
OFFICIAL REPORT

(HANSARD)

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They should be sent to:

The Editor of Debates
Room 248
Parliament Buildings
Stormont
Belfast
BT4 3XX

Tel: 028 9052 1135

E-mail: simon.burrowes@niassembly.gov.uk

to arrive not later than two weeks after publication of this Report.

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Northern Ireland Assembly, Printed Paper Office,
Parliament Buildings, Stormont, Belfast, BT4 3XX
Tel: 028 9052 1078

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NORTHERN IRELAND ASSEMBLY

Monday 15 December 2008

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

Members observed two minutes' silence.

EXECUTIVE COMMITTEE BUSINESS

Pensions (No. 2) Bill

Royal Assent

Mr Speaker: The Pensions (No. 2) Bill has received Royal Assent. The Pensions (No. 2) Act (Northern Ireland) 2008 became law on 15 December 2008.

ASSEMBLY BUSINESS

Suspension of Standing Orders

Lord Morrow: I beg to move

That Standing Order 10(2)(a) be suspended for 15 December 2008.

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

Question put and agreed to.

Resolved (with cross-community support):

That Standing Order 10(2)(a) be suspended for 15 December 2008.

MINISTERIAL STATEMENT

2008-09 December Monitoring Round and Executive Response to the Economic Downturn

Mr Speaker: I have received notice from the Minister of Finance and Personnel that he wishes to make a statement on the 2008-09 December monitoring round and the Executive's response to the economic downturn.

The Minister of Finance and Personnel (Mr Dodds): With your permission, Mr Speaker, I will make a statement on the outcome of the December monitoring round and the Executive's response to the downturn in economic conditions.

Earlier this morning, the Executive unanimously agreed to my recommendations on the response to the economic downturn and to the more general pressures that Departments identified in their December monitoring returns.

As a result of those decisions, I am pleased to announce to the Assembly almost £70 million in special funding allocations, focused on providing support to the local economy at this time of difficulty for business and households.

Later today, the First Minister and deputy First Minister will set out further details of the Executive's response in a take-note debate. Although a number of challenges face the Executive, the main concern continues to be the impact of the downturn in the economy and, in particular, market conditions that are adversely affecting key sections of the construction sector.

In the early part of the decade, Northern Ireland, like the rest of the United Kingdom, enjoyed an apparently benign set of economic conditions with strong employment growth and rising incomes. However, in recent years, house prices began to rise at an unsustainable rate, creating pressures on first-time buyers in particular. That was followed by energy prices rising to record levels with the associated impact on the overall cost of living. Both bubbles have now burst, but we have yet to see the full benefits of the fall in oil prices, despite the announcement regarding gas and electricity prices — which I am sure that Members welcome. Aside from the general cost of living, the decline in house-building has had a major impact on the construction sector. That is compounded by the crisis of confidence in the credit markets, which has forced economies across the world into recession.

As the scale and nature of the problems facing people in Northern Ireland have changed, the Executive are responding by utilising the limited resources available to them to maximum effect. However, Members will

appreciate that as ours is a small, open and regional economy, the Executive — despite their desire to do everything possible — controls only a limited set of levers.

The United Kingdom Government has significantly greater scope through, for example, taxation and social security, to influence economic conditions in the short term, than have the Executive or the Assembly. In recent months, the Chancellor of the Exchequer has taken significant steps to recapitalise the banking sector and has announced in the pre-Budget report a temporary reduction in the level of VAT in order to provide a stimulus to the retail sector.

In addition, bringing forward an increase in child benefit from April to January, which is worth on average an additional £22 to families, and the payment of £60 to all pensioners in the new year, will provide real support to hard-pressed households. There is also support for business, including the decision to defer the increase in the small companies' rate of corporation tax and, through a new Her Majesty's Revenue and Customs (HMRC) business-payment support service, allowing businesses in temporary financial difficulty to pay their HMRC tax bills on a timetable which they can meet. The Bank of England has also played a significant role by reducing interest rates to their lowest level since 1951.

The Executive has a key responsibility to ensure that the people of Northern Ireland feel the full benefits of national measures and initiatives. They also need to urge local banks to ensure that the lower cost of borrowing is passed on to households and firms, as well as the recent announcement in The Queen's speech of additional protection to homeowners at risk of default. Tomorrow, I will be meeting the leaders of the four main local banks to discuss that.

Despite the fall in interest rates, many householders still find it difficult to pay bills. For that reason, I welcome the consultation on a protocol for mortgage repossession cases that has been initiated by the courts in Northern Ireland. I support the stance that repossession should be a last resort, and that all other possibilities should be considered first, to give hard-pressed families every chance to remain in their homes. That move comes in parallel with an initiative by the Northern Ireland Court Service that will provide a free advice service for those involved in repossession proceedings and who do not have their own legal representation.

I turn to the construction industry. The importance of that sector's contribution to the Northern Ireland economy cannot be understated. In 2007, the industry's output was in excess of £3.3 billion, which was a record level of output and included unprecedented investment in infrastructure. Therefore, it is of particular concern that the downturn in the housing sector has had such an impact in recent months. Whereas developers, contractors,

suppliers, professional firms and many individuals working in that sector have been directly affected, in a close-knit community such as ours, the wider impact of job losses and the credit crunch touches us all in some way.

I also share the concerns raised by all industry stakeholders — many of whom I have met — regarding the need for the planned capital investment that is set out in the investment strategy to be delivered to the marketplace as quickly as possible. Clearly, delivering against our plans in the rapidly deteriorating national and international economic climate is a challenge for Departments individually and the Executive collectively. In particular, significant reductions in the level of forecast receipts — arising from prevailing market conditions — have had to be incorporated into our plans. At this difficult time, that is a challenge faced by businesses and Governments of all political persuasions across the world.

Rather than supporting all the Executive Ministers in rising to that challenge, some Members of the Assembly have sought simply to portray the issue as some sort of black hole in the Budget. That demonstrates not only a complete lack of understanding of the global economic conditions, but also contempt for the people of Northern Ireland, who we are working to serve. The fact that the Executive have put together a package to respond to those emerging issues, while continuing to deliver increased levels of investment across all areas of public service, underscores the fallacy of that argument.

The Executive have also had to manage the implications of recent legal challenges brought to the courts on certain procurements in relation to the investment strategy. Those legal issues will take some time to resolve, and Members will appreciate that I cannot comment further on the specific cases. However, I am determined to ensure that the planned construction of schools and other public-sector infrastructure continues. I can announce today that construction projects that were to be delivered using the framework agreements affected will not be stopped.

Some Members: Hear, hear.

The Minister of Finance and Personnel: Instead, my Department will be working with a wide range of Government construction clients — including the Department of Education — to move the procurement of projects forward as quickly as possible on a project-by-project basis. As a result, I can announce today that contracts worth some £115 million that were due to be delivered by those frameworks will now move ahead, thus avoiding unnecessary delay and allowing those contracts to go to the marketplace in this financial year. Crucially, that means that no construction project — including major projects relating to schools and

colleges — will be held up pending the outcome of legal proceedings.

In addition, I have had the opportunity, following the pre-Budget report, to accelerate capital investment from 2010-11 into the two preceding years, with a maximum of £9.4 million being accelerated into the present 2008-09 financial year. I am pleased to announce that the Executive have agreed to my proposal that the full amount is accelerated for this year.

In placing a major emphasis on ensuring that public investment in infrastructure is delivered to plan, the latest forecasts from Departments indicate that the total capital investment this year will be about £1.5 billion. That is the largest level of investment in a single year in Northern Ireland's history, and it is well over double the level that was delivered by the last devolved Administration.

In addition, expenditure this year is some 40% ahead of this time last year. That level of expenditure represents a real and meaningful achievement by the Executive in the most difficult of circumstances. Furthermore, public-sector investment in infrastructure is due to increase over the remaining years of the investment strategy. The level of planned expenditure for the first three years of that strategy is in the order of £5 billion.

Major infrastructure projects with an estimated value of almost £1.3 billion are already under construction this year. They include seven major projects worth £265 million in the Health Service; three major projects worth £420 million on roads; 10 waste-water projects worth £89 million; the Belfast sewers project worth £127 million; four further education projects worth £83 million; 14 major schools projects worth approximately £233 million; three projects run by the Department of Culture, Arts and Leisure worth £46 million; and three urban regeneration projects worth £26 million. Those schemes are under way in this financial year.

12.15 pm

A further range of projects is scheduled to go to the marketplace before the end of this financial year. The total value of those proposed schemes is in excess of £400 million. They include major projects in health, roads, water infrastructure, and schools and colleges. Some examples are: Beechall Health and Wellbeing Centre at a cost of £14.8 million; Shankill Health and Wellbeing Centre at £11.6 million; the A26 Ballee Road East at £7 million; water infrastructure projects at Dungannon and Moygashel worth £26 million; and a major PPP school project amounting to £50 million.

The gross capital investment that is planned for the next two financial years is intended to be well in excess of £3 billion. We are establishing a construction industry forum procurement task group to focus on the key task of ensuring that the projects continue to be delivered

on the ground. That will provide an opportunity for a wide range of key industry stakeholders, drawn from the construction industry group, to examine the procurement procedures that are used by the public sector and to increase industry understanding of public procurement.

Small businesses make an important contribution to the Northern Ireland economy, and I encourage them to form consortia to bid for contracts and to look for opportunities in the supply chains of successful tenderers. However, it is also important to maximise the opportunities that small contracting firms have to bid for public contracts. My Department will work with the industry and Government construction clients in order to establish appropriate procurement procedures to achieve that.

Public procurement policy requires that we advertise all procurement opportunities that have a value in excess of £30,000. In order to assist small businesses to respond to those opportunities, the procurement board — which I chair — has now agreed to implement a single e-sourcing system for all its procurement activities. That system will increase the visibility of tender opportunities and improve standardisation of approach to the marketplace. That in turn will help small businesses and will lead to a reduction in the time and cost of bidding.

It is important to ensure that we make every effort to address any impediments to the delivery of projects on the ground. It is often claimed that our planning system can be a major obstacle in the flow of new business for the construction sector. In response to that, the Minister of the Environment and I commissioned the performance and efficiency delivery unit (PEDU) to conduct a review of the processing of planning applications. Working in conjunction with, and with the full and enthusiastic support of the Planning Service, the review team concluded that there was significant scope to improve processing times by better managing the often-repeated and lengthy interactions between agents and consultees. The team also proposed a number of actions in relation to better performance management, the reactivity of the senior management structure, and a need for short-term interventions in those planning divisions where performance was adrift of the required level.

Both the Minister of the Environment and I endorsed fully the detailed action plan that the Planning Service prepared to address those issues, and we expect to see a measurable improvement in performance in the short term. Once again, this is another example of this devolved Administration delivering on our commitment to proactively challenge and improve public services. I believe that it will pay dividends.

Cash flow is another key issue for local firms at this time — particularly small businesses — given the

apparent hesitancy of banks to provide short-term liquidity cover. As a major purchaser of goods and services, Northern Ireland Departments have a key responsibility to provide assistance in this respect.

Each year, central Government in Northern Ireland spend more than £2 billion on goods and services. That is £2,000 million, a significant proportion of which is spent with locally based businesses. Against an economic background of very tight credit terms between businesses, and between businesses and banks, prompt payment by the public sector is essential.

In the current economic climate, we must do all that we can to support the local economy, and a direct way in which we can achieve that is by processing and paying Government bills promptly. For that reason, I have asked all public-sector organisations to reduce their targets for paying approved invoices from 30 days to 10 days.

By reducing the amount of time that businesses may be out of pocket for goods and services provided to the public sector, we seek to help reduce the pressure that local businesses may be under, owing to their cash flows, banking facilities or credit terms with their suppliers.

I have been engaged with our leading banks, and, as I mentioned, I am chairing a meeting of the four main banks to discuss how they might best assist consumers and local businesses through the very difficult economic time. It must be ensured that all assistance schemes, such as the small firms loan guarantee scheme and European investment bank funding are fully utilised.

The focus of my work was not restricted to those who need our help but included those who can help us. As a consequence of sustained dialogue with the Chief Secretary to the Treasury and the Prime Minister, an assistance package has been secured that is worth more than £900 million over this year and next. That includes access to funding to assist with our response to the current economic position, and the removal of significant cost pressures that we would otherwise have faced. Those pressures would have necessitated the diversion of funding away from front-line public services, and I am grateful to the Prime Minister for the personal attention that he has given that issue. We continue to engage on a range of other issues that faces us.

It is not only the construction industry that is feeling the impact of the economic downturn. As the decline in activity persists, local households and businesses are faced with further pressures on top of an increased cost of living in the past year.

Despite the work that has been done, and the work that we will continue to do, the Executive's response to the economic downturn must go further. For that reason, the main focus of the December monitoring round was on the economy, and not just on the range of other pressures that Departments currently face.

In preparation for the monitoring round, Departments were asked to identify costed measures in response to the economic downturn that could be delivered before the end of the financial year. However, Members will be aware that Departments can do a great deal without the need for significant additional resources. Measures include the debt-advice and consumer-protection work that the Minister of Enterprise, Trade and Investment is undertaking.

All those proposals were discussed in the context of available resources at the Executive meetings of 27 November, 8 December and 11 December, and at the Executive subgroup meeting on 4 December.

The Executive concluded the September monitoring round with an expenditure overcommitment of £65 million. That has been offset by £72.6 million of reduced requirements that Departments identified, and a small amount from the pre-Budget report.

The Executive entered the December monitoring round with a capital-expenditure overcommitment of £103.2 million. That follows the suspension of the Workplace 2010 procurement process and the anticipated shortfall in capital receipts as a result of the capital-assets realisation team's work. That was offset by £11.1 million from the pre-Budget report and by £31.8 million of reduced requirements.

However, the Executive were rightly concerned that the relatively low level of capital-expenditure reduced requirements meant that they would not be in a position to provide a sufficiently substantive response to the downturn in economic conditions. Therefore, Departments were asked to reconsider their capital-expenditure requirements for the remainder of the financial year. That resulted in a further £36 million of easements being identified, which were then available for the Executive to allocate.

The low level of capital reduced requirements meant that there was less for the Executive to reallocate but, as I have indicated, it also meant that more capital projects are being taken forward, hence providing immediate support for the construction sector, rather than those funds being delayed by reallocation as part of the monitoring process.

This implies, in the entirety of 2008-09, an additional £270 million in net capital expenditure, and highlights the most significant action that can be taken by the Executive and Departments in support of the local construction industry — to deliver on the ambitious plans contained in last year's Budget.

The Executive's key decision was how much should be allocated to the proposed measures in response to the economic downturn, against the departmental pressures identified in the December monitoring returns. Based on careful consideration of the proposals and in response to the economic downturn, the Executive have agreed

the following package of measures, which focus on the construction sector and are designed to have the most immediate impact.

There will be £20 million for the farm nutrient management scheme, which has buffered the construction sector from the downturn in the property market. That funding allows for the completion of schemes in which 40% of funding comes from individual farmers, thus leveraging further support for construction firms. The extra allocation will provide additional work for construction firms worth more than £33 million. The entire scheme is worth more than £200 million to the sector. Schools maintenance will be allocated an additional £4 million; roads structural maintenance will receive £2.5 million; and there will be £1.8 million for public-transport capital works. Those measures will provide extra work for the construction sector at very short notice and improve our public infrastructure.

Fuel poverty has been at the heart of the Executive's discussions. I welcome today's announcements that NIE Energy's electricity tariff will be reduced by 10.8% from 1 January 2009; that Phoenix Supply plans to reduce its prices by 22.1% from 8 January 2009; and that Firmus Energy will further extend its price cap until February 2009, in order to help customers to budget their energy needs into January — usually one of the coldest months of the year. I commend everyone involved for their work in ensuring that the tariff review process was completed speedily, which enabled those welcome reductions to be announced before Christmas.

However, the Executive believe that, at this stage, they can, and must, do more to help offset the impact of increased costs already endured by households. In December monitoring, the Social Development Minister proposed that 65,000 households should receive support with their fuel bills this year. However, I believe that we must go further.

Some Members: Hear, hear.

The Minister of Finance and Personnel: It is for that reason that I today announce £15 million for fuel poverty, which amounts to a £150 payment to 100,000 households in receipt of income support or pension credits. The Office of the First Minister and deputy First Minister (OFMDFM) will state later today how those payments will be facilitated. That money will provide additional help to 65,000 households on income support, and to a further 36,000 on pension credit. Pensioners will receive the £150 on top of their winter fuel allowance of up to £250 for those aged 60 to 79 and £400 to those aged over 80.

In addition, the Executive also agreed to the following allocations. There will be £500,000 for flooding hardship in agriculture. With the downturn in the economy expected to place significant downward pressure on the price of agricultural produce, that funding will put

those farmers already suffering because of the severe flooding in the summer in a more stable position as they move into increasingly difficult trading conditions.

I also propose to make available £700,000 for the fishing industry in respect of harbour and light dues, so as to provide some respite in the face of rising input costs and falling quotas.

12.30 pm

I also announce a further £20 million of current expenditure to deal with a range of other pressures that Departments have identified: £1.6 million to the Department of Health, Social Services and Public Safety (DHSSPS) for children's funds, which follows agreement from relevant Ministers about highest-priority projects; £5 million to DHSSPS for budget flexibility, which represents a third tranche of available funding to be allocated to that Department during the year; £4 million is a further contribution to the increased cost of the special purchase of evacuated dwellings scheme, although the Department for Social Development (DSD) must take steps to meet the remainder of additional costs; £3 million to tackle pressures in a range of business areas in the Department for Regional Development (DRD); £2.6 million to the Department of Education to fund back pay and increased pay costs for part-time youth workers, following agreement on a revised pay structure; £2 million to the Department of the Environment (DOE) in respect of lost income for the Planning Service from lower than expected development activity; and a further £1.5 million to the Department of Agriculture and Rural Development (DARD) to deal with pressures in respect of animal health, because the rising market price of animals has implications for the level of compensation payments.

Most available capital expenditure is required to fund a specific package of measures in response to the economic downturn. However, it was also judged that there is scope to make a further allocation, on top of those in the previous monitoring round, of £5 million to the Department for Social Development for the housing programme. The consequence of those current and capital expenditure allocations is that the Executive will leave the December monitoring round with a planned over-commitment of £75 million in respect of current expenditure, and £10 million in respect of capital investment.

The fact that the Executive have been able to respond to those important issues serves to illustrate what can be achieved by a fully functioning devolved Administration. However, as I have already explained, much of the normal business in which the Executive and Departments engage will directly benefit Northern Ireland's economy through capital investment and other public spending.

It must not be forgotten that although single, high-profile initiatives are, of course, valuable, often the routine and sometimes unglamorous business of day-to-day Government can make the biggest difference. Simply reducing Departments' underspend and focusing on delivering the Executive's well-crafted and ambitious plans will provide much of the support that is needed.

The Northern Ireland Executive have limited tax-raising powers at their disposal. However, I want to make further announcements on areas for which we have responsibility. The Executive have already taken measures to freeze the domestic regional rate, to defer water charges, and to introduce a concessionary fare scheme, as well as plans to abolish prescription charges. In addition, I have examined how reform of the rating system can provide further assistance. Members will be aware that my Department has put several measures in place in the rating system that already help households and businesses, and which will continue to provide support during these difficult economic times.

On the domestic side, the regional rate has been frozen at 2007-08 levels for the current financial year, for the next financial year, and for the financial year after that. Coupled with deferment of water charges, that will lead to substantial savings for many families. As a result of the decisions that have been taken on the regional rate and water charging, the average householder will be more than £1,000 better off during the current Assembly term than would have been the case under direct rule.

The lone pensioner allowance was introduced in April 2008. It provides pensioners who are over 70 years of age and who live on their own with a 20% reduction in their rate bill. Already, more than 20,000 pensioners have benefited from the allowance. Changes to the rules on savings in the rate relief scheme also make it easier for pensioners to claim relief. Recently, I have also set out my plans to introduce a rate deferment scheme to allow pensioners, if they so choose, to defer payments of their rates bill.

Work has also been taken forward alongside the Department for Social Development to improve the take-up of rates relief and to ensure that people who are entitled to relief receive it. At present, that is vital. Having considered the current situation and the best way forward for households and businesses, I intend to go further.

Shortly, I will bring forward details of the scheme that I announced a few months back, which, from 2010 onwards, will provide a rate rebate to people who carry out energy-efficiency improvements by bringing their homes up to modern standards of insulation. That simple step will provide an added incentive to householders to invest sensibly and effectively, help to cut Northern

Ireland's energy bill and put a little more money into people's pockets.

A further measure that I will take forward relates to my earlier proposal to provide a five-year rates holiday to zero-carbon homes. Following public consultation earlier this year, I was persuaded to go further and to extend the scheme to include a two-year rates holiday for new low-carbon homes. That will further help house-builders by encouraging demand for energy-efficient housing, and, therefore, will provide a double benefit.

