
NORTHERN IRELAND ASSEMBLY

MINISTERIAL STATEMENT

North/South Ministerial Council

Plenary Format

Tuesday 17 February 2009

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

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Mr Speaker: Mr Barry McElduff has sought leave to make a personal statement in relation to a report by the Committee on Standards and Privileges on a complaint by Mr Thomas Buchanan.

Mr McElduff: Go raibh maith agat, a Cheann Comhairle. Members will know that I am strongly opposed to the imposition of British symbols and emblems in this or any other part of Ireland. Tá a fhios ag Comhaltaí an Tionóil an méid seo. However, if a handful of words that I used in August 2008 broke the public duty for Members, as set out in the code of conduct for Members, which now appears to be the case, then, of course, I want to apologise for that. Go raibh maith agat, a Cheann Comhairle.

Mr Speaker: I have received notice from the Office of the First Minister and deputy First Minister that the deputy First Minister wishes to make a statement on the North/South Ministerial Council in plenary format.

The deputy First Minister (Mr M McGuinness): Go raibh maith agat, a Cheann Comhairle. In compliance with section 52C(2) of the Northern Ireland Act 1998, we wish to make the following statement on the seventh meeting of the North/South Ministerial Council (NSMC) in plenary format, which was held at the University of Ulster at Magee on Friday 23 January 2009.

All Executive Ministers who attended the meeting have approved this report that we make on their behalf. The Executive delegation was led by the First Minister and me, and we jointly chaired the meeting.

In addition to the First Minister, junior Ministers Donaldson and Kelly and myself, our delegation comprised the Minister of Agriculture and Rural Development, the Minister of Culture, Arts and Leisure, the Minister of Education, the Minister of Enterprise, Trade and Investment, the Minister for Regional Development, and the Minister for Social Development.

The Taoiseach, Brian Cowen TD, led the Irish Government delegation, which comprised Mary Coughlan TD, Tánaiste and Minister for Enterprise, Trade and Employment; Brian Lenihan TD, Minister for Finance; Mary Harney TD, Minister for Health and Children; Noel Dempsey TD, Minister for Transport; Michéal Martin TD, Minister for Foreign Affairs; Martin Cullen TD, Minister for Arts, Sport and Tourism; Éamon Ó Cuív TD, Minister for Community, Rural and Gaeltacht Affairs; Mary Hanafin TD, Minister for Social and Family Affairs; Eamon Ryan TD, Minister for Communications, Energy and Natural Resources; Brendan Smith TD, Minister for Agriculture, Fisheries and Food; and Batt O'Keefe TD, Minister for Education and Science.

The meeting was held in the University of Ulster at Magee, and the vice chancellor, Professor Richard Barnett, and the pro vice chancellor and provost of Magee, Professor Jim Allen, along with their staff and student representatives, afforded us an excellent welcome and provided highly professional arrangements, facilities and hospitality. The Mayor of Derry also formally met the delegations.

During the meeting, we had a broad discussion with the Taoiseach and Irish Government Ministers about

the common economic challenges that we face, including the need for continuing practical and mutually beneficial North/South co-operation to assist in our efforts to deal with the economic downturn.

We outlined the steps that we are taking here in the package of measures that we have put in place, including the fuel credit fund. We highlighted the problem of access to credit from the banks and the increased incidence of loan-sharking and illegal moneylending — particularly in disadvantaged areas. We outlined our efforts to press local banks to improve the flow of credit to business.

The Taoiseach outlined the steps that the Irish Government are taking, particularly on infrastructure, innovation and with the main Irish banks. The Irish Government's Finance Minister, Brian Lenihan, outlined the specific problems relating to the Irish banking sector. He agreed to pass on to the six main Irish banks our concerns about access to credit here.

We also discussed the recent animal feed contamination incident that had a serious impact on farmers and food processors in both jurisdictions. We outlined the serious impact that this matter has caused, and pressed for an all-Ireland approach to resolving the difficulties. The Council noted the concerns that we raised on the matter and noted that the relevant Ministers have been engaged in intensive discussions about direct and indirect assistance. The Council requested that those Ministers continue to treat that as a matter of urgency.

The Council received a progress report prepared by the NSMC joint secretaries on the 14 NSMC ministerial meetings that have been held since the previous plenary in February 2008. The Council welcomed the mutually beneficial co-operation taken forward at those meetings.

The Council welcomed the good progress on the A5 north-west gateway to Aghnacloy and the A8 Belfast to Larne projects and the fact that the first key milestones were achieved ahead of target in autumn 2008. It noted that Ministers have agreed to intensify work on the bilateral agreement on the EU Convention on Driving Disqualifications and the mutual recognition of penalty points.

The Council noted the involvement of Ministers in the successful launch of the Peace III and INTERREG IVa programmes. The Council also noted the intensification of co-operation on child protection, including a cross-border awareness campaign. Ministers noted the development of a 10-point all-island action plan on suicide prevention.

The Council noted the progress that has been made on the removal of waste that has been illegally dumped. It also noted the official opening of the new

Waterways Ireland headquarters in Enniskillen, which was completed on schedule and within budget.

It welcomed the progress that has been made in addressing educational underachievement, co-operation on Traveller education, and special education, including the services that the Middletown Centre for Autism provides. Progress on a draft all-island animal health and welfare strategy was also welcomed.

Ministers noted the work on the transfer of pensions on a cross-border basis and on cross-border banking issues, including the publication of information on the cost of personal cross-border banking transactions on the mobility website, all of which are of direct relevance to greater cross-border mobility. They also noted the success, to date, of the cross-border mobility website.

The Council welcomed progress to date by the group undertaking the St Andrews Agreement review. It noted that the experts/advisers have completed their report on efficiency and value for money of the existing implementation bodies and Tourism Ireland Ltd. The Council requested that the review group, in consultation with the relevant sponsor Departments and Ministers, should consider the recommendations made by the experts/advisers and submit a report to the next plenary meeting. The Council requested that the review group should complete work on its remaining terms of reference and submit proposals to a meeting of the North/South Ministerial Council in plenary format before the end of 2009.

The Council considered a paper on a North/South consultative forum. It noted the Irish Government's proposal on the role, format, membership and operation of a North/South consultative forum, and also noted the progress that has been made in reviewing the Civic Forum here. It agreed to consider the matter once that review is complete.

Ministers also considered a paper on a North/South parliamentary forum. They noted the ongoing discussions between the Houses of the Oireachtas and this Assembly, and the agreement to establish two working groups to develop proposals for such a body. The Council agreed to keep that matter under review.

The Council also considered a paper on future NSMC meetings. It approved a schedule of NSMC meetings to take place over the coming months and agreed that its next meeting in plenary format will be hosted by the Irish Government in June 2009. Go raibh maith agat.

Mr Shannon: I thank the Minister for his statement. He covered a vast number of issues. I have a lot of questions, but I know that we are restricted in the number that we are allowed to ask.

My first question is about child protection. Obviously, it is an issue in which all of us in this

Chamber are particularly interested. Will the Minister enlighten us with more detail about what co-operation on a cross-border child-protection campaign will mean? Will it mean that predators and those who seek out young children will be monitored and that young children will be protected? That is a major issue.

The deputy First Minister also referred to the Middletown Centre for Autism. I know that he is aware that those in the Province who have autistic children have great need of such a centre. Will he clarify whether the facilities and services in Middletown will be available to the entire Province, rather than just to that particular area? Will any help be provided to those who wish to avail themselves of those facilities?

Those are my two questions. I would love to ask a lot more, but I appreciate that I am restricted.

The deputy First Minister: I thank the Member for his questions — they are always very positive and constructive. Safeguarding children is a high priority for the Executive. We established a ministerial subcommittee on children and young people, which has identified safeguarding — including support for parents, families and carers — as one of its six key priorities.

The Office of the First Minister and deputy First Minister (OFMDFM) has developed a cross-departmental safeguarding policy statement, which will shortly go to the Executive for approval. It binds together and integrates current developments and existing measures around safeguarding children, as well as examining what additional actions and policies are required.

Policy responsibility for sex-offender management rests with the NIO and the Department of Health, Social Services and Public Safety (DHSSPS). They lead on child protection, but we do all that we can to ensure that robust arrangements are in place to safeguard vulnerable children.

We have been advised by Minister McGimpsey that as a result of discussions at the North/South Ministerial Council, Ministers have agreed a work programme to intensify co-operation on child protection, which I know Mr Shannon will welcome. We very much welcome the progress that has been made and acknowledge the work of the two Departments and all those involved in that process.

We understand that future work plans will include consideration of how best to raise awareness of issues, such as problems that are associated with the Internet and social networking. They will also identify the recommendations from the Byron Report that could have a North/South application. In addition, the future work plans will include consideration of the production of generic, cross-border information — using a variety

of media — that deals with such issues as the reporting of abuse, safe parenting and good-employment practice.

We also noted that the two Departments wish to examine current procedures for sharing information and to evaluate whether we can improve those, especially in relation to children who are thought to be at risk and at-risk families who move between the two jurisdictions. That work will also consider how best to take account of the movement of vulnerable families and children around Ireland, England, Scotland and Wales.

10.45 am

The Middletown Centre for Autism is intended as a facility for the entire island, not just for people with children with autism in the immediate vicinity. It is designed to be a centre of excellence, so that children and parents from all over the island will be able to come for first-class treatment — it will exclude nobody.

Ms Anderson: Go raibh maith agat. I thank the deputy First Minister for his statement. He mentioned the north-west gateway initiative. In the context of progress made, what knowledge, if any, did the Office of the First Minister and deputy First Minister have about the decision to locate the Project Kelvin telehouse in Coleraine, rather than in Derry, which was the location that was originally identified in the INTERREG IVa application — which the deputy First Minister mentioned in his statement — the state-aid document, and the instruction-to-tender document?

Mr Speaker: The questions must address the deputy First Minister's statement. Sometimes questions grow legs, and this question appears to have grown legs. Therefore, we will move on.

Mr Elliott: I hope that my question does not grow any further bodies. I thank the First Ministers for their statement.

The deputy First Minister mentioned the issue of contaminated feed. Does he believe that the Republic of Ireland Government's delay in informing the Northern Ireland authorities about the issue and their failure to provide a compensation package for those affected in Northern Ireland has damaged the good relations that existed between the two countries?

The deputy First Minister: As we are all aware, the situation has caused serious difficulties for farmers on both sides of the border, and the implications of it continue to evolve. Our Departments are working together to arrange a livestock cull and the appropriate disposal of animal carcasses and contaminated feed.

It has been alleged that a company based in the North is implicated in the contamination of feedstuffs, and the Environment Agency is carrying out a thorough sampling and audit of the premises concerned. Presently, there is no firm evidence to identify those premises as the source of the contamination. Officials from the

Environment Agency, the Environmental Protection Agency and the Garda Síochána are in regular contact about the situation, and investigations are ongoing on both sides of the border.

On 28 November 2008, following routine sampling of pork fat, the Irish authorities became aware of the presence of non-dioxin-like polychlorinated biphenyls (PCB) in pork, and they immediately undertook an intensive investigation, which determined that the source of contamination was a feed ingredient. On 6 December 2008, the presence of dioxins in pork fat was confirmed, and on 5 December 2008, the Department of Agriculture and Rural Development (DARD) was advised by the Department of Agriculture, Fisheries and Food that potentially infected material had been supplied to some farms here. As a precaution, DARD immediately placed restrictions on all animals in affected premises.

This matter has been a source of tremendous concern, and as many Members will know, last week, the First Minister and I, accompanied by the Minister of Agriculture and Rural Development and the Minister of Enterprise, Trade and Investment, visited Brussels to meet Commissioner Mariann Fischer Boel. As a result of what I hope will be a successful outcome of that meeting, and decisions taken by the Executive on the following Thursday, we hope to address the concerns to the satisfaction of all those affected by this terrible situation in a way that will make progress and put this regrettable incident behind us.

Mr Attwood: I welcome the deputy First Minister's statement, and I look forward to the NSMC meeting in June and to many more thereafter.

I refer the deputy First Minister to the review of North/South bodies. Can he confirm that the first part of the review of the North/South implementation bodies finished its work in February 2008? Independent of that, is he in a position to publish that report? If so, when will it be published? If not, why not? Why can the people who live in the North and the South not be informed of the conclusions reached by the review of the existing North/South implementation bodies?

Does he agree that if the review of existing North/South bodies was positive, it is not a good template on which to build the second phase of the developing and deepening North/South arrangements?

The deputy First Minister: The St Andrews Agreement provided for a review group to report, with recommendations, to the North/South Ministerial Council. The review group's remit was to examine objectively the efficiency and value for money of the existing implementation bodies; to examine objectively the case for additional bodies in areas of co-operation within the North/South Ministerial Council where mutual benefit would be derived; and to input into the

work on the identification of a suitable substitute for the proposed lights agency of the Foyle, Carlingford and Irish Lights Commission.

The review group consists of senior officials and an advisory panel of four experts/advisers — two appointed by the Executive and two appointed by the Irish Government. In connection with the examination of the efficiency and value for money of the existing implementation bodies, the experts/advisers — on behalf of the review group — conducted consultation meetings with each of the North/South implementation bodies and Tourism Ireland Ltd, their stakeholders, sponsor Departments and the social partners.

Ministers at the North/South Ministerial Council plenary meeting in Derry on 26 January 2009 noted that the experts/advisers had completed their report on efficiency and value for money of the existing implementation bodies and Tourism Ireland Ltd. The review group, in consultation with the relevant sponsor Departments, will consider the recommendations made by the experts and submit a report to the next meeting of the plenary.

It would not be appropriate to release the advisory panel's report until the North/South Ministerial Council has considered the report from the review group. The review group will complete work on its remaining terms of reference and will submit proposals to a meeting of the North/South Ministerial Council in plenary format before the end of 2009.

Mr Ford: I thank the Minister for his statement, and I welcome the apparent signs of significant progress on positive and constructive engagement. However, I note that a number of references were made to projects that have been completed on time or within budget. That leads one to believe that those that are not so highlighted might not be on time or within budget.

The Minister talked about intensifying work on the bilateral agreement on the EU Convention on Driving Disqualifications and penalty points. That topic has been around since the days of the first Assembly. Road safety is a serious issue in the border regions, and there is a major need to get work done on that without requiring full EU agreement. Can the Minister provide a reassurance that that is happening?

The deputy First Minister also spoke about such infrastructure projects as improvements to the A5 and the A8. Given the economic downturn, particularly in the Republic, has he received reassurance that southern funding will continue on those major projects?

The deputy First Minister: All Members will be encouraged to note that the figures for road deaths reduced greatly last year; 2008 saw the lowest number of road deaths, in both jurisdictions, since records began. However, it is important that there should be no

let-up in our efforts to reduce the appalling human and economic costs of road casualties.

Following a meeting in June 2008 between the responsible Ministers from Dublin, Belfast and London, which resulted in an intensification of work on implementation of the relevant EU directive, the mutual recognition of driving disqualifications between the UK and Ireland is on target for completion by spring 2009.

Work is also continuing on the mutual recognition of penalty points. Ministers, North and South, have agreed to prioritise key issues such as drink-driving limits, road-safety strategies and cross-border enforcement. In December 2008, an evaluation of the Steering to Safety project was carried out under the umbrella of the co-operation and working together initiative. That evaluation demonstrated that the project had led to improved co-operation between the relevant authorities on both sides of the border and increased the understanding of the problem of road-traffic collisions in border areas and the actions needed to address it.

Co-operation between the authorities is continuing on advertising and publicity. For instance, the costs of new radio and television advertisements and the road-safety campaign that was undertaken in association with Rally Ireland, which ran from 29 January to 1 February, are being shared.

It is clear that very important work is taking place between Departments, North and South, and that is resulting in improved figures. We cannot rest on our laurels; we have to continue to explore the issue and examine how we can up our game in order to combat the unacceptably high levels of road deaths.

We have had a number of discussions with representatives of the Government in Dublin about the projects that Mr Ford mentioned. At one of those meetings, I raised my concern about the establishment of what is called An Bord Snip in the South, which has led people to expect all sorts of massive cuts. A process is taking place in the South that involves the Government, the unions and the business community, and that is playing itself out in the media. However, in the course of those conversations, I was assured — particularly about the road network from Monaghan through to the north-west area that includes Donegal and Derry, and the road from Belfast to Larne — that the money for those projects was ring-fenced and absolutely guaranteed. I take great satisfaction from that.

Mr B McCrea: I thank the joint First Minister for his statement. There are persistent rumours that two Irish banks are going to fail, that that is going to put increasing pressure on the Irish Government, and that the Irish Government themselves may default on their loans. Will he tell us whether he had any discussions

with the Irish Government about that? What advice would he give to exporters in Northern Ireland who are faced with the economic uncertainty in the South?

The deputy First Minister: We all understand that we are dealing with a phenomenal situation that is having a worldwide effect. During our visit to Brussels last week, the First Minister and I were told by leading officials that, for example, they believed that unemployment figures in Spain would rise to 20% by the end of this year. That is absolutely incredible. When we consider that our unemployment figures are at 5% and that unemployment levels in the South are at 9% and are galloping ahead, it is clear that we are dealing with a very difficult situation.

In recent times, there has been much discussion about how financial institutions are responsible for the difficulties that world economies are facing. We all know that every time that we turn on the RTÉ news, the first item on the agenda is the banking situation and the holding to account of leading bankers.

On 12 February 2009, Brian Lenihan announced that he was providing a further €7 billion to the recapitalisation fund for the AIB and the Bank of Ireland. In December, the Irish Government provided €5.5 billion to recapitalise the banks. In January 2009, the Anglo Irish Bank was nationalised. In the new package, AIB and Bank of Ireland are each provided with €3.5 billion. That money buys the Irish Government preference shares in each bank, with a fixed 8% return. The Irish Government get 25% of the voting rights of the bank and can appoint 25% of the boards of directors. The Government money is from the Irish national pensions reserve fund.

The risks that have emerged in the Irish banks are related to their overexposure to the construction and property markets; they are not the result of the complex financial instruments — such as credit-crunch financing — that caused difficulties for banks such as Northern Rock. The Irish Government package is linked to the banks' increasing lending capacity, which has increased by 10% in relation to small enterprises and by 30% in relation to the provision of mortgages to first-time buyers. In quarters when the mortgage pot of funds is not used fully, the balance will go to the small business pot in the following quarter. The increased lending capacity will be monitored by the regulator, and remuneration to senior executives is to be reduced by 33%. Therefore, no performance bonuses will be paid to senior executives. We had a wide-ranging discussion about that issue at the North/South Ministerial Council meeting.

We are all concerned that this has come on us in an incredible way over the past 12 to 18 months. Many people are, obviously, asking why none of this was predicted 18 months ago, although a few wise owls

have come forward claiming that they knew all along and had predicted that this would happen.

11.00 am

When we talk about the economic downturn, the big debate at the moment is whether we have reached the bottom. Obviously, when one reaches the bottom, the only way to go is up. However, no one can say when that will happen. In the past couple of weeks, I met people who said that they believed that we had reached the bottom. The First Minister and I met Peter Mandelson last week, and he told us that, in his estimation, we had not yet reached the bottom. So, opinions are a bit all over the place. We will know we have reached the bottom when we start to climb out. However, it is very dangerous to make a prediction as to when we will climb out — as some people in England recently found to their cost.

In response to the Member's second question, I take heart from the fact that, probably since the foundation of the Northern state and with the work of InterTradeIreland, there has been more trade now between businesses North and South than at any time in our history. We are concerned to see how the present economic circumstances will affect that trade. I hope that it will not be to the detriment of businesses North and South. As with all else, however, it is difficult to make a prediction.

Mr Durkan: I thank the Minister for his statement, and I thank him and his ministerial colleagues for the positive work in the meeting that he jointly chaired. Ministers and their Departments will be involved in the work of the review group. Will any of that work be shared with Committees, so that they can have relevant insight? The Minister referred to the north-west gateway initiative and the INTERREG IVa programmes. Will he ensure that there are specific items on the agenda of plenary meetings to deal with significant flagship projects, including the valid item raised by Martina Anderson?

Given the issues on which the deputy First Minister has touched, in his statement and in his answers, and given the impact of the economic downturn and the significant issues that the Executive and the Government in the South are trying to address, is there a case for using the cross-sectoral format, which is provided for in the agreement but has not yet been used, to bring together the Ministers who deal with the key strategic economic issues, such as spatial strategy, infrastructure investment, enterprise support and the skills agenda, so that they can look at those issues in a more focused way, and so that the next plenary meeting will work off the back of that cross-sectoral format?

The deputy First Minister: As regards working with Committees, we will look at that issue in consultation with Ministers and the Irish Government.

The Member has indicated correctly the impact that the economic downturn is having on us. Therefore, as we move forward, Ministers North and South accept that we should explore consistently how we can combat the worst effects of the economic downturn in a way that is mutually beneficial to us and to the Government in the South. That threatens no one. We all understand that, in challenging times, we must meet those challenges with innovative ideas and solutions. Some of the ideas and solutions that the Member offered this morning are worthy of consideration. I have no doubt that, as we go forward, those who are charged with the responsibility of examining those issues will consider those comments.

Mrs McGill: Go raibh maith agat, a Cheann Comhairle. I, too, thank the Ministers for their statement, and welcome the progress that is contained in it. The Programme for Government has a commitment to an all-island animal-health strategy. Will the deputy First Minister give us more detail on the progress being made on that strategy in the NSMC? Go raibh maith agat.

The deputy First Minister: Obviously, the animal health issue is a concern for all of us. When the subject cropped up at the North/South Ministerial Council meeting, it was clear that there were concerns on both sides of the border about the difficulties that we faced against a backdrop of a fairly major news story. We noted the progress on the draft all-island animal health and welfare strategy at the plenary meeting. We were pleased to learn about the continuing co-operation on a wide range of animal health and welfare issues and to hear about the constructive work being undertaken by officials, North and South.

The development of an all-island animal health strategy is a commitment in the Programme for Government. The draft strategy was issued for stakeholder consultation in March 2008. There were three consultation responses, all of which supported the draft strategy. Officials also consulted the Assembly's Committee for Agriculture and Rural Development. As the comments received during the consultation had no specific impact on the strategy as it is currently drafted, Ministers will be asked to agree the all-island animal health and welfare strategy at the next meeting of the North/South Ministerial Council in agriculture sectoral format.

