff to the ESA?

**The Minister of Education:** In answer to an earlier question or at an earlier point in this question, I stated the number of staff who wanted redundancy. I also answered a question about the need to ensure that there is one organisation rather than 11 organisations. As I said, at every single level, staff in all those organisations want the ESA to be established. They understand that it is the best way to administer education and to use funding from the education budget. They also understand that the delay in the ESA's establishment is stressful. It should have been in place in January 2010.

**DE: Budget**

3. **Mr Kinahan** asked the Minister of Education for an assessment of her Department's budgetary position. (AQO 196/11)

**The Minister of Education:** I mbliana, tá buiséid sóchmhainní agus chaipitil na Roinne leithdháilte go hiomlán, agus tá mé ag súil leis go gcaithfear an t-airgead ar fad sa bhliain airgeadais seo. Go háirithe, tá buiséad caipitil faoi bhrú go foil agus thiapeáin mé go seasta do chomhghleacaithe ar an gCoiste Feidhmiúcháin le linn na mbabhtáí deireanacha monatóireachta go raibh géarghá le hinfeistíocht bhreise in eastát na scoileanna.

The Department's resource and capital budgets for the current year are fully committed, and I anticipate full expenditure in this financial year. The capital budget, in particular, remains under pressure, and, in recent monitoring rounds, I have consistently highlighted to Executive colleagues the urgent need for further investment in the schools estate. I am disappointed that I did not receive the capital funds from the Minister of Finance that I bid for in the September monitoring round.

I am not in a position to provide an assessment for the future. That will be possible only when the Executive agree a draft Budget in line with the Programme for Government. At that stage, I will be able to begin work to assess the outcome and the implications for education services over the next four years. I am clear that we as an Executive and as an Assembly, the North/South Ministerial Council and the British-Irish Council need to ensure that we protect front line services and the most vulnerable and disadvantaged in our society. We must also ensure that we use the funding that we have. We must fight for the maximum funding and use it to ensure that we build a more equal Ireland and a fairer society here in this part of Ireland.

**Mr Kinahan:** I thank the Minister for her answer. In asking my supplementary question, I will touch on question 6. I have visited a large number of the schools in south Antrim, and many of them are gasping for a little bit of funding to paint or repair the inside and outside of their school. Can the Minister find anything in her budget that would give all schools a little bit of funding to allow them to do up the interior and exterior of the school and, perhaps, work with the parents and teachers to pull everything together?

**The Minister of Education:** The Member makes some very valid points. Recently, I met representatives from a school in his constituency. He was part of that meeting, and I thank him for placing the focus on the underinvestment in the schools estate because I agree. We have 1,233 schools, our asset value is £4.5 billion, and we have insufficient funds to ensure that we can maintain the integrity of the estate. That does not mean that we are not using the money that we get wisely; we are. Since May 2007, we have completed 48 major school projects on my watch. That represents £404 million investment in the schools estate. We have a further 15 schools on site, which represents another £250 million. There are two other major capital projects that will, hopefully, come on stream and the 14 extra projects that I announced during the summer. That represents an investment of another £65 million in our schools estate. Some £8.5 million of the £13 million is for work on new schools. The rest of the money is for minor repairs because, as the Member knows, there has not been enough money put into the minor works projects.

We have spent the money that has been given to us. We have spent unprecedented amounts of money. In the two years before I came into post, direct rule Ministers handed back £64 million and £92 million. I am not handing back any money; I am spending every penny that has been given to me. No money is being handed back. I urge all parties to support me when I make bids in monitoring rounds for capital budgets. I reiterate how disappointed I am that I did not get capital funding in the September monitoring round. I look forward to the support of the Member's party when I look for further resources.

**Mr A Maginness:** The Minister talks about protecting front line services. Will she detail what steps she will take to do so? Rather than a rhetorical flourish, perhaps she will give us the details.

**The Minister of Education:** Anyone who looks at what we have done during my term of office will see exactly how I have protected front line services. I have increased funding to primary schools, during very difficult economic times; I am working closely with some of our most disadvantaged and vulnerable communities; I have initiated a programme with Women's Aid for our primary schools; and we have invested in a school sports programme because we want to



deal with obesity at a young age and introduce young people to sport. We have increased the money that goes to equality. We have looked at the barriers to learning facing our Traveller, Roma and ethnic minority children. We have tried to redress the historical underfunding of the Irish-medium sector, and the list goes on. *[Interruption.]* I have equality impacted every budget that I have set. We have also set aside extra funding for the primary curriculum and the new curriculum that was brought in on my watch. We have a policy on early years. *[Interruption.]* We have a policy on literacy and numeracy, and no one can say that, on my watch, we did not target on the basis of need and protect front line services.