On the business front, industrial rates have been frozen at 30%, which I am sure is already providing a welcome boost to many in the manufacturing sector. Rate relief is already being provided to the freight and transport sector, which is benefiting many of our important docks and transport companies. However, I intend to provide further support to local business through further changes to the rating system. Today, I can announce that I intend to take forward a proposal for new legislation to allow a targeted small-business rates-relief scheme to be introduced.

Some Members: Hear, hear.

The Minister of Finance and Personnel: Importantly, that scheme will be funded centrally and not by charging other ratepayers more. The process of bringing final proposals to the Executive and taking enabling legislation through the Assembly means that, if it is passed, the scheme will come into force in 2010. However, it is also necessary to give further help that will take effect as soon as possible.

Members will be aware of the announcement at the time of the last Budget that the non-domestic regional rate — which applies to all businesses — would increase only in line with the forecast inflation at that time over the life of the comprehensive spending review period, so as to provide much-needed certainty for businesses moving forward. However, to ensure that we provide much-needed support quickly and effectively, I propose — as an interim measure — that non-domestic rates should be frozen in cash terms for 2009-2010. That will further enhance the competitiveness of local firms, protect jobs and incomes, and represent a real saving for all the hard-pressed businesses operating in Northern Ireland during these difficult times. The measure will be worth almost £8 million to Northern Ireland businesses in 2009-2010.

Some Members: Hear, hear.

The Minister of Finance and Personnel: The Executive entered this monitoring round at a time when economic conditions were in decline across the world. There is little indication that the end is in sight, despite the unprecedented measures that have been taken by a number of national Governments. The changing economic conditions impact on us all, whether in household bills or the prospects of local business.

The public sector has been described as being a “cushion” for the Northern Ireland economy, but it must be recognised that the downturn has also impacted on the level of resources available to the Executive. Today’s announcements show that we are taking action by introducing a series of measures that will provide maximum benefit to those areas most in need, while recognising the financial constraints that we face. Within the powers that are open to the Executive, this package is good for business, good for the construction industry and good for families. I commend the statement to the Assembly.

Some Members: Hear, hear.

The Chairperson of the Committee for Finance and Personnel (Mr McLaughlin): Go raibh maith agat, a Cheann Comhairle. I welcome the statement, and I commend the Minister, his Executive colleagues and his officials for taking forward such a comprehensive package in exceptionally difficult circumstances. In particular, we should welcome the meeting with the local banks; the initiatives on procurement, which are vital; and the planning-reform process that has already started. The small and medium-sized enterprise (SME) sector will particularly welcome the small-business rates-relief scheme, although there may be some concern that it will not take effect until 2010, because the wolf is already at the door in many cases.

I would hope that the Minister, given, I suppose, the necessary cross-party support, would possibly be open to reconsidering that timeline.

For some time, the Committee for Finance and Personnel has been highlighting Departments’ underperformance in financial forecasting and monitoring. Given the current economic climate, it will be intolerable if previous patterns of departmental underspend are repeated at the end of the financial year. I welcome the Minister’s comments on expenditure and the fact that we are 40% in advance of last year’s position. Last June, the then Minister of Finance and Personnel, Peter Robinson, spoke of setting incentives and sanctions at organisation and individual levels in order to raise the standard of financial management in Departments. Can the Minister advise whether progress has been made on establishing such incentives and sanctions?

The Committee for Finance and Personnel has received reports that other Committees are experiencing difficulty in obtaining timely financial information — including on monitoring rounds — from their Departments. How important is that with regard to the scrutiny role of Committees? Has the Department of Finance and Personnel (DFP) considered what immediate pre-emptive measures Departments can take in order to avoid significant end-year underspend?

The Minister of Finance and Personnel: I thank the Chairperson of the Committee for Finance and

Personnel for his comments. I agree on the issue of underspend, and I am grateful for the Committee’s co-operation and work on that subject. As I said in my statement, it is obviously good that money is being spent from capital budgets because that means that work is being delivered on the ground. However, we must guard against a situation whereby money remains unspent in capital budgets at the end of the year. I am monitoring that situation closely, and I am grateful for the Committee’s assistance in monitoring that, too. I am sure that each departmental Committee will keep that matter under review.

The Chairperson referred to the timeline for legislation. I want to enact legislation that relates to the small-business rates relief scheme as quickly as possible, and I want it to be up and running by the start of the new financial year in April 2010. Therefore, I look forward to MLAs’ co-operation on that issue, which will be widely welcomed by businesses in Northern Ireland. As I said in my statement, however, the Department is already taking action in order that some help will come through to businesses from April 2009 by freezing in cash terms the expected increase in the regional rate for businesses.

The Chairperson raised financial management issues, which the Department will continue to discuss with him and the Committee. I am conscious of the Committee’s views on those matters, and I assure the Chairperson of my continued co-operation in achieving our common purpose, which is to ensure that we get the best value for money from every pound of public expenditure in Northern Ireland for the benefit of all our people. That is why we are here.

Mr Hamilton: I am sure that the House and, more importantly, the people of Northern Ireland are grateful for the Minister’s statement. I echo the comments of the Chairperson of the Committee for Finance and Personnel in welcoming the freeze on business rates — which will be a real-terms cut over the period — and the prospect of a small-business rates relief scheme.

The Committee for Finance and Personnel has taken a long-standing interest in the important ongoing Civil Service reform programmes. During the previous monitoring round, the House was told that improved rates collection from Land and Property Services would be used to fund those Civil Service reform programmes. Does the Minister still expect those important programmes to be delivered in the allotted timescales?

The Minister of Finance and Personnel: I am grateful to the Deputy Chairperson of the Committee for Finance and Personnel for his remarks. He referred to the £1.5 million that was allocated to address the backlog in rates arrears during the September monitoring round. Although that matter does not impact on councils’ expenditure, we must address the issue.

Of course, all of us are conscious that households and businesses are facing difficult times with respect to the bills that they have to pay. Nevertheless, that work is progressing. The money that is to be raised is to ensure that reforms take place without any extra call on money that would be spent on front-line services.

12.45 pm

It is important to note not only the measures referred to by the Member but all the measures that have been initiated through rating reforms, this year and last year, that are bringing real benefits to households and businesses in Northern Ireland.

Mr McNarry: I welcome the Minister's statement, although he will appreciate that I will insist on disagreeing with the point that he made about the hole — and I hope that he is not digging one for himself and the economy. However, every little bit helps.

I welcome what he said about the vulnerable, and I particularly appreciate the relief he has offered to fishermen, including those in my own constituency. It is also very good of him to help the Father of the House over Christmas with the little bonus he has announced today. Every little bit helps.

The Chancellor of the Exchequer said that he expects the economy to be out of recession by the third quarter of next year, yet most economists predict that it will be much later, in 2010, before there is an upturn. Does the Minister agree with the Chancellor, or does he share the prediction of the economists? What contingency arrangements has the Minister in mind to assist businesses, large, medium and small, through the next two years?

The Minister of Finance and Personnel: I welcome what the Member has said about the measures that I have announced. He mentioned the black hole, although he did not dwell on it as much as he normally does, because he is beginning to see light at the bottom of that hole. I hope that as he continues to study the figures in more detail, he will increasingly realise the fact of the matter. I have set out the financial position, and it is clear how we are going to deal with those issues.

The Member mentioned economists; I will not get into the business of speculation or forecasting because one will get a different prediction from each economist one meets — I see that the Member is acknowledging that by nodding his head. If we are now going to listen to economists predicting when we will get out of this downturn and how things are going to work out, we should remember that six months or a year ago none of those economists predicted that the economy would be going into a downturn to the extent that it has done so. The vast majority of them were not predicting the current situation facing the banks in relation to the credit crunch or the problems with lending. Those are issues that have arisen now. Had there been consensus

that this would happen, some economists would have been saying something different than what they said at the time.

I have announced substantial help for businesses. The Member will acknowledge the fact that a small-business rates-relief scheme will be introduced in Northern Ireland for the first time. In April 2009, we will take measures to remove £8 million of costs that would have been paid by businesses through rates. We have also welcomed the changes made by the national Government in the pre-Budget report, and are working with the Government on those changes — including deferment of corporation tax for small businesses and the fact that they can now spread those payments across a longer period. We will be working with the banks — and I have already been speaking to representatives of the banks and will do so again tomorrow — on the need to ensure that there is a maximum take-up of the small-loans guarantee fund and the European Investment Bank route.

It is right to point out that the Executive's and the Assembly's decision to endorse putting the economy at the centre of the Programme for Government has been entirely vindicated by events. Had that not been done, Northern Ireland would be in a much more difficult position now than it is. I am sure that the Member will agree that what I have announced today — building on what has already been announced, and taking account of the 30% cap on manufacturing rates, and a lot of other issues — shows that a substantial amount is being done for businesses. We will continue to work with the Construction Industry Forum for Northern Ireland, the Federation of Small Businesses, the Confederation of British Industry, the Institute of Directors, and others.

Dr McDonnell: I thank the Minister for his statement. I note too the mutual admiration society set up by McLaughlin. I hope that that is not a reflection — and I see that he is on the run — of the fact that there have not been any significant cuts in the budgets of Departments that are headed by the DUP or Sinn Féin. I do not have tables with me to make it exactly clear, but — *[Interruption.]*

Mr Speaker: Order.

Dr McDonnell: I want to know why the attacks on the Department for Social Development, in particular, have been so ruthless. According to my calculations, the DSD budget has been slashed by some £30 million. I — *[Interruption.]*

Mr Speaker: Order.

Dr McDonnell: If the heckling could be stopped, I would like to know whether the Minister thinks that it is a good thing to attack the homeless and the vulnerable at this time. If I am wrong — *[Interruption.]*

Mr Speaker: Order.

Dr McDonnell: If I am wrong, all I want is for somebody to clarify what the net addition or reduction is to the Department for Social Development's budget in the December monitoring round. I may have got it wrong, and I would be very glad for the Minister — *[Interruption.]*

I will stand corrected if I am wrong, but it strikes me that — *[Interruption.]*

Mr Speaker: Order.

Dr McDonnell: My figures suggest that the budget that is meant to help the homeless and the vulnerable has been slashed by £30 million. Let somebody put me right.

The Minister of Finance and Personnel: The Member talked about a mutual admiration society, but he is actually quite amiable and friendly in private. I am sorry that he felt the need to say that. However, he admitted that he was seeking information rather than making an assertion, so I accept that he may not be totally au fait with the situation.

The Department for Social Development stressed that the issue of fuel poverty was the priority in its approach to the December monitoring round and in relation to economic hardship. Our fuel-poverty measures go further than those sought by the Minister for Social Development. We are allocating £15 million to assist 100,000 people — including pensioners — with their winter fuel payments. The Minister for Social Development's proposal did not include those who receive pension credit, but this proposal does.

Some Members: Hear, hear.

The Minister of Finance and Personnel: I am sure that Members of this Assembly and people who receive pension credit will be delighted with that announcement.

During the last December monitoring round, £15 million was allocated for social housing. This time, £5 million has been allocated to social housing, and there is still the February monitoring round and the end-year position to come. Over the next three years, £925 million will be allocated to the social-housing budget. After reading the facts of the matter, how anyone can suggest that that is some kind of slash to the DSD budget is beyond me. I put on record that no budgets have been cut. As regards the Departments that are under the control of the Democratic Unionist Party, I understand that the only change that may be made is £2 million to cover a shortfall in receipts in relation to planning.

The Department of Enterprise, Trade and Investment (DETI) has not been allocated any extra moneys; neither has the Department of Culture, Arts and Leisure (DCAL) — despite surrendering moneys. That must also be put on record. The Executive Ministers agreed unanimously that the allocations — within our

limited constraints — should be focused on the areas that can best help our construction industry, households and businesses. In the circumstances, we have formulated a package that will be warmly welcomed by many people throughout Northern Ireland.

Dr Farry: I thank the Minister and his Executive colleagues for the statement. The Alliance Party welcomes some of the new measures that were announced today. However, I should stress that several existing departmental policies have been re-announced.

Does the Minister share my disappointment that, due to the way the Executive cut the Budget, we are not able to do more to accelerate the rate of capital investment in Northern Ireland? Our colleagues in Scotland are investing an additional £100 million in social housing and, in England, the Government are investing an additional £1 billion. Furthermore, in Scotland, an additional £260 million is being invested in capital schemes and, in England, an additional £500 million will be invested in the green economy. Why are pro rata investments not being made in Northern Ireland?

Furthermore, will the Minister explain how he intends to persuade the Treasury that fuel credits meet the parity principle?

The Minister of Finance and Personnel: I can assure the Member that there is no difficulty in respect of his latter point.

Although I am glad that the Member welcomed some aspects of my announcement, I recognise that he must carpet some issues and, therefore, in his first point, he picked on procurement. However, the Member has chosen bad ground on which to take issue with the Executive. Already this year, £1.3 billion is being spent on construction and capital projects in Northern Ireland. In 2003-04, that figure was £676 million, so there has been a massive increase — we are 40% ahead of where we were last year.

In addition, in order to accelerate matters, two framework projects, which are under attack due to legal challenges and which would otherwise have caused other projects to be delayed, possibly until next year, will be removed from the procurement process framework and secured by individual, project-by-project procurement. That will ensure that approximately £115 million of construction work and capital investment in schools, colleges and elsewhere will proceed this year. Therefore, we are taking action to deal with the points that the Member raised.

The Member said that some of my announcements are not new. However, the small-business rates-relief scheme is new; the measure to address the amount of rates that businesses pay is new; fuel credits are new; we are introducing new procurement measures; and we are moving forward with PEDU in a new way.

Therefore, when the Member examines the facts, he should come to a slightly different conclusion. Nevertheless, I welcome the fact that he welcomed some aspects of my statement, and I entirely understand that he must say some things for political reasons.

Mr McQuillan: I welcome the Minister's statement, which is positive and constructive. Given the importance of efficiency targets, what action has the Minister taken to ensure that efficiency savings do not impact on front-line services? In addition, will the Minister update Members about the situation in respect of civil servants' back pay?

The Minister of Finance and Personnel: I thank the Member for his question. It is up to each Minister, and his or her Department, to consider efficiency savings and to produce proposals. In addition, no doubt, they will speak to their Committees about such matters, which will, as they have already, be subject to debate in the Assembly.

As for the matter of equal pay, as I told the Assembly recently, I am glad to say that intensive engagement with the Chief Secretary to the Treasury and the Prime Minister resulted in assurances that pressures that the Executive and the Assembly would otherwise have faced need not now be faced.

One matter that must be addressed is civil servants' equal pay. However, as a result of the work that we have undertaken, we are now in a much better position to do that. It is my and my Department's desire to settle that matter as quickly as possible — we must get money into people's hands and pockets, not only for their sake, but in order to boost the economy. Therefore, to ensure that money is paid out, in the coming days my officials will engage intensively with individuals and with the trade unions.

1.00 pm

Ms Anderson: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his statement, and I note his comment that this year's total capital investment will be double the amount that was spent, in the same period, under the previous Executive. I would have expected that fact to have elicited a reaction from other parties.

As a member of the Committee for the Office of the First Minister and deputy First Minister, I have heard a great deal of evidence from across the North, from many stakeholders and people who are suffering as a result of the levels of poverty and deprivation that exist across our society. The Minister's announcement of £15 million to alleviate fuel poverty — including help for pensioners, which was not in the previous proposal — will be welcome news for many people.

However, today's statement must be about more than simply reallocating moneys to programmes and projects. We must ensure that those moneys will be spent effectively and efficiently. I wish to ask the Minister about the procurement task group. If the Government are to construct buildings or maintain roads, schools, houses or bridges, or whatever else the Executive will do, can the Minister influence the terms and conditions of the contracts, so that the social requirements that are built into procurement contracts that were announced earlier this year can be implemented in a way in which will result in the creation —

Some Members: Ask a question.

Ms Anderson: — of jobs for the long-term unemployed and the establishment of apprenticeships? I was asking a question.

The Minister of Finance and Personnel: I thank the Member for her question and for raising that issue. *[Laughter.]* She and other Members will know that environmental and social guidelines exist for the procurement process. Therefore, that issue has been taken on board.

We recognise that, when seeking best value and ensuring that the best projects are advanced in the best way, there are several dimensions to procurement. DFP's Central Procurement Directorate has been working with other Departments and centres of procurement expertise to develop the type of proposal that the Member mentioned. We recognise the issue, and I am sure that Members will continue to raise it and to monitor my Department's progress, and I welcome that.

Mr Paisley Jnr: Does the Minister realise that, by making such a statement on 15 December, he is in great danger of being mistaken for St Nicholas? Perhaps the new St Nigel of December will come more frequently at Christmas, bearing such welcome statements and good gifts.

I represent an agricultural constituency, so I welcome most the benefits for the farming community that the Minister mentioned, as well as those that he has identified for small-business users.

All Members received a Christmas card this morning from the Scrooge of the Executive, the Minister for Social Development, which indicated that she wants to share the future. Does the Minister of Finance and Personnel accept that the Minister for Social Development did not want to share enough when it came to the fuel-credit scheme? We very much welcome the Executive's more ambitious action to ensure that more people — indeed, 40,000 more — will benefit from the fuel scheme that Minister Dodds has announced today.

Will the Minister tell the House what lies behind the allocation of £4 million to the special purchase of evacuated dwelling scheme? That signifies a worrying

trend to those of us who are interested in the security and policing of our country.

Finally, I understand that the Minister has identified an additional £5 million that can be allocated to the social housing programme. That represents another bail-out of the Department for Social Development. When will the Minister stop bailing out DSD and insist that the Minister for Social Development runs her Department efficiently?

The Minister of Finance and Personnel: I am not sure about being compared to St Nicholas; I would have to grow a beard pretty quickly.

It is worth re-emphasising that, according to what we heard from DSD, clear emphasis was placed on fuel poverty. We have looked at that issue.

The Assembly and the Executive must recognise also that an enormous amount of money has been allocated to the warm homes scheme. That is a welcome initiative that was introduced by the previous devolved Administration and one under which good work continues to be done. I know that a review is under way to examine how that scheme can be made to work even more effectively.

We have gone further than what was proposed, and the addition of 35,000 to 40,000 pensioners to the pension credit scheme will be seen, especially by the older folk, as a very positive development at this difficult time.

The special purchase of evacuated dwelling scheme (SPED) is applied to individuals or families who have to move from their homes after the Chief Constable has certified that security information about them has been received. The Housing Executive is obliged to purchase the dwelling to enable the individual or family to move. It is concerning that the budget for the scheme is on the rise, and it is a matter for the Chief Constable and the Department for Social Development to discuss that in more detail. At a time when we are under budgetary pressures and when money is tight, it is deplorable that more people are being moved out of their homes under the SPED scheme, thereby bringing about the requirement for more money for the scheme.

Mr Paisley Jnr mentioned social housing. Over the next three years, £925 million will be spent on housing in Northern Ireland. The £20 million that has been allocated in the September and December monitoring rounds will be of enormous help to the social housing budget. The February monitoring round and the end-year position will provide an opportunity to consider further the social housing budget.

I can respond only to the bids that I receive and to the emphasis and priority that Ministers place on them. If emphasis is placed on a particular area of spending, we will respond to that. No Minister will receive all

their bids or, indeed, the full amount of their bids. There is simply not the flexibility to do that, unless an underspend and reduced requirements are declared to the Executive. One must remember that we are not obtaining new sources of money; we are receiving money that has been reduced by other Departments and allocating it to other Departments.

Mr Beggs: I also thank the Minister for his statement, and I note some interesting changes in it. In 2006-07, the level of planned overcommitment was some £130 million, yet actual underexpenditure was over £250 million. However, the previous Finance Minister reduced the level of overcommitment to £100 million. Does the Minister agree that in extending belatedly the amount of overcommitment, he is reversing the decision of his predecessor and that he will be implementing one of the ideas that was suggested by the Ulster Unionist Party in its submission on the draft Budget?

The Minister of Finance and Personnel: I do not accept that at all. In the day that is in it, given the significance of the announcements that are being made, that sort of point will be lost on 99.99% of the population. It is interesting to hear what the Member is saying, because another member of his party talks continually about the black hole. If we were to go down the road of ever-increasing overcommitment, which is what he is talking about, we would be storing up more of a black hole.

We have taken a prudent and sensible approach that is based on previous experience as against what Departments are saying to us about the current level of expenditure. The position changes from year to year, and in this financial year, Departments are telling my Department and I — and that information is all that I can go on — that they are monitoring carefully their spending position, especially their capital expenditure, and that things are tighter this year than they have been in previous years.

However, I note that the Member generally welcomed the statement and the various announcements that were contained in it.

Mr O'Loan: I thank the Minister for his statement; it contains some good measures. However, I register a complaint that the copies that were circulated were not accompanied by the usual tables showing the full reductions and allocations across all Departments. Mr Speaker, I ask you also to consider that omission.