Mr Boylan: Go raibh maith agat, a Cheann Comhairle. Mr Speaker, I am conscious of what you said earlier to a Member about asking questions. There is major public concern about the North/South interconnector — a 400 kV electricity overhead interconnector. Were there any discussions on that, and does the deputy First Minister intend to initiate some discussions in a future plenary meeting of the council?

Will he also provide an update on the A5 north-west gateway to Aughnacloy? Go raibh míle maith agat.

The deputy First Minister: There was no discussion whatsoever on the interconnector, but I am conscious that the topic has generated considerable controversy recently. No doubt Members and Ministers will turn their attention to the ongoing campaign on the matter, and various opinions have already been expressed. However, the interconnector was not an agenda item at the meeting.

Although the north-west gateway initiative is not part of the established NSMC work area, it is another good example of cross-border co-operation. Since the formal announcement on the gateway in May 2006, the task of officials has been to find ways in which our Executive and the Irish Government, working in co-operation, can attract new employers and other economic benefits in order to rejuvenate the region. Although it has no associated funding, it aims to derive greater synergy in the north-west through the effective co-ordination of existing public expenditure. If our endeavours are successful, they will bring benefits for all parts of the region, which is defined as the council areas of Derry, Limavady, Strabane and Donegal.

Our officials continue to work with all the key stakeholders in the north-west to identify policy areas, where increased co-operation and sharing of expertise will provide benefits for all. We welcome the increased focus on the opportunities that exist in the north-west as witnessed by the recent north-west city regions conference, the International Centre for Local and Regional Development conference and other similar events that are planned for the near future.

We are also very encouraged by the progress to date and by the large number of projects that are under way, further progress on which will individually and cumulatively bring economic, environmental, tourism, health and social benefits that will improve the quality of lives in the region. Such progress will require strong and focused co-operation across all sectors of business and Government.

Progress has already been made on a number of key projects — for example, infrastructural investment on roads in the north-west, including, as I mentioned earlier, the upgrading to dual carriageway status of the A5 from Aughnacloy to the north-west. The preferred route announcement for that project is expected in mid-2009. The A6 Derry to Dungiven preferred route announcement is also expected in the summer of 2009. The A514 and the A515 are already opened, and construction on the A2 Broadbridge dualling scheme is to commence in 2009, with a completion date of 2010.

The Executive and the Irish Government have committed £14 million of joint investment in City of Derry Airport. That has resulted in the completion of

the eastern runway safety area, and signalling work will be completed by April 2009.

Improvements will be made to the Ballymena-to-Coleraine and Derry-to-Coleraine train lines. After that work is complete, additional trains will be deployed, which will result in a more frequent, faster and more reliable service.

There is practical cross-border co-operation on health in the form of a pilot cross-border GP out-of-hours service for patients from Inishowen. Other examples include the delivery of radiotherapy services at the cancer centre in Belfast City Hospital to patients from Donegal, and the announcement that additional radiotherapy services will be located at Altnagelvin Area Hospital.

The draft non-statutory north-west spatial plan and framework has been prepared jointly by Departments from the North and South and provides a high-level policy context for the future development of the region. The framework examines the region in its totality for the first time, as opposed to previous back-to-back planning.

As Members can see, much work is taking place and, as we move forward, the practical benefits of that for everyone concerned will be evident.

Mr McCallister: How and when will the 10-point action plan on suicide prevention be implemented? How does that action plan link with the Department of Health, Social Services and Public Safety strategy on the suicide prevention?

Concerns have been expressed about Middletown Centre for Autism, including emergency health cover in the area, the cost of the number of pupils who attend the centre, and the costs and logistics for parents and family members of pupils who travel to the centre and stay there. Was any work undertaken to address some of those concerns? Will the deputy First Minister provide a rough estimate of the number of children from Northern Ireland who will attend the centre?

The deputy First Minister: I do not have information on that issue, but I will ensure that the Member receives an answer. There are many issues associated with the Middletown Centre for Autism, the detail on which I do not have to hand. However, I will write to the Member with that information.

Suicide is a terrible tragedy that devastates many families each year. We are aware of the growing concerns about the increase in the number of suicides, particularly among young people. Although the Department of Health, Social Services and Public Safety leads on suicide prevention, we are keen to support any initiatives that may lead to a reduction in the number of suicides. As we all know, suicide and self-harm respect no

borders, so it is common sense for us to share learning and best practice in our respective jurisdictions.

The self-harm registry pilot in the Western Health and Social Services Board area is an example of such co-operation. The interim findings from that pilot are of considerable concern and show that alcohol was a factor in many cases of self-harm, albeit not one of the main methods. Action to address excessive alcohol consumption in society is an urgent priority, and it is something that the Department of Health, Social Services and Public Safety is addressing through the new strategic direction on alcohol and drugs.

All Members will agree that sensitive media reporting on suicide is essential, generally and in respect of specific cases. With the full support of the Executive, Minister McGimpsey has made representations to newspaper editors on that matter. We welcome the development of updated all-island guidelines on media reporting and the establishment of a media-monitoring process.

The promotion of suicide and self-harm on the Internet is also of particular concern. Minister McGimpsey represents local interests on the UK Council for Child Internet Safety, which was established following the Byron Review into harmful material on the Internet and in video games. Minister McGimpsey has undertaken to ensure that the work of the council is shared with his colleagues from the Irish Government.

The issue of suicide impacts on every community throughout the island, and few Members will not be aware of a circumstance in which someone has taken their own life. We have consistently argued for, and proposed, programmes that encourage people to talk about their problems and difficulties.

Even in recent times, we have seen professional people — and other people — who have provided advice to the media on how people should deal with those situations and who have subsequently taken their own lives. That is a terrible tragedy, but it exemplifies how difficult the issue is to deal with. Ultimately, the work that is ongoing to develop an all-island approach will bring huge benefits. However, it is a terrible tragedy, and we must be very sensitive about how we deal with it. We must also be very forceful in trying to do everything in our power to ensure that we reduce the unacceptable levels of suicide and the impact that it is having on families and communities.

11.15 am

Mr Dallat: I also thank the Minister for his statement. I am particularly interested in the section about banking, in which he stated that there was a broad discussion about the common economic challenges. However, given that the North/South Ministerial Council is a cross-border body, was there any discussion on the problems faced by small- and

medium-sized businesses that trade across the border? If so, what progress has been made with the banks?

The other issue relates to postal services, which are fragmented. They also need to be discussed at some time in the future.

The deputy First Minister: There is a great deal of interest in the condition of the local banking sector, and the innovative approach recently announced by the Irish Government to provide a wide-ranging indemnity to Irish banks will be welcomed by depositors and borrowers.

Financial institutions in Britain, including banks, mortgage and insurance providers are covered by the financial services compensation scheme, which protects the first £50,000 of deposits.

We met representatives of the four banks in the North, and we have recently seen the Royal Bank of Scotland freeing up the Ulster Bank's ability to lend. Hopefully, that is the beginning of an acceptance by the banks that building confidence in the economy and in the banking system is critical. However, it represents a real challenge.

We are all very conscious of the impact that the banking crisis is having on small businesses and on people who wish to purchase their own homes. The fact is that people are sitting back and waiting to see whether the market has bottomed out, whether prices have levelled out, and whether it is the right time to buy. Therefore, there is a responsibility on the banks.

We met Ministers in Magee campus, and we agreed that it is very important to get the banks lending again and doing it in a way that instils confidence in the business community. However, it is a difficult area. It is almost a chicken-and-egg situation, but the banks must take the lead. The support that the Governments in London and Dublin have given to the banks makes it incumbent on them to move forward in a way that meets the concerns and needs of the small- and medium-sized businesses about which the Member spoke.

We are all very conscious of the fact that there will be ramifications flowing from everything that has happened in the past 12 to 18 months. As time passes, we will see the world economic forces, particularly those with responsibilities for Governments, cracking down hard on the banks and ensuring that the old ways of dealing will not return.

In a number of contributions from President Obama, he was very critical of bankers in the United States of America. That criticism will pass, but people will expect regulations and processes to be put in place to ensure that such a situation is never visited upon us again.

Mr McElduff: Go raibh maith agat, a Cheann Comhairle. Ba mhaith liom mo bhuíochas a ghabháil leis an Aire as a ráiteas. Will the deputy First Minister

detail any progress that was made at the plenary meeting of the North/South Ministerial Council in relation to the Clones to Upper Lough Erne section of the Ulster Canal?

The deputy First Minister: Obviously, the project is important, and we have been dealing with it over several years. Waterways Ireland has held discussions with a wide range of statutory agencies and has met 46 out of the possible 50 landowners involved. Their holdings represent 97% of the ownership of the linear length of the canal. Waterways Ireland has decided to undertake the preliminary design stage internally and, following the acquisition of land and receipt of planning permission, a contract for the design and construction of the project will be let out to a single entity. Waterways Ireland reports on progress at monthly monitoring meetings with the sponsoring Departments and, on a regular basis, to the North/South Ministerial Council. Waterways Ireland intends to seek planning permission by mid-2010. That will be followed by tendering for the detailed design-and-build contract.

The estimated cost of restoring the section from Clones to Upper Lough Erne is €35 million. The construction cost is funded entirely by the Government in Dublin and, when it is built, the Department will contribute to ongoing operational costs. The 2006 outline business case indicated a capital cost of £171.5 million for the restoration of the entire canal. That includes: site investigation, the environmental impact assessment and project management, as well as construction costs. So things are beginning to move.

Dr Farry: I thank the deputy First Minister for his statement. In his report, he stressed the mutual benefits that flow from North/South co-operation. Will he elaborate on what he sees as the opportunities that arise for that? In particular, I ask whether he shares my belief that there is an opportunity, in the midst of the economic downturn, to promote the development of renewable technology in both North and South and to market the island of Ireland as a green economy.

The deputy First Minister: I agree very much that, given the circumstances that exist internationally, people are focused on the green agenda. It is important to support that as much as possible and face up to the huge challenges that our planet faces.

There are benefits to be had from cross-border renewable energy incentives. Since its introduction in 2005, the renewables obligation has proved successful by increasing the proportion of electricity generated from renewable sources by 60%.

There is no indication that the operation of different renewables support mechanisms North and South is a constraint on renewables development across the island. The different approaches to incentivising renewables taken by North and South reflect the

South's status as a separate member state with its own renewables target. Harmonisation of energy support systems between the North and South is a complex issue and would be difficult to implement, at least in the short term. Issues to be considered for any such harmonisation of incentives include: the different member-state targets in the EU; the legislative changes required; the operation of the incentives within the wider obligations imposed on the North by London; the treatment of the legitimate expectations of generators under existing support mechanisms; accounting for different currencies; and the impact on investor confidence.

Co-operation on renewables policy will be increasingly important in the light of new and challenging EU targets.

As to the economic benefits of cross-border co-operation, I offer two examples: there has been a huge increase in the level of trade between North and South, as a result of the work of IntertradeIreland, and that is a good thing for businesses. There has also been such an increase in the numbers of tourists arriving and travelling to the North and to the South as a result of the work of Tourism Ireland. There are many, many benefits, and Members have a duty and responsibility to their constituents to work with the Government in Dublin on projects that are mutually beneficial.

An interesting aspect to the influx of tourists to Ireland is that, whereas in the past they came mainly to places like Killarney, Connemara and Dublin, they now increasingly come to the North.

Increasingly, people who live in the South and who have never been here are coming to the North. There are busloads of tourists coming from places such as Mayo and Limerick. People are very relaxed about coming to the North, and I think that that is a good thing. Many of those visitors want to explore the lakes of Fermanagh, the north Antrim coast, the Sperrins, and many other beautiful parts of the North.

Mr McElduff: East Belfast. [*Laughter.*]

The deputy First Minister: The less said about east Belfast, the better. [*Laughter.*]

We all recognise that this is a mutually beneficial situation, and I have no doubt that the people who come to the North will want to see the tremendous attractions in east Belfast, not least — when it is built — the new Titanic signature project.

Mr McClarty: Thank you, Mr Speaker. I thank the joint First Minister for his statement. I note that the NSMC discussed a paper on the North/South consultative forum. Can the joint First Minister advise us what the general tenor —

Mr Speaker: Order. Let us get the terminology right: it is the deputy First Minister.

Mr McClarty: Thank you, Mr Speaker. Can the First Minister advise what the general tenor of the ensuing discussion was, and whether any opposition was expressed by any of those present to the setting up of such a forum?

The deputy First Minister: As I said, this is a work in progress based on proposals put forward by the Irish Government and the ongoing review of the Civic Forum. That review takes on the structure, membership and role of the Civic Forum and considers the most appropriate arrangements for engaging with civic society. The consultation phase of the review ran from 29 May 2008 to 29 August 2008, and 60 written submissions were received. The review team is currently finalising its work and will report to us in the near future. The NSMC had previously agreed to consider that matter when the review is complete.

Ms S Ramsey: Go raibh maith agat, a Cheann Comhairle. I welcome the statement made by the deputy First Minister. We are coming to the end of the time allowed and most of the questions have been asked; however, I think it is important that the issues of suicide and child protection are taken forward on an all-island basis. It is a pity that the Health Minister did not see fit to attend the meeting, given that those important issues were on the agenda. Perhaps John McCallister should ask his own Minister why he did not attend. With that in mind, can the deputy First Minister assure the Assembly that the Executive will continue to take forward, on an all-Ireland basis, the important issues of suicide and child protection, despite the Health Minister's not attending the meeting?

The deputy First Minister: I assure the Member that the Executive, including the Health Minister, are very conscious that those issues have to be treated as priorities. Child protection and suicide prevention are clear priorities for the Executive, and we will do whatever needs to be done on an all-island basis to impact on the unacceptable levels of child abuse and suicide.

Mr P Ramsey: I welcome the deputy Minister's statement. It clearly was a productive meeting in the city of Derry in respect of so many issues. I welcome the commitment and priority given to alcohol misuse and abuse; it is obvious to so many of us that the culture of binge drinking among young people is increasingly getting worse.

The deputy First Minister made reference to the progress of the gateway initiative and the A5; were any other infrastructural or telecommunication projects discussed at the meeting? If OFMDFM is still the lead partner on the north-west gateway initiative, what discussion took place around its delivery and progression of telecommunications projects, particularly in reference to those projects in the city of Derry? Can we have a commitment that that will be on the agenda for future

meetings of the North/South Ministerial Council, along with the single electricity market?

11.30 am

The deputy First Minister: The Member is really asking: what role did OFMDFM play in the recent controversy in the north-west? OFMDFM played no part in the decision-making process or the EU state-aid application for Project Kelvin. Project Kelvin is a joint project between the Department of Enterprise, Trade and Investment and the Department of Communications, Energy and Natural Resources and is part-funded through INTERREG IV.

Decisions pertaining to Project Kelvin, including the landing place in Portrush and the telehouse in Coleraine, were matters for those Departments. Through its work in co-ordinating the north-west gateway initiative, OFMDFM received a number of updates from DETI, which gave an overview of the general progress of the project, but which did not include details of the location of the telehouse. OFMDFM was unaware of the plans to site the telehouse in Coleraine until the official announcement was made. OFMDFM officials have since seen a copy of the INTERREG application, and Coleraine was not mentioned in it.

Mr P Maskey: Go raibh maith agat, a Cheann Comhairle agus a Aire. Given the business need to harmonise financial sectors and to enhance all-Ireland mobility, what progress has been made on harmonising the transfer of pensions and reducing the cost of cross-border banking? Go raibh maith agat.

The deputy First Minister: At the meeting that was held in institutional format on 30 October 2007, Ministers decided that a joint working group of officials from relevant Departments, including Finance Departments, and from relevant regulatory authorities should be established to examine cross-border banking issues, including transaction charges, and that it should be asked to report back to a future NSMC meeting.

The cost of cross-border banking can be significantly higher than the cost of domestic transactions, even in the same banking group. The working group comprises representatives from the Department of Finance and Personnel, the Consumer Council in the North, the Department of Finance and the North/South Ministerial Council joint secretariat. The Irish Financial Services Regulatory Authority acts as an adviser to the group.

Officials met the four main banking groups — AIB, Bank of Ireland, Ulster Bank and Northern Bank. With the exception of the Ulster Bank, they agreed to provide details of their fees and charges for inclusion in a comparative table, which has been published on the cross-border mobility website, 'Border People'. A number of smaller banks have also provided material for the table, which provides transparency for

consumers about the fees and charges for typical cross-border banking transactions.

Mr Shannon: On a point of order, Mr Speaker. Can you make a ruling on how the deputy First Minister should be addressed? Today, the deputy First Minister has been referred to as “joint First Minister” and as “First Minister”. Clearly, the position is “deputy First Minister”, as the First Minister is sitting on this side of the House. Can a ruling be made to clear up the wrong terminology that some Members — particularly those from a party that is trying to find its own identity — have used?

Mr Speaker: I thank the Member for his point of order. I have previously ruled on the issue of terminology in the House, including that which is used to refer to a political party. I will be strict in applying that ruling to what people are called. Let us not play games in the House; there is a First Minister and a deputy First Minister. I have already ruled on the terminology that is to be used, including that which is used to refer to political parties and political individuals.

The First Minister (Mr P Robinson): Further to that point of order, Mr Speaker. That republican term was first used by the Member for Lagan Valley Mr Basil McCrea. I let it pass because nobody pays much attention to him anyway, but the term was later used by a deputy Speaker. It is a most serious issue that someone who, at least, should know the position — although sometimes one might doubt it — is prepared to make those kind of remarks. That is a matter that the Speaker’s Office should look at.

Mr Speaker: Order. I will repeat what I have said, and I know that some Members play games with terminology. However, Members know exactly what I have ruled on the whole issue of terminology in the House. I have made the position absolutely clear, and there should be no grey areas. If Members feel that there is a grey area, please come and talk to me outside the Chamber.

Mr B McCrea: Further to that point of order, Mr Speaker, I will, indeed, come to speak to you. However, the issue is that given that it is a joint office, would it be —

Mr Speaker: Order. Once again, the Member is almost challenging the authority of the Speaker. That is where he is going. I have made my ruling. Correct terminology must be used in the House. The Member knows exactly what I mean by that. It is absolutely clear. I have made a number of rulings on the matter, even, as I said earlier, on the calling of political parties when some Members want to add names to the title of a political party, which they clearly know to be incorrect. Therefore, let the House be absolutely clear on that issue.

EXECUTIVE COMMITTEE BUSINESS

Budget Bill

Second Stage

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

That the Second Stage of the Budget Bill [NIA 5/08] be agreed.

This debate, as Members know, follows the Supply resolutions for the 2008-09 spring Supplementary Estimates and the 2009-2010 Vote on Account, which were considered and approved yesterday, and the Bill’s First Stage, which followed immediately thereafter. In moving the motion, I shall briefly draw attention to a few issues that relate to the Bill.

As was mentioned yesterday, for logistical reasons, accelerated passage of the Bill is needed in order to ensure that it receives Royal Assent in March, and, therefore, legal authority for Departments and other public bodies to spend the cash and use the resources in 2008-09, and to ensure a seamless flow of public services into 2009-2010 by the Vote on Account. Therefore, today’s process follows on from yesterday, it is technical in nature, and provides the legal authority for Departments in relation to this financial year and the first few months of next year.

I am grateful that the Committee for Finance and Personnel has confirmed, in line with Standing Order 42, that it is satisfied that there has been appropriate consultation with it on the public expenditure proposals contained in the Bill, and that it is content that the Bill may proceed by accelerated passage. I understand that confirmation was given in a letter from the Chairperson of the Committee for Finance and Personnel to the Speaker. Once again, I welcome and appreciate the Committee’s assistance in this matter.

The purpose of the Bill is to give legislative effect to the 2008-09 spring Supplementary Estimates and to the 2009-2010 Vote on Account approved through the Supply resolutions that were passed yesterday. Copies of the spring Supplementary Estimates volume, the Vote on Account document, the Budget Bill and the explanatory and financial memorandum have been made available to Members.

In accordance with the nature of the Second Stage debate envisaged under Standing Order 30, and for the benefit of Members, I wish to summarise briefly the main features of the Bill. The purpose of the Bill is to authorise the issue of £12,485,717,000 from the Northern Ireland Consolidated Fund, and the use of resources totalling £15,730,008,000 by Departments and certain other bodies as detailed in the spring Supplementary Estimates for 2008-09. Those amounts supersede the Vote on Account for 2008-09 in the

Budget Act (Northern Ireland) 2008, which was passed in February last year, and the Main Estimates provision in the Budget (No 2) Act (Northern Ireland) 2008 that was passed by the Assembly in June.

The sums to be issued from the Consolidated Fund are to be appropriated by each Department or public body for services set out in column 1 of schedule 1 to the Bill. The resources are to be used for the purposes specified in column 1 of schedule 2 to the Bill.

The Bill also authorises a Vote on Account for 2009-2010 of cash of £5,618,965,000 and resources of £7,078,596,000 in order to allow the flow of cash and resources to continue to public services in the early months of 2009-2010, until the Main Estimates and the related Budget Bill are approved by the Assembly in June of this year.

The cash and the resources are to be appropriated and used for the services and the purposes set out in column 1 of schedules 3 and 4 respectively. In addition, the Bill revises for 2008-09 the limit on the amount of accruing resources — operating and non-operating — that may be directed by my Department to be used for the purposes in column 1 of schedule 2.

Under section 8 of the Government Resources and Accounts Act (Northern Ireland) 2001, a direction on the actual use of accruing resources will be provided by way of a DFP minute that is laid before the Assembly following the Bill's Royal Assent.

Clause 5 of the Bill authorises temporary borrowing by the Department of Finance and Personnel not exceeding £2,809,483,000 for 2009-2010.

The Budget Bill, therefore, brings to a close the first financial year of the Executive's Budget for 2008-2011. Clearly, the next stage is the provisional out-turn in May, which is followed by the preparation of resource accounts and the vexed question of underspends. It is clear that the Executive and the Assembly have achieved much; however, there is still much to do. Many challenges await us around the corner during the next financial year.

As I have said repeatedly, Ministers must move on and develop a culture of delivery of public services within the resources that are allocated to them and ensure that that delivery takes place wisely and well, rather than there being a constant focus on spend and additional moneys.

