
NORTHERN IRELAND ASSEMBLY

Tuesday 27 November 2007

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

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Mr Speaker: At the start of the sitting on Tuesday 20 November, Mr Storey sought a ruling on the issue of a Deputy Speaker having voted on a motion after being in the Chair for part of the debate on that motion. I agreed to come back to the House with a ruling on that matter.

In the case to which Mr Storey referred, I have established that the Deputy Speaker was in the Chair for three minutes, or slightly less. In that time he gave advice to the House on a petition of concern and on the time that had been allocated to the debate.

The Deputy Speaker heard only a very small portion of the opening speech in the debate, and was not required to intervene during that time.

The Deputy Speaker was in the Chair for that short time through no fault of his own. He was due to leave the Chair before the debate commenced. There was an unfortunate delay in my arrival to relieve him, and the Deputy Speaker, quite rightly, continued with business when the previous item on the Order Paper had concluded.

In this instance, the Deputy Speaker's voting — or not voting — would not have altered the overall result.

Nevertheless, our convention has been that Deputy Speakers do not participate in debates during which they have occupied the Chair. That is clear from page 13 of 'The Assembly Companion' and, in my view, voting on a motion or an amendment clearly qualifies as participation in a debate. With hindsight — despite the very brief time that the Deputy Speaker spent in the Chair — I should have advised Deputy Speakers not to involve themselves in a vote at the conclusion of a debate during which they have been in the Chair.

I shall ensure that, in future, that convention is adhered to, and I thank Mr Storey for this example of what I described last week as a valid and helpful point of order.

I have made my ruling, and the matter is closed.

Lord Morrow: On a point of order, Mr Speaker. I hear what you have said, and I draw your attention to Standing Order 25(2). I understand that not only did the Deputy Speaker preside and vote, but he had signed the petition of concern that had been presented on the motion that was being debated.

Mr Speaker: I thank Lord Morrow for that helpful point of order. I can assure him that it has been noted.

Mr Wells: Further to that point of order, Mr Speaker. Will you accept that it is entirely inappropriate for a Deputy Speaker of this House to sign a petition of concern and then to sit in the Chair, albeit for a brief period, during the debate on the motion on which he has signed a petition of concern? Will you rule that that is inappropriate and should not happen in the future?

Mr Speaker: I thank the Member for his point of order. I have ruled that no Deputy Speaker who has been in the Chair during a debate should be involved in the voting on that motion. I am absolutely clear on that.

Mr Storey: On a further point of order, Mr Speaker. Will you also make a ruling on the issue of the validity of the petition of concern? If the Deputy Speaker had signed the petition of concern and had given advice regarding it when in the Chair, surely the petition of concern is brought into question and rather than having the required 30 signatures would have only 29?

Mr Speaker: My advice is absolutely clear: the petition of concern was valid — very much so.

Mr Storey: On a further point of order, Mr Speaker. The Deputy Speaker to whom you refer seems to court some controversy. I ask the Speaker to rule on allegations that have been made in the House of Commons about a story in regard —

Mr Speaker: Order. I ask the Member to take his seat. I advise him not to stray into that particular area. He should not do that.

Mr Durkan: On a point of order, Mr Speaker. Will you advise the House on what should happen in future? Clearly, the Deputy Speaker was in a situation that was unprecedented and unintended. Following your ruling today, in future, should the Deputy Speaker suspend the sitting until someone else can take the Chair or is he to be trapped in a situation that was not planned?

Mr Speaker: That situation will not arise again. I can assure the Member of that.

MINISTERIAL STATEMENTS

North/South Ministerial Council — Tourism Sectoral Meeting

Mr Speaker: I have received notice from the Minister of Enterprise, Trade and Investment that he wishes to make a statement regarding the North/South Ministerial Council (NSMC) tourism sectoral meeting.

The Minister of Enterprise, Trade and Investment (Mr Dodds): In compliance with section 52 of the Northern Ireland Act 1998, I wish to make the following report on the first North/South Ministerial Council meeting in tourism sectoral format since the restoration of the Executive and the Assembly. The report has been endorsed by Michelle Gildernew. The meeting was held in Dublin Castle on 8 November 2007. I represented the Northern Ireland Executive as Minister of Enterprise, Trade and Investment along with Michelle Gildernew, Minister of Agriculture and Rural Development. The Irish Government were represented by Séamus Brennan, Minister for Arts, Sport and Tourism.

The Council considered a report from Ms Ann Riordan, vice-chair of Tourism Ireland and welcomed the progress that that organisation has made since the last meeting in February 2002. The Council noted the strong growth in visitor numbers and revenue, which are forecast to have grown by 2.17 million and £0.87 billion respectively during that period, including an increase of 391,000 in the number of visitors to Northern Ireland.

The Council received a presentation on the future plans of Tourism Ireland from the chief executive officer. It welcomed the broad objectives outlined in Tourism Ireland's three-year corporate plan, including the two key goals of increasing tourism to the island of Ireland as a whole and supporting Northern Ireland to realise its tourism potential. The Council welcomed the corporate plan's challenging targets and approved, in principle, the Tourism Ireland corporate plan 2008-10 and the business plan for 2008, subject to budgetary considerations.

The Council also noted Tourism Ireland's annual report and accounts for 2006. The Council agreed that the next meeting of the North/South Ministerial Council in tourism sectoral format should take place in spring 2008.

The Chairperson of the Committee for Enterprise, Trade and Investment (Mr Durkan): I thank the Minister for his statement and I thank him and his ministerial colleagues for their work at the sectoral meeting.

Some time ago, the Committee for Enterprise, Trade and Investment had the benefit of a presentation from Tourism Ireland as well as those other key interests. It is welcome to see a positive perspective on the success of Tourism Ireland Ltd in contributing to a growth in visitor numbers in the island as a whole, and in the North as well.

As Tourism Ireland takes forward that marketing responsibility, will the Minister, through the Council and his own office, take steps to ensure that Tourism Ireland is in a better position to engage with the regional tourism partnerships (RTPs) that are performing tourism functions and trying to market local areas? RTPs have been complaining to Committee members that they do not have the positive and active relationship with Tourism Ireland that would allow them to make the most of their marketing role.

Mr Dodds: I thank the Committee Chairperson for his remarks, and I assure him that as far as I am concerned the potential for tourism to contribute greatly to the economy of Northern Ireland is well recognised. We have an enormous opportunity to avail of that contribution as we move forward.

The Chairperson will be aware that the work of the various parts of the tourism industry was examined recently by the Northern Ireland Affairs Committee, which looked at the relationships between Tourism Ireland, the RTPs, the Northern Ireland Tourist Board (NITB) and all of the stakeholders in promoting tourism. It is something that I am looking at very carefully.

There is a distinction in marketing responsibilities between Tourism Ireland, which is responsible for marketing in GB and elsewhere, and the Northern Ireland Tourist Board, which is responsible for marketing in the Irish Republic and Northern Ireland and for product development. It is important that the RTPs are fully and properly engaged as appropriate with the Northern Ireland Tourist Board and Tourism Ireland, and they can be assured of my support in that regard.

Mr Simpson: Does the Minister agree that the annual demonstrations and other events organised by the Loyal Orders offer a unique opportunity to enhance Northern Ireland's tourism potential, and will he give an indication of his plans to realise that potential?

Mr Dodds: Cultural tourism is a major part of the tourism product that most countries and regions offer. In Northern Ireland, particularly, that is something that we can exploit better as we move forward. All studies show that cultural tourism is a major motivator when it comes to travel. Sightseers and culture seekers account for 60% of visitors to the island of Ireland, and those numbers are growing.

The Member will be aware that the Northern Ireland Tourist Board has engaged with some of the Loyal

Orders on the creation and promotion of Orangefest, and there is a lot of good work ongoing in relation to that. The Member will also be aware of a recent press release issued by the Orange Order in which it was very positive about its engagement with the Northern Ireland Tourist Board and Tourism Ireland in this matter.

There is enormous potential for exploiting greater tourism promise in what is a unique series of events in Northern Ireland, and I will work closely with the Northern Ireland Tourist Board and Tourism Ireland to realise that potential.

Mr W Clarke: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his statement.

It is all very well to talk about increasing the number of visitors, but did any discussion take place on the accommodation infrastructure? I refer to rural accommodation, and especially to hostels and low-budget accommodation. Does the Minister agree that the farming community needs to diversify? If the matter was not discussed at the sectoral meeting, will the Minister table it for inclusion in the spring?

10.45 am

Mr Dodds: If the Member reads the corporate plans and the other documents that were tabled for discussion at the North/South Ministerial Council tourism sectoral meeting, he will realise that they covered a vast range of issues.

Northern Ireland must do more. It must offer more tourism product, make the best of the skills available in the tourism industry and improve accommodation at all levels, and that includes improving hotel and hostel accommodation. My Department is not the only one responsible for improving the tourism industry — other Departments are also involved. However, we must make progress, because if we are to market Northern Ireland better, and bring more out-of-state visitors to the Province as a result, accommodation is needed in which to put them up.

I am pleased to note that progress has been made. Several rural areas are providing high-quality accommodation, not least County Fermanagh, which has a new golf hotel. Other parts of the Province are also making improvements. I will watch carefully to ensure that the accommodation infrastructure continues to improve and that we provide our visitors with the requisite standard of accommodation and number of bed places to meet the growing demand.

Mr Cree: Has the Minister any plans to attempt to combine all the industry players' strategies when establishing the subregional tourism bodies?

Mr Dodds: I refer the Member to the answer that I gave a short time ago to the Chairman of the Committee for Enterprise, Trade and Investment, in which I dealt with precisely that matter. In my reply, I mentioned the

Northern Ireland Affairs Committee's report, in which it considered that issue. My Department is also considering it. Greater clarity of roles and responsibilities among Tourism Ireland, the Northern Ireland Tourist Board and the regional tourism partnerships is necessary, and that will be addressed in the coming months as part of a wider review of departmental tourism-support organisations' roles and responsibilities.

Dr Farry: The Minister mentioned the increase in Northern Ireland's tourist numbers and tourist revenue. In order to compare tourism as a percentage share of the economy in Northern Ireland with that in the Republic of Ireland, will he indicate what those increases have been overall? There has been a significant gap between the two countries' levels of development over the years, and the House would be interested to learn whether that gap is closing or widening. Moreover, how can we take steps to rebalance tourism on the island of Ireland?

Mr Dodds: I thank the Member for his question, which is an important one. I refer the Member to the corporate plan for Tourism Ireland and to the accounts that contain the figures about which he enquired. As I have already said, those documents formed part of the discussions at the North/South Ministerial Council tourism sectoral meeting. He is absolutely right to point to the need to increase Northern Ireland's percentage share of tourism revenue and visitor numbers for the island of Ireland. I am keen to ensure that that happens, because it is vital that we exploit our tourism potential.

We hope to have more up-to-date figures shortly, but the Member will be interested to note that a study that was conducted in 2003 into the value of the tourism industry to the Northern Ireland economy, and from which the most up-to-date figures come, found that the total income generated by tourism in that year was worth some 3.5% of gross value added (GVA) — £782 million — to the Northern Ireland economy. That study was one of the first of its kind into tourism and its contribution to the economy to be carried out anywhere in the United Kingdom and means that tourism activity supports some 36,700 jobs. Therefore, tourism makes a significant contribution to our economy. In fact, our tourism industry contributes four fifths of what our agriculture industry does to GVA.

It is an important contribution to the economy, but the Member is absolutely right to point to the unfulfilled potential and the need to close the gap with the Irish Republic. The targets that we have set out in the Programme for Government for increases in visitor numbers and revenue are challenging and different from what has gone before. Under direct rule, we would not have had that kind of focus on the economic benefits of tourism. Those challenging figures have been put there for a reason: because they can give a major, quick return to the economy.

Mr Hamilton: Can the Minister confirm that the Tourism Ireland brand review was discussed at the sectoral meeting? Can he give us an update on the progress of that review and on what its conclusions are likely to be?

Mr Dodds: The current brand has been in place since 1995, and refinements to it have been made on two occasions. A major exercise has been under way to look at the brand and reflect the changing nature of life in both Northern Ireland and the Irish Republic. It is important that the brand image that goes out across the world is appropriate to today's circumstances. Tourism Ireland is finalising its report on the review, which will be launched to the tourism industry soon. Tourism Ireland will be launching a new marketing campaign to communicate the new brand message in 2009 and, in preparation for that, will be working with the industry in Northern Ireland and in the Irish Republic throughout next year to ensure full understanding of, and buy-in to, the brand and to develop industry's awareness of its critical role in developing and delivering that.

Mr Brolly: Go raibh maith agat. My colleague Mr Clarke raised the issue of the lack of accommodation and the need to provide more. One of the tourist places in the north-west that is most famous in song and story is Portstewart. One by one, the hotels there have been demolished and replaced with apartments. The place has become an ugly dormitory for the university in Coleraine. Maybe we could move along the coast and look at what is probably the most beautiful part of the north-west and maybe the most beautiful part of Ireland: the Magilligan coast from Downhill to Derry city, with all the possibilities for activity tourism on the beach and on the water. I have made representations to our Southern counterparts, and they would —

Mr Speaker: Do I detect a question?

Mr Brolly: Will the Minister raise the whole issue of the north-west with his Southern counterpart when they meet again, and see what can be done to develop what is a place of great potential, for tourism and otherwise?

Mr Dodds: The Member may be reassured to know that I do not have to wait for the next meeting with my Southern counterparts to deal with that issue. We are addressing it already, and will continue to do so. He mentioned the issue of accommodation, which has also been raised previously. It is, as I have said, a matter that we are very conscious of. It will obviously involve a major contribution from the private sector. I know that some Members have a problem with that, but if we are to see the accommodation issue moving forward, the private sector will have to become more active in that whole area, in terms of both the provision of accommodation and the quality of the experience that is offered to people who stay.

The Member will be aware of the Walled City signature project in the north-west; it has received a lot of support, and has progressed very well. It is already making an impact on tourist numbers for the city of Londonderry. Major work has also been done in the Causeway Coast area as part of the signature project programme. The outlook for tourism in the north-west, and in the north of the Province generally, is extremely positive.

It is one of our major attractions, and the input of funding and resources will increase that. With regard to accommodation, anyone in the private sector who looks ahead at economic growth will realise that there are enormous opportunities in Northern Ireland, given the expected increase in visitor numbers. The Minister of the Environment, who has responsibility for planning, is present, and I have no doubt that she has heard all that has been said. I hope that cognisance will be taken of the necessary balance between investment for tourist growth and the issues raised concerning planning while preserving the heritage.

Mr Shannon: I thank the Minister for his statement, in which tourism was specifically mentioned. I love taking a tour of the Irish coast, along Strangford Lough, to Killynether forest, or to Mount Stewart. Will the Minister elaborate on how he sees tourism in Northern Ireland providing the potential jobs and the economic boost for us all?

Mr Dodds: Several Members have waxed lyrical about the beauty of their own areas, and that is to be commended. I well remember an excellent Adjournment debate on the beauties of Strangford: it saved the Northern Ireland Tourist Board from having to write its next brochure on that part of the world.

Mr Shannon, who is a Member for Strangford, mentioned potential. In response to Dr Farry, a Member for North Down, I spoke of the current economic contribution. At the onset of the Troubles more than 35 years ago, Northern Ireland lost 80% of its tourism overnight, and has never really recovered from that. A gap exists between those who visit the South and those who come here because of the legacy issues. When that gap is considered, there is enormous potential.

A country of Northern Ireland's size and economy warrants more than the 5% to 7% of resident holiday visitors and approximately 50% of the business visitors from Great Britain who come here. Moreover, there are enormous opportunities to increase the number of visitors not only from Great Britain, but from the Republic. Had Northern Ireland matched, since 1969, the Republic of Ireland's external-visitor trends, the income from tourism would have been worth an additional £0.25 billion. That shows the potential, and the enormous contribution that could be made to job creation in all parts of Northern Ireland.

Mr Elliott: I thank the Minister for his statement, and I suppose that, when Members are lauding their own areas, he will agree with me about County Fermanagh and its potential. I am curious to know whether there was any discussion about plans or proposals to develop the Republic of Ireland site of the Battle of the Boyne. That would increase tourist potential in that area.

Mr Dodds: The Member is right to point to the beauties of Fermanagh. He shares a position with me on that, since I was brought up there, and my parents still live there. I take delight in agreeing with him on that point.

It does not require a meeting of the North/South Ministerial Council for my Department to progress the matter of the Boyne heritage site and to be interested in discussing it. Many have pointed to its potential tourist growth and, to be fair, the Irish Government have been positive in their contribution. The Member can, therefore, be assured that on that issue — as on the beauties of Fermanagh — he and I are at one.

Mr Dallat: I, too, welcome the Minister's statement. With regard to Mr Simpson's question on the role of the Orange Order, I have no doubt that, now that it has sent best wishes to the new cardinal, there will be inquisitive visitors from all over the world.

Does the Minister agree that Tourism Ireland, with a base in Coleraine, is ideally suited to ensuring that Northern Ireland gets its fair share of international tourism?

Will the Minister ensure the House that the development of the lower River Bann and the reopening of the Ulster Canal remain at the top of the agenda in promoting international tourism?

11.00 am

Mr Dodds: The Member — quite rightly — raises the matter of the Ulster Canal, part of which is in his constituency. That issue primarily falls within the remit of the Department of Culture, Arts and Leisure (DCAL), and I am sure that that Department will note the Member's comments.

The Member is talking about a tourism product for Northern Ireland. We have an ambitious and challenging target to increase the number of visitors to Northern Ireland to 2.5 million over the period of the next comprehensive spending review (CSR) to 2011. That means investing not only in marketing — which is Tourism Ireland's job — but in product. Signature projects are important for economic growth, as is local tourism. I want to support all types of tourism product and see them grow. Northern Ireland has a natural beauty and landscape, but we must prioritise the creation of better-quality activities and the provision of more accommodation.

Mr O'Dowd: Go raibh maith agat, a Cheann Comhairle. I welcome the Minister's briefing on the North/South Ministerial Council's tourism sectoral meeting. I wish to revisit an issue that was discussed in the House yesterday, but I am conscious of the Speaker's advice about how far the matter can be pushed. Given the crossover in membership of the events company and the Tourist Board, is the Minister confident that the Tourist Board is in safe hands?

Mr Dodds: Given that the Tourist Board falls under the remit of my Department, I can give the Member a categorical assurance that it is in safe hands; I hope that he agrees with me.

As the Member said, the Northern Ireland Events Company, which is a matter for the Department of Culture, Arts and Leisure, was discussed in the House yesterday. In principle, it is planned, after all due diligence has been exercised, that the events company will merge with the Tourist Board as soon as possible. At this stage, I do not wish to comment any further, other than to say that I have confidence in the Tourist Board's management and in the role of the Department of Enterprise, Trade and Investment (DETI).

Mr Donaldson: I declare an interest as a member of Lisburn City Council.

Will the Minister tell the House what discussions he has had with his counterpart in the South about the reopening of the Lagan Canal in order to develop the Belfast metropolitan area's tourist potential? The Minister is a member of Belfast City Council, so he will know that Castlereagh Borough Council, Belfast City Council, Lisburn City Council and Craigavon Borough Council have formed a group to progress the reopening of the Lagan Canal. The canal is an important inland waterway that links into Lough Neagh and ultimately into the lower River Bann and Ulster Canal systems.

Mr Dodds: The Member has done an excellent, and appropriate, job in advertising the benefits of that scheme, in which various councils are participating. I agree with him about the scheme's positive impact and the work that has been undertaken to date. He will be aware that that issue falls primarily within the remit of the Department of Culture, Arts and Leisure, and I will raise that point with my ministerial colleague.

My counterpart in the Irish Republic and I agree that it is absolutely vital to raise the quality and standard of the tourism product in order to increase the number of visitors and the revenue generated in the Irish Republic and in Northern Ireland. The project that the Member describes is a key element of that. I have no doubt that, when that project comes to fruition, it will be a big draw and will enhance Lisburn and Belfast.

Ms J McCann: I thank the Minister for his briefing on the tourism sectoral meeting. I welcome his comments about cultural tourism and local tourism projects.

Does he have any plans to develop local, community-based tourism projects such as Coiste, which is a republican ex-prisoner group in west Belfast? Such projects attract large numbers of visitors each year.

Mr Dodds: I refer the Member to my earlier comments about cultural tourism. It is important that the tourism product contains a mix of projects. I cannot respond in the House today about the particular project that the Member has mentioned. However, now that it has been drawn to my attention, I will look at what the project entails. It is vital that both visitors and local residents are comfortable with tourism projects, and their product, because local people who go on day trips generate a great deal of our tourism spend. Any allocation of funds to projects that receive public money to support them must be done in a fair, neutral, impartial and balanced way.

Mr Buchanan: The Minister has touched briefly on my question. Is he satisfied with the profile given to the Walled City signature project in Londonderry? Does he agree that the project has tremendous potential, particularly as we approach the four-hundredth anniversary of the plantation of Ulster?

Mr Dodds: The Walled City signature project has enormous potential. I was recently in Londonderry, where I visited some elements of the project, the progress on which was very encouraging.

The Member mentioned the four-hundredth anniversary of the plantation of Ulster. In a recent discussion with a delegation from the local council and the Dean of Londonderry, I had the opportunity to talk about the anniversary. How that event should be marked is being planned. It is an important anniversary, which includes a number of significant events, and the Northern Ireland Tourist Board and local stakeholders in Londonderry will want to mark it. For visitors to Northern Ireland who seek cultural tourism and attractions that are linked to our history, the plantation of Ulster rates as one of the more significant events.

Mr Spratt: Is the Minister satisfied that the amounts allocated to the Northern Ireland Tourist Board and Tourism Ireland in the draft Budget will ensure that targets are met?

Mr Dodds: The Member raises an important matter. In the draft Programme for Government and the comprehensive spending review, we have put our money where our mouth is. Under direct rule, there was a great deal of talk about boosting tourism and the economy, but the resources, emphasis and centrality required to do that were not recognised. That is the difference between the draft Programme for Government and the comprehensive spending review and what went before.

Significant additions have been made to the resources and capital given to the Northern Ireland Tourist Board. Tourism Ireland's resource allocations have also

increased significantly. There is a long way yet to go, however. I could argue a strong case in the House for even more resources to be provided, but I will instead continue to argue that case in an appropriate manner, because I recognise that a balance must be struck on all expenditure issues. The Minister of Finance and Personnel, who is at my side and will have heard what I said, recognises, as do my colleagues, the importance of the economy, and the importance of tourism to the economy. I am confident that the challenging targets that have been set will be achieved. The increased resources, and the drive behind those resources, will ensure that we achieve the value for money and delivery that will produce the necessary results.

Mr Boylan: Go raibh maith agat, a Cheann Comhairle. I declare an interest as a member of Armagh City and District Council. Being from one of the beautiful parts of the North — Armagh City, the ecclesiastical capital — I am aware that we have the cardinal coming on Thursday and that the area has huge tourism potential. How does the Minister intend to enhance that potential?

Mr Dodds: I am sure that the First Minister, who is present, will endorse the Member's comments about Armagh, as it is his birthplace.

The Member will be aware that the St Patrick/Christian Heritage signature project, which is one of the five signature projects for Northern Ireland, is primarily based in the urban centres of Armagh and Downpatrick, although, obviously, it has a resonance for all of Northern Ireland and wider afield. That project is extremely important, and the draft Budget is providing £3.5 million to take it forward. A revised action plan will be produced to: develop key sites along the trail of places associated with St Patrick; engage with the private sector; and extend the product across Northern Ireland and into the Irish Republic. The signposted St Patrick's Trail route will be ready for summer 2008.

Mr Speaker: That ends questions on the ministerial statement.

Review of Domestic Rating Reform

Mr Speaker: I have received notice from the Minister of Finance and Personnel that he wishes to make a statement regarding the review of domestic rating reform.

The Minister of Finance and Personnel (Mr P Robinson): I have just been made aware that there is a difficulty in that, apparently, copies of my statement are not outside the Chamber for Members. I do not know whether that will make any difference to proceedings. My statement is long, and I do not print, copy and distribute it myself, but I think Members would like to have it in their hands.

Mr O'Loan: On a point of order. It would be very difficult for Members to address themselves to the statement and ask questions without having a copy. I would like a decision on that, Mr Speaker.

Mr Speaker: It might be useful if the Minister could clarify when the statement will be available to Members.

Mr P Robinson: I have an empty box at the moment for some reason, so I am unable to give you a response.

Mr Speaker: Will the Minister continue?

Mr P Robinson: I will speak slowly to allow the Department to catch up with me.

I am making an announcement today about the outcome of the Executive's review of the domestic rating system that was introduced in April under direct rule and that fulfils the commitment I made to the Assembly in June when publishing the terms of reference for the review. Today's announcement, taken together with other recent announcements on the draft Budget, will further demonstrate our commitment to making a real difference for householders in Northern Ireland.

We must remember that what really matters to people is the level of rates that they have to pay, so any changes that we make need to have that proviso. Annual rate increases must be kept to a minimum, otherwise the whole system becomes discredited.

I set about the task even before taking office by ensuring, along with others, that the link with the reinvestment and reform initiative (RRI) was broken in advance of restoration. That link was ill-conceived and simply created the conditions in which there was no incentive to save money, and higher rates became an end in itself. Let us not forget that the regional rate went up by 62% over the past five years under the previous Administration.

My recent announcement on the draft Budget to freeze the domestic regional rate over the comprehensive spending review period confirms my intentions in that regard. That regional rates freeze, and this further

package of reliefs, are in addition to the commitment that we have given that householders will see the benefit of the contribution that they already make to the cost of water through their rates — an average of £160 for each rates bill. Against that background I present these proposals to the Assembly today.

It is only 195 days since I commissioned the review. In that short time we have covered a lot of ground, generated much debate and consulted broadly; ultimately, we have had to make difficult choices.

11.15 am

I am confident that the package of proposals that I intend to announce today is a balanced one that will lead to a more acceptable system and a better distribution of the rating burden among householders in Northern Ireland. However, I cannot pretend that it has been an easy task, particularly given the timetable to which we were working — a timetable driven by the desire to make changes in time for next year's bills. No one expected that it would be straightforward, as will be found with any review that seeks to satisfy competing interests.

In addition, the process has confirmed that we have to be realistic and recognise that if we had been starting from square one, things might have been very different. Radical change now will only lead to a different set of winners and losers. Although I would be the first to recognise the limitations of any property tax system, I believe that, with the right checks and balances, the current system, based on capital values, can be made much fairer. Getting the right checks and balances is, therefore, what I have focused on, and is what I believe we have achieved through the package of proposals that I am presenting to the Assembly today.

Before I outline the proposals, I record my gratitude to the 119 individuals and organisations that responded during the 12-week consultation period that ended on 31 August 2007. Their informative and considered responses have undoubtedly helped to shape the outcomes of the review, and I have made it my business to ensure that the key messages conveyed through the process have been addressed.

The Committee for Finance and Personnel also made a massive contribution to the process. Its thorough and efficient approach was critical to the review timetable remaining on track, and I am particularly grateful to the Chairman and members for giving me advance sight of their report for that purpose. I am even more pleased to report that the Committee's contribution can be clearly seen in the outcome of the review, with many of our recommendations aligning.

I will turn now to the proposals. Members will recall from my earlier statements that the review was to be taken forward in two strands in line with the terms of reference. Strand one involved a thorough examination

of the options for change that could be delivered within the scope of the existing primary legislation in time for next year's rates bills. Under that strand we also looked at ways in which that legislation could be changed to further improve the system in the medium term.

Strand two concentrated on longer-term options for raising revenue through local taxation, either as alternatives or supplements to the domestic rating system. That approach has led to the preparation of a number of proposals, which are presented to the Assembly as a cohesive package. In my view, they complement one another well, providing the right balance between protecting those most affected by the previous reforms and those most in need, namely our pensioners, and also attending to wider policy objectives.

In summary, the package includes proposals for a 20% single-pensioner discount for ratepayers aged 70 and over and living alone; an increase in savings thresholds from £16,000 to £50,000 for pensioners under the existing lower-income relief scheme; measures to improve the take-up of relief; the introduction of a deferment scheme as a choice for pensioners who own their own homes; a reduction in the maximum capital value; the rating of empty homes; rebates to encourage the provision of energy-efficiency measures for homes in Northern Ireland; and further evaluation and consultation on student rate relief and possible alternatives, with a view to abolishing it. Lastly, there will be further work on the option of introducing a derelict-land tax in Northern Ireland.

The key changes for next year will be the introduction of a single-pensioner discount set at 20% for ratepayers aged 70 and over and living alone, and the proposed increase in the savings limit applied under the low-income rate-relief scheme from £16,000 to £50,000 for pensioners. Those are targeted measures, and I believe that they will have an immediate and positive impact for a relatively modest cost. That cost will be borne by the regional rate, rather than by other ratepayers. Both can also be provided for through subordinate legislation, subject, of course, to the approval of the Assembly.

The increase in the current savings limit is to ensure that pensioners who have saved for their retirement do not find themselves ineligible for rate relief. It is in line with the first-step recommendations of the Lyons Report and reflects the considerable support for such a change during the consultation process. The measure is also supported by the Committee for Finance and Personnel.

In addition to that and the extra reliefs for pensioners that were secured during the St Andrews negotiations, I want to address the difficulties facing single pensioners — in particular, those which are a result of the reforms that were introduced under direct rule. The responses that

were received during the consultation — many of which were from single pensioners — seem to support that.

Analysis that has been undertaken with the help of experts from the Department for Social Development (DSD) has highlighted as a major shortcoming the low take-up of existing reliefs among that group. That is why I am also proposing the introduction of a lone-pensioner discount from April 2008 for those who are over 70 years of age. However, I am not in favour of extending that discount to all single householders. Such a widespread discount would be difficult to justify on grounds of cost, need and vulnerability to fraud.

Last week there was much talk in the media about a single-person discount, and claims that, by not harmonising with arrangements that apply under the council-tax system in Great Britain, Northern Ireland is being unfairly treated. It is important that people fully understand that a discount given to any group — whether deserving or not — must, in the long run, be paid for through other ratepayers' paying more. The cost of a discount for single-person households would be of the order of magnitude of £30 million a year. It is difficult to argue that single-person households represent a vulnerable group that requires such a level of support. Indeed, I pose the question of whether it would be right for young families struggling with large mortgages to be required to pay a supplement in order to pay for people who are affluent but living alone.

I have two further points about the proposal for a single-pensioner discount. In its report, the Committee for Finance and Personnel supported the introduction of such a discount for people over 75 years of age. However, on the basis that it would have a much greater impact, particularly in assisting with the major issue of take-up levels, my view is that the age threshold should be 70. I will continue to review whether even lower age thresholds might be justified in the future.

Currently, the evidence shows that people who have recently retired from employment are in a better position to pay their rates bill and to avail of rate rebates or low-income relief. According to the family resources survey, the average weekly income of recently retired single pensioners is 30% higher than that of single pensioners as a whole. That survey also shows that the average income of single female pensioners — who make up the vast majority of single pensioners — aged 70 to 74 is approximately 28% lower than for those aged 60 to 64, and 15% lower than for those aged 75 to 79.

I propose that the discount level be set at 20%. That, in conjunction with the other proposed support measures such as the increased savings limit, will provide an adequate level of support. The discount will be applied after other reliefs — including transitional relief — have been awarded, in order that the target group will

effectively get, and clearly see, the benefit of a 20% reduction in their bills.

Before moving on to the proposals for April 2009 and beyond, I will deal with the important issue of the low take-up levels of reliefs in Northern Ireland. As the report of the Lyons Inquiry into local government in England shows, that issue is not unique to Northern Ireland. However, urgent action is clearly required here, particularly in the owner-occupied sector, where the take-up rate for those who are eligible for the new lower-income rate-relief scheme is estimated to be 42%. As I said, pensioners, in particular, are not taking up that relief. A review of good practice in benefit take-up levels elsewhere has highlighted a number of broad actions that might be taken in order to improve rates-relief take-up levels in Northern Ireland. The Committee has recommended that those actions should be vigorously pursued. In light of that, and as a matter of urgency, I propose to commission a study, led by the voluntary and community sector, to identify actions that might be taken to support Government awareness and take-up strategies next year.

The possibility of new legislation giving increased data-sharing powers to relevant agencies will also be examined as a matter of urgency.

That will be subject to the completion of a privacy impact assessment to protect the interests of our citizens and to ensure that the data is safeguarded.

As well as the proposals for next year, I am pleased to present several further proposals to the Assembly that will take slightly longer to implement but will provide further checks and balances to ensure that the overall system is as fair as possible.

Staying on the theme of pensioners, the first proposal is for the introduction of a voluntary deferment scheme for homeownership pensioners. Essentially, it will involve rolling up rate payments at a concessionary rate of interest until the sale of the house and then securing the debt by creating a charge on the property. Such schemes are not uncommon in other jurisdictions. Although take-up is usually very low because of inheritance considerations, such a scheme can suit better-off pensioners who are beyond the income limits of the lower income relief scheme.

Such a scheme would require subordinate legislation to be passed, which could be achieved by April 2008, subject to the Assembly's approval. However, complex administrative arrangements must be developed before it could be fully implemented, and further consultation on the detailed mechanisms would be desirable. Therefore, April 2009 has been set as the earliest date for the introduction of a deferment scheme.

Looking more widely, another successful outcome of the St Andrews negotiations last year was the introduction of a maximum cap set on properties with

a capital value of £500,000 or more. It is clear that that move has helped to allay some of the public's fear about the excessive impact of the new system. However, is the cap set at the right level? My view is that it is not, and I am attracted to the idea of setting it at the lower level of £400,000. Although the number of households that would directly benefit from such a move would be fairly low — about 5,000 in total — it would bring the highest bills under the rating system here into line with the average bills in the highest band of the council-tax system. That is a fairer comparator than the absolute highest council tax bill, which provided the rationale behind the initial cap level.