The Minister said that no budgets have been cut, and I know that he would not want to mislead the Assembly. Will he confirm that, in this monitoring round, the funding to the Housing Executive's capital maintenance programme has been reduced by £30 million? Work under that programme is carried out by small and medium-sized building firms, and the materials come from small suppliers across Northern Ireland. Will he

confirm, therefore, that the net effect of his monitoring round on the construction industry is not to benefit it but to damage it considerably?

The Minister of Finance and Personnel: I do not know where the Member got that information. In fact, an extra amount of £5 million, on top of £15 million in the last monitoring round, has been allocated to social housing. Every Department submits bids due to shortfalls, and I attempt to meet them. The Department for Social Development is required, as is every other Department, to manage its resources.

I have not made a cut, and I have not slashed the funding. How anyone could perversely interpret what is being done is beyond me, unless it is simply a wilful misinterpretation. However, it is interesting that the SDLP Members have not even mentioned fuel credit or the extra investment to tackle fuel poverty. None of them even said that they are glad that the measures that I announced go further than their Minister's proposals. Instead, the SDLP is considering how else to have a go.

Every Department faces pressures and shortfalls. My Department met part of the shortfall in September and is meeting a further part now. The year-end position will be considered, and the February monitoring round is yet to come. The investment in social housing has not been reduced — it will, in fact, receive more money.

Some Members: Hear, hear.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his statement, and I welcome the inclusion of pensioners in the package on fuel poverty. The arrangements for making payments are to be announced later today; will the Minister assure Members that payment to those in greatest need will be expedited as much as possible? Go raibh maith agat.

The Minister of Finance and Personnel: It is important that the extra money that I announced for people on income support and poorer pensioners gets into their hands and pockets as quickly as possible. The First Minister and deputy First Minister will announce the details of the required legislation. I hope that most Members will agree that payment should be expedited, through an urgent procedure if necessary, to ensure that the power is activated as soon as possible. I agree with the honourable Member on that point.

The Chairperson of the Committee for Education (Mr Storey): I welcome the Minister's statement, particularly the announcement of an additional £4 million for school maintenance and a further £2.6 million to fund back pay and increased pay for part-time youth workers. I should also place on record the appreciation of the Education Committee that school building projects have been taken out of the framework and will now proceed, because that issue has been raised, and it causes grave concern.

The recent history is one of significant underspend, and, if press reports over the weekend are to be believed, the Minister spends more time in his Department than the Minister of Education does in hers. Taking that into account, will the Minister assure the House that he is confident that sufficiently robust systems are now in place to secure the annual capital spends in all Departments, particularly the Department of Education?

1.15 pm

The Minister of Finance and Personnel: I thank the Member for his question and for his references to the moneys for education. I emphasised the need to deliver, and that is a matter for every Department. The Member highlighted the history of the Department of Education, and my officials, officials from the Department of Education, and other officials, are aware of the need to deliver on the expenditure committed. The Department will continue to monitor that. The Department of Education has major projects under way that run into double figures in Newry, Omagh and Ballynahinch. The Belfast Education and Library Board has a programme of £120 million under construction at five locations in north and east Belfast. The South Eastern Education and Library Board has four new schools at Towerview, Ballinderry, Brookfield and Pond Park, and there are several other issues.

The Member referred to the fact that the Department of Education was one of those Departments caught up in legal challenges to the frameworks as the result of the action taken to move those forward on a project-by-project procurement basis, which means that a substantial amount of work will go to the marketplace this financial year.

Mr O'Dowd: Go raibh maith agat, a LeasCheann Comhairle. As regards the contributions from the SDLP Benches about cuts to services for the most poor and vulnerable in our society, Sinn Féin will not support such cuts, which is why it supported the statement at the Executive meeting — as did the SDLP. The Minister's statement referred to contributing to the most vulnerable in our society.

I welcome the fact that contributions have been made to the education budget for construction and youth leaders and that the framework around school building has been unlocked. Has a bid been made to help classroom assistants in the voluntary schools sector? If such a bid has been made — and it appears to have been unsuccessful — will the Minister return to it in future? Classroom assistants in that sector are being paid at a lesser rate than those working in fully grant-aided schools.

The Minister of Finance and Personnel: The Member asked whether a bid had been made for classroom assistants. I remind him that the education budget as a whole amounts to about £1,800 million

and, therefore, the amount of money talked about is relatively small. I would be surprised if the Department of Education were not able to deal with that issue, especially in light of the easements that have been allocated to youth workers and other areas of expenditure. The Member is aware that there will be further monitoring rounds.

As my statement made clear, there will be help for the education sector and for many other sectors. The fact that my statement received the unanimous support of all Ministers in the Executive this morning seems to run counter to some of the comments made in the Chamber. Nevertheless, that does not surprise me. However, as we are tackling major issues and introducing positive proposals, it ill behoves any party with a representative in the Executive to try to distort the position, as that is not only untrue but deeply damaging to its Minister's Department.

Mr Shannon: I want to make the Minister aware of the fact that St Nicholas was the patron saint of fishermen and sailors. Perhaps the Minister is missing only a red coat and a white beard today.

Mr McNarry: Do you mean a black beard?

Mr Shannon: No — a white beard.

The Minister has made £700,000 available to the fishing industry, and he referred to harbour and light dues. Will the Minister confirm how much money that will mean to each of the fishing boats in the fleet? The Minister also referred to £1.6 million for children's funds, which is important. Will the Minister of Health, Social Services and Public Safety have to say whether those funds go to Home-Start, Live Start, Sure Start, or Mid Start — any of those organisations that do great work with children's groups across the Province?

How will today's announcement on construction projects impact on small businesses? It is good to hear that jobs will be created for the delivery of big projects, but will the jobs and benefits filter down to the small construction businesses, of which Strangford, in particular, has a great many?

The Minister of Finance and Personnel: The allocation for fishermen and the fishing industry recognises the significant increases in input costs faced by those in that industry. I am happy to write to the Member with details on the specific issues that he raised; I do not want to bandy figures around on averages per boat, and so on. No doubt other Members will be interested in that information, too. I am sure that today's announcement will be welcomed by fishermen and the industry in general.

The children's fund is a matter for the Department of Health, Social Services and Public Safety in conjunction with the Office of the First Minister and

deputy First Minister. Again, those details will emerge; it is a matter for prioritisation by the Department.

I mentioned in my statement the need to ensure that, as far as possible, small businesses in Northern Ireland are able to get involved in the supply and delivery of major construction projects. We must remember that, in national and European terms, most of the companies here are small or medium-sized enterprises. Not only did we introduce initiatives on rates to help businesses, but initiatives were introduced in other areas, too. Those involve procurement, the new e-sourcing, which will provide greater visibility, and the new procurement task force, which will help smaller companies to gain access to major projects. Those are initiatives that we want to discuss further and develop as much as possible.

Mr B McCrea: I welcome the announcement on fuel credits. I would be most interested to know which Department will have responsibility for that particular budget and which Department has the infrastructure and databases to administer the scheme. I would like a specific response to that question.

I have a deep sense of unease and foreboding about the whole budgetary process. It appears that, despite the best intentions of all present, we have not got to the bottom of the issue. The Minister has put on record that there will be no cuts in any Department. However, the Department of Education submitted inescapable bids totalling £33 million, but received only £6 million. That money will have to be found elsewhere. The Department also highlighted the problem of capital receipts, and it said that not being given such receipts would lead to the slowing down, or stopping, of projects. Thus, it appears that there will be cuts. The most worrying aspect is that the Minister of Education has, I think, indicated that she is no longer dealing with the education and skills authority as an invest-to-save project, and that she will not be able to meet her efficiency targets for this year.

Can the Minister tell us how he intends to allocate the £900 million that he received? Perhaps it would have been better to have a complete and fundamental review of the Budget process, because we will have to allow for some serious revisions in the years to come.

The Minister of Finance and Personnel: I am tempted to say that it is very hard to take lessons in budgeting and keeping tabs on the books from the honourable Member, given what he has been through in recent times. However, the fact remains that no cuts have been announced in this statement. It is a complete fallacy and nonsense to suggest otherwise.

I note that the Member welcomed the announcement on fuel credits. I know and understand that some Members are scraping around to try to find something negative to say. I understand that entirely, but the fact that they have such a paucity of evidence to back up

their argument illustrates how out of touch they are with the facts that have been presented today.

Most people in Northern Ireland recognise that we are in a very difficult economic situation. That is true not just for Northern Ireland, but for the entire United Kingdom, every member state of the European Union and the United States — for goodness' sake, look at what the United States is going through at present. By introducing the December monitoring round, by bringing into play as many levers as possible, and through the expenditure that has been made available — which can be made available only through the surrender of money from other Departments — we are doing what we can.

I said that we had limited levers at our disposal and restricted opportunities to do what we can. However, it would have been a failing on the part of the Executive and the Assembly if, having considered what we can do for business and households, we had not convened a special sitting today.

The fact that we have been able to announce substantive and important initiatives today should — and will — be welcomed widely across the community.

Mr P J Bradley: I thank the Minister for his statement. I note the further £1.5 million that has been announced to help with animal health compensation payments. Does the Minister agree that that annual allocation for compensation payments is necessary due to the lack of a proper eradication programme? I accept that the Minister had to allocate the extra money because of the rising price of animals, but does he accept that a proper eradication scheme would probably eliminate the need for compensation payments?

I take it that potato growers who lost heavily in the August flooding will not receive the necessary £1,500 for each acre to match their losses. Should livestock owners and cereal growers no longer expect 100% compensation to match the losses that resulted from the flooding?

The Minister of Finance and Personnel: I can respond only to the bids that I receive, and on that basis, we have allocated money for compensation for losses due to flooding.

Animal health is an important area, because spending money on the prevention of disease means that less has to be spent to deal with future outbreaks. The Member stated correctly that some of the extra expenditure is inescapable because of the rising cost of animals. The eradication programme is a matter that the Member has pursued with the Minister of Agriculture and Rural Development, and I have no doubt that he will continue to do so.

Mr I McCrea: I also welcome the Minister's statement. Everyone in Northern Ireland will welcome

the announcement of the largest-ever investment in a single year.

The Minister has decided to bring forward construction projects in the education sector through the building of schools. Will he ensure that all Departments bring forward construction projects as a matter of urgency? I am sure that the Minister and Members are aware that the construction industry is being crippled.

I am sure that the Minister will agree that Minister Paul Goggins's recent decision to award the design contract for the new college at Cookstown will also benefit the local economy.

The Minister of Finance and Personnel: The new college at Cookstown is an important project for the construction industry. It should also be noted that the Executive decided a few weeks ago to proceed with the Titanic signature project, which is a major scheme that will cost £90 million, as well as the rapid-transit system for Belfast. Those are major construction projects that will not only deliver infrastructural benefit to Northern Ireland for decades to come, but will ensure that there is help for the construction industry. The Member also highlighted the crucial issue of delivery — it is all very well to have the plans in place, but it is essential that Departments deliver with their allocated budgets for capital spend.

In addition to the matters that I mentioned already, it is important to put on record that the Minister for Employment and Learning intends to implement two additional innovation projects for transport and cancer medicinal chemistry next year. Those projects will cost £2.7 million and will be conducted by Queen's University Belfast. Although no additional funding is available for those projects at present, the Minister is proceeding with them, and he is welcome to submit bids for them in future monitoring rounds.

It is important to emphasise that no Minister is successful in all, or, in some cases, part of the bids that he or she submits. The purpose of monitoring rounds is to keep the situation under review from quarter to quarter.

1.30 pm

Ms J McCann: Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his statement. In particular, I welcome his comments about local banks passing on the lower cost of borrowing to households and businesses and that the repossession of people's homes should be a last resort.

It is hoped that credit unions may soon be able to offer enhanced financial services, including the depositing of child trust funds. Will the Minister consider establishing, in the near future, a special fund such as the one already operating in Britain to help the growth and development of credit unions?

The Minister of Finance and Personnel: I thank the Member for her question. There are issues to be explored with the banks, and we will continue to explore those issues. Like the Member, I welcome the courts' initiative regarding the protocols on house repossessions which has been taken forward during a difficult time and with householders under pressure. It is important that the repossession of someone's home be regarded as the last resort.

I note the Member's point on credit unions. Such matters are the responsibility of the Minister of Enterprise, Trade and Investment rather than for me, and I will ensure that the matter is drawn to the Minister's attention, and I am sure that she will want to examine it carefully.

Mr Ford: I thank the Minister for his statement. On behalf of the opposition, I join my colleague Stephen Farry in welcoming parts of it. It is regrettable that the statement is being made later than we hoped for. Certain aspects of it, such as the 10-day period for the payment of invoices to small businesses, are welcome. However, that was announced by Lord Mandelson in early October. To compensate for that, will the Minister assure us, at least, that when he says that he has asked public-sector organisations, he uses the word "asked" in the same sense as the Treasury does when it asks Departments to do things, and that he will ensure that that happens?

As regards fuel poverty, although the one-off payment to 100,000 households in poverty is clearly welcome, would it not have been better to have put some of that money into a major expansion of the warm homes scheme? Would that not have had environmental benefits as well as benefits to small firms that need business at the moment? Would it also have ensured that people were protected against exorbitant charges in future?

The Minister of Finance and Personnel: The Member made several points. First, my statement is not late; it is early. Normally, the statement on the December monitoring round is made after Christmas, in January. It was our view that we should make this statement on 15 December, despite the fact that it was resisted by some on the Ulster Unionist Benches. There was a bit of an outcry that we should not have had a special meeting of the Assembly today. I am glad that the Assembly has met and that we are able to make these announcements today. However, I notice that one or two of those were most vocal about today's meeting are absent from the Chamber.

Secondly, Lord Mandelson's announcement about payment of invoices was confined to England and Wales. This is for Northern Ireland, and it is something with which we have been keen to proceed. I assure the Member that it is my hope that edicts and statements

from the Department of Finance and Personnel will be regarded in the same way in Northern Ireland as edicts and statements from the Treasury are regarded in England and Wales. I hope that other Departments are listening to what Lord Mandelson and I are saying about that matter, and will agree with it.

Thirdly, the Member raised an interesting point about fuel poverty. He asked whether it would be better to spend the money as a one-off fuel credit or to put it into the warm homes scheme. Shortly, no doubt, we will be criticised and be asked why there is no money for the warm homes scheme. The Member will have to take that matter up with the Department for Social Development because the scheme was not identified as a priority when the Minister expressed her views about how the money should be spent. The choice was there.

We ended up in the worst of all worlds, because not only was there no more money going into the warm homes scheme, but there was not enough going into the fuel credit scheme to make it the proper scheme that was desired. Consequently, we took steps to increase the impact of that scheme by giving money to pensioners that are poorest in Northern Ireland and ensuring that they will be sufficiently covered, and not just by the DSD scheme.

Lord Morrow: I, too, welcome that scheme. Most of the SDLP foxes must have been shot this morning, because they are distinctly quiet. Despite the fact that that party tried to turn this into a negative morning, it is a positive one, which the SDLP should recognise by standing up and so saying. It is a pity that the SDLP Minister is not here. However, I suspect that she has another duty to perform.

I particularly welcome the fact that two major water-infrastructure schemes, amounting to £26 million, are to go ahead at Dungannon and Moygashel. Those are welcome and long overdue. In the Minister's statement, he welcomed NIE's announcement today that it will decrease its tariff by 10.8%. It is good news that prices are going in the right direction. However, I am sure that the Minister agrees that those price reductions must go further. We will watch developments with interest. We urge the Minister and the Executive to keep a very close eye on that matter.

Furthermore, I am pleased that, rather than doing what others have decided to do, the Minister of Finance and Personnel has stepped in to take the lead on the issue of fuel poverty. Fast-track payments will provide some relief to pensioners in Northern Ireland. Does the Minister agree that the rolling-out of the scheme is imperative? Does he also agree that that should be done effectively, efficiently and quickly?

Many struggling pensioners will take considerable comfort from the measures that the Minister outlined

in his statement. I ask the Minister again to give an assurance that fast-track payments will be expedited as quickly as possible. It is a fact that the Executive will make a payment of £150 to more than 100,000 householders who are in receipt of income support and pension credit — 65,000 and 36,000 respectively. That is to be welcomed. I commend the Minister for his positive attitude. If others had adopted the same attitude earlier in the year, that measure could have been implemented before Christmas.

The Minister of Finance and Personnel: I thank the Member for his contribution. He mentioned the water projects at Dungannon and Moygashel. Four major Northern Ireland Water projects, with an aggregated value of £44.5 million, will come to market between now and the end of financial year. Those projects are welcome for the construction industry and for building the foundations of a sound infrastructure for Northern Ireland. In the Member's constituency, the Castor Bay to Dungannon trunk main is worth some £21 million, and the Moygashel waste-water treatment plant is worth £5.5 million. For Members who represent North Antrim, there are two water projects of note: one at Bushmills, which is worth £8.2 million; and one at Toome, which is worth £9.8 million

The Member, among others, emphasised the need for speed on the issue of fuel credits. They said that the matter must be progressed quickly. I know that my colleagues in the Office of the First Minister and deputy First Minister have been apprised of that and will be announcing details of how we are to proceed. I am sure that the Member's words will echo around the House, and among other Members, and will build the case for the Bill's accelerated passage to ensure that that is done as quickly as possible, so that the money goes to pensioners and those on income support.

Mr Speaker: I call Mr Billy Armstrong. I ask that the Member be brief when asking his question, because time is almost up.

Mr Armstrong: I welcome the news that the planned construction of schools will continue. I also welcome the proposed investment that will benefit mid-Ulster. In the light of the Minister of Education's flawed decision to close the soundly constructed Maghera High School, can Minister Dodds assure me that money will be prioritised for the construction of a newbuild high school at Magherafelt, which is also supposed to accommodate the pupils from Maghera High School? If the Minister cannot provide that assurance, will he join with me in calling on the Minister of Education to keep Maghera High School open, at least until Magherafelt High School is rebuilt.

The Minister of Finance and Personnel: I can briefly say, Mr Speaker, that, as far as I am concerned, I am very hopeful that the Magherafelt school project

will proceed in the near future. I am grateful for the Member's supportive comments.

Mr Speaker: That ends questions to the Minister on his statement.

EXECUTIVE COMMITTEE BUSINESS

Impact of the Global Economic Downturn

Mr Speaker: The Business Committee has agreed to allow up to three hours for the debate. The proposer of the motion will have 20 minutes in which to propose and 20 minutes in which to make a winding-up speech. Chairpersons of Statutory Committees will have up to eight minutes in which to speak, and all other Members who wish to speak will have five minutes.

The First Minister (Mr P Robinson): I beg to move

That this Assembly takes note of the measures taken by the Executive to strengthen the local economy and support those most vulnerable in society against the impact of the global economic downturn.

Today, our twin priorities are to get the economy moving and to alleviate the hardship that many people are facing. Just as hard-working families and businesses must prioritise, so, too, do Government. It is our job to ensure that we make the right choices. In the present economic crisis, we must chart a course through the economic difficulties and be conscious of the limited levers that are at our disposal. We will do so, building on the solid foundations that we have laid since May 2007.

The world economic problems were not created here, but we must do all that we can to alleviate them and to position ourselves for recovery. The deputy First Minister and I are pleased to present the consolidated package of measures that has been identified by the Executive to address the adverse impact of the current economic slowdown. Earlier today, the Finance Minister announced allocations that are focused on providing support to the local economy. That funding can help to address our key priorities. The complexity and the evolving nature of the economic challenges mean that it is not possible to deliver a one-shop solution to the whole problem, but I believe that the steps that we have taken can make a real difference.

The events of recent months have vindicated the decision, which is set out in the Programme for Government, to make the economy our highest priority. Having our eye firmly fixed on the economy has aided us during the storm. Many of the programmes that we have already put in place are addressing problems that arise from the current crisis. We must now alleviate short-term hardship, refocus on and deliver the priorities and provide an added stimulus where it is most needed.

The current crisis poses a twin threat, and we must deal with both. One threat is to the social welfare, health and well-being of people, particularly the most disadvantaged. The other threat is to our economic prosperity, which is represented by our business, commercial and industrial interests. The Executive

recognise both dimensions of the crisis, and have identified a package that provides support to local business and to local people.

In recent months, Ministers listened to the concerns of stakeholders across all sectors of the economy. From that engagement, and from discussions at the Executive table, we concluded that the core problems associated with the credit crunch can be best addressed by focusing action around five themes: energy and fuel poverty; dealing with debt; support for the housing market and construction industry; support for household budgets and mitigating the threat of unemployment; and support for business. I shall deal with each theme in turn.

The Executive's goal is for essential energy to be made affordable to people and businesses. In the past year, local gas and electricity tariffs have risen by about 50%, which places significant pressure on business and household budgets. The energy regulator has announced that prices will be adjusted downwards, and I welcome his announcement. However, the fact that oil prices have fallen back to their lowest level in many years would lead most people to expect that some further relief in energy costs should continue to feed through to the local economy. We will continue our engagement with the regulator and the energy companies.

Fuel poverty is not a product of the credit crunch; we have been addressing the problem for some time. For example, this year, we have already allocated £21 million to tackle fuel poverty through the warm homes scheme, which aims to improve energy efficiency and to reduce energy consumption in eligible households. The scheme has improved the lives of 60,000 people.