The spending plans that are reflected in the Budget Bill have been approved and endorsed by the House unanimously. Therefore, there is little more that I can usefully add on the Bill's substance as regards its giving legislative effect to those resolutions. However, I am happy to deal with any points of principle that may arise.

The Deputy Chairperson of the Committee for Finance and Personnel (Mr Hamilton): At the outset, I will speak on behalf of the Committee for Finance and Personnel. I will make some remarks in a personal capacity at a later stage. I shall indicate when I am not speaking as Deputy Chairperson of the Committee. I will ignore the lack of protocol that just happened, Mr Speaker.

The Budget Bill that has been brought before the House has two elements. It provides the statutory authority for expenditure in 2008-09, taking account of what has emerged from the current year's monitoring rounds. It also includes the Vote on Account, which allows public expenditure to continue during the early part of the next financial year until the Main Estimates for 2009-2010 are voted on by the Assembly in early June.

Standing Order 42(2) states that the Committee for Finance and Personnel may grant accelerated passage to a Budget Bill provided that it is satisfied that it has been consulted appropriately on the Bill's provisions. At the Committee's meeting on 4 February 2009, DFP officials briefed members and subsequently took questions on the contents of the Budget Bill that is being debated.

That evidence session represented the culmination of a process of scrutiny by the Committee of in-year monitoring rounds both in respect of DFP as a Department and with regard to public expenditure at strategic and cross-departmental levels. Following that briefing, the Committee decided to recommend accelerated passage of the Budget Bill. The Chairperson subsequently wrote to the Speaker to inform him of the Committee's decision.

I want to take the opportunity to refer briefly to arrangements going forward. During the Committee's scrutiny of the Budget Bill — and, previously, of the Executive's strategic stocktake position — consideration was given to the Budget process that was adopted by the Executive this year. That process is currently the subject of a review that is being led by the Department of Finance and Personnel on the Executive's behalf.

Running in tandem with the Executive's review, the Committee for Finance and Personnel is conducting an inquiry into the scrutiny of the Executive's Budget and expenditure. The Committee agreed a co-ordinated submission to the Executive's review in October 2008 as the first stage of its inquiry, having already taken the views of the Assembly's other Statutory Committees.

In its submission, the Committee called for the Budget process to maximise opportunities for Assembly Committees to provide early input and for a set timetable to be agreed that will determine when Departments will provide information to Committees.

The Committee also calls for a move away from the existing incremental approach to planning and budgeting towards a system that provides a transparent link between input and output.

The Committee has also recently received assurances from DFP of its intention to begin a rolling programme of baseline reviews that will cover all departmental expenditure within three to five years. Assembly Committees will have an important role to play in scrutinising the outcomes of those baseline reviews.

DFP's response on behalf of the Executive to the co-ordinated Committee submission has been delayed slightly. DFP officials are due to brief the Committee on its response on 18 March 2009. Members will subsequently have an opportunity to give further consideration to the future Budget process that is proposed.

However, that is all for the future; today, I support the motion on behalf of the Committee.

11.45 am

I wish to make some criticisms of the Budget process and the direction that the Minister and the entire Executive have agreed to take. No one, least of all me, could fail to acknowledge that these are difficult economic times. Alan Greenspan, the former chairman of the Federal Reserve, described the economic situation as a "once-in-a-century" event, and the UK Schools Secretary said that it is the worst recession for 100 years.

Any number of commentators have talked about the difficulty of these times, and no one can deny that Northern Ireland, too, is facing difficulty. The Minister acknowledged that point yesterday, and I am sure that every Member here would also acknowledge it. It is a matter of how we respond to what is happening.

Some people have characterised the difficulties as a "black hole". I will stand corrected if anyone here is better at astrophysics than I am, but my understanding is that a black hole is created by the collapse of a star. The stars of some of those Members who have spoken of black holes are fading to the point of collapse; indeed, the collapse of those so-called stars may be contributing to the black hole. The use of the term "black hole" is a sensationalist attempt to grab headlines, without any probing of its veracity.

The supposed source of the black hole is the returns from Departments in the strategic stocktake, which was concluded recently. An examination of the detail of those returns indicates that Departments bid for everything that they want, which is a culture that has developed through the years. Departments bid for everything willy-nilly, sometimes without even probing what they are asking for. The nature of the stocktake allowed Departments to do that.

The Department of Education, for example, bid for almost £9 million each year to meet energy and utility cost pressures. I would have given that request more credence if it had appeared in a Budget or stocktake a year ago, because we were experiencing unprecedented increases in energy prices at that time. We all suffered those increases as consumers, and we saw how our constituents and local businesses were affected. However, energy prices have fallen dramatically since this time last year and, indeed, since the Budget was set.

Without probing the matter in any great detail, I question why a Department would ask for £9 million each year to cover increased energy costs at a time when energy costs are going down. Indeed, energy costs are currently less than what would have been factored into the original Budget. Therefore, I question the veracity of that request.

There are other expenditures to do with job evaluations and matters that should be handled by Departments within their budgets. Requests for capital expenditure are made willy-nilly, without any particular projects being put against them. There seems to be a never-ending demand for cash in some quarters. A probe into the veracity of some of the requests shows that many of them are not as pressing as some Members would have us believe. There are things on the list that we would all like to do and areas where we would all like money to be spent. However, whether some of the pressures outlined in the requests are valid, legitimate or credible as we move into the next two years is a matter that is entirely up for discussion.

Some Members of the Ulster Unionist Party have talked about the black hole. Indeed, I note that they have said that they will abstain today and vote accordingly if given the opportunity to do so. I have questioned the veracity of the black hole, but I am not sure how much credence should be given to their claim that they will vote against the Budget Bill.

Yesterday, at around this time, we heard from those Benches that they were going to vote against the Supplementary Estimates and vote against —

Mr McNarry: That is a lie.

Mr Hamilton: It certainly is not a lie. That party said that it opposed the Supplementary Estimates. I have been accused of being a liar by a Member who is —

Mr Speaker: Order. I ask the Member to take his seat. Mr McNarry, you need to reflect on what you have said. In fact, I ask you to withdraw the remark on the basis that it is unparliamentary to accuse another Member of telling lies.

Mr McNarry: I believe that the honourable Member did so.

Mr Speaker: Order. That is not what I asked. The terminology that you used clearly constitutes

unparliamentary language as outlined in the procedures of the House. I ask the Member to withdraw his comments and to reflect on them.

Mr McNarry: On the basis of accepting your guidance, I withdraw the remark. I will find another way to deal with the misrepresentation that has been made. However, in line with what you have asked me, I unreservedly do so.

Mr Weir: On a point of order, Mr Speaker. Will you rule on the fact that this is the second time that the same Member has, essentially, made the same remark and shouted the same accusation from a sedentary position in the space of 24 hours? Yesterday, he accused the Minister of Finance and Personnel of telling “fibs” and was asked to withdraw the remark. Is it in order for a Member to accuse people of lying and to get off scot-free because he immediately withdraws that remark? That is surely a bad precedent to set.

Mr Speaker: I dealt with that matter at the time. I have clearly told the Member that accusing another Member of telling lies is unparliamentary, and I have asked the Member to withdraw his remarks and to reflect on them. He has done that.

Mr Hamilton: That diversion illustrates the silly extent to which the Member will go in the House. I want to correct my good friend and colleague Mr Weir: it is not the second time that Mr McNarry has retreated from his comments in the Chamber — it is the third time, and I am happy to stand over that assertion. At the end of Mr McNarry’s contribution yesterday, he said:

“That is another good reason why we will not be supporting the Minister.” — [*Official Report, Bound Volume 38, p8, col 2*].

If he is not supporting the Minister, he is opposing him. When his party says that it will abstain today, I do not know whether that is a credible claim.

Dr Farry: I thank the Member for giving way. Does he agree that it is not just the Finance Minister whom Mr McNarry is not supporting? He also does not support the two Ministers from his own party, because the Ulster Unionist Party’s approach to yesterday’s debate could have resulted in those two Ministers having no money to spend from the beginning of April. Given the recession and the crisis in the Health Service, such an approach is unforgivable.

Mr Hamilton: I thank the Member for his intervention. He is absolutely right. Individual Members might disagree with the emphasis that the Executive place on different elements of expenditure and how money is allocated. However, it is clear that if Mr McNarry had been able to persuade his party and others in the Chamber to support his position yesterday, the Government of Northern Ireland would have ground to a halt from 31 March. Whatever we think about what the Executive are doing, that approach is not the way

forward, but if Mr McNarry had had his way, that would have happened yesterday. He says that he will abstain today; he might try to abstain, but I do not know whether he will be able to persuade some of his colleagues to do so.

He fundamentally misunderstands the purpose of today’s debate. The Budget Bill will give effect to the resolutions that the House voted for yesterday and will secure a regularisation of what has happened with in-year monitoring this year and will provide a cash float for next year. I am sure that wiser Members in the Chamber will consider and reflect upon that issue — regardless of any personal opposition to the Executive’s actions — and appreciate the rationale behind today’s debate.

All the questions that have been asked about black holes and whether there is a deficit beg questions to the Members who pose them; what would the Ulster Unionist Party do in these circumstances?

We are well used to outbursts and stunts, and as Mr Weir said, the idea that a penny can be stretched —

Mr McNarry: Yesterday’s record.

Mr Hamilton: You are going to hear it again, because it is an important matter. The Member’s party reissues his statements again from yesterday, and if he is going to speak today —

Mr Weir: It is his never-ending one.

Mr Hamilton: At least he is recycling. That is good, and I am sure that the Environment Minister will be pleased to hear that. The Member is rehashing the same stuff that he has been repeating week in, week out, for the past number of months, even though it has been challenged and has been shown to be completely wrong.

The question of what the Ulster Unionist Party would do in the circumstances must be posed and answered. People in the Chamber, and, more importantly, the people of Northern Ireland, deserve a credible answer to that question. We are well used to the sort of stunts that have characterised the Member in recent weeks, such as the grandly named equity-release scheme, which would effectively involve selling off our buildings in the hope that some money could be made. I think that he could even be accused, at one time, of wanting to sell the Building in which we are standing. There was also the one-penny cut, and a number of other stunts and nonsense from the Ulster Unionist Party.

It is actually quite difficult to define the position of the Ulster Unionist Party precisely. On the one hand we have the comments made by Mr McNarry about what should happen to the Programme for Government and the Budget — that they should be completely rewritten. He claimed the other day that they are not fit for purpose. On the other hand, we have his party

leader, an Executive Minister who supported today's Budget at Executive meetings, as well as supporting the spring Supplementary Estimates and Vote on Account. When questioned by the BBC about whether the Programme for Government and Budget were dead in the water, the Minister said that he does not accept that, and said that although some of the targets are problematic, he does not believe that that should mean a complete rewrite. There is complete divergence between the views of Reg Empey and David McNarry.

What the Ulster Unionist Party wants to do to the Budget was spelt out honestly by Mr Basil McCrea yesterday — I say "Basil" because I see that my colleague William McCrea is here, and I would not like him to cast one of his famous looks at me. Yesterday, in the Chamber, Basil McCrea spelt out very clearly the Ulster Unionist Party's position if it got its way. He said:

"All that I ask is that the Minister provides some sort of steer about whether or not we have a problem. If we have a problem, it is incumbent on all Members to identify the issues and to work together to try to resolve that problem, because if tough decisions have to be taken, that can be done only through consensus. Only if we all agree that there is a problem, and only if we all agree that cuts have to be made, can cuts be made." — [*Official Report, Bound Volume 38, p15, col 1*].

The Ulster Unionist Party is talking about cuts to budget lines. At least Basil McCrea was honest about that — as I said, it is sometimes difficult to discern exactly the position of the Ulster Unionist Party. Having enjoyed the debate yesterday, he showed us the natural extension of what his call for cuts would mean — that no budget line, no Department and no Minister's money would be immune from those sorts of cuts, least of all his own colleague the Health Minister, whose budget accounts for 50% of the overall money available to the Executive and the House to spend. Today, Basil McCrea says that the Health budget should not be made to suffer. Perhaps he has now spoken to his friend the Minister for Health who has told him that he does want to give up any money.

I am not surprised that the Health Minister does not want to give up money, given the way in which he behaved over a year ago when even though he received the biggest allocation for health in the history of Northern Ireland and the biggest allocation in the Executive by a million miles, he still demanded more money. I am not surprised that Basil has perhaps been hauled in and told to desist from talk of cuts. However, cuts would be the outworking of what Members are proposing as an alternative to the Budget, because there is no new money available — in fact, quite the opposite. Westminster is suggesting that there could be as much as 5% further efficiency cuts.

Indeed, if the Ulster Unionist Members' new friends and colleagues in the Conservative Party had their way, those cuts, and more, would be made come April

this year. What sort of serious detrimental effect would that, or indeed, the Labour Government's proposed cuts, have on Northern Ireland? Those sorts of cuts to Budget lines would be the inevitable consequence of the position that the Member's party has taken.

12.00 noon

There is no new money; there is no will, certainly on this side of the House, to increase revenue by putting up rates. In fact, the opposite is the case; the Minister of Finance and Personnel has, wisely and prudently, cut rates and provided relief for businesses, companies, individuals, householders and vulnerable groups of people, such as pensioners. The Member's idea of rewriting the Budget would result only in Budget cuts. That has to mean cuts to health and education.

The Executive have been criticised in many quarters about what they intend to do. However, they have invested £1.4 billion in infrastructure in this year alone. That is a record level of investment in Northern Ireland, which is much in excess of last year's £1.1 billion. As recently as 2003, the level of investment stood between £600 million and £700 million, so it has more than doubled in a very short period. That shows that there has been a clear difference between direct rule and devolution.

Over the next three years, approximately £600 million will be invested in roads; £650 million in water infrastructure; more than £500 million in healthcare and hospital modernisation; £855 million in schools and colleges; and more than £900 million in social housing. Those are big projects that will make a radical difference to the way Northern Ireland looks, and the way that public services are delivered in Northern Ireland.

The question for those Members who advocate cuts is this: what projects would they cut? Would they cut the £250 million in investment for building new Health Service facilities at the Royal Victoria Hospital, the Ulster Hospital — in the Strangford constituency, which I and Mr McNarry represent — the Downe Hospital, Altnagelvin Area Hospital or the Mid-Ulster Hospital in Craigavon? What about the £200 million investment that is earmarked for 14 projects across the education and library boards? I could go on and on about those sorts of projects.

I am pleased and proud to say that many of those investments are in my Strangford constituency. Massive investment of approximately £4 million is planned for roads in Newtownards and a new social security and jobs and benefits office in the town. There will be new social housing all over the constituency. We are talking about £4 million pounds' worth —

Mr Cobain: Will the Member agree that the Programme for Government target for social housing, which promised 1,500 new social and affordable

homes, is not going to be met? Will he also agree that the child poverty targets are not going to be met? I can make a list of targets that are not going to be achieved and which will affect those who can least afford it.

Mr Hamilton: I thank the Member for his contribution. I apologise to him, because I omitted to include him among those who hold divergent views within his party. He wants to throw all sorts of money at social programmes, social housing and poverty targets. His views are completely different from those of some of his colleagues. Again, that shows the different emphases that exist in the Ulster Unionist Party; if the day has a “y” in it, there must be a split in that party.

The Member mentioned child poverty targets; unless it has escaped his notice, these are difficult economic times, and some people who would ordinarily have been in employment are not in employment anymore. That is having an adverse impact. However, Mr Cobain’s party colleagues, the Minister of Health, Social Services and Public Safety, and his party leader, who is the Minister for Employment and Learning, supported those targets. Indeed, Sir Reg Empey still says that all those targets, which are contained in the Budget, do not need to be rewritten. He is on public record as saying that, and that is clear.

I wonder what the consequences will be for some of the targets that the Member mentioned. I accept that he has a passion for the issues that he has raised, and they are important issues. However, his problem is that he is sitting in the ranks of a party that is advocating cuts to departmental budget lines.

How much worse off would those issues, about which the Member is so passionate, be if his colleagues had their way and the Budget were completely rewritten? No Department’s budget would be immune; they would all be slashed, including that for the Department of Health, Social Services and Public Safety, of which the Member’s colleague is the Minister.

Mr Cobain: Will the Member give way?

Mr Hamilton: I do not have to give way to Mr Cobain. Some of the issues that the Member spoke about are linked directly to the remit of the Minister of Health, Social Services and Public Safety. A rewriting of the Budget — to take money from one aspect to give it to another — will affect the budget for the Department of Health, Social Services and Public Safety and some of the issues that the Member mentioned.

Mr Cobain: It is a pity that the Member was not present in the House last Monday, when his party colleagues advocated that certain elements of the health budget be ring-fenced. He was not there to criticise that point. As usual, Mr Hamilton picks and chooses what he thinks should be criticised.

A few weeks ago, the First Minister spoke in the House about child poverty targets and said that those will be met. Every Member knows that those targets will not be met. Mr Hamilton knows, as well as I do, that 2,000 new social homes are needed every year, but that only 800 will be built this year. Mr Hamilton listed some Health Service issues. I can list social issues that will not be met by the Budget. People at the lowest end of the poverty spectrum will be worse — not better — off. That is what I care about. I hope that Mr Hamilton cares about that too.

Mr Hamilton: I will not thank the Member for his intervention. First, the debate on efficiencies — which are, in fact, cuts — in the Health Service was held last Tuesday, not Monday. On Tuesday morning —

Mr Cobain: In the House, one day runs into the other.

Mr Hamilton: That is true. There is a sense of déjà vu today, and I know that I am contributing to that. That debate was held last Tuesday. Indeed, at this moment, I am supposed to be at a Committee meeting, which is where I have just come from. The Members on these Benches have good attendance records at Committees. I know that Mr Cobain’s colleagues have less than good attendance records. As Chief Whip of his party, perhaps the Member should address that issue.

I thank the Member, however, for making my point better than I did. He did so by highlighting the cuts that the Minister of Health, Social Services and Public Safety has made. Indeed, the entire Ulster Unionist Party’s approach is now characterised by the word “cuts”.

The Minister of Health, Social Services and Public Safety received a record allocation for his Department in the Budget. The allocation was the biggest in the history of the Health Service in Northern Ireland, and it was the biggest allocation, by far, in the entire Northern Ireland block. The Minister welcomed the efficiency savings and said that he had no problem in achieving those. He subsequently came forward with a package of cutting measures.

Between 1998 and 2007, the number of administrators in the Health Service increased by almost 33%, and the number of managers and senior managers increased by 100%. Closing homes, cutting ambulance services or sacking nurses are not efficiencies, especially when those are compared with the inefficiencies in administration.

Dr W McCrea: Surely the honourable Member for North Belfast cannot get away with this. His senior party — the Conservative Party — recommends that there should be no financial stimulus. *[Interruption.]*

Mr Speaker: Mr McNarry must make his remarks through the Chair.

Dr W McCrea: I really do feel sorry for the Member; he seems to be rather agitated. Perhaps he should refer himself to his colleague, the Minister of Health, Social Services and Public Safety, Mr McGimspey.

The Ulster Unionist Party cannot have it both ways. Its senior party — the one that does the commanding and demanding — is telling it that there should be no financial stimulus but, rather, that there should be cuts. The Member spoke about all the issues that are not being met by the Budget. Will my honourable friend Mr Hamilton tell the House how the issues that Mr Cobain mentioned will be met under cuts?

Mr Hamilton: I thank my honourable friend for his intervention. His question, in fact, cannot be answered easily. If we were to cut back on budget lines and move money from one Department to another — which could have a positive effect on the health budget or no effect at all — we would have to remove money from somewhere else, which could affect issues close to the Member's heart, such as agriculture, enterprise or employment. It would be like robbing from Peter to pay Paul. Money would have to be taken from one Ulster Unionist Minister to give it to the other.

Some of the very important issues that the Member for North Belfast raised could not in any way be assisted. If, as he says, he believes that there are real pressures and problems in that area, they will only be exacerbated by cuts in departmental budget lines. If those problems are not exacerbated, then new problems will be created elsewhere in the Budget.

The prescience of the Executive in setting the economy as their number one target was absolutely correct. In fact, they were well ahead of the game in comparison with other devolved regions, which are now looking with some envy at what we are doing in having set the economy as an economic priority, and are having to rewrite their budgets to focus on the economy to the same level as us.

We would all like to see more money put into infrastructure and everything else, but we must live within our means. Encapsulated in this Budget is the Executive's priority to invest heavily in our infrastructure. That is the key to not only helping to ease the pain of the current economic downturn, but, more importantly, as Mr O'Loan said yesterday, focussing on not just the downturn but looking to the future. Serious investment in our infrastructure is the key to laying down the foundations — literally and metaphorically — for a brighter future for Northern Ireland so that when the inevitable upswing that will follow the current downturn comes, Northern Ireland will be well positioned to capitalise on that. Indeed, it may even get ahead of the Celtic tiger, which is now nothing more than a purring pussycat, and will be well

placed on this island — and in these islands overall — to capitalise on the upswing in a way that others may not be able to do.

I am pleased to support this Budget. It correctly continues to focus on economic growth for Northern Ireland as the way forward for our country. That was a priority on which we would all have unanimously agreed before devolution, and on which we unanimously agreed as parties when devolution occurred. It will, perhaps, not overcome the downturn or the recession, but it is still the right recipe to ease the pain as best we can and to build a future for Northern Ireland. All of us will be able to say that we took the right decisions at the right time, we prioritised the right things at the right time, and we put the money where it was needed — into our infrastructure. We will be able to say that we invested wisely, and that Northern Ireland and its people benefited from that.

Mr F McCann: A chairde, I support the Second Stage of the Bill, but I will make several comments regarding some of the real difficulties that we will face in the months and years ahead. It is not always easy to accept a proposal for accelerated passage or to deny debate at Committee Stage, but there are times when that is necessary, and I believe that this is one of those times.

In 2007, when the Programme for Government and the investment strategy were unveiled, it heralded a new chapter of local involvement in creating a Budget that would allow local politicians to set out their priorities to deal with many cross-cutting issues that affect our citizens. Like everyone else in this House, we had our disappointments, but we regard those disappointments as battles that have yet to be fought. I would have liked to see more resources allocated to address issues such as social deprivation, urban and rural regeneration, fuel poverty, homelessness and the general lack of social and affordable housing.