I shall consult further on the issue, as I am keen to take account of developments on water charging and, in particular, what cap, if any, will be proposed there. Bearing that in mind, I propose to reduce the cap in April 2009, with final confirmation of its level to be made following consultation.

So far, I have dealt with some of the necessary checks that the rating system must have if it is to be fair, but what about the balances?

A popular measure during the consultation exercise, and with the Committee for Finance and Personnel, was the rating of vacant domestic property — not least because of the potential net revenue gain it could yield. Taking account of exemptions, and assuming that the DFP agency responsible for rate collection — Land and Property Services — is fully equipped and resourced to implement the policy, the revenue gain could be in the region of £15 million to £20 million per annum.

However, the policy is more than a device for raising revenue; it could assist with wider policy objectives, such as housing affordability. That was the subject of the recent Semple Report, which is being taken forward by the Department for Social Development. Given its clear benefits, I propose to introduce the rating of vacant domestic property at a rate of 100% at the earliest possible opportunity, which will most likely be April 2009.

That date will give us time to consider the outcomes of the work being undertaken by the University of Ulster, the Northern Ireland Housing Executive (NIHE) and the Department for Social Development's working group on housing affordability. It will also allow us to further assess and consult on the issue before taking decisions on items such as exemptions or exempt periods that might need to be applied.

The review of domestic rating reform also looked at the longer term and considered options as alternatives or supplements to the current rating system. One option that should be carefully considered is the taxing of derelict or vacant land. That would be a complementary measure to the taxing of vacant houses. The idea proved popular during the consultation exercise, and the

Committee for Finance and Personnel has recommended that it be given serious consideration.

Although the measure could bring in much-needed additional revenue to help fund public services, it could also help to satisfy other wider policy considerations, such as ensuring that there is sufficient supply of development land available. Thus it would assist two policy aims: that of providing affordable housing and that of stimulating economic growth.

11.30 am

In announcing our intention to examine that in greater detail, I emphasise that today is merely a first step. We need to consider carefully the positive and negative effects that such a taxation measure could have. A delicate balance has to be struck to ensure that it frees up land for development by providing a disincentive to holding it back, but at the same time does not cause such an imposition on developers that it affects the viability of urban development.

Before we can make any decisions about including the measure in legislation, we will have to examine the matter in greater detail and consult with those likely to be affected by such a measure. Therefore, in proceeding with the proposal, I will be working closely with other Departments, particularly the Department for Social Development and, given its role in planning, the Department of the Environment. Depending on the outcome of those considerations, the introduction of a tax on derelict land may simply be an extension of the existing non-domestic rating system, or it may be a new local tax, in which case, it may require changes to the Northern Ireland Act 1998.

Some of the responses to the consultation considered that local taxation should be used in a positive way by serving as an incentive to act in a more environmentally responsible manner. That aligns with my Department's wider commitment to promote sustainable development. Therefore, I wholeheartedly support that aspiration, provided, of course, that it can be delivered in a cost-effective way.

Having considered the matter in light of the consultation responses and the Committee's report, I intend to proceed with the option of providing rate rebates that offer the potential to improve the energy efficiency of our housing stock. I am proposing two measures.

First, I want to provide a rate rebate to existing homes that make energy-efficiency improvements, such as cavity-wall and loft insulation. Similar schemes already operate in some local authorities in England, part-funded by schemes set up and supported by the energy generators there. That proposal was submitted during the consultation by the World Wide Fund for Nature, and my officials, along with DETI and other stakeholders, are examining it in some detail.

Secondly, I am proposing an initial rate exemption for the first purchase of new homes that are zero-carbon-rated. However, there are some issues of definition, funding and alignment with other initiatives that have to be worked through regarding those matters. Therefore, I intend to ask my Department, working with the Committee for Finance and Personnel, other Departments such as DETI, and stakeholders such as Northern Ireland Electricity (NIE), to draw up detailed proposals with a view to introducing new primary legislation to be implemented in April 2009.

The review also critically examined some of the new relief schemes that were introduced in April this year. One of those was the rate-relief scheme for people in full-time education and training. That scheme attracted much criticism during the consultation process. Many of the respondents thought that the benefit of the relief was going into the pockets of landlords rather than students. Others questioned the effectiveness of the relief, and a number questioned whether that particular group should be a priority for the provision of rate relief.

The review also considered the number of applications that have been received so far this year for that relief, which is fewer than 500. That, in itself, draws into question the effectiveness of the policy. Therefore, I am minded to revoke the scheme, providing we can reasonably protect those who have already applied. However, before doing so, an evaluation of the policy and consultation with key stakeholders on the outcome of that evaluation are necessary.

So far, I have described what I want to do, provided I get the consent of the Assembly. I will now outline some of the longer-term options that I propose not to pursue, including banding. Although the system of individual capital values has the merit of being easier to understand than banding, I can see advantages to Northern Ireland's having a system such as the council tax. It is restrained in that those at the top end pay no more than three times as much as those at the bottom end. That makes it more like a charge for services than the rates.

Notwithstanding the increasing sensitivities regarding council tax in GB — which I believe has more to do with overloading the system — we could design our own version. However, I recognise that we are not starting from square one. Another fundamental change in the way that local revenues are distributed among householders in Northern Ireland would not only cause more confusion and upheaval, but create a new set of winners and losers.

Winners tend to stay quiet; losers do the opposite. The political consequences of changing the order of things again should not be underestimated. That in itself is not a reason to show a faint heart — those who know me cannot accuse me of that. However, I cannot ignore

the fact that no significant support for banding emerged from the consultation exercise, witnesses to the Committee for Finance and Personnel, or Committee members themselves. I will not, therefore, take that option forward, but I have agreed to provide the Committee with an update of the analysis of banding that was undertaken when direct rule Ministers decided to proceed with individual capital values.

Another major matter that I propose not to take forward is that of a local income tax. That was favoured by many ratepayers who responded to the consultation, although the majority of organisations were against it. It has attractions, in that it offers the prospect of aligning liability more closely with ability to pay. The public perception is understandable, therefore, and it mirrors — and is mirrored — in England, where, during the Lyons Review, the overwhelming majority of those who were surveyed thought that they would be much better off if subject to a local income tax, rather than the existing council tax.

However, the reality is somewhat different. It is estimated that a local income tax would cost income-tax payers in Northern Ireland a further 7p in the pound, if we were to raise the same amount of money as is accrued through domestic rates. That is also a tax on work, and therefore it is not in keeping with the Executive's priority of economic growth. There are serious concerns about the ability and willingness of HM Revenue and Customs to support the introduction and administration of such a scheme.

That said, I do not think that we must close the door on it entirely: we can learn lessons from elsewhere, and particularly from Scotland. The Scottish Government have recently decided to abolish council tax and replace it with a local income tax. I understand that that is to be the subject of a public consultation in the coming months. As Scotland proceeds at pace with a local income tax, it is my view, shared by the Committee for Finance and Personnel, that it may be best to maintain a watching brief on developments there for the time being, rather than commission further work of our own on that matter.

Another issue that was examined during the review was that of circuit-breakers, which is the curious title given to relief schemes found in some parts of North America, whereby a limit is placed on the percentage of income that defined groups — pensioners, or ex-service personnel, etc — are required to pay in property tax. At first sight, that seems an attractive option. However, several factors effectively rule it out as a realistic option for consideration in the Northern Ireland context. Research shows that, where circuit-breakers exist, there tends not to be the safety nets of other reliefs for the poorest households, such as those that exist in Northern Ireland through the UK-funded housing benefit system.

Introducing circuit-breakers here would, therefore, cause major complications in working alongside housing benefit and, potentially, could shift the funding of the support of vulnerable groups from annually managed expenditure to the departmental expenditure limit. Introducing a circuit-breaker system would also be administratively complex, given the need to gather detailed information on the income of all ratepaying households. It will also be vulnerable to fraud. I, therefore, propose not to pursue that option further.

I shall now say more about the developments, on which I touched earlier, in respect of water charges. On 15 May 2007, I told the Assembly that I agreed with the Chairperson of the Committee for Finance and Personnel that it is important that rating reform be viewed in the context of how the Executive intend to address the funding of water in Northern Ireland.

Since then, the Independent Water Review Panel has published its first report. The panel recommended that a single bill be issued to households, with rates and water charges separately identified. The Executive have agreed that that proposal should be examined by both the Department for Regional Development and the Department of Finance and Personnel, working together to determine whether and how that might be done. That is now happening. At this stage, there are no conclusions to report to the Assembly.

However, I am anxious that the rating reforms that I have announced today are not jeopardised either by the substantial work on IT systems or possible legislative changes that may be required to provide a single bill for water and rates. Many difficult issues must be addressed, not least the fact that the panel is still working on recommendations for a new affordability tariff scheme, the outcome of which could have a major bearing on the ease with which a single bill can be delivered.

As I said earlier, I have signalled that people will not be asked to pay twice for water and that there will be an off-setting arrangement with the domestic rates; work on that is proceeding. I will provide the Assembly with further information on that proposal as soon as possible, after the Minister for Regional Development and I report to the ministerial subgroup and the Executive in the new year.

Next steps include the publication of a paper later this week that will set out the findings of the rating review in detail, including the options that were considered and those that were not recommended. Some immediate actions must be progressed over the coming months in order to implement the proposals: first, in order to advance the recommendations on single-pensioner discount, I will need to engage in a targeted consultation exercise that takes on board the views of all interested parties before introducing

subordinate legislation for April 2008. At the same time, I will progress subordinate legislation to raise the savings limit for pensioners to £50,000 from April 2008. After that, I will begin work on pre-legislative tasks such as the integrated impact assessments and the consultation that is required to introduce the proposals for the rating of vacant domestic property, the proposed deferment scheme for pensioners, an agreed revision to the maximum capital value, and any legislation that is required on rate relief for those in full-time education and training.

At the same time, I will engage in preparatory work associated with the primary legislation required to introduce the new rate rebate for energy efficiency and zero-carbon housing. Work will also be required on the legislative implications of the longer-term changes such as derelict land taxation and improved data sharing to facilitate relief take-up. That will require considerable research and discussion with some of my ministerial colleagues.

I have outlined cohesive measures to improve the rating system in Northern Ireland to help those most adversely affected or most in need and also to assist in fulfilling broader policy aims.

I have learnt through the review that reform of the rating system does not operate in isolation. Every new concession has a cost, either to other ratepayers or to the public purse. This is devolved taxation, and shortfalls are not made up from Government subventions. We must, therefore, adopt a measured and proportionate approach to changing the system through targeting support where it is required.

I shall, therefore, keep those measures under review. Raising more money from rating empty homes and derelict land could allow us to enhance some reliefs further, for instance, extending the scope of the single-pensioner discount.

No matter what we do, reform cannot possibly satisfy everyone, and we should not try to do that by over-engineering the system — that could have unforeseen consequences.

It should be remembered that the rating system's influence can be wide in other important policy areas such housing affordability, sustainable development and water reform.

As I said at the outset, what really matters is what people are asked to pay. Today's proposals will benefit many ratepayers and, taken together with the Budget proposals, will offer many households much needed relief.

Much remains to be done to see the process through to its conclusion, but in making the changes, we are returning the faith that people demonstrated by sending us here. I commend the measures to the Assembly.

Mr Speaker: Before I call the Chairperson of the Committee for Finance and Personnel, I remind Members of the nature of the statement: Members must question the Minister on the statement, not make further statements.

The Chairperson of the Committee for Finance and Personnel (Mr McLaughlin): That sounded very pointed, a Cheann Comhairle.

I welcome the initial tranche of domestic rating reforms that the Minister has announced and the fact that so many of them align closely with many of the Committee's recommendation. I agree that the reforms improve the domestic rating system. A good beginning is half the work, as the Irish saying goes.

Will the Minister clarify how the single-pensioner discount of 20% for over 70s will work in practice? Will it apply, for example, in a situation where two unmarried members of the same family live in the same household? Will the Minister state whether he is prepared to consider widening the scope of the discount? Will the Minister outline what the revenue outcomes are likely to be as a result of the reforms that have been announced today?

11.45 am

Mr P Robinson: I thank the Chairman of the Committee for Finance and Personnel for the assistance that his Committee gave to me and my Department during the Budget process. I have said, in my statement, that it is important that — in many ways — the reliefs can pay for themselves. The steps that we have taken, in looking at issues such as the rating of vacant properties and derelict land, will release further funds and will, therefore, allow us to consider further reliefs.

I was attracted to a lower level of assistance for senior citizens. If, and when, we can afford to do so, I will return to that issue. I have spoken to the Committee's Chairman about that matter. At present, we are concerned with those aged 70 years and over who live alone. We will consult on that issue. There are some occasions when, for example, there is a medical requirement that a carer should live with someone. Should a person's bad health disqualify them from having that benefit? Therefore, we will look at particular cases during the consultation process, and I am happy to work with the Committee in resolving those matters.

Effectively, the reliefs will not be a charge on other ratepayers — it is important that we make that point at this stage. If we can release further resources by increasing the rate income, we will return to the relief levels and age groups.

Mr Beggs: I welcome several aspects of the Minister's statement, in particular his decision to introduce a tax on vacant properties. The Ulster Unionist Party is a prudent party that encourages positive forms of taxation.

Although I welcome the single-pensioner discount, I note that it is limited to single pensioners and those aged 70 and over. Will the Minister explain why he has not taken up the suggestion, made by the Committee for Finance and Personnel, to introduce a universal pension for all those who are aged 75 and over?

Mr P Robinson: The Member, who is on the Committee for Finance and Personnel, should take another look at that Committee's report. The Finance and Personnel Committee proposed a discount for those who are aged 75 and over and who live alone. I have gone a step further by reducing the eligibility age for the single-pensioner discount to 70. I shall look again at the issue to see whether we can do something more in rate relief when we release further resources. My preference, particularly if I take into account the issue of take-up, is to have some form of automaticity about the process so that people are not required to apply for the relief. However, there will be a time lag on that. Therefore, for the first bills, payment will have to be by application.

The Deputy Chairperson of the Committee for Finance and Personnel (Mr Storey): I, too, thank the Minister for his statement and for the good practice that his Department has engaged in when dealing with the Committee on the review. The Committee looks forward to further work on potential long-term reforms.

The decision to increase the savings limit for pensioners, which applies under the existing lower-income rate-relief scheme, from £16,000 to £50,000 is in line with the Committee's recommendation. Will the Minister comment on the extent to which that is likely to boost the uptake of reliefs? Moreover, will he comment on the measures that can be taken to ensure that Northern Ireland does not lose out by funding that uplift locally, were the UK Government to follow suit by raising savings levels as part of a wider reform of housing benefit?

Mr P Robinson: I did not bring my crystal ball with me, so my answer cannot be too exact. With regard to the latter point, we might reverse our decisions fairly quickly so that the burden would be on annually managed expenditure, rather than on the departmental expenditure limits.

There would be no need for us to carry that burden if the Treasury were going to carry it. We would re-examine the situation in those circumstances. The expectation is that the cost will be reasonably modest, but it can be calculated only after the system has been in use for a period of time.

Mr O'Loan: I congratulate the Minister on the review and on the timely fashion in which it has been presented. I accept the Minister's contention that a property tax with checks and balances is probably as good as it gets

at present. The broad thrust of the Minister's proposals improves those checks and balances.

The proposed reduction of the rates cap would be revenue-neutral. Therefore, it would transfer the burden from relatively well-off households to relatively worse-off households. Does the Minister not accept that that would be a regressive policy? How does the Minister square his rejection of the circuit-breaker concept, given the affordability tariff on water? The strand 1 report of the independent water review panel led by Professor Paddy Hillyard has stated that proposals will be made on a water-charge affordability tariff in strand 2 of that review. If it is possible to proceed with that action on one hand, why does the Minister reject it on the other?

Mr P Robinson: The reduction of the rates cap will go out to consultation, and further work will be carried out to determine whether that would simply be regarded as lost revenue or reapplied within the rates burden. The Department will make some assessment for the Committee of the extent of any loss of rate revenue if that change were to be made.

There is a balance to be struck on whether that is a tax, or a payment for a service. At some point, we must decide whether people have overpaid for that service. Rather than go to the highest band in GB, the Department's position is that we should take the mid-point of the highest band in GB, which we believe is fair. That is why we are looking at a limit of £400,000. I will provide such statistics as I can to the Member's Committee.

To some extent, Ministers cannot win. If there are ideas that Members like, they wonder why we do not press ahead with them, but when there is no support for those ideas in the consultation process, we are asked whether we should go ahead with them. Those are the issues that must be taken into account. Overall, I have produced what I believe to be a balanced set of proposals and measures. I hope that they are sufficient to attract the support of the Assembly.

Dr Farry: I thank the Minister for his statement. There are many aspects to be welcomed, such as the single-pensioner discount, the rating of vacant property, and the energy-efficiency measures. However, does the Minister not recognise that a local income tax would be simpler than bringing an effectively property-based system with checks and balances more into line with the ability to pay through a complex system of reliefs?

What consideration did the Minister give to replacing only the regional rate with a local income tax, rather than both the regional rate and the district rate? Will the Minister give the House some idea of his wider approach to green taxes such as pay-as-you-throw schemes, reliefs for people who recycle, congestion charges, or road tolls?

Mr P Robinson: Whatever a change from the rating system to an income-tax-based system might be, it certainly would not be simpler. We all know of the upheaval that has been caused over the years by the change in the system. Any change, even if it is for the better, will have considerable consequences for the body politic. Everyone knows that, no matter what system we change to, we will simply create a new group of winners and a new group of losers.

The real difficulty with introducing a local income tax system is the fact that economic growth is the priority for Northern Ireland. A tax on work or, more accurately, a tax on workers is not the best way in which to encourage that growth. We have an opportunity to stand back, observe the Scottish model and learn lessons from it. If there are mistakes to be made, let the Scottish Government make them, and we will learn from their experience. We are not ruling out completely the idea of introducing a local income tax, but we can look and learn from the Scottish model over the next few years.

We have made the right decision. It is better to remove the sharp edges from the existing system, make it fairer and address the issue of people's ability to pay, rather than change the system and go into the unknown, as the Member for North Down would like us to do.

Mr Weir: I thank the Minister for his thorough statement and in particular for his measures to set the qualifying age for lone pensioner discount to 70. That will enable more pensioners to qualify than if the age had been set at 75.

First, does the Minister agree with the expert opinion given to the Committee that there are no examples in the world of circuit-breakers having been introduced effectively in a domestic rating situation? Secondly, will there be an initial exemption period for the introduction of rates for vacant domestic properties?

Mr P Robinson: There was a second element to the question from the Member for North Down Dr Farry. He raised issues about green taxes and whether there was scope for further reform. I am happy to discuss the matter with him and his colleagues to consider whether there is such scope. A consultation process will be carried out on the exercise, and we will attempt to make some progress on those issues.

My honourable friend Mr Weir asked whether I accepted the expert opinion on circuit-breakers. I am loath to go against expert opinion on anything, and I have reached a similar conclusion to the experts. Therefore, I am happy to accept their views.

There will be a consultation process, and that will allow us to consider the introduction of rates for vacant properties. There may be cases where some properties shall be exempt entirely, and I am sure that some people will want to put forward such proposals. There may be cases for exemption periods, such as the time

between a property being vacated — the interregnum — and being sold or re-let. There are issues relating to blighted properties or those that have been purchased for demolition that we must consider. Therefore, it is difficult to establish the exemptions that we will finally agree to. The Committee and the House will want to examine those issues during the consultation process.

Mr Brady: Go raibh maith agat, a Cheann Comhairle. I welcome the Minister's statement, particularly with regard to pensioners. The Committee recommended that the availability of automatic rate relief to people of pensionable age should be given further consideration. What is the Minister's thinking on that?

Mr P Robinson: It is an important issue. I agree entirely with the Member and with the Committee. However, it is difficult to consider the matter at this stage. I would like to involve Age Concern, Help the Aged and other organisations so that we can have evidence as to why there has not been a higher take-up in rate relief. During Question Time yesterday, I mentioned that the uptake had been approximately 40% for those in owner-occupied properties, between 60% and 70% for those in privately rented properties and over 90% for those in public-sector rented properties.

That shows that there is a need for considerable movement, particularly on the owner-occupied sector. If an automatic system can be established whereby people do not have to apply for rate relief, we will be able to improve the situation.

12.00 noon

If we consider the sectors that are most affected by this matter, it is clear that, to some extent, there is a stigma attached to claiming rate relief. People do not want to apply for what they consider to be handouts; we must change the culture and make it clear that rate relief is an entitlement rather than a handout. I suspect that if those people went into a clothes shop in Belfast, they would be among the first to look for a 10% or 15% discount, and that they would have no difficulty with doing that. Indeed, they would feel that they were entitled to ask for such a discount, and, if it were offered, to take it. Rate relief should be no different; it is an entitlement not a handout, and people should apply for it.

Mr Shannon: I thank the Minister for his very detailed statement.

The Committee for Finance and Personnel examined the issue of enhanced discount for farmers, and it decided that the option would be considered in the context of decisions on other reforms. If a farmer has a property with an agricultural occupancy clause, it will be worth much less than similar properties, yet it seems unfair that the householder should have to pay rates to that effect. I understand from my discussions with estate

agents that the value of such a property is probably 40% — perhaps even 50% — less than it should be.

In his statement, the Minister outlines proposals for vacant properties and the moneys that such proposals could raise. I think that it was suggested that £10 million could be raised by 2009. Will the Minister also consider reviewing the enhancement discount for farmers?

Mr P Robinson: I admire my colleague's ability to put forward the case for the farming community at all times, and he is right to do so.

As I understand it, a benefit has been built in for the farming community, in that farms are reduced in valuation because they are farms, and in recognition of the fact that they can be sold only in a limited market. I am happy to consider whether there should be any distinction between farms per se and those agriculturally tied properties that, in many cases, were given planning permission only because of their farming connection and that cannot be used for any purpose other than for farming. I am always willing to consider and review matters, but, on this occasion, it was felt that the discount that has already been built in to the system for farmers was suitable and appropriate.

Mr Cree: I too thank the Minister for his timely statement.

Can the Minister provide an assurance that derelict land taxation will not be used to encourage "garden-grabbing" or to impose further taxation on the beleaguered farming community? Can he further assure the House that the proposed taxation will apply to developers who hold land banks and brownfield sites for future development so that such development can be encouraged?

Mr P Robinson: I assure the Member that I do not propose to tax his garden. The idea behind derelict land taxation is that it would particularly apply to sites that have been zoned for housing but that are being held back for commercial reasons and for profit. It would ensure that there is a flow of land into the property market, rather than encourage land-banking. It would therefore help the housing Minister to work towards her goal of ensuring that more affordable housing is made available.

Obviously, I am not talking about agricultural land. Let me kill off that idea just in case anyone should think that that is the route that is being taken — I do not want to be lynched by the farmers. The proposal will involve derelict land that has been identified for housing but that is not being used for that purpose.

Mr Durkan: I thank the Minister for his statement. I appreciate that his focus has been on ensuring that change is deliverable next year and the year after, and I recognise too that some of the more radical options

that have been suggested probably could not have been delivered in that time frame.

Will the Minister clarify whether circuit-breakers will be applied specifically to pensioner households — not just to single-pensioner households, but to couples as well? It has been argued that if circuit-breakers were applied more widely, they would be open to abuse. However, if one were focused on pensioner households, as was the intention under direct rule when there was a circuit-breaking affordability tariff in respect of water charges as recommended by the Consumer Council, would that not work?

Other areas of Government are, rightly, encouraging pensioners to take up pension credit, which is based on a minimum-income guarantee and is their entitlement. In such circumstances, could there not be a cross-reference in the rating system guaranteeing that pensioners will not have rating liabilities that will, in effect, bring them below the minimum-income guarantee for pension credit? That cross-linking could serve to encourage the take-up of pension credit as well as the take-up of rate relief measures.

Mr P Robinson: On the latter point, there is an awful lot that could be done if there were greater crossover of data in Government. However, that has other implications about which we must be satisfied. Some of the data relating to the rating system is held in places other than in my Department. Therefore, data sharing would be required. Those matters could not have been resolved in the short term. However, all changes can be considered: they can come at any time if they have merit.

As far as circuit-breakers are concerned, during the consultation process there was not the kind of support for pensioner households that the Member believes there was. However, that is not the only reason why it was discarded. The view held by officials is that it did not sit easily and could be disruptive to some of the benefit systems. The Department will do further work to determine whether there are ways around those difficulties and whether there are benefits in introducing some kind of circuit-breaking system.

Mr F McCann: Like other Members, I welcome much of what the Minister has delivered to the House. However, will he expand his explanation of the benefits that the measures on vacant properties will have on the hard-pressed housing sector?

Mr P Robinson: A number of advantages will flow from those measures. Clearly, there will be the advantage of providing further rating income. As far as benefits to affordable housing are concerned, if people know that they cannot leave their houses empty in the hope that rent levels or sale values will increase, they will know that there is a cost attached. If they are leaving property vacant for financial reasons, there will be an

encouragement, or incentive, for them to put their houses back on the market either for sale or to let. Essentially, the measures are a disincentive for people to leave property empty for profit and will allow a lot of property to come back on the market.

It is estimated that there is a large number of vacant properties in Northern Ireland: clearly, that must be dealt with. As property values have risen so extensively in recent years, there was a view that if people held off selling their houses, their properties would become more valuable. Therefore, they did not put those properties back on the market, and that has denied other people houses and has made properties less affordable.

The measures fit in with the policy objectives of the Department for Social Development and should assist, as a policy lever, to make more properties available on the market.

Mr Hamilton: I thank the Minister for his statement and welcome how much it mirrors the Committee for Finance and Personnel's report on the review of domestic rating. In fact, in many instances, it enhances the report's proposals.

I particularly welcome the increase in the savings limit. Does the Minister have any plans to abolish the savings threshold as proposed in the Lyons Report with regard to council tax?

Mr P Robinson: On the Member's first point, I can only say that great minds think alike. We have reached the same destination and taken the same journey.
[Laughter.]

I can hear what other Members think about that. The savings threshold has been increased from £16,000 to £50,000, which, in all circumstances, is reasonable. In respect of the removal of the threshold, the Lyons Report asked us to sit back and watch, and that is exactly what we shall do. We will look at how the £50,000 impacts on the householders and whether there is a cause for further revision and removal. I had considered increasing the savings threshold even further, and one of the big issues that will impact on that is increases in the property market, so we will regularly examine our threshold levels to ensure that they are kept in line with the property market.

Ms J McCann: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his statement. Considering that such a small percentage of people avail of rates relief, I am grateful that the Minister has commissioned a study, led by the voluntary and community sector, to promote awareness of the take-up strategies. Does the Minister have any plans to go further and finance and resource the voluntary and community sector so that the campaign is bedded in the community, thus making it more effective in its delivery?

Mr P Robinson: I want to hear what the voluntary and community sector has to say and what it believes will make a difference in take-up levels. If representatives of that sector have specific proposals that need to be funded, I will examine them. I am considering the pursuance of one possible reason for the low take-up — the amount of form filling that is involved. The form filling may appear complicated to some people, particularly senior citizens, and assistance may be required to complete the forms. Therefore, there may be value in representatives from Help the Aged or Age Concern travelling around areas and offering advice and assistance on form filling. That is the type of area that I am prepared to examine if the voluntary and community sector confirms that the complication of form filling is one of the reasons for the poor take-up of reliefs. The introduction of some automaticity into the process so that people will not have to apply for some of those reliefs will also help.

Mr Easton: I thank the Minister for his statement on what can only be good news for the people of Northern Ireland. Will the Minister state why he is proposing to reduce the level of the cap?

Mr P Robinson: I have already said that I chose the reduced level because it brings us into the average of the highest band in Great Britain, which is fair and, therefore, a fairly good comparator. That takes some of the pain out of the rate-paying process if a substantial part of the regional rate is regarded as being payment for services, but there must be some linkage with the services that people are receiving, and there must be an upper limit to that. If the GB level is on the top banding — set as it is — our circumstances are such that the midpoint of that top banding is the appropriate place to pitch, and that is why I pitched the cap at £400,000.

However, a consultation process is under way, and it would be advantageous to link our cap level to whatever limit is proposed for water charging — if possible. I hope that the Minister for Regional Development will consider the introduction of an upper limit for water charging and that we will be able to co-ordinate the two payments.

Mr Armstrong: I welcome the Minister's intention to reward households that make energy-efficiency improvements. Will that reward apply equally to homes that have been modernised? What percentage of the initial rate will be rebated to owners of new homes that are zero-carbon rated?

12.15 pm

Mr P Robinson: I have not set the percentage, or level, of the rate rebate, because my Department is first required to carry out a consultation process. I am happy to hear suggestions from Mr Armstrong — or any other Member — on where that level should be pitched. If I have understood him correctly, the Member asked

whether the rebate would be retrospective for homes that already have such efficiency measures installed. That too is an issue for the consultation process. My view is that any homes with those efficiency measures should receive the full advantage of the rebate, irrespective of when they were installed.

Mr Ross: The Minister referred to rising house prices. Given the soaring prices across Northern Ireland in the past 18 months, with which everyone is familiar, will the Minister advise the House on what impact that will have on rate bills at the next revaluation?

Mr P Robinson: I could go on and on about that, because there is a misconception, if not a deliberate attempt by some members of the press to mislead the public, on that subject. If the price of everyone's house were to rise by the same percentage, there would be no change in the quantum of their rate bills. A change takes place only when the value of someone's property increases at a higher rate from that of others, in which case they will pay a higher amount of the overall total. The overall amount of revenue collected does not change; only the distribution within it. If someone's property decreases in value relative to the overall average in Northern Ireland, their rate bill will decrease; if the value of their property goes up vis-à-vis the overall value of properties in Northern Ireland, their rate bill will go up. It is not the case that everyone's rate bills will increase simply because of an increase in the overall value of property in Northern Ireland.

Ms Lo: Although some pensioners in my South Belfast constituency will benefit from the proposal, many others will continue to pay high rates because of the value of their property. Many pensioners argue that a rate bill still based on property value is unfair, whereas a local income tax would not penalise working people. They have worked all their lives and, on retirement, want to look forward to life without having to worry about high rate bills. What is the Minister's view on that?

Mr P Robinson: Every pensioner who lives alone in South Belfast, and elsewhere in the Province, will benefit from the package that I have announced today. Indeed, the rise in the savings limit for pensioners from £16,000 to £50,000 will probably be of particular benefit to those living in South Belfast. Except where I expressly indicated otherwise in my statement, all existing reliefs remain in place. The reliefs that I have announced today are additional reliefs and, therefore, the package as a whole improves the position for everyone.

I cannot agree with the Member's point about income tax. The Assembly's priority is to achieve economic growth in Northern Ireland, and it would be a retrograde step to tax working people. It would be a considerable setback in our drive to stimulate the economy. However, the Scottish Executive intend to move in that direction, and I have indicated that my

Department will watch their experience to see whether any lessons can be learned.

Mr Buchanan: Although the Minister touched on the answer to my question in his response to a previous one, the answer must be clarified for some Members of the House. The Minister will be aware that, in the past few weeks, a member of the SDLP who is also a member of the Finance and Personnel Committee has been scaremongering, saying that the Department was considering the introduction of rating for agricultural land.

That led to real concerns in the rural communities that I represent. I am not sure whether that Member was misinformed or misled. For the benefit of Mr O'Loan, I ask the Minister to once more clarify the Department's position. Is the rating of agricultural land under consideration?

Mr P Robinson: There is no question of the Department rating agricultural land.

Some Members: Hear, hear.

Mr P Robinson: The Department has been clear about that matter and has released a public statement so that there is no doubt about the issue. The only reference to land in my statement is in respect of derelict areas. In response to Mr Cree's question, I outlined the type of circumstances that will apply to derelict land, and I do not believe that any farmers would define agricultural land as derelict.

Mr Wells: Most people would accept that the Minister has achieved a fine balance and a level of consensus on this matter. That will be broadly welcomed by the whole House. We particularly strongly support the incentives for energy-conservation measures and the capital valuation limit of £400,000.

I particularly welcome the decision to rate vacant properties, but why is that measure not proposed to be introduced until April 2009?

Mr P Robinson: I set out some of those reasons in my statement. I am disappointed — I thought that the DUP's green Member would have concentrated his question on green issues and on the incentives that I announced in my statement. However, he has decided to address another matter.

The timescale is simply a matter of administrative details that must be resolved so that the Department is capable of dealing with those matters. That also allows further time for consultation. It is an administrative matter, and it is proper that we get that right so that the Department is able to deal with these matters, rather than going ahead unprepared and having real difficulties in administering the system thereafter.

Mr B Wilson: I too thank the Minister for his statement. I particularly welcome the rebates for zero-carbon housing and energy efficiency. I welcome the

fact that there will be further consultation on other green taxes — that is important.

However, I was disappointed to hear that the main source of local taxation will remain property values, which are regressive and not based on ability to pay. In a motion that the House debated, I suggested that we consider a land-value tax that would tax developers who are retaining land banks and would release more land for housing. Did the Minister consider a land-value tax, and what were his conclusions?

Mr P Robinson: I welcome the Member's encouragement in respect of the matters on which I had expected him to ask questions. He did not let me down.

Mr Wells: Unlike me. *[Laughter.]*

Mr P Robinson: I am a little confused about Mr Wilson's latter remarks. If he does not consider that I have addressed the issue of land taxation in dealing with derelict land, he can only be suggesting that I should have included agricultural land. He had better have a conversation with the Member for North Antrim Mr O'Loan about that. My statement deals with the vacant land that needs to be dealt with, and we will do further work on that.

I would be happy to speak to the Member about green issues, if he wishes, over the period of the consultation.