**Mr Deputy Speaker:** I remind Members that all remarks will be made through the Chair. The Speaker told you that a few weeks ago, and that is the way it will be.

**3.15 pm**

**Mr Givan:** If the Minister is genuine about protecting front line services and tackling the Tory cuts, will her party not join our and the SDLP's Members of Parliament, take their seats at Westminster and protect front line services and the most vulnerable there?

**The Minister of Education:** That shows the extent to which the Member takes the education debate seriously. If the Member and his party are serious about protecting front line services, they should join the rest of us in establishing ESA and stop colluding with the squandering of money on administration. We need the money in the classroom and on the front line. You cannot have it both ways.

**Ms Lo:** In a recent report, Oxford Economics stated that cuts of up to 25% may affect the education budget, and economies to help schools to cope with those cuts could be made by asking them to share resources and by the creation of integrated schools. Does the Minister agree with that assessment?

**The Minister of Education:** Obviously, I agree that it is very important that schools share resources. That is why we have made it a statutory duty in relation to the entitlement framework. Gone are the days when there can be four classes in one town with four or five students in one class being taught the same subject at A level over a period of two years. I am encouraging collaboration and putting money

into very innovative projects like the Lisanelly shared campus, where schools from all sectors are coming together so that we can ensure that all our young people are learning in a way that is appropriate and represents the best use of resources. We have different school sectors, and it is important that all those sectors work together.

### **Springhill Primary School and Glenwood Primary School**

**4. Mr Humphrey** asked the Minister of Education if she has any plans to invest in the infrastructure of Springhill Primary School and Glenwood Primary School in Belfast. (AQO 197/11)

**The Minister of Education:** Is féidir liom a dhearbhu go bhfuil mé ag iarraidh infheistiú i scoileanna i dtuaisceart Bhéal Feirste, i gceantar na Seanchille agus i gceantair eile a bhfuil ardleibhéil díothachta sóisialta acu. I assure the Member that I want to invest in schools in the north Belfast and Shankill areas and other areas with high levels of social deprivation. I have met principals of schools in those areas. I have visited them in their schools, and they have also been with me here in Stormont. I appreciate their concerns. I understand perfectly the need to get investment into those areas, and the inclusion of the rebuilding at Taughmonagh Primary School in my recent announcement — indeed, I chose Taughmonagh to make the announcement — supports that intent.

My officials have been working with the Belfast Education and Library Board to resolve any outstanding issues on the proposed major capital schemes for Springhill Primary School and Glenwood Primary School, particularly in relation to area planning matters. I ask my Executive colleagues for their support in securing additional funds to address the historical underinvestment in the schools estate. As I said, I am disappointed that I did not receive the capital funds that I bid for in the September monitoring round.

**Mr Humphrey:** I am deeply disappointed by the Minister's response. I have listened to the Minister over the past number of years talking about the children in the Shankill area and referring to low educational attainment rates and their schooling generally. Members will understand the disappointment in two schools when an e-mail arrives from the Department

at 11.32 am on 30 June, the last day of term, stating that their school is part of an overall review of provision in the area. Local governors, teachers, parents and the children themselves are hugely disappointed about that. I implore the Minister to make an early decision and to put the money where her mouth is.

**The Minister of Education:** First, it is good to hear the DUP focus on disadvantage. Hopefully, the next step for it will be to understand that breakaway testing in grammar schools disadvantages children from the Shankill. What I will pledge to do is to send the Member the statistics about children from the Shankill and other deprived working-class areas and the statistics about inequalities in the system.

Secondly, my recent review of capital projects listed in the investment delivery plan identified issues with a number of schemes, including those proposed for Springhill Primary School and Glenwood Primary School. The schemes cannot be progressed until those issues have been resolved. My officials are working closely with the Belfast Education and Library Board. The sooner we can get those issues resolved, the easier it will be to get funding to schools that deserve it.

We cannot continue with the failed policies of the past, where direct rule Ministers and education and library boards invested in schools that lay empty after a short time. Committees and the Assembly have rightly called education and library boards to account for the way in which they invested funding in the past. That will not happen on my watch. I want to get money into working-class areas and into areas of high social need. I have introduced major reforms in the education system to ensure that the children of the Shankill, the Falls, north Belfast and other areas throughout the North of Ireland get their due rights.