We believed that many other issues needed to be tackled, such as the provision of new hospitals, education and the building of a strong economy, so that well-paid jobs would be available for all of our citizens. No one could have predicted recent events in which capitalism has fallen flat on its face, causing major upheaval for everyone. In spite of everything, we in Sinn Féin argue that the Programme for Government still holds out for us the best-possible way forward.

Dr Farry: Will the Member give way?

Mr F McCann: No, I cannot. The Programme for Government sets out a path that deals with the economy, job creation, training, housing, health, education, culture and many other issues that will bring about some of the necessary improvements and changes that are so badly needed in our society. The Programme for Government provides a vision.

For many weeks, I have listened to some parties saying that we need to change the priorities and renegotiate the Programme for Government. However, I have heard little in the way of real substance or any strategy that would offer a better way forward.

12.15 pm

In recent days, we have listened to parties that are more interested in scoring political points than in offering priorities to help us get out of the mess that we are in. Their words are no more than empty rhetoric. At a time such as this, would it not be better to put our collective shoulders to the wheel and work together to bring about changes in citizens' lives. Is that not what leadership is about? We were elected to deliver change, but if change does not allow us to help those who are most in need, we have failed.

Every Member has his or her priorities. I believe that the social housing sector must be properly resourced. However, such investment should be part of an overall strategy, involving all aspects of housing, including the provision of social and affordable homes, a substantial budget for the maintenance and improvement of existing stock and funding for supported housing. We must examine new procurement arrangements and consider how effective social clauses can provide protection for local employment, encourage the training of apprentices and bring much-needed trade to local businesses.

Many Departments, including the Department for Social Development, have strategically placed land, which if used for housing could halve the cost of housing units. However, Departments must be willing to share the land. In addition, we need to know when developers will begin to deliver article-40 housing.

Members are led to believe that investment in social housing can rejuvenate the flagging housing sector, but no matter how much I want to see maximum investment in the social sector, social housing developments make up only a small proportion of housing supply. In 2006-07, 95% of the 14,731 houses built were for the private market and, in 2007-08, 90.2% of the 11,851 homes built were for the private market. It is the collapse of the private housing market that has had a devastating impact on the construction industry.

Recently, I heard of a developer who, although he was given a positive response by the bank for backing for a proposed development, learned that if he built the units, mortgages would not be available to those who might wish to purchase them. That story flags up the need for agencies to work together in a co-ordinated way to address the needs of the construction industry and the people who require housing, whether it is in the public or the private sector. I reiterate my belief that we must adhere to the Programme for Government

because it holds the best way to move forward from the present situation. I support the motion.

Mr Beggs: A Budget is about income and expenditure. There has been much talk, particularly during yesterday's debate, about expenditure; however, how accurate is the income aspect of the Budget, which enables the Executive to authorise expenditure?

In last year's Budget, the Department of Finance and Personnel accepted the Department of Agriculture and Rural Development's (DARD) £200 million valuation of the Crossnacreevy site. Having listened closely to the Finance Minister yesterday, I accept that DARD was at fault for attributing non-zoned agricultural land with a development valuation. However, if I brought my local estate agent or bank manager to my 25-acre farm and asked to borrow money based on the price of development land, I wonder whether they would give me millions of pounds? I am quite certain that having checked it out, they would tell me that my land is agricultural land in a green belt. Therefore, the Finance Minister appears to be using a sleight of hand. Before accepting the £200 million valuation, his officials must have considered whether the land was in a green belt. I do not understand how the valuation was accepted.

Moreover, surely the former Finance Minister should have known the extent of the planning boundary in Castlereagh. In last year's Budget, the £200 million estimate was drawn to everyone's attention — one could not have missed it. Therefore, collective responsibility must be accepted for the failure.

Moving on, the proposed Budget authorises the issue of £12,486,000,000 from the Consolidated Fund and total expenditure of £15,730,000,000. A significant amount of money is raised through the regional rates.

Land and Property Services administers the collection of domestic and non-domestic rates, to the order of £850 million a year. That contributes to the income of the regional rates levy, which goes to the Executive, and an element is allocated to local government to fund its expenditure. The accuracy of the regional rates element can have a bearing on the income for expenditure that is used in the Budget.

Carrickfergus Borough Council, of which I am a member, established its rates process recently. That experience did not instil in me a great deal of confidence in Land and Property Services, which is an agency of the Department of Finance and Personnel. During that rates process, there were huge variations in the demands of Land and Property Services.

Before Christmas, Carrickfergus Borough Council was advised that, due to a miscalculation, it would be liable for an additional £285,000 in the rates for 2008-09. I am aware of other councils that faced such huge variations. Subsequently, a few weeks ago,

Carrickfergus Borough Council was told that the estimates for 2009-2010 had been revised and that we would be receiving a further demand of approximately £380,000. That was reduced to £180,000 when the rates due from Northern Ireland Water were highlighted. Most councils in Northern Ireland have experienced such swings in their local rates.

If there have been variations in the local rates, there will, no doubt, be variations in the regional rates that can be raised and built into the Budget. One of the elements driving that is the increasing provision for bad debt. Has the regional rates income to the Department of Finance and Personnel been updated as a result of the increasing levels of rates arrears and bad debt? Will the Minister confirm that the failure of DFP's Land and Property Services has resulted in increased levels of rates arrears and a subsequent requirement to increase rates levels because of bad debt?

That requirement comes at the worst possible time. Due to the credit crunch, debt levels have increased, and there is less money to pay the rates arrears that have been issued. I suspect that some of the failure has been due to the decision of Land and Property Services not to inspect properties that were listed as vacant. That meant that rates for occupied properties were not being paid.

Rates arrears have increased significantly over the past number of years. It was estimated that rates arrears in March 2005 were £35 million; £48 million in March 2006; £88 million in March 2007; and £130 million in March 2008. I acknowledge that the estimate for March 2008 was reduced to around £80 million at the time of the Public Accounts Committee's hearing into rates collection, but it remains a significant amount of arrears. I have no doubt that that will contribute to increasing levels of bad debt.

Can the Minister advise the House of what changes, if any, he has made to the Budget as a result of the increased levels of bad debt? That is an important issue.

The Larne railway line, unlike other rail services in Northern Ireland, was not allocated new trains. The new trains on the Bangor and Portadown lines have seen a huge increase in passengers and, with that increased use, come associated environmental benefits. It is disappointing that the contracts for the new trains on the Larne line have not been announced. I want an assurance that that will happen and that no changes in the Budget will delay that process, because commuters who use the Larne line are experiencing a poorer quality of service.

Mr Hamilton: It is good to see Mr Beggs back on the finance brief — perhaps Mr McNarry has been demoted from that for the second time this year. Mr Beggs said that he does not want undue delay in budgets being spent, but can he balance that comment

with comments that his colleagues have made, calling for a complete rewriting of the Budget and the Programme for Government, which would inevitably lead to delay and procrastination? To be fair to the Member, he has not made such a comment, but I would like to know how he can reconcile those two positions.

Mr Beggs: The Member should understand that improvements to the rail service in east Antrim will contribute to a wide range of areas, including the economy of Northern Ireland, the environment, and the quality of life of the commuters from that area. Mr Hamilton should reflect on some of the comments that have been made by some of his own colleagues. In yesterday's Official Report, I note that, when referring to failures in the roads structure in Northern Ireland and the need to improve maintenance, Jim Wells indicated that:

“The monitoring-round route will no longer suffice”. — [*Official Report, Bound Volume 38, p45, col 1*].

Some of the Member's colleagues are referring to a range of other issues and saying that monitoring is not sufficient. I am assuming, therefore, that not only are they dissatisfied with the monitoring round but that they must want other wider revisions.

Most people would recognise that there has been quite a change in the economic situation in the course of the last year. Is it wise to keep on paddling the canoe without looking to see what changes should be made?

Mr Hamilton: The Member has spelt it out very clearly that, moving forward, his party's approach to the Budget is characterised by cuts. Will he not accept that —

Mr Speaker: Order. The Member should direct his remarks through the Chair.

Mr Hamilton: Sorry, Mr Speaker. Through the Chair, will the Member not accept that calling for more money for rail or anything else that he desires will require a cut being made somewhere else? Perhaps the Member could outline where, precisely, the money will come from for some of the things that he is talking about and, indeed, some of the other stuff that he may want to talk about. Is the Member suggesting that those cuts are made to existing budget lines?

Mr Beggs: I hope that the Member will examine what I have said very closely. He is the only person who is talking about and using the word “cuts” repeatedly. I have been advised that the tender for the Larne train line has been out for some time and is due to be signed at any moment. I am concerned that the signing of that has been delayed and am starting to wonder whether, perhaps, DFP has issued instructions to delay such significant expenditure on something that will have a wide range of economic and environmental

benefits. The trains are not due until 2011, but I am concerned that, as yet, there has been no announcement about the signing of the contract.

Therefore, when discussing the issue of the trains, I am not talking about cuts, nor do I want money to be further advanced. I simply want the rail programme to be continued, and I am concerned that there may have been delays, perhaps as a result of instructions issued by the Department of Finance and Personnel. Therefore, it would be helpful if the Minister could clear up that matter. I hope that the contract for the Larne train line, which will ultimately require DFP approval because of the significant sums involved, gets approval and that we will hear good news about that before long.

Following on from a comment that I made in response to this morning's statement on the North/South Ministerial Council, I would also welcome an assurance from the Minister of Finance and Personnel that funding will be available to improve the A8, the Larne to Belfast road, which is a key transport corridor for all of Northern Ireland as it links to the shortest ro-ro ferry route across the Irish Sea, from Larne to Cairnryan. Will the Minister assure us that the money for that improvement will continue? Has there been any indication of delays on that project, or is it continuing with its programme? It is one thing to say that the money for that will come, but I want to know whether there has been any indication of when it will come.

Similarly, there is bottleneck on the A2 at Greenisland, where there is a very narrow section of road that is funnelling traffic to and from Belfast. Commuters travelling from Carrickfergus to Belfast have to go through that funnel, which then widens out again to four lanes. Will the Minister indicate whether any long-term funding is available to improve that key transport corridor?

Recently, I have visited health centres in my constituency, in Larne and Carrickfergus. I am well aware of the need to replace those ageing primary-care centres, which were built in a different era. Patients should not have to be treated in cramped conditions, nor should health centres need to have buckets to collect water from leaking roofs. We should not be using facilities one might more commonly expect to find in Third World countries. I hope that additional funds will be available to enable primary care facilities in my constituency to be upgraded.

12.30 pm

It should be borne in mind that there is no acute hospital in the East Antrim constituency. I am not even pressing for a new acute hospital. I am simply asking for a decent health centre. GPs and other allied health services should not have to work in cramped conditions, or conditions that could inhibit their ability

to treat patients, and, hopefully, take the pressure off our acute hospital services.

There has been a long delay in rebuilding a primary school in Island Magee. Indeed, over £1 million has been spent on purchasing the land. I hope to hear shortly when the children of Island Magee will be able to attend their own local school, and not have to be taught in poor conditions. There was an agreed amalgamation of three schools, and that is now down to two schools. I hope that when schools co-operate and agree in such a way, which is a difficult process, the Department of Education and the Finance Minister will ensure that money will be available to facilitate such change.

Again, in the Carrickfergus area, Woodburn Primary School —

Mr Speaker: Order. I remind the Member, and the whole House, that we are debating the Budget Bill; not constituency issues.

Mr Beggs: I hope that within the Budget Bill, and the allocation for education, that there will be sufficient money available to enable improvements to primary schools such as the primary school in Island Magee and Woodburn Primary School.

Woodburn Primary School is an older building, and it continues to provide quality education. However, the quality of education would be enhanced greatly if that older building were upgraded, meaning that many of the children would not have to be taught in mobile classrooms. Most mobile classrooms rely on electric heating. How many people use electricity to heat their homes? It is one of the most expensive forms of heating. Money that should be directed toward teaching children and improving their education is being wasted. Also, the use of electricity for heating is not environmentally friendly. There is the need for an upgraded building with an efficient heating system.

It is important that constituencies such as East Antrim are not overlooked in the Budget. For too long, we have heard people in the west complain about a lack of provision. I can assure them that there is a need for increased provision in the east, and in East Antrim.

As regards the social development budget, Members may not be aware that there is a need for additional funding for the warm homes scheme to ensure its sufficient uptake throughout the constituency. There is a concern that there may not be sufficient funds available to meet the needs. Recent figures from the Northern Ireland housing conditions survey showed that parts of Larne, which in my constituency, are the second worst as regards fuel poverty in Northern Ireland. Clearly, there is a need for additional investment in the warm homes scheme to provide more efficient buildings and to ensure that people do not have to face the choice of eating or heating.

I have concerns with the Budget. I am aware that some areas have a need for different allocations, and some money in the Budget could be diverted to my constituency, as it has genuine needs. There must be equality to ensure that parts of the east receive appropriate funding — just as parts of the west do.

Mr Speaker: The Business Committee has arranged to meet immediately upon the lunchtime suspension. I therefore propose, by leave of the Assembly, to suspend the sitting until 2.00 pm, when the next Member called to speak will be Declan O’Loan.

The sitting was suspended at 12.34 pm.

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

2.00 pm

Mr O’Loan: This debate is on the Budget Bill, which is, of course, about money, but it is also about much more than money. We are making very basic decisions about how we best use our resources. Some people are critical of the term “social engineering”, but all Members are involved in social engineering. We are trying to engineer or create a better society by using the resources at our disposal, of which financial resources are a very big part.

Turning to the broader picture of what we are doing with our money, I will address a couple of themes or issues that cause me concern. The first is what I regard as a tendency among some in the Assembly to become very inward-looking and protectionist in outlook. The Minister of the Environment, Mr Wilson, recently recommended that preference be given to employing local workers. Those comments worried me, and many others, a great deal.

I will focus on only the protectionist aspects of those remarks. We benefit greatly from the fact that our citizens can move freely throughout Europe and the world. The EU is based on the principle of the free movement of capital, goods and labour, and it has been a very powerful vehicle for driving up our economic advantage throughout the EU. Our future must be very firmly located there.

The second issue arose initially from comments that the First Minister made in his new year’s speech. He expressed considerable scepticism about the North/South Ministerial Council, and that view was reflected in a motion that was later tabled in the Assembly. That is what I mean when I say that it appears that certain Members are developing inward-looking tendencies. There is no future for this Assembly or for Northern Ireland if we take that approach.

When I hear unionist Members express such views, I have great fears — fears in the economic sense, but, equally, in the social and political sense. In economic terms, Northern Ireland has no future other than to throw itself open to the world and to compete in the global marketplace. If we attempt to do the opposite and close in on ourselves and develop a protectionist stance, we will be sunk in an economic mire. The only way to better the economic future for the people who depend on us here is to open ourselves up to all available routes. On this island of Ireland, the North/South aspect of our economy is vital, and I want to hear all Members make that clear when outlining their position.

I find it very surprising that the First Minister made such a comment in his new year statement. The First Minister has a duty to be the First Minister for all of us. He is my First Minister as much as he is the First

Minister for those who sit on the DUP Benches. For him to use his new year message to launch an assault on a fundamental of the Good Friday Agreement was extraordinary and most unfortunate. The Good Friday Agreement was a complex piece of architecture, designed to deal with a very difficult political problem here. Anything that attempts to undermine its very foundations should be regarded with extreme concern, and I want to express that concern very strongly today.

The third issue that I want to address is sustainability. We live in a time when the resources of this planet are under severe pressure, which must be one of the fundamental contextual issues that we have in mind when developing all of our policies. Therefore, again, I have serious concerns when I hear the Minister of the Environment, Mr Sammy Wilson, expressing his total belief that changes in climate have no origin in the activities of human beings.

When any issue comes in front of me, I look for evidence — it is correct that we all do that. Climate change is a complex matter; no one has an all-embracing theory on the issue or can create a model that explains all the great and many climate changes that have taken place over the centuries.

Mr Paisley Jnr: Interested as I am in the issues that the Member raises, will he make his comments relevant to the debate on the Budget Bill?

Mr O'Loan: If the Member had been present at the start of my speech, he would have heard me outline the relevance of my comments to the Budget — I will not repeat myself.

Any right-thinking person has to take seriously the weight of evidence, presented by respected scientists in the field, that reaches the conclusion that man is having a significant effect on climate change. As a minimum, any serious policy-maker must adopt an extremely cautious approach. When a risk analysis is carried out, the probability of an event occurring and the consequences of that are examined. If an event is found to be in the quadrant of high probability and has serious consequences, serious policy-makers must take that into consideration. The First Minister said that that was the stance of the Democratic Unionist Party and —

Dr W McCrea: On a point of order, Mr Deputy Speaker. I ask that the Minister of Agriculture and Rural Development come to the House and make a statement on her Department's handling of the farm modernisation scheme. There is speculation that the application process for the scheme does not comply with legal requirements, which has implications for the standing of the Assembly and the Executive.

The Minister must come to the House and explain fully her insistence on an application process that led to farmers camping outside departmental offices for up to 48 hours, only for its legality to be brought into

question. The matter goes to the heart of the Department and the Minister's ability to run her Department properly. As the Minister is accountable to the House, she ought to come here to explain the situation. The issue is so serious that, if the speculation is correct, it should lead to ministerial resignation.

Mr Deputy Speaker: I am sure that the House has heard the Member's point and that the Minister will take note.

Mr Elliott: Further to that point of order, Mr Deputy Speaker. I want to outline some of the issues that were raised by an adviser to the EU Agriculture Commissioner on the seriousness of the situation. He said that —

Mr Deputy Speaker: That is not a point of order.

Dr Farry: On a point of order, Mr Deputy Speaker.

Mr Deputy Speaker: Are you sure that it is a point of order?

Dr Farry: It most definitely is.

Will you provide guidance to the House on when points of order should be raised? I note that the points made by Rev McCrea, though they may be relevant, came during a Member's speech on the Budget Bill. If the Member wanted to make a comment that was relevant to the speech that was being made, I can understand why he was making it at that point. However, would that type of point of order not better be made during the break between debates, rather than during the middle of a Member's speech?

Mr Deputy Speaker: I am sure that the Member will appreciate fully that, at times, it is very difficult to know what a Member is going to say. However, I have noted what Dr Farry has said. I am sorry for the inconvenience, Mr O'Loan, please continue with your speech on the Budget Bill.

Mr O'Loan: Thank you. I am very aware of the importance of the issue — indeed, a Member from my party tabled a private notice question in relation to it this morning. However, I am surprised that Mr McCrea felt it necessary to introduce a point of order in the middle of my speech, which will be finished in the next few minutes. However, he did so, and you had no choice but to take it.

I was referring to the stance that the First Minister took on the issue when he said that his party would be bringing to the Executive what was outlined in its manifesto, which is an absolute and proper commitment to address climate change. However, I do not see how he can be consistent in saying that he will bring that manifesto pledge to the Executive when a fellow Member of the Executive, from his own party, is taking a diametrically opposed stance.

Some Shakespearean plays feature characters that are known as fools, and they are tolerated because they often utter words of wisdom, but I do not think that that is what we are seeing in this particular case.

This matter is important because of the signal it sends to our community regarding the response we are seeking from people, as individuals, in addressing climate change. It is also very important when we are considering Executive policies that have a bearing on that, for example, in relation to the conservation of energy, and in the message that we are giving to the business sector with regard to whether we want them to get involved in renewable energy technologies.

All of those matters are the daily diet of discussion at the Executive table and at Assembly Committee meetings, and there cannot be two messages coming from the Executive on this issue. In my opinion, the Minister of the Environment's position on the issue is not tenable, and, bearing in mind what the First Minister has said, his position is not tenable either.

Dr Farry: I support the Second Stage of the Budget Bill, albeit that my support is reluctant support. However, I appreciate the importance of the legislation being passed. As the opposition in this House, and although we have major concerns about the nature of current and future spending plans, we take our responsibilities as public representatives in Northern Ireland extremely seriously, and we acknowledge the importance of having some form of legal framework in place that will allow Departments to spend money from the beginning of the new financial year.

I dare to suggest that there is an important debate to be had about the way forward and about whether revisions need to be made to the Budget. We are not going to have a separate Budget statement this year, because a three-year Budget has been agreed by the Executive, and we respect that opinion. Therefore, any changes that are to be made on the Floor of the Chamber will be best made in relation to the second Budget Bill, which will be introduced in June. At that stage, we will be in a better position, and we will have more scope and time to consider whether a different way forward is feasible.

The challenge today is to ensure that the funds are in place to allow Departments to spend the money that they have in order to fulfil their statutory functions. Every Member should be aware of that responsibility. This is not the time for Members to produce gimmicks or vote against motions and leave people short of resources. That is not the responsible way forward.

2.15pm

The Alliance Party has had major differences with the Executive over some of what they were doing. Although I fully acknowledge and welcome the commitment that the Executive have given to prioritising the economy, I dispute how genuine that is in practice.

I would, perhaps, place a difference emphasis on where and how resources are deployed to ensure that we get the maximum benefit for the greater good in Northern Ireland in encouraging economic growth and closing the productivity gap with the UK, the Republic of Ireland and other countries in Europe. However, such differences will arise, and I hope that, in a democratic Chamber, different points of view can be respected.

I wish to comment on the subject of the £1.1 billion black hole that is claimed to exist in the Budget. That sensationalist headline figure is in danger of distracting us from serious issues that need to be addressed, and it cheapens an important debate that needs to take place. I acknowledge that the £1.1 billion gap, which exists on paper, is, at this stage, essentially a theoretical gap between the potential claims of all Departments for new resources, and what will potentially be surrendered by Departments. As time moves on, that gap will, of course, close as needs are addressed, requests are taken off the table or further money is surrendered. There does seem to be a funding gap, though it is probably in the region of £370 million, based on the evidence of previous years' monitoring rounds.

I must add a warning: we need to be sensitive. As a result of the economic downturn, we may be in a sui generis situation, where normal rules and past assumptions may not necessarily apply in the current context, and we could easily be knocked off course by events over which the Assembly has little control. There is a genuine issue about the ability of the Executive to meet demands. However, we should move away from talking about it as a £1.1 billion gap, never mind the term "black hole". As we know from astrophysics, no light ever comes out of a black hole: that is why it is black.