Mr O'Dowd: A Cheann Comhairle, the Minister has stated how he intends to engage with the community sector in respect of rate relief. Will he also clarify how he intends to engage with those who, for their own — or for family — purposes, have had to make disability adaptations to their homes? Many people do not claim the rate relief that is available for that. Will the Minister outline how he intends to engage with that sector?

Mr P Robinson: By and large, when adaptations are carried out, there should be good records in the Department of Health, Social Services and Public Safety, the Housing Executive, or some other body. I will certainly look at that matter. There is recognition under the existing system that many adaptations increase the value of a property and that people should not be punished on account of their disability. I am happy to consider finding a way to test the level of uptake from people in those circumstances and whether a special initiative is required to address that issue.

Mr Speaker: The Business Committee has arranged to meet today as soon as the House suspends for lunch. I propose, therefore, by leave of the Assembly, to suspend the sitting until 2.00 pm.

The sitting was suspended at 12.25 pm.

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

2.00 pm

EXECUTIVE COMMITTEE BUSINESS

Dormant Bank and Building Society Accounts Bill [HL]: Legislative Consent Motion

Mr Deputy Speaker: The next item of business is the Executive Committee's legislative consent motion relating to the Dormant Bank and Building Society Accounts Bill [HL].

The Minister of Finance and Personnel (Mr P Robinson): I beg to move

That this Assembly agrees that the provisions in the Dormant Bank and Building Society Accounts Bill relating to the distribution in Northern Ireland of sums released from dormant bank and building society accounts should be considered by the UK Parliament.

I have tabled the motion to seek the Assembly's agreement to the inclusion of Northern Ireland in the provisions of a Westminster Bill that aims to release millions of pounds from inactive bank and building society accounts and reinvest them in local communities. Alongside that, the rights of customers to reclaim their money, at any time, will be preserved.

The scheme was first announced formally in the Chancellor's 2005 pre-Budget report. Since then, discussions have taken place with the banking industry, followed by two UK-wide public consultations. That has culminated in the Dormant Bank and Building Society Accounts Bill [HL], which was introduced in the House of Lords on 7 November 2007.

Banking and financial services is a reserved matter, and therefore the Assembly could not legislate on this issue. However, in keeping with the spirit of devolution, provision has been made in the Bill for the three devolved Administrations to set the priorities for distribution in their respective jurisdictions.

As the Bill proposes to give the Department of Finance and Personnel new executive functions and the power to make an Order setting the spending priorities for distribution in Northern Ireland, the consent of the Assembly is required.

The Bill defines dormant accounts as those that have had no customer-initiated activity for a period of 15 years. It is anticipated that dormant accounts could initially amount to more than £500 million across the UK, with tens of millions of pounds recurring annually thereafter. Northern Ireland will benefit alongside the

other UK Administrations, on a population basis. Initially, additional resources have been estimated at between £10 million and £20 million, with hundreds of thousands of pounds each year thereafter.

In preparation for the commencement of the scheme, financial institutions have already begun a comprehensive exercise to make every effort to reunite customers with their assets. Members may have already noticed advertisements in the local press to that effect. The assets identified in dormant accounts will be transferred by banks and building societies to a reclaim fund. That fund will be independent of the Government and the banking industry, and will be regulated by the Financial Services Authority.

It will be the duty of the reclaim fund to retain and invest a prudent portion of the assets in order to meet any future repayment claims from customers. That is a key point, and it will ensure that customers will be able to reclaim funds transferred to the scheme at any time. Assets not needed to meet the reclaim risk, or reasonable running costs, will be released for distribution.

In light of its UK-wide infrastructure, its experience in distribution and the efficiency benefits that that brings, the legislation names the Big Lottery Fund as the vehicle for distributing funds throughout the UK. I recognise the valid concerns that many in our community will have about that approach, and I have made strong representations to the Treasury on that basis. In response, the Treasury has assured me that all scheme resources represent a separate and distinct funding stream from lottery funding. Distinct branding will be used for all projects funded through the scheme. That approach will ensure that all projects funded from the scheme will have no links with the proceeds of gambling.

I emphasise that the funds will not form part of public spending. The only influence that the Executive will have on the scheme, following the passing of enabling legislation, will be in setting the local priorities for spend and in issuing directions to the distribution body.

As this money belongs to customers — albeit unclaimed by them — it sits within the banking sector. Therefore, it would not be appropriate for Government to seize it and spend it directly.

As for the priorities to benefit from these assets, the Bill provides a general definition of “social or environmental purposes” on which unclaimed assets may be spent. It is within that overarching theme that the Assembly will be able to set its own spending priorities in Northern Ireland, and those priorities will be reflected in the directions given to the Big Lottery Fund for distribution here.

If Members agree the legislative consent motion before them today, I will undertake a consultation in early 2008 on the Northern Ireland spending priorities.

I will then bring proposals to the Executive and Assembly for agreement.

The dormant accounts scheme has the potential to deliver real benefits to communities across Northern Ireland by freeing up resources that are lying idle in dormant accounts and reinvesting them in needy communities. Should the Assembly give its consent to the Bill’s provisions, it will have an excellent opportunity to set the priorities for spending Northern Ireland’s share of the proceeds. The Executive approved the legislation at a meeting on 8 November, and I now invite Members to do the same.

The Deputy Chairperson of the Committee for Finance and Personnel (Mr Storey): As the Minister has already explained, the Dormant Bank and Building Society Accounts Bill [HL] is going through Westminster, and Northern Ireland is included in the legislation. The Bill deals with the reserved matter of financial services, and it is the Committee’s understanding that, in the spirit of devolution, the UK Government decided to make provision in the Bill for the devolved Administrations to set spending priorities and to have some input into the distribution of moneys in their jurisdictions.

The Assembly’s consent is required in order for Northern Ireland to be included in the legislation, in so far as the Bill contains provisions that confer new executive functions on the Department of Finance and Personnel. As the Minister has explained, the Department will have the power to make Orders that identify the spending areas in which the Big Lottery Fund may distribute funds from the unclaimed assets of dormant bank and building society accounts that are apportioned to Northern Ireland.

The Committee for Finance and Personnel held two separate evidence sessions on the Bill with DFP officials, including the principal legal officer in the Departmental Solicitor’s Office. Those meetings were recorded by Hansard, and the Committee decided to publish the minutes of evidence on the Assembly website to ensure that the details of its deliberations were available to the wider body of MLAs and other stakeholders. The Department also provided Committee members with copies of the draft Bill.

During the first evidence session on 24 October, Committee members raised a range of issues. These included: the consequences should the Assembly not give its legislative consent; how the alternative scheme for smaller banks and building societies would operate; the risk of reclaim, and the process involved; ethical concerns over the use of the Big Lottery Fund as the distribution vehicle and as a barrier to applications for funding; measures to ensure that spend goes to worthwhile projects; and the reasons why dormant

accounts could not be allocated directly to devolved Administrations for distribution.

The Committee raised those issues formally with the Department and received a substantive written reply. A further evidence session was held with DFP officials on 7 November, after which the Committee was content that the Department had adequately addressed its specific concerns.

On the key question of what the consequences would be were the Assembly not to give its legislative consent to the legislation, the Department advised the Committee that it was likely that the UK Government would still proceed with it as planned, given that financial services is a reserved matter. The Bill would be amended, removing the provisions that confer on DFP the functions of setting the Northern Ireland priorities for spend and giving directions to the Northern Ireland committee of the Big Lottery Fund.

Therefore, while the Welsh Assembly and the Scottish Parliament would have the power to set out particular spending areas for the money apportioned to them, the Northern Ireland Assembly would not. We would be missing an opportunity to influence the spending priorities for Northern Ireland and to give directions to the Big Lottery Fund. In addition, the voluntary and community sector in Northern Ireland would be unable to feed its views into the local consultation process.

In general terms, therefore, while the Committee has reservations about the Bill, including the bureaucracy associated with some of its provisions, Members agreed that a pragmatic approach is required so that Northern Ireland does not lose out significantly. Consequently, the Committee agreed unanimously on 7 November to support the Department of Finance and Personnel in seeking the Assembly's endorsement of the principle of the extension of the provisions of the Dormant Bank and Building Society Accounts Bill to Northern Ireland. I support the motion.

Mr McLaughlin: Go raibh maith agat, a LeasCheann Comhairle. The Deputy Chairperson of the Finance Committee has fully set out the Committee's deliberations; I am speaking in a personal capacity as a member of Sinn Féin.

I support the motion. The Bill is a pragmatic response to the issue of funds that are lying dormant in the reserves of the banking institutions in this state. Its provisions will empower the application of those dormant funds to very important projects that the Executive and, indeed, this Assembly would wish to see addressed. The fact that these funds are benefiting no-one in any particular way is an issue that has been unaddressed for a considerable period of time. There is some comparative experience in the measures that have been adopted South of the border, and it has been

seen that, particularly in regard to the social agenda, these funds can be applied where funding might not otherwise be available.

It is important to acknowledge the small number of financial institutions that trade solely in this state. They will have the power under this legislation, having taken the proper steps to identify the funding as being in dormant accounts to which there is no immediate claim, to apply it in the areas in which they trade. One or two examples of institutions that trade solely in particular locations have been made known in the background research. In Derry city, for example, where I live, there is one such institution. Funds that are released by this mechanism can and will be applied by that institution in its immediate location. Again, that is to the good.

All in all, the concerns that people have about the procedural difficulties can be legally proofed. We can revisit the arrangements if they prove to be inadequate. At this stage, no one can quantify the sums of money involved. They might be considerable, or they might not. However, the question will at least have been answered, and a mechanism devised by which they can be applied to the greater good, rather than lying dormant and obsolete. I strongly endorse the motion and commend it to the House.

Dr Farry: I support the motion. This is an advantage to the public purse. Good can be done through these resources being made available. It also works for the banks by removing liabilities from their books. I have little to add to the comments of the last two Members, but I do have a couple of points.

First of all, this type of procedure is fairly common internationally. Mr McLaughlin referred to the experience of the Republic of Ireland, and there are many other international examples. This is not something new or sinister that is being put forward by the Government.

2.15 pm

Secondly, one small concern is that resources are to be redistributed to the devolved regions of the UK on the basis of population, as opposed to need and — as we are all aware — resources from the block grant are allocated by need, rather than by population. Although I appreciate that the sums involved may be relatively small in comparison with our overall block grant, it is important that that point be made to the Treasury, and that we preserve a needs-based approach to financing. There may be some financial implications for Northern Ireland as a consequence of the change in approach to that formula.

A further important point is that the money in dormant accounts belongs to people. The account holder may, sadly, have passed away. Equally, however, the bank may not be able to contact them because they have changed address. It is important that the process for

someone who wishes to reclaim his or her funds be as simple as possible, and no more complicated than withdrawing money from any account, albeit that the money will have been transferred to a central fund.

Those points notwithstanding, I support the motion.

Mr Hamilton: I support the motion, although I am not overly enamoured or enthusiastic about some of the principles underlying the Bill. Some of my Finance and Personnel Committee colleagues and I have expressed our unease at the idea of the Treasury emptying anyone's bank or building society account. It seems that the raiding bank accounts has taken a different tack to the one that Northern Ireland has until now, from time to time, experienced.

I appreciate that there is a reclaim fund and that, although the money may have been taken and spent, people can still get their money back. The principle that people's money remains their own is important, regardless of whether activity was last initiated 15 years previously.

On balance, it is best that Northern Ireland be included in the provisions of the Bill as it progresses through its various stages at Westminster. It is important that Northern Ireland and the Executive have the opportunity to influence what types of social and environmental purposes are funded. We must set those priorities for ourselves and in our own interests, rather than have a direct-rule-style diktat to tell us what is best for us.

I wish to reiterate concerns that I have raised in Committee, and which have been expressed by the Minister, about the body that it is envisaged will distribute any funds that are raised. Members will be well aware of the genuine and deeply held concerns of many individuals, as well as of some Church and community organisations, about dealing with the Big Lottery Fund. I know that the purpose of the Big Lottery Fund is only to manage money; however, impressions are important.

I encourage the Minister to continue his discussions with the Treasury to ensure that the branding of the distribution fund is distinct, and that it is made clear that it is not lottery money, thus making it easier for those who are concerned about using the proceeds of gambling to apply for the money.

It is important to take a realistic, pragmatic approach. I ask the Minister, in his summation, to elaborate on the possible consequences for Northern Ireland if the legislative consent motion were not passed, and if we were not included in the provisions of the Westminster Bill.

Ms J McCann: Go raibh maith agat, a LeasCheann Comhairle. Like my colleague Mitchel McLaughlin, I support the motion, which provides a legal framework to allow assets from accounts that have lain dormant

for at least 15 years to be distributed to community causes through the Big Lottery Fund.

Many bank and building society accounts lie dormant and unclaimed, often because the account holder has died, or because surviving relatives have expressed no claim. Several countries operate similar schemes whereby moneys from such accounts are reinvested in the community.

The Bill has already become law in England, Scotland and Wales, and there is similar legislation in the South of Ireland. Although social and environmental themes are the main priorities, individual regions can decide for themselves to what causes assets will be distributed. The Bill will allow for money in dormant accounts to be transferred to a reclaim fund. That means that any individual, or any individual's relatives who are still living, can — should they wish to do so — make a claim from that fund for the return of that money.

An alternative scheme is available for smaller banks and building societies allowing them to transfer an agreed proportion of a dormant account into a reclaim fund and to distribute the remainder to charities that benefit the local community.

I want to reiterate Members' concerns about certain aspects of the legislation, which I share. These moneys should be additional to lottery funding and should not affect lottery distribution. They must also be separate from departmental funding. A number of safeguards must be implemented so that an individual or a living relative can reclaim the moneys at any time and that banks do not simply wait for owners to come to them but are proactive in seeking the whereabouts of those owners.

In order for accounts' assets to be distributed equally and fairly, and in a way that is accessible to all community and voluntary organisations, safeguards should be put in place so that local priorities can dictate where the money goes. It is important that the community and voluntary sector is involved in any consultation on how that distribution of assets is progressed.

As other Members have said, the moneys would be much better put to use in the community than lying dormant in bank accounts. Therefore, I support the motion. Go raibh maith agat.

Mr Weir: Like other Members, I support the motion.

When this issue was first brought to the Committee for Finance and Personnel, other members and I had certain reservations, to which I will refer. However, those reservations have now been dealt with, thanks to the Department and the Minister's assurances.

I found the concept of the Government's raiding private individuals' bank accounts somewhat distasteful; it seemed to be a typical Treasury wheeze to extract additional money. Nevertheless, there are counter-

arguments that point to these measures being necessary. From a philosophical viewpoint, the legislation resembles a latter-day updated version of the parable of the talents, in which an owner who has buried, or neglected, money is punished by having that money used for the common good. Similarly, moneys realised via legislation governing dormant accounts will be distributed in a way that benefits good causes.

Had Northern Ireland decided to exempt itself from this legislation, it is clear that, in a best-case scenario, the resulting procedures might not have suited us. If the Assembly negatives the motion, the worst-case scenario would be that we run the risk of simply being excluded completely. The amounts of money that will flow into Northern Ireland will be relatively limited, but they will benefit us overall. Therefore, from a practical point of view, Northern Ireland must be included in the scheme.

I was concerned that the intention was to operate the scheme through the National Lottery in the rest of the United Kingdom. Therefore, I am glad that the Minister has assured Members that the scheme will be administered in Northern Ireland separately from the National Lottery. When the Minister makes his winding-up speech, it might be worthwhile if he would outline how the scheme would be administered here if Northern Ireland were to be excluded from the legislation, or if, for some reason, the Assembly were to negative the motion. Christian and charitable organisations have problems with National Lottery funding that would preclude them from benefiting from the dormant accounts scheme, so I would welcome the Minister's assurances today that the scheme will be marketed and administered differently in Northern Ireland.

I had concerns about people being deprived of their hard-earned savings, albeit savings that had lain dormant for quite some time. Members have been assured that there will be a consolidated fund, so that if claims are made at any stage, they will be honoured and people will get their money back.

On the basis of those assurances, and from a practical viewpoint, Northern Ireland will benefit as a result of the measure. Therefore, I support the proposal.

Mr Beggs: I support the motion. Dormant accounts are an interesting phenomenon, which many of us will never come across. Nevertheless, accounts can lie dormant in building societies for many years and for various reasons — perhaps when an individual dies his or her family may not be aware of additional accounts, or perhaps people have stashed unauthorised funds in accounts. If the accounts remain dormant for a significant period — that is, many years — the one group that benefits is the banks. Why should banks benefit from money in accounts of which the owners have passed

on or cannot be identified? Therefore, I understand the reasoning behind the proposal in the motion.

It is important that there is sufficient protection for those who, at a late stage, are identified as account owners. I am content that there will be a totally independent fund, which will be able to secure payment in that case. The proposal makes sense; it is better that local people, instead of politicians in London, have an input in setting local priorities.

At the Committee, I raised the view that there should be a separation between this fund and any other funds in the Big Lottery, and that it should be identified as separate from gambling. Other Members supported that view, and I hope that that will help the Minister's attempts to achieve that goal. I have come across many worthy groups in the community — such as the YMCA, which does good work, particularly with young people — that have been unable to apply for Big Lottery funding, which they would have been successful in obtaining, because of their beliefs. Any measure that increases the opportunity for such organisations to gain funding and improve their work in the community must be supported. I urge the Minister to ensure that — as far as possible — a separate fund exists, and that it is clearly identified as such. The many groups that have not felt able to apply for funding will then be able to do so in the future.

Mr O'Loan: I state my wholehearted support for the motion.

Mr P Robinson: I am pleased that Members have had a useful — albeit short — debate on the issue that the provisions in the Dormant Bank and Building Society Accounts Bill [HL] relating to Northern Ireland should be considered by the UK Parliament. A number of important points were raised and I will do my best to mention as many of them as possible.

I agree with the Chairperson of the Committee for Finance and Personnel, and his colleague, that the fund must be used in the community and must not be seen as a way for the Government to replace its funding. There were problems with additionality in Europe, and we will not go down that road. This is, genuinely, money to help our communities under the broad heading of social and environmental purposes. If the motion is passed, it will be up to the Executive to be more precise about the direction of the fund.

Several Members mentioned the ethical issues involved. When I was first contacted by HM Treasury on the matter, I wrote back and prompted a stream of correspondence on the issue. I was pleased that — when the Bill was in its final state of preparation — the Treasury made it clear in its response that unclaimed assets would be kept separate from lottery resources, with their own distinct branding and financial management arrangements.

HM Treasury saw that as a key principle.

2.30 pm

Like many Members, I have faced circumstances in which communities were in great need but for ethical reasons I was not prepared to draw on lottery funds to ease that need. The dormant accounts scheme will allow those communities to benefit from our being able to give directions to the Big Lottery Fund, and I hope that many of them will do so. However, there will be no plaque on the wall to the Big Lottery Fund should people avail themselves of the scheme.

I was also asked about the consequences were the Assembly not to agree to the legislative consent motion. I do not get the impression from the Members to whom I have spoken that that will be the case, but, lest Members be teetering between decisions, I must inform them that the Treasury would still give the money to Northern Ireland, but it would be likely that the Big Lottery Fund would determine the funding priorities rather than their being set by the Executive and the Assembly. Therefore, those of us who want to see less of a role for the Big Lottery Fund will want to ensure that we proceed positively.

Dr Farry made a point about the risk of reclaim — he has gone. [*Laughter.*]

Mr Weir: He is away to change his bank accounts.

Mr P Robinson: They will all have gone dormant.

As some of my colleagues did, he referred to the risk involved for those people who, for whatever reason, have dormant bank accounts. They might have changed address or might not have needed the money for 15 years. Those people will be able to go as normal to their bank, where a fund will have been set up to ensure that they do not lose their assets.

The issue of a population-based share as opposed to a needs-based share was also raised. The Scottish and Northern Ireland Executives and the Welsh Assembly Government all took the same view — that a different formula should be used. However, financial services is a reserved matter, and the Treasury has not accepted that view. Some of our colleagues in the House of Lords and the House of Commons may attempt to table an amendment to the Bill. Nevertheless, any amendment would be Barnett formula-based, missing out some of our community's needs.

I say to my ever-sceptical friend, Mr Hamilton, that this is not a case of the Treasury's emptying bank accounts; the Treasury will not be emptying anyone's bank account. The banks will operate the dormant accounts scheme voluntarily, so the Treasury will not get its hands on the money at all. The scheme will be operated independently, and the only Government role will be that that the devolved Administrations and central Government play in setting the spending

priorities that are to be given to the Big Lottery Fund to allow it to distribute the funds.

Those are the issues that were raised during the debate, and I hope that I have not left anything out. I thank Members for their constructive contributions. It has been an interesting debate that will inform the setting of the scheme's spending priorities in Northern Ireland and the direction that will eventually be issued to the fund distributor.

The dormant accounts scheme provides the mechanism to remove dormant accounts from the balance sheets of banks and building societies, and to reinvest them back into our local communities. If the House gives its consent to the motion today, that will open the door to an excellent opportunity for the Assembly to set priorities for distribution and to ensure spend goes to worthwhile projects across Northern Ireland. If that consent is not given, it will be a missed opportunity to set the spending priorities for our jurisdiction. Therefore, I encourage Members to support the motion.

Question put and agreed to.

Resolved:

That this Assembly agrees that the provisions in the Dormant Bank and Building Society Accounts Bill relating to the distribution in Northern Ireland of sums released from dormant bank and building society accounts should be considered by the UK Parliament.

COMMITTEE BUSINESS

Reports of the Comptroller and Auditor General

The Chairperson of the Public Accounts Committee (Mr O'Dowd): I beg to move

That this Assembly orders that any report by the Comptroller and Auditor General, which has been prepared under Article 8 of the Audit (NI) Order 1987 for presentation to the Northern Ireland Assembly in accordance with Article 11 of that Order, be printed and published under the authority of the Assembly.

Go raibh maith agat, a LeasCheann Comhairle.

The motion addresses the issue of privilege of the Comptroller and Auditor General's reports. Until devolution, all his publications were ordered to be published by the Westminster Parliament and were, therefore, privileged. That clearly represents good practice in public-sector audit, as it allows the Comptroller and Auditor General to give a full and complete report of his findings to the legislature.

To date, most of the main reports, which the Public Accounts Committee has taken evidence on and reported, have been fully covered by privilege, as they were published by order of the Westminster Parliament. It would have been difficult to bring several of those reports to the Committee without that status. Indeed, there are a number of Northern Ireland Audit Office reports that deal with potentially controversial issues, and it is important that those should be published with the authority of the Assembly.

In light of that, I am sure that Members will agree that it is important that we ensure that the arrangements for audit and accountability under the Assembly are at least as robust as those that existed under direct rule.

In due course, consideration will be given to reflecting the arrangement in Standing Orders or, if an opportunity arises, in legislation. However, until such times, this motion will provide the Comptroller and Auditor General with the necessary privilege — subject to the Assembly's resolution today — to publish all future reports and, through that process, to ensure that we receive the quality of information from the auditors that is necessary to carry out our work.

I, therefore, commend the motion to the House.

Mr Beggs: If the Comptroller and Auditor General and the Public Accounts Committee are to be able to carry out their work, this motion will be an essential part of the process. I support the motion.

Mr Deputy Speaker: I apologise. I should have called Mr Robin Newton first.

The Chairperson of the Audit Committee (Mr Newton): As Chairperson of the Audit Committee, I support the motion. Members will understand that

there has been some concern in the Audit Committee on the matter. The Committee discussed the issue in some detail at its meeting on 7 November 2007. The Committee is also of the opinion that absolute privilege is an essential requirement so that the Northern Ireland Audit Office can carry out its functions completely.

(Mr Speaker in the Chair)

Audit Committee members expressed their concern at the meeting on 7 November that the Comptroller and Auditor General does not have the same powers as his counterparts in Westminster and Wales. The Committee believes that it is fundamental to the practice of public audit that the Assembly's auditor should be able to present all significant and relevant findings to the Assembly without the threat of legal challenge from third parties involved in the report issues.

It is also characteristic of good custom and practice that all facts are reported and are freely available to the legislature and the general public. This motion will permit the Assembly to order that the reports of the Northern Ireland Audit Office are printed and published, therefore extending absolute privilege to the Comptroller and Auditor General. I, therefore, commend the motion to the House.

Mr Speaker: I call Mr Trevor Lunn. I call Mr Simon Hamilton.

Mr Hamilton: That was the shortest speech on record — I hope that mine is not the longest.

I support the motion. The Public Accounts Committee is essential to the Assembly, if it is not always welcomed by those who come before it from time to time. The Committee has been extremely active in the past; and its work plan until the end of the year and for next year confirms that. The Committee is starting to set its own agenda and to look at its own issues, such as the situation in the Northern Ireland Events Company, which is currently in the news. The Committee will examine that matter in time, and it is essential that that good work is not hampered by loss of privilege.

Not having the ability to publish reports under the authority of the Assembly would seriously impede the work of the Comptroller and Auditor General and, by extension, the work of the Public Accounts Committee.

The Public Accounts Committee having that privilege rightly keeps the Assembly in line with its counterparts in England and Wales and, in the long term, I hope that such situations might be addressed by legislation or Standing Orders. However, in the interim, I fully support the motion as it stands.

Question put and agreed to.

Resolved:

That this Assembly orders that any report by the Comptroller and Auditor General, which has been prepared under Article (8) of the Audit (NI) Order 1987 for presentation to the Northern Ireland Assembly in accordance with Article 11 of that Order, be printed and published under the authority of the Assembly.

Draft Budget

Mr Speaker: The Business Committee has agreed to allow up to four hours and 30 minutes for the debate. The proposer of the motion will have 15 minutes to propose and 20 minutes to make a winding-up speech. The Minister will have 45 minutes to respond, and all other Members who are called to speak will have 10 minutes.

I advise Members that although two amendments have been published on the Marshalled List, after taking advice, and taking account of practice elsewhere, and guidance in Erskine May, I have reconsidered and, at my request, the two amendments have been withdrawn under Standing Order 15(5). I am grateful to the Members concerned for their agreement to withdraw those amendments.

Moreover, my ruling is that, in future, I shall not select amendments to any take-note motion.

The Deputy Chairperson of the Committee for Finance and Personnel (Mr Storey): I beg to move.

That this Assembly takes note of the draft Budget, announced on 25 October 2007 by the Minister of Finance and Personnel.

I welcome the debate because it provides Members with the opportunity — both as representatives of Statutory Committees, and individually — to set out what they perceive to be the significant budgetary issues that face each Department in relation to the maintenance, improvement and delivery of front line public services. The themes that emerge from the debate will be beneficial in informing the Committee's forthcoming co-ordinated report on the draft Budget, which will, in turn, allow the Assembly to influence the Executive as they finalise the Budget.

On 25 October 2007, the Minister of Finance and Personnel presented the Executive's first draft Budget. In his speech, the Finance Minister emphasised that the primary focus of the draft Budget is on economic growth, and that that clearly indicates the Executive's long-term commitment to building a better future for the people of Northern Ireland. That focus aligns with the priorities that are identified in the Executive's draft Programme for Government, which are to grow a dynamic, innovative economy; to promote tolerance, inclusion, health and well-being; to invest to build in infrastructure; to deliver modern, high-quality and efficient public services; and to protect and enhance our environment and natural resources.

In presenting the draft Budget, the Minister also highlighted increased public expectations of public services and the need not just to spend more, but to achieve value for money for every pound we spend. Therefore, the Budget period from 2008 to 2011 presents a challenge for the Executive — and, indeed,

every Member of the Assembly — to prove that devolution can make a real difference to people's lives.

We must recognise the context in which that challenge must be met. The outcome of the 2007 comprehensive spending review means that, in the UK, public expenditure is set to grow at the slowest rate since that mechanism was introduced in 1998. The Chancellor's comprehensive spending review announcement indicated that the Northern Ireland departmental expenditure limit would increase, in real terms, by an average of 1.7% per annum over the next three years. However, in his statement on 25 October, the Minister explained that, following necessary adjustments, a more accurate figure for real-terms growth in Northern Ireland expenditure over the next three years would be an average of 1.2% per annum.

2.45 pm

The reduced rate of growth in public expenditure across the UK means that there is a greater emphasis on efficiency and value for money. The Executive's draft Budget contains a target for Departments to deliver cash-releasing efficiency savings of £793 million by 2010-11. The efficiency drive and future progress by Departments in achieving the targets will exercise the departmental scrutiny Committees and Assembly Members in general.

In commissioning the views of the other Statutory Committees, the Committee for Finance and Personnel has suggested themes and issues, which, though neither prescriptive nor exhaustive, aim to assist the Committees in gathering evidence from their respective Departments and in scrutinising their submissions. The responses will include each Committee's views on its Department's spending priorities in the context of the draft Budget allocation. Other suggested issues include any evidence-based arguments for additions to the allocations in the Department's draft Budget; any risks from existing efficiency plans; and any scope for achieving additional cash-releasing efficiencies or future disposals of excess assets to support front line services and strategic spending priorities.

My Committee is due to receive the responses from the other Committees shortly, and they will be included in our report, which will inform the Executive's deliberations on the draft Budget in preparation for a substantive Assembly debate on the revised Budget in January 2008.

In addition to setting out the positions of each Statutory Committee, the report will examine a range of strategic and cross-cutting issues. I have already mentioned efficiency savings, but other issues will require consideration and monitoring. Not least of those is the financial management agenda, which the Department of Finance and Personnel will pursue aggressively over the Budget period, including the

related issues of overcommitment, underspend and financial forecasting and monitoring by Departments.

The approach of planned overcommitment — whereby more money is allocated to spending programmes before the start of the year than is actually available — helps to reduce underspend by anticipating average levels of reduced requirements and adjusting the total level of resources allocated to programmes accordingly. However, it has been recognised that that approach reduces in-year flexibility and the capacity to respond to in-year unforeseen pressures. Accordingly, the Minister announced the planned year-on-year reduction in overcommitment, from the present figure of £153 million to £100 million in 2008-09, £80 million in 2009-10 and £60 million in 2010-11.

The move to reduce overcommitment must, however, be accompanied by an improvement in the level of financial management in the Northern Ireland Civil Service to ensure that we eradicate the culture of underspend. The Committee has noted that, in the period from 2003-04 to 2005-06, approximately 1% to 2% of revenue budgets across the Northern Ireland block remained unused at the year end. That represented between £113 million and £150 million per annum. In the same period, between 15% and 20% of capital budgets remained unused, amounting to between £170 million and £230 million.

The Committee acknowledges that the Department is taking steps to develop financial-management skills and to improve financial processes across the Civil Service. As part of that initiative, the Department of Finance and Personnel commissioned an external review of forecasting and monitoring from PKF consultants, a report on which was published in June 2007. The overriding finding from the report was that insufficient priority was afforded to forecasting and monitoring. It also highlighted the fact that the average figures for underspend failed to reflect the variance across Departments.

The Committee for Finance and Personnel will monitor the implementation of the recommendations from that review. More generally, all the Statutory Committees will have an important role to play in scrutinising their Departments' in-year spend by examining each quarterly monitoring round to minimise underspend.

A further cross-cutting theme in the draft Budget is the reform agenda, which DFP will have a key role in co-ordinating. The Civil Service reform projects and programmes are expected to realise a range of benefits and value-for-money savings across the 11 Departments. Those benefits will be measured using a series of key performance indicators, which will be integrated with departmental business planning. Again, there will be an important role for each Statutory Committee in

monitoring the progress of the various reform projects in the respective Departments.

The Committee for Finance and Personnel has already produced a report on Workplace 2010, and will continue to scrutinise the future progress and direction of that major accommodation project, which will affect all Departments and is expected to generate approximately £175 million in capital receipts during the Budget period. Other key reform projects for which DFP has lead responsibility include NI Direct, which will ultimately provide a single telephone point of contact for public services, and the various shared service centres, including HR Connect, Account NI and Records NI.

Other cross-cutting developments that require consideration include the creation of a performance and efficiency delivery unit and a capital realisation task force. The performance and efficiency delivery unit will be tasked with identifying the scope for generating additional cash-releasing efficiencies and improving delivery and performance within Departments and across the wider public sector. The Committee for Finance and Personnel will be examining the role and functions of that unit, including the targets and reporting mechanisms that will be implemented to measure its performance.

The capital realisation task force is to make recommendations that remove barriers to a more efficient and economically effective use of the asset base, and realising additional resources through the disposal of surplus or underutilised assets. A report is due from the task force in early December, and will inform the final Budget and investment strategy. The Committee for Finance and Personnel will focus on the work of the task force as it affects the capital allocations in the three financial years covered in the Budget period.

A further strategic issue for consideration is the budgetary impact of the rating reforms, including the domestic rating reforms that were announced today by the Minister of Finance and Personnel, and the decision regarding industrial derating. Other cross-cutting issues include the role of PFI and borrowing during the budget period; anticipated savings on procurement spend by Departments; the potential costs and efficiencies from the review of public administration; and the strategic debate around the Barnett formula and needs assessment.

The Committee will also be interested in the outcome of the wider public consultation on the draft Budget. The Department has advised that four public meetings will be held — one each in Belfast, Enniskillen, Londonderry and Armagh. In addition, regarding the voluntary and community sector, the Northern Ireland

Council for Voluntary Action will be holding a separate event that DFP officials will attend to facilitate the debate.

The Department will also be holding a range of other meetings with social and economic partners, including the Confederation of British Industry and the Northern Ireland Committee, Irish Congress of Trade Unions. I expect that all Members will be keen for the Executive to take account of the views of key stakeholder groups and of the general public before finalising the Budget.

I shall now turn briefly to the Department of Finance and Personnel's own draft budget allocations. Regarding current expenditure, the draft Budget 2008-11 prescribes a significant reduction in the share of departmental expenditure limit funds allocated to DFP. The Department has suffered a large cut — the current year's allocation is 17.1% lower than that for 2006-07, and that trend will continue in subsequent years.