1.45 pm

To build on that, we want to explore further the options for introducing social tariffs for energy supplies. The Department of Enterprise, Trade and Investment (DETI) is working with the regulator's office to establish what scope exists for regulatory action to make tariff changes for those in fuel poverty. An initial report is expected early next year.

We also want to consider further the options for brokering energy supplies. The Housing Executive is currently investigating the potential for acting as a broker to procure discounted energy for its tenants, and we look forward to the outcome of that process.

Even over the relatively short life of the Administration, we have learned that we need to be prepared for the unexpected. Devolution means not only being able to address people's needs, but being able to do it quickly. As the Administration of a small region, we need to be able to react quickly.

We have faced many and varied crises: flooding, bluetongue and the meltdown of the world economy. The lesson is that we need to be prepared, financially

and legislatively, so that we can act promptly to protect local interests. We need resilience and flexibility in and across all the portfolios that make up the Executive. Therefore, I announce today that the Office of the First Minister and deputy First Minister (OFMDFM) proposes to introduce a Bill to provide for permissive powers to implement remedial action in response to any circumstance that the Executive agree warrants rapid and effective action.

That power is intended to regularise the allocation and distribution of funds in response to any crisis or hardship situation. It will extend the Executive's powers to deal effectively with poverty and disadvantage. However, they may determine that the delivery of the relief or programme would be better channelled through, or implemented by, another agency or Government Department. To keep the legislation effective, the Executive will not prescribe — except in generic terms — the nature of the exceptional needs or crises. I hope that that legislation will be in place before the end of January. It will be used to authorise £15 million for fuel poverty, which will provide for payments to some of those most in need.

The second of the five themes that I listed was debt. In difficult circumstances, the incidence of debt will escalate. Beyond the provision of £4.5 billion in social welfare services, the Executive will continue to support a range of debt advisory services. DETI has in place a three-year, £1.2 million contract with Citizens Advice to continue to provide free, effective, high-quality debt advice at centres across Northern Ireland, with a particular emphasis on one-to-one debt advice in areas where consumers have limited access to that type of help or assistance. In the two years to 31 March 2008, the service handled some £30 million of consumer debt and attracted more than 2,000 new clients. It handled inquiries involving a total of £5.5 million of consumer debt during the quarter ending September 2008, and dealt with 518 new cases in the same period, signalling a major upward trend in demand.

The Executive have already responded in that area. DETI announced that funding will increase to £1 million per annum over the next two years, expanding the current service and funding a new telephone-based debt advice service. In difficult economic times, the most needy in the community can often resort to desperate measures to make ends meet. In conversations with voluntary and community groups, there is evidence of an increase in illegal money lending, which causes great concern. Such practices attract exorbitant interest rates, which result in those least able to pay paying most. DETI's Trading Standards Service has launched a campaign that seeks to tackle loan sharking. Early in the new year, DETI will propose an initiative on the enforcement of consumer credit legislation. That will specifically target the issues of instalment credit, doorstep

selling and illegal money lending, while actively promoting the benefits of responsible borrowing.

The increase in loan sharking is worrying and disappointing: it is worrying because of the dark and sinister nature of the activity, and disappointing because there is already a viable and commendable alternative. We are most fortunate in having to hand a network of credit unions with which we are keen to engage. We shall explore further how we might work with them to enhance and support the network and promote responsible borrowing at a local level.

The third set of issues relates to the housing and construction sector. The roots of the present economic turmoil lie in the transaction streams of toxic loans made in the US sub-prime housing market. The knock-on effect of that has slowed down our economy and dented the confidence of developers, homeowners and first-time buyers, inevitably having a serious impact on the local construction industry.

The Executive have already taken a number of steps to deal with that issue. For example, this year, the capital expenditure of the Executive is at its highest level in history. That has provided a stimulus to the economy while leaving a positive long-term legacy. Around £1.3 billion worth of major public-sector schemes are currently under construction, and, following the pre-Budget report, we have accelerated an additional £9.4 million into the present year. Moreover, in addition to our £150 million social-housing programme, in 2008 the Executive have introduced a number of innovative programmes to help people get homes.

In order to further assist the construction industry, the Executive recently announced our intention to press ahead with proposals for the Titanic signature project. Work on that project will begin next month, with 600 jobs being created during construction alone.

The House will also be aware of the need to accelerate planning approvals. When I was Finance Minister, I set up the performance and efficiency delivery unit, and set as its first task an examination of the Planning Service and the identification of measures to speed up planning decisions. I am delighted that progress is being made, and I welcome the statement by the Finance Minister that he and the Environment Minister will be implementing proposals in that area. It will make a real difference to the construction sector and, in the longer term, will significantly assist economic growth.

The outcome of the December monitoring round will offer a further boost to the construction sector, with allocations being made to: the farm nutrients management scheme; school maintenance; roads structural maintenance; public-transport capital works; and the public-sector housing programme. The Executive have also asked Ed Vernon to update the

capital realisation task force's report in light of the seismic changes in the economic climate since that task force reported to Ministers last December. He is to explore the potential for the task force to be resourced to support Departments on all major asset-realisation opportunities.

Fourthly, we must address the problems currently facing households. From the first days of the present Administration, we have provided practical support for local people. This year's domestic regional rate has been frozen, and that freeze will be maintained for the next two years, thus saving households and businesses £27 million this year. Early-payment discount schemes and lower-income rates relief have saved households a further £7 million, and the transitional rates relief scheme has seen £20 million provided to households over the last two years.

The Executive have also announced that water charges for the domestic sector will be deferred for yet another year. That deferral is worth an average of £160 per household. The cost of a prescription in Northern Ireland will be reduced to £3 next January, and prescriptions will be free of charge by April 2010. That will cost the Northern Ireland Executive £13 million per annum when charges are fully abolished.

The Executive have also announced the extension of the free bus pass scheme. Since 2007 some 240,000 people aged 65 and over have taken advantage of free bus and rail services. A further 90,000 individuals aged 60 to 64 will be entitled to free travel in Northern Ireland under the new scheme. That extension will cost a further £4 million per annum.

In addition to the actions which the Executive have taken and the fact that interest rates are at their lowest levels since 1951, the pre-Budget report also announced measures that should relieve some of the financial pressures on household budgets. Those measures include the 2.5% reduction in VAT, the increase in personal income tax allowances, and the introduction of increases in pensions credits, child benefits and child tax credits.

Although some of us would have preferred a larger cut in VAT in more focused areas, nonetheless, the reduction should be worth around £190 million to households in Northern Ireland. We are also looking at ways of increasing the uptake of social security benefits and providing better information to consumers about the fair price of commodities across Northern Ireland. We expect announcements to be made on those areas very soon.

The fifth issue that we must address is the needs of business. In order to deal with the present difficult situation, DETI has announced the accelerated support service — with a budget of £5 million — to assist Invest NI clients by providing advice in the form of

on-site support. That will identify projects in areas such as financial and cash-flow management and improving supply chains, all of which should assist cash flow in locally-owned small and medium-sized enterprises.

We have also announced our intention to enhance support to apprenticeship training. The Department for Employment and Learning is working to promote apprenticeships through the Alliance of Sector Skills Councils. The Steps to Work scheme will enable the completion of apprenticeships even where an employer is not available. That is a mark of our confidence that the Northern Ireland economy will weather this economic storm and, in coming out the other side, we will want to ensure that we have all the skills needed to sustain a vibrant economy.

We have also announced increased funding of £14.5 million to fund strategic investment to allow our two universities to build additional and sustainable research capacity and capability. Additionally, to help business with cash-flow management, the Government's main payments processing facility, Account NI, has amended its operating system to facilitate faster payments and will endeavour to ensure that invoices submitted through the shared services centre are paid within 10 days.

During my time as Finance Minister, I capped manufacturing rates at 30% and froze the non-domestic regional rate, in real terms, for the rest of the comprehensive spending review period. I am pleased that the Executive have agreed to go further, with the Finance Minister's announcement today of a new and targeted small business rates-relief scheme and a freeze in cash terms of the non-domestic regional rate for a further year, by which time I hope that the legislation necessary to proceed with the small business rates-relief scheme will be sufficiently advanced.

Most commentators agree that the roots of the current economic crisis lie in difficulties within the banking industry. The deputy First Minister and I have already met with representatives of the local banking sector and we intend to meet with them again tomorrow to ensure that all sides in our economy are aligned to fully support each other in the best way possible. In particular, we want to be able to advise the Prime Minister whether any steps need to be taken to ensure that interest rate reductions are passed on by our four main banks to their customers.

The deputy First Minister and I have agreed to establish a cross-sector advisory forum to continue our dialogue with business, trade unions and voluntary and community stakeholders. One of the benefits of devolution for our community must be access to decision taking. We believe that that ongoing engagement will be of mutual advantage as we move forward. The Executive are committed to putting their full weight

into supporting people and businesses through the current economic turmoil.

Over the past months, we have listened to the community, met with a range of stakeholders and learned from best practice elsewhere. It is too easy to forget what life was like under direct rule. If those who would advocate the end of devolution got their way, householders in Northern Ireland would have less money in their pockets, businesses would be paying more in charges, and our economy would have been in a measurably much worse state.

Our role is in delivering for the people of Northern Ireland, and even in the most difficult of circumstances, I believe that we are making a real and positive contribution. The measures outlined should provide a solid foundation on which to build recovery and future prosperity. They are the clearest possible example that devolution is making a difference to the people of Northern Ireland, and I commend them to the Assembly.

Some Members: Hear, hear.

Mr Speaker: Order, Members. Before I call Mr Kennedy as Chairperson of the Committee for the Office of the First Minister and deputy First Minister, there are a number of Members who are Chairpersons of Committees who wish to speak as Chairpersons of those Committees this morning. There is nothing wrong with that, but they may also want to make a personal statement while they are on their feet.

They may even want to make a political statement while they are on their feet. I say to all sides of the House that it is vitally important that Members clearly indicate the capacity in which they are speaking when they are addressing the House.

The Chairpersons of a number of Committees are looking for lecterns from which to speak; unfortunately, all the lecterns that we have are being used. There is nothing wrong with the Chairperson of a Committee speaking from a lectern; however, today we are out of lecterns.

2.00 pm

The Chairperson of the Committee for the Office of the First Minister and deputy First Minister (Mr Kennedy): As Chairperson of the Committee for the Office of the First Minister and deputy First Minister, I am pleased to speak in this important debate, which provides a welcome opportunity to take note of the measures the Executive have taken to strengthen the local economy and support those most vulnerable in society against the impact of the downturn in economic conditions. Although I do not have a lectern, I am happy to offer my comments.

The statement from the Minister of Finance and Personnel reminded me of the Perry Como hit that is

currently doing the rounds: 'It's Beginning to Look a Lot Like Christmas'.

A Member: Are you going to sing it?

Mr Kennedy: No singing allowed.

The impact of the global economic downturn is being felt across many sectors. Recently, my Committee heard evidence from representatives of the construction industry, and the construction and property group, on the impact of the global recession on that sector. Those groups underlined the seriousness of the current situation and emphasised the need for intervention in order to save jobs and make provision for future apprenticeships. Therefore, I welcome today's announcement that public-sector construction schemes worth £1.2 billion are currently on site and that a construction industry forum will be established to ensure that the pace of construction jobs continues in these difficult times.

The Committee's engagement with the Department and the strategic investment board has focused on what actions can be taken in the short term to kick-start the economy. The Committee wrote to all Departments urging them to do whatever possible to regenerate and create jobs.

The Committee underlined the importance of ensuring that invoices were not subject to long delays in payments being processed. I welcome the announcement that the public sector has changed its target for paying approved invoices from 30 days to 10 days. That should improve cash flow in the organisations that provide services and supply Government Departments.

There is no doubt that the freezing of domestic rates will be a welcome announcement for all households in Northern Ireland. The lone pensioner allowance introduced in April 2008 helps the over-70s through a 20% reduction in their rates bills. That is particularly welcome for those old people in the community who sometimes have to make the very difficult choice between having heat and having food.

The decision to scrap prescription charges will make a financial difference to those people most in need. On a personal note, I want to congratulate my party colleague Minister Michael McGimpsey for bringing that forward; it was, after all, an Ulster Unionist Party manifesto commitment.

The Executive's decision to support Titanic Quarter Limited's proposal for a Titanic signature project in Belfast has the potential to deliver a much needed boost to the local economy at a time when the construction sector is under significant pressure. It has the potential to be a premier tourist destination that, undoubtedly, will generate international interest.

Hopefully, it will provide a tourist attraction of world-class excellence in Northern Ireland.

The Executive's decision to approve new planning guidelines is also good news for the construction industry. That will, hopefully, protect the rural environment and provide another boost for the building trade.

I hope that the First Minister and deputy First Minister took the opportunity during their recent trip to the US to speak again to powerful and influential business people in order to promote Northern Ireland and all that it has to offer. Members look forward to hearing in the new year about the progress that was made on that trip.

The Executive are committed in the Programme for Government to eliminating child poverty — a goal that will prove a test to achieve in very difficult economic circumstances. The Committee for the Office of the First Minister and deputy First Minister has received the Executive's response to its report on child poverty. In the coming months, it will measure progress; in particular, on recommendations made in that report.

The First Minister mentioned proposals to bring forward legislation for a rapid response capacity, presumably by accelerated passage. The Committee will want to see the detail of that, but I hope that it will seek to co-operate with the Department on such an important piece of legislation, in order to enable the Executive to respond to events quickly. I welcome that OFMDFM will meet energy companies and, in particular, will meet again with the banks. It is crucial that interest-rate reductions are passed on immediately to customers.

Mindful of the Speaker's cautionary remarks, I will make a few comments on behalf of myself and my party. The First Minister spoke of the threats in economic terms. Many Members believe that potential political threats to these institutions remain, and they hope to have moved away from blocked Executive meetings. An unfortunate and regrettable amount of time was lost in that period, and I hope that such actions are not repeated by Sinn Féin.

There is a crying need for joined-up government in Northern Ireland. It is essential that the Executive and all the parties that serve in it function in a properly joined-up manner. I very much hope that the two largest parties recognise and remember that. It is in the interests of all the people of Northern Ireland who elected us that we all work together in face of the considerable economic challenges before us. On that basis, I commend the motion.

The Chairperson of the Committee for Social Development (Mr Simpson): I will comment on behalf of the Committee on the measures set out by the First Minister. Members are aware, as has already been

said, that the whole world faces the most significant sustained economic threat in recent history. Governments in various countries and other jurisdictions have adopted a range of approaches. In other places, some respected politicians appear to have set aside their lifelong devotion to certain economic deals in the hope of insulating their economies for the worst period of the expected recession.

Others appear to cling steadfastly to principles of economic management that they hope will leave their economies in good enough shape to recover quickly, once the recession finally ends. Against that backdrop, the options faced by the Executive are not easy. The choices are more important and far-reaching than, perhaps, any that the Executive have made to date.

As Chairman of the Social Development Committee, I want to comment on a few of the measures that have been announced. Recently, the Committee was briefed on the impact of fuel poverty on numerous groups, such as children, the elderly and people who suffer from serious illness. Notwithstanding the welcome announcement that has been made on gas and electricity prices, fuel poverty still presents a significant challenge. The Committee welcomes the effort to deal with that challenge through the introduction of a £150 payment to 100,000 households that are in receipt of pension credit and income support. I am sure that everyone welcomes that payment.

That said, however, everyone will recognise that more targeted instruments might also be necessary if the Department's objective of eliminating fuel poverty is to be achieved. The warm homes scheme is one of those targeted instruments. The Committee welcomes continuing support for the scheme, although it awaits with interest the revision of that important scheme, which, it is hoped, will lead to better targeting of resources towards the fuel poor.

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

As members are aware, the new housing agenda targets the provision of over 5,000 new social homes during the next three years. That target is an important part of the strategy to deal with the 38,000 people who are on the housing waiting list, 20,000 people who are in housing stress, and 9,000 people who are officially homeless. The building or purchase of 5,000 new homes will, of course, not solve all of Northern Ireland's housing problems. However, it will be a substantial and important first step.

When the new housing agenda was launched, the world was a different place. The construction industry was booming. Construction employment was high; so, too, were house prices. Now, the construction industry is contracting rapidly. The housing market is almost in freefall, as housing starts and sales trickle away to

almost nothing. Yet, homelessness and housing waiting lists, for example, do not change.

The Social Development Committee welcomes the indication in the First Minister's statement that measures including the purchase of off-the-shelf housing, the provision of a mortgage-rescue scheme, and the phased introduction of developer contributions are to be promoted. It is hoped that those measures will help to reduce social-housing demand problems and will also have a welcome effect on Northern Ireland's beleaguered construction industry.

The Committee also welcomes the emphasis on value for money that underpins the measures that have been described. Members would be annoyed — disgusted, even — if any additional money for construction partially disappeared into additional costs, with limited additional housing completions or reductions in waiting lists.

I assure the House that the Social Development Committee will, as always, carefully review monitoring rounds and zealously chart the progress of the Social Development Minister's new housing procurement strategy. The Committee, therefore, awaits with great interest the outworking of the Finance Minister's new approach to procurement. We will do our best to helpfully advise the Minister for Social Development in securing best value for the housing agenda and the Department's other anti-poverty measures.

The measures that have been announced represent a significant —

Mr A Maginness: I am mindful of the Finance Minister's statement on the December monitoring round. The Member has referred, rightly, to the housing crisis and to money for housing. Is he aware — as he should be, as Chairperson of the Committee for Social Development — that the housing programme is now minus £30 million? That will have a negative, adverse impact on the ability of the Department and the Housing Executive to maintain houses and to implement improvement schemes.

2.15 pm

The Chairperson of the Committee for Social Development: That point was raised when the Finance Minister was making his announcement earlier. He made it clear that an extra £80 million is being given to housing development. There seems to be a query about whether money for social housing has disappeared or whether more money has been given to social housing. As the Chairperson of the Committee for Social Development, I will seek clarity on that matter and bring a report to the next Committee meeting.

The measures that were announced today represent a significant investment in Northern Ireland's future. There is currently no more important job in Northern

Ireland than guaranteeing that future. Therefore, I ask that the Office of the First Minister and deputy First Minister re-emphasises the critically important role that Committees will have to play in the review of departmental expenditure and monitoring rounds generally, and in the delivery of the outcomes associated with the measures that were announced today.

The Chairperson of the Committee for Finance and Personnel (Mr McLaughlin): Go raibh maith agat, a LeasCheann Comhairle. I welcome the opportunity to discuss these important issues. Although the Department of Finance and Personnel has only a limited direct responsibility for many of the issues that the Assembly is considering to help alleviate the impact of the economic downturn, its overall strategic expenditure role will be vitally important. As the Chairperson of the Committee for Finance and Personnel, I will outline some of the issues that the Committee is currently scrutinising, which are relevant to today's announcement.

At a strategic level, the Committee is of the view that the economic downturn and the emerging pressures make it all the more vital that maximum impact and value for money is achieved with the finite resources that are available. That will require the public sector to improve its performance in the management of resources and programmes and in achieving business targets. To that end, a number of immediate and longer-term measures are required.

Given the economic climate, my Committee believes that it is essential that previous patterns of departmental underspend are not repeated at the end of the current financial year. My Committee has applied a focused and consistent scrutiny on Departments' underperformance in financial forecasting and monitoring, which results in late declarations of large amounts of resources and in high end-year underspend.

The 2007-08 figures for both in-year reduced requirements and end-year underspend show a huge variance between Departments' financial performances compared to their opening Budget positions. Some £407 million in resource expenditure and £313 million in capital expenditure was either reallocated or unspent. That highlights a major weakness in Departments' budgeting systems and in senior officials' standards of financial management.

In that context, my Committee recently called for an external review of the current arrangements for the payment of substantial performance bonuses to the most senior ranks of the Civil Service and the public sector. I hope that we will get a positive response to that call. Departments and their respective scrutiny Committees need to make an immediate and concerted effort to ensure that there is effective forecasting, monitoring and management of the limited available resources.

Regarding the more immediate term, my Committee has called on the Department of Finance and Personnel to take the lead in identifying pre-emptive measures that can be taken in the next four months to safeguard against significant year-end underspend. Having said that, I recognise the strong efforts that the Minister has made to get detailed information in good time.

In order to improve resource management in the longer term, a higher priority should be given to implementing the recommendations in last year's PKF report on financial management in the Civil Service. The Committee recognises that Department of Finance and Personnel (DFP) is working on programmes of mandatory financial training for senior civil servants and on improving the monthly financial information that is given to departmental boards.

More needs to be done, however, to move from an incremental to an output-based approach to budgeting and expenditure, as recommended in the PKF report. In these difficult times, that will ensure that all expenditure is examined, as opposed to the current situation in which only bids for additional resources are examined. The Committee has welcomed DFP's commitment to begin such a programme of examination.