**Mrs D Kelly:** I listened interestedly to the Minister's final comments about getting funding into areas of high social need and disadvantage. Given that north Lurgan is one such area and that the Minister told me some two years ago that work would begin on a new school for St Teresa's Primary School, what confidence can we have that the Minister's recent announcements about capital builds will become a reality?

**The Minister of Education:** My Department's record for the number of schools built speaks

for itself. We have spent more money and built more schools in the past three years than were built during any other three-year period. Have all the schools been built? No. Would I like to build all the schools? Yes. It is, therefore, essential that schools and the areas in which they are located are looked at. It would be better if the Member focused on area-based planning, on the number of primary 1 children that there will be and on schools working together, because then we could quickly and effectively deliver the schools needed for every area, including Lurgan.

**Mr K Robinson:** I am interested to hear that the Minister will provide statistics on the children who are transferring out of primary schools in the Shankill area. Will the Minister extend that brief just a little and provide statistics on the number of children who have addresses in the Shankill area but attend grammar schools or, indeed, primary schools outside that area? I am talking about the Shankill in Belfast, not Shankill in Lurgan.

**The Minister of Education:** Ní raibh a fhios agam go raibh Seanchill i Lorgain ach sin rud nua a d'fhoghlaim mé inniu. I will certainly copy the Member into my response. Indeed, I will ensure that he is given those statistics for all working-class areas across the North, because we have them. The Department has done its research. We know about how working-class children are disadvantaged and about the low number of free school meal children in grammar schools. We also know that the secondary school sector is bearing the brunt of demographic decline and that it has by far the greatest number of children from working-class areas and children with special educational needs. Therefore, let us not pretend that we have a system that does not disadvantage working-class children. The schools that are doing breakaway tests are contributing to social bigotry.

## Schools: Further and Higher Education Links

5. **Rev Dr Robert Coulter** asked the Minister of Education for her assessment of the level of co-operation between secondary schools and further and higher educational colleges.

(AQO 198/11)

**The Minister of Education:** Tá mé sásta go bhfuil comhoibriú an-mhaith idir iarbhunscoileanna agus Coláistí Breisoideachais

i mórán cásanna, agus go n-imríonn Coláistí Breisoideachais ról an-tábhachtach in obair na bPobal Foghlama Ceantair trasna an tuaiscirt anois.

I am pleased that, in many cases, there is now very good co-operation between post-primary schools and further education colleges, with further education colleges now playing a valuable role in the work of area learning communities across the North. That is essential, because it is through working in partnership with other schools and further education providers that all post-primary schools can offer young people at Key Stage 4 and post-16 a much broader and better balanced range of qualifications to reflect their needs, aspirations and interests. It is also a means by which post-primary schools can share their own good practice.

Additionally, through joint planning to meet the needs of their students, schools can avoid the situation in which duplicate courses are offered to very small numbers of pupils, thereby ensuring better use of our money. As I said, in a tight financial climate, it cannot be tenable for schools in the same area to run separate classes. For example, I am aware of four schools in the same area learning community that are running separate year 13 classes in A-level art and design, with fewer than five students in each. That is dreadful; think of the amount of money that it costs to run those four courses and to pay for the teachers and support staff. We cannot afford to waste resources in that way, and we have to plan our provision better. Plus, it is better for the young people involved that there are more students in a class. It is not good for young people when a class reaches a certain level, because they do not get the best possible educational experience.

**Rev Dr Robert Coulter:** I thank the Minister for her response. Does she agree that our further education system increasingly has to address the failures of an education system that she presides over? Will the Minister inform the House of any new initiatives that she and her Department have in place to redress and answer that problem?

**The Minister of Education:** I do not agree with the Member's comment. My predecessor, Martin McGuinness, and I have ensured, on coming into the post, that, at the earliest opportunity, we tackled the discriminatory 11-plus and how

pathways for children were being blocked at the age of 11. Obviously, the previous education system had an impact on young people at the age of 11 and at the next transfer stage, which is post-GSCE.

I do agree with the Member that further education colleges were expected to pick up the pieces following the wholesale failure of the system for young people. Thankfully, we now have policies in place that are bringing about much needed change. For example, we have Transfer 2010-11, the literacy and numeracy strategy, the entitlement framework and a revised curriculum for primary schools. We are targeting disadvantage and encouraging further education colleges to work with all our schools on post-16 education.