The Committee has focused in particular on the Department's proposed capital expenditure in the draft Budget. DFP bid for approximately £94.2 million over the three financial years 2008-11 and was allocated £68.7 million. The Committee has queried the potential impact that that reduced allocation may have on delivery, and how DFP plans to manage with an allocation significantly below the amount sought.

In particular, the Committee is concerned about whether the capital allocations for Land and Property Services will be sufficient to allow the organisation to alleviate difficulties with its IT system, especially with regard to rate relief. In addition, the decision announced by the Minister earlier today to introduce rating on vacant domestic property will place a heavy burden on Land and Property Services, which will have to develop the necessary databases. The Committee will pursue the issue with the Department of Finance and Personnel to ensure that any future funding requirements arising from rating reform can be met in any revised allocations.

I now return to the wider, strategic context. The draft Budget is clearly connected to, and driven by, the priorities set out in the draft Programme for Government and the draft investment strategy, which the Assembly debated yesterday. In addition, however, there are a number of underlying themes and assumptions on which the Budget allocations are based. I have highlighted, in particular, the entire financial management agenda, together with a drive to reform the public sector in order to deliver the value-for-money and efficiency targets that will enable improvements to be made to front line services, which the people of Northern Ireland deserve.

Those areas will require ongoing monitoring and scrutiny by the Committee for Finance and Personnel, together with the other Statutory Committees and the

Assembly, over the next three financial years of the Budget period.

I look forward to hearing Members' contributions, and I welcome the opportunity for an extended debate on the draft Budget.

Ms Anderson: Go raibh maith agat, a Cheann Comhairle. Ba mhaith liom labhairt le tacaíocht a thabhairt don rún. Yesterday, I congratulated the Office of the First Minister and deputy First Minister on the draft Programme for Government and spoke about how ISNI 2 had the potential to deliver on the programme's priorities of addressing inequality through targeting marginalised sectors.

Today, the House considers the draft Budget, which constitutes the nuts and bolts of how those targets will be achieved. That task faces us all, and the challenge is huge. The facts speak for themselves. Tackling inequality and lifting the vulnerable means that at least some of the following facts must be addressed: 31% of 16- to 60-year-olds lack paid work; 22% of the workforce is low paid; nearly 25% of households are unable to afford adequate home heating; nearly 100,000 children and 50,000 pensioners are living in income poverty; and there are 3,000 premature deaths each year because of disadvantage and poverty. Those facts are shocking.

The solution is simple: reality — that is, current economic patterns — has to change. It is the task of all MLAs to ensure that that is done. Today, every Member should be asking how that will be achieved. This is, after all, a legacy Budget, and in that context we need to see ministerial leadership and initiative.

I will take the example of fuel poverty. The Assembly has had two debates on that subject and a guarantee that Government will work to eradicate fuel poverty in vulnerable households by 2010 and in households that are not considered vulnerable by 2016. Yesterday, however, we were faced with the headline that the Minister for Social Development intends to cut £10 million — 50% of the current allocation — from the warm homes schemes.

Within the confines of the block Budget from Westminster, the Minister for Social Development, like all Ministers, has to make choices. The question must be asked whether she has made the right choice. Has she the political will and skill to prevent that cut? For instance, has she considered the land banks in her Department's estate? She has to pay for them annually, but if they were utilised more effectively, they could fund social and affordable housing and contribute to combating fuel poverty.

3.00 pm

The Minister of Agriculture and Rural Development, Michelle Gildernew, was required to do that to deal with inescapable pressures. Stand Up for Derry is

seeking more social and affordable housing to address the historical neglect of our city and, indeed, of the entire north-west region.

Tá mé ag iarraidh tuilleadh infheistíochta i nDoire. I want more housing and investment for Derry, and I acknowledge the political will and skill shown by the Minister for Regional Development, Conor Murphy, in respect of the railway decision for Derry and the north-west. I call on the Minister for Social Development, Margaret Ritchie, to emulate that type of leadership. It is time for wider ministerial leadership, imagination and initiative.

In order to address fuel poverty, the workers at the coalface, all the relevant Departments, and community workers on the ground must be engaged and involved in tackling the issue. Places such as Derry, and elsewhere, have dedicated community workers who know that those who live in fuel poverty experience what that means in reality, and know how best to eliminate it.

I wonder whether Ministers engage with stakeholders and residents of local communities before deciding on the choices that they face.

It is the job of local officials and administrators to contact people who are living in fuel poverty and ensure that they be helped out of it quickly. The market will not do that; it must be done by supporting groups that work in those areas. By drilling down and adopting a bottom-up approach, we can work at a community level, and the task will be manageable. The numbers to be dealt with are in the tens or hundreds, perhaps, but not 250,000. That is what is known as the principle of subsidiarity, in EU jargon. That is what good governance and monitoring is all about: bringing all the stakeholders and networks in the community together so that they can work to meet targets, and truly monitor achievements. They are the people at the coalface; they deal daily with those who are disadvantaged, and know exactly what it is like to suffer cold persistently without sufficient money to pay for heating.

Monitoring and measuring our performance is a key part of delivering our objectives, as is ensuring that equality impact assessments are fully complied with across the nine categories of the disabled, the elderly, etc. That is not only the correct thing to do, but represents an intelligent modernising agenda, which is necessary to show that the North has the political skill and will to tackle disadvantage and participate in the global economy. The fact that the Executive are beginning to equality-impact assess their spending, and how they are spending limited finances, is a good-news story to be welcomed at home and abroad.

Moreover, buying into social justice, through social requirements and tendering contracts, is a smart decision that the Executive have taken, as reflected in the Budget. Joined-up governance will be cemented as the Minister

of Finance and Personnel applies tendering criteria to procurement agreements, resulting in contractors employing, training and teaching skills to people who have been registered as long-term unemployed. That represents the use of public money to buy social justice, which is brilliant.

Yesterday's agenda, which left out huge parts of the North, and large groups of people, is not only out of date, but economically counterproductive and unstable, and I am sure that the Minister of Finance and Personnel would agree. It has been only six months since the transfer of powers, and it will take time to throw off the shackles of direct rule. Of course, Sinn Féin wants to throw those shackles off entirely.

The world economic order is now discussing a sustainable model of economic development that integrates social, economic and environmental requirements, rather than regarding them as burdensome add-ons to a narrow, ineffective economic model that has produced stagnation and exclusion in our society.

The limitations of this draft Budget, restricted because we in the North are controlled by a British Administration that does not care about anyone here, regardless of one's political opinion, or none, would be assisted greatly by advancing the intelligent processes that are inherent in the full equality impact assessment procedure.

The comprehensive spending review results in Ministers making difficult budgetary choices; they must stand over those choices. They must also use political tactics and skills — if they have them — to achieve deliverables and actually build prosperity and tackle disadvantage using the Government and governing opportunities that exist in the current political arrangements by linking up with our counterparts in the Twenty-Six Counties. The economic and financial future of this part of the island will not be resolved in the context of the Six Counties.

The limitation of the draft Budget should not limit thinking. Joined-up Government should exist beyond the Assembly, especially, when it is economically and politically advantageous for all of the people who reside across the island to have decisions taken that benefit all of us. Go raibh maith agat.

Mr Beggs: Sadly, we are faced with difficult choices today, as we discuss the draft Budget and as we approach the final Budget Bill. Those choices would have been considerably easier to make if the £1 billion package, which was promised prior to devolution, had been delivered. However, it was not delivered. Shortly after that, media focus was switched from the £1 billion package to the Varney Review and the corporation tax benefits that could flow from that. We still await them. Where are they, and when will the review be published? The people of Northern Ireland are entitled to know the outcome. Will we receive financial benefits from

the Varney Review? Having quashed hopes of a major economic package, with sleight of hand, the focus was switched elsewhere.

Time has moved on. Now, when we are discussing the draft Budget, problems arise again regarding difficult funding choices. I cannot help noticing that the lower rate of corporation tax has not been mentioned by the Minister of Finance and Personnel in recent months — I can only assume that good news is not expected on that subject. A lower rate of corporation tax would have had a major impact on improving our economic standing and in achieving the objectives set out in the draft Programme for Government.

As a member of the Committee for Finance and Personnel, I take an interest in financial matters, generally, and not just in those of the Department of Finance and Personnel. I would like to know where the departmental bids have gone. I have tried to get underneath the spin of the headline figures and the glossy draft Budget with which we were presented. I have raised the matter with departmental officials and have asked questions in the Assembly. However, I have not yet received a copy of the bids that were made by each Department and the outcome of those bids. I am slowly gathering them from the Committees. However, it is right and proper that Assembly Members should have that information.

Last week in Committee, I asked departmental officials, jokingly, whether I had to issue a request under the Freedom of Information Act to obtain the information. Why is that information not available? Why is it not published and easily accessible for everyone to view? Surely, if the public is really being consulted about the draft Budget, it should be made aware of the bids. They should be put into the public domain, either through the 'Belfast Telegraph' or the Internet.

People should be made aware of what was contained in each of the bids and the difficult choices that have to be made. This is not just about saying that the winning projects are wonderful; it is about difficult choices; getting the best value for money, and benefiting our community. I have tabled an Assembly question on that matter, which is due to be answered today, and I look forward to receiving that answer. I hope that I do not have to resort to the Freedom of Information Act: that would be absolutely ridiculous.

We are discussing a draft Budget: is this a real consultation or not? If it is, let us have the information. That will motivate many people to respond, and the final version of the Budget will be better for it. I hope that that opportunity is taken. It is important that people respond to that consultation, but there must be transparency.

I have concerns about several issues in the draft Budget: first, I will touch briefly on housing. My constituency work has made me aware of the difficulties faced by those who, although they are accepted as

being homeless, spend a great deal of time on the housing waiting list and are not afforded the opportunity to remove themselves from the list. Additional resources are required for housing; if the Programme for Government's objectives are to be achieved, additional moneys will have to be found between now and the finalised Budget, particularly from the ongoing capital assets review. Therein lies the potential to release additional funds in the form of unused public assets to enable the building of more social housing. I hope that that will be progressed speedily.

Fuel poverty affects a wide range of people, social tenants and homeowners alike. I recently received correspondence from a natural gas provider, Firmus Energy, expressing concern about the possible reduction in funding for the heating replacement programme next year. A constituent contacted me some time ago about an open fire in his upstairs flat. That source of heating was operating at only 28% efficiency, aside from being a health and fire hazard. It is important that energy-efficiency projects such as the heating replacement programme and the warm homes scheme, which is also under threat, are allowed to continue. Fuel poverty must be addressed, and we must also reduce our carbon emissions.

I will turn briefly to the Northern Ireland Children's Commissioner, whose office published a detailed report in July 2007 in conjunction with OFMDFM and the Department of Finance and Personnel called 'An Analysis of Public Expenditure on Children in Northern Ireland', in which it stated that children's services in Northern Ireland were 30% underfunded compared to similar services in the rest of the United Kingdom. The Children's Commissioner recently commented that the recommendations of the organisation's report had not been reflected in the draft Budget; in other words, ensuring that that disparity in funding would continue.

Many other issues, such as speech and language therapy, statementing processes, after-schools clubs, early intervention, and the effects on young people at risk that were highlighted in the Bamford Review, are not being adequately addressed in the draft Budget.

I am very passionate about early-years funding. I recently attended a lecture in Belfast by Professor James Heckman, a Nobel laureate economist who works with early-years organisations. He had a simple message — we must invest in the young. That makes economic sense, but I am not sure that that is what we are doing. There is a great emphasis on structures, but we must invest in people, especially the very young.

Through my involvement in the Assembly's all-party children's committee, I have been advised that long-term funding for the Home Start programme has yet to be secured. Home Start trains and co-ordinates volunteers and assists families who need help. Without

Home Start, many children would have a poorer start in life, and some might even have ended up in care. Why can funding not be found for that programme? Mention was made earlier of the need to stand over choices. We must examine the draft Budget carefully to ensure that decisions can be justified, because many issues are not currently being addressed.

I will turn briefly to the draft Budget allocation for OFMDFM. I compared the figures for 2006-07 and 2010-11 and discovered some interesting statistics. Health receives an 18·8% increase over that period, and OFMDFM receives a 51·6% increase.

3.15 pm

Why has the Office of the First Minister and deputy First Minister received an additional allocation of £28·7 million since 2006? Is that a good use of our money? In 2001-02, some £2,081,000 was allocated for central administration. However, in the draft Budget, its allocation amounts to £40 million a year. What is going on? Is that a good use of our money? There has also been a huge increase in capital investment. In 2006-07, some £1·5 million was allocated to the Office of the First Minister and deputy First Minister for the three-year period. That figure has now risen to £52·9 million.

That money could be better spent in my constituency on new health centres and health schemes that have been put on hold. Moyle Hospital closed in 1994 and Carrickfergus Hospital closed some decades earlier, yet there have been no replacement state-of-the-art facilities. There has been no significant capital infrastructure to put right those wrongs, yet funding is being directed to other areas that have lost acute services.

We need equality. We must ensure that facilities such as Carrickfergus day centre, which closed due to a leaking roof and electrical faults, are replaced. We must ensure that we provide good value for our money. Why is so much money being spent by the Office of the First Minister and deputy First Minister?

Mr O'Loan: At the outset, it may be necessary to claim the right to speak at all. Yesterday, during a point of order that was not actually a point of order, the Minister of Finance and Personnel talked of the need for a Programme for Government and Budget to be agreed by the Assembly. He seemed to think that any word of dissent at this stage was not appropriate.

Perhaps we should reduce the heat a little on this matter. This is a draft Budget — it is out for consultation to Committees of the Assembly and the public. Therefore, let all concerns that are real be expressed. I am sure that the Minister will assure us that it is a genuine consultation process and that he will be willing to make adjustments where the case is good. There are many variables still in the hands of the Minister, including the timing, and many uncertainties, including Workplace 2010, the

Varney Review and asset sales. Therefore, there should be no suggestion that any adjustment to this Budget is like the removal of a keystone that will cause the whole edifice to collapse.

The context for this draft Budget is clear. Northern Ireland has an infrastructure, much of which is obsolete. It has a private sector economy that is relatively small and fairly weak. Our main source of income is the block grant from the Treasury. Northern Ireland does not pay its way. It needs a subvention of several billion pounds per annum, perhaps up to half of the £16 billion of public spending annually. The block grant is determined by the Barnett formula, and those who know tell us that we do not get a bad deal from that mechanism. There was a threat yesterday that we would hear a great deal more about the Barnett formula, so perhaps we should listen to that advice.

The dramatic increases in public spending over recent years are now over. Over the next three years of the comprehensive spending review, public spending here will rise in real terms by just 1·2% per annum. That is not a large increase, but we should not dismiss it as nothing.

Our other main source of income is the regional rate, which yields about £500 million per annum, or 6% of what we spend. The scope for deriving more income from the regional rate is constrained, as a result of the proposal to include a charge for water and sewerage alongside the rates bill, which most parties seem inclined to go along with as the least bad solution to a real problem.

The Minister has proposed to freeze the domestic regional rate in absolute terms and the business regional rate in real terms for three years. Given the pressure on households, in particular, to pay for water, there will not be much dissent from those proposals. Almost half of the block grant is already spoken for in the annually managed expenditure that is allocated for social security benefits and the like.

We are now debating how to carve up the remaining money among the Departments. The Minister told us in the speech that introduced the draft Budget that the annual amounts will run from £8·3 billion to £8·9 billion over the Budget period. There is also ISNI money — I must tell Nelson McCausland that that ISNI isnae Ulster Scots. *[Laughter.]*

That money ranges from £1·6 billion to £1·8 billion over the period for investment in basic infrastructure. Those are large sums, and they will enable substantial improvements to be made to the quality of life of all our people.

There are major pressures on the Budget. Every Department has a list of necessary projects, but not all of those demands can be satisfied. I must express concerns about particular spending programmes. The

first relates to the provision for social and affordable housing. The draft Budget document states of DSD:

“The Department’s aims are to make a difference to the lives of the most vulnerable and disadvantaged in our society through providing access to decent affordable and energy efficient housing.”

Those are exactly the right aims, and I am sure that every Member will support them. Other Members of my party will expand on those concerns about that aspect of the draft Budget.

Another matter that relates to housing is the funding for improving the energy efficiency and insulation standards of homes, which is to be drastically cut. It astonishes me that that programme is to be cut back, rather than increased. Again, other SDLP Members will say more on that matter, but I note Martina Anderson’s comments, and I welcome the indications that her party will support an increase to the DSD’s budget to allow it to address that matter.

Efficiency savings have been given a significant place in the Minister’s plans. The 3% and 5% cumulative year-on-year targets are central to his ability to deliver. Nearly half of the:

“increase in health departmental spending power” —

— will come from those savings in the third year. We must note the language that is used in some of the DFP information. There is much use of the interesting phrase, “spending power”, but it is not, to a significant degree, real money. Built into that spending power are savings that are yet to be realised. There has been very little scrutiny of efficiency targets, and I intend to ask the Committee for Finance and Personnel to examine those more closely. Are such savings in the health sector really available in the short term in a service that is so dependent on front line staff? There is no doubt that we need a better Health Service, and that that will mean great structural change, but it will not happen overnight.

Similarly, much has been made of the potential of the performance and efficiency delivery unit. I heard the Minister offering its services to the Minister of Health, Social Services and Public Safety recently, and that made me wonder how it would really work. Evidently, it has an opt-in or voluntary nature. Again, the Committee must examine that mechanism extremely closely and, indeed, all Committees should reflect on how it will affect them and their work.

I wish to raise a few issues that affect my own constituency of North Antrim, the first of which caused real alarm recently. The new health and care centre that was promised for Ballymena within two or three years, and which would have revolutionised healthcare in the community right up to the north coast, has been written out of the script. That is shocking and totally unexpected news. Representatives for North Antrim from all political parties in the House are aghast, and will be

lobbying the Assembly to reinstate the centre. I cannot understand why that has happened, and I hope that I will have the support of all Members for North Antrim in addressing that matter — some of them are in rather influential positions and must have missed that part of the draft Budget.

I shall mention other North Antrim concerns only briefly. I welcome recent steps towards a development for Rathlin Island, and I want to see provisions for the outcomes of that in the Budget. The railway relay from Coleraine to Derry has been announced in the press. I assume that there is some substance behind that announcement, but it is missing from the draft Programme for Government and the draft Budget. Can we have clarification on when that will happen?

I hope that money has been put in reserve for a contribution to the proposal from the National Trust and Moyle District Council for a visitors’ centre at the Giant’s Causeway. We may, at last, get a resolution to that situation, which has become an embarrassment for several Ministers.

I hope that our rural roads, which are a disgrace, will finally get some real money spent on them.

Finally, I want to mention one agricultural issue. The proposals for the reduction of brucellosis and TB in cattle will not work, and that money would be better spent on a full eradication programme, which will be cheaper in the long run.

Dr Farry: I congratulate the Minister of Finance and Personnel on the presentation of his first draft Budget. Although my party does not agree with every aspect of it, I recognise that it is a substantial piece of work. It puts to rest the notion that six months is too short a time for the Executive to produce anything meaningful.

One matter requires clarification. At the outset of the debate, Martina Anderson referred to the draft Budget being a legacy. However, when the Minister of Finance and Personnel presented the draft Budget, he was keen to point out that it represents a major break from direct rule Ministers’ Budgets. The draft Budget cannot be both those things: it must be one or the other. There is an interesting split of opinion in the Executive.

I thank the Committee for Finance and Personnel for tabling the motion. Although the Alliance Party had tabled an amendment, it is content to accept the advice and guidance of the Speaker on the matter and withdraw the amendment accordingly. My party respects the Speaker’s rulings, unlike some Members that I could mention.

The fact that there is no amendment on which some notes of concern can coalesce should not, nevertheless, leave the Executive in any doubt that there are major concerns about the content of the draft Budget, not only from my party but from other quarters in the House. There will be many future opportunities to test those

matters formally through Divisions. Like many other Members, Alliance Party Members welcome the draft Budget's economic focus. However, it is important not to allow the economic delivery claims that have been made to go without challenge and proper scrutiny.

During the past decade, there has been a peace dividend. However, despite economic growth and investment during recent years, major structural problems remain. There must be an overarching imperative to rebalance the economy between the public and private sectors. Public finances are hugely dependent on financial subvention from the Treasury — some £7 billion each year — which funds almost half of the local services. That is clearly unsustainable. The Minister is on record as saying that the problem in Northern Ireland is not that the public sector is too large but that the private sector is too small. However, that stance seems to have changed somewhat, with an open challenge being posed to the public sector.

Unemployment now stands at under 4%. However, beneath that percentage lies the societal indictment that 27% of the working-age population are economically inactive. That is a huge wasted resource for the entire community and its shared prosperity.

Much of the recent investment and rapid employment growth has occurred in the relatively lower-added-value sectors of the economy. The overarching economic imperative must now be to close the productivity gap between Northern Ireland and the rest of the UK average, which is measured by gross value added (GVA). In order to shift that, more high-value-added investment, promotion of exports and more high-paid jobs are required. The figure has been stuck at around 80% of UK average employment figures for quite some time, and the problem lies with UK regional policy. Despite the platitudes from successive Governments on the need to develop the regions, nothing is allowed to challenge the dominant position of London and the south-east of England as the main drivers of the UK economy. Financial dependency is tolerated rather than the regions being given the means to become more sustainable.

I note that the Executive have shifted the target for GVA to halving the gap with the UK average minus the greater south-east of England. Although, in one respect, it might be nice to remove the distorting influence of the south-east, moving the goalposts in that manner does not do Northern Ireland any favours. Overall consideration must be given to the balance in the UK economy as a whole. There is little point in comparing Northern Ireland with the other dependent regions and fighting over the scraps, and not effectively challenging the overall centralisation of the UK economy.

The draft Budget's rhetoric and aspirations for the economy are lofty and ambitious. However, they pose two fundamental questions: first, does Northern Ireland

have the necessary tools to make a step change to the economy? In the absence of tax-varying powers or other fiscal incentives, it is difficult to see how that step change can be realised. The one fiscal tool at the Executive's disposal — industrial derating — is essentially anachronistic. If anything, it is geared to subsidising a low-value-added economy rather than attracting high-value-added jobs. It deals with the status quo rather than the type of economy that Members want for Northern Ireland. I appreciate the fact that there are few alternatives and that, therefore, we must support it regardless. However, it is important that the limitations of that approach are recognised.

The Varney Review's indications are not encouraging. What is left is incremental change rather than a step change.

The jury is out on whether we are using to their full effect the existing tools and instruments that are at our disposal, and there are grounds to be sceptical.

3.30 pm

The four remaining main economic drivers are skills, enterprise, innovation and infrastructure. Of those drivers, the most critical area of emphasis is skills. The targets for PhDs in the draft Budget and draft Programme for Government may prove to be too conservative, especially if the brain drain continues. Moreover, stronger incentives for students to study the STEM subjects — science, technology, engineering and mathematics — are needed. By the same token, at the other end of the spectrum, the core issues of numeracy and literacy are being neglected. Without addressing numeracy and literacy, it is doubtful whether we will have a critical mass of workers who are able to play their role in the global economy.

I am concerned that more effort has not been put into improving the public-transport infrastructure. Figures in the draft investment strategy suggest that 60% of funds will be invested in roads in the first three years, and that that will rise to 80% over 10 years. That is almost a mirror image of the situation in the rest of the United Kingdom. Although we must catch up on the infrastructure backlog, there are environmental concerns to consider. If we are to have a modern, twenty-first century infrastructure, especially in Belfast, we must invest more heavily in public transport from the overall transport budget.

I am surprised that greater emphasis has not been placed on the potential of the green economy and, in particular, on the new economic opportunities that will arise from tackling climate change. Questions also arise about the resources earmarked to assist the economy, and about whether those resources are being used to full effect. More and more resources are to be poured into the Department of Enterprise, Trade and Investment

and Invest NI. However, whether there is to be any fundamental change in their approach is far from clear.

At the risk of angering farmers, I note that £45 million has been set aside for modernising the agriculture industry. That sector represents only 2% of the economy, and I cannot help wondering whether that money would be better used in another sector, in which there is higher growth potential. This morning we heard about the tourism industry, for example. It also represents approximately 2% of the economy, but it is an area in which there exists a great deal more room for expansion. Perhaps the resources set aside for agriculture could be better deployed in assisting with rural transition and more general development.

We must also be conscious of the impact on the economy, especially on small businesses, of the scaling-back of investment in public services. I include the building of social housing in that. Members must be aware that the deep divisions in Northern Ireland have an impact on the economy. Economic change and creating a shared future go hand in hand. Therefore, the scarcity of the resources that have been made available to invest in providing shared and mixed facilities and to promote good relations is a major flaw.

I intend to make a few overarching comments on the more general resource allocations rather than delve into too much detail. That said, I have major concerns over the health and housing budgets, and I am sure that other Members will address those concerns. A tight UK comprehensive spending review has been made even tighter by decisions to freeze the regional rate, to reintroduce water charges within the ambit of the regional rate and to reduce the level of planned overcommitment. Much now depends on the 3% efficiency savings to be found across Departments. All Whitehall Departments are attempting to achieve the same targets, so Northern Ireland is not unique in that respect. Those savings are achievable, and, in fact, annual cost savings in the private sector are routinely achieved at the beginning of a Budget process. However, our problem is that there is an almost singular focus on achieving savings from internal running costs and procedures rather than through taking a hard look at how public services are delivered.

The process of CSR bids by Departments here, and the subsequent questions about which of them have been addressed and which have not, means that the focus inevitably falls on the additional extra 2% or 3%. Little attention is paid beyond and below the baseline. At the other end of the debate, it is arguable that our Departments' bids were overly conservative and that major investments have both been lost and not been offered. Even with that conservative mindset, only about half of the CSR bids are to be funded through the Budget. There is a transparency issue, and the Alliance Party has had to table several questions in order to get to the heart of some of the issues.

For some time, the Alliance Party has highlighted the vast amount of resources that are tied up in Northern Ireland to maintain a divided society. Huge opportunity costs are involved in investing in quality public services for the entire community. We have estimated them at around about £1 billion a year, but a report by Deloitte goes a step further and says that the figure is as high as £1.5 billion each year. Sadly, the Office of the First Minister and deputy First Minister has binned that report. Those costs are clearly embedded in the system through duplication in the provision of goods, facilities and services, and it will take many years to unlock them. However, we must start now by investing those additional resources. That could have been the subject of any peace dividend. There is a real economic and financial imperative to creating a shared future, and, although the Minister of Finance and Personnel alluded to the Deloitte report in his draft Budget statement, there is little evidence that he has considered its contents in his actual proposals, and in the details of the actual bids and efficiency savings. Education is one area in which a great deal more work must be done.

Mr Hamilton: I welcome the opportunity to participate in the debate. Although you have ruled on and rejected the amendments, Mr Speaker, I note that those who tabled them still took the opportunity to level the criticisms that they contained. Some of the strange claims that have been made in the Chamber today reflect the contents of those amendments. The House was almost subjected, for a third time, to an Alliance Party amendment criticising the supposed lack of innovative thinking in the draft forms of the Programme for Government, the investment strategy and the Budget. The failure of Alliance Party Members to come up with anything new demonstrates that the real lack of innovative thinking lies with them.

The first claim that must be refuted is that the draft Budget is somehow unable to deliver economic growth in Northern Ireland. Given the comments made after the publication of the draft Budget — which has been branded the most economy-focused and business-friendly ever — that is a particularly peculiar claim. In some quarters, the draft Budget has even been branded Thatcherite and right wing.

It is worth recalling some comments that were made in the aftermath of the draft Budget's publication, both in evidence to the Committee for Enterprise, Trade and Investment and to the press. The Federation of Small Businesses offered an enthusiastic response to the proposals. The Confederation of British Industry in Northern Ireland said that it strongly supported the focus on productivity, strongly welcomed the increased commitment to Invest Northern Ireland and welcomed the increased resources being allocated to tourism. The Northern Ireland Chamber of Commerce and Industry

welcomed the fact that the Executive regard the development of the economy as their top priority. Declan Billington of the Institute of Directors stated that the draft Budget would build confidence across the business community in Northern Ireland to join with Government in investing in our future. Finally, Michael Wightman of the Northern Ireland Manufacturing Focus Group said:

“The NIFMG is both relieved and delighted that ... the Stormont Executive has listened to us ... today’s draft Budget has given manufacturing a real boost.”

That view is consistent among Northern Ireland’s business leaders. I am sure that I will be forgiven for accepting the view of the local business community, as opposed to that of the Alliance Party, on the draft Budget’s ability to stimulate economic growth.

The second claim, which is trotted out ad infinitum by the Alliance Party, is that the draft Budget will not tackle the issue of resources being directed away from a divided society. I will not allow the hypocrisy of the Alliance Party to go unchallenged. Only a matter of weeks ago, on Tuesday 13 November, the Alliance Party voted for a club bank to assist the Irish-medium schools sector. That is a more divisive and costly example of a divided society. The Alliance Party cannot criticise the draft Budget and, at the same time, demand money to create more division. In yesterday’s debate, my colleague Peter Weir commented on how the Alliance Party’s cost-of-division dogma is becoming tiresome and compared its credibility to that of the promise of its sister party, the Liberal Democrats, to put 1p on income tax.

The draft Budget will be broadly welcomed across Northern Ireland. The cap on industrial rating at 30% demonstrates the Executive’s commitment to development and their consideration of the many costs that businesses face. People will be particularly pleased by the Minister of Finance and Personnel’s announcement of a three-year freeze in the regional rate. It is funny that, although some parties complain about the allocation to one Department or another, I hear few moaning about that freeze.

The Ulster Unionist Party claims that a financial package did not materialise, and it is worth elaborating on some of Mr Roy Beggs’s earlier comments. He talked about the lack of a “£1 billion financial package”. However, if the matter is to be discussed, it is worth basing it on fact. Ulster Unionist Party Members participated fully in negotiations when they trotted off to Downing Street with the rest of the political parties. Several core elements were negotiated, including guaranteed flat real growth, an additional £100 million each year over the CSR period, access to additional spending under end-year flexibility of £320 million and the retention of asset sales of £500 million.

In negotiations on the CSR, the Minister of Finance and Personnel achieved £443 million over and above the previous CSR guarantee, access to additional end-year funding of almost £300 million and access to over £100 million of borrowing on reinvestment and reform initiatives.

Perhaps my mathematics are better than those of the Member for East Antrim Roy Beggs, but I am sure that that adds up to well in excess of £1 billion.

Mr Beggs: Will the Member give way?

Mr Hamilton: Yes, so that the Member can apologise for his error.

Mr Beggs: Will the Member tell the House what is the amount of new money, instead of talking about recycled money from selling off our assets? It is normal practice that one can reinvest assets in other capital projects. Moreover, end-year flexibility is normally provided, once applied for. I accept that £100 million has been provided, but where is the £1 billion of new money, rather than recycled money?

Mr Hamilton: The Member might be confusing the rules of assets sales with those that he has experienced at local council level, and perhaps he is not aware of the Treasury’s rules. Perhaps the Member does not want poorly utilised assets to be sold on, and the money to be reclaimed.

Mr B McCrea: Does the Member agree with his leader, Ian Paisley, who, after the Chancellor’s announcement about the supposed extra £1 billion — over four years, mark you — said:

“Progress has been made in some areas, but I do not believe there is anything in the present proposals of the Chancellor which will lead to the step change in the economy that is needed”?

No package; no £1 billion — that is why we are scrabbling for money.

Mr Hamilton: The Member might find it useful to listen to the sums of money that has been outlined.

The Minister of Finance and Personnel (Mr P Robinson): I wonder whether, as he looks at quotes from various people over the years, Basil McCrea is aware of the gestation period that applied to the financial package. Prior to devolution, a Programme for Government Committee met in the Assembly, of which the various parties were members. I asked the other parties to hold back from going into Government until we secured a satisfactory package, but none of them supported that. Indeed, Mr McNarry publicly attacked the DUP for its position of holding out to get more money from the Chancellor.

Mr Hamilton: We all recall how the Ulster Unionist Party was itching to jump into Government at the last election, irrespective of a financial package or the actions of the republican movement. The Ulster

Unionists were dying to get into Government, although now it seems that some of them are dying to get out. It is unreal that the Ulster Unionist Party levels any criticism at the DUP Benches, given its total failure to even raise the issue of a financial package —

Mr Beggs: Will the Member give way?

Mr Hamilton: No; I have given way enough.

The DUP remembers that the Ulster Unionists were too busy trying to feather their own nests by seeking knighthoods to ask for capital investment or money for the people of Northern Ireland.

The final — and outrageous — claim that must be tackled is that the health budget has been poorly funded. I am staggered and astonished that anyone could consider an allocation that represents 51.5% of all additional money, and 48% of Northern Ireland's total Budget, as a bad deal. Expenditure on health and social care in Northern Ireland is over 10% higher than in England, which is a trend that the Budget will continue. Spending on health has more than doubled since 2001, yet no one would argue that the NHS is performing twice as well. That proves Appleby's point that the key is not the amount of resources, but how they are utilised.

Instead of adopting Oliver Twist's begging-bowl approach, the Minister for Health, Social Services and Public Safety should address the serious inefficiencies in the NHS in Northern Ireland: staff productivity; consultant productivity; hospital throughput; average length of stay in hospital; and prescription charges; are all worse than in England. I sense that the Minister has not got the stomach for the challenge, but in the spirit of generosity — and for the betterment of the people of Northern Ireland — I extend a helping hand to him. If the Minister has not got the bottle to do it, there are Members who will help. The Members who made those claims must state from which Departments they would take resources for jobs, schools or planning.

Mr Beggs: OFMDFM.