The Committee believes that Departments, including the Department of Finance and Personnel, need to undertake more management analysis of expenditure. Although levels of spend are an important measurement of performance, they should be viewed in the important context of delivery of the Executive's priorities and the Programme for Government.

The public expects us to deliver the Programme for Government. The Committee notes the opinion of Department of Finance and Personnel officials that an information gap exists that must be filled in order to enable such analysis to be carried out. In its report on the Executive's draft Budget 2008-11, the Committee highlighted the fact that delays in capital projects can increase — directly and indirectly — overall costs significantly, and called for steps to be taken to ensure the effective planning and management of capital projects with a view to minimising delays and the resulting underspend.

In the current economic climate, the Committee repeats that call, especially in light of the construction industry forum's evidence, which highlighted delays in establishing capital projects and the problems that that situation poses for the local construction industry. During his earlier statement, the Minister of Finance and Personnel addressed some key issues that affect that industry, particularly in areas of planning and procurement. I welcome that. Those issues can and should be considered as opportunities to enable the Executive to respond to the difficulties that are affecting the construction industry.

The Executive have an opportunity to accelerate £86.5 million of capital expenditure into the 2008 and 2009 financial years. That will effectively bring forward spend that was earmarked for the subsequent years. Although the Committee welcomes the flexibility that is on offer, given the extent of previous capital underspend by Departments — and that is what we know, as opposed to what we are entitled to expect — it has urged the Executive to ensure that any capital funds that are accelerated in that way can, and will, be spent efficiently in the years to which they are now allocated.

Furthermore, the Committee is aware of the risk that sufficient funds might not be available to deliver capital plans in 2010-11, and we must ensure that that risk is anticipated and managed effectively. The Executive's Budget for 2008-11 included capital receipts for Departments of £486 million, £266 million and £612 million respectively over the three financial years. Department of Finance and Personnel officials recently informed the Committee that £60 million of receipts that the capital realisation team was intended to generate will probably not be delivered this year and that, following the suspension of Workplace 2010, £175 million in capital receipts that was designated for the Department will not materialise.

Departmental officials stated that the £200 million capital receipt for the Crossnacreevy lands, which is due in 2010-11, is uncertain and is, in some people's view, completely unlikely. The Committee recognises that the downturn in local property markets has adversely affected the level of planned receipts from the disposal of surplus assets. However, it is important to establish contingency measures, because the failure to achieve asset-realisation targets — especially if additional measures are required to alleviate the economic downturn — can have exaggerated effects.

The Committee wrote to the Department of Finance and Personnel on 14 November to urge it to consider issuing advice to all Departments to accelerate the process of paying suppliers. We received a welcome reaffirmation that that will happen. We must address the cash-flow difficulties.

Local banks must play a vital role, and the Committee recognises and applauds the efforts of the First Minister and deputy First Minister, who have met with the local banking representatives. Moreover, I welcome tomorrow's meeting with the Finance Minister. The Committee has been trying to coax local banks into engaging directly and urgently on practical measures that they could take, in the current climate, to assist consumers and local businesses.

A revised regional economic strategy should be introduced to replace the current proposals, because that is a matter of significant concern.

Mrs D Kelly: I regret the fact that so many DUP Members have left their seats.

Mr A Maginness: The senior Member for North Antrim is still there.

Mrs D Kelly: Some younger Members could learn lessons from the elder representative on the Benches opposite.

In his initial comments, the First Minister spoke of the benefits of devolution. One wonders, then, why it took the DUP 10 years to grasp the opportunities presented by devolution under the terms of the Good Friday Agreement. Some Members mentioned the 154-day delay in the Executive meeting. I wonder whether any analysis has been conducted by the Minister of Finance and Personnel or the First Minister and deputy First Minister into what impact that delay has had on the economic downturn — bearing in mind that all other Governments and regional Assemblies have been working assiduously since the early autumn, when news of the economic downturn started to emerge.

During the suspension — or blocking — of the Executive, the First Minister said that he had passed some two dozen papers, and would be forwarding them to the deputy First Minister. We have yet to see any output in relation to those two dozen papers, because members of the Committee for the Office of the First Minister and deputy First Minister have, as yet, been unable to scrutinise any strategy to tackle cohesion, sharing and integration — in other words, a shared future. Given that there was a substantial report, and that there are ongoing costs of division, one would have thought that savings could be made through a shared future. Many groups are dependent on the moneys that are attached to such a strategy.

As yet, no anti-poverty strategy has been produced by the First Minister and deputy First Minister, yet we have heard much talk of their adoption of Minister Ritchie's innovative means by which to tackle fuel poverty. I notice that they are all great champions of that this morning. Sinn Féin, in particular, is now silent on the point that that initiative will give money to NIE; it now recognises that that money will go directly to benefit families that are suffering most from high energy costs.

I welcome the First Minister's commitment to meeting with the banks, and to tackling loan sharks — something that is a great scourge in many communities. I wish the First Minister and deputy First Minister all the best in their efforts. I note that reference was made in the statements to the deferral of water charges. Again, it is interesting that Sinn Féin and the DUP campaigned in the Assembly elections on the basis of no water charges, not deferral of water charges. I am sure that many people across the North remember the billboards and posters that were erected, presumably

by Sinn Féin, that stated that Sinn Féin says no to water charges — “Stop the water tax”, I think, was what they stated. Those all seem to have disappeared.

The Chairperson of the Committee for Finance and Personnel spoke about the capital realisation task force, and the failure of capital assets to be realised, with the resulting detrimental impact that that will have on the Budget. Yet the Minister of Finance and Personnel and the First Minister referred to the black hole, which they said did not exist, and castigated other Members for referring to it. At times, they do not like to face reality.

The programme announced today provides for an additional £4 million for school maintenance, yet there is still a £217 million backlog in funds for school maintenance. One wonders how that will be fixed. The fact that no decision has been made on the Maze/Long Kesh site continues to dog the building of a better future for us all, and indecision on elite facilities for sport causes a lot of concern.

Much reference has been made in the debate to Christmas. However, as we should all know, the true meaning of Christmas is about a family for which there was no shelter when the mother was about to give birth. If that were to happen today in the twenty-first century, I presume that, rather than having to go to a stable, one would be able to go to at least a slurry shed, because there are certainly not enough homes for families.

Dr Farry: I welcome the statement in so far as it goes. I also welcome the fact that there is now double the DUP representation, and that they have almost as many Members in the Chamber as the Alliance Party. Perhaps that is a sign of things to come.

2.30 pm

I accept that the economic downturn is a global situation with national dimensions, but it also has a local dimension. We, in this House, should be in no doubt about the serious effects that the economic downturn is having on households and businesses in Northern Ireland. Regional Governments have a responsibility, and there are many things that they can, and should, do.

The Executive have not acted in a timely, decisive or effective manner. Devolution brings with it the ability to do things differently, but the flipside of the coin is that there is a responsibility to act and to put policies and measures in place that are similar to the actions being taken in other jurisdictions. That has not been done sufficiently well up to now.

The Executive have two specific responsibilities. The first responsibility is to help Northern Ireland through the economic downturn; the second is to prepare Northern Ireland for recovery. If done correctly, those two actions will be mutually reinforcing. The key lies

in targeting existing commitments to help to modernise and rebalance our economy.

The recession in Northern Ireland may not be as deep as in the rest of the United Kingdom because of the public-sector cushion, but we should not be complacent about that. It is a major structural issue. The fear is that the downturn in Northern Ireland will be longer and recovery will be slower because we have not put measures in place to address the major imbalances in the economy. I agree with the Chairperson of the Finance Committee: the downgrading of the regional economic strategy is a major concern.

The Executive do not have access to significant tax-varying and borrowing powers, so the key lies in what is being done with the public expenditure that is under their control. I welcome the commitment to pay public-sector bills within 10 days. However, Lord Mandelson introduced that scheme in Whitehall in the middle of October 2008: why did it take us six weeks to introduce it? Cash flow is critical to small businesses, particularly in Northern Ireland, given the nature of our economy.

In addition, timely decisions have not been taken on fuel poverty and energy efficiency. The British Government introduced their scheme for England and Wales back in early September 2008; we are only getting round to discussing what we are doing about fuel poverty in December 2008. We are three months late and are already into the teeth of what has been a very cold winter. Help for pensioners is coming a little too late.

There are also major challenges with respect to capital spending. Will the 2008-09 Budget be fully spent? If not, that will be a major indictment and a failure across Government. The second question is whether capital spending can be accelerated. I note the strong emphasis that the Finance Minister gave to the scale of existing commitments towards investment. The Alliance Party has already made its concerns clear regarding the balance of that investment in relation to the opportunity costs for rebalancing our economy.

However, the real issue to discuss today is the scale of the increase in capital investment and where that is being targeted. On a pro-rata basis, the scale of capital investment here is not equivalent to that being made in other jurisdictions. This morning, I commented on that and on the scale of social-housing investment in Scotland and England and the wider investment including £500 million across England in retooling for the green economy.

The Budget was very tightly drawn, which is a major problem. There are already opportunity costs from a divided society — but populism has been given precedence over prudence, and we did not fix the roof

when the Sun was shining. Now, the Executive have to give undue emphasis to balancing the books while other jurisdictions are placing emphasis on greater fiscal stimulus. We are still playing games with populism instead of making proper, prudent investments.

Short-term benefits can make a difference in some respects, but the real challenge lies in what can be done about the long-term restructuring of our economy.

Mr Ford: Does my friend agree that the dead hand of the Environment Minister seems to be on today's statement, as absolutely no mention has been made of developing the green economy, which is a major opportunity for Northern Ireland?

Mr Deputy Speaker: The Member will have an extra minute.

Dr Farry: I agree entirely with the comments of my colleague. There are huge opportunities for Northern Ireland in relation to renewable energy. When one considers the prices that people are paying for fuel, the flaws in our local infrastructure are partly to blame. Therefore, major gains can be made from proper investment.

Similarly, with respect to fuel poverty, we welcome fuel credits. However, although they will bring people short-term benefits, one must ask whether those resources could be better used by investing in the warm homes scheme in order to improve fuel efficiency, which would produce long-term benefits not just for this Christmas but for many winters to come. Tackling problems in such a manner would not only help individuals in the short term but would benefit society and the economy in the long term.

Therefore, although some aspects of today's statements are good, much more could be done in Northern Ireland. Speaking on behalf of the Alliance Party and the opposition, I say that the measures announced today are not good enough and do not go far enough. The Assembly could do a lot better for Northern Ireland — we are not being sufficiently ambitious.

Mr Poots: First, I shall direct some remarks towards Mrs Kelly. I am not the DUP's elder statesman. Perhaps, the Member did not notice me sitting here. If she is happy to do so, I will compare my birth certificate with the Member's any day of the week.

Had the Ulster Unionist Party's wishes been granted, we would not have been here today. Mr Basil McCrea, ably assisted by Sir Reg Empey, argued on the radio that, rather than attending the Assembly, Members should have taken their holidays earlier. Therefore, we are discussing this matter because of the DUP and because it wishes to make progress in Northern Ireland. The five months' absence of Executive meetings was not because DUP members were not prepared to attend — we were always ready to attend — and we are

prepared to undertake any work that the public asks us to do in order to ensure that the economy has every opportunity to recover. Today, a DUP Minister has been able to announce the £15 million fuel credits scheme, so it is much better that DUP Ministers are here making announcements than being at home, as recommended by the Ulster Unionists.

I am glad that the Assembly did not adopt the scheme proposed by the Minister for Social Development and that we have gone considerably further by giving money to pensioners, who would have been excluded and left behind by the SDLP. Many more people will benefit from the scheme announced by the Finance Minister.

I apologise on behalf of the Chairperson of the Committee for Agriculture and Rural Development, who is unable to be here because he is in Westminster to attend a debate about the economy. However, he said that the Committee is delighted that £20 million has been allocated to the farm nutrient management scheme. That is not just good news for farmers; it is good news for the environment — because the works are necessary — and for the construction industry.

In addition, I welcome the £700,000 assistance for the fishing industry, and I know that the hard-working MLAs — such as my colleague Mr Wells — who represent the fishermen will also welcome that money.

Furthermore, I welcome the £500,000 that will go to the flooding hardship assistance scheme for agriculture. Despite the poor efforts by the Department of Agriculture and Rural Development's economists, I welcome the fact that the Finance Minister has turned that situation around. I also welcome the £1.5 million to alleviate animal-health pressures; however, in conjunction with that, it is important to ensure that we properly deal with, and eradicate, bovine TB and do not spend money compensating farmers for culling cattle. In bovine TB hotspots, there must be a badger cull —

Mr Ford: You just lost Jim Wells.

Mr Poots: Jim and I agree and disagree on many matters, but we remain good friends.

Planning was mentioned, and the 2,000 additional houses that will be approved as a result of PPS 21 and the speeding-up of the planning process. That is good news, and I strongly welcome it, but I would further welcome news about private-sector planning applications that are ready to go, such as that of Westfield, which would create 1,500 new jobs at Sprucefield. The sooner that that application can be turned around and those new jobs are on the scene the better.

Moreover, the private sector must step up to the mark, and I welcome the talks that are taking place with the banks. Nevertheless, the banks must pull out all the stops —

Mrs D Kelly: As I recall, when the Member was Minister of Culture, Arts and Leisure, in reply to a question, he said that a decision on the Maze/Long Kesh site should be made by November 2007, in order to meet planning and other requirements, and that development of that site would have provided some 10,000 jobs. As a representative of Lagan Valley, is he not disappointed that no decision has been reached by late 2008?

Mr Poots: The Maze project should go ahead as soon as possible. It is a matter for OFMDFM to establish that agreement. I welcome the fact that the Royal Ulster Agricultural Society has obtained planning permission for a part of its land, and I know that it has strong interest in moving to the Maze site. We should be looking at that site as a strategic opportunity to create many good-quality jobs in Northern Ireland — perhaps a base of more, better-quality jobs than exist anywhere in Northern Ireland with regard to the numbers. That site has the ability to deliver that. I will continue, publicly and privately, to press for a decision and to push that particular door.

With regard to the private sector, the banks must step up to the mark. In fairness, most banks have cut their base rates. However, many of them, with regard to the small businesses that they serve, have added additional money on to that base rate. Instead of getting the base rate plus 2% or 3%, they are adding another 1.5% or 2% on to it, and that is having a detrimental impact on those businesses.

NIE's paltry price cut of 11% is not enough. The price of electricity is 37% higher than it was last year. NIE must review its prices again, not in September, but early next year. In addition, the supermarkets have not passed on to their customers the reduced commodity prices. The supermarkets must be brought to book —

Mr Deputy Speaker: The Member must conclude his remarks.

Mr Poots: They are overcharging the public, especially in the run-up to Christmas, and they are ripping people off.

The Deputy Chairperson of the Committee for Health, Social Services and Public Safety (Mrs O'Neill): Go raibh maith agat, a LeasCheann Comhairle. As Deputy Chairperson of the Health Committee, I welcome the package of measures,

which, I hope, will begin to alleviate the worst effects of the current economic downturn for those who are most in need.

The impact of the downturn is already biting deep, and it is difficult to predict how long it will last. Although no specific elements or measures in the package come under the banner of the Health Department, it is universally recognised that people's state of health and, often, their mental well-being are directly affected

by many of the issues being discussed today, such as fuel poverty, social disadvantage, exclusion, unemployment and redundancy. Therefore, it is no accident that promoting health and well-being is one of the key priorities in the Programme for Government and that about half of the Assembly's public funding goes on health, social services and public safety.

The effects of the economic crisis can be worse for people who are already on low incomes. At this time of year, we are all familiar with campaigns that warn about the effect of cold weather, particularly on vulnerable older people, young children and people of any age who have a serious or long-term medical condition.

It is a fact that many more people die during the winter than in summer due to the effects of cold weather. During severe winters, the number who die increases greatly due to heart attacks, strokes and respiratory illnesses that are brought on by a drop in body temperature. A report published today by the Institute of Public Health in Ireland warns of an increase in winter deaths due to an increase in fuel poverty.

Older people, in particular, are often at greater risk from cold weather because they might not keep their homes warm enough during winter months. That may be because they use insufficient heating because they cannot afford to pay, or worry about paying, higher fuel bills. We are also familiar with the overused expression that some people now have to choose whether to eat or heat. It is a cliché, but, unfortunately for many, it is a fact. Any measures that will help vulnerable people who find themselves in that situation are, therefore, welcome.

Mr Ford: Does the Member agree with the point that I made earlier that, rather than protecting vulnerable people for one Christmas only, the Executive should spend money on protecting people in the long term, through the warm homes scheme.

The Deputy Chairperson of the Committee for Health, Social Services and Public Safety: I welcome the Member's comments. I agree; we are in a difficult situation now, but we must protect people in the long term.

The economic downturn has meant that more people have found themselves out of work. That applies across the board. The fall in house prices and the lack of available mortgages for those who might wish to buy houses has resulted in the almost total collapse of the house-building sector.

The impact is felt well beyond the house-building sector and into the building-supply chain — from estate agents to furniture retailers. Other sectors, too, are affected.

2.45 pm

We have seen the collapse of Woolworths Group plc and MFI, both of which are in the hands of administrators and whose staff face great uncertainty. In my area, jobs in Powerscreen are under serious threat, and, due to a lack of orders, the company has introduced unpaid short-term layoffs for 300 of its 500-strong workforce.

The economic downturn is having an enormous impact, and not only of a financial nature. It is causing untold stress and worry that is affecting people's health. They are worrying about unpaid bills and mortgages and, perhaps, the threat of losing their jobs or homes. It is right, therefore, that the Executive should look at what action can be taken to help people at this difficult time.

Today's announcement about bringing forward capital programmes to produce jobs and to provide some stimulus for the construction industry is very welcome. I welcome, too, recent announcements by the Minister of Health, Social Services and Public Safety about capital investments, which, as well as providing essential health and social care facilities, will provide much-needed jobs in the sector.

For some time, the Committee for Health, Social Services and Public Safety has been concerned about the urgent need to move ahead on one capital project: the proposed women and children's hospital in Belfast. In a recent debate on the issue, the Chairperson of the Committee said that the journey towards a regional maternity hospital began about 14 years ago and the decision to build a women and children's hospital was made more than five years ago. Due to a lack of funding, however, work has not even begun.

The Minister said that the facility was a priority for him but that the funding was not available. The Committee has written to the Department of Finance and Personnel urging that the money be made available as a matter of urgency. Surely, today offers an opportunity to provide the initial funding that will enable clearing of the site to begin, to relocate existing services and, finally, get the project under way.

I want to make some comments in my capacity as the Sinn Féin spokesperson on health and disability. The Health Service has many challenges, and Sinn Féin is committed to working in the Assembly and the Executive — and with the Minister — to address those efficiently and effectively. However, we are concerned about the lack of information that is being provided to ourselves and the unions on decisions that are being made on such issues as the 700-plus job cuts in front-line nursing. In recent days, we learned of Mary Harney's plans to make cuts in the Health Service in the Twenty-six Counties in an effort to address the economic crisis. We cannot stand by and allow that to happen anywhere in Ireland.

The Health Service is under pressure; there is never enough money for health. However, the Department has set itself a number of unrealistic targets around, for instance, discharges from Muckamore Abbey Hospital and adequate and appropriate respite care. That is not what we want to see: we want to see continued advances in those, and more, areas.

Members have to deliver for the people whom they represent; they must do everything that they can. Today's announcements are a move in the right direction. Sinn Féin is committed to delivering further on those promises and delivering for the people. Go raibh maith agat.

Rev Dr Ian Paisley: Today, we stand at the edge of a dark ocean. Anyone who thinks that the situation will be of a few days' generation is wrong. The nations of our globe are in a sad and sorry state. Often, I wonder why the clever men who are involved in finance were not able to give due and timely warning to those over whom they had power that this situation would come. However, it has come, and we are facing serious and sad days.

I remember the soup kitchens that existed when I was a boy. I remember the churches gathering second-hand clothing. I remember the queues at the church gates to receive that clothing — and the people were welcome to it. At this time, we need to think seriously about what we are doing and where we are going.

Furthermore, we should say that it is a good thing that this House is in operation at this time. Is it not a good thing that the people of Northern Ireland have voices, and certain powers which they can exercise for the help and alleviation of the strains and the testing days that are ahead?

We have all had our arguments over devolved rule, but if ever we needed devolved rule, we need it today, when the individual elected representatives of Northern Ireland — no matter from what side they come or what their politics might be — have a say in doing something that will help at this time.

Help is needed for the housing and employment frameworks. People need help to pay for fuel and food, and they need help with their finances. I am glad that our Ministers are meeting the banks, and it would be a very good thing if bankers were righteously to search their consciences.

I feel strongly that it is wrong for banks to foreclose on good customers simply because a bleak period lies ahead of us. Many people have come to see me when their loans have been called in because the banks wanted to be sure of getting their money, but everyone else went to the wall. I have talked to the banks and to my colleagues, and I trust that tomorrow the banks will be made to face up to their extremely important responsibility. What is the point of our Government

giving money to the banks, only for them to hold on to it for their own private welfare and use? That practice must end.