**Mr Butler:** Go raibh maith agat, a LeasCheann Comhairle. The Minister mentioned the entitlement framework. Will she give us an assessment of how successfully the entitlement framework has been delivered between further education colleges and post-primary schools?

**The Minister of Education:** It has been increasingly successful. The vast majority of post-primary schools are working with the further education colleges in their area learning communities, and I welcome that. However, we now need a step change and to go a stage further. We cannot, as I said, continue to have four or five classes teaching the same A level for a small number of young people. We need to use our money wisely to provide the best possible education for all our young people and to encourage all sectors to work together.

**Mr Storey:** On a point of order, Mr Deputy Speaker. Will you and the Office of the Speaker check the accuracy of what the Minister of Education said in answer to a question, when she made reference to the fact that she had spent all her money? The Northern Ireland Audit Office — an office of integrity and importance — has a contrary view. Will the Hansard record be checked to determine the accuracy of the information that was given in the House today by the Education Minister?

**Mr Deputy Speaker:** It is my understanding that the Speaker normally checks Hansard anyway.

3.30 pm

## Question for Urgent Oral Answer

### **Prisoner Release: Devidas Paliutis**

**Mr Deputy Speaker:** I have received notice of a question for urgent oral answer under Standing Order 20A from Mr Tom Elliott to the Minister of Justice.

**Mr Elliott** asked the Minister of Justice to provide an explanation of the circumstances surrounding the erroneous release of prisoner Devidas Paliutis from Maghaberry prison.

**The Minister of Justice (Mr Ford):** As I notified the Chairperson of the Committee for Justice in writing on 1 October, I regret to advise the House that Mr Devidas Paliutis was released erroneously from Maghaberry prison on the afternoon of Wednesday 29 September.

I have initiated an urgent inquiry. It is to report to myself and the director general of the Prison Service by the end of October, but I have also made it clear that I wish to have interim recommendations based on emerging findings sooner than that. In addition, I was today assured by the director general of the Prison Service that measures are in place to strengthen procedures at all prisons. Those include a strengthening of staff capability in this area and improved communications from the video link facilities to the office that authorises discharge. Further, I am grateful to Dr Michael Maguire, the chief inspector of Criminal Justice Inspection, who has agreed to review the findings of the inquiry. I will be discussing this matter, among other things, with him later this afternoon. As there will be a detailed inquiry, I do not think that it would be right to go into detail at this stage about what may have happened. I do, however, understand fully the concerns about this matter, so I will summarise my understanding of what happened.

Devidas Paliutis was committed to custody in January this year, charged in connection with a number of offences, including ones of a sexual nature. In the course of the prosecution process, Paliutis appeared by video link from Maghaberry prison before Newry Magistrate's Court on 29 September. He was returned for

trial by the district judge to the Crown Court. The holding charges against Mr Paliutis were withdrawn from the Magistrate's Court, with other charges substituted in their place. That information was conveyed electronically to the Northern Ireland Prison Service correctly and in line with current procedures. As I understand it, the information that initially came to the Prison Service was that the charges had been withdrawn. Action was taken on that basis. Again, in line with normal procedures, prior to the discharge of a prisoner in those circumstances, the papers were checked by a senior member of the prison. Clearly, we are not in possession of all the detailed facts at this stage, but we are examining any procedural weaknesses, as well as human error.

Management at Maghaberry was alerted to the issue on the afternoon of 30 September, when the prisoner was unavailable for his scheduled consultation with his solicitor. The police were immediately notified, and the director general spoke to me. I know that there was effective liaison between the Prison Service and the PSNI. I myself spoke to senior police officers on Thursday evening and again today. I am very grateful to the PSNI for its efforts to locate and return Mr Paliutis to custody. I know that there was close liaison with the Garda Síochána and Interpol. Addresses in Northern Ireland and the Republic of Ireland were visited within 24 hours. I also assure the House that the director general and I took immediate steps to ensure that the interests of the alleged victim were fully safeguarded through the PSNI.

I also regret to inform the House of a separate incident on Friday, when another prisoner was released erroneously from Downpatrick Crown Court. The prisoner, Connelly James Cummins, had been produced in court because of an alleged breach of a custody probation order. That matter was dismissed by the court. It is my understanding, however, that Mr Cummins's file was marked "hold" on the basis that he is still awaiting trial on other charges, namely theft, aggravated vehicle taking and using a vehicle without insurance. It appears that a prison custody officer failed to take those charges into account and released Mr Cummins in error.

Again, I assure the House that appropriate steps were taken to respond to the incident as soon as the error was discovered, which was within minutes of the prisoner being set free. The PSNI was informed and has issued a force-



wide alert with regard to Mr Cummins, who is still unlawfully at large.