3.45 pm

Mr Hamilton: I hear OFMDFM being suggested as the place where the money should be taken from, as if taking money away from there would be a positive thing. I am sure that the Member will revisit his comments when he considers that responsibility for the innocent victims of terrorist violence is included within OFMDFM.

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

Mr Hamilton: Thank you very much.

Would the UUP pay for it by trebling the rates bill?

Mr Speaker: I ask the Member to take his seat.

Mr Hamilton: I commend the Budget to the House.

Mr Speaker: I ask the Member to take his seat, and I remind Members to address their comments through the Chair.

Ms Ni Chuilín: Go raibh maith agat, a Cheann Comhairle. Just as I dared to doze, things started to liven up. Ba mhaith liom tacaíocht a thabhairt don rún. *[Interruption.]* Say nothing.

After yesterday's debate on the draft Programme for Government it is clear that there are tensions and difficulties in trying to reconcile the vision that is set out in it with the investment strategy. There are clearly difficulties in trying to reconcile the differences between departmental bids and the aspirations set out in the departmental budget statements.

There is also concern in the community about the impact of the draft Budget, particularly on funding for community projects, which will undoubtedly be covered in the consultations between now and the new year. I wish to mention some of the issues that have been brought to my attention, both as Sinn Féin's health spokesperson and as one of the six MLAs for North Belfast.

We need to decide on an approach to healthy living, as opposed to solely tackling ill health. Our approach to health provision and social care is deficient, and the challenge for the Assembly is in how we tackle that. Members will expect me to say this, but I do want to see the implementation of Bairbre de Brún's Investing for Health strategy.

Prevention should be at the heart of our approach to the inequalities in health and how they can be addressed. Forty-eight per cent of the overall Budget is dedicated to health and social care, yet there is still massive under-resourcing and difficulty in the Health Service. The public has huge interest in proper investment in the Health Service, particularly in mental health, and yet there is a shortfall in the bid for mental health and the implementation of the Bamford Review, which has caused a lot of concern. I appeal to the Department of Health and the Minister to find a resolution.

There must be a reconciliation of the 2013 Bamford target in the draft Programme for Government and the two Bamford bids. That is crucial to meeting the aspirations of those working in mental health and restoring public confidence. Anything less will ensure that the mental-health service will remain the Cinderella service.

Ill health reduces economic activity, and the evidence shows that mental illness reduces economic output, so greater investment in health is a strategic measure for improving economic performance. There are clearly gaps between the funds that are available for service development and the totals required.

The Department for Social Development also causes concern in the community. Although DSD received an additional £27 million a few weeks ago in the last monitoring round, there has been a proposal to cut the warm homes scheme by 50%, as well as an inability to deliver social and affordable homes in the new-build programme. DSD has more assets, land and properties than any other Department. The draft Programme for Government states that:

“Inequalities exist, and we must strive to eliminate all forms of inequality.”

However, in the area-at-risk programme, £3 million of funding was skewed towards loyalist areas. There is grave concern about that, about the blatant disregard for objective need as a criterion and about how equality for all plays out in communities.

The voluntary and community sectors, most of which provide excellent and invaluable support for all the people, require services that need to be supported on a long-term basis instead of the piecemeal approach that has drawn complaints recently. The overarching responsibility of the Executive is to proactively change the existing patterns of social disadvantage, not to replicate them.

The Department for Social Development’s Minister is a member of the Executive — sometimes — and has responsibility for that commitment. How will the circle be squared? How will we explain that to the people who are on the housing waiting list in north Belfast? Anything from 76% to 85% of nationalists are waiting for a home, and a right to a home is enshrined in human rights legislation.

Everyone agrees that there is not enough money in the draft Budget. We must examine the legacy of underfunding, and deprivation in infrastructure and social services. Every Department faces tough decisions. There is a need to show creativity and imagination — and no need for scaremongering. We need leadership, and not emotional blackmail. The unofficial opposition must tell us what they intend to do, instead of what they do not.

I support the take-note debate on the draft Budget.

Mr McQuillan: The draft Budget and draft Programme for Government have been set against a backdrop of tight financial settlements. When we consider all that the documents contain, it is obvious that a mid- to long-term view has been taken in producing the draft. However, it is such a pity that some in the Assembly are so short-sighted that they cannot see that the aim is a sustainable development, growth and expansion of Northern Ireland’s economy. Perhaps after today’s debate they will clearly see the true scope and vision of the proposals.

Although it must be remembered that Northern Ireland’s public money does not come from a bottomless

pit, the variety and scope of the draft programme is truly great. It includes the expansion of the infrastructure needed to satisfy modern investment; deferring water rates — indeed reducing them; increasing the educational attainment of our young people; reducing levels of poverty; increasing the levels of economic activity; protecting our environment; reducing the number of deaths on our roads; reducing treatment times and increasing the survival rate of bowel cancer and strokes. All that has come from an Assembly in which there are still critics.

If the draft Budget lacks vision, I fail to see how and where. Improvements are envisaged in every Department — something that cannot be said about direct-rule policies. Most of all, Northern Ireland’s own elected representatives have devised and agreed the draft Budget to fund the draft Programme for Government. That is an achievement that some Members fail to recognise. Perhaps they do not have seats at the Executive table and, therefore, have decided instead to be negative.

I am proud to be a Member of an Assembly that has such a vision for Northern Ireland. It has identified the very real needs that exist in the Province, has the courage to develop unique policies that can begin to address those needs and is delivering the government for which it was democratically elected by the people of Northern Ireland.

As the First Minister said on 8 May 2007, we are only at the beginning of the process of developing Northern Ireland to ensure a stable economy, respect and equality for all, increased opportunity, a rise in the level of economic activity, the provision of good healthcare and a pleasant environment to live in. That begins with this draft Budget.

I support the draft Budget and the motion.

Mr McGimpsey: The debate provides me with a further opportunity to highlight the real difficulties that the draft Budget creates for the Health Service. Furthermore, it allows me to respond to some of the naïve comments that were made in the Chamber yesterday. As the Minister of Health, Social Services and Public Safety, it is my duty to set out the perspective as I find it on the ground.

As an Executive, we have a shared objective to ensure that people have access to the best health and social care services possible within the resources available. We need an informed debate based on the real world. I do not ask for the sun, the moon and the seven stars. I have reduced my bids to levels that could be met without catastrophe either for the ratepayer or for any other area of public services. I am as committed as anyone to securing reform, efficiency and productivity.

I know that there are limits on what is possible, and that we all face difficult choices. Who knows what the position could have been if economic packages had been delivered as promised by some?

There is a cross-party consensus at Westminster, supported by independent experts, that the National Health Service model requires significant investment. Moreover, it is agreed that radical action is needed to promote prevention and reform to make the system better for patients. I am committed to doing just that.

The outcome of the comprehensive spending review has reflected that, with a 3.7% real-terms increase in England over the next three years. In Northern Ireland, where the need is greater, the increase is only 1%.

I believe passionately in the principles of the National Health Service: that it must be free at the point of use, and provide services from the cradle to the grave. If we fail to adequately fund the Health Service in Northern Ireland, those principles will be at risk, and we would be undermining the service for those who depend on it the most. Frankly, that is not acceptable.

Health is not about politics; it is about saving lives. That there has been so much debate about funding proves how important this issue is. I have no problem working with the Minister of Finance and Personnel, the Health Committee, and others, and, indeed, I welcome their assistance in attempting to reach a solution.

There have been comments to the effect that, despite high levels of funding, the Health Service has not improved. People have complained that the service is over-bureaucratic, inefficient and ineffective. Let us remember the dire situation that we faced five years ago: horrendous trolley waits, growing waiting lists, and a service that was not performing. Things have changed for the better, and the facts prove that. For example, in March 2006, there were 74,000 people waiting for more than six months for a first outpatient appointment. By March this year, that total had fallen to only 32. Trolley waits are being eradicated, there will be a maximum of a four-hour wait in accident and emergency by March 2008, and delayed discharges are being eliminated. Of course, I could go on, but the point is that this is not all about money.

Tackling inefficiencies is essential. About £115 million of savings have already been achieved. I am committed to delivering a further £343 million of savings over the next three years, including in administration costs. Approximately £500 million of savings will be found and pumped back into essential front line services. That will not be easy. Difficult decisions must be made. However, I will make them. If I am able to achieve more efficiencies, I will do so. However, my priority is to safeguard the quality of patient care — not simply to make cuts.

Much has also been said about needs, and there has been a dispute about the level of need. There should not be a dispute. Professor John Appleby's report, 'Independent Review of Health and Social Care Services in Northern Ireland', highlighted a greater need in Northern Ireland. Officials in my Department and in the Department of Finance and Personnel considered the need identified by the Appleby steering group, and agreed that the best available estimate is of a 14% to 15% greater need in Northern Ireland.

Compared to England, no one can dispute the fact that our Health Service is underfunded by £300 million. Neither is there any disagreement that, in just three years time, the draft Budget will leave the Health Service with a massive £600 million funding gap. However, I do not wish to get sidetracked by numbers. This is not about figures, it is about need, and no one should be in any doubt about that. The growing gap between services here and in the rest of the UK is not acceptable. Our people deserve better. They pay taxes and National Insurance like everyone else in the UK — why should they be penalised?

Let us compare health services in Northern Ireland and England. It is simply unacceptable that, if we had the same rate of deaths from heart disease as the rest of the UK, 300 fewer people would die each year in Northern Ireland. If we had the same adoption rates as England, another 50 to 60 children in care would be adopted each year. It is not acceptable that waiting times for all services are much longer in Northern Ireland. Death rates from bowel cancer are 16% higher than the UK average. When adjusted for need, funding for mental-health and learning-disability services is approximately 34% lower than in England. The gap in children's services is similar.

I intend to make the best use of all the resources at my disposal. Additional resources that have been added to my budget amount to £455 million by year 3. That is not even enough to meet the inescapable pressures of pay, price, demography and existing commitments. I must use the major part of my efficiency savings to cover inescapable costs, which leaves only £16 million in year 1 to introduce and improve services. The draft Programme for Government sets out the improvements that I wish to make to a range of services, such as mental health, learning disability, community, stroke and cancer services —

4.00 pm

Mr Poots: Will the Member give way?

Mr McGimpsey: Let me finish.

Most of those improvements will not be in place until 2011. With only £16 million available next year, this is effectively a stand-still Budget for the next two years in respect of health.

Let me be clear also about some of the things that I cannot do. I will not be able to improve hospital waiting times.

Mr Poots: Will the Member give way?

Mr McGimpsey: Mr Speaker, I am not giving way.

People with mental-health and learning-disability problems will remain in hospitals. The introduction of free prescriptions, free eye examinations and free personal care are all unaffordable. Measures to reduce death rates from cancer and heart disease cannot be implemented. Additional, specialist, salaried foster-carers to support children on the edge of care will not be provided. The breast-cancer screening programme cannot be extended to include women aged between 65 and 70. Access to new, life-changing drugs will be deferred or delayed, and at least 3,000 people with chronic illnesses will have unnecessary hospital admissions.

That list is unacceptable to Members and to the public. This Budget is only a draft, and it is a basis for consultation with the Assembly and the general public. That fact was confirmed by the Executive at last Thursday's meeting. Resources can be changed through consultation, not through scaremongering or through talk about tripling the rates, but by re-examining our priorities.

I will play my part in delivering exceptionally challenging efficiency savings and improving productivity in the National Health Service in Northern Ireland. However, if the draft Budget is approved as it stands, a conscious decision will have been taken to ignore the advice of independent and highly regarded experts, such as Wanless and Appleby. Those experts have told us consistently that higher levels of resources are needed to deal with demographic trends and the cost of new technologies.

I would be failing in my role as Minister of Health, Social Services and Public Safety if I did not continue to fight for a better Health Service. The people of Northern Ireland deserve better; they deserve a Health Service of which we can all be proud. If the draft Budget is approved as it stands, everyone will lose. Health is the one issue that touches everyone in society. My priorities are putting patients first and delivering a world-class Health Service.

Frankly, this draft Budget fails to deliver for the Health Service and for the people of Northern Ireland.

The Chairperson of the Committee for Enterprise, Trade and Investment (Mr Durkan): I wish to make some remarks as Chairperson of the Committee for Enterprise, Trade and Investment, and I will make others as an SDLP Member for Foyle.

The Committee for Enterprise, Trade and Investment has benefited from hearing the views of several stake-

holders, and more briefing sessions have been promised. The Committee welcomes the fact that growing the economy is a top priority in the Programme for Government and that that is reflected in the Budget.

The draft Budget proposals for the Department provide resource and capital allocations that broadly align with what the Committee generally considers to be the Department's key spending priorities in contributing to growing a dynamic, innovative economy. The Committee notes that the funding for INI is more securely based than it was under the previous concordat. However, we recognise that some of the spirit of the concordat remains in the industrial development guarantee, which provides that no worthwhile proposal for eligible support to investment in industry or tradable services will be lost, even if that means diverting other resources.

The Committee wants to ensure that, if the need to resort to that industrial development guarantee should arise — possibly as a result of great success following the US/NI investment conference — it would not be used at the expense of some of the other budget commitments relating to cross-cutting efforts on skills, wider economic development, research and development, training and innovation. Those matters are integral to growing the innovative economy.

The Committee has noted with some concern that no specific identifiable resources have been allocated so far to local enterprise and the social economy. We will be examining that area in the hope that that will be changed.

Yesterday, in the debate on the draft Programme for Government, I recorded concern about innovation funding. In a high-profile announcement, the former Chancellor allocated money for innovation, and further moneys were allocated in support of innovation from the Irish Government. Additional money has been provided for innovation, but there is no visible additional innovation funding in the Budget. The Committee wants to be assured that the new innovation funding is not being used to cover pre-existing innovation funds. The Committee hopes that work on that issue will be more visible and positive by the time of the revised Budget.

There are resource and capital allocations that will enable the Tourist Board to improve its role. The Committee is disappointed that so far there has been no indication of any bids that were made to support the regional tourism partnerships, and it is not clear what allocations they will receive. The Tourist Board has an important job, as does Tourism Ireland, but the regional tourism partnerships also have an important role to play, both locally and in making sure that there is good meshing between Tourism Ireland and the Tourist Board.

The Committee wants money to go specifically to tourism product development. I noted what the Minister of Enterprise, Trade and Investment said about that this morning in his statement. Therefore, the Committee looks forward to positive engagement on that issue.

We recognise that moneys are being provided for the five signature projects. I champion the importance of the Walled City signature tourism project in my constituency, which has made good progress compared to other projects. However, that does not mean that it is not in need of more funding and more backing. Obviously, there are issues about the funding gap for the Titanic Quarter. We will also wait with interest to find out what is happening regarding the allocation that is provided for the Giant's Causeway visitors' centre. Money that we were told was earmarked for the public-sector project is still there, so Members will be interested to find out what happens to that.

The Committee welcomes the fact that Safe Start NI will receive funding in year 2 of the cycle; however, we would have preferred that that take place in the first year of this spending round.

The Committee is concerned about unmet bids from the Department regarding EU structural funds. The Department will have a managing and certifying role for the competitiveness programme, yet there are no new resources to meet that new role. Similarly, there was a high discretionary administration bid regarding obligations under the energy end-use efficiency and energy services directive, and that has not been met either. Those are both important areas.

Regarding EU funding, the Committee recognises that DETI is benefiting considerably from the Peace III programme. We also recognise that different parties and other sectors might have different views of that. Those views might be reflected by other Departments during the course of the draft Budget. If there is any revisiting of the share of the Peace III funding that has been envisaged for DETI, and if that is to go to some other Department's budget lines, my Committee will want that transfer made good in the DETI budget lines so that the purposes and priorities of the Programme for Government are properly reflected.

Suggestions were made last night and elsewhere that Members are not allowed to have the view that there can be any improvement or any material revision of either the draft Budget or the draft Programme for Government. Clearly, improvement and revision are required. It is the Assembly's job to contribute to such consultation and such reconsideration. Parties cannot say that it is their way and their say only, and that no other Members are allowed to have an alternative view.

When the draft Budget and the draft Programme for Government were being presented, the Ministers went

out of their way to misrepresent the record of the previous Executive and, in particular, to attack other parties. They cannot then insist that those other parties do not have the right to outline their views of the draft Budget.

Mr Speaker, we recognise your ruling regarding amendments, and I fully understand and accept the reason for that ruling.

Some of us have been at pains to highlight the inadequacy, as we see it, of the allocations for health and housing. In this, the SDLP is consistent with the position it adopted and agreed with other parties in the Committee on the Preparation for Government and the Committee on the Programme for Government. In those Committees, we expressed our views on how negotiations with the Treasury might best be conducted and how input from the Irish Government should be maximised. Other parties disagreed. Perhaps, had our preferred tactics been adopted, there might have been a better outcome. Nevertheless, although different views on tactics were held, we did nothing to interfere with the negotiating stance taken by those who had to take the lead in the Northern Ireland interest.

We were not out to create problems or difficulties. The same is true of the submissions to the Varney Review. On the Committee for Enterprise, Trade and Investment, I ensured that nothing was done to queer the pitch for the Executive and their negotiating position on behalf of the broad regional interest.

It is with that record of responsibility on those issues that the SDLP insists that it has the absolute right to interrogate the details of the draft Budget. If we did not do so, we would not be doing our job. In looking at the draft Budget, we have the right to say that more money is needed up front for housing. I also ask the Minister of Finance and Personnel whether money emerging from the work of the capital realisation task force could go into the housing budget. Will he indicate whether there is a golden rule in relation to the capital realisation task force whereby moneys so realised should be spent only as capital and not on programmes?

Also, there is no mention in the Programme for Government or draft Budget about what will happen with respect to replacing the 11-plus — it is obvious that that will have consequences for the Budget. The draft Budget also includes allocations that presume significant efficiency savings in a number of Departments; however, we are not sure whether all those efficiency savings will be made. If they are not made, there will be a hole in the Budget. Therefore, at whose expense will that be? At one level, I hope that it will not be at the expense of the Department of Enterprise, Trade and Investment.

In circumstances in which Committees have not been fully informed about the full implications of

those efficiency savings, Members would be wrong to nod through this draft Budget, on the blind, without asking any further questions.

In this House, Members have the right to raise issues, not just to praise Ministers.

The Chairperson of the Committee for Employment and Learning (Ms S Ramsey): Go raibh maith agat, a Cheann Comhairle. To set the context, I must repeat some of the comments that I made yesterday during the debate on the draft Programme for Government.

The Committee is now well into the process of responding to the draft Budget; however, as I said yesterday, that work will not be complete until tomorrow when the Committee will have an opportunity to discuss final matters with the Minister.

Following on from what Mark Durkan has said; this is a take-note debate on a draft Budget that has been published for consultation. It is important that our concerns as individual Members, Committee members, or Chairpersons should be raised as part of the consultation process.

When the Committee for Employment and Learning took evidence from departmental representatives on the draft Budget, the representatives expressed the view that they had achieved a mid-ranking result as regards CSR bid outcomes. They believe that they won on a number of issues, but that there were others in which they could have achieved better outcomes. The Committee's overarching sense is that the allocation, while strong in places, will not be sufficient to meet the goals and targets in the draft Programme for Government for economic development.

In particular, although the Committee welcomes the emphasis on an issue that was to be delivered by the Department, there is concern that the moneys allocated to delivering the skills requirement could fall short of achieving the synergy that is necessary between business growth and skills development.

The Committee is concerned that unless the skills base exists to pre-empt, or meet, opportunities, investors could be frustrated and opportunities could be missed. A number of specific issues illustrate that concern. Yesterday, during the debate on the draft Programme for Government, I mentioned the discrepancy between the programme's goals relating to R&D and innovation, and the apparent lack of resources — or at least, the lack of clarity on resources. The moneys available for innovation appear to be inadequate to advance the cutting-edge research in universities and in the private sector that the Executive tell us is required to bring about the transformation of our traditional economy into a knowledge-based one.

4.15 pm

The Committee is aware that there are opportunities available, for example, via the Science Foundation Ireland, but they are narrow. The Committee urges the Executive to be creative in ensuring that investment in research and development is prioritised in the short and medium term to secure longer-term economic gains.

The commitment to PhDs in the Programme for Government is an unfunded bid. The Committee has heard that a proportion of the funding for innovation will be utilised to meet that goal, but we are concerned that that would spread an already thin amount of money even more thinly. The Department said that there is a small amount of unallocated money from bids that could be used for PhDs, and the Committee would welcome any movement in that direction.

Since devolution, much has been made of the need to re-skill the workforce. The recent Leitch Review sets the context and establishes challenging targets. However, a comprehensive spending review bid from the Department for foreign direct investment for the employer support programme for further education has not been funded. The Committee is concerned that we could be facing a serious gap in adult training and apprenticeships generally.

In addition, the critical sector initiatives, which is a programme designed specifically to pre-empt and prepare for foreign direct investment, has received only £9 million over three years and nothing in the first year. The Department's original bid was for £24 million over three years, so less than 40% of the bid has been achieved. *[Interruption.]*

That was Sir Reg Empey thanking me for fighting his corner.

A major part of the Leitch Review focuses on essential skills. As I said yesterday, the Committee has grave concerns on the Budget allocation to deliver on this vital component. The Department has said that, to an extent, it speculated and overbid — which the Finance Minister will appreciate — which, looking closely at the numbers, may be the case. Nevertheless, the Department said that it believes that it has sufficient funding for essential skills. I will ensure that the Committee keeps this issue live on our work programme to assess whether that is indeed the case.

The Committee fully supports the Department's bid to include information and communications technologies as a third essential skill. However, only £5 million of an £11.4 million bid has been received, which is approximately 40% over the next three years. The most worrying aspect is that there is not even a baseline budget dedicated to that issue and nothing has been secured for the first year. The Committee is concerned that the Department will struggle to deliver on that important programme.

In addition to those broad economic and skills-related themes, there are other draft Budget issues that I would like to raise.

Issues arose at Committee meetings relating to further and higher education organisations that the Department says are autonomous. Although the Committee accepts that universities and colleges should be commercially autonomous, it is concerned that the Department could be losing control of significant social goals. That may be an issue for the further education sector rather than the universities. For example, concession rates offered by colleges are an important way of facilitating training for particular groups, such as people on benefits, yet there is no consistency in applying concession rates. The Committee has a general concern that budgetary autonomy may not always work to deliver important goals related to social cohesion. The Committee wishes to see clear incentives for further and higher education institutions to tackle social inequalities, and we would like to see those evidenced soon.

Turning to issues in higher education, the Committee has concerns that potential changes and the widening of the upper and lower income thresholds would require an additional £18 million over the next three years. The Committee has been informed that bids to meet this need are unfunded. The Committee does not wish to see any detriment to local students' maintenance arrangements and would ask that this situation be urgently addressed.

Mr S Wilson: At least today's debate has been a bit more measured than yesterday's debate on the draft Programme for Government. I do not doubt that that is partly due to the fact that some of those who thought, yesterday, that they could be in Government and in opposition at the same time, now begin to realise the consequences of that ludicrous and contradictory stance. Perhaps that will enable us to have a more measured debate on the draft Budget.

I agree with the leader of the SDLP that the Assembly's job in when looking at the draft Budget is not simply to rubber-stamp it and to say, "Yes, that is great, everything is OK." The job is to interrogate the draft Budget. It is a draft Budget. There are opportunities to see whether some priorities should be dropped and other measures brought forward as new priorities; to see whether there are ways in which money could be better allocated; and to ask some pertinent questions that, undoubtedly, will be answered later by the Minister of Finance and Personnel.

However, some of the Members who have spoken today are still living off the old, tired arguments. They really think that today's debate is an opportunity to simply hold out their hands and say that they want more, because they are afraid to take any hard decisions. There are those who still hark back to something for

which they have been programmed. When I talk about someone who has been programmed, the first person whom I think of is the Member for East Antrim Mr Beggs, who shares my constituency. He was programmed a long time ago when someone mentioned an "economic package" to him. Ever since then, he has had a fixation with that economic package. On each occasion when the Minister of Finance and Personnel has been present in the Chamber — whether he has been talking about the draft Budget or not — Mr Beggs has mentioned the economic package. I suspect that he may even talk about it in his sleep; I do not know. *[Interruption.]*

I can assure Members that I do not know whether he speaks about it in his sleep. *[Laughter.]* I am saying that just in case rumours start.

There are two ways of judging whether the current package is better, and is an advance on what we had previously. The first way is to compare it with that which was received by previous Administrations. A number of Ulster Unionist Party Assembly Members have talked about the importance of the economic package. Let us consider the economic package that they delivered to the people of Northern Ireland. *[Interruption.]*

I am going to talk about the other way in a moment.

In order to be able to use the assets that Mr Beggs and Mr Basil McCrea have said should be ours of right, they had to agree, under the reinvestment and reform initiative (RRI), to put up the rates at three times the rate of inflation. That is the type of economic package that the members of the Ulster Unionist Party negotiated at a time — *[Interruption.]*

Just let me finish this first. *[Interruption.]*

For goodness' sake, let me finish. The Treasury was flush with money, and spending across all the regions of the United Kingdom was going up at twice or three times the rate of inflation. That was the time when one would have thought that they could have squeezed the most out of the Government at Westminster. Yet, that did not happen. Nevertheless, during that period, before devolution was set up — and it has already been set out and, therefore, I am not going to go through it again — the end-year flexibility; the £100 million addition to the CSR moneys coming through; the release of asset sales; the access to end-year flexibility; and, on top of that, in the current CSR negotiations, the additional moneys that came through —

Mr Beggs: Will the Member give way?

Mr S Wilson: I will give way in a minute, when I have finished this.

On top of that, there are the additional moneys that came through the CSR period, the asset sales and the money under RRI.

All those things have added to the package. Is it as much as we wanted? It would never be as much as we would want. Is it more than the Ulster Unionist Party got? Yes — of course it is more than the Ulster Unionist Party got. That is how it should be judged.

Mr Beggs: Does the Member accept that the borrowing that is proposed will avail of the same interest rates that were negotiated by the Ulster Unionist Party and the SDLP? Those were essentially Bank of England base rates, meaning that we would pay the same amount for the money that was borrowed from the Treasury.

Secondly, the other money that has been included in this Budget is the cashback from the sale of Civil Service properties under Workplace 2010. We do not yet know how much we will have to pay above the base rate for that money. Does the Member not accept that the people of Northern Ireland will pay more for that additional money than they would previously have paid?

Mr S Wilson: Are we getting more money or are we not getting more money? The fact is that more resources are coming through. Furthermore, we will not have to impose additional taxation on people in Northern Ireland for the right to access that money.

Mr P Robinson: Just in case anyone ever watches what goes on in the Assembly and, if they do, is so demented that they believe the Member for East Antrim Mr Beggs, let us make it clear that under Workplace 2010, the £200 million will come directly to us. It is not being borrowed. It is going directly into the accounts of Northern Ireland plc to be used by us. It is money in our pockets that does not have to be paid back.

Mr S Wilson: I appreciate the Minister of Finance and Personnel keeping me right on the matter; I did not know that.

Secondly, we are hearing a refinement on the argument about the size of the public sector. Yesterday, the Member for East Belfast Ms Purvis made an economically illiterate speech in which she seemed to say that government in Northern Ireland is not big enough and that she wanted bigger government. She should join the Khmer Rouge — “Pol Pot Purvis” might be a more appropriate name for her.

Dr Farry spoke the same language today. He tells us that it is not that the public sector is too big, but that the private sector is too small. He does not realise that in all economics such choices must be made. He should have attended my economics classes when I was teaching production possibility curves. I could have explained it to him in diagrammatic form.

The truth of the matter is that in order to redirect resources from one activity to another, there are choices to make. Those choices have to be made in this Budget. That is where the Member for South Belfast, the Minister of Health, Social Services and Public

Safety, who intervened as a Back Bencher today, got it all wrong. He said that resources can be redirected, but he did not tell us how. He is right: we can move from one resource allocation to another, but he did not tell us who he wants to take the money from. He said only that the people of Northern Ireland deserve better.

The people of Northern Ireland deserve better than a Minister who is getting 51% of the increase of all the money coming into Northern Ireland over the next three years but who says that he cannot manage. The people of Northern Ireland deserve better than a Minister who, having been presented with a report saying that £400 million in savings can be made in his Department immediately, will not look for those savings.

The people of Northern Ireland deserve far better than a Minister whose Department absorbs the biggest part of the Northern Ireland Budget, yet who still holds out the begging bowl. They deserve far better than a Minister who wants to pillage everyone else’s budgets without dealing with his own. Perhaps the best thing that he could do to give the people of Northern Ireland a better deal is to resign and let the Member for North Down who wanted the Department in the first place take over.

4.30 pm

Mr F McCann: Go raibh maith agat, a Cheann Comhairle. People have placed enormous faith in Members. They have elected us to bring an end to the nightmare years of direct rule, when Ministers with no interest in this place flew in, made decisions that changed our lives and flew out again. Those decisions were usually bad ones that left a legacy of neglect and underinvestment. Those Ministers also showed arrogance when dealing with locally elected politicians.

To put right the legacy with which we have been left will require our adopting an imaginative approach. Although there are many issues that can be considered absolute priorities, we will inevitably have to take responsibility for dealing with the burden with which we have been left.

When we examine the Assembly’s list of priorities, we all shout for our own corner. We have our own priorities, and we hope that the Minister will look favourably on our particular issue.

I argued in the House yesterday that the promises contained in the draft Programme for Government and draft investment strategy did not contain the resources necessary to deal with the housing crisis in the immediate or long term. I said that, over the next 15 years, a well-funded, well-resourced and well-thought-out strategy was required to allow us to plan the type of communities in which we want to live. It is not simply about building houses in isolation but about building communities, including mixed-tenure housing, with the infrastructure to develop and prosper. That requires

a commitment from the Executive to plan, finance and develop the communities of the future. From the draft Budget to the final Budget, we will sow the seeds of the future. There is an expectation that we will deliver what is necessary to help the hard-pressed first-time buyers on to the property ladder through creating an effective affordability sector.

We must fulfil our promises of delivering for the social-housing sector, which has been decimated over the years. Some parts of the North have had no new social housing in many years. It is essential that at least 2,500 new homes be built every year for the foreseeable future in order to deal with the legacy of neglect. In 1971, the Housing Executive built 9,500 houses, yet the Minister for Social Development told us that no new social housing may be built next year.

Rather than blame everyone else, the Minister for Social Development must trawl her own budget to ensure that she maximises her resources. She must ensure that there is no wastage in her Department. She is the Minister; she must show the leadership that comes with her title rather than place the blame elsewhere for the problems that fall within her remit. That is what leadership is about.

The Minister of Finance and Personnel mentioned yesterday that additional resources that the Minister for Social Development has at hand would allow her to deal with some of the issues facing her Department. Will Minister of Finance and Personnel comment further on that?

I deal with people who have been in hostels for years. They have little prospect of being housed, because they happen to live in areas of high demand. The housing selection scheme cannot help them, because they need 180 points or more to compete with another 10 people for the same two-bedroom house. Do we tell those people that we are sorry, but we do not have the money to build them a home? What about elderly people who live in a flat or house that is totally unsuited to their needs, or people with disabilities who need their homes specially adapted? The social-development budget has been slashed due to lack of funding. Do we tell those people that we are sorry, but we cannot help them? Real people are being affected by the decisions that we make. That is the harsh reality of setting budgets. The Housing Executive has told us —

Mr S Wilson: Will the Member give way?

Mr F McCann: Go ahead.

Mr S Wilson: Cash and land is being made available to the Minister for Social Development, but she has not even looked at the cash assets of many housing associations. She has given me 15 reasons why she cannot touch them but not one reason why she can. If she added all those sources of money together, the housing programme could be delivered.

Mr F McCann: That is one of the difficulties that we face. The Minister for Social Development has been blaming everyone else, instead of trying to deal with the situation.

Sammy, it is a fact of life that, as well as that money, at least another £300 million a year would be needed to start to deal with the severe housing crisis. A mixture of both is required. Obviously, assets exist, but a new injection of resources and finance is needed to deal with the situation.

We have been told by the Housing Executive and the Minister for Social Development that the adaptations programme is another programme that will be impacted on because there is no new money to support it. Could the Minister of Finance and Personnel please comment on that?

The community sector has always been the victim of cuts at Budget time. Given that that sector provides a much-needed service in the community and shows huge commitment and dedication to the most deprived areas of the North, it is shameful that, when money becomes scarce, the community sector is the first to suffer as a result of departmental cuts. Such cuts have a knock-on effect on the community that the sector serves. As ever, it is the weakest in the community who ultimately pay the price.

We owe a debt of gratitude to the community sector; it runs the youth clubs, the crèches, the community houses, the outreach programmes, services for the old and the young, to name but a few. We should ensure that funding for such projects continues rather than allow them to become the victims of cutbacks.

Mrs I Robinson: I am not sure whether Mr McGimpsey spoke as an ordinary MLA or as a Minister when he delivered his speech on health, but I regret that I missed it. I had a meeting with a group of women from the Rape Crisis and Sexual Abuse Centre in Belfast. That group of ladies require immediate funding if their organisation is to survive; it is in crisis. It provides a unique service to all women, and, indeed men, across Northern Ireland who experience rape, abuse or sexual violence in their lifetime.

Each year, the centre deals with approximately 6,000 calls — to and from clients — about sexual violence and abuse. Some 55% of the centre's clients have experienced child sexual abuse. Each year, nearly 2,000 new clients contact the centre, and nearly half of them will visit the centre at least once. The centre requires mainstream funding, and it is essential that the Rape Crisis and Sexual Abuse Centre be allowed to continue its important work of providing care for those who are in deep crisis. That work cuts across many departments and areas, including health, education and social development, and I appeal for that money to be found in the various Departments, if at all possible.

As party spokesperson on health, the bulk of my remarks will refer to the health sector. Although I welcome the strong economic focus in the draft Programme for Government and draft Budget, I am also encouraged that health has obtained such a large slice of the overall resource cake. I am keen to see the maximum amount of resources directed towards health, and no doubt we could always make use of more. However, it is clear from the proportion of the Budget that has been allocated to health and social services — about half of the resources available — that a strong emphasis has been placed on health.