I welcome statements from the Ministers that they will help all those who need it, but that help amounts to very little. As was mentioned here today, I am a pensioner, and many pensioners are doing the right thing: for example, some have told me that they do not require the money and intend, therefore, to give it to the wee lady down the street who needs it. That shows good spirit, and I salute people who want to help others whom they know are going through a sad and terrible time.

Members may look to the future and honestly face up to its challenges, but we must act now. I am glad that the Executive are meeting again, and I welcome their decision.

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

Rev Dr Ian Paisley: If I had chaired some of the meetings that have been held in the past number of days, I do not know what would have happened or what would have been said, although I reckon that it would have been pretty hot stuff. However, I can say that we are here now and we have a job to do. Let us do that job, and let us do it heartily.

At the end of the day, truth, honesty and justice will prevail, and the Province will emerge at the other side as a better Province, because people will have been driven closer to one another by their common needs.

The Chairperson of the Committee for Regional Development (Mr Cobain): I preface my remarks by saying that the Committee has not had time to study the proposals that were announced today. My remarks will, therefore, reflect previous comments that were made by the Committee, but they are relevant to today's debate.

As Chairperson of the Committee for Regional Development, I welcome the opportunity to contribute to the debate on today's motion, which states:

“That this Assembly takes note of the measures taken by the Executive to strengthen the local economy and support those most vulnerable in society against the impact of the global economic downturn.”

The Committee has, on many occasions, urged the Executive to continue to invest in roads and public transport infrastructure. Investment in infrastructure underpins all aspects of life in Northern Ireland, including the social, economic and environmental elements. The people of Northern Ireland need — and deserve — the best infrastructure: good quality roads and an integrated public transport network are required to take people to places of work, education, training and social services.

Sustainable and viable ports and airports are critical for connecting Northern Ireland with the rest of the world, bringing tourism and businesses into Northern Ireland and enhancing our ability to compete in the global economy.

The Committee for Regional Development is concerned that the Department is facing significant resource and capital pressures, in excess of £27 million and £17 million respectively, in the current year. Northern Ireland already spends some 21% less per capita on its transport networks than the rest of Great Britain. There has been underinvestment in structural road maintenance over the years, and that continues to be the case. Apart from the road safety implications, on a purely financial basis it costs four or five times as much to carry out reactive maintenance than proactive treatments.

In recent years, we have made progress on investment in both roads and public transport, which has contributed to the development of a vibrant and sustainable economy in Northern Ireland. At this time of global economic downturn, it is essential for everyone in Northern Ireland that that investment not be wasted and that the progress made not be lost. However, with the current pressures on public spending, it is vital that public money be spent wisely and with an eye to the longer-term well-being of the Northern Ireland economy. Investment in infrastructure now will bring much-needed jobs, stimulate the local economy and make Northern Ireland a more attractive location for inward investment and skilled workers. Those steps would help Northern Ireland to recover as quickly as possible when, and if, global economic conditions improve.

Mr Deputy Speaker, I will now make three or four brief remarks in my capacity as an MLA. The £150 fuel credit is a move that representatives across the House will welcome, in light of the increasing challenges of fuel poverty. However, questions must be asked about the link to pension credit. Ongoing difficulties surround the uptake of the pension credit, which penalises those who have saved or who have a modest occupational pension. Why then is fuel credit linked to that entitlement? It could, and will, exclude thousands of pensioners in poverty and fuel poverty.

A report launched today by the Institute of Public Health urged that fuel poverty programmes should not be limited to those claiming social welfare or social benefits. A means-tested benefit such as pension credit is a particularly weak foundation to build on. Tens of thousands of pensioners will not benefit from that scheme. At the end of the financial year I, and other Members, will be interested to see how much money has been spent on pension credit.

Growing numbers of households in Northern Ireland are facing personal and household debt beyond their means, and rapidly rising unemployment is another great danger. September witnessed the highest monthly increase in unemployment in the Province in 22 years, which has resulted in significantly increased demands for debt counselling and advice. Do today's proposals really represent the type of increased support that is required? From my experience, they do not. The flood of debt facing our society could bring unprecedented personal and economic misery, and we must ensure that we are serious about addressing that need.

Since its introduction in 2001, the warm homes scheme has been central to addressing fuel poverty and the ill health associated with it. The popularity of the scheme is known to every MLA. However, despite ever-increasing demands, next year's budget allocation will see little increase in the money allocated to that scheme. Targets have been set for fuel poverty, and all of those targets have been missed over the past few months. If we are really serious about addressing fuel poverty, then the money invested in the warm homes scheme does not reflect that.

Finally, the suggestion was made today that the Department for Social Development (DSD) will lose £30 million of its budget, which would have been used for the provision of the housing programme. The impact on the most vulnerable in our society would be significant. Such a move would raise a number of issues, and it will be interesting to hear directly from the First Minister or deputy First Minister on that matter.

3.00 pm

Mr O'Loan: I thank the First Minister for his statement. It contained a significant amount of good, which the public will welcome.

Any response to the economic crisis must be on two levels; we must think about the short term and the long term. In the short term, it is absolutely right that we protect the needy and most vulnerable in our society. I very much agree with the comment from the former First Minister Dr Paisley about the relevance of this devolved Assembly. If we cannot be aware of, and alert to, the needs of the most vulnerable, we will fail as an Assembly. However, I do not think that we will fail in that regard. For that reason, I very much support today's announcements on meaningful measures to address fuel poverty.

I also welcome the announcement on debt. DETI is already allocating significant resources to the provision of advice on money matters, and I welcome the news that that funding has been extended today. DSD has run a successful campaign to increase benefit uptake. The First Minister also reported that, which is good.

I give a huge welcome to the First Minister's remarks on dealing with loan sharks. We sometimes complain about the banks. However, if people get into difficulty with the banks, they get a letter in the post; if they run into difficulties with loan sharks, they are much more likely to get a brick through the window. Therefore, the introduction of proper enforcement methods is long overdue, and the law must adequately protect those who live in very vulnerable areas and exist in circumstances of which many of us have little awareness.

I was pleased to hear the comments about the positive role of the credit unions. They can make a huge contribution here, and I am very much in support of the Committee for Enterprise, Trade and Investment's ongoing inquiry into credit unions.

I now turn to the longer-term approach. We are experiencing a major international economic crisis. Just today, we heard about the remarkably and aptly named Mr Madoff, who was thought to be a major banker and investor but is now known to be involved in what is essentially pyramid selling on a gigantic scale. That affects us because we now know that UK banks that have a presence in Northern Ireland are involved in that matter.

Robert Peston, the BBC's business editor, recently described the current state of the world economy as:

“a crash as historic as the end of communism”.

Therefore, we will not restructure the whole basis of capitalism overnight. It will take a considerable number of years to complete that project and to get real confidence back in the system. We must be aware of the longer term and build our economy accordingly.

Much was said today about capital investment. I repeat the fact that 42% of all this year's spend is aimed to be spent in the last three months of this year. Thus, rather than spending having been brought forward, it has, in fact, been delayed, and that brings with it a huge risk of underspend. The Minister of Finance and Personnel has now told us that he is availing himself of the facility to bring forward £9.4 million of spend from next year. However, given the current inability to spend existing funds, we must ask whether there will be the ability to spend that extra £9.4 million.

I want to mention our procurement system and to refer, in particular, to construction. We know about the two major legal cases that are being taken against Executive Departments. In recent days, I read the report on the Rathlin ferry contract. The report approved the award of the contract but said that there were very significant errors in the process and made 12 recommendations.

That tells us that we have a major problem in our procurement system. Today's announcement by the Finance Minister that the frameworks process is being abandoned is a huge vote of no confidence in our procurement system. It is 15 December, so we have to ask whether outstanding projects for this year can be delivered — and the money allocated to them spent — with such a sudden change in the procurement system.

I welcome the Minister's U-turn on banking regulation — when I first asked him about it, he said that it was not a matter for the Assembly.

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

Mr O'Loan: I welcome that the Minister of Finance and Personnel has recognised that the Assembly and our Ministers have a key role in engaging with the banking system.

Mr Adams: Go raibh maith agat, a LeasCheann Comhairle. Ba mhaith liom an Coiste Feidhmiúcháin a mholadh as na moltaí a chuir sé i láthair le déileáil le fadhb an bhochtanais. I commend the efforts of the Executive in bringing forward the measures announced today, and I thank the First Minister for his comments.

The credit crunch respects no boundaries or borders, and its effects are being felt all over this island and throughout the globe. An unregulated free market does not work for working families or for the poor — that is the big historic lesson to learn. The problems here are compounded by a legacy of underfunding and poor infrastructure from British direct rule.

The options available to the Executive are limited due to a lack of economic and fiscal sovereignty, inadequate subvention from the British Government and the negative effects of partition. The Minister of Finance and Personnel drew attention to that three times in his statement and he spoke of the limited levers under his control. I commend him for the measures that he has taken in areas over which we do have responsibility, but it may be useful for him to identify powers that would assist him if they were devolved from London to the Assembly.

The Executive must also be commended for reallocating successfully almost £70 million, particularly in regard to the fuel credit initiative, which will help families and pensioners who are most at risk of fuel poverty.

It is important to note that the British Treasury also attempts to impose its political and fiscal philosophy on how the Government here do their work. For example, it attempts to dictate that the public sector can be effective or efficient only if it is exposed to competition from the private sector and contends that assets should be sold off and public services privatised. Incidentally, that is the same strategy that the Irish

Government pursued as they wilfully squandered the wealth of the Celtic tiger — it is the wrong strategy. Tá sé thar am go raibh athrú ann: tá smaointe agus barúlacha nua de dhíth.

The economy must serve the people. Rather than being judged on the wealth of its elites, society should be judged by the condition of its lowest class — the working poor and those citizens caught in the poverty trap. I particularly welcome the remarks by the Member for North Antrim Dr Ian Paisley on that issue.

Strategies should be developed North and South to chart a different way forward. That means ending the nonsense of two competing economies on this island — an all-island economy makes sense. In the North, among other initiatives, that means pressing the British Government for greater fiscal autonomy and the ability to gather taxes and manage our economy independent of British Treasury restraints. Sin é, a LeasCheann Comhairle. Go raibh míle maith agat.

Mr Buchanan: I welcome the opportunity to speak briefly in the take-note debate. I will focus my remarks mainly on health as I am a member of the Health Committee and am interested in the subject.

Today, it is clear that there is evidence, if evidence were needed, that the devolved Government is working for the people of Northern Ireland. There is no doubt that the current economic climate has caused major concern across every sector in Northern Ireland, not least in the health sector. Severe financial pressure in the business world, on families, elderly people and on the workforce, where many jobs hang in the balance, has placed undue stress on many individuals and families. In some instances that has led to ill health, thereby placing extra pressure on the Department of Health, Social Services and Public Safety. Therefore, in the midst of the global economic downturn, it is of the utmost importance that front-line services in the Health Service be protected.

On numerous occasions, Members have raised major concerns about the Minister of Health, Social Services and Public Safety's proposals to cut front-line services, using efficiency savings as a smokescreen to justify those cuts. Proposals to cut 720 nursing jobs and to close many residential care homes and nursing homes across the various constituencies while at the same time cutting back on home-help services that provide vital care for elderly people and disabled people in their own homes are a retrograde step. Such proposals demonstrate a lack of vision, which will have further detrimental consequences for the most vulnerable.

Today, however, I am glad that the Minister of Finance and Personnel has taken the lead, not only in releasing £1.6 million to the children's fund but in releasing £5 million to the Department of Health,

Social Services and Public Safety for budget flexibility, which represents the third tranche of available funding that has been allocated to the Department this year.

Mr Shannon: Does the Member agree that the £1.6 million that has been allocated to the children's fund will go some way towards alleviating the concerns about some of the Home Start, Life Start, Mid Start and Sure Start schemes, which do good work for children?

Mr Deputy Speaker: The Member will have an extra minute to speak.

Mr Buchanan: I agree with my colleague. The good work of those organisations has been recognised, and the money, used wisely, will further that work.

I hope that the extra £5 million that has been allocated to the Department of Health, Social Services and Public Safety will be spent wisely on the delivery of front-line services. I remind the Minister of Health, Social Services and Public Safety of his promise to the Assembly that front-line services would not be affected by efficiency savings. I call on him to be faithful to that commitment and to halt any proposed cuts in front-line staff and service delivery. He should tell the Assembly, at his earliest convenience, in which areas he proposes to spend the extra money for the delivery of much-needed front-line services to protect the elderly, the sick and the vulnerable.

There is no doubt that today's announcement is a good one for the people of Northern Ireland. Even in the midst of tight financial constraints, it behoves us all to work to ensure that action is taken and that delivery is forthcoming without delay.

The Chairperson of the Committee for Culture, Arts and Leisure (Mr McElduff): Go raibh maith agat, a LeasCheann Comhairle. On behalf of the Committee for Culture, Arts and Leisure, I wish to change the record a wee bit. The Committee has consistently campaigned for greater investment in sports and the arts; it has always taken the view that the potential for the arts and sports to contribute to the local economy has never been fully exploited.

I will focus on the arts. It is not always appreciated that spending on the arts results in a net contribution to the economy. Research carried out in 2006 showed that every £1 invested by the Arts Council and by the arts in general returns just over £3.60 to the local economy. Furthermore, arts funding maintains more than 2,000 jobs here. Given that some of our more traditional industries are in difficulty because of the worldwide economic downturn, this is the time to explore those areas of the economy that are, at present, relatively untapped. The arts are one of those areas.

3.15 pm

I know that Carál Ní Chuilín is particularly anxious that I address the issue of creative industries. One of the key goals of the Programme for Government is to grow the creative industries sector by up to 15% by 2011. The Committee for Culture, Arts and Leisure, therefore, welcomed the fact that the Minister launched the creative industries innovation fund in October. The creative industries are a diverse sector of the economy, and their value has not been fully understood or appreciated in the past. They cover a wide range of businesses — advertising, architecture, film companies, publishers, theatre companies, musicians, and artists, to name but a few. It is a growing sector and one in which employment has increased by 8% between 2001 and 2005. In comparison, during that same period, the economy as a whole grew by only 4.7%, indicating that the creative industries are a fast-growing sector.

However, that should not result in a feeling of complacency in Government. Much work has still to be done in developing the creative industries to their full potential. Our Committee, therefore, welcomed the fact that the Executive have allocated £5 million to the creative industries innovation fund. We urge the Executive to ensure that, in future, funding for the creative industries continues to grow and that cuts are not made in that area. Government as a whole must commit themselves to investing in our cultural capital by supporting initiatives that increase the quality, visibility and value of the creative industries here. Cross-departmental working is crucial. The Department of Enterprise, Trade and Investment and the Department for Employment and Learning must work closely with the Department of Culture, Arts and Leisure (DCAL) to ensure that we get the best deal for our creative industries.

There is a need to support arts professionals during these tough times. The Committee is acutely aware that, at this time of global economic downturn, artists and arts professionals can be particularly vulnerable. Unfortunately, those working in the arts can be some of the most exposed workers in our society, living hand to mouth and often unsure of when they will next be in employment. They often have to find part-time work to supplement their artistic endeavours; however, in these times, such work may be even harder to come by. Indeed, the Committee recently held a round-table meeting with stakeholders from the theatre sector. We heard from representatives of the union Equity, and other key stakeholders, who made that very point.

I conclude by urging the Executive to look closely at how the arts and creative industries can be part of the solution to our current economic problems. For that to be achieved, long-term and steady investment in the arts is required. We should remember that funding for

the arts here in the North is still the lowest in these islands, at only £6.13 per capita. Funding for the arts in Scotland is £11.93 per capita and in the rest of Ireland is £12.61. Therefore, there is plenty of room for improvement in that regard.

Speaking on a personal level, I welcome the Executive's listening ear for the construction industry over the past few months. Representatives of the construction industry got organised and addressed the First Minister and the deputy First Minister, other Ministers and Committees in the Assembly. I think that the series of initiatives announced today, and those being undertaken at this time, to bring forward capital development schemes indicate that the Executive are listening to the construction industry. That can only be helpful. Many builders have said that, after Christmas, they do not have a programme for work. We must do anything that we can to assist the construction industry.

I am pleased that the Minister of Finance and Personnel is meeting the leaders of the local banks tomorrow. He follows in the footsteps of the First Minister and the deputy First Minister, who have held a series of meetings with financial institutions during and since the summer. Developers in west Tyrone have said that, very often, not only do banks not help, but they actively block the potential of getting the mortgage market on the move again. I have a letter in my possession that states that chartered surveyors now must ask housing developers for disclosure of incentives, under changes in the red book.

That is troubling developers who are in a position to provide houses to reach first-time buyers, but are being blocked by financial institutions. At this time, sympathy and support is called for, not obstacles.

Naturally, I remind Members about the area west of the Bann. My party leader, Gerry Adams, referred to a legacy of underfunding and poor infrastructure. The effects of that can be multiplied three or four times west of the Bann, where there has been a history of underinvestment.

To enhance competitiveness, greater attention must be paid to poor access to broadband in some rural areas. If the Minister of Enterprise, Trade and Investment were in the House, she would probably say that the North of Ireland has 100% reach for broadband access and that that is ahead of the rest of Europe. However, I remind the Minister that, although the percentage may be in the 90s, it has not reached 100%. In places such as Broughderg, Cappagh, Eglisish and Eskragh in County Tyrone, people have the right to compete on a level playing field for business opportunities, so I ask the Minister of Enterprise, Trade and Investment to ensure that access to broadband is rolled out to reach 100%, as has been suggested.

Mr Elliott: It is always good to follow Mr McElduff and to hear him mention places such as Eskragh. His earlier comments were similar to an audition for a role in the arts, but I am unsure whether he was welcoming the project or was opposed to it. He did not make that clear, so he may wish to clarify.

I broadly welcome the reallocation of funding that has been announced today. It is interesting that the thrust of the motion was about the global economic downturn, yet the debate has focused primarily on local issues. That is what the Chamber is about — all politics is local. Members have outlined a long list of projects that they would like to see helped and supported, and they are entirely right to do so. I shall focus on a couple of those.

It was announced that £20 million would be provided to the farm nutrient management scheme, but I do not want the farming community — or the wider community — to think that that money will reopen the scheme, because it will not. I understand that that money has already been spent, or is earmarked to be spent, in the next couple of weeks. Farmers will not be able to get back on to the rollercoaster and submit a new application to the farm nutrient management scheme; there will be no new opening of doors in that respect. However, I welcome the fact that backup will be provided.

The amount of £500,000 that is to be provided for flooding hardship in agriculture is welcome, but that amount will not nearly be enough to cover the damage to the crops, grassland and buildings from the flooding of August 2008. The amount of £500,000 is, however, a reasonable start, and I look forward to seeing where, specifically, it will be spent.

I am pleased that Mr Poots talked about the fishing industry, because that industry, especially at this time of year, suffers extreme hardship and difficult times as a result of the EU discussions. I am pleased that Northern Ireland has moved into line with some other European countries by providing support to the fishing industry.

The amount of £2.5 million for roads structural maintenance is not enough. Mr McElduff and I will strongly agree that the west of the Province is underfunded. Given the fact that the public transport system is very limited and that there is no rail system, the west of the Province has to rely on the road infrastructure. Report after report has highlighted the lack of investment in the roads infrastructure in the west of the Province. Maintenance is at the core of that, and there is not enough finance for roads maintenance in those areas.

The £1.5 million allocated to animal health is welcome, but unless a genuine effort is made to eradicate brucellosis and bovine TB in the Province, no overall long-term overall progress will be made.

I am concerned that the £85 million in the overall plan is an over-commitment. However, I assume that the Executive have thought this through. I assume they know that the money will be found and that we will not be left with a deficit at the end of the year.

The £15 million allocated to easing fuel poverty and the £1.6 million for the children's fund must be welcomed by all Members: no one will consider those announcements to be bad news. However, there must be long-term strategies in both areas. Although such short-term investment will help at this time, it will not provide the overall long-term investment needed for the children's fund and for eradicating fuel poverty. Difficulties will recur over the next couple of years, and a longer-term strategy is needed.

Mr Ross: I welcome the announcements that have been made following this morning's Executive meeting.

Over the last few weeks, I have met groups from the University of Ulster, Oxford University and elsewhere. Each group asked about the economic policies that the Assembly can implement to cope with the current global downturn. Across the world, Governments are asking themselves the same questions, and they are bringing forward measures to make a difference at some level. The Assembly is in the same position.

As has been said, fiscal policy is largely determined by our national Government at Westminster. They take the lead in making announcements on issues such as the lowering of VAT to provide a stimulus for spending in the retail sector, and on tax and social security matters.

We are limited in what we can do: global problems will not necessarily be fixed locally. I heard what Mr Elliott said about all politics being local, and it is important that the Assembly acts to ease the difficulties that are experienced locally. A devolved Assembly can take several measures to ease the burden on households and businesses throughout Northern Ireland, and it is important that the Executive have now done so.