My other concern is about what Departments are doing to address the economic downturn. In the past, I have criticised the Finance Minister over his responsibilities. However, his responsibilities do not cover the entire Executive: the Finance Minister is a ringmaster, who holds the ring between competing demands of Departments. However, Departments themselves should be taking action. What strikes me about many of the claims that were made about the Budget stocktake was how few of those calls for additional money were directly linked to the economic downturn. I find that hard to grasp.

To my mind, the economic downturn is the number one issue for the electorate across Northern Ireland, which desires to see the Executive mobilise their resources to deal with the situation. There does not seem to be much evidence of hunger and creativity coming through from Departments in trying to address those needs. The resources available are limited, and that is an issue. However, if the Departments can take a hard look at what they are doing and conclude that some of their projects, which may have been relevant a

year ago, are not now to be given the same priority and that there are other things that they could do to address the economic downturn, I would look forward to Departments bringing forward such proposals.

The only real evidence of an economic downturn that we have so far seen in the stocktake figures are the loss in revenue from Departments, as asset sales do not realise the income expected. I am concerned about how seriously some Departments are taking the fact that we are in an economic downturn, because much of what they are doing seems to be “business as usual”.

Another point I want to make relates to the status of the investment strategy for Northern Ireland. Perhaps the Minister will clarify that point in his winding-up speech. The Budget sets out the net figures for capital spend: the investment strategy, the gross figures. When both documents were being finalised, certain assumptions were made with respect to asset-realisation and other sources of income.

As a result of the economic downturn, those assumptions have been knocked off course. The investment strategy and the Budget have been knocked out of sync by events. The Budget included the net figure of £1.4 billion for capital spend this year; at the same time, the investment strategy included the gross figure of £1.8 billion for expenditure. Lost income means that we are back at £1.4 billion; therefore, the net figure has become the gross figure.

Similarly, the investment strategy provided for £3.6 billion to be spent over the next two financial years; however, the Budget net figures set aside only £2.7 billion in resources. Perhaps some income will allow us to bring that figure above the £3 billion mark; however, we are in the realm of intangibles. The Minister talked about the expectation of spending approximately £3 billion over the next two financial years; I encourage him to try to give a bit more certainty, if he can, as to the Executive’s longer-term capital spending plans for the remainder of the budgetary period. It goes without saying that it is important that we get as much capital spend and as many jobs involved as possible.

I asked Sinn Féin Members to give way during some of their comments. Fra McCann talked about the death of capitalism. Despite views in the Chamber to the contrary, I believe in the free market as the most efficient way of allocating resources in a society and ensuring the maximum good for everyone. The lessons of the past few years have shown that the global economy and the capital system need reformed and increased regulation; however, I still think that it remains at the core of our thinking in respect of the Budget.

Sinn Féin may well have its own ideological approach when it comes to allocating resources. It produced a long list of reasons for its dissatisfaction, and the areas that the Budget did not address, such as social housing,

healthcare, and education. I sympathise with a lot of that. However, Sinn Féin is coequal in the Executive, and I have to ask where its fingerprints on the Budget and the Programme for Government are. I cannot see them. Perhaps someone can answer that at some stage.

Mr Weir: I think that the Member will acknowledge that some Members opposite would be very good at entering a scene and not leaving fingerprints.

Mr Deputy Speaker: Order, order.

Dr Farry: I will not add to the confusion on that point.

Clearly there is a problem about what is happening with health spending in Northern Ireland, and there are two competing explanations as to why that is. One is that efficiency savings are not being properly applied by the Minister and, instead, we have a situation in which quite simplistic cuts in the level of service are taking place. The other is that the health budget was inadequate to begin with. There is a large grain of truth in both explanations and both are valid as flip sides of the same coin. In my mind, efficiency savings are about making changes to policies and practices, moving resources from outmoded ways of doing things, and redirecting them to more efficient and effective ways of addressing new services and demands that might be entering the system.

Mr McCarthy: Does the Member agree that the Minister of Health, Social Services and Public Safety’s proposal to cut 700 nurses from front line services is anything but an efficiency cut? Rather, it is the decimation of the nursing profession at a time when we need more nurses, not less.

Dr Farry: Yes, I agree fully with my colleague; there is no job more front line than that of a nurse.

Mr Cobain: What about resources?

Dr Farry: I will return to Fred Cobain’s point about resources.

Another aspect is the underfunding of the Health Service in Northern Ireland. I acknowledge that the figures show that around 48% of the total Budget is spent on health and that some 51% of new spending is going to health. Those are simple facts, and I will not argue with them. However, notwithstanding those figures, health spending in Northern Ireland is not keeping up with the level of health spending elsewhere in the United Kingdom. The health budget has been flatlining over the past few years. That divergence has not been historical; it is much more recent than that, and devolution has played a large part in taking decisions that have knocked us off course.

Health spending is becoming much more difficult because of more expensive drugs and technologies, and because people are living longer, which is to be welcomed. In Northern Ireland, those figures look

dramatic because we have a less broad range of functions than a national Government have. The higher rates of morbidity in Northern Ireland mean that spending per head must be higher than that in, for example, England or Wales.

Mr Hamilton: I take the Member's points, and he is making a valuable contribution to the debate in accepting the fact that record levels of investment have been made in health. I am sure that he will note, as I do, that investment in the Health Service in Northern Ireland has more than doubled over the past decade. Will he agree that some of the health inequalities that he and his colleague Mr McCarthy have talked about — which Members will unanimously agree are problems — will be detrimentally affected by some of the cuts that are being forced through by the Minister of Health, Social Services and Public Safety and would be made worse if some of the Minister's colleagues got their way to take yet further money from that budget?

Dr Farry: I agree with the Member, but that is only one part of the equation. The DUP opposed the creation of a separate public health body for Northern Ireland on the basis of cost saving. The Member's argument was that that would be done more efficiently by being incorporated into an existing body. Other people think that a separate body with a particular focus on public health and preventive health provision might be better placed to reduce inequalities and include other issues regarding social deprivation and other inequalities in society. As a consequence, that would bring an opportunity to lower costs on overall health spending per capita. There are different perspectives on how that could be done.

There are two challenges facing health. The first is to get the efficiency savings correct and to ensure that they are not, in fact, cuts. I fully support efficiency savings; I understand that they have to happen and that they are part and parcel of modern budgeting. An efficiency saving of 3% year-on-year is moderate and modest compared with the savings that many private organisations would be asked to make when managing their own funds.

The second challenge concerns the flatlining of the health budget. Notwithstanding the unprecedented levels of investment, the rest of the United Kingdom has had equally unprecedented levels of investment. It is moving ahead of us, and we are £200 million or £300 million short of where we need to be by 2011.

Declan O'Loan brought up the issue of the green economy. I will not go into a similar preamble on the background to climate change, but I will mention the economic and financial arguments on the issue. Mr O'Loan made some important points. Climate change will involve a cost of compliance. Investments will have to be made in order to rebalance the economy to

deal with the realities of climate change. All societies around the world will have to do that, and we cannot stick our head in the sand and pretend that we are different. A debate is to be had about when those costs are to be incurred. I suggest that the longer those changes are delayed, the more expensive they will be for future generations.

Equally, in the context of an economic downturn, when money has to be spent to stimulate the economy, there is an opportunity and an incentive to direct resources to those types of investments. That would fund the changes that have to happen at the same time as stimulating the economy, and that makes much economic sense.

There are job opportunities from energy-efficiency installation, which may be mentioned in the forthcoming debate on the Building Regulations (Amendment) Bill, and the development of renewable technology. The cost of energy is perhaps the biggest single barrier to households and, in particular, to the business sector in Northern Ireland to competing with other jurisdictions.

Therefore, there are very direct economic and pro-business arguments for coming to terms with renewable-energy technology.

I was slightly concerned that the Finance Minister said yesterday, at the end of his speech, that he felt that market forces alone would be sufficient to drive the green revolution. I urge him to rethink that. The private sector has an important role to play, but the public sector also has an important role in driving forward the green agenda by pump-priming.

2.30 pm

The Executive have their differences on that point. I agree with Mr O'Loan that a common answer must be found. I asked questions of the Environment Minister and the Minister of Enterprise, Trade and Investment, on the same day, about the potential for the green economy. The Environment Minister rubbished the whole notion. He declared that it would involve money that Northern Ireland need not spend, and that that would be money down the tubes that could be better spent. The Enterprise, Trade and Investment Minister recognised the importance of investing in the development of green technologies. I fully support that. There is a lot of potential on both parts of this island in that respect.

My reply to Sammy Wilson is that such investment follows the logic of double glazing. Double glazing costs money, but it saves money, in the long run, by cutting heating costs. Therefore, the economic logic behind the changes is important.

The Executive face the challenge of coming to terms more fully with that concept. Even this morning, when he reported on the North/South Ministerial

Council, the deputy First Minister acknowledged the potential of renewable-energy development. However, there seems to be no sense of better co-ordination between both jurisdictions on the island in relation to their renewable policies and obligations to try to create a common market. That stance is regrettable. I am not making a political point about better co-operation on the island — it is a comment on the link between Northern Ireland's and the Republic's economic and environmental requirements. There is a real challenge in pulling those elements together.

Ms J McCann: Go raibh maith agat, a LeasCheann Comhairle. I welcome the opportunity to take part in the debate. I noted with interest Stephen Farry's comments in defence of capitalism and the free market. Given that the lack of regulation in banking and financial systems across the world got us into the present mess, I see that capitalism and the free market really works.

Dr Farry: Will the Member point to any socialist country that has been more successful than one with a free market?

Ms J McCann: I could point to a lot of them, but I am not getting into that debate now. I can take that argument up with Stephen Farry any time that he likes.

Mr McCartney: Can any Member in the House point to a better Health Service than Cuba's? *[Interruption.]*

Dr Farry: Will the Member give way?

Ms J McCann: Hold on, Dr Farry talked for 15 minutes, Mr Deputy Speaker. May other Members have a chance, please? I totally agree with my colleague Mr McCartney.

To return to the debate —

Mr Hamilton: Will the Member give way?

Ms J McCann: For goodness sake.

Mr Hamilton: Is the Member aware of many countries that deny political and religious rights more than Cuba does?

Ms J McCann: Actually, there are people who say that Ireland denies some people's human and religious rights. I am talking about the North of Ireland. *[Interruption.]*

Mr Deputy Speaker: Order. Sorry, will the Member please sit down. I believe that the debate has gone off the subject of the Budget, which is what Members are supposed to be debating. The Member may carry on.

Ms J McCann: To return to the subject in question, it is unfortunate that the debate on the Budget is taking place in the shadow of the economic downturn that many families and businesses face at present. The increase in unemployment has spiralled even more

people into financial difficulties. Members have already commented on that.

I believe that Simon Hamilton may have been the Member who said, earlier, that the cost of fuel was coming down. If asked, families who use electricity and gas in their homes will tell you that they are still paying high fuel prices. That can still be quite a squeeze on people's budgets. Families find it difficult to meet all those costs.

There is also danger that people will lose their homes as they find it increasingly difficult to keep up their mortgage repayments. As recently as Friday 13 February, there were reports of increased home repossessions. I am sure that everyone in the House is worried about that. It is worth taking a reality check and remembering that many families in our communities live in poverty and have daily difficulties.

The Executive's Programme for Government still presents an opportunity to deliver on their key priorities of tackling poverty by targeting investment and public procurement in order to build a strong economy in which social disadvantage can be tackled. Guideline requirements are built into every project so that the Executive can deliver that change on the ground. It is important that that be driven forward.

The Assembly's commitment to deal with discrimination and disadvantage is at the crux of the opportunity to overcome what is morally and economically unsustainable. For example, ways to challenge those patterns of disadvantage include examination of how all public-procurement expenditure can integrate economic and social requirements, along with ring-fencing projects that impact directly on discrimination and poverty. In order to achieve that, the Assembly must think outside the box.

As was mentioned during the debate on Monday 16 February, the Assembly must work within the Budget. That must be understood. Therefore, good housekeeping is necessary. I will repeat what I said during that debate: the Assembly must deliver the £150 fuel payment to people as soon as possible so that they can meet their fuel costs. The Assembly has already approved the payment; however, it must ensure that the money goes into people's hands.

As for the huge budget for procurement, the Assembly must agree on measures, such as local-labour clauses, to ensure that equality conditions are met. Companies that receive public-procurement contracts must meet base conditions, such as to offer good wages and employment of apprentices and to contribute to local economic welfare and growth. That will help people who are in social need and will also help the economy to grow.

Therefore, during the current period of economic uncertainty, it is important that local businesses have

access to all the new financial guarantee schemes that the British Government have introduced as part of the bail-out for banks. That will ensure that those businesses have access to working capital and the cash flow that they need. It is also important that those businesses be kept open because many people have put a lot of money into them, particularly smaller, local family businesses. They also employ people for whom job security is important.

It is clear that as part of its response to the current economic downturn, the Assembly must take new action in order to create a strong and vibrant economy. Competitive fiscal incentives must be introduced alongside other measures in order to encourage investment and growth. That need not focus solely on foreign direct investment, but on local small and medium-sized enterprises (SMEs) and social-economy enterprises.

Comments were made earlier in the debate — for example, by the previous Member to speak, Stephen Farry — to the effect that in the current climate, there is a strong need for all-island, all-Ireland co-operation among organisations such as Invest NI, Intertrade Ireland and the Industrial Development Agency in order to ensure that there is networking and that the channel of co-operation is kept open for all SMEs and social-economy enterprises throughout the entire island of Ireland. It is important that matters are considered on an all-island basis, not just in a North/South capacity. That can be beneficial only if it opens doors to businesses in the North as well as in the South and creates new opportunities for all.

Social and affordable housing has also been debated. There has been much contentious debate on that matter in the Chamber. There is genuine concern about the Budget's ability to meet targets for social and affordable housing and allocations for housing programmes.

Although the housing market has changed dramatically — particularly in respect of sales — there is still a big need for social and affordable housing; people need homes. The Assembly needs to send out a clear message that we are examining those issues and are concerned about those issues. In the past year, many people have lost their homes due to the economic downturn. Perhaps they have lost their jobs and cannot keep up with mortgage repayments and are now on the social-housing list. That list is getting longer. Therefore, we must afford people the opportunity to express their concerns and to bring those concerns to the Assembly.

Debt has become another major source of concern, particularly for people who find themselves in a situation that they were not in 18 months ago. Many people need specialist debt advice in order to get themselves out of that debt. Debt-advice workers need to be more accessible. A lot of organisations and people are doing a good job and delivering debt advice, but

there are not enough. There should be more specialist debt-advice services across the North of Ireland based in local communities. I would hope that that is an issue that we could examine and drive forward.

We still have an opportunity to deliver on the important issues of fairness, inclusion and equality of opportunity by actively and effectively challenging existing patterns of social and economic disadvantage and by using any future increased prosperity to tackle ongoing poverty. We must remember that some people were already living in poverty when the Programme for Government was put together, even before this economic downturn. The Programme for Government offers the opportunity to drive forward the programmes needed to tackle the problems that I have outlined.

The priorities of the Programme for Government and the investment strategy are growing the economy and using the increased prosperity and economic growth to tackle existing patterns of social disadvantage. We must take the opportunity — *[Interruption.]*

Mr Deputy Speaker: Order, please. There is another debate going on here. I ask Members to allow the Member to speak.

Ms J McCann: We can push forward with the Programme for Government. As was said here yesterday, the Assembly and the Executive must send out a clear message of leadership. Members do, obviously, have their own areas of concerns. However, none of us should use debates on issues that are of major concern to the people as an opportunity for party politicking. Indeed, some debates turn into what I can only describe as theatre.

Mr Weir: No one would pay to see it, though.

Ms J McCann: Well, probably not. Most Members are concerned about the serious issues that I have outlined. We must send out a clear message that we are united in trying to tackle those problems.

Mr Wells: It is a bit rich of the Member for West Belfast to condemn the Member for North Down for speaking for 14 minutes when she spoke for 14 minutes and 34 seconds. It is a case of do as I say, not as I do.

Mr Brolly: She was misleading the House. *[Laughter.]*

Mr Wells: I hope that my points will be succinct, rather than rambling throughout all of Northern Ireland.

I want to emphasise that the Hansard report stated that I was speaking in yesterday's debate on behalf of the Committee for Regional Development; I was not. I was speaking as a member of the Committee for Regional Development. I want to clarify that in case the writs start to fly from room 401. However, it is important that the regional development aspect is broadcast in this debate.

Yesterday, I mentioned the problem with the structural maintenance of roads. Today, I will speak on the vexed issue of our water quality and sewage disposal; someone has to do it.

MLAs appreciate that major structural projects have been carried out. Funding has been successfully bid for and spent on major capital projects such as new sewage treatment works in north Down, Portrush, east Antrim, and so on. However, those projects only progressed because Friends of the Earth took a judicial review against the direct rule Government for their failure to meet EC directives on bathing water and water quality. Although it would be churlish not to recognise the achievements, we have a legacy of scores of inadequate and poorly performing smaller sewage treatment works, particularly in rural areas. It is vital to tackle that situation before it runs out of control.

2.45 pm

Although it is slightly parochial, I want to outline the situation in Newcastle in my constituency. That large town, which is one of the most important centres of population in south Down, has consistently failed almost every European directive. Dundrum Bay has failed to meet the requirements of the urban waste water treatment directive, the bathing water directive, and has failed to meet the Blue Flag standard. It is becoming an embarrassment to our premier tourist resort that the sewage treatment works — which I remember opening about 20 years ago — are totally inadequate and urgently need funding for a complete rebuild.

A battle is ongoing between the Northern Ireland Environment Agency and Northern Ireland Water. The Northern Ireland Environment Agency says that bathing water quality in Dundrum Bay and Newcastle is of such a low standard that all future connections to that system must stop and that no further high-density development can progress in Newcastle until the issue is resolved and money to provide a new sewage treatment works is found. Northern Ireland Water says that there is no problem at all and that it can fill its tanks, which have plenty of room. It says that it will continue to manage water that gushes through the system. That is fine. However, that water brings *E. coli* into the bay, and the seawater is extremely polluted. The Northern Ireland Environment Agency should win that argument, and there should be no further development until the funding is found.

The Minister of Finance and Personnel is very clever and has an excellent response to that point, he will ask what budget I propose to cut in order to fund adequate provision for sewage treatment works. That is one of the cleverest arguments ever made in the House, and is difficult to argue against. He will then ask whether I propose to cut the health budget, the education budget

or funding for other vital services in order to achieve that end.

I have a few suggestions about the source of the funding for the adequate sewage treatment system that the Province so urgently needs. The Committee for Regional Development noticed recently that Northern Ireland Water will pay the Department for Regional Development a £43 million dividend from its income this year. Therefore, money will return to Government coffers. During these difficult economic times, is it too radical to suggest that DRD does not accept that £43 million, but allows Northern Ireland Water to spend the money on infrastructure projects in respect of the sewage treatment system?

Furthermore, the Committee recently discussed the monitoring round, during which £25 million had to be found for an unavoidable cost, namely the re-designation of the status of Northern Ireland Water. The Committee had no way of avoiding that particular sleight of hand. Could the re-designation proposal have been postponed for a year to enable major upgrades of many sewage treatment works?

Tenders are coming in at a much more competitive level. I have heard that tenders for major capital infrastructure projects are at least 19% lower this year, compared with two years ago. The reason is clear: companies are so desperate for work in Northern Ireland that they make extremely low — some might say suicidal — bids to secure the work and to maintain cash flow. We can, perhaps, use that opportunity to invest more money in capital infrastructure for our water. It may be unfortunate for the companies but good news for the taxpayer.

Furthermore, given the savage cuts in interest rates during the past 18 months, the system must produce a windfall. As Members know, a large proportion of funding of water infrastructure is through debt.

Northern Ireland Water has the power to go to the open money markets and to obtain funding for capital projects through borrowings. I suspect that that money must be an awful lot cheaper now than it was 18 months ago. Perhaps this is a virtuous circle, and the ducks are in a row, as it were. Things are stacking up to enable a major leap forward in investment in the Province's water supply — particularly its disposal.

The good news, from an economic point of view, is that the multiplier effect of that could be quite significant, because as I said yesterday, over half the increase in net unemployment in Northern Ireland in the past calendar year occurred in the building sector. Any attempt to bring about a rapid turnaround in unemployment would have a long delay, except through construction, particularly through projects such as building small sewage treatment works and the structural maintenance of roads. People could literally be out on the ground

and working very quickly if investment were made in those sorts of projects.

I urge the Department for Regional Development, in conjunction with DFP, to examine ways in which we can get our builders back on the road — back into their white Transit vans and out along the road, building again. I spoke with one gentleman in my constituency the other night who had worked in the building trade for 38 years and had never had a day's enforced unemployment in his life. He is well into his 50s — there is nothing wrong with that — and he was finding it incredibly difficult emotionally to walk up the street to the social security office in Kilkeel to sign on for the first time in his life. He is perfectly entitled to do so, but the emotional impact of having to do that, having been the main breadwinner in the house, was breaking him up. I can understand that. I have only had to sign on once in my life, when the Assembly collapsed in 1986, so I know exactly what it is like. It did not help that a TV crew was there to film me doing it, but I know what those folk are going through.

There are a lot of hard-working, skilled people out there who would jump at the opportunity to work on a project such as the refurbishment of Ardglass sewage treatment works, or the facilities at Killough, Strangford, and all around the country, which are completely past their sell-by date.

Mr McCarthy: Will the Minister — sorry, will the Member give way?

Mr Wells: I hope that you are being prophetic. The Minister would love to give way, but the obscure Back-Bencher will.

Mr McCarthy: You have been promoted.

Does the Member not think that what he has said is a contradiction in terms? He is calling on the Department to restrict the building of further developments in Newcastle, because of the inadequate sewage treatment works — and I fully understand that — but is there not a possibility that the problem could be acknowledged, yet the development could continue, with no one being allowed to use the development until the proper infrastructure and sewerage facilities are provided? In that way, the building could continue, thus providing employment to people such as the man whom the Member has been talking about who had to sign on. That has happened in other places.

Mr Wells: The Member has obviously been reading the 'Down Recorder', and has seen the sort of arguments that I have been making in the local press.