Although the circumstances that led to that incident are different from those in the case of Mr Paliutis, it is vital that lessons are learned to identify where there are procedural weaknesses so that the margin for human error can be removed. That is why I have asked that that incident be included in the scope of the inquiry into the erroneous release of Devidas Paliutis. I have also called a meeting this evening, at which I expect to receive assurances that steps have been taken to ensure that Friday's error will not be allowed to happen again.

I conclude by assuring the House that I take such issues extremely seriously. I will be following the progress of the inquiry closely and will ensure that the House is advised of the lessons learned and of changes made to prevent any future occurrence.

**Mr Elliott:** Since I tabled my initial question, we are in a much more serious situation, having now heard that a second prisoner has been mistakenly released. Does the Minister accept that in other places senior civil servants and Ministers have had to resign for much less? What immediate action is the Minister going to take to ensure that this does not happen again and to take action against those who made the mistakes?

**The Minister of Justice:** Mr Elliott has a point: we are clearly in a serious situation. However, I disagree that we are in a "much more serious situation". The second escapee's offences concerned car theft, which is nothing like as serious as the concerns that we all have about someone who is charged with serious sexual offences.

Mr Elliott suggested that senior civil servants or Ministers might resign for less in other places. That will have to await the outcome of the inquiry that we have instituted. There is no point in me making announcements on whether or not heads should roll when I have called for a full inquiry that will be externally verified by the chief inspector of criminal justice. I am prepared to await the outcome of that before I decide on the appropriate actions to take against individuals, if any.

I outlined that steps were being taken, including a strengthening of staffing procedures and a re-examining of processes to ensure that the

events do not recur in the immediate future. As I said, I will be having a further meeting later today to follow that up.

**The Chairperson of the Committee for Justice (Lord Morrow):** I have listened carefully to what the Minister has said. Will he confirm whether his initial understanding that the release was due to human error was correct? If so, did the error occur within the Prison Service or the Courts and Tribunals Service? Will he assure the Assembly that all possible steps are being taken to ensure that this does not happen again?

Furthermore, does the second incident not clearly demonstrate that a lax regime exists? Will the Minister accept that, if the confidence of the general public is to be restored, he must instigate a review of the two cases as a matter of urgency? Will he undertake to return to the House with a full report at the earliest possible date?

**The Minister of Justice:** As I said, it appears that there may well be a strong element of human error. However, we are also looking to see whether there is any issue with procedural systems, weaknesses in the system or any failure in the technology. Again, at this stage, it is not possible to give a definitive answer, save to say that we are following up all possible lines of inquiry. If there is an error, it would appear to lie more within the Prison Service, but whether the fault lies with technology systems or individuals in the Prison Service, I am not in a position to state.

It is entirely understandable that Mr Elliott and Lord Morrow should question whether the situation is an indication of a lax regime. However, in the context of the past five or six years, 50,000 or 60,000 cases of prisoners on remand have been considered, whether by video link or in person in Magistrate's Courts before district judges, and we are talking about two problems, which, admittedly, both occurred in one week. I am not sure that that necessarily establishes that there is a lax system, but I am determined to ensure that we establish that there is not a lax system. Nothing can ever be 100% perfect, but people have a right to expect that we do not see such errors recurring in the same way. So, there will be a firm and thoroughgoing review into what happened in both cases. As I said, I will report back to the House. I suspect that the Justice Committee may wish to see me to go into detail



on the situation. It will be important that the lessons are not only learned but seen by the Assembly, representing the people, to have been thoroughly learned.

**Mr McDevitt:** On a point of order, Mr Deputy Speaker. The last time the Minister of Justice came to the House to address a question for urgent oral answer, the Office of the Speaker gave discretion to every party to ask a question. On this occasion, that has not happened. Can you clarify for the House why, on this occasion, we have not had the opportunity to ask questions on a party basis?

**Mr Deputy Speaker:** The normal protocol is to take questions from the Member who tabled the question and the Chairperson of the relevant Committee.

Before we adjourn, I am sure that the Assembly will want to congratulate Europe on winning the Ryder Cup and — wait for it — Graeme McDowell on his winning putt.

**Some Members:** Hear, hear.

*Adjourned at 3.41 pm.*





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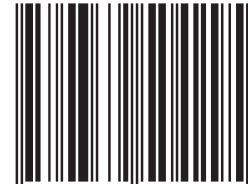
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