The health of the economy was central to the Programme for Government, and the Executive recognised the importance of creating a competitive economy in Northern Ireland. Unfortunately, the unpredicted global economic crisis has affected all of us and created its own problems.

In my maiden speech in the Assembly, I referred to the many young people who were struggling to get on the property ladder. In many cases, they stretched themselves financially in order to get a home. Now, many of them have seen the value of their homes crash and have negative equity to cope with, on top of other financial woes that they may be experiencing. For that reason, I welcome moves made elsewhere to help families keep their homes and avoid repossession.

Several announcements that were made in the Programme for Government and since, though made in economically brighter times, are helping people in today's tough economic circumstances. The freeze on the regional rate; the deferment of water rates; the announcement on prescription charges, and the extension of free public transport to the over-60s are all very welcome, and the benefits can be seen in today's economic climate.

We have already heard about the crisis in the construction industry. Many Members and Assembly Committees have been lobbied by the representatives of that industry. We have been left in no doubt as to the importance of the contribution that the sector makes to the Northern Ireland economy. The announcement, some weeks ago, that the Titanic signature project was to proceed was welcomed. It will create the jobs that the industry so desires. The Finance Minister has indicated that several other projects will commence and that he is determined that none will be held up pending the outcome of legal proceedings.

Other projects would be equally beneficial. In my constituency of East Antrim, a massive project has been planned for a plot of land in Magheramore, which is about the same size as the Titanic Quarter. It would mean hundreds of jobs and new houses and would have a hugely positive impact — not only on the local area, but on the building and construction sector across the region. I hope that the Executive can make progress on that matter.

I also welcome the fact that the A8 road project in Larne will go ahead: that is overdue. It will significantly improve journey times and safety on that strategically important stretch of road.

Today's announcements are good news for people across the Province, and they will be welcomed by those in the farming industry, the fishing industry, schools and small businesses. This morning, we also heard that energy prices will fall. Many of us would like to see a further reduction, as the price of electricity this Christmas will be significantly higher than it was last Christmas. Nonetheless, it is a welcome development.

3.30 pm

One of the sectors hardest hit by the current global economic downturn is the small-business sector. Banks are not lending in the same manner as before, and small enterprises — which make up the overwhelming number of businesses here — have had to lay people off and close down. Therefore, I welcome the fact that the Finance Minister confirmed today that he will be meeting the four main local banks tomorrow, particularly following their refusal to meet the Finance Committee. That is another positive announcement.

Also welcome was the previous announcement that industrial rates have been frozen at 30% and,

undoubtedly, local businesses will support today's announcement that there will be further changes to the rating system in the weeks ahead. In particular, I welcome the announcement that there will be a small-business rates-relief scheme, similar to that which exists in GB, and that non-domestic rates will be frozen in cash terms for 2009-2010. That will be worth in the region of £8 million to local businesses.

Of course, it is not only local businesses that have been affected by the economic downturn; individuals have also been affected. For that reason, I welcome the £15 million targeted at addressing fuel poverty. We heard earlier that that will provide for a payment of £150 for some 100,000 individuals across Northern Ireland who are in receipt of income support or pension credits, and will be paid on top of the fuel allowances that they already receive. It is also positive that the warm homes scheme, which the DUP pioneered, is also set to continue.

In conclusion, I welcome today's announcements and look forward to seeing these measures make a real impact on people across the country.

Ms Anderson: Go raibh maith agat. I support the motion.

Sinn Féin recognises the scale of the challenges facing our economy and the need for decisive action. The economic downturn is an issue that has demanded the attention of all Ministers, and it should not be seen — as some Members seem to think — as an opportunity for selfish and irresponsible party political point-scoring. The people do not want to hear politicians squabbling over who did or did not do what; they want action. I welcome the measures being taken by the Executive to alleviate the burden, such as the £15 million being set aside to tackle fuel poverty. Thankfully, that will now include pensioners on pension credit, something that was not part of the original proposal made by the SDLP Minister for Social Development.

It has been said many times that there is little that the Executive can do in relation to the global economic downturn. However, it is clear that, even within the constraints of a block Budget, there are steps that can and must be taken. We must listen to people such as Eleanor Gill from the Consumer Council, who, only today, said that the system has failed the most vulnerable in our society. The proposals suggested by the deputy First Minister in September represent tangible measures that can and will make a difference to people's lives, but if we are to confront and change the failed system that Eleanor Gill and others have talked about and which we have inherited, we must do more to implement new and innovative measures. Indeed, that is something which we committed ourselves to in the Programme for Government.

Recently, I attended a regeneration seminar in Derry. At that seminar, the point was made that the definition of insanity is to continue doing the same thing while expecting a different outcome. For too long, this system has been doing the same thing. It has spent resources in the same manner, and, predictably, the outcomes have not changed. While part of the North and some of the people have prospered, the rest have been left behind. However, I firmly believe that social requirement in public procurement is one area in which we can make a massive impact, utilising the billions of pounds spent through the investment strategy in the coming years to maximise the economic and social benefits. To that end, I welcome the First Minister's comments today with reference to the social procurement guidelines and the comments made earlier by Minister Dodds.

In practical terms, that means that public-spending projects should include social objectives such as the employment of the long-term unemployed and apprentice training. That is a smart, intelligent governing mechanism that should be used to maximum effect. For example, if one job was created or one apprentice trained for every £500,000 of public money spent — which is by no means an ambitious target — that would equate to 40,000 jobs and training for people who otherwise would have little or no access to those facilities and jobs.

Everything that we do must be underpinned by the needs of the people, particularly those who are in the greatest need — the most vulnerable in our society and what have been referred to as “hard-pressed households”.

Unfortunately, that concept of social justice has still not registered with elements of the system here. That is why it has failed the most vulnerable in our society, and Eleanor Gill and others repeatedly tell us so.

There are still those in the Civil Service and in political parties who pay lip service to that agenda but, behind the scenes, work hard to resist it. They refuse to implement equality impact assessments properly. They block and frustrate innovative measures, because they do not want to countenance change, nor do they want to see resources go to people and areas that really need them. They want to keep doing things in the way in which they have been done in the past. They want to keep things as they are, yet they tell us that they will make a difference, and that there will be different outcomes. That is insanity.

There is still much work to do, and, collectively, we need to break down and dismantle bit by bit the old guard whom we have inherited. It is not just about building buildings but about building a better future. If we are determined to deliver real change — the kind of change that people demand and deserve — we must

change the way in which we do business; otherwise, there will be no change.

This is the final debate of the year, so I will end by saying that Members should stand up for Derry. Go raibh maith agat.

Mr Neeson: I welcome today's statement; however, a great deal of that spend was already in the system, so that must be borne in mind. I particularly welcome the Utility Regulator's announcement today about the reduction in electricity and gas charges. I am somewhat disappointed with NIE for stating that its price review will not be done again until autumn 2009. That is an issue that we need to take up with NIE.

Today's announcement from the Utility Regulator shows the importance of devolution to Northern Ireland in many ways. It reflects the work that the Committee for Enterprise, Trade and Investment did, because we took up that issue. I also welcome the tenacity that the Consumer Council showed on the issue, particularly the work of its chief executive, Eleanor Gill. As an MLA and as a member of the ETI Committee, I also welcome the very good working relationship that has been developed with the Utility Regulator. However, the next step is to take on board the recent report from former regulator Douglas McIlldoon. NIE's purchasing policies undoubtedly need to be reformed.

The Scottish Parliament recently agreed a national contract for the supply of electricity to the entire public sector. That will be developed in order to gain significant efficiency savings and economies of scale. From April 2009, the Scottish Executive's Warm Deal and central heating programmes will be replaced by a new energy-assistance package, which will provide a one-stop shop for tackling fuel poverty.

Of course I welcome today's package to tackle fuel poverty in Northern Ireland, but I must say that it has come around three months too late. As someone said earlier, it has already been a very cold winter, and no doubt many people — some very vulnerable people — have suffered because of fuel costs in recent months.

David Ford referred earlier to the extension of the warm homes scheme, and I agree with him entirely. I know that other Members referred to that as well. I have previously welcomed the decision to give the go-ahead for the Titanic signature project. That will undoubtedly give much-needed work to people in the construction industry.

However, there are outstanding decisions to be made about other projects. For example, what is happening with the Maze stadium project? What is happening with the proposal to build a new policing college in Northern Ireland? Decisions need to be made on those projects.

In his pre-Budget speech, the Chancellor, Alistair Darling, awarded an extra £1 billion for social housing. Will Northern Ireland benefit from that under the Barnett formula?

I believe that it is important for the Executive to make growing the economy a priority. However, I must admit that I am still deeply concerned about the changes to the Start a Business programme in Northern Ireland. That issue must be taken on board. Several small businesses have been created already under that programme, and if we want to grow the economy, it is obvious that the small-business sector will have an important part to play.

The people of Northern Ireland want and need certainty. We do not want to repeat the debacle of the Executive not meeting for some considerable time.

Ms Purvis: I must give the Executive credit for attempting to be creative in addressing some of the very serious problems that the Province is facing. However, the Executive and the Minister of Finance and Personnel appear to have applied most of that creativity to the accounting that was done to allow for the generous spending claims that were made today.

It is not my job to massage the egos of Ministers; I think that their respective party colleagues have done that very well already. My job is to represent my constituents fairly and consistently, and that is what I intend to do.

Today's announcements seem to have been fattened up significantly through the re-announcement of programmes and spending that are already under way. At least 14 programmes in today's announcements are already under way, and at least four programmes will not apply until next year. Most importantly, the Executive have offered a £70 million promise: they are spending money that they do not have. That type of creativity has serious long-term consequences.

We are told that this is a plan that is focused on aiding social welfare, the well-being of citizens, local businesses and the economy. However, it seems to be a provision for fuel credits, a plan for the construction industry, a meeting with the banks, and a few more talking shops to consider additional steps. I hope that the Ministers have more luck with the banks than did the Committee for Finance and Personnel.

I do not mean to diminish the measures that were introduced to address fuel poverty. It is good news that £15 million of reallocated funds will help to alleviate fuel poverty. Undeniably, that is the first place that any available funds from the Government should go. However, not enough is being done to address seriously that very real problem.

Restricting fuel credits to those who are on income support and pension credit does not go far enough to

meet the need that exists right now in our society. It is a false consolation to include in today's statements the reductions in electricity and gas tariffs when 70% of working households living in fuel poverty rely on oil to heat their homes.

Two weeks ago, a single father raising four children came into my constituency office. He is struggling to pay his bills; he qualifies for incapacity benefit and receives child tax credit, which helps. However, it is not enough to make ends meet, especially when, in common with most households, he is still trying to cope with the recent rise in fuel and food prices.

Families in which there are children and that do not receive income support or pension credit do not qualify for the winter fuel allowance. The definition of a vulnerable household needs to be expanded to include those people with children, even when the children live with them only part time.

We know that Northern Ireland has the highest level of fuel poverty in the UK, meaning that hundreds of thousands of children are affected. We also know that in the long term, improving the home environment saves the Government millions of pounds in health costs.

3.45 pm

It is right, and important, that the Assembly take the initiative in expanding that safety net, particularly for those with children. It has also been suggested that those funds will be administered by OFMDFM, rather than by the Department for Social Development. I do not have clarity on that, because the Minister of Finance and Personnel declined to respond when asked that question directly this morning. Perhaps the deputy First Minister will answer that question.

It would be questionable, particularly on the grounds of cost and efficiency, for OFMDFM to administer those funds. The Department for Social Development manages the warm homes scheme and oversees winter fuel payments, which suggests that it already has the infrastructure and experience required for fuel-poverty programmes. The Executive are surely not so small-minded as to play political games with such an important issue as fuel poverty.

I question the timeliness and the efficacy of the Executive's measures. Much of the spending is focused on the construction industry, which will receive a direct financial response. I guess that the assumption is that, once that industry is booming again, the benefits will filter down into more jobs and employment. The effects of such trickle-down thinking have been seen in the past, and they were not pretty.

Every other sector seems to get little more than a promise of a meeting, consultation, or review. Small businesses suffering from cash-flow and credit crises are being offered debt relief. The 40,000 — and

growing — applicants for social housing are offered nothing new, other than a reminder that their situations will be considered.

Let Members not pretend that today's announcement is more than it is — the most vulnerable remain vulnerable, and businesses that are struggling to stay afloat remain in a difficult position.

Mr Deputy Speaker: The Member must bring her remarks to a close.

Ms Purvis: It must be ensured that support and relief is offered from the bottom up, and not just the top down.

Mr Shannon: There is no doubt that all Members understand the predicaments and problems caused by the economic downturn. However, the Minister of Finance and Personnel's statement at least gives some hope about how to address those Province-wide issues.

The economic downturn is not a meltdown — that distinction must be made. There is light at the end of the tunnel. The Assembly must ensure that people do not get lost in the darkness and that they are helped until the light becomes brighter.

Alan Greenspan said that the credit crunch is a once-in-a-century "credit tsunami" that is devastating for many and life-altering for most. However, the recovery of some countries indicates that the damage can be repaired, that new life emerges, and that progress resumes. The Assembly is working hard in order to ensure that those who suffer most and are hit hardest receive help.

On the issue of fuel poverty, a Northern Ireland house condition survey in 2006 found that 34% of households were in fuel poverty. The Minister's response today is to give an extra £15 million for fuel poverty, and to increase the number of households that will benefit from that money to 100,000. That is an excellent example of doing something now that personally, practically and honestly affects people.

The profit made by oil companies is one of the problems beyond the Assembly's control. In the first three months of this year, Shell posted a profit of £3.9 billion. During the same period, BP's profits rose to £3.31 billion. Therefore, profits that the oil companies made, and the direct impact on everybody of the cost of oil and other fuel cannot be controlled by the Assembly. However, moving forward a few months, on 13 October, the price of oil had dropped to \$77 a barrel. It is now down to \$40 a barrel, and things are starting to turn around.

I welcome the 10% decrease in the price of electricity, but NIE could have done more. A 10.8% drop after a year in which tariffs rose by some 40% scratches the surface, rather than helps. Where are the extra profits going? Are they going to shareholders as

dividends, or to oil fat cats? I am concerned that NIE has not sufficiently cut its prices.

Gas companies have reduced their prices by 20%. That is one way to try to alleviate the problem.

I welcome the Minister of Finance and Personnel's statement in which he mentioned that £700,000 will be provided for the fishing industry. I will be keen to see what affect that money will have, and I hope that it will trickle down to each boat and their crews. At long last, Northern Ireland's fishing industry can look to the Assembly and say that it has provided them with something. For too long, fishermen have been the poor relations in the Department of Agriculture. I also welcome the commitment from the Department of Finance and Personnel to the children's fund, from which the Assembly can take encouragement.

In conclusion, I want to comment on a credit crunch seminar in Ballymena last month to help companies to increase competitiveness and profitability by focusing more on generating efficiencies and introducing better processes. Specialist guidance was given at that seminar, which is a vital survival tool in the current difficult economic climate.

Northern Ireland businesses must place even greater focus on increasing the value added to their products and services. I commend the Minister of Enterprise, Trade and Investment for jobs that have been created. Mrs Foster is doing everything in her power to encourage business investment. Around £16 million of investment by US global medical-device manufacturer, Caridian BCT, has resulted in 235 jobs that will be based in Larne, which is in Mr Ross's constituency. That is good news. I hope that some of that prosperity will come down the length of Strangford. A Member on the opposite Benches mentioned creative industries. My area, Strangford, offers advantages for such industries.

Many good measures have been announced during the debate. Let us welcome the December monitoring round and look forward to a better future for the people of the Province.

Mr B McCrea: Obviously, there has been some follow-on from the Minister of Finance and Personnel's statement, as well as that of the First Minister. The motion calls on the House to review the Executive's actions. The most telling thing that I have seen so far has been the public disagreement between one Minister and her colleagues. It appears that there are some difficulties to be overcome. Perhaps, Mr Savage disagrees with me.

Mr O'Loan: He is tearing up your speech.

Mr B McCrea: He is tearing up my speech: absolutely. Thanks, George.

The real issue is that Northern Ireland needs a Government of national unity, in which all political parties are represented around the table. All leaders of major parties should be involved in order to reach collective decisions. One might think that, surely, such a Government already exist. However, that is not the case.

Ms Anderson said that people are fed up with squabbling. That seems rather strange when, for 152 days, all that we saw was squabbling. The nub of that dispute, if I understand it correctly, came down to respect for the mandates of all people — not just those of the two big parties, but those of the other parties as well. If it gets to the stage where there is no respect, the Assembly must examine other forms of Government because it would be apparent that a four-party mandatory coalition does not work. We will have to see whether a two-party voluntary coalition would work any better.

Of course, there has been discussion about why it is important to get together and deal with problems. People chide and chastise the banks. I can tell you that while banks are many things, they are not stupid. If they are not coming forward to do what people want them to do — to throw money into loans, for example — there must be some reason for that. The reason is probably worse than the problems that people currently face. I am extremely worried that during the next 12 months, people will be hit by further massive liabilities that have not yet been reported. I wonder whether Northern Ireland has the financial strength to tackle those issues.

As regards to why those issues must be tackled, Mr Buchanan mentioned the health budget. I look at the education budget and I see a bid for inescapable pressures of £33 million. A paper that the Education Committee received on the December monitoring round notes:

“even if funding is not secured for these purposes the costs will be incurred and will have to be met from within existing resources”.

Those pressures include funding for part-time youth workers; the increased cost of cleaners; increased energy bills; job evaluation for educational welfare officers; job evaluation for classroom assistants; and teacher redundancy costs. We did get some money for maintenance, but we did not get the money that is needed to deal with those issues. The paper that the Department of Education’s finance director sent to the Committee states that without the capital funding, the Department will:

“slow down or temporarily halt work on some projects at a time when there is already a significant pressure on the budget.”

Some expenditure on projects that have already started is going to stop.

Mr D Kelly: I thank the Member for giving way, and I note his concerns about spend on education and

capital projects. Does the Member agree that there have already been considerable stoppages? Work at three colleges in my constituency faces a further delay — of a minimum of six months — on work should have been dealt with in the current financial year. What has happened to the money?

Mr B McCrea: I assume that I will be given an extra minute in which to speak.

I am grateful to the Member, because I was about to come to the issue that she raised. The issue is not about money; it is about the releasing of money. Decisions must be made to ensure that money is made available. In order to do something different to provide advice or support and to be a part of this inclusive Government, we must make a radical attack on red tape. We need to ensure that people make decisions quickly, and certain decision-makers in the Civil Service must be taken to task.

We must concentrate on education, training and planning. The planning system was discussed earlier today. The simple fact is that economic factors are not brought into planning decisions. The potential creation of 1,000 jobs or other potential benefits is not factored into those decisions. Decisions must be made by people on the fringes of policy. Money that is currently earmarked for major projects — such as the John Lewis project — will not be made available if we do not make decisions. Jobs will be lost across the Province at a time when we can ill afford for that to happen.

Mr Paisley Jnr: Will the Member give way?

Mr B McCrea: I am sorry, but I do not have time.

China and India are worried that their growth rates will fall below 8% and that they will face civil insurrection. No one here mentions that peace and reconciliation seems to have been forgotten. Who is going to build the future of our country? We need a Government of national unity.

Mrs McGill: Go raibh maith agat, a LeasCheann Comhairle. I welcome the statements that have been made in the House today. I particularly welcome the unanimous agreement about the statement on the December monitoring round and Executive business. The theme of all politics is local, and I will continue with that theme.

I welcome the announcement of the £15 million fuel-credit package and the measures that are aimed at helping the construction industry. However, I understand that the agricultural flooding hardship scheme will not provide relief for people who have lost animals. I must register my disappointment if that is, indeed, the case. People in my constituency have lost sheep, and it is a major issue for them.

A LeasCheann Comhairle a Member mentioned an anti-poverty strategy earlier. We must be made aware of whether such a strategy will be introduced. Earlier

in the year, I attended a seminar that was held by the Northern Ireland Anti-Poverty Network. Other Members were there too, including Fred Cobain and Anna Lo, with whom I had a long conversation after the seminar. At that time, I gave a commitment that I would raise the issue of tackling poverty with the First Minister and the deputy First Minister.

At that time, there were several negative comments.

Mr A Maginness: I thank the Member for giving way. The Member mentioned the anti-poverty strategy. However, the problem is that there is no such strategy. All Members would be delighted if the Executive and the First Minister and deputy First Minister produced that strategy.

Mr Deputy Speaker: The Member is allowed an extra minute for taking an intervention.

4.00 pm

Mrs McGill: Thank you, a LeasCheann Comhairle. I thank the Member for his intervention, and I hope that an anti-poverty strategy will be introduced.

The indices show that my own area of West Tyrone suffers from multiple deprivation. I hope that that is recognised during discussions. The Executive's summary paper states:

"We have enhanced the Employment Service with 130 new staff recruited to deal with rising unemployment and the search for new work."