I hear the calls for greater allocations for social housing and other worthy causes. I recognise the merit of those calls, but I hope that that will not lead to the draft Budget's percentage of spend on health being reduced in the final Budget.

I want to see a better Health Service, not an increasingly expensive one. Improving productivity is the key and will ensure that the public get the maximum out of the service for the money going into it.

Mr F McCann: I appreciate and understand everything that the Member has said. However, does she not also agree that housing is a cross-cutting issue? If people do not have a house, it impacts on their health, education and employment possibilities. A holistic approach is needed to deal with this matter.

Mrs I Robinson: I thank the Member for his intervention, and I could not agree more that health is not simply a stand-alone issue. It is a cross-sectoral issue, which involves other Departments and impacts on recreation and leisure, and so on. I will come to that point if I am allowed to move on.

Transformation, which would increase productivity, cannot be put off indefinitely. Radical reform is essential. There must be innovation and incentives. The resignation of David Sissling, chief executive designate of the new health authority, is exactly the sort of development of which I have been fearful. It was a coup for Northern Ireland to have attracted someone of David Sissling's calibre to the local Health Service. However, it was inevitable that he would not hang around forever while the Minister delayed his getting on with his work. I fear that unless there is swift progress on health reform, others could follow Mr Sissling. General practitioners and other health professionals who are involved in local commissioning groups are also being denied the opportunity to get on with their work.

I have a strong interest in mental-health issues, as do other members of the Health Committee. The Committee is determined to see the recommendations of the Bamford Review of Mental Health and Learning Disability implemented quickly. The Committee was somewhat surprised to learn that the Minister made one upfront bid for mental health to DFP, for £12

million, and then mental health did not feature again until his seventeenth bid. Even more surprisingly, some of the plans contained in the two bids, referred to as "Bamford 1" and "Bamford 2", appear to have little to do with the vision and thrust of the Bamford Review. The Bamford Review was about redirecting resources from the acute sector into the community. However, the bids included the building of new facilities and autism issues, despite the fact that the autism lobby has argued strongly that autism should be considered separate and distinct from mental health and learning disability.

Incidentally, it has proved difficult for Committee members to obtain information on figures. Details of the figures have been slow to come — emerging in just a trickle. In response to the gentleman from East Antrim, the Committee has not been able to obtain comparable figures or historic evidence of how bids have been pitched, or of the basis on which that was done. Perhaps he will take the time to seek that information from his colleague, who is the Minister at fault, instead of sniping at other Department's Ministers.

Mr Beggs: Will the Member give way?

Mrs I Robinson: No, I will not give way. The Member has spoken enough.

It is essential that mental health feature prominently in new service development. The many millions that have already been devoted to mental health in the draft Budget, when added to the extra funding, must be channelled towards the redirection of services.

Another concern is mental-health provision for the Province's prisoners. The Assembly deserves answers on how that is to be funded, now that funding has been transferred from the Northern Ireland Office to the Health Department. There is already a huge need for mental-health resources without prison services having to be funded from the same pot.

Mr P Robinson: On a point of order, Mr Speaker. Since the Chairman of the Health Committee got up to speak, the Member for Strangford Mr McNarry has been sitting having a conversation with his back to the Chamber. Clearly, he wants to show his disrespect for the Member who is speaking. That should not be allowed in the Chamber.

Mr Speaker: I remind all Members to have respect for one another in the Chamber, whether they are speaking or sitting.

Mr Beggs: On a point of order, Mr Speaker. Do you agree that it is appropriate that Members should speak through the Chair, rather than directly to other Members?

Mr Speaker: I have already made that point. The Member did speak through the Chair.

I ask Mrs Robinson to continue.

Mrs I Robinson: I must say that the Assembly becomes more and more like a pantomime, Mr Speaker. However, what can one expect?

I want to know whether additional money has been resourced — *[Interruption.]*

Mr Speaker: Order. The Member has the Floor. Let us have some respect. *[Interruption.]*

I have called for order. The Member may continue.

Mrs I Robinson: For the third time, Mr Speaker, I want to ascertain whether the Northern Ireland Office will be providing the Health Department with the additional money that is necessary for the well-being and mental health of prisoners as part of the holistic approach to mental health.

Mental health must be considered holistically, and responsibility for it lies with other Departments as well as the Department of Health, Social Services and Public Safety. The Department of Education can play a role, particularly in relation to the promotion of good mental health and the delivery of aspects of the Bamford Review recommendations on child and adolescent mental health. Many other sectors can play a role in improving the overall well-being of the community. I welcome the investment from the Department of Culture, Arts and Leisure to promote leisure and exercise. That shows the potential that can be gained from having more co-ordinated government.

4.45 pm

Over the weekend, I was surprised to hear the Health Minister seek to blame the draft Budget for the delay in building the new women's and children's hospital in Belfast. It was only last week at a draft Budget briefing that his departmental officials informed the Committee for Health, Social Services and Public Safety that their Department had done well in respect of the capital allocations that it had received in the draft Budget. Who does one believe? With regard to the children's and women's hospital, it remains to be seen how far up the Minister's priority list that is, and whether there are other projects that he would like to see completed first. Given that the Jubilee Maternity Hospital on the Belfast City Hospital site was forced to close, it is essential that the new regional centre be delivered promptly.

Mr Speaker, will I be allowed extra time because of the interference during my contribution?

Mr Speaker: No.

Mrs I Robinson: The Health Committee was also interested to learn that the departmental officials were going to reassess some of the bids that were made to the Department of Finance and Personnel, which were originally referred to as inescapable or unavoidable. We have been informed by the Department of Health

that some of their inescapables may not have been inescapable. Strange though that may appear, it will at least allow more funding to be made available for new service development than had been indicated, and that will be welcomed by everyone. It would be welcome if that funding could be utilised for mental health.

Mr McNarry: I shall speak in a personal capacity, before moving on to business relating to the Department of Culture, Arts and Leisure. This is a debate; it is what Members do in the Chamber. Yesterday, we had a debate — opinions were offered, and most were respectfully listened to. The Assembly reached a decision by a democratic vote, but the Finance Minister then rode in with a spurious points of order, which was not a point of order. The Robinsons are not having much success with point of order lately. Last night's point of order was used to issue a warning or a veiled threat. The timing and the intention of that have not been lost on the Ulster Unionist Party.

Yesterday, almost every Department was criticised over the draft Programme for Government — and if you think differently, read Hansard. However, following the debate, there was no recognition of what was said during it; instead, we received a Darth Vader impression, warning that the Executive will fall without a Programme for Government. Now try that on, and it would be a signal to the Committees and to the House to pack up and go back to our constituency offices because remote control has returned, and all decision making will begin and end with the Executive — even draft consultative issues are not to be discussed in case anyone responds with constructive opposition.

Last night's intervention came from a Member who, only a while ago, was not even going to enter an Executive, let alone an Executive with terrorists. However, only a short time ago, after claiming the credit for first mooted the idea of the need for a financial package in Dublin, the Member said that an adequate financial package was a necessary precondition for any restoration of devolution. That view was backed to the hilt by the Chairman of the Committee for Finance and Personnel, Mr McLaughlin, who said that the Government should put their money where their mouth is and give us the chance to deliver a Programme for Government, and not destroy our work before we start.

In February of this year, the 'News Letter' quoted a DUP source as saying that the financial package was a "deal breaker", and that if the money for devolution was not right, there would be no Government. The source also stated that there was no point in setting up a Government to fall, and that if problems with water rates, hospitals, education, and roads were to be truly addressed, that could only be done properly with the appropriate financial package.

I have a litany of DUP and Sinn Féin statements and promises, but I cannot find evidence that either party has lived up to any of them. Are Members here to consult, through positive debate, on the draft Budget, or is this a sitting that is likely to decide the future of the Executive?

Of course it is not, because it is a draft Budget, and control freakery and ministerial codes cannot be used to restrict any Member from voicing his or her opinion in the Assembly. Ulster Unionists are not in a coalition: we are in an Executive as of right. Yesterday —

Mr Donaldson: The Ulster Unionists are part of a mandatory coalition.

Mr McNarry: Mandatory coalitions: now someone is trying to — *[Interruption.]*

Mr Speaker: Order. The Member has the Floor.

Mr McNarry: Yesterday, the First Minister told the House that the draft Programme for Government will be subjected to lengthy and full consultation. In contrast to other members of his party, he did not address the debate — amid the voices of argued opposition — from a position that the draft Programme for Government was not a draft at all.

Is the Minister of Finance and Personnel now stating that the full import of opposing views will not be considered as part of the consultation process? The First Minister's approach to the debate was fair and balanced. He told Members of his vision, and he performed with the dignity that one associates with his high office. I suspect that, in marked contrast, the Minister of Finance and Personnel may be unable to match yesterday's performance by the First Minister, which would be regrettable.

However, no one who spoke in today's debate wanted to end up on the receiving end of personal abuse. The point is that the Ulster Unionist Party wants to analyse the draft Budget. We are striving to help by improving the draft Budget and making it more acceptable. I understand and appreciate the attitude of the DUP/Sinn Féin coalition that Departments must make do with what they have been allocated. However, the DUP and Sinn Féin have ownership of that comment, not the UUP. It will be up to them to explain why they did not tell the electorate that they would have to make do with much less than the minimum that people would have expected or are likely to tolerate. Let us see how it all works out.

From this point on, I am speaking on behalf of the Committee for Culture, Arts and Leisure. The Committee carefully considered the allocations to the Department of Culture, Arts and Leisure in the draft Budget, and it has several serious concerns, because it has received no information on how the allocations to arts, sports, and so forth, will be spent. It is particularly difficult for

the Committee to comment constructively on the draft Budget when it does not know which projects will be funded and which will not.

Overall, the draft Budget's allocation to the Department of Culture, Arts and Leisure is small and inadequate. DCAL suffers from the legacy that Government have consistently undervalued the contribution that culture, arts and leisure makes to all sectors of society. *[Interruption.]*

Mr Speaker: Order.

Mr McNarry: The Committee calls for an increase across the board in the Department's budget.

The Committee is disappointed that the draft Budget does not bridge the gap in arts funding with the rest of the United Kingdom. I reiterate that I am speaking on behalf of the Committee, whose report I have been asked to deliver to the House. *[Interruption.]*

Mr Speaker: Order, Members, please.

Mr Attwood: On a point of order, Mr Speaker. In the past two minutes of the debate, there have been four utterances from Mr Donaldson, three from Mr Sammy Wilson, three from Mr Robinson — *[Interruption.]*

I have the Floor, because I am making a point of order. *[Interruption.]*

Mr Speaker: Order.

Mr Attwood: In the past two minutes, there have been utterances from four DUP Members on 10 different occasions —

Mr S Wilson: He only mentioned three of us.

Mr Attwood: On 10 different occasions —

Mr Speaker: Order.

Mr Attwood: Mr Speaker, on one occasion when you sat down after asking for order, Sammy Wilson immediately uttered more comments in the direction of the Member who was speaking. Given the catalogue of outbursts, mutterings and various other comments, I suggest that some Members need to learn the standards of the House.

Mr Speaker: Order. I have continually said that debates will, on occasions, raise issues. That is understandable, as this is a debating Chamber. However, I remind Members to have respect for one another. That is vital.

Mr McNarry: The Committee is disappointed that the draft Budget does not bridge the gap in per capita funding for the arts with the rest of the United Kingdom — Northern Ireland receives substantially less, per head of the population, than other United Kingdom regions. The Committee believes that that will make life very difficult for the Arts Council in its

distribution of limited funding. The Arts Council has raised a concern that the draft Budget settlement for the arts will put as many as 200 full-time and part-time jobs at risk. Over 25,000 participants from across Northern Ireland may be denied access to outreach activities and engagements with the arts. That must be looked at.

The Committee is also concerned about the effect that the loss of the children's and young people's fund will have on the creative learning centres in Londonderry and Belfast. The children's fund currently provides those centres with 50% of their funding. The centres are involved in huge projects that make a difference in their communities. Are we going to tell those groups to forget about it, make all their staff redundant and start afresh? Surely we cannot allow that to happen.

The Committee is concerned that the Department will not be able to deliver on its targets for increasing the participation of young people in sport. Although it is at a local level that young people participate in sport, there is no provision for a capital spend on community-based infrastructure. Therefore, the Committee is more than disappointed that there has not been more emphasis put on community sport and assistance for local sports clubs in the ongoing work that they do with young people.

The Minister has allocated capital funding to elite facilities, such as the 50m swimming pool and the multi-sports stadium, with the intention that they will be used in connection with the 2012 Olympics. However, the Committee has deep concerns about the lasting legacy that the Olympic Games will give Northern Ireland. What does "a lasting legacy" mean? The Committee asks the Sports Minister and the Finance Minister whether Northern Ireland will have a multi-sports stadium by 2012.

Just over half of the DCAL budget will be spent on libraries and museums — almost twice the amount that will be spent on sport and the arts. The Minister has previously explained that arts and sports are lucky as they can rely on large numbers of volunteers, whereas libraries and museums require paid staff. The Committee does not accept that as an argument for underfunding in sport and the arts. Volunteers should not be treated as poor relations or taken for granted.

The Committee welcomes the £21 million that is to be allocated to the building of a new home for the Public Record Office (PRONI). Given its location in the Titanic Quarter, there is significant tourism potential from people who come to Northern Ireland to investigate their roots. That spend will contribute to the wider economy. However, the Committee recommends that there be additional funding to enhance the visitor experience at PRONI.

Mr Poots: I have listened to what the Member has said, and I am encouraged. Given that one of his colleagues has asked for an extra £600 million, can the Member identify where we can get additional funds? I think that if money were taken from the Health budget and put towards recreation, for example, further savings could be made in health. Will the Member support that?

Mr McNarry: I am sure that if the Minister had been in the House yesterday — maybe he was, but did not hear me — he would know that I referred to that very succinctly, in that it is a wish of the Committee, and he should know that from the Committee —

Mr Speaker: The Member's time is up.

The Chairperson of the Committee for the Environment (Mr McGlone): Go raibh maith agat, a Cheann Comhairle. I am presenting the response of the Environment Committee to the draft Budget 2008-11. The Committee notes that the draft Budget sets out the proposed spending plans of the Executive for that period, and I will specifically refer to what the Budget addresses as the relevant key issues. In regard to road safety, these are road casualty reductions, road transport compliance and enforcement, and reduction of vehicle-related crime and carbon emissions.

5.00 pm

Secondly, the key issues for the Environment and Heritage Service are: enhanced environmental protection and improvement through better regulation; the establishment of a dedicated environmental crime team to combat the illegal dumping of waste; the establishment of a new strategic development and delivery support team to co-ordinate cross-cutting regulation activities; and implementation of air-quality management.

Thirdly, the programme delivery support unit's key area will be the support of district councils and the three waste-management groups in implementing major waste procurement plans.

Fourthly, the Department will be able to develop, in part, an agreed programme for the modernisation and structure reform of local government.

Finally, the proposed capital allocations will provide funding to district councils to cover a percentage of the overall costs associated with compliance with the EU landfill directive targets.

Under the reform programme, the draft Budget states that the Department intends to take forward further reform of the Planning Service and that the allocation will also enable the review of environmental governance to be progressed. That will address the structure, management and resourcing of the publicly funded elements of the environmental governance system in central Government and local government, and implement proposals for the future environmental governance arrangements

in relation to environmental protection, and natural and built heritage.

Mr O'Loan: Is it the case that there is no provision made in the draft Budget for the creation of an environmental protection agency?

Mr McGlone: I can confirm to the Member that that question was asked of officials during the Committee's deliberations on the draft Budget, and they confirmed that there was no provision. That is a matter for concern to those of us who support that project and wish to see it implemented as soon as possible.

The Committee notes that the allocations received in the draft Budget largely meet the following spending proposals and bids: road safety services — £4.55 million required for other resources and £3.3 million for administration over the priorities and Budget period; enforcement and better regulation of EHS — £1.53 million required for other resources and £3.4 million for administration over the priorities and Budget period; programme delivery support unit (PDSU) — £2 million required over the priorities and Budget period.

The Committee notes, however, that the following spending proposals and bids were not met: planning reform — £0.55 million required for other resources and £2.5 million for administration over the priorities and Budget period; review of public administration covering the costs incurred by the Planning Service and the local government reform unit (LGRU) in taking forward the RPA agenda — £13.55 million required for other resources and £4.55 million for administration over the priorities and Budget period; LGRU — £13 million required for other resources and £1.7 million for administration over the priorities and Budget period; local government division — £2.4 million required for other resources over the priorities and Budget period; waste and contamination land — £3.7 million required for other resources and £0.83 million for administration over the priorities and Budget period. The Committee has particular concerns about the shortfalls in the spending proposals regarding the costs associated with implementing the RPA recommendations.

The Committee for the Environment welcomes the additional funding of £3.8 million over the three-year Budget period for enhanced roadside enforcement and of £4.1 million for enforcement and better regulation of environmental protection.

However, the Committee recommends that extra resources should be used to benefit one, or more, aspects of the ASSI programme. That could include an increase in the number of ASSI declarations made each year in order to complete the priority designations before 2016, and a quicker response rate on consent applications. That would lead, in turn, to greater progress in achieving favourable conditions for features in designated sites,

and more robust protection and enforcement measures, particularly with regard to Natura 2000 sites.

In relation to the Budget efficiencies, the Committee is concerned that in order to deliver the administration savings in the final year, 2010-11, the Department of the Environment may have to suppress up to 300 posts, even after a board decision to reduce non-salary running costs by 15%.

In that regard, we are particularly concerned that there will be a detrimental impact on service delivery, particularly in certain low-priority areas of the Environment and Heritage Service. Committee members are concerned about the proposed cutbacks to the EHS budget, and the impact that those cuts will have on training, resources and investment, which, of themselves, are important in providing for enforcement and investigation in respect of illegal dumping.

Committee members expressed widespread concern at the proposed efficiency savings of £1.1 million in relation to the Planning Service, and how that could equate with — and be incorporated into — any meaningful reform of the service. Although the Committee is aware of the intention of the Minister to reform the planning process, it acknowledges that the Planning Service is facing very significant structural reform arising from the review of public administration. Concerns have already been expressed about those budgetary allocations.

The Department's additional funding of £4.4 million in the 2008-09 financial year includes £2.2 million for the Planning Service, which, in the main, will go towards staff costs. However, the Committee recommends that similar amounts be allocated to the Department in the final two Budget years, 2009-10 and 2010-11. That is particularly relevant, given that that is the anticipated transition time for the review of public administration.

Mr Speaker, on behalf of the Committee for the Environment, I thank you for calling me and for giving me the opportunity to engage in the process and debate this matter with colleagues.

Mr Dallat: In respect of planning, does the Member agree that one of the most serious deficiencies is the forward planning of bypasses around towns? I refer particularly to Dungiven, which now has the distinction of being the most polluted town in these islands. Does the Member agree that waiting until 2015 for a bypass for Dungiven is unacceptable, and is only one year short of the predicted united Ireland that we have been told about?

Mr McGlone: That certainly represents the green agenda. *[Laughter.]*

I thank the Member for his intervention. Invariably, although that matter strays a wee bit into the remit of the Department for Regional Development — and the

bypass is clearly an issue for that Minister — there may well be environmental concerns that relate to the remit of the Committee for the Environment. I will welcome any further comments and details from the Member in due course, and they will certainly be investigated.

Lord Morrow: After listening to Mr McNarry, I wonder what type of a debate I am taking part in. I know that he will not leave, now that I have mentioned him. I was interested in what he had to say, but I could not figure out whether he was talking about the Budget or something else.

Mr McNarry said that the Department of Culture, Arts and Leisure and the Department of Health, Social Services and Public Safety did not have enough money. It is interesting to note that one of those Departments is currently run by his party's Minister, and the other Department was once run by the same individual. I do not know what that says about that individual, or what Mr McNarry is trying to tell us. However, if I heard the Minister of Finance and Personnel correctly yesterday, he said that the Department of Health, Social Services and Public Safety has as much money as all the other Departments put together — but still we are told that there is not enough to do the job.

That begs the question: what would it take to satisfy the Minister of Health, Social Services and Public Safety if he has as much as all the other 10 Departments put together and finds that that is still not enough? He has over 48% of the Budget, and he has been given an increase of over 51%. How much money will it take?

I listened to Mr McGimpsey earlier, and I thought that it was ironic that —

Mr B McCrea: Will the Member give way?

Lord Morrow: I will give way in a moment or two. I thought it ironic that the Minister looked like a man who was just about to throw in the towel and walk away, instead of saying that he wanted to do the job and wanted to get on with it. The Ulster Unionists must learn the lesson that when you are in something, you are in it — you cannot just be in it when there is good news. They tell us that this Government is a Sinn Féin/DUP carve up. However, they never seem to realise that their Ministers are also in the Government alongside one from the SDLP.

Mr B McCrea: Does the Member agree with Mrs Robinson that:

“Costs cannot be the driving force for our emergency services. We must all support the amendment if we are to send a clear message to Government that less is bad.” — [*Official Report, Bound Volume 21, p113, col 2*].

Lord Morrow: I am not sure what amendment the Member is referring to. Perhaps, he might clarify quickly.

Mr B McCrea: Mrs Robinson was criticising cuts in the Fire Service, which, as the Member knows, come

under the health budget and which she thought were not a good idea. There is no mention of that in the forthcoming Budget. Is less bad?

Lord Morrow: I think you are missing the point, Mr McCrea. The Health Minister's budget is not being cut — he is getting more. I do not know whether that fact has dawned on you. Perhaps you should take time to consider the figures to ascertain where you are coming from. Frankly, you have lost the rest of us. We do not know where you are, and I suspect that you have lost yourself. If you still wish to contribute to the debate, I suspect that it will be worth listening to — or, on second thoughts, maybe not.

Returning to what I wanted to say, the Minister of Finance and Personnel touched the right note in the foreword to the draft Budget:

“We need to use our public resources wisely to deliver high quality public services, especially to the young, the old and other vulnerable members of our community.”

I want to direct most of my comments towards two of those groups — the young and the elderly. I believe that a society that does not look after both of those categories of people will be found to have been neglectful and will be judged accordingly.

In our community, there individuals who, for one reason or another, are in a vulnerable position, which can be due to their being young, elderly, infirm, disabled or disadvantaged. Of those groups, I wish to focus specifically on two — the young who, as tomorrow's adults, start their lives requiring nurturing, protection and guidance, and the elderly, who find that they are that bit weaker or infirm.

During their early, tender, formative years, children are entirely reliant upon adults. Parents or guardians provide them with a safe environment, and schools guide them in education and all-important life skills while they are growing.

A child develops its own mind and begins to formulate opinions — albeit in a fairly simplistic sense — during the years up to the age of six. That is when they take in information that will assist them in the future. Not surprisingly, that part of a child's life is known as the formative years. Therefore, it is crucial that that relatively short time span is afforded the highest level of dedicated care and education in order to ensure that all potential is well on the way to being realised.

On Tuesday 26 June 2007, I tabled a motion to consider making available a transformation fund, similar to that which is available in England, Scotland and Wales, in order to support the professional development of the childcare and early education workforces in Northern Ireland. That would be of tremendous benefit to Northern Ireland's future generation, and has the scope to improve children's later-childhood outcomes and their adult lives.

Currently, in Northern Ireland, staff who work in community or voluntary pre-schools must pay for their ongoing training and professional development, and there is a significant disparity between their pay levels and those of people in the statutory sector.

I am deeply concerned that there is no training or development strategy whatsoever for people who work with young children. The Assembly must take cognisance of that issue.

5.15 pm

It is essential that we appropriately equip the childcare and early-years education workforce for the delivery of positive children's services to ensure better outcomes and reduce inequalities for children, young people, families and communities.

I turn to matters affecting elderly people in Northern Ireland.

Mr McCarthy: I am grateful to the Member for giving way, and for his interest in issues involving young people. However, does he agree that it is inconceivable that the children's fund has been done away with? The result of that is that many of the Home Start schemes throughout the country, which are largely staffed by volunteers, will be under threat from 30 March 2008. Does the Member agree that the Executive should consider that matter and ensure that Home Start provision continues?

Lord Morrow: I listened carefully to what the Member said, but he will be aware that that decision was taken by direct rule Ministers. I have no doubt that that is the type of issue that the Executive and Assembly must give thought to and expend energy on. I could not agree more with the Member that we must deal with that type of issue, but Rome was not built in a day. Nonetheless, we will return to those issues.

Many factors can make senior citizens vulnerable: their health and general fitness can deteriorate; they do not have the energy that they once had; and they are susceptible to illness, as their immune systems weaken. Basically, they find themselves — as will we all, one day — not as robust as they were when they were younger.

Bad weather can make outdoor conditions treacherous, and some senior citizens prefer to remain at home in the colder months. The Assembly has a duty to ensure that our senior citizens, who are valuable members of the community, remain safe, secure and comfortable in their homes. Keeping those homes adequately warm and damp-free is a major step towards improving the quality of life of senior citizens. Those positive outcomes reflect well for the individual and for the wider community.

Eradicating cold and damp is of tremendous benefit in warding off illness, particularly for people who suffer from breathing complications caused by coughs, influenza and bronchitis. In the worst-case scenario,

those conditions can develop into pneumonia, which is a drastic illness at any age.

I wish to bring to the Assembly's attention an issue that is dear to my heart: the warm homes scheme. That scheme was introduced in 2001 by a Minister who shall remain nameless —

Mr Speaker: The Member's time is just about up.

Lord Morrow: I regret that. I gave way because I thought that I might get a few extra minutes.

Mr Butler: Go raibh maith agat, a LeasCheann Comhairle. I wish to concentrate on the education and further-education Budget allocations. However, first, I believe that a Member from the unofficial Opposition, the Alliance Party, referred earlier to Sinn Féin's "legacy Budget". Although there is a legacy of the decisions taken by direct rule Ministers, it is very much the Executive's Budget. It sets strategic priorities that are clearly more challenging and far reaching than any that were set by the previous Executive under the tutelage of the SDLP and the Ulster Unionist Party. Whatever else the Executive might be accused of, it cannot be accused of merely tinkering with the inherited, direct rule status quo.

The education and further-education budgets have been a key priority for the Executive. Investment in the education and development of our young people will make a major contribution to the economy, and economic growth will provide opportunities for all young people to prepare for life and work.

The education sector — including the Department of Education, and the Department for Employment and Learning — faces significant challenges in the years ahead. All sectors are undergoing radical reforms and changes to meet the needs of the twenty-first century. Improving educational standards in all of those sectors is a key priority for the Executive. We want our education system to deliver equal opportunities for every young person and adult to learn and succeed. The best opportunities for everyone, from the very young to those who return to further education in later years, need to be the hallmark of our education system.

Many changes are currently under way, particularly in the primary and post-primary sectors. The revised curriculum gives young people an improved start in life, with a greater emphasis on developing their skills and the need for life and work experiences. The entitlement framework provides post-primary pupils with greater access to a range of academic, vocational and technical subjects. I have no doubt that the Minister of Education will soon announce proposals regarding transfer arrangements from primary to post-primary schools.

Mr Storey: I am glad that the Member has some insight on the issue of the Education Minister's bringing forward proposals for a replacement of the transfer

system. It is regrettable that the Minister is not as forthcoming on the issue.

Does the Member agree that, if, as he has said, the priority for education is to deliver, it is incumbent on the Minister of Education to prove that she is capable of making decisions that can deliver? The Member is aware that in recent correspondence with the Committee for Education, the Minister was unable to outline her priorities because she had not made any decisions. Obviously, there is an issue in respect of learning on the behalf of the Minister of Education.

Mr Butler: I thank the Member for that. The Minister of Education will bring proposals to this Chamber and to the Executive in the not-too-distant future. It will then be a matter for the Assembly and for the Committee for Education — which Mervyn Storey sits on — to debate those proposals.

There are other issues regarding education, including the primary and post-primary sector, that the Minister and the Committee for Education have referred to over the past number of months. The disparity between primary and post-primary schools was raised by the Minister during a recent meeting.

Early years provision is a key priority for both the Committee and the Minister. Early years provision in education is how we can address issues so that they do not come home to roost in later years. The literacy and numeracy strategy crosses the Department of Education and the Department for Employment and Learning, and that has been recognised by the respective Committees as a key priority. If people are to be equipped to go into the world of work, literacy and numeracy are key skills that they must have.

I also welcome the fact that the Irish-medium sector is being improved, particularly through the club-bank scheme, which was recently debated. Funding for the teaching of principals, particularly in primary schools, has been a big issue over the years, and reference has been made to that in the draft Budget.

Kieran McCarthy raised concerns about funding for children and young people. The Minister of Education has recognised that issue. If that funding is to continue, it would have to come out of the Education budget; therefore that has to be a key priority for the Executive. That is linked to early years provision, and if that funding does not continue, it will undermine all the good work that has been done.

Youth-services funding also needs to be considered. Many people who work in youth services — which come within the remit of the Department of Education — have concerns about funding.

There are a number of concerns in relation to further and higher education. I am disappointed that tuition fees are still in place. The Minister referred to a review

of tuition fees early in the new year. However, evidence is emerging that tuition fees discourage people from taking up further and higher education. They are linked to maintenance grants, and there is a disparity between the maintenance grants to students here and those to students in Britain. We are losing out. The Assembly has yet to debate tuition fees. When that issue came to the Committee, a vote was taken not to allow fees to increase in line with inflation.

Moreover, I am disappointed that the further education lecturers' dispute continues. The Minister for Employment and Learning appointed someone to look into that; nevertheless, serious concerns remain. It is particularly unfortunate that this occurs at a time when colleges are merging. We look to higher and further education to bring about a high-quality training and learning environment to provide skills and people for the workforces of business, industrial and commercial sectors.

We see significant and far-reaching changes in further and higher education. The Executive recognise that investment in those sectors is crucial to the delivery of their vision of a thriving and buoyant economy. Increasing skill levels and improving participation in education and training are vital elements in a strong economy, and will play an important role in economic success. Further and higher education is at the heart of life-long learning and is one of the key priorities of the Executive.

The loss of jobs at Seagate illustrates the importance of further and higher education. Low-skilled jobs are vulnerable to overseas competition. The message to the Executive is clear: we need highly-skilled jobs which are protected, and therefore not as vulnerable.

In the draft Budget, more remains to be done for education and further education. There is concern over tuition fees. I am disappointed that the Minister did not take a more robust attitude to the recent inquiry into the failure of the Springvale campus. Given the high levels of deprivation in the area, he should have taken a more hands-on approach to the achievement of an educational campus on a site that straddles west and north Belfast. However, there is much in the draft Budget that is positive for the primary and post-primary sectors.

All in all, provision in the draft Budget for both education and further and higher education allows us an opportunity to deliver one of the key objectives of the Executive — a strong, vibrant economy. Go raibh maith agat.

Mr B Wilson: My first reaction to the draft Budget was extremely positive. The presentation highlighted the economy, emphasised the need for innovation, the encouragement of enterprise and the creation of 6,000 highly paid jobs. In social terms, it rejected water charges, proposed free transport for the over-60s, and it emphasised the Executive's green credentials with the proposed introduction of a rapid-transit system for Belfast.

However, as the details emerged, the initial presentation seemed rather disingenuous. The draft Budget was rather like an Easter egg — attractive on the outside, but with little substance and with a great hole in the middle.

The draft Budget raises serious questions. It is based on unrealistic assumptions and party-political considerations and does little to tackle the real problems facing our economy. That is particularly true in respect of the environment. Recently the Assembly expressed concern about climate change and agreed to show leadership in putting sustainable development at the centre of policy making. There is absolutely no evidence of that in the draft Budget. The commitment to rapid transit is welcome; however, it has been under consideration for a least a decade, and the fact that work will not start until 2011 is disappointing.

The draft Programme for Government proposes reducing the carbon footprint by 25% by 2025. That is hopeful, but no interim targets are stated and there is no evidence of any change in policy to meet that target. Such long-term targets are ineffective and will achieve nothing unless they are accompanied by changes in policy, which this is not. To achieve the target, we must get commuters out of their cars and onto public transport, but an examination of the Department of Agriculture and Rural Development capital investment programme for the next 10 years shows a ratio of four to one in favour of roads, and that differential is increasing. If we wish to reduce carbon emissions, we must take positive action to encourage greater use of public transport. Although such measures will have little impact on the fight against climate change, they are better than the contribution from the Department of Enterprise, Trade and Investment, which is to end the reconnect grants and to stop funding the Renewable Energy Installer Academy. Peter Hain set up reconnect grants to encourage more householders to install renewable energy systems, making renewable energy cheaper, easier, and more environmentally friendly, and to reduce the use of fossil fuels.

Not only will that decision increase carbon emissions, but it is short-sighted as we have a growing local renewables industry that will be strangled at birth if the grants are removed. If the Department of Enterprise, Trade and Investment is serious about encouraging the development of new technology, that scheme should be expanded. As a result of the decision, jobs and skills in new technology will be lost. Similarly, the decision to reduce funding for home insulation under the warm homes scheme will greatly increase carbon emissions.

Overall, the draft Budget seems to be a case of smoke and mirrors. Any increase in expenditure can be met only by making efficiencies — the proposal to make efficiencies of 5% in administration in each of the next

five years is extremely optimistic. If those efficiencies are not achieved, the draft Budget commitments cannot be met; if they are met, thousands of jobs will be lost, as the public sector is labour-intensive. That is not mentioned in the draft Budget, nor is there any indication whether it will mean compulsory redundancies.