There are at least seven vacant building sites in Newcastle at the moment where not a single brick has been laid for six months. Unfortunately, there is no market for housing in South Down. The only people making money are those who are installing the steel

fences around vacant building sites. Even when sites have full planning permission — even if Northern Ireland Water were to allow them to connect, and the Northern Ireland Environment Agency were to approve that connection — no one is buying the houses. That is the reality. Perhaps in the eastern part of County Down, where folk are more affluent, houses are selling, but not in South Down.

The benefit of public infrastructure projects is that the money is there and the work can begin immediately. There is no requirement for a huge surge in market activity to enable a sewage treatment works to be repaired. Fortunately, there is no machine yet that can do that work. That work is not only capital intensive, but labour intensive.

If the present economic situation continues, some way will have to be found of getting thousands of men — they mostly are men — back into the white vans, because the knock-on effect of that on the community would be enormous. Even local garages are telling me that they were dependent on gangs of men coming into the cafe at 7.30 am to get their Ulster fry, buy their sandwiches and cigarettes and go back on the road. That market is drying up, and that is having a knock-on impact in the community. We need to think imaginatively.

At a meeting this morning with Northern Ireland Water, I made the point that it, and perhaps Roads Service, offer the best opportunity to get people back onto the road, paying their taxes and National Insurance, and back into the shops, hotels and pubs spending money. If we do not do that, we will be in grave difficulty.

Those are my views on the situation, but if we do not do something soon, I am concerned that the "green" image of Northern Ireland as a location for tourism that we like to portray will be somewhat tarnished by the fact that in some of our communities, that which is coming out of the sewers and into the sea, the rivers and Lough Neagh leaves an awful lot to be desired. Do not be kidded by the wonderful new facility at Donaghadee, which is designed to serve all of north Down. That is a great facility, but what about the 80 or 90 little units that if the EC were to examine them in more detail, would fail, left, right and centre?

Mr Cree: When the Programme for Government was introduced, the economy was, quite rightly, put at the forefront. However, things have changed dramatically since that time. The scale of the recession and the impact that it has had on public spending means that we must re-examine our programmes and targets. That view is shared by others; in yesterday's 'Belfast Telegraph', the economist John Simpson stated:

"The purported budget for 2009-10 is based on assumptions that have been invalidated."

John Armstrong of the Construction Employers' Federation also stated:

"Northern Ireland's economic position has changed dramatically over the last number of months. We believe the Executive needs to adjust its priorities to take account of this."

However —

Mr Hamilton: Will the Member give way?

Mr Cree: No. We have heard enough from the Member, and it did not add any value.

We have all heard from the Minister of Finance and Personnel that everything is fine, and that we should proceed full steam ahead. However, the target to create a minimum of 6,500 jobs, 85% of which will be above the Northern Ireland private-sector median wage, seems bizarre, given what we now know from the financial-services sector. When Invest Northern Ireland states that foreign direct investment leads are being particularly hard hit, when sales from its land bank, which funds growth, especially for locally owned businesses are down, and when sales in 2008-09 are estimated to be at least 80% down on last year, we should be re-prioritising existing resources in order to get the best return for existing Northern Ireland businesses. The Minister of Enterprise, Trade and Investment has instead, however, announced an independent review of her Department, with the debilitating remit that it will only report back in the summer.

The Minister of Finance and Personnel has made many announcements over the past few weeks, outlining the steps that his Department and the Executive have taken to boost the economy and local businesses. Some of those announcements have been welcome and will be beneficial; others are old news and have been recycled. One of the key points that I wish to make today is that announcements are the easy bit; delivering on those announcements is what the Executive and the Minister of Finance and Personnel will be judged on. Announcing a £1.4 billion investment in our infrastructure for this year is easy; delivering £1.4 billion is another story.

There is a severe lack of monitoring and evaluation when it comes to delivering on Programme for Government targets. That is also true when it comes to infrastructure investments and investments in the economy. In this morning's 'Belfast Telegraph', Nigel Smyth of the CBI states:

"Confidence will only be built if effective delivery takes place — regular monitoring and reporting progress is necessary to ensure results are being achieved, and to date this visibility has been lacking."

I want an assurance from the Minister of Finance and Personnel that adequate reporting and evaluation will be put in place in order to make certain that the Executive are delivering. That should not take the form of facile statements made by the Minister, but of detailed reporting on investments made and projects

started. The ease with which announcements are made was highlighted again today when the Planning Service stated that there was no longer a backlog in planning applications. Despite that, it takes much longer to get anything approved here compared with the rest of the United Kingdom. We also know that 22 projects have been put on hold, which is unfortunate at this time, when we need as many works in progress as possible.

The Minister of Finance and Personnel must look again at rates relief for small businesses. Indigenous small businesses make up 98% of Northern Ireland commerce, and at this difficult time, it is right that the Minister should closely examine rates relief proposals, as the cost of doing business in Northern Ireland has increased considerably in recent years — a factor that is rendering small businesses vulnerable in these extremely difficult times.

3.00 pm

In addition, more strategic emphasis must be placed on attracting tourists to Northern Ireland. The strong euro is giving Northern Ireland a short-term advantage, but we are not making enough of that by having a joined-up approach and introducing packages to attract new tourists from Great Britain, the Republic of Ireland, and mainland Europe.

Mr Attwood: I concentrate my remarks on four Departments and on one wider point. I begin by commenting on the Department for Employment and Learning's budget line, which will be music to the ears of the Minister of Finance and Personnel. As he is aware, in the December monitoring round, the Department for Employment and Learning returned more than £14 million to DFP in respect of — what one would presume to be — some critical programmes in general, and especially so at this time of economic downturn.

More than £14 million — in respect of programmes such as Jobskills, apprenticeships, Steps to Work, and New Deal — was returned to the Minister. Therefore, when the financial year is examined in totality, it will be seen that more than 15% of the Department for Employment and Learning's budget lines for those programmes has been returned to DFP in monitoring returns.

It raises serious questions about the Department's budget lines in general, when, only nine months into the financial year, more than £14 million is being returned through in-year monitoring for, what one would think would be, essential job-related programmes. Based on the unemployment figures increasing in May 2008, why is it that after nine months the uptake for some of the programmes is still lower than one might have anticipated during a time of economic downturn?

Last week, for example, the Committee for Employment and Learning received a briefing from departmental officials on the Steps to Work programme.

On the basis of the evidence and statistics given, it appeared that there has not been a major uptake of Steps to Work programmes at a time when one would expect people to be queuing to get additional skills and training to prepare them for work or get them back into work.

Further, I want to flag firmly to the Minister that although I have concerns about those budget lines and about how some of those programmes are working, there are many questions about how fit for purpose some of them are, and how they will make people better trained and better educated in the event that there is an economic upturn in the future.

I will also focus on the DETI budget line. As we know, during a time of economic downturn, one has to be able to position oneself for the far side of the recession. Part of the strategy for positioning Northern Ireland for a global upturn will involve the work of Invest Northern Ireland. Last week, each Member received a document from the employers' forum, Northern Ireland Manufacturing (NIM). Its comments on the work of Invest Northern Ireland are worthy of consideration by the House, the Minister of Finance and Personnel, and, in particular, the Minister for Employment and Learning.

This is what NIM says:

"NIM appreciates the encouragement Invest NI gives to the manufacturing sector ... However too much attention has been directed by Invest NI towards IT and call centre employment and not enough towards broader industry. It has been too quick to dismiss much of manufacturing as 'sunset industries' not worthy of support ... There is good, sustainable, high value added niches to be exploited in all of our manufacturing industries, and this is where Invest NI should be active ... The merger of IDB and LEDU combined the weaknesses of both organisations, with SMEs being particularly adversely affected by the shift towards more bureaucratic decision-making. That Invest NI is not working for the broad middle strand of industry in Northern Ireland is apparent from analysis of its assistance. The trend is towards an ever fewer circle of recipients."

If that is what the manufacturing forum is saying, it should be determined whether those assertions about Invest Northern Ireland are true. If it is the case that we have to position ourselves for a global upturn, we should determine whether our various investment mechanisms — and those who can upgrade the work and skills of our various employers — are treated in a way that does not concentrate all resources in one or two sectors, but tries to sustain the manufacturing base in the North, small though it may be. I trust that, when this Budget Bill and policy in the near future are studied, what the manufacturing forum is saying will be taken on board.

I also want to make a point about the Budget situation generally. Stephen Farry said that "hunger and creativity" were needed to address the economic downturn. When it came to most of the Executive's conduct, he added that it was, too often, "business as usual". As the Minister is aware, the SDLP believes

that there needs to be a fundamental reassessment of the Budget. We advance that argument again today. We believe that that argument is backed up by evidence from industry and economists.

As I understand it, the front page of today's 'Belfast Telegraph' hints that the Executive should explore other avenues to determine how we can address the economic downturn. However, there is evidence far beyond what may be on the front page of the 'Belfast Telegraph'. Earlier, there was reference to the Construction Employers Federation (CEF). Last week, its managing director said that the federation wanted the Executive to adjust its priorities and redistribute revenue and capital funds into the building and maintenance of Northern Ireland's public infrastructure. He said:

"We believe that urgent and unprecedented intervention by the Northern Ireland executive is called for to safeguard the industry, its supply chain and the broader economy".

Mr Hamilton: Will the Member give way?

Mr Attwood: I will in a second.

The managing director of the Construction Employers Federation concluded that:

"Investment in construction and maintenance of the public infrastructure is the quickest and most effective way to create employment and reverse the downturn."

That is the voice of the Construction Employers Federation and many other employment forums. It is also the voice of a growing number of economists. Why does the Minister not heed that advice?

Mr Hamilton: I thank the Member for giving way. I hear his points about the construction industry and the need for investment in infrastructure. Right across the House, I think that there is agreement that investment in infrastructure is a sound and solid way of moving forward and trying to ease the pain that many are experiencing in these difficult economic times.

Having quoted the CEF, which emphasised the need for urgent and unprecedented intervention, and given that investment in major construction projects is not always as quick as one would wish, does the Member accept that investment in public-sector infrastructure projects has increased from approximately £600 million in 2003 to approximately £1.4 billion this year, which is a significant and unprecedented sum?

Mr Attwood: No one denies that investment in infrastructure is one way forward. However, there are two flaws in the Member's argument. First, simply earmarking money does not mean that it will flow to the construction industry and, secondly, the Construction Employers Federation and others go further than the Member. I repeat what it said:

"CEF is calling on the Northern Ireland Executive to urgently adjust its priorities and redistribute revenue and capital funds."

The Federation is not asking for infrastructure spending to be eased through the system. Given the intensity of the downturn, only by readjusting priorities will the Executive be able to alleviate the worst excesses of the downturn that people are facing, and those excesses were eloquently outlined by the Member for South Down Mr Wells.

Mr Hamilton: Will the Member give way?

Mr Attwood: I will give way in a minute. If Members do not wish to listen to the SDLP, Jim Wells or the Construction Employers Federation, they should listen to the growing body of opinion from economists in the North. John Simpson, Mike Smith and Richard Ramsey are all on the same page. They are telling the Government that the downturn is so intense that they must change their mindset in order to turn the situation around.

If Members do not wish to listen to John Simpson, Mike Smith and Richard Ramsey, they should take note of the past year's increased unemployment figures. In the whole of Northern Ireland and Britain, Magherafelt suffered the single biggest increase, 189%; followed by Dungannon, 162%; and Cookstown, 150%. Although unemployment levels in the North are not as bad as those in other parts of Britain, it is experiencing the biggest increases.

Mr Hamilton: I notice that the Member did not mention that Northern Ireland has significantly lower unemployment rates than the Irish Republic. In response to the Member citing so many economists, I am tempted to repeat the old joke that economists have successfully predicted five of the last two recessions. Moreover, the apparent commonality among economists makes a lie of that other old joke: if economists were laid end to end, they would never reach a conclusion.

The Member mentioned the CEF's comments about reprioritising, which begs the question: if the Executive were to reprioritise — as his party and other parties are suggesting — and move money from one place to another, although I have heard about where that money should go, where should it come from?

Mr Attwood: I will answer that question. However, shooting the messenger does not provide an answer for people in Magherafelt, Cookstown and Dungannon. Irrespective of economists' past form in anticipating economic downturns, if the message from them all is the same, should the DUP and Sinn Féin not listen to it? In coming months, the biggest increases in unemployment figures will not just be found in Magherafelt, Cookstown and Dungannon, but in other areas in the North as well.

The Member properly asked what the SDLP would do to adjust priorities, and, in the near future, that is precisely what it will publish.

I will borrow from a phrase that his party colleague Lord Morrow made during a debate on the North/South Ministerial Council last week. He suggested that one would have to get up early in the morning to work out what the DUP is at. I suggest that the Minister of Finance and Personnel should get up early one of these coming days to see the SDLP's proposals. They will touch upon small, symbolic measures that will demonstrate that the Chamber and the Executive are capable of responding to the economic downturn. Furthermore, the SDLP will propose bigger measures that will, in some way, touch on what Mr Wells suggested, and, in fact, go much further.

3.15 pm

Mr Wells: I am worried that I am being quoted in defence of what the Member is saying. I did not suggest that money be taken from some Departments and given to the Department for Regional Development (DRD) to spend on sewers and road maintenance and, in so doing, help kick-start the construction industry. I was suggesting ways in which DRD could use its existing budget imaginatively to achieve that. I was not asking for nurses to be made redundant or schools closed. There is an important distinction between reprioritising within an existing Department or moving money between Departments. I do not believe that I am guilty of committing any heresies this afternoon.

Mr Attwood: I concur with much of that, but the SDLP will go further than Mr Wells. Not only will our proposals look at in-Budget moneys and how they are spent, they will look at other sources of funding, additional to the Budget, that can be used as a means of dealing with the economic downturn.

When dealing with the economic downturn and examining new sources of funding and adjusting the Budget, we should borrow from comments relating to housing that, I understand, the Finance Minister made to the Minister for Social Development in a letter. Those comments have been reported in the media. He said that the loss of anticipated receipts from the sale of land and houses had a materially disproportionate and undesirable impact on the local construction industry.

Those are bold and brave words from the Finance Minister. Even from my limited political experience — and the Minister may well say that my words will prove that it is limited — I know that they are big words. It was brave of the Minister of Finance and Personnel to say that the loss of receipts has a materially disproportionate and undesirable impact on the local construction industry when talking about DSD's budget priorities — and those of other Departments.

One might say that that was all that the Minister could say. When one looks at the unemployment figures for Magherafelt, Cookstown and Dungannon over the past year — and given that those are the areas

from which the builders who construct the houses in the east of the North drive in the early hours, as Jim Wells mentioned — one can understand that the Minister was declaring a self-evident truth. If it is not possible to build houses, there will be a materially disproportionate and undesirable impact on the local construction industry.

In making its proposals — and without being exclusive — the SDLP will be telling the Finance Minister that he has to live up to the statement that he made to the Minister for Social Development. His statement was contradicted by what happened in the December monitoring returns.

Mr O'Dowd: Will the Member give way?

Mr Attwood: I will give way in a minute. The Minister confirmed that statement in January when he allowed the Minister for Social Development to use moneys, which she would not otherwise have spent, for investment in social housing. I welcome that. Therefore, when we arrive at the situation in which we do what Mr Wells has suggested or concede to the arguments and evidence raised by the SDLP and others, the Finance Minister will be judged against that standard.

The building of more houses will do more than merely bring back into work those people in the white vans, to whom Jim Wells referred. It will also mean that social needs are being dealt with and that the health and stability of families and communities are being addressed by providing people with proper homes in which to rear their families.

Finally, I wish to raise some constituency matters and to look to the future. There is enormous resilience and quality across the constituency of West Belfast, from the Shankill Road to the Stewartstown Road and in every street in between. If that constituency is to reach its full potential, further develop and deepen its capacity, a number of key projects must be factored into the equation during the next spending round and beyond.

First and foremost is the issue of the new hospital for women and children at the Royal Victoria Hospital, which is, as yet, unresolved and may not be resolved until 2016, 2017 or later. Within the next couple of months, God willing, I will have a second reason to spend a little time in the maternity suite at the Royal Victoria Hospital —

A Member: You will be getting up earlier then.
[Laughter.]

Mr Attwood: I will send the Member a text message early in the morning if that helps.

Many Members have benefited from the services provided by the doctors, nurses and other staff in the maternity suite at the Royal Victoria Hospital. Their efforts — which, in my experience, are performed in the most adverse working conditions imaginable in any

hospital — demonstrate how their skills are greater than any of the problems that they face. Nonetheless, the staff of that hospital should not have to continue to face those problems. That issue must be dealt with earlier in the spending cycle than is currently planned.

If we are to create the fabric of life in West Belfast that has been so long denied to its citizens, we must recognise the proposals of the West Belfast and Greater Shankill Enterprise Council for Glencairn, the Gaeltacht quarter, the Black Mountain and the regeneration of Andersonstown village, which all show that devolution and democracy delivers big time for communities in need. People in West Belfast will judge any future Budget or Minister of Finance and Personnel against some of those standards.

Mr Weir: As the last Member called to speak in the debate, other than the Minister, it may be appropriate to reflect on today's contributions. The debate has been, perhaps, more measured and less exciting than yesterday's debate. That is, in part, due to the lack of the dulcet tones of "Galileo" McNarry, whose magic penny appears to have been lost so he has been unable to fill the magic slot of the black hole. Today's debate was all the worse for the absence of an entertaining contribution from Mr McNarry.

Today's subject matter has ranged wildly, as one would expect in a Budget debate. Geographically, the debate has also ranged wildly: we went from Belfast to Havana at one stage; from Dublin to Colombia, which I believe was mentioned in passing by Mr O'Loan; and, in Mr Beggs's speech, we went from Carrickfergus to Larne. [Laughter.] Therefore, we have covered a great geographical base.

I commend some of the remarks that have come from an unusual source, in that Mr Farry stated that the Budget should be approached from a free-market viewpoint. Mr O'Loan also touched on that issue; I concur with his point that we should aim for Northern Ireland to compete in the global marketplace

Although the Budget includes provision for record levels of front line delivery to the public — which I will discuss later — and record levels of capital investment, some Members opposite, as Mr Farry said, may be deluding themselves if they view the Budget as particularly socialist or left wing.

I have searched high and low, and I have not seen any reference to the collectivisation of farms or the elimination of the kulaks as a ruling class, or anything that touches on anything other than a right-of-centre, free-market-type Budget.

The Budget focuses on prioritising the economy and putting industrial development at the forefront. As was indicated by Mr Cree the honourable Member for North Down, it is right that the economy should be the number one priority. However, I was then a little surprised

when he said that the Budget should be reprioritised. If he believes that what is already at number one should remain at number one, I am not sure where the prioritisation comes in.

Then again, we had several unusual contributions from Mr Cree. He made a plea for a rates relief scheme for small businesses, even though the Finance Minister has announced already that that will be the case. Quite often in Westminster, a Minister may repeat various bits of good news. However, someone from a different party repeating the good news announced by another party tends to happen rarely.

The £1.4 billion that was mentioned is not a projected aim; it is £1.4 billion capital, which is being delivered. It is in the field, it is already happening and, as has been indicated, it is of a level that is unprecedented — to use the words of Mr Attwood. It more than doubles what was there five or six years ago. We have the greatest level of capital spend and investment in the history of Northern Ireland.

The calls for reprioritisation are flawed in two regards. First, I question the idea of the consensus behind the reprioritisation. Certain people may be casting a particular view that is not accurate. For example, mention was made of Richard Ramsey of the Ulster Bank. I will quote directly from an article that Mr Ramsey wrote in 'The Irish News' last week:

"The executive has probably passed the first test of the economic downturn - using its limited armoury to provide short-term support to the business community... This will be an extremely stern test but the executive's performance and determination to date provides some encouragement that it can be done."

Clearly, that is not an indication of reprioritisation, but a belief that, broadly speaking, the Executive are on track. It also mentions the fundamental —

Mr Attwood: I note what the Member has said. However, do these words sound familiar?

"This highlights the importance of stimulating the house-building sector, via social housing expenditure, and ensuring capital investment is both maximised and delivered".

Those are the words of the selfsame Mr Ramsey in another article in 'The Irish News' last week. Mr Ramsey said that those measures are required in the short term.

Mr Weir: I agree with that. That is why there has been the high level of investment, particularly towards the construction industry. As I highlighted before, we have seen the highest level of investment that has taken place. Therefore, to represent that as some sort of attack on the Executive does not bear close scrutiny.

Mr Wells introduced discussions on reprioritisation within DRD, and I am not in a position to judge whether the details of those suggestions hold water, if Members will forgive the pun. Leaving that aside, all other Members who spoke, the other exception being

Mr Attwood, who has promised some document in the future from the SDLP —

Mr P Maskey: The Member referred to the document that the SDLP are bringing forward. Mr Attwood talked about some "small, symbolic measures".

Does the Member agree that it certainly would have been better for the SDLP to present those proposals before the Budget Bill was debated rather than after? Is it not the case that the SDLP's response is too late?

3.30 pm

Mr Weir: In many ways, I would have preferred the detail to have been introduced in the debate, because it would have been useful to know whether the SDLP intends to cut public expenditure in various areas and whether it intends to squeeze the taxpayers more. Perhaps it would be wrong of me to prejudge whatever magnificent economic ideas the party will present in the near future. I am sure that they will be of Nobel Prize-winning standard.

I see the honourable Member for Lagan Valley Mr McCrea making what appears to be a slashing gesture, which brings me nicely to the Ulster Unionist Party's contribution to the debate. *[Laughter.]* Yet again, I am not quite sure where its members are coming from. Mr Cobain has, from a sedentary position, pressed the case for greater funds to be made available to tackle child poverty. Indeed, he had a look of horror on his face when Mr Farry talked about committing to the free market. Given the Ulster Unionist Party's connection with the Conservative Party, I wonder whether he was looking for a transfer. Unfortunately, I think that the Ulster Unionist Party's gain in Mr Farry may be the Alliance Party's loss in Mr Cobain.

We are not quite sure what the Ulster Unionist Party has in mind: is it the views of "Red" Fred, the need to reprioritise the economy, or David McNarry's magic penny? Perhaps it is the views of its partners in the Conservative Party who want to see more cuts than there are in an entire series of 'Casualty'.