That matter requires clarification. The jobs and benefits office in Strabane will lose approximately 30 jobs. I know that Minister Ritchie has a listening ear, and I am keen to discuss that issue with her in the future. All politics is local, and job losses in Strabane — to either Foyle or Omagh — should be addressed.

The Executive's summary paper shows that £83 million of public-sector construction schemes are under way at eight further education colleges. The Office of the First Minister and deputy First Minister and the Executive must consider that Strabane requires a newbuild further education college. Some money has recently been allocated to that project, and I welcome that development on behalf of the director of the North West Regional College.

I note that, as part of the Department for Employment and Learning (DEL) movement and capital grant, approximately £3 million of funding from the North West Regional College will be allocated to Stranmillis and the higher education sector. That £3 million will, apparently, transfer to the higher education sector this year. Go raibh maith agat.

The Chairperson of the Committee for Enterprise, Trade and Investment (Mr Durkan): I welcome the debate and support the take-note motion. As Chairperson of the Committee for Enterprise, Trade and Investment,

I recognise that not all the proposals included in the statement are new. As Dawn Purvis said, not all of the measures are being implemented right away; some will be introduced in the future. However, we recognise that that is the nature of such measures.

Some of the provisions outlined in the announcement of the Executive's position relate to the Department of Enterprise, Trade and Investment. The Committee welcomes the Executive's continued commitment to help people who are in debt and their commitment to increase funding to citizens advice bureaux. I note the emphasis on action against loan sharks that is planned for early 2009. It seems that part of that action will focus on enforcement of the Consumer Credit Act 2006, which is, in essence, a devolved matter. We must remember that fact if we intend to increase confidence that the Assembly is maximising the leverage afforded by devolution.

However, the Department's policy so far has been simply to do things exactly on a par with GB and not to use our devolved power. In the current circumstances, if we are serious about action — not just against loan sharks but also against many high-street names that charge inordinate and exorbitant rates of interest — we must consider whether we are using all the tools that devolution has made available.

In another place I am co-sponsoring a Private Members' Bill that would place a legal cap on the amount of interest that anyone can charge. When one sees the rates of interest that some people are being charged, particularly in the present situation, one's response is that there ought to be a law against it. Between the powers available here and those elsewhere, we should ensure that there are such laws.

I welcome the indications from the Minister of Finance and Personnel and from the First Minister and the deputy First Minister about their efforts to meet the banks. I hope that they do so not just on their own behalf or on that of the Executive but on behalf of the entire Assembly. We all recognise the need for the banks to achieve stability and liquidity, but that is so that the banks can in turn share those with the rest of the economy, particularly with hard-pressed businesses. However, that is not happening.

Members of the Committee for Enterprise, Trade and Investment and I heard directly from people in business who were at a loss to understand why their borrowing rates are being increased when the headlines are about the decreasing base rate. Of course, the banks say that they are no longer on the base rate but are on the London interbank offered rate (LIBOR), plus, plus, plus. I hope that the First Minister and the deputy First Minister make clear to the banks what people are saying about them. Banks in Northern Ireland — which are wholly owned subsidiaries of

banks in Britain — are not doing what their parent banks are doing, but are going in the opposite direction. The main banks in Northern Ireland are doing the same thing and telling customers that if they do not like it they should go elsewhere — a “let them eat cake” attitude — and that is leading many people to talk increasingly about a cartel. That needs to be brought home to the banks. They may be able to avoid Committees of the Assembly, but they cannot avoid the impression that is growing about how they are conducting themselves.

I welcome support for moves to ensure that credit unions will be in a stronger position to provide a wider range of services. The Committee for Enterprise, Trade and Investment is working on that report — we will meet tomorrow to finalise our recommendations — and hopes that Ministers will be able to take that forward, here and with the Treasury.

We also heard about the Economic Development Forum subgroup, which can make recommendations in the present economic crisis — that is a good thing. I also welcome indications that there is a cross-sectoral forum, as the First Minister highlighted in his speech. It is important to ensure that Government here has a direct feel for what is happening in the economy. The accelerated support scheme amounting to £5 million, which the Minister of Enterprise, Trade and Investment announced, focuses on Invest NI clients; however the Committee for Enterprise, Trade and Investment wants that to be made available to other clients. Invest NI clients represent only a small fraction of the business interests in this community, so that needs to be extended. I welcome indications from the Minister that she wants to consider that.

We need to ensure that everyone who can help and support business is enabled to do so, and that means that there must be real support for Enterprise Northern Ireland, not just using the means and channels of Invest NI. I endorse what Sean Neeson said about the start-a-business programme. Earlier this year, the grant for that programme was removed, as Invest NI and the Department claimed that it was not needed. However, reports are coming from local economic agencies that that loss of grant has made a real difference. We are not helping with economic development if we are not helping people who are starting businesses and who are supporting those who are doing so. That needs to be remedied.

I also hope that the Executive think about remedying the removal of the integrated development fund. That decision was taken in the context of the Budget and the Programme for Government. However, in the present circumstances — in which people in different areas are trying to respond on a cross-sectoral basis and trying to get Departments and local government to create a response to the economic challenges that they face —

now is the time when we need an integrated development fund to help people. I hope that the Executive will look again at those issues.

Speaking personally, I note the indications that were given about the small-business rate-relief scheme. On top of the measures that are already in place, what will result from those indications will be welcome. I again ask the Executive to consider the whole issue of rates on vacant property. I know that there is relief for vacant manufacturing properties, but other businesses have found themselves stuck with vacant property that they cannot let due to market conditions. They are being crippled with rate demands at levels that they never experienced previously. That also needs to be addressed.

Announcements were made today about reductions in energy prices. The Committee will be tracking those further with the regulator and others. As other Members said, we want to implement the recommendations that were made in Douglas McIlDoon’s recent report about unlocking some of the costs that are built in to our energy system.

At a wider level, on top of the good-news announcements that the Executive emphasised today, we must recognise that budget squeezes are biting in Department after Department and at lower levels. For example, health trusts are considering reducing numbers of nurses and maternity beds and shutting children’s and old people’s homes. We need to remember the wider context in which all of that is taking place.

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

The Chairperson of the Committee for Enterprise, Trade and Investment: We should take account of the totality of the Executive’s decisions when we measure who is helping in the downturn and who is not.

Mr Newton: I preface my remarks by referring to Mr Basil McCrea’s appeal for a “Government of national unity” — whatever that is. I do not know why he feels that we do not have unity, because the Executive are united in their approach to this issue. Many of us remain unconvinced of his attitude to and skills in decision-making and managing budgets.

Today is a good day for devolution in Northern Ireland. The Executive have been responsive to needs right across the community and have been in line with today’s statements from the energy companies about the reduction of energy costs and fuel-poverty issues that the Assembly has addressed. It is certain that those matters would not even have been on the radar of direct rule Ministers.

In setting the Programme for Government, the Assembly agreed the need to build for our future economic prosperity. The foundations were laid upon

the encouragement and development of our current business base. We are a small-business economy — we do not have enough of the large multinational, branded companies. An average business here pays only around £1,200 in rates each year. The small-business rate relief to be introduced in 2010 and the freeze on the business rate will offer those businesses the opportunity to compete on a level playing field with their competitors in England and Scotland.

Mr Deputy Speaker, I am grateful that you have allowed me to speak at this stage in the debate, knowing that I was not here earlier. I conclude by saying that the Assembly will never be satisfied — nor should it ever be satisfied — by helping those who face hardship.

Mr B McCrea: Will the Member give way?

Mr Newton: No; I will not give way. The Executive, acting in concert, have addressed outstanding issues. We are in a better place today than we were at the end of last week.

The Deputy Chairperson of the Committee for the Environment (Mr Boylan): Go raibh maith agat, a LeasCheann Comhairle. The Committee considered recently the Department of the Environment's submission for the December monitoring round. Members are concerned that the Department of the Environment has submitted easements of nearly £500,000 due to delays in recruitment. Given the current circumstances of our economic climate, the Committee believes that that should not be allowed to happen.

It is unacceptable on two counts. First, everyone is acutely aware that hundreds of people are being made redundant and that many more are worried about the security of their jobs in the longer term. Secondly, the two areas in which the Department of the Environment (DOE) has failed to appoint staff are in traffic enforcement and in fighting illegal waste-management activities. The Environment Committee identified both those matters as being hugely important priorities for the Department.

The Committee has just spent weeks scrutinising the Goods Vehicles (Licensing of Operators) Bill, and many members raised concerns about the ability of the Department to enforce the new regulations that will emanate from that Bill. In fact, several witnesses indicated that there is not so much a need for new legislation as better enforcement of existing legislation.

Nevertheless, the Department has been unable to recruit adequately to meet current needs, not to mention being unable to bring on board the additional staff required to enforce any new laws.

4.15 pm

Similarly, the Committee heard much about the constraints in which the Department has found itself

when attempting to tackle illegal waste activities, and about how more resources are needed. However, the Department has been unable to spend the money that it asked for to put such measures in place. Therefore, the Committee has called on the Department to address those concerns, particularly taking note of its sensitivity about underspend as a result of its failure to recruit during the present economic downturn.

Nonetheless, some of those recruitment difficulties appear to be due to procedural problems that lie outside of the Department's control, so the Committee for the Environment urges the Department of Finance and Personnel to urgently address those impediments so that, at least, Government recruitment can be maximised quickly and efficiently, and so that all Departments are able to achieve their recruitment needs and expectations within the given timeframe.

In addition, the Committee notes that a reduction in anticipated planning applications has led to a departmental shortfall, in respect of which it is bidding for more funding. The Committee acknowledges that that is due, in part, to the economic downturn. However, given that the planning guidance on development in the countryside should allow some movement in that area, the Committee has asked the Department to confirm whether the shortfall will be eased. Consequently, I welcome the Minister's confirmation.

Moving on from Budget matters, over the past several weeks, the Committee has been made aware of other environmental opportunities that could, and should, be considered during this time of economic pressure. For example, members recently heard evidence from an organisation that manufacturers sustainable, urban-drainage systems, and it was informed that using semi-permeable paving and bricks in place of conventional products would reduce the impact of flooding and protect water quality, without adding significantly to costs. The Committee has sought more information about that, and it has asked other Committees to investigate the extent to which their Departments are considering that enterprising approach.

During a recent presentation from the Carbon Trust, the Committee was advised that reducing carbon emissions should not be automatically considered a cost burden. The Carbon Trust has demonstrated to many companies that there are economic advantages to reducing carbon footprints, with large economic returns possible from small initial investments. In addition, the trust advised the Committee that it has carried out research that demonstrates that between 8,000 and 30,000 jobs could be created by adopting a low-carbon economy. The Committee awaits further information on that report; however, in the present economic downturn, the ability to maximise companies' efficiencies and increase employment

opportunities, while reducing carbon footprints, must be welcomed.

The Committee concludes that reallocating DOE underspends would have been unnecessary if the budget allocation for the recruitment process had been better used. Go raibh maith agat.

The deputy First Minister: I welcome the debate, and I have listened intently to Members' contributions. I have no doubt that all Members wish to act on behalf of those in our communities who are most in need, and in the interests of businesses, including the construction industry. Moreover, we all acknowledge the uncharted waters of the present global economic situation.

The debate has been wide ranging, as have the measures taken by the Executive, which are designed to strengthen the local economy and support the most vulnerable people in society, particularly pensioners and households living in poverty. On several occasions, the Assembly has said that present economic crisis is a real challenge to it, to communities and to businesses — it is not amenable to a single, quick fix, and we should clear from our heads any notion that it might be.

In order to meet those challenges and to deliver for the community, the Executive must act quickly, collectively and effectively. We have sought to act in a way that will expedite money to those most in need. We have attempted to build the maximum consensus on this matter, and we have acted within limited means to alleviate hardship and bolster businesses, particularly in the construction industry.

We have set aside funds of £44.5 million to provide, among other things: £15 million fuel credit for families and pensioners who are at most risk from fuel poverty; £20 million for farm nutrient management; £4 million for schools' maintenance; £2.5 million for roads' structural maintenance; £1.8 million for public transport capital works; £0.5 million for agriculture flooding hardship; and £0.7 million assistance to the fishing industry. That investment in schools, roads and farms will have an immediate impact on the local construction industry.

Another £1.2 billion worth of public-sector construction schemes are currently on site. They provide much-needed employment and include: £440 million of Department for Regional Development projects; £200 million in the schools estate; £83 million at eight further education colleges; and £265 million in health estate construction.

We have supported the local construction industry, and we must ensure that we achieve the maximum benefit for local firms and local communities. That is why the implementation of social procurement guidelines is essential; we need to circulate every pound of spend through our communities.

We have acted within the limits of our existing powers to redress the impact of rising costs and the downturn in the global economy. We have sought strategic interventions that will sustain us into the future. However, we must recognise that the future is uncertain. We have faced an unexpected series of incidences throughout the past year — many of which could have had disastrous consequences — including flooding, bluetongue and the recent events in pork production.

As I said, we are in uncharted waters with regard to the global economic climate. That is why we must be prepared; we must be able to react, in a timely and effective way, to any crisis that might develop. That is why we seek to accelerate legislation through the Assembly in January to develop a rapid-response capacity to the current issue and others if and when they arise. I hope that all Members will support that work.

As Members will have heard, the Executive have not been sitting on their hands on the issue. We have acted, and we intend to do more. "Action" is the key word. We are aware of the need to deliver on the measures that have been highlighted today in order to address the credit crunch and the economic downturn, and we are well aware of the difficulties that households and businesses face.

I very much welcome the comments that Danny Kennedy made, as Chairperson of the Committee for the Office of the First Minister and deputy First Minister. He indicated that his Committee is happy to work with us in introducing urgently the legislation to provide a rapid-response capacity for dealing with emergency and urgent situations as they arise. In order to build the resilience that we need to effectively withstand unexpected crises that lie ahead, we must have flexible and effective enabling legislation as well as financial capacity.

Mitchel McLaughlin, as Chairperson of the Committee for Finance and Personnel, said that we were required to improve our financial-management systems and processes. He talked about the almost habitual scenario in which Departments end the financial year with significant public-expenditure underspend. It is my strong view that any Department that ends this year with material underspend will have many questions to answer and explanations to provide. Mitchel was not the only Member who raised that issue; quite a few Members mentioned it.

Edwin Poots mentioned that NIE must review its prices early next year. The managing director of NIE recently said:

"if, as we hope, lower fuel costs are realised, NIE Energy will pass on the benefit to customers as soon as we can."

We can all endorse that view.

Fred Cobain said that support for debt advice, to which the First Minister referred, was not enough. I am advised that from 1 April 2009, Department of Enterprise, Trade and Investment funding for face-to-face debt advice will double to £800,000 for the next two years. In addition, a further £200,000 will be provided to introduce a new telephone debt-advice service. That will bring annual spending on debt advice to £1 million. That is a significant increase in funding in response to the increase in demand for the service.

Barry McElduff mentioned the availability of broadband, particularly in rural areas. I am advised that broadband services delivered by a number of different technologies are available to anyone who chooses to purchase the service.

Barry McElduff, Alastair Ross and a number of other Members mentioned the need for banks and lending institutions to adopt a constructive attitude to dealing with debt — whether personal or business loans. I endorse that view, and it will be a central point in our discussions with the banks.

Barry McElduff talked also about creative industries. I am sure that I speak on behalf of all Members when I congratulate Eoghan Quigg on his magnificent performance in coming third on ‘The X Factor’ on Saturday night. He is 16 years old and is a shining example of a young person who has put his best foot forward and has done so in a positive manner that has shown the young people of the North and this island in a good light.

Sean Neeson welcomed the announcement on the Titanic signature project and asked what had become of the Maze/Long Kesh projects. It takes time to make decisions on such major projects, because it is important to ensure that we achieve the best outcome for all. Members should note that we have approved a £3.5 million second-stage remediation programme, which is essential to prepare the site for future use.

This afternoon, departmental underspends were talked about inside and outside the Chamber. Every quarter, Departments that have underspent will submit money for reallocation to other projects. In the current monitoring round, the Department for Social Development surrendered £39 million. That, together with moneys from other Departments, was reallocated to redress hardship and aid the construction industry. That reallocation was agreed, without dissent, at this morning’s Executive meeting.

Basil McCrea read out the list of expenditure bids that were not met. However, we all recognise that decisions relating to public spending — particularly given a limited budget — are always difficult. Many pressures emerge, and most of them relate to issues of great merit. However, our role is to set priorities and

manage our Budget. The Education Minister is sitting beside me, and I am sure that she experiences as much pain and difficulty with budgetary issues as any other Minister does, but I do not hear her squealing and roaring about it. She comes to the Executive meetings, fights her corner, recognises that there is a limited Budget and — along with everyone else — plays as a team member.

There will be more financial pressures in the years ahead, and that is why we want to ensure that we reinforce the resilience and flexibility of our financial systems and our legislative powers to respond to new crises.

Claire McGill talked about the Social Security Agency. The agency is consulting on a strategic business review, which proposes that front-office services will remain in Strabane, but back-office services may be relocated across the western district.

A number of other issues were raised by Members, and I have referred already to Danny Kennedy’s contribution. The debate had a positive and constructive tone and mood, and it is obvious that Members realise that today’s announcement is important and is one that will have a positive effect.

However, it is unfortunate that at a time such as this, some Members will take the opportunity to snipe. Dolores Kelly talked about water charges and about what the DUP and Sinn Féin had said about them. I was a member of the Executive at the beginning of the decade — at the beginning of the century. The first time that I heard about water charges was when David Trimble, Séamus Mallon and Mark Durkan brought them to the Executive. *[Interruption.]*

I am not saying that to score political points. They brought those issues to the Executive against a background in which, they said, the Treasury was waving a big stick at them and was telling them that it would come down on their Executive like a ton of bricks if they did not deal with the issues at hand.

Mr A Maginness: Are you going to introduce them?

The deputy First Minister: The point that I am making is that the first time that I heard mention of water charges was during my time as Minister of Education: when Mark Durkan, Séamus Mallon and David Trimble brought the matter to the Executive.

4.30 pm

Mr Deputy Speaker: Will all Members please make their remarks through the Chair?

The deputy First Minister: Dolores Kelly’s comment about Sinn Féin and the DUP misses the point completely. Recently, those two parties have done something that the SDLP said that they would never do. After we began working together, the SDLP

kept telling people that it would never last and that it would fall apart. The past five months have been difficult, but there is no prospect of the Executive falling apart. The job and responsibility of every Member of the Executive, even those who are the sole representatives of their party, is to play a team role. If we play together as a team, we will be much more effective. All Members should recognise that we face huge challenges as we move forward.

My friend and former First Minister Ian Paisley Snr made a positive and constructive speech on the need to govern ourselves in a way that delivers for the people whom we represent. When I worked with him in the Office of the First Minister and deputy First Minister, he showed himself to be wise about how to proceed in the future, regardless of the past — and the Assembly will, of course, talk ad infinitum about the past. He is well on in years, but he is focused not on the past, but on how to move forward into the future, and he made a positive contribution today.

The debate was exceptionally wide-ranging, and many of Members' comments will be helpful as we progress. The current economic downturn will not last for ever; it will pass. The Assembly must emerge from it with a stronger economy and a more prosperous community. To accomplish that, however, we must not focus only on the credit crunch. To underpin the economic prospects, the Assembly must look beyond the next six to 12 months and concentrate on delivering the Budget, the Programme for Government and the investment strategy. Those are intrinsically linked, and, together, they represent the Executive's strategic plan. The Executive's priorities focus on: growing a dynamic, innovative economy; promoting tolerance, inclusion, health and well-being; protecting and enhancing the environment and natural resources; investing to build the infrastructure, and delivering modern high-quality and efficient public services.

It is also important to meet the Taoiseach, Brian Cowen, at the earliest opportunity to discuss the economic downturn across the island and explore how the two Governments can co-operate, on the basis of mutual benefit, to generate economic activity and alleviate hardship.

A LeasCheann Comhairle, the measures that have been outlined today are the correct ones to address the economic downturn, and they represent all that the Executive can do to support the economy during this difficult time. Aimed at addressing the immediate impacts of the downturn in the short term, the measures are consistent with the Programme for Government and its longer-term aims.

In uncertain times, the Executive do not know what next year will bring. However, we know that we will require flexibility to act, and the Executive and

Assembly must act collectively for all of the people. We must effectively redress hardship and build the economy. With our collective will and ability, we can meet any challenge that is thrown at us and deliver a community in which wealth is created and shared. Go raibh míle maith agat

Question put and agreed to.

Resolved:

That this Assembly takes note of the measures taken by the Executive to strengthen the local economy and support those most vulnerable in society against the impact of the global economic downturn.

Mr Deputy Speaker: I wish everyone a very happy Christmas.

Adjourned at 4.34 pm.

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ISSN 1463-7162

Daily Editions: Single copies £5, Annual subscriptions £325

Bound Volumes of Debates are issued periodically during the session: Single copies: £90

Printed in Northern Ireland by The Stationery Office Limited

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ISBN 978-0-339-50303-8