The public welcome for the proposals on water charges may be premature. Overall, there appears to be no savings, with the costs transferred from one budget to another. The taxpayer will have to meet the same costs. The main recommendation of the Hillyard Report is that £109 million should be paid to Northern Ireland Water from the regional rate and that the Roads Service should pay £25 million for road drainage costs that are met by Northern Ireland Water at present. I ask the Minister for an assurance that the £25 million will not come from the existing roads budget, as it is already under great pressure, and the roads maintenance budget has been severely cut in recent years.

That will reduce the amount that Northern Ireland Water has to raise, but it also means that there will be £134 million less to spend on other services; that is largely ignored in the draft Budget, and it could explain why the Budget increase for the National Health Service is only 2.6%. As a former member of the Eastern Health and Social Services Board and one who was involved in health for more than 20 years, I am extremely concerned by the draft Budget allocation to the National Health Service. An increase of 2.6% is the lowest that I can recall; it compares with an average of about 8% over the past five years.

Had a direct rule Minister presented such an allocation, the Chairperson of the Committee for Health, Social Services and Public Safety, along with many others, would have protested vigorously, as she did in response to previous direct rule allocations. In fact, a 2.6% increase is equivalent to freezing the budget, when one considers that, due to demographic pressure, Health Service inflation is higher than normal inflation.

A freeze, compared to a 4% increase in real terms in England, is totally unacceptable, particularly since our waiting and trolley lists and other problems are significantly greater than those in England. The differential in health expenditure between Northern Ireland and England has reduced significantly in recent years. A recent study has shown that, taking account of age profile and deprivation levels, the Health Service in Northern Ireland requires 10% more resources per capita than England due to greater need.

The present differential is approximately 4%. The proposals for 2008-09 would erode that differential completely.

The Department proposes new programmes to reduce the present suicide rate, promote healthier ways of living, halt the rise in obesity, implement the long-delayed

Bamford Review findings and reduce MRSA infections. However, the draft Budget does not provide the new resources that are required for any of those programmes. It is suggested that their funding will be met from 3% efficiency savings in each of the next three years.

5.30 pm

Mrs I Robinson: Does the Member agree that there are significant savings to be made, or does he suggest that, because we have done things a certain way in the past, money should be set aside, without there being a need to make productivity and efficiency savings?

Mr B Wilson: I was just coming to that. I recall, for example, that when I was a member of the Eastern Health and Social Services Board, we had great difficulty in achieving efficiency savings of even 1%. As has been pointed out, there are efficiencies to be made in the NHS. However, those efficiency savings cannot be made overnight. The NHS is a massive organisation, so, like an oil tanker that is changing course, it will take time to make those savings. Restructuring the organisation could require the introduction of legislation, and that could take some years. Given the labour-intensive nature of the NHS, 1,000 job losses will be required to achieve the 3% efficiency savings. It seems rather strange to hear of job cuts in the NHS, when we regularly hear about the problems associated with the scarcity of doctors, nurses and midwives, and so on.

Although the rates freeze is politically attractive, if healthcare services for the sick and the elderly are reduced in order to pay for it, that is unacceptable. Is it really a freeze at all when the rates bill will include a separate charge, of more than 20%, to pay for water?

The draft Budget lacks substance and is based on unrealistic assumptions. It will lead to an increase in environmental damage, no significant improvement in the Health Service, especially for the mentally ill, and increased hardship for many of the poorest. Therefore, we should look again at its allocations.

The Chairperson of the Committee for Agriculture and Rural Development (Dr W McCrea): I thank you, Mr Speaker, for the opportunity to address the House on the financial package that has been outlined in the draft Budget. I speak today as the Chairman of the Committee for Agriculture and Rural Development. There are many other things that I would like say, outside of that role, but I am unable to do so because Members are limited to 10 minutes in which to speak. As Members are dealing with issues that are complex for the agriculture industry, I feel that it is my duty to that industry to stick to my brief.

It is inevitable that some Members will not be happy with the draft Budget's allocations. We, in the Committee for Agriculture and Rural Development, are no different. However, many of our disagreements and concerns

centre not necessarily on the allocation but on the inescapable bids that the Minister of Agriculture and Rural Development formulated. Therefore, I wish to express my Committee's concerns and lay them before the House.

At the beginning of October, the Department was presented with a report from the red meat task force, which painted a most worrying and depressing picture of that important agricultural sector. The report recommends that suckler-cow farmers leave the industry altogether; that they diversify into some, as yet unknown, new business; and that they should use their single farm payment — for which they work extremely hard — to aid that transition. Many Committee members cannot accept that position as the way forward for the red-meat sector. As yet, the Department's response has been to do nothing.

The Department has indicated that a sum of £100 million is available under the rural development programme for diversification schemes. The Committee welcomes that significant investment. However, this investment was budgeted for, and approved by the EU, long before the report on the red-meat sector even began, and did not take account of the serious picture that was painted by that report.

The investment is not just specifically for the suckler-cow farmer, but is available to anyone in a rural area who presents the Department with a viable diversification project. The Committee believes that the findings of the red meat task force provide sufficient evidence to merit an additional and substantial tranche of moneys. Furthermore, the Committee contends that a broader and more strategic approach is required in respect of the current state of the red-meat sector to ensure that the industry thrives in the long term. Action arising out of that strategic approach could include direct support to suckler-herd farmers in a scheme similar to that which operates in the Irish Republic, and a combined producer-processor retail-departmental approach to the Northern Ireland agriculture sector.

I turn to the Department's administration and resource budgets. The Committee is content with the level of those budgets and the level of efficiency savings that are being sought within them. Those budgets deliver front line services to farming and rural communities that must be maintained in these times of severe pressure on the agriculture industry. It is hoped that those efficiencies will not result in any reduced delivery efficiency, although I am not confident that that will be the case.

The Committee is aware that the Department intends to remove staff from markets and abattoirs as part of the wider efficiency savings. We call on the Department to rethink that intention until such times as new

technologies and processes are given the opportunity to bed in.

The Committee has grave reservations about the sale of the entire Crossnacreevy site to fund the farm-nutrient management scheme. The Committee emphasises that it is pleased to see the funding provided for the scheme, although it is of the opinion that, unless derogation from the EU to extend the deadline for the scheme beyond December 2008 is achieved, the budget of £50 million, with access to an additional £29 million, is too high. That is due to the inability to gain planning permission for in excess of 2,500 applications, and to find competent builders to undertake the works within that deadline.

The Committee believes that it is unnecessary to sell the entire Crossnacreevy site, which is still essential to the agriculture industry, particularly in the absence of any business case. The Department has agreed to a sale without presenting a business case either to the Committee or the Executive.

Mr A Maginness: Will the Member give way?

Dr W McCrea: I am sorry; I only have 10 minutes. I am sure that the Member would like to make his own contribution, which, no doubt, will be valuable. I shall continue on behalf of the Committee for Agriculture and Rural Development.

The Committee has been advised that the sale of the entire Crossnacreevy site would result in the potential receipt of £200 million, although, again, the Committee has not been provided with supporting evidence. The Committee is aware, however, that receipt of that sum is dependent on the site's being included in the Belfast metropolitan area plan as a development plan. That has not been promised in any shape or form either.

The Committee further believes that the Department has not considered alternative options, including the sale of part of the site, that would be sufficient to provide cover for the requirements of the farm-nutrient management scheme. The Committee acknowledges and appreciates that the Minister of Finance and Personnel has promised the funds to aid that scheme, which is essential to the farming community. Nevertheless, we cannot understand why the Minister of Agriculture and Rural Development went to the Minister of Finance and Personnel to ask for £79 million, only to give £200 million back in its place.

I am sure that the Minister of Finance and Personnel, who is very prudent in such matters, clapped his hands and thought that Christmas had come early. It would mean a potential loss of £121 million for the agriculture sector, but a gain of £121 million for the Department of Finance and Personnel. Who would not want such a gift to be handed out to all the other Departments?

5.45 pm

Nevertheless, that money is coming out of the agriculture industry at a time when it is absolutely crippled and on its knees. Given the Department's intention to sell the entire Crossnacreevy site, the Committee for Agriculture and Rural Development has suggested that some or all of the additional receipts could have been used to fund additional programmes to support the agriculture industry in relation to the findings of the red meat task force report, which I mentioned previously. In summary, the Committee does not support that sale on the current basis, because no business plan or case has been presented to it for examination.

During yesterday's debate, I called on the Executive and the Department to reprioritise the targets for TB and brucellosis, which are currently to reduce incidence levels to 27% and 20% respectively. The Committee believes that the Department should aim to eradicate those diseases, rather than reduce their incidence levels. In the financial year 2006-07, the Department spent £22.7million on TB and approximately £13.5million on brucellosis. The Department has indicated to the Committee that it has successfully reduced disease levels over the past few years. However, the Department must consider whether spending almost £36 million a year represents value for money, instead of solving the problem by eradicating the disease and taking that money out of the pot. Prudence dictates that it is better to eradicate the disease.

My Committee took up many other issues, including animal health, cost sharing, the wildlife intervention programme and the Agri-Food and Biosciences Institute. Those issues must be looked at carefully, bearing in mind that the agriculture industry has faced foot-and-mouth disease, bluetongue, avian flu, brown rot in potatoes and other major diseases that threaten the future of the industry in Northern Ireland.

Mr Brady: Go raibh maith agat, a Cheann Comhairle. I wish to deal specifically with key issues for the Department for Social Development, such as the provision of warmer homes for the most vulnerable in our society. There is no reason why the Minister for Social Development cannot reprioritise her budget to meet stated objectives, such as the eradication of fuel poverty by 2010, which is an unrealistic target that will do nothing but provide false hope to those most in need.

There is special focus on the issue, as it is warm homes week. I urge the Minister to re-examine her strategies for dealing with the matter to ensure that the targets can be met within the timeframe that the Department for Social Development has set.

The Minister of Finance and Personnel addressed the issue of warm homes more positively than the Minister for Social Development, with the consideration

of rate relief for homes with cavity wall and loft insulation. The Minister for Social Development will operate within a budget containing the efficiency savings within which all Ministers operate. She is operating within constraints that she agreed could meet that priority requirement.

All Ministers must prioritise within their own budgets, taking the kudos when a project is delivered upon. However, it is not acceptable to blame everyone else, including the Executive, of which she is a member, when natural budgetary constraints come into play.

It is time that the Minister realised that she is part of the Executive. Holding such a position means that she should have the courage to make key decisions and the initiative to provide leadership, not only to her Department, but to the wider community. Go raibh maith agat.

The Deputy Chairperson of the Committee for Regional Development (Mr Wells): At the outset, I apologise that the Chairperson of the Committee for Regional Development, Mr Cobain, has been called away on an urgent matter.

I have been asked to deputise on his behalf, so I will therefore speak on behalf of the Committee for Regional Development. Mr Speaker, I thank you for giving me this opportunity to speak today. I also thank the Committee for Finance and Personnel for co-ordinating the Assembly's response to the draft Budget.

Like other Committees, the Committee for Regional Development has scrutinised the draft Programme for Government over the past few weeks. During that time, it has taken evidence, both oral and written, from a wide range of stakeholders, including the Quarry Products Association; the Inclusive Mobility and Transport Advisory Committee; Help the Aged; Age Concern; the Northern Ireland Council for Voluntary Action; the Federation of Small Businesses; and the CBI. On behalf of the Committee, I want to thank all those organisations and individuals who generously placed their time and expertise at the disposal of the Committee.

Traditionally, Committees have complained that the Budget allocations for their Departments are too low. Our Committee does not intend to break with that tradition. We intend to support the Departments' calls for additional resources. In the case of the Department for Regional Development, the Committee is of the view that, objectively, the allocations for the Department in the Budget are insufficient to meet the infrastructure, economic, social and environmental needs of Northern Ireland. For example, spending on transport in Northern Ireland is £65 a head below spending in England, as measured in the year 2005-06. That is against a backdrop of a much more dispersed pattern of rural settlement.

Funding for road structural maintenance must be adequate, transparent and secure. That is perhaps the major point that the Committee wants to make. The allocations of £56 million, £72 million and £70 million for the next three years are £125 million short of the £110 million per annum identified in the structural maintenance funding plan as being necessary to maintain our roads to an acceptable standard. The Committee is also concerned about the road safety consequences of continued underfunding in that area. Those risks have been highlighted in the most recent Roads Service annual report and accounts.

I realise that the inadequate allocations for structural maintenance are often supplemented with bids in the in-year monitoring rounds. Of course, Roads Service has been successful in many of those monitoring rounds. However, the Committee believes that that is not a viable long-term strategy for funding structural maintenance programmes. The Department is too dependent on being successful in the in-year monitoring round process. The Committee calls on the Minister and the Executive to recognise the value for money represented by planned maintenance and the public-safety risks associated with continued underfunding of the work in that area.

The Committee further calls for structural maintenance funding to be ring-fenced and clearly identified for the period of the Budget. That will allow the industry to make forward plans with confidence and to invest in developing the capacity required to meet Northern Ireland's structural maintenance needs on time and within budget.

Dr W McCrea: Does my honourable friend agree that when the Department for Regional Development is given such a substantial budget, it is vital that it is spent wisely? There was a plan for a bypass for Magherafelt. For 30 years, the people of Magherafelt town have been waiting for that bypass to be built, and we still do not have it. We thought that we might be in the running to get some movement on that matter.

However, a new plan has now been devised by some civil servant. Instead of giving us that bypass, the Department for Regional Development now wants to put that plan on the long finger and build a road that stretches from the Moneymore Road right down to the Castledawson roundabout. If that is the kind of brains that are in the Department, it is about time that there was a rethink; the Department is getting too much money instead of too little. *[Interruption.]*

Mr Wells: I am sure that the Committee would wish to support the honourable Member for South Antrim's call for that bypass after the completion of the Ballynahinch bypass. *[Laughter.]*

The Committee is also concerned about investment in road infrastructure, which is essential to the social

and economic well-being of Northern Ireland. A good-quality road network is crucial to improving journey times in Northern Ireland and to connectivity to and from our ports, airports and tourism facilities. In addition, a substantial amount of public transport is road-based. Access to health and social services, employment, education and cultural and sporting activities depends on an adequate, sustainable, safe and effective road network.

The Committee is concerned about the allocation to the roads capital budget, which, at £572 million, is significantly lower than the low scenario bid in the draft investment strategy. The current allocation will allow for the opening of the M1, Westlink and M2 upgrades in 2009. That project is safe, as is the dualling of the A4 from Dungannon to Ballygawley and the completion of the dualling of the main Belfast to Dublin road — the section from Beech Hill to Cloghogue, a scheme that is close to my heart. However, it is likely that the roads allocation will necessitate the deferral of some schemes; dare I say that two of those are the A6 dual carriageway from Castledawson to Toome and the A2 from Maydown to the airport at Londonderry.

Spending on local transport and safety measures, bridge strengthening, carriageway widening and major works on local roads will need to be less than was envisaged during the three years to 2010-11. The Committee calls on the Executive to review the roads allocation in the light of the importance of a free-flowing road system to the continued economic development of Northern Ireland.

The Committee also examined in detail the issue of investment in public transport, particularly buses and railways. We believe that that is important to the social and economic well-being of Northern Ireland. Like roads infrastructure, a good-quality integrated network of bus and rail transport is key to the underpinning of economic development, as well as access to education, employment, leisure and social services. Investment in public transport also brings enormous environmental benefits in the form of reduced carbon emissions and air and noise pollution.

A Member: You wrote that bit.

Mr Wells: I did.

In the past, there has been persistent underinvestment in public transport infrastructure. The Committee discovered that, in addition to the £426 million capital bid, only £196 million has been allocated in the draft Budget, including £137 million for rail, £47 million for buses, and £1.2 million for improved ferry services to Rathlin Island, which will certainly keep at least one Member happy.

The Committee calls on the Executive to deal with the failures of the past and to invest in public transport.

Failure to adequately resource public transport will have an adverse effect on the environment and exacerbate social exclusion, and might jeopardise the recent and much-welcomed positive economic growth.

The Committee has met both Into the West and the Northern Corridor Railways Group and has heard evidence of public-safety issues and speed restrictions, which are as low as 10 mph on stretches of track between Belfast and Londonderry. It is absolutely appalling that, after a huge amount of money has been spent on new trains for that line, their speed must be reduced to 10, 15 or 20 mph on various parts of the track. That is totally unacceptable.

Having championed the cause of women's access to concessionary fares, the Committee welcomes the proposal in the draft Budget for the extension of those fares. It is extremely good news for all concerned.

Age Concern and Help the Aged provided evidence to the Committee on the differential patterns of urban and rural use of the senior Smartpass and the bias against disabled people that is posed by the limitation of the concession to single-journey tickets.

Mr Speaker, time is running out fast. Therefore, I will turn quickly to the issue of environmental sustainability. The draft Programme for Government includes a priority to protect and enhance Northern Ireland's environment and natural resources. However, there is little evidence of the radical thinking and policies that are needed to deliver a 60% to 80% reduction in carbon emissions by 2050, which was identified by the Prime Minister in a speech as recently as 19 November. The DRD allocations do not appear to reflect the need to deal with the issue with any immediacy.

The investment strategy's major proposals make substantial reference to the environmental impact of differing forms of infrastructure investment, but it is not clear to the Committee that that has been followed through in the draft Budget and the ISNI 2 allocation stage. Indeed, a quick glance at the draft Programme for Government indicates that it has not taken full cognisance of the hugely demanding targets for carbon reductions that are faced during the next 50 years.

Mr B McCrea: Mr Speaker, can I say at the outset that I am genuinely grateful to all Members? I believe that, in my efforts to get up and say a few words, I have actually lost pounds.

6.00 pm

I will start off in a mode of generosity. I listened genuinely and with good intent yesterday to the First Minister's speech on the draft Programme for Government and the draft investment strategy. I assure the House that we all want to do what is best for the people of Northern Ireland, and we got involved in the process

to see whether we could work something out. We have some concerns, especially about the lack of a financial package. In fact, Sinn Féin's Chief Whip, Carál Ní Chuilín, mentioned at the start of the debate that everybody agrees that there is not enough money in the draft Budget to go around, and I did not hear anybody demurring. Peter Robinson, Peter Weir and Nigel Dodds — everybody — have said that we need a financial package. The truth is that we did not get enough.

I also want to deal with the comments that have been made about whether or not the Ulster Unionist Party is in Government. We will not agree with every decision that is made by the Executive just because we have two Ministers in it. We reserve the right, as Members of the Assembly, to scrutinise the draft Budget and everything else that is going on.

Mr Kennedy: Does the Member agree that the position of the Ulster Unionist Party in the Executive was dictated by the votes of the people? We are not there at the behest of other political parties — particularly the DUP and least of all, Sinn Féin.

Mr B McCrea: I thank the Member for his intervention. We are represented on the Executive as of right. With regard to whether it is right to oppose or to criticise a Budget, I quote from Ian Paisley Jnr:

“I found the Committee Chairpersons' comments in the report of the draft Budget very interesting — so much for a united approach. The Chairpersons of various Committees — and not just DUP Chairpersons, but Ulster Unionist, SDLP and Sinn Féin Chairpersons — all criticised the Budget proposals.” — [*Official Report, Bound Volume 8, p131, col 2*].

Also, Sammy Wilson — I was rather hoping that Sammy would be here, but unfortunately he has left — declared:

“I want to make the position clear from the start: the DUP is opposed to the Budget.” — [*Official Report, Bound Volume 7, p185, col 1*].

It is entirely legitimate for the Ulster Unionist Party to say that there are better ways to do things. We agree that there are limited budgets, and we will have to find a way of dealing with those.

When we were talking about the draft Programme for Government yesterday, I promised to talk about the Barnett formula. I do not propose to bore Members at this stage, except to say, following on from Mr Wells — [*Interruption.*]

I could not do that to you. [*Interruption.*]

I am depending on the indulgence of the Speaker to get through this speech.

The issue is per capita expenditure. Mr Wells talked about roads. Why do we have a higher per capita expenditure on roads? Because we have a large rural area, and we need more roads to go around. Furthermore, we need to have a headquarters. Northern Ireland is a

small country compared to England or Scotland, for instance, and therefore we have higher overheads. The Barnett formula recognises that some areas in any union are less economically viable than others, but that does not mean that they are any less valuable. That is why the Barnett formula is important to us, and it applies as much to health issues as it does to anything else.

I listened to the Chairperson of the Committee for Education, Sammy Wilson, talking about the education budget — I presume that he was reading from the same file that I have. Education had a baseline of £1,720 million last year, and this year it has a baseline of £1,626 million, so we have lost about £100 million before we start. Furthermore, in the rest of the United Kingdom, education budgets received an increase of 5.3%. I realise that the increases are unhypothecated, but we only got a 4.3% increase.

That unhelpful differential means that the Committee's analysis to date demonstrates that the Department will face particular difficulties in obtaining funding to maintain projects for children and young people and for the development of integrated education. I agree with Maurice Morrow that those issues and others, such as early years education, must be tackled.

However, the Committee has stated that the Department will not have any money in years 1 and 2 and will not, therefore, be able to tackle disadvantaged areas or to commit funds to community renewal. That is a problem: the money must be found for those people. The Committee notes its concerns that insufficient Budget resources could delay indefinitely any attempt to tackle the issues of special education needs or to develop the early years strategy.

The Assembly has said that it will tackle early years education: it is the right thing to do, but there is no budget. Efforts to improve levels of literacy and numeracy may have to be scaled back significantly. The Committee notes that not receiving the funding for the bid runs counter to PSAs 10 and 19 in the draft Programme for Government and is at odds with the commitments given after the report by the Public Accounts Committee at Westminster. The Assembly simply must deal with literacy and numeracy issues.

Perhaps the Department for Employment and Learning's budget could be used to tackle the issue. However, the Department of Education's bid for the improvement in literacy and numeracy was for £23 million next year, £32 million the following year and £32 million for 2011, but it received nothing. How can problems with literacy and numeracy be tackled if budgets are being cut and no new money is being brought in?

What is being done about adult apprenticeships or making ICT the third essential skill? The draft Budget states that DEL has apparently been granted an extra

bid of £36.8 million. However, when inescapable costs are removed, that leaves only £7 million. Alex Attwood pointed out that the departmental budget increases from £731.5 million in 2007-08 to £734.4 million in 2008-09, a rise of only £2.9 million. How can the Assembly tackle all the problems on which it made promises?

As Members have mentioned, resources must be targeted to areas of most need, such as north Belfast. I was quite taken by the fact there have been efficiency savings of £66 million in north and west Belfast over the past three years, and that some 400 teachers have been made redundant. If those redundancies had been in line with the decline in pupil numbers, only 140 teachers would have gone. Therefore, north and west Belfast are losing teachers.

How much money does it take to tackle that? Members have been asked to come up with constructive ideas, and I have done so: £3 million would pay for between two and five additional teaching assistants for each school to concentrate on literacy and numeracy and to help children and their parents in north and west Belfast. An extra 100 teaching assistants could be divided between 40 schools in areas that Members know have the greatest social need. Furthermore, that money would pay for six specialist teachers to give instruction on best practice.

London Challenge's report will show that it was able to make huge differences in the levels of literacy and numeracy with a budget of only £4 million. I ask all Departments to work with the Department of Education to amass that money. I agree that cross-cutting issues such as health, parenting skills, early learning and antisocial behaviour must be tackled. The Assembly would have community support in addressing those issues.

I promised the Speaker that I would try to be brief. To conclude, therefore, the Ulster Unionist Party is willing to work with Members in a reasonable, frank and positive manner, but we must work together: the Assembly is not a diktat.

Mr A Maginness: I am slightly confused. Yesterday, and for part of today, some Members wanted to turn the Assembly into the Supreme Soviet in order to rubber-stamp a draft Budget. The Chamber is intended for parliamentary debate, and it is the duty of all Members to scrutinise and criticise where necessary.

The SDLP will do that, as will our colleagues in other parties. To characterise us as being against the Executive or the spirit of the Executive is completely and utterly wrong. It is our duty to criticise. Members who are outside the Executive, specifically from the Alliance Party, should not be criticised for criticising the draft Budget; they have acted honourably in doing so.

Mrs Long: Does the Member agree that if the Government are confident about their programme, they should welcome the scrutiny of those in opposition?

Mr A Maginness: Yes. In fact, yesterday, the First Minister invited criticism, unlike some DUP and Sinn Féin Back Benchers. The Sinn Féin Whip, Carál Ní Chuilín, said that there is not enough money for everyone and that we should not use emotional blackmail. I represent North Belfast and I have no hesitation in criticising the draft Budget for falling short of the social-housing target for the next five years — 2,000 houses. That target will not be reached under the allocation that the Minister of Finance and Personnel has made in the draft Budget.

The Minister of Finance and Personnel told the Minister for Social Development to sell land and finance housing through private means. Only minutes ago, William McCrea was criticising the Minister of Agriculture for selling land — he pointed out the dangers of doing that. There are dangers in selling assets to provide capital for housing development in Northern Ireland, which all Members agree is absolutely necessary. 'Building a Better Future — Draft Investment Strategy 2008-2018' states that that is one of the Executive's top priorities. How can houses be built without money? Does land have to be sold? How much will a Department raise if it sells all its land? How long will that take? If that is a solution — which I doubt — it is a long-term one.

Is Carál Ní Chuilín telling the 2,300 people on the social-housing waiting list in North Belfast not to worry because land will be sold so that in five or 10 years' time homelessness in North Belfast will be solved? That is ridiculous, yet it is what Fra McCann suggested to the House. He said that the Minister for Social Development blames everyone but herself, and he criticised her severely on all areas of her brief. Yet what does Fra McCann do? He backs the Budget that prevents the Minister for Social Development from achieving the housing allocations that will meet the needs of the homeless in Northern Ireland.

[*Interruption.*] He supports —

Mr Speaker: Order. The Member has the Floor.

Mr A Maginness: He supports the Budget that will stop fuel poverty being alleviated in Northern Ireland. That is the right-wing agenda that the Minister of Finance and Personnel is putting before Sinn Féin Members and other Members. Members have a duty to reject that right-wing Thatcherite agenda. If Sinn Féin Members do not recognise that the draft Budget pushes a Thatcherite approach to social development, they must be politically blind and illiterate.

A Sinn Féin Member said that the Minister for Social Development should ask the housing associations for their assets. How can she do that? How can she tell a

private body that she needs its money for the Government's housing policy?

It would be impossible for the Minister to do that. The Minister for Social Development and her Department have a duty to make efficiencies; the draft Budget states that that Department will make efficiency savings of £113 million over the next four years, which is an important contribution. All Departments have a duty to look at efficiencies, and to use them to make funds available for other Departments.

6.15 pm

Mr Donaldson: Will the Member give way?

Mr A Maginness: No, I will not, because I have only a few minutes left.

The Minister of Finance has suggested that there are additional sources of private finance — I would love to know where they are, and whether they are readily available.

DSD requested £992 million in its capital bids for housing and urban regeneration, and £373 million over the first three years of the investment strategy. The draft Budget allocations are short by £775 million and £139 million respectively, in terms of urban regeneration. These allocations are completely inadequate, and the Minister has said so to the Committee. The House should note that she had all-party support at the Committee in her quest to gain sufficient allocations for housing, urban regeneration and fuel poverty. No one dissented, so I am surprised that some members of that Committee who are here today are now retrospectively attacking the Minister.

The allocations are completely inadequate. They cannot provide 10,000 new homes over the next five years; that will be unrealistic if the allocations made by the Minister of Finance and Personnel remain. I hope that he listens to the comments made in the House today and amends those allocations, so that we can provide people in Northern Ireland with decent homes and eliminate fuel poverty at last. That is the duty of the Executive.

I note that the First Minister is here. One of my first memories of the First Minister is from the Bannside by-election, which he won. On that occasion he dedicated himself to improving the living standards of ordinary people and to eliminating poverty and the worst housing conditions that he had ever witnessed. I hope that he remembers that, because there is a duty incumbent upon him, and the Executive, to fulfil those promises.

The Minister of Finance and Personnel (Mr P Robinson): I wish that I had some of Mr Maginness's tablets, to allow me to reach the ceiling in the way that he has. I will deal with the points that he raised, as well as the comments made by the Member for Lagan Valley Mr Basil McCrea, who, when he talked about

economics and statistics, made a very good case for more money being spent on numeracy. *[Laughter.]*

I welcome the opportunity to participate in the debate on the four-party mandatory-coalition Executive's draft Budget proposals. I do that following yesterday's debate on the draft Programme for Government and draft investment strategy for Northern Ireland. It is essential, as part of the wider consultation, to hear the issues that concern Members.

The Assembly and its Committees have an important role — now and over the next three years — to ensure that the funds allocated in the Budget are translated into the maximum possible improvements in local public services. In that context, I record my gratitude to the Committee for Finance and Personnel for the efforts it has made, and will continue to make, in drawing the issues together in this important process.

I have listened carefully to Members' comments on the draft Budget flowing from yesterday's debate, and I will attempt to respond to as many of the themes as possible. However, before I do that, I will highlight in broad terms what the four-party mandatory-coalition Executive are seeking to achieve with their public expenditure proposals. I will focus on three main issues: first, our key priority of growing the economy; secondly, core public services; and thirdly, the local contribution to funding public services through the regional rate.

As Members will be aware, the four-party mandatory-coalition Executive have agreed that the key priority should be to secure growth in the economy. That is not only because it is one of the aspects of our society where we are furthest behind the rest of the UK, but also because of its importance in so much of our everyday lives. It is not simply a matter of the amount of money at our disposal, but also of the wider benefits of having a job — not only for one's self-worth, but also for our families and the wider society.

Although progress has been made in some aspects of the economy — there has been an increase of more than 100,000 jobs since 1998 — significant underlying deficiencies remain in the economy that will need to be addressed if we are to sustain that growth in future.

In relation to competitiveness indicators such as business start-up rates and investment in innovation and workforce skills, Northern Ireland performs well below the UK average, and local productivity is about one fifth lower than the UK average. The highly regrettable recent job losses, including those at Seagate Technology in Limavady, Regency Spinning Ltd in Newtownards and Reid Transport at Cloughmills, have highlighted that we cannot compete solely on cost in the longer term. That point is highlighted in the draft regional economic strategy, which reached the stark conclusion that there will be little or no improvement

in Northern Ireland's position relative to the rest of the UK if there is not a radical rethink of the approach to economic development and support to local business.

The clear focus on the economy in the draft Budget, with its increased allocations for DETI, DEL and DRD, reflects an initial step by the Executive in addressing the issue. That move has received a broad welcome from key stakeholders. However, as with all public spending, it is not sufficient simply to increase funding. It is essential that the programmes of support for economic development are continually reviewed and updated to ensure that there is delivery on the key goals of halving the private-sector productivity gap with the UK average — excluding the greater south-east — by 2015, and of increasing the employment rate from 70% to 75% by 2020.

In taking forward plans to provide new and enhanced services for the people of Northern Ireland — for example, the extension of free public transport to everyone of 65 years of age and over — it is also important to strike a balance to ensure that core public services have sufficient funding, and also to provide the incentive to deliver existing services more effectively.

Although all Ministers made the case to me about the need for additional resources for their respective Departments, the main issues since the publication of the draft Budget have been the proposed resource allocation for the Department of Health, Social Services and Public Safety and the capital allocation for the Department for Social Development. Some people have suggested that the position in some way undermines the Health Service, while the allocation for housing will lead to a crisis — indeed, according to the previous Member, the crisis of homelessness has already happened.

The four-party mandatory-coalition Executive would have liked to allocate more public-services funding. However, financial realities mean that that was not possible. In addition, concerns about impacts on services have been exaggerated to an extent that the facts show is not credible.

The draft Budget sets out plans for health and social care to receive an additional £450 million by 2010-11. That is equivalent to 51% of the total additional resources that will be available to the Northern Ireland Departments. There will be a further £340 million increase in spending power from efficiencies that the Minister has agreed to make.

Amid the doom and gloom that some have declared, it is important to recognise that the draft Budget allocation for DHSSPS will allow a number of service developments to be progressed over the three-year period, including improved services for children and meeting the revenue costs for capital investment in new and improved facilities. Additionally, the further

funding for pay reform that has already been made should result in improved public services. Those are some examples of what can be achieved from the £700 million of inescapable pressures, as defined by the Health Minister. It is up to him to decide which additional discretionary service developments are to be progressed over the Budget period.

I appreciate that Members wish that more money was made available. However, it is important that the context of the Health Department's proposed allocation be understood. In particular, I reiterate the points that I have made in recent weeks: expenditure on health and social care in Northern Ireland is 10% higher than in England; over the next three years, the draft Budget proposes that the Health Department will receive more than half of the additional resources that are available to all Departments; and, by 2010-11, health will account for almost 48% of the total spend.

The Health Minister will have more — and a larger proportion of — money at his disposal than any of his predecessors. To achieve higher levels of health spending growth would require substantial reductions to other Department's allocations, or a massive hike in rates. That cannot be justified.

Funding levels are only part of the solution. There is no point in pumping money into an inefficient system. It is noticeable that most of the people who opposed the level of the Health budget were silent when it was half of what is being proposed now.

Nothing that I have said suggests that some additional resources for the health and social care sector would not bring further benefits to the people of Northern Ireland. I fully recognise and support that, and I am open to suggestions as to where such funds would yield the most benefit. However, I am also open to suggestions about where those resources might be found. Mr Speaker, you are a patient man and, thus far, you have sat through the whole four-hour debate. When you are driving home to Londonderry, away from the Members who made bids for more money during the debate this afternoon and evening, I challenge you to think of even one who put forward a single suggestion as to how additional resources might be found to fund those bids.

The most obvious example of need in the Health Service is in the mental-health sector — and Members have referred to the Bamford Review. In Northern Ireland, that need is almost 50% higher than in England, and that is one of the main reasons why the overall local need for health and social-care services is higher. However, mental-health service funding is higher per capita than for England, which suggests that, in the past, either sufficient funds were not allocated or funds were diverted to other sectors, such as acute services.