The central problem is that the calls for reprioritisation of the Budget have been vague, with the exception of Mr Well's comments and whatever magic bullets might come from the SDLP in the near future. I am sure that all Members can point to very worthwhile projects, in either our own constituencies or across Northern Ireland, that we believe should receive more investment. However, with the exception of Mr Wells, there has been a deafening silence on how that reprioritisation would work — no one has identified what areas they want money to be taken from. If Members say that they want money for x, y and z, they must act responsibly and give some idea of where the money to cover that extra investment should come from.

Dr Farry: Will the Member give way?

Mr Weir: I suspect that we might be about to get a lecture on the costs of division and segregation.

Dr Farry: I must first point out that I am more than happy to stay in the Alliance Party, for a number of reasons. I will certainly not be transferring to the Conservative Party.

My question is not about the cost of division; rather it is about the Member's comments that people should not make claims on resources that they cannot fund. Would he level that same criticism at the Executive with respect to their decision on the deferral of water charges? That decision may, in itself, have been a very sound one to make, but does the Member recognise that the deferral of water charges for a further two years has not been provided for in either the Programme for Government or the Budget? That announcement has been made without any identification of the resources that are needed to cover the cost of that deferral.

Mr Weir: The cost of that deferral is covered in the Budget. Yet again, the Alliance Party seems to have adopted an almost schizophrenic attitude: it says that the decision to defer water charges may well be the right one, but that it disagrees with it. Indeed, an alternative solution must be outlined. The Alliance Party must come clean on the issue of water charges and say whether it believes that water charges should have been imposed on people over the past two years. That was not my understanding of the Alliance Party's position.

Dr Farry: I am grateful to the Member for giving way again. The simple answer to that question is that all those decisions must be taken in the round, and any decision on whether to defer water charges must be weighed up against all the other competing claims on resources. The decision to defer water charges may well be the right one. However, my point is that the Executive took a decision, in advance of all other considerations in the context of an economic downturn, to defer water charges without taking account of the alternatives as regards resources. They may have made the right decision by accident, but I do not think that the process that they used to weigh up all the alternatives was that thorough.

Mr Weir: Perhaps it is my ignorance, but having heard that intervention, I am now more confused about the Alliance Party's position than I was when the Member made his first intervention. The Alliance Party seems to want it both ways: its members want to be critical of the Executive but do not want to be seen to be too critical of the decision to defer water charges because they realise that it has an impact on their constituents.

The Budget delivers for front line services, makes the economy the top priority and offers record levels of support for the construction industry and capital investment. As Mr Wells states, there will always be a

degree of reprioritisation in Departments, but the Budget has been well thought out, meets the commitments in the Programme for Government, and has been resilient and flexible enough to meet the changing —

Mr B McCrea: Will the Member give way?

Mr Weir: Unfortunately, Mr McCrea, you had the opportunity to contribute to the debate and did not take part. I was happy to give way to Dr Farry, who contributed to the debate earlier.

The Budget is worthwhile and can take Northern Ireland through these difficult times. I commend the Budget Bill to the House.

The Minister of Finance and Personnel: Thank you very much, Mr Speaker — Mr Deputy Speaker, I should say. It has been a long couple of days.
[Laughter.]

I thank those Members who contributed to the Second Stage debate of the Budget Bill. It is the case, as one Member said earlier, that today's debate was, perhaps, more full of substance, in contrast to some of the nonsense that we heard yesterday, which may have something to do with those who contributed to the debate, and those who were absent. I do not make that point lightly, and there are some honourable exceptions — Mr Basil McCrea is present and he spoke yesterday — but Members will know to whom I am referring.

I thank those Members who took part in this legislative stage of the public-expenditure cycle. I place on record my thanks to the Committee for Finance and Personnel for assisting the accelerated passage of the Budget Bill and ensuring adherence to the legislative timetable.

I will try to address a number of points that were raised. Some of those points were raised in yesterday's debate, some are different and many are, strictly speaking, irrelevant to the subject that we are supposed to be debating. Although the Budget Bill deals with expenditure in this financial year and the early part of next year, Members took the opportunity to range far and wide — geographically and topically — in the issues that they raised, including not just the Budget but the Programme for Government itself. I have no difficulty with that, but it means that a large number of issues were raised, and I will not be able to address them all.

Many of those issues are the responsibility of other Departments and their Ministers — matters of relevance to the Department of Enterprise, Trade and Investment, the Department of the Environment and the Department for Regional Development were raised. As the Ministers for those Departments have responsibility for capital expenditure and the delivery of projects outlined in their departmental spending plans, those are matters

for those Ministers. However, I am happy to tackle as many of the issues as I can in the time available.

I am grateful for the approach of the Deputy Chairperson of the Committee for Finance and Personnel, Mr Simon Hamilton. He made a valid point that, although the spending proposals put forward by Departments in the strategic stocktake have merit, they are not all inescapable, and he highlighted a couple. That point was supported by Dr Farry, who made a well-thought-out and considered speech — and although I do not agree with all of the views that he expressed, at least he had thought about the issues, unlike some, and had evidence to support his ideas. He said that there is not a black hole in the Budget of £1.1 billion. That is a nonsense figure about which we have not heard much today, because the arguments to support it were well and truly demolished yesterday.

During the course of any budgetary process, demands will always outstrip resources, regardless of whether one is dealing with a charitable or voluntary organisation, an agency, a statutory body or a Government Department. If people are asked to put forward ideas and bids, they will put forward much more than is available on the table. That is a fact of life.

As a former Minister of the Department for Social Development and a former Minister of the Department of Enterprise, Trade and Investment, I know that the advice often given is to put bids on the table, because if one does not ask for the money now, one may not get it further down the line. Therefore, areas are flagged up that may not be pushed to the limit.

I am also well aware of the challenges facing the Executive, and that all bids must be subject to robust challenge. Some Members have talked about a £1.1 billion hole in the Budget because of the bids that have been submitted. In that case, one could also say that there is a £400 million black hole in this year's Budget because the bids outweigh the resources in the December monitoring round. However, there is no such black hole in this year's Budget, so it is simply nonsense.

We must deal with the real issues, which are the big strategic issues that were flagged up in relation to the equal pay claim and the threats and challenges relating to the impact of the UK-wide efficiency savings on Northern Ireland that the Chancellor talked about in the pre-Budget report. Dr Farry, Simon Hamilton and Peter Weir talked about efficiency savings — and there is nothing wrong with making efficiencies. Indeed, everyone should try to make efficiencies, but there is a difference in that the so-called efficiencies in the pre-Budget report are designed to take money out of the system and not spend it elsewhere. Therefore, Whitehall is effectively talking about making cuts.

We have already pointed out the extent to which such cuts will affect Northern Ireland. It is a real issue

that we must grapple with from 2010-11. Its effect will not become clear until the Budget in April, but we know that recent announcements by the Opposition at Westminster — the Conservatives — indicate that they would be even more draconian in their plans, and they would start the process in the 2009-2010 financial year. Therefore, we must recognise where the real challenges lie and where the potential black holes will emerge from.

Mr McNarry and the other Members who talked about efficiencies need to be very careful because they are now allied to a party that would impose its plans on Northern Ireland if it had its way. They need to be very careful about what they are saying, and they need to recognise the seriousness of the situation.

Mr Attwood, Mr Beggs and a number of Members raised issues concerning constituency projects. As part of the Budget process, funding has been made available for a wide range of capital projects in various constituencies by all Departments across Northern Ireland. As I said, it is the responsibility of Departments to implement those projects.

Requests have been made that spending should not be cut in certain areas, such as roads. A short time ago, Mr Attwood spoke about a new hospital for women and children in west Belfast. I am sorry that he has not stayed to hear my reply to his points, although he may come back shortly. We are all sympathetic to the idea, but a major sum of money will be required.

Mr Attwood spent most of his speech talking about the need for social housing, and other Members raised important areas of expenditure that they want to see either protected or expanded. All parties in the Executive must face the issues that we have agreed unanimously, the Budget and all the other matters.

As Dr Farry said, we must consider all the competing priorities and bids and decide on the issues that take priority. For example, if we decide to make a hospital project a priority, other projects in the capital spending plans in other Departments, such as roads or social housing, will have to be stripped back slightly to provide the money for that.

3.45 pm

One never hears Members or Ministers talk like that. No Minister — whether from the SDLP, the Ulster Unionist Party or any other party — ever says that he or she is prepared to give up money in his or her budget and look at ways in which we might do other things. All I am saying is that we need a dose of realism, and we must recognise that, if one pleads for money to safeguard expenditure or to spend extra in some areas, one must expect that — given a finite Budget — cuts will be made in other areas. Of course there must be such cuts.

Mr Wells and others made the point that Departments themselves can decide to look at their priorities. During the December monitoring round, when we were considering what could be done with the economic package, I emphasised that Departments should look at their budgets, and consider their spending plans for the rest of the year to see what could then be done to help the construction industry, employment and the economy in Northern Ireland.

I asked whether, at that stage, the Departments — rather than expecting money to come from elsewhere — might find money that could be used to help to ease pressures. However, when I received the returns, bids and proposals from Departments, there was little change to their existing plans. That was not the fault of the Department of Finance and Personnel: it is the responsibility of Ministers of all parties — SDLP, Ulster Unionist, DUP and Sinn Féin — to look at what they are doing in their Departments.

I am keen to ensure that we focus clearly on helping the economy. The Executive have put the economy first and foremost in the Programme for Government. Had we not done that, we would be justly criticised, hauled over the coals and told to revisit our priorities. However, we put the economy centre stage: it was the first time that Northern Ireland governmental priorities were ordered in that way. We attached a Budget, and we advanced an investment strategy that will deliver a substantial number of jobs and investment.

As we go forward, we must constantly monitor and review. In today's debate, in contrast to that of yesterday, Members took a much more realistic approach to in-year monitoring and to the Budget process and the way in which it works. Departments will surrender money. Mr Attwood spoke of the Department for Employment and Learning, its level of reduced requirements and the funds that it has given back to the centre — the DFP or the Executive — for reallocation.

Yesterday, Mr McNarry was highly critical of his party colleague Sir Reg Empey, the Minister who surrendered that money. Mr McNarry said that that amounted to inefficiency. That is a matter that he will have to take up with Sir Reg Empey. However, though I cannot comment on the Department for Employment and Learning's programmes and their fitness, it is far better for that Department to give up money in-year if it cannot spend it — it can be reallocated to areas where it can be spent — than to retain it as an underspend at the year's end, when it must be surrendered to the Treasury to go into end-year flexibility, and we would be unable to use it for years to come.

I urge all Departments to surrender funds in time. In each monitoring round — especially in this, the February monitoring round — I have put pressure on Departments to surrender money, rather than have it in their budgets

at the end of the year, because then it has to go back to the Treasury, and that is not at all satisfactory.

Roy Beggs talked about projects in the Department for Regional Development, the Department of Health, Social Services and Public Safety, the Department of Education and the Department for Social Development — and in each case he sought either protection of the budget or increased expenditure.

And yet, yesterday, some of his party colleagues argued for policies and moves from the Finance Department and the Executive which would have the inevitable effect of taking money away from those Departments, which are the four biggest spenders. How do you square that circle? Until there is a bit of financial realism, I have to question the financial literacy of some of the Members who contribute to these Budget debates.

The issue of social housing was raised by Mr Attwood, Mr McCann and other Members; I stand over entirely the comments that I made in a letter to the Minister for Social Development concerning social housing. Through an additional £20 million in funding for the social housing programme, which was provided in-year, and the flexibility provided to the Department for Social Development through the moving of a further £10 million into social housing, the Executive and I have demonstrated that we are prepared to put our money where our mouths are.

Currently, a lot of emphasis is being placed on social housing, an important issue in its own right and in providing assistance to the local construction sector. However, Members must bear in mind that, earlier in the year, when competing bids within the Executive were being discussed, much of the emphasis from the Department for Social Development was not on social housing or the housing budget. Rather, the priority of the Minister, and many of her colleagues, was to provide funds to deal with fuel poverty. Fuel poverty is an important issue, but that illustrates the point that in dealing with issues, there is only a finite amount of money available. If the Department wants money for fuel poverty, there will be less money for social housing. There is no extra money; it all has to come out of the same pot.

There are competing demands, many of which are very meritorious and well worth doing. However, if there is a finite Budget, Departments must prioritise and make decisions. It is very easy to produce a list of what must be done but never say what, as a result of that, will not get done. The Programme for Government and the Budget were agreed unanimously by all parties and all Members of the Executive; as far as the Budget is concerned there is a settlement. However, it remains open to Ministers, within the remit of their own responsibilities, to reorder priorities in order to meet

the current economic challenges or to decide that they want to reprioritise what they are doing.

In his wide-ranging speech, which, I think, stretched the boundaries of the debate, Mr O’Loan talked about climate change. I note his view on that; however, it is somewhat inconsistent with his calls for additional construction activity. He must recognise the competing demands that exist as far as the public purse is concerned.

Dr Farry quite rightly ridiculed and rubbished the “£1 billion hole” argument. He pointed out the absurd and ludicrous position of Mr McNarry — a position which, it has to be said, has not found support even among his own party Members. Yesterday, Mr McNarry said that he would not support the Supplementary Estimates, but in the end they were agreed unanimously. It is an irresponsible and somewhat childish approach to suggest taking a penny off the Budget. That he proposed and tabled such an amendment in these serious times makes one wonder what planet Mr McNarry is living on. He then suggested that it would be somehow sensible to stop the Budget and prevent money from going to Departments. Come 1 April, we would find the Department of Health, the Department for Social Development, the Department of Education and all the other Departments, stripped of funding, as a result of that suggestion. Imagine the economic crisis that that would plunge us into.

That is the serious proposition that was put forward by Mr McNarry, and Mr Farry was quite right to say that, although there may be issues, taking such a course of action would be entirely irresponsible. I have pointed up the fact that one of the biggest threats that we face is the Whitehall-imposed cuts that are being suggested in the pre-Budget report.

It is also important to point up the reference that one or two Members made yesterday to a report on public-sector pay. Mr McNarry from the Ulster Unionist Party Benches referred to a “worthy” report that talked about freezing public-sector pay at 1% increases, which is a real cut to public-sector pay at this difficult economic time. The Department of Finance and Personnel and the DUP will never implement such a plan in the current difficult times, and I am staggered that any Member should suggest that such a report is worthy, given the current economic situation. That report has no standing whatsoever with the Executive.

A number of Members mentioned the shortfall in capital spend. Our net capital expenditure plans are in the order of £1.3 billion, which Departments will not only meet but will exceed. The point that was made about delivery is correct; it is right to focus on delivery, and it is essential that investment strategy money is delivered for projects on the ground. That is happening in the Department for Regional Development, the

Department of Health, Social Services and Public Safety, the Department for Social Development and the Department for Employment and Learning. It is happening with the delivery of new further and higher education colleges, roads, hospitals, health projects and housing. Delivery is taking place on the ground.

I have ensured that, as a result of some of the difficulties that were encountered in the procurement process through legal challenges to the frameworks, projects that would otherwise have been held up or slowed down will now go forward by conventional procurement methods. My Department has also moved to ensure the greatest transparency and openness in the construction industry’s dialogue and liaison with Government by setting up a procurement task force and implementing a delivery tracking system to get people together so that they can be sure that the projects can be delivered as quickly as possible.

It is right that the projects be delivered; the focus should be on that rather than on getting an extra £10 million. The focus should be on ensuring that the tens of millions of pounds that are in the budgets are spent and delivered, and produce movement, results and output on the ground.

Someone said that 22 projects had been deferred in the past year. Thousands of projects across Northern Ireland are proceeding this year. Examples of those include: the upgrades of the Westlink, the M2 and the A4; the £300 million for the Belfast sewer project and 22 waste-water treatment plants; at least £200 million for schools; at least £200 million for hospitals; and, in agriculture, the farm nutrient management scheme. Capital expenditure this year will be some 26% or more higher than last year. It is essential that progress continues on that next year, and I am glad that the plans for next year include an increase in capital expenditure over this year.

4.00 pm

I hope that that will reassure people that not only do the Executive take very seriously the need to ensure that Northern Ireland is provided with an infrastructure that is fit for a modern society in the twenty-first century, but that we are determined to do what we can in the medium and short term to help our construction industry, and to create sustainable jobs in that industry. Things are particularly difficult in the construction sector.

Mr Attwood referred to several areas in which unemployment has greatly increased. Mr Weir and other Members pointed out — and we recognise — that, overall, Northern Ireland still has the lowest unemployment level of any region in the British Isles. However, there is no room for complacency. We must continue to do what we can.

On manufacturing, for instance, I was delighted with Thales’s announcement of new jobs. It seems to

have been forgotten, but not that long ago, Bombardier announced what I believe was the biggest single investment in Northern Ireland. There are encouraging signs in manufacturing, but we are well aware that an issue remains in the construction industry. We will continue to take action to deal with that issue.

There are one or two areas that I hope that I can cover very quickly. Jennifer McCann mentioned poverty in the context of a downturn that I believe few, if any, economists forecast. Economists have been quoted liberally in the debate, and their views have been cited as proof. If a, b and c have said something, it must be right; they are all economists, after all. We may trawl through the contributions of economists, some of whom are fine people, but I doubt whether any of them forecast the sort of downturn that is happening in the UK, America or anywhere else, never mind Northern Ireland. Nevertheless, they are now cited as experts. I am always willing to take advice, but even in their advice — as we heard when Mr Weir quoted Richard Ramsey — different views are expressed and varying emphases are placed on statistics.

I believe, and hope, that Members are mature enough to accept that we are in a financial downturn; we know that it is having an impact on the economy right across the world. As an open, regional economy, Northern Ireland is not immune. We have limited access to policy levers. However, the situation at present, compared to what happened under direct rule, is considerably better.

Let me indicate why that is the case. Mr Cree talked about various announcements that have been made. Announcements must be followed by implementation. That is why I was surprised when he spoke about looking again at a small-business rate, because we will be bringing forward legislation on that very point. I doubt very much that Northern Ireland would get a small-business rates relief scheme, if it was still under direct rule.

Moreover, I doubt whether there would have been a freeze on business rates, at this crucial time, under direct rule. There certainly would not have been a freeze on regional rates under direct rule, because my predecessor, the then Finance Minister, Mr Robinson, froze domestic regional rates after year-on-year increases on regional rates of 10% and more. Water charges would have been implemented by now, not just in the non-domestic sector but for households.

Furthermore, we would not have had the fuel credit scheme, compensation for flooding or help for our fishermen and our farmers. We would not have had the level of investment that is contained in the investment strategy. We would not have had a policy that ensured that properly validated invoices were paid within 10 days, nor would we have had the pressure that is being put on the banks in Northern Ireland by the Office of the First

Minister and deputy First Minister. We would not have had the Government's £900 million package, which is designed to cover the non-cash costs of putting off water charges.

There would have been no rate and transport relief. There would not have been the package that I announced recently of £8 million for councils, which has helped to alleviate the worst effects of the accumulated impact of large valuation settlements for the MOD and BT, and other issues that would have put up rates bills. There would have been no reform of planning, with PPS 21, which has helped to move forward planning in rural areas.

There would certainly not have been free transport for elderly people — an initiative that was put forward by my party and approved by the Assembly. There would not have been free prescriptions. There would not have been the reliefs that have been introduced to help elderly citizens with rates, nor the lone pensioner allowance. Pensioners would have been unable to defer rates. All those benefits — whether they are for businesses, hard-working families or vulnerable people — have been introduced as a result of what the Executive have been able to do.

Of course, it would be great if we could go further. We all want to do so. However, we must operate within a finite Budget. Salaries must be paid and things have to be done. I urge Members not to lose sight of the work that is being done. We must focus on delivery and ensure that when people say that they want more to be done, they tell us not only what they want, but how they will finance it.

I am determined, along with my Executive colleagues, to do everything possible, at all times, to put pressure on the Treasury and the Prime Minister to do their part and to ensure that Northern Ireland has the resources that it requires. We must work together during the current difficult and challenging economic times, be realistic, and ensure that our priorities are delivered through the Budget and the Programme for Government.

Mr Deputy Speaker: Before I put the Question, I remind Members that as this is a Budget Bill, it requires cross-community support.

Question put and agreed to.

Resolved (with cross-community support):

That the Second Stage of the Budget Bill [NIA 5/08] be agreed.

EXECUTIVE COMMITTEE BUSINESS

Building Regulations (Amendment) Bill

Final Stage

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

That the Building Regulations (Amendment) Bill [NIA 11/07] do now pass.

I am glad to be able to return to the House after such a long break. I am not sure whether someone has it in for me at the Business Committee. I have had to deal with quite a lot of the House's business this week. However, it gives me pleasure to seek the Assembly's approval for the Building Regulations (Amendment) Bill.

The Bill proposes to amend the existing primary legislation, the Building Regulations (Northern Ireland) Order 1979, which allows the Department to regulate for safeguarding the health, safety, welfare and convenience of people in or around buildings, and for the conservation of fuel and power. The Order also sets out the powers, duties, rights and responsibilities of the Department, district councils and applicants on building regulations matters.

The Bill proposes to extend the principles of the building regulations in order to include the protection and enhancement of the environment and the promotion of sustainable development. It also extends the matters for which building regulations may be made in order to encompass those new principles. Finally, it proposes several refinements to the responsibilities of the main parties to the regulations.

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

As Members have recently debated issues of sustainability and concern about the environment, it is timely that this Bill makes its passage through the House. I want to record my gratitude to the Finance and Personnel Committee for its thorough consideration of the matters that are raised in the Bill and other related issues — as is evidenced in its comprehensive report — and to other Members for their contributions at various Stages of the Bill's passage.

Following scrutiny of the Bill at earlier Stages, two amendments were agreed by the Assembly at Consideration Stage: first, to tighten up the requirement on district councils to take account of protected buildings in their consideration of applications for approval, and secondly, to remove the repeal of the civil-liability provision as a potential means to enhance compliance.

I am satisfied that the enactment of the amendments to the Building Regulations (Northern Ireland) Order, which are proposed in this Bill, will make the regulatory framework for building regulations stronger, more

effective and more appropriate in meeting the rapidly changing needs of the construction industry.

The Deputy Chairperson of the Committee for Finance and Personnel (Mr Hamilton): Members will be aware of the detailed report that the Committee for Finance and Personnel made on the outcome of the Committee Stage of the Building Regulations (Amendment) Bill. I am sure that that report is a Stationery Office best-seller and has been widely read by both Members of the House and people across the country.