The Health Minister identified mental-health services as a priority for his Department — albeit that that was his seventeenth priority. In that context, the draft Budget identifies just less than £50 million to implement the Bamford Review proposals by 2011.

6.30 pm

Mr Donaldson: I thank my Rt Hon friend for giving way. That issue is so high a priority for the Minister for Health that when the Assembly debated the Bamford Review on 18 December 2006, autism issues on 9 January 2007, and the future of Muckamore Abbey Hospital on 29 January 2007, he made no contribution whatsoever.

Mr P Robinson: I shall divert slightly from my speech to deal with that point, because there is an issue of which the Assembly must be mindful. The four main parties in the Assembly have Ministers in the Executive who are responsible for Departments. Mr Speaker, you decided, quite rightly, that the amendment tabled by the Ulster Unionist Party and the SDLP could not be moved today, but I noted that the only Departments about which those parties were concerned were the Department of Health, Social Services and Public Safety, and the Department for Social Development.

Mr B McCrea: On a point of order, Mr Speaker. You asked us very kindly to withdraw the amendments, which we did to facilitate the House. Is it in order for the Minister to refer to an amendment that we cannot defend?

Mr Speaker: That is not a point of order. That is part of the heat of debate in the Chamber.

Mr P Robinson: Mr Speaker, the Member is right about one point — he cannot defend it; it is indefensible. *[Laughter.]*

Some parties have decided, somewhat like football supporters, to cheer for the Departments of their respective Ministers. I can understand parties wanting to support their Ministers vocally or in any other way that they can. However, some of us have responsibilities that go beyond departmental vested interests. We must look at the overall position of Northern Ireland. We must balance the issues of all Departments — not fight for only one or two.

Members must be careful when they are putting forward a case for one Department, for which their Minister happens to be responsible, that they do not forget the real need that exists in other areas.

I return to the issue of mental health. The allocation of £4.5 billion for the health budget, with an additional £8 million being made available, means that the figure that I have indicated was discussed by the Department of Health and my officials, as being required to implement the Bamford Review recommendations, would represent only 6% of the additional allocation, or just over 1% of the total allocation to the Health Department.

I am sure that Members will agree that, if the Minister wants to deal with that serious issue, he can ring-fence funding for some of the most vulnerable people in society, given that the required funding amounts to such a small proportion of the additional resources that are at his disposal.

I have been asked, outside the House, whether I could ensure that funds are allocated specifically for mental-health services, given the history of such service provision in Northern Ireland. Having considered that matter, I would be very reluctant to even think about micromanaging any Minister's Department. I am sure that, when the Minister gets down to the serious business of setting out his actual spending plans when the allocation is agreed, he will deal with that issue.

However, it must be said that the four-party mandatory-coalition Executive could allocate funds to the Health Service, with a ring-fenced portion for mental-health services, if it chose to do so.

Returning to the overall funding for health, a key point is that the figures quoted for additional requirements are simply unrealistic. The focus must be on using existing resources better, rather than asking for more funding. As I have said before, we need a better Health Service, not a more expensive one.

The concerns that have been raised about resource expenditure for health have been repeated about the capital expenditure for social housing. Social housing is an important priority for everyone in Northern Ireland, and it should be available for those who need it most. The Department for Social Development will have almost £720 million to invest in housing over the next three years. The investment strategy proposes further investment of over £1.2 billion over the following seven years, which brings the total funding to almost £2 billion over the next decade.

Members have been fond of quoting comparisons with England; let me join in. The number of social houses per head of population in Northern Ireland is already 30% higher than in England, and levels of housing unfitness here are the lowest in the United Kingdom. In addition, the number of social housing completions over the past five years was 60% higher here than in England.

Therefore, although I fully support the Social Development Minister's call for more investment in social housing — as reflected in the additional £20.4 million that I announced recently — the Department for Social Development will also need to actively consider how the proposed allocations from the draft Budget can be supplemented by additional income. That could come, for example, from private-developer contributions. I know that the Minister of the Environment has already had talks with the Minister for Social Development regarding issues that relate to planning. Indeed, the

Minister for Social Development should also be considering issues such as land sales.

I noted in a press statement issued yesterday by Mr Alban Maginness that he indicated that the allocation for housing was so bad that there was real doubt as to whether the Department for Social Development can build even one social house. Members discredit any cause that they have when they go off the scale in that way. Given the millions of pounds that will be available for housing in the Department for Social Development's budget, to make that kind of claim is petty and ridiculous.

As I have indicated to the Minister for Social Development regarding the scope for additional funding, additional resources are available for capital investment in 2010-11 from the draft Budget. Those resources will be supplemented by the ongoing work of the capital realisation task force. However, it is important to recognise that there will be a number of competing priorities for the additional resources that become available. The four-party mandatory coalition Executive will need to decide what should be delivered in social housing as opposed to other capital projects.

Incidentally, there is one contribution that Members can make — I have asked my colleagues on the Business Committee to press for a debate on the issue of rationalising our political bureaucracy, reducing the number of Departments in Northern Ireland, and reconsidering the number of Assembly Members for this small region of the United Kingdom.

Some Members: Hear, hear.

Mr P Robinson: I am not sure that all Members are saying "hear, hear" at this stage. *[Interruption.]*

Mr Speaker: Order. The Minister has the Floor. Practically every Member in the House has been able to speak today. Allow the Minister to respond.

Mr P Robinson: That will be a way of freeing up resources for use in front line public services. I hope that when the Business Committee considers the matter, there will be enthusiasm on the part of its members to bring that motion to the Assembly. Furthermore, I hope that when it does come before the Assembly, it will receive support across the Chamber.

I will now talk about the regional rate and the local contribution to public services. Despite the promise of a new four-party mandatory-coalition Executive, this remains a time of significant concern for many hard-pressed householders in Northern Ireland. Oil prices continue to rise, and the Bank of England base lending rate is 5.75%, which is almost 65% higher than its low point of 3.5% in July 2003. In addition, the price of household staples such as milk and vegetables are rising at a faster rate than incomes. At this time, a key duty of the four-party mandatory coalition Executive must be to ensure that it does not add to the already heavy burden

on households. In that context, Members will hardly need to be reminded that over the past five years, regional domestic rates have increased by 62%, with a 19% increase in one year alone.

Looking forward, the four-party mandatory coalition Executive has unanimously accepted the key recommendations of the Independent Water Review Panel's stand-one report, which will lead to additional, but necessary, household contributions to those services from 2009-10.

While we will mitigate that expense, by recognising that the existing regional rate contains a contribution to those services estimated at an average of £160 per household, it is essential that we also recognise the historical and future pressures on household bills. Accordingly, the draft Budget proposes that there will be no increase in the regional domestic rate in each of the next three years. That is equivalent to a reduction of over 8% in real terms over that period.

Direct rule Ministers intended to introduce water and sewerage charges from 2007-08 without taking account of rate bills. Increases in the regional rate under direct rule were, on average, 9.8% per annum. Our proposals will mean that each household in Northern Ireland will save, on average, over £1,000 over the period 2007-08 to 2010-11 compared to the direct rule proposals.

Turning to the non-domestic sector, since 2001-02, the increase in the non-domestic regional rate has been 3.3% per annum. Recognising the need to limit the cost pressures on local businesses, the draft Budget proposes that the increase be held at the level of inflation in each of the Budget years. That will mean that there will be no increase in real terms in the burden to business from the regional rate in the planning period.

In recognition of the particular pressures facing the manufacturing sector, I propose to freeze industrial rates liability at 30% across the Budget period, which, again, represents a significant saving against the previous direct rule proposals.

Yesterday, I was astounded to hear one Member say that she opposed my proposals to freeze industrial rates at 30%. She said:

"However, all I see is subsidy to businesses and snubs to those who work for a living in our forgotten communities." — *[Official Report, Bound Volume 25, p338, col 2].*

She went on to say:

"Chancellor Robinson has made the ludicrous decision to maintain the blanket subsidy to manufacturing companies by continuing rates relief." — *[Official Report, Bound Volume 25, p338, col 2].*

and continued with:

"fat cats get benefits. Corporate welfare seems to be alive and well in "Robinsonland". — *[Official Report, Bound Volume 25, p338, col 2].*

That same Member was at a breakfast this morning, which I also attended. There, it was pointed out that 48% of the manufacturing industry in Belfast is in her

constituency — and mine — East Belfast. I can tell her, having been around those businesses in East Belfast that, had we not taken that step, one company alone would have had to lay off 100 workers, and it would have been stopped from moving ahead with a proposal that would have meant 1,400 jobs in East Belfast.

Another company that I visited with the Department, only 10 days ago, indicated that the decision that had been taken gave them the confidence to go ahead and make the decisions to expand and therefore bring new jobs to that constituency.

Like the Member for East Antrim Mr Wilson, I noted the comments towards the end of that Member's speech when she decided to harangue Sinn Féin. She said that the DUP is walking all over it —

“on public-private partnerships, less Government and equality issues.” — *[Official Report, Bound Volume 25, p339, col 1]*.

I take from that that she actually believes that there should be more government. We were talking about the politburo a short time ago. I can remember watching a film about an invasion of the United States by Communist forces drawn from Russia and Cuba. It was the well-named ‘Red Dawn’. *[Laughter.]*

I believe that the decision taken to freeze industrial rates is a sensible one that will lead to more jobs, and importantly — as everyone will have seen over past weeks — it will do a great deal to safeguard the jobs we already have.

I am appalled by the blinkered and twisted thinking that assumes that a business-friendly Budget is good for business leaders and therefore it must be bad for the workforce. It is that kind of crazy logic that has led to the draft Budget being characterised as neo-Thatcherite and right-wing. That is nonsense.

This is a Budget for everyone. It is a Budget for business, but also one for the working man and woman. It is a Budget to get the economy moving — it is not right wing, simply right. Dawn Purvis chides Sinn Féin and the Democratic Unionist Party. She should speak to the workers in East Belfast whose jobs have been saved, and who will gain jobs as a result of the decision that we have taken.

6.45 pm

Mr Paisley Jnr: Will the Minister remind the House of a quotation in yesterday's Hansard report from the Member for Lagan Valley Basil McCrea, in which he referred to comments that “Red Dawn” made?

Mr P Robinson: I heard the Member for Lagan Valley applaud and welcome Ms Purvis's speech. I must say, however, that, after an intervention from me, he did qualify his comments by saying that he applauded some of Ms Purvis' remarks, although he did not specify which of her remarks he was applauding.

Mr B McCrea: Will the Minister allow me to specify those remarks now?

Mr P Robinson: No. The Member managed to wangle the opportunity to make a speech in this debate, and that has left us tight for time.

The approach that I have taken to rates reflects the four-party mandatory coalition Executive's desire to redress the balance from previous direct rule Budgets, in which the local ratepayer was expected to shoulder too great a share of the burden for the delivery of public services.

The 2004 spending review staff-reduction targets are an indicator of the departmental performance that we can expect. The fit-for-purpose target, which was established in December 2004, required that the number of Civil Service-funded posts in April 2004 be reduced by 2,300 by March 2008. In overview, progress to date is a clear indication that we are well on track to meeting that target. Indeed, the latest information shows that we are ahead of the planned trajectory.

Many commentators, including some present in the House, expressed concern that the target could be achieved only through a form of redundancy scheme; however, the Civil Service labour pool has proved to be more dynamic than those commentators thought possible. Our latest figures show that natural turnover in the Civil Service is 5.4%. On that basis, we can be confident that Departments are, and will continue to be, able to adjust numbers without recourse to any form of redundancy scheme. Looking ahead, we can be confident that that dynamism will be maintained, and possibly enhanced, as our plans to develop and grow the economy and a vibrant private sector begin to yield dividends.

The Alliance Party expressed concern at the inability of the draft Budget to address economic growth. The broader question is the extent to which a devolved Executive, with limited fiscal powers and budget, can address economic growth in a global marketplace that is worth many trillions of pounds. The approach adopted represents full use of the powers that we have, with a focus on putting in place the conditions for growth, through working alongside local business and employee representatives. Therefore, I fully believe that the four-party mandatory-coalition Executive's draft Budget proposals to reverse the downward trend and funding for economic development and to minimise the rates burden on business, together with plans to improve our economic infrastructure, are a significant improvement on the plans of each of our previous Administrations. I am under no illusion that even more could have been done, but I was determined to protect our public services, such as health and education, which also required additional funding, so my Budget has sought to strike a balance.

I share the view of many that savings could have been made from various sources, including the cost of division, which it is perhaps necessary for me to spell out. I dealt in some detail during Question Time with some of the Alliance Party's unrealistic expectations about what savings may come from that source. However, I share the view that savings could be made from that source, albeit on a more limited scale than the Alliance Party suggests. I have asked my officials to examine the findings of the Deloitte report, with a view to identifying those elements in it that can be addressed in the short term. Similarly, I encourage all Ministers to make as many savings as possible from that area, particularly as they have made it clear to me that the efficiency savings already expected over the next three years will represent a significant challenge to them.

Therefore, all scope for savings needs to be vigorously pursued. In taking forward its work, I will also ask the performance and efficiency delivery unit to consider the potential savings to be gained from reducing the cost of division.

There are two issues that I must address, the first of which is the role of the Executive. In any Government, the intention is that people who intend to seek a mandate should put their proposals before the electorate and seek an endorsement of those proposals. If it is a one-party Government, the process is simple: they use their manifesto as their Programme for Government, and they proceed. However, in the case of a voluntary or mandatory coalition, there is a requirement for them to agree on a Programme for Government. If there is no agreed Programme for Government, there is no coalition.

One cannot adopt a position whereby some people decide to be in Government, but do not want to agree with the Government's programme. That is an untenable position. That is not to say that Members of Government parties — in the Executive or in the Assembly — cannot choose to make comments, criticise — or suggest changes to — the Programme for Government, the investment strategy or the Budget. Last night, there was not one squeak from any of the Ministers who were prepared to allow their parties to vote against the draft Programme for Government. Not one of them suggested any change to that programme. Therefore, we need to have some sincerity in an Executive.

If there are going to be changes, and if there is a feeling that changes are needed, some Ministers have let down their Assembly colleagues by not suggesting those changes in the Executive. I am quite content for Members to express concerns, and for the Executive to consider those concerns when making final decisions about the draft Programme for Government and the draft Budget.

The second issue that I must address is the fact that some parties in the Chamber appear to be in denial. It

is clear that an attempt is being made to suggest that there is an Executive in Northern Ireland that consists only of two parties. That is, quite transparently, not the case. I hope that, in the references that I have made tonight, that it is abundantly clear that we have a four-party mandatory-coalition Executive, of which the Ulster Unionist Party and the SDLP are part.

[Interruption.]

I am quite happy if Members wish to say that their party is withdrawing from the Executive. The Executive is built on a system that was negotiated by the Ulster Unionist Party and the SDLP. They are the parties —

[Interruption.]

Mr Speaker: Order. I call for order on all sides of the House. I have continually said that almost all Members from all sides of the House have contributed to the debate, as far as possible. The Minister is responding. I realise that, in the heat of debate, it is not easy for some Members to sit and listen. Nevertheless, the Minister is now responding. Allow the Minister to respond.

Mr P Robinson: Again, I make it clear that the four parties who are in the Executive need to have an agreed Programme for Government and need to agree a Budget. In neither case was an amendment suggested that would reduce the Budget in one area so that additional funding could be provided in another. No such proposal was put by any party in the Executive, including the two parties that are complaining.

No change was recommended to the draft Programme for Government by either of the parties who have now decided that they want to decry it. They are in denial and attempting to pretend that they are, somehow, out of Government, but at the same time taking the benefits of being in Government. That type of hokey-cokey party politics simply will not wash with the people of Northern Ireland. They know that the SDLP and the Ulster Unionist Party are a part of the Government and are responsible, as is every party in the Government, for the decisions that are taken. In particular, the Ulster Unionist Party was gagging to get into Government.

It was gagging to get into Government so much that it put out statements telling the electorate of Northern Ireland that it would be in Government. Come what may, the Ulster Unionist Party would be in the Executive and would take its seats. I could spend time reciting its quotations, but the Ulster Unionist Party is on the record as saying that it would take its seats in the Executive and be accountable. I am quite content that the Ulster Unionist Party has signed up to the four-party mandatory-coalition Executive. However, if it decides that it does not want to proceed on that basis, we can go back and negotiate a new and different process from the one that currently exists.

This is the system that the Ulster Unionists negotiated. It was the DUP that said it was not satisfied with that system. It was our party that insisted on a requirement in the St Andrews Agreement legislation to examine the methodology and structures of Government in Northern Ireland, because we did not like the system that the Ulster Unionist Party had negotiated. We made significant changes to the accountability within that system, as many members of that party have already found out.

Indeed, it has to be said that the Ulster Unionists found out about the accountability functions so acutely that instead of coming into this Chamber to join their colleagues in the vote, their Ministers were skulking outside and were not prepared to come in. They knew that if they did they would be in breach of the ministerial code and would jeopardise their positions in the Executive.

I will deal with one further issue that has arisen in the debate. There has been a great deal of talk about the financial package. Let me give the full history of that package. Leaving aside the fact that the Ulster Unionist Party and the SDLP negotiated nothing positive in financial terms when they were in the lead position, they ended up with a reinvestment and reform initiative that forced rates in Northern Ireland up by 62% over five years. That is the legacy of the Ulster Unionist Party's negotiations. On the other hand, the Democratic Unionist Party renegotiated —
[*Interruption.*]

Mr Speaker: Order. Members must allow the Minister to continue.

Mr P Robinson: We successfully renegotiated the reinvestment and reform initiative so that I am now able to freeze the regional rate, which I could not have done under the agreement that was reached by the Ulster Unionist Party. We have managed to increase the Budget for Northern Ireland. Let us remember that the £1 billion peace package that was mentioned was based on capital, not resource: that had always been the case. The increase amounts to significantly more than £1 billion of capital. There is no automatic end-year flexibility (EYF) for Northern Ireland. There is no automatic right to the asset sales. Those were delivered during the course of the negotiations with the Chancellor. The Ulster Unionists should know that, because their representatives were there too.

[*Interruption.*]

The Member should speak to Sir Reg Empey, because he was at Number 11 Downing Street with the rest of us. If the Member is suggesting that there is failure, then there is failure on the part of his party.
[*Interruption.*]

Mr Speaker: Order. Let us have some order in the Chamber, please.

Mr P Robinson: The denial seems to go well beyond whether the Ulster Unionists are in Government, or not, but the facts are established historically and are on the record. I remember going to Number 11 Downing Street with Sir Reg and others as part of the negotiations for this package. If the Member is saying that his party stopped negotiations because it was no longer interested and gave up on a financial package, he can go and be answerable to the people of Northern Ireland. We managed to get the increase in EYF, and the asset sales, from which we will receive £1.1 billion over this period.

Mr Durkan: Will the Member give way?

Mr P Robinson: I would love to give way, but as the Member can see, I am literally about halfway through what I want and need to say.

If we had taken the advice of the Member for Strangford Mr McNarry regarding the financial package, we would never have set about the business of trying to get it.

7.00 pm

Mr McNarry's statement, which is still on the Ulster Unionist Party's website, makes it clear that he criticised and attacked the Democratic Unionist Party for getting involved — and he is still wrong.

Some Members: Hear, hear.

Mr P Robinson: He believed that by asking for a financial package we were handing a veto over to others.

The Member for East Antrim Mr Beggs referred to fuel poverty, as did the Member for Foyle. Since 2001, fuel poverty has been reduced in 50,000 Northern Ireland homes. Over the past five years, the warm homes scheme provided energy-efficiency measures to over 11,000 households, with approximately 4,000 households receiving new or upgraded heating systems.

That is an important initiative, and the allocation of funding will need to be balanced with the range of initiatives in the wider housing budget, including new build, co-ownership, decent homes and private-sector grants. I agree that it is important that the Minister for Social Development should consult with stakeholders in taking those decisions.

The Member for North Antrim Mr O'Loan mentioned social housing. The fact that there is a draft Programme for Government with targets is a matter of security to the Minister for Social Development. As the targets are there, the responsibility lies with the Executive collectively to ensure that she has the resources to meet those targets. Do not decry the targets: it is right that they are there, and it is the responsibility of the Executive to ensure that they are met.

The Member for East Antrim Mr Beggs seemed to think that the budget for the Office of the First Minister

and deputy First Minister was open to criticism. It is interesting that he criticised an increase of £15.1 million over the three years in OFMDFM's budget, yet he did not criticise an increase of £688.8 million in the health budget. Considering that some of the increase in OFMDFM's budget will go to victims and their dependants, I would have thought that he may not have wanted to raise that issue.

The Minister of Health, Social Service and Public Safety, Mr McGimpsey, made an intervention during the debate. There was one notable factor in that. Although he indicated that he needed more money, not once did he suggest where it would come from. However, we have a clue where he thinks it would come from. I am saddened that, behind the scenes, Minister McGimpsey's Department has been arguing that additional water charging and higher rates bills could have been used to fund Health Service bids. I resisted such a course. The logic of the Department of Health argument would require ratepayers to pay more than three times what they are paying today. That is totally unacceptable.

I will give the same advice to the Minister of Health that his Department received from the expert who examined thoroughly the workings of the Department of Health, Social Services and Public Safety in Northern Ireland — Professor John Appleby. The Department of Health had some communication with Professor Appleby to try to convince him of a particular issue, and that has been brought to my attention. In Professor Appleby's reply, he states:

“My impression is that a lot of work has gone into disputing the findings of the original report, in particular as I note to boost the need for more funding and to underplay the need for tackling poor productivity. Maybe this was only to be expected, but is disappointing nonetheless.”

He goes on to say:

“It is surely hard to believe that the Northern Ireland health and social care system has or is operating at the very edge of its production possibility frontier.”

Subsequently, he states:

“Surely the appropriate response now is to focus exclusively on how Northern Ireland can start to demonstrably and radically improve its productivity both in cost and quality terms. During the time that I spent on the original review, I was told by a number of people that the problem with waiting times was either intractable or only solvable with large amounts of extra funding. Neither has turned out to be true, and what appeared to be inevitable long-term trends have been dramatically reversed.”

The lesson to be learned from Professor Appleby is to properly use the funds that are already available, rather than crying out for more funds.

The Chairperson of the Committee for Finance and Personnel (Mr McLaughlin): Go raibh maith agat, a Cheann Comhairle. I thank the Members and the Minister for their contributions to what has proved

to be a healthy and generally constructive debate on the departmental allocations, and other issues, contained in the Executive's draft Budget.

In particular, I wish to thank Mervyn Storey, the Deputy Chairperson of the Committee for Finance and Personnel, for the expert manner in which he set out the issues that have thus far been considered by the Committee. Of course, the Committee will continue that work in the weeks ahead.

Obviously, it is difficult to do full justice to the many contributions that were made in today's wide-ranging debate. With the Assembly's indulgence, I will start by commenting on the various policy headings, and I will reflect some of Members' comments on those matters. If I do not recognise some individual contributions, I hope that there will be no misunderstanding — there is certainly no intention on my part to ignore those comments.

In her comments, Martina Anderson set out the stark realities of a pattern of social and economic disadvantage. That is another legacy issue, so to speak, and one of the many that we must all continue to address. Mr Roy Beggs questioned the achievement of the economic package from the Chancellor. The Minister has pointed out that the four parties to the Executive — I will not attempt to repeat the tongue-twister that the Minister seems to have very expertly got his tongue around — were part of the negotiations. If we did not succeed in achieving all our objectives, it is clear that that consensus approach resulted in some achievements. In his typically sober and understated fashion, Sammy Wilson pointed out some examples of that consensus. In particular, he mentioned the punitive levy that was attached to the RRI, and, of course, the increased access to end-year flexibility.

Declan O'Loan called for flexibility when considering revisions to the draft Budget, particularly given that several issues, including further efficiencies and asset sales, are ongoing. That is fair enough — the purpose of the negotiation and the period of consultation is to allow an opportunity for evidence-based arguments to be advanced. Mr O'Loan also called for a critical examination of the efficiency targets and the role of the performance and efficiency delivery unit. He will be aware that the Committee is just about to receive a detailed briefing on that unit, including its remit and terms of reference.

Dr Stephen Farry welcomed the economic focus of the Budget, as did many other Members. However, he raised underlying concerns, including the high cost of economic inactivity and the large productivity gap with Britain. That is yet another legacy, but this time a legacy of failure of the Westminster policy that direct rule Ministers administered for many years. I believe that the Executive have begun the task of correcting that

long period of failure. Furthermore, Dr Farry called for the Treasury's one-size-fits-all approach to be challenged effectively, and he questioned whether the existing resources and economic tools, including the four economic drivers, are being used to maximum effect.

Predictably, I suppose, he addressed the cost to the economy of division. Again, the Minister acknowledged that there are some issues that could be considered. Everyone must be sensible and recognise that, although we have made significant progress, particularly in moving out of conflict, the work to heal divisions will take time as those divisions have emerged over many generations. Confidence-building in our community will also take time, especially as regards guarantees. Debates such as this could be informed by an awareness that there is an audience. We must inform people that we have re-established the primacy of politics.

To turn again to the financial and economic issues, Simon Hamilton highlighted the positive responses to the draft Budget from the Federation of Small Businesses, the Chamber of Commerce, the Institute of Directors, and other key stakeholders.

It also pointed to the continued cap on industrial rates and the freeze on regional domestic rates as positive outcomes for the economy. Again, the Minister has responded to that directly. The Committee for Finance and Personnel have acknowledged and welcomed those measures unanimously. Mr Hamilton's point was supported by Mr McQuillan, who also welcomed the economic emphasis of October's draft Budget statement.

The Chairperson of the Committee for Enterprise, Trade and Investment, Mr Durkan, addressed the finance issue and highlighted the need to include visible funding and focus on the social economy and on innovation. His Committee looks forward to engagement with the Department of Enterprise, Trade and Investment on tourism development. Mr Durkan also informed the Assembly that his Committee would have preferred Safe Start's allocation to be brought forward within the first year of the Budget period. Those are helpful and constructive suggestions.

Basil McCrea, among many contributors, discussed the lack of a sufficient financial package and raised the issue of the Barnett formula and the needs that remain unaddressed by the draft Budget allocations. All parties would acknowledge that the Assembly is, inevitably, in the era of deficit Budget projections because there is simply not enough money. The financial cake must be divided in such a way that as many as possible of the parties' priorities can be dealt with. The judgement is not — as is the argument from some parties — as to whether there are sufficient resources, but whether there has been equitable and fair distribution of available resources. The defenders of the draft Budget, of which

I am one, would argue that a good beginning has been made.

Ms Anderson highlighted fuel poverty and social housing, as, indeed, did several other Members. She called on the Minister for Social Development to prioritise those issues in the context of tackling disadvantage and achieving equality. Mr Beggs also picked up on the issue of housing and fuel poverty, as did Mr O'Loan, who also focused on energy efficiency. Although Ms Ní Chuilín supported those arguments, she also called upon the Department for Social Development to examine its unused asset base with a view to freeing up resources.

Mr McCann reiterated the call to progress the social housing programme and called on the Minister for Social Development to reprioritise in that regard, while not conceding on the case for additional funding. Mr Brady mentioned the issue of warm homes and drew attention to a ministerial statement on the matter. He also discussed fuel poverty and echoed the call for reprioritisation of departmental spending plans. In a passionate address, Alban Maginness warned that the budget for social housing would not be met under the existing allocation.

Simon Hamilton pointed out the comparison between health costs here and elsewhere and highlighted the Appleby Report's conclusions, to which the Health Minister responded that health provision is about improved performance rather than increased spend. Ms Ní Chuilín highlighted investment in health as a strategic measure that would boost economic development. In particular, she, and several other Members, highlighted the need to deal with the priorities that are identified in the Bamford Review of Mental Health and Learning Disability.

The Minister, Mr McGimpsey, set out his case for additional funding for health. He referred to increasing pressures while also reconfirming his commitment to tackle efficiencies. He also argued that the Health Service is underfunded compared to that in other regions and highlighted the greater need that exists here. The Assembly can anticipate that that debate will continue until the settlement of the Budget allocations.

The Chairperson of the Health Committee, Mrs Robinson, called for money to be found to meet the needs of the Rape Crisis Centre. Although she supported the case for social housing, she cautioned against any funding transfer away from health in that regard and warned against any further delay in the implementation of the reform of health and personal social services.

She emphasised — as she has previously in the House — that mental health is a priority for her Committee, echoing the comments of Carál Ní Chuilín. Brian Wilson expressed his dissatisfaction at

the allocations for the Department of Health, Social Services and Public Safety and his concerns at the reliance on efficiency savings.

7.15 pm

The Chairperson of the Committee for the Environment, Patsy McGlone, called for additional provision to benefit a range of projects, and he is concerned that the efficiency drive will impact on some lower-priority services. I guess that that is a common cause of concern across the board. In response to an intervention from Declan O'Loan, Mr McGlone also called for financial resources to enable the establishment of an environmental protection agency. Brian Wilson also addressed that matter, and he said that the targets for reducing carbon emissions were inadequate, and that there was insufficient allocation to promote sustainable development.

Mr Roy Beggs mentioned funding for children, which is cross-cutting issue. He also mentioned the recent report on the work of the Commissioner for Children and Young People, and said that the outcome of that report should be reflected in the draft Budget. Maurice Morrow placed focus on investing in provision for childcare in the early education of young children and emphasised the priority objective of improving the quality of life for our senior citizens.

The Chairperson of the Committee for Employment and Learning, Sue Ramsey, informed the Assembly that the Committee considers that the overall allocation will not be sufficient to meet the goals and targets of the draft Programme for Government. She made a range of suggestions about the Department's allocation and said that a higher priority should be given to research and development, funding for PhDs and to the promotion of ICT as an essential skill. She also called for a range of measures in the areas of further and higher education. Paul Butler also underlined the need to give high priority to the education and further-education and higher-education sectors, as did other Members. Paul Butler also placed great emphasis on the linkage between education and economic development.

The Deputy Chairperson of the Committee for Culture, Arts and Leisure, David McNarry, emphasised the need for further and timely information on draft Budget issues from DCAL. He also called for a complete uplift for that Department's budget, and highlighted a range of specific proposals.

The Deputy Chairperson of the Committee for Regional Development, Jim Wells, spoke on behalf of that Committee. He supported his Department's call for additional resources, and he highlighted the shortfall in roads spending compared to other regions. On behalf of his Committee, he also supported further investment in public transport.

The Chairperson of the Committee for Agriculture and Rural Development, the Rev McCrea, set out his concerns arising from the report of the red meat task force. He stated that his Committee was content with the level of administration and resource allocation in the draft Budget for the Department of Agriculture and Rural Development, but he emphasised his concerns about the sale of the entire Crossmacreevy site.

The Minister of Finance and Personnel reminded Members of the benefits that will accrue for wider society from the focus on economic development, and he pointed to the importance of striking a balance between ensuring that core public services have sufficient funding, and taking steps to maximise the performance and value for money of those services. He also robustly challenged those who are advocating additional funding requirements to state how they believe those issues can be funded out of finite financial resources that are presently available to the Executive.

He defended the overall allocation for the Department of Health, Social Services and Public Safety, and called on the Department for Social Development to consider how the social-housing allocation can be supplemented by greater revenue, effort and other measures within the Department. The Minister pointed to the savings that householders will make from the freeze on the domestic regional rate, and urged them to compare that to the position under direct rule. He also highlighted the continued cap on industrial rating and highlighted the favourable position now, compared to the direct rule system.

The Minister informed Members that the Civil Service headcount-reduction target will be achieved without any compulsory redundancies. The Minister, as I said earlier, defended the financial package and pointed to the renegotiation of the reinvestment and reform initiative as enabling the freeze on the domestic regional rate. He also highlighted gains in respect of the end-year conditions and sale of assets. Go raibh míle maith agat.

The need to maximise cash-releasing efficiency savings is a core theme throughout the draft Budget. A total of £793 million is targeted for efficiency savings by 2010-11, which is equivalent to 3% annually over the CSR period. That target will be achieved, in part, by specific, targeted reductions in the administration costs of Departments.

In addition, the proposed performance and efficiency delivery unit will, with agreed and appropriate terms of reference, examine the scope for Departments to deliver even greater cash-releasing efficiencies. In the drive for greater efficiency, it is crucial to redirect the resulting savings to front-line services, and I doubt that anyone would object to that being the overriding aim.

However, I sound a note of caution at this point. The Committee is aware that the targeted savings of £793 million have already been removed from departmental baseline budgets. Therefore, any slippage in achieving the planned efficiencies could result in a cut in spending on front-line services. Nothing better underlines the requirement for all Members — members of Committees and Ministers — to work together to ensure that we meet the targets that we have set ourselves, while maintaining, sustaining and developing the delivery of front-line services.

The Committee plans to publish final departmental efficiency delivery plans alongside the final Budget. The departmental Committees will, therefore, have vital roles to play in monitoring and scrutinising the progress of their respective Departments in achieving those planned efficiencies. That is a practical example of sharing power and responsibility.

The draft Budget includes other strategic and cross-cutting issues, not least of which is the planned reduction in over-commitment and the need to bear down on underspend. Again, the Assembly Committees will have an important role in monitoring and scrutinising departmental progress.

The Committee for Finance and Personnel looks forward to receiving formal feedback from the other Statutory Committees on the draft Budget's allocations to their respective Departments. Those will be included in the Committee's report on the draft Budget that will be submitted to the Department of Finance and Personnel before Christmas and published shortly thereafter. The report will also reflect the themes that emerge from this debate and will consider the main strategic and cross-cutting issues.

The Committee looks forward to examining the final Budget and to debating it in the Chamber next January. Go raibh maith agat.

Question put and agreed to.

Resolved:

That this Assembly takes note of the draft Budget, announced on 25 October 2007 by the Minister of Finance and Personnel.

Adjourned at 7.23 pm.