This is the first piece of primary legislation on building regulations in Northern Ireland in the past 18 years. The evidence received by the Committee reflected the diverse range of issues that fall under the policy remit of the Bill. At the outset, the Committee recognised that the Bill's importance lies not only in that it will update and streamline existing regulatory and enforcement provisions, but that, more especially, the Bill's provisions reflect the increasing significance of energy conservation, sustainability and environmental protection.

As part of its work, the Committee received evidence from a wide range of stakeholders, including professional bodies, environmental groups and building control practitioners from Northern Ireland and other jurisdictions, including England and the Republic of Ireland. The evidence covered not only the specific clauses of the Bill and related policy and enforcement matters, but the topical issues of energy conservation and the use of renewable-energy technologies.

During its scrutiny, the Committee sought responses from the Department to each of the concerns and proposals raised by witnesses and to additional queries that the Committee raised. The Department also provided a series of written responses in addition to a further oral briefing, which clarified a number of the issues to the satisfaction of the Committee. In addition, the Department advised the Committee that some of the proposed amendments and concerns could be more appropriately taken forward through subordinate legislation or in associated guidance issued by the Department.

During our clause-by-clause scrutiny of the Bill on 28 May 2008, the Committee agreed to all the clauses without the need for amendment, except for clauses 2, 10 and 6 and the schedule of repeals. The amendments were in line with the Committee's recommendations and were discussed at the Bill's Consideration Stage on 13 January 2009.

I will now take the opportunity to highlight some of the commitments that the Department has given to the Committee in respect of taking forward policy issues that were raised at the Committee Stage and that fall within the wider remit of building regulations. Those commitments were set out in the Minister's formal response to the Committee's report.

The drive to reduce carbon emissions from new buildings, including the debate on the mandatory use of microgeneration systems, emerged as a major theme in our evidence. After its consideration of that evidence, the Committee pointed to the important interrelationship between the demand for low- or zero-carbon technologies, the capacity of the local renewables industry and the further commercialisation and development of the technology. The Committee concluded that market forces alone may not be able to sufficiently drive increased uptake of low- or zero-carbon systems and to support technological development.

The Committee also took the view that a firm and challenging timetable for the introduction of stricter regulations on carbon emissions from buildings will assist in that regard and that, conversely, faster technological development will facilitate even higher standards. Consequently, the Committee called on the Department to use building regulations to further promote and encourage the use of low- or zero-carbon technology by establishing 2016 as a firm target date for all newbuilds in Northern Ireland to be zero carbon, thereby keeping pace with developments in GB and the Republic of Ireland. I am sure that Members of the House will agree more heartily to a 2016 target date on this issue than to other target dates in the calendar.

The Committee welcomed the Minister's response to that recommendation in which he indicated his intention to commit to amending the building regulations in 2016 to require new dwellings to be zero carbon. The Minister may wish to elaborate on that in his remarks later.

On the specific debate on mandating, the Committee concluded that the nub of the issue is timing, as the use of low- or zero-carbon systems will increasingly become a necessity to help meet the carbon-emission requirements in newbuilds. The evidence clearly indicated to the Committee that energy-efficiency measures alone will not be sufficient in the medium to long term if Northern Ireland is to keep in step with the rest of the UK in reducing the levels of carbon emissions from buildings.

The Committee recognised and welcomed the fact that the provisions in clause 1 of the Bill will facilitate any future decision by the Department to introduce a requirement in building regulations for a percentage of energy used in new buildings to be derived from low- or zero-carbon systems. However, the Committee also called on DFP to regularly assess the cost-effectiveness of low- or zero-carbon systems and to keep under review the option of mandating microgeneration in the context of changing circumstances. The Committee welcomes the Department's positive commitments.

4.15 pm

Some witnesses proposed to extend the definition of protected buildings outlined in clause 2. The Department

explained that the term is linked to and harmonised with the definition that is used in planning legislation and outlined that attempts to list additional areas in primary legislation could restrict the scope of the powers. Therefore, the Committee was content with the Department's commitment to consider how buildings that are not covered by the definition of protected buildings in clause 2 might be addressed in guidance that is issued to district councils. The Committee looks forward to being apprised on the outcome of that exercise in the near future.

The provision for type approval in clause 6 received careful attention during the Committee Stage. The Committee had raised concerns that difficulties could arise if individual district councils did not accept the type approvals of other council areas. Although the Committee noted that district councils had already commenced a voluntary arrangement to ensure consistency of approach, it welcomed DFP's commitment to monitor the situation through regular building control liaison meetings.

The Committee noted the Department's advice that if voluntary arrangements fail to deliver, another Department should pursue any necessary legislative intervention. Committee members highlighted the need for the building control appeals process to be transparent and prompt, and called for formal protocols to be established to cover the publication of the basis for appeal decisions and the turnaround time for such decisions. The Committee welcomed the guidance that was published on the Department's website on the inclusion of a turnaround target for appeal decisions in the Department's corporate plan.

The Committee welcomed DFP's commitment to conduct a review of the present appeals mechanism and will monitor the Department's performance in that area. Furthermore, the Department committed to a proposal for additional regulations to reduce the time that is permitted to commence work following approval of plans. Current arrangements allow for individual houses within multi-house applications to be built to outdated standards. Given the problems in the property market, the Committee wants to reiterate that the Department should introduce the necessary subordinate legislation in order to close that loophole at the earliest opportunity.

The Committee had concerns about outdated legislation on dangerous buildings and places, and it welcomed the Department's commitment to facilitate discussions with building control on how to address that issue, including consideration of which Department is best placed to take the issue forward as soon as possible. The Committee had recommended that that review be prioritised, and we look forward to considering its findings.

The Committee has noted the close relationship and the scope for overlap between policy and legislation that covers building regulations and that which covers planning. That relationship was evident during the Committee's consideration of issues such as renewable energy, protected buildings and access for emergency services. The evidence suggested a need for greater integration of building regulations and planning functions at departmental level, where policy is developed, and at district council level, where responsibility for delivery and enforcement lies.

In the case of building control or — as is due to be transferred — in the case of planning, the Committee recommended consequently that consideration be given to transferring the building regulation function from DFP to the Department of the Environment and has noted DFP's advice that the wider Executive review of all departmental functions consider that issue after the implementation of the review of public administration (RPA).

The Committee looks forward to continued dialogue with the Minister and his Department on the various policy-related issues that remain to be addressed through subordinate legislation and guidance, on which the Department has given firm commitments.

I want to put on record the Committee's gratitude to all the individuals and organisations that provided written and oral evidence. Moreover, I thank the Minister, the former Minister and their officials, who have worked positively with the Committee in order to ensure the Bill's progression. I commend my fellow Committee members and the Committee staff for their careful work and consideration of the Bill's detail. On behalf of the Committee, I formally support the Bill during its Final Stage.

Dr Farry: I support the Final Stage of the Building Regulations (Amendment) Bill.

The Bill's First Stage took place in February 2008, and its first anniversary is in one week. That is not a criticism of the process. It is a complex piece of legislation, and there have been several delays in the Executive. However, there is roundness in the fact that we have come full circle on the calendar. I am unsure whether Her Majesty is available in the next week to give the Bill Royal Assent within the year timescale. We will see what happens.

The Deputy Chairperson of the Committee for Finance and Personnel set out the issues from the Committee's perspective extremely well, and I concur with most of what he has said. No doubt he is working almost as hard as the Minister today on DFP issues.

I will explore in more detail some of the issues that the Deputy Chairperson outlined, particularly in regard to where we go from here. I note the advice from officials, and those from whom the Committee received evidence,

that the energy-efficiency and renewable-technology agenda would be best advanced through regulation arising from the legislation, rather than through the legislation itself. The challenge is how the Department intends to take that agenda forward. I hope that the Minister may be able to give us some general indication of his intentions in that regard over the months ahead. The changed context and the economic downturn over the past year may have increased the need to move the agenda forward.

Will the Minister clarify where the bulk of the drive towards renewables will be taken forward under his jurisdiction? I note that he is embracing in the rating system the principle of rebates for those who are using renewable technology, and I welcome that. There is also a regulatory approach to advancing the agenda through building regulations. Perhaps the Minister will indicate to the House where he sees the balance between those two different approaches. No doubt both approaches are required, but what mix will the Department suggest on the way forward?

I want to reflect, as the Deputy Chairperson did, the strong recommendation of the Committee that low-carbon or zero-carbon technology should be encouraged in house building. Given the target of 2016 for the requirement of zero-carbon building, the Committee made the point that market forces alone would not be sufficient to move that agenda forward. There is, therefore, a very clear need for regulations. Perhaps the Minister will let us know where we stand on the code on sustainable homes with respect to that target of 2016 for low-carbon or zero-carbon technology.

Microgeneration has been a focus of the debate for some time; however, it is important to bear in mind that that may not necessarily mean the installation of one microgeneration facility for each house. A development could create the opportunity for certain economies of scale in the provision of technology. That needs to be covered by regulations, so that developers have the flexibility to find the most economically advantageous and energy-efficient method of addressing some of those concerns.

I want to reinforce the point that has been made about trying to find a synergy between planning and building control. I am not suggesting that powers should be taken away from DFP, but there is a logic to a single Department taking responsibility for planning and building control, because there is an overlap between those two aspects of development. Any efficiency that could be made by making those the responsibility of one Department would be very welcome for all, not least in regard to renewables.

Both the planning system and building regulations have roles to play in driving that agenda forward. The Merton rule in London, for example, with which a lot

of Members may be familiar, means that renewables are being encouraged through the planning agenda as opposed to through building regulations. There are opportunities in both regards, and it is important that we grasp the opportunity to tie all the issues together.

Clearly, we have done a good job so far in regard to the legislation, but there is a considerable amount of work to do in the future in ensuring that building regulations fit into the wider agenda of promoting the green economy. I look forward to the contribution of the Minister and his colleagues over the months to come.

The Minister of Finance and Personnel: I am grateful for the contributions from the Deputy Chairperson of the Committee and Dr Farry, and for their general welcome of the legislation and the progress that has been made.

I will deal with one or two of the issues that were raised. Dr Farry mentioned the Merton rule, which applies in parts of England, and which takes its name from the early adoption by the London borough of Merton of the English planning policy statement 22, which was published in 2004. That policy statement permits local authorities to include policies in local planning documents that allow for a percentage of a development's energy to come from renewable sources. That policy relates to only larger developments of more than 10 dwellings or to buildings with a floor area greater than 1,000 sq m, where the use of such technologies in that particular development is economically and technically viable, and where the policy does not place an undue burden on the developer. Planning matters are the responsibility of the Department of the Environment's Planning Service.

The issue of zero-carbon buildings was mentioned. Members will know that there is an existing commitment to amend the subordinate regulations in 2010, which will aim to improve energy efficiency in new buildings by a further 25% against current standards for CO2 emissions, with a further commitment to a 44% reduction in 2013. In 2007, the Westminster Government issued a policy statement entitled 'Building a Greener Future — Towards Zero Carbon Development', in which it announced that all new homes will be zero-carbon rated by 2016. I have asked officials to work with their counterparts in other jurisdictions in order to ensure that Northern Ireland building regulations maintain the same standards. That situation may change in the intervening period, but we will not be out of kilter.

I commend the Bill to the House.

Question put and agreed.

Resolved:

That the Building Regulations (Amendment) Bill [NIA 11/07] do now pass.

EXECUTIVE COMMITTEE BUSINESS

Mesothelioma Lump Sum Payments (Conditions and Amounts) Regulations (Northern Ireland) 2008

The Minister for Social Development (Ms Ritchie): I beg to move

That the Mesothelioma Lump Sum Payments (Conditions and Amounts) Regulations (Northern Ireland) 2008 be approved.

The Mesothelioma, etc., Act (Northern Ireland) 2008 provides for upfront lump sum payments to persons diagnosed with diffuse mesothelioma, or if the person has passed on, their dependants. The scheme breaks the link to workplace exposure to asbestos, and, in particular, provides financial support within a matter of weeks to people who previously were not eligible for help; for example, those who are unable to pursue a civil claim, or to claim a lump sum under the Pneumoconiosis, etc., (Workers' Compensation) (Northern Ireland) Order 1979. That means that sufferers of mesothelioma are eligible for a payment whether they were employees, self-employed, or indeed never worked, provided that they have not received a compensation payment from another source.

Mesothelioma, which is a fatal disease caused by exposure to asbestos, is a particularly unpleasant condition for which there is no known cure, and a person's life expectancy from the time of diagnosis can be very short. Mesothelioma causes up to 50 deaths each year in Northern Ireland. These regulations prescribe the amounts of the lump sum payments and set out the detail of the conditions of entitlement under the scheme.

To avoid double provision, the Mesothelioma, etc., Act (Northern Ireland) 2008 specifies that persons who have received certain compensation payments — for example, a payment under the scheme in the 1979 Order — will not qualify for a payment under the new scheme. These regulations specify that a person who has received other similar payments — for example, payments made by a Government Department in consequence of mesothelioma — will not be entitled to a payment under the provisions of the new scheme.

4.30 pm

That is to ensure that people are not compensated twice for the same condition. In line with the scheme set up under The Pneumoconiosis, etc., (Workers' Compensation) (Northern Ireland) Order 1979, the amount paid, as a lump sum, to a person with mesothelioma is based on the age at which the person was diagnosed with the disease. Those diagnosed earlier in life will receive more. The amount to which a dependant may be entitled depends on the age of their relative at the time of death.

During the passage of the Mesothelioma, etc., Bill it was estimated that the average payment to sufferers under the scheme will be in the region of £6,000 to £10,000. The cost of the scheme is ultimately to be met by the introduction of a compensation-recovery process. All mesothelioma and 1979 scheme payments are to be recovered from subsequent successful civil compensation claims. Any moneys recovered will be ploughed back into the scheme with the aim of funding higher payments in the future. The scheme payment levels are set so that the overall expenditure is estimated to match the recoveries from civil compensation.

My Department has worked closely with Department for Work and Pensions to secure a pooling of funds so that people in Northern Ireland receive the same rate of payment as people in Great Britain, even though we are unable to recover sufficient money here to fund that higher rate.

I am pleased to be able to advise the House that since this scheme was introduced on 1 October 2008, a total of £154,826 has been paid, with the average payment being in excess of £25,800. That is yet another example of the benefits of the parity arrangements. The intention is that payments under the scheme will be increased over time up to the same level as those made under the 1979 scheme.

However, I make it clear that until payments under both schemes reach the same level, if a lump-sum payment has been made under the scheme and it is then discovered that a higher payment under the 1979 scheme is appropriate, an additional balancing payment will be made.

Overall, the regulations provide for the scheme to be as simple as possible, so that payments can be made within a matter of weeks. It is essential that the sufferer receive some level of compensation while they are still able to benefit from it. I hope that those payments will go some way to help sufferers in the final months of their lives.

The Deputy Chairperson of the Committee for Social Development (Mr Hilditch): The Committee for Social Development considered the Department's proposals to make the Mesothelioma Lump Sum Payments (Conditions and Amounts) Regulations (Northern Ireland) 2008 at its meeting on 26 June 2008, and considered the statutory rule at its meeting of 18 September 2008. The regulations make provision for lump-sum payments to sufferers of diffuse mesothelioma. The statutory rule provides clarity on eligibility and the amounts of payments. Although no amount of money could compensate for the misery and suffering caused by diseases such as diffuse mesothelioma, the amounts payable offer some assistance to sufferers and their dependants. Therefore, it is important that there is clarity on eligibility and the extent of payments.

In conclusion, the Committee for Social Development recommends that the Assembly supports the statutory rule.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. I support the motion. The mesothelioma lump-sum payment regulations are welcome because they include people who would not otherwise be entitled to compensation. The regulations include people who did not have direct contact with the problem itself, but who contracted the disease through contact with relatives or loved ones.

The regulations are also welcome as they will speed up the process; because, unfortunately, people do not live for very long after their initial diagnosis. The regulations are one of the benefits of parity, but I issue a caution: parity is not always beneficial. However, it is in this case. I support the motion. Go raibh míle maith agaibh.

Mr Burns: I very much thank the Minister for proposing the motion. I fully support it.

Anything that can be done to help people who suffer from, and have been diagnosed with, mesothelioma is to be very much welcomed. It is a terrible disease, and the people who are diagnosed with it do not live for very long. I welcome anything that will help the families deal with their loss. The system is not too complicated — the families will be able to receive benefit and money, which I very much welcome.

Ms Lo: I also support the motion. Although no amount of money can compensate the relatives of those who die, the regulations are a means of helping them in practical terms.

It was very sad to hear the Minister say that there are still 50 deaths each year, even after we have discovered the problem of the chemical — I am sorry, I have forgotten the word for the disease. The good thing about the regulations is that the scheme is quick and simple to follow. Families will receive money within weeks. They will be able to deal with the funeral arrangements and other issues, which will relieve some of their difficulties and hardships. I very much support these very compassionate regulations.

The Minister for Social Development: I am pleased with the broad consensus of support across the Assembly for the regulations. I thank Mr Hilditch, Mr Brady, Mr Burns, Ms Lo and the Committee for Social Development for the positive way in which they have dealt with the regulations. All of them were correct when they said that the payments will help to compensate people by recognising the undue suffering that was visited upon them as a result of mesothelioma — something that they could never have envisaged earlier in their working lives. The payments will help them to deal with the short period of life that is in front of them. It is very much a compassionate financial measure.

I trust that I have dealt with all of the matters that were raised by Members. However, I issue a cautionary word about parity. In all parity measures, it is important to realise that the money does not come from the Northern Ireland block grant; it comes directly from the Treasury under annually managed expenditure. If we were forced to take the money from the Northern Ireland block grant, that would impact on departmental budgets and on the delivery of services.

If people want to change that, they know that they must take their seats in Westminster and deal with the legislation on a line-by-line basis; either in the Committee rooms in the House of Commons or on the Floor of the House itself.

Once again, Mr Deputy Speaker, I thank you for your indulgence and for the support of all Members in the House.

Question put and agreed to.

Resolved:

That the Mesothelioma Lump Sum Payments (Conditions and Amounts) Regulations (Northern Ireland) 2008 be approved.

Christmas Bonus (Specified Sum) Order (Northern Ireland) 2008

The Minister for Social Development (Ms Ritchie): I beg to move

That the Christmas Bonus (Specified Sum) Order (Northern Ireland) 2008 be approved.

Many people are worried about the implications of the economic downturn and the credit crunch, and, having reflected on the debates that took place today and yesterday, I am sure that everyone in the House is only too well aware of the problems facing their constituents. In addition, we all recognise that people on low incomes face particular problems, and the purpose of the Order is to award a £60 increase to the 2008 Christmas bonus payment, which provided direct and swift financial support for some of the most vulnerable people in our society.

In order to receive the 2008 Christmas bonus, a person must have been in receipt of a qualifying benefit in the week beginning 22 December 2008. Qualifying benefits include: state pension; pension credit; long-term incapacity benefit; qualifying employment and support allowance; carer's allowance; attendance allowance; disability living allowance; and certain bereavement benefits. Therefore, as well as all pensioners in receipt of state pension and pension credit, many disabled people, carers and those in receipt of bereavement benefits will benefit from the extra payment.

For pensioners, the £60 increase is equivalent to the largest possible amount that someone could have gained if the uprating of the basic state pension had been brought forward from April to January 2009.

The bonus is paid in two tranches: the traditional £10 bonus was paid as usual in December 2008, and the bulk of the additional £60 payments were made in January to 93% of pensioners and 50% of other eligible recipients. The remainder will be paid in February and March, in line with national arrangements.

Increasing the Christmas bonus to £70 provided an additional £26 million to assist some of the people who are most in need of help. In the end, more than 435,000 people will benefit from the increased payment. Not only does the payment provide much-needed cash during challenging times, but it is paid when people's outlay is greatest. Moreover, it is paid automatically, so no one need worry about how and where to make a claim. Importantly, the stand-alone payment is a tax-free lump sum, which does not affect entitlement to any income-related benefits that the beneficiary may already receive. In these tough economic times, this one-off payment will provide genuine help to some of the most vulnerable people throughout Northern Ireland.

The Deputy Chairperson of the Committee for Social Development (Mr Hilditch): On 27 November

2008, the Committee considered the Christmas Bonus (Specified Sum) Order (Northern Ireland) 2008, which provided a one-off increase, from £10 to £70, to the Christmas bonus payment. The Committee was happy to review the measure, because it provided a limited, although welcome, way to reduce the financial burdens on vulnerable people on certain benefits.

The increased Christmas bonus did not provide a lot of money, but, in conjunction with other anti-poverty payments, such as the Assembly's £150 fuel poverty payment, it is hoped that it will have made a difference to those most in need.

The Committee for Social Development recommends that the Statutory Rule be confirmed by the Assembly.

4.45 pm

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. It is easier to say "Christmas bonus" than it is to say "mesothelioma".

The Christmas bonus has remained at £10 for over 20 years, so any increase is welcome. As Mr Hilditch said, it is particularly welcome when it is added to the fuel payment that has been approved by the Executive.

I remind the House that the Christmas bonus is a one-off payment for Christmas 2008 only. In his generosity, Gordon Brown decided to increase it to £60, but that is unlikely to happen again this year, unless he has an aberration. However, the Christmas bonus is to be welcomed. I support the motion. Go raibh míle maith agaibh.

Ms Lo: I support the motion and welcome the Christmas bonus. Perhaps I misheard the Minister, however. Is there a sum of money outstanding to some people? Was it paid in December? If it is being called a Christmas bonus, it should have been paid at that time.

The Minister for Social Development: It always pays to listen, because one never knows what one will pick up. I am pleased with the Assembly's consensus in favour of the Order. I thank Mr Hilditch, Mr Brady, Ms Lo and the Committee for Social Development for the positive way in which they have dealt with the proposals at such short notice.

Several issues were raised, and I will place them in context. First, the Order will increase the Christmas bonus. I am not the first to say that it should have happened years ago, because the Christmas bonus was introduced when I was of a tender age way back in 1972, and it has never been increased in line with inflation or with the needs and requirements of society. The increase is due, and it is welcome.

Secondly, due to the extremely cold weather that certain parts of Northern Ireland have experienced over the past number of months, two tranches of the cold-weather payment have been released because the level of temperature at meteorological stations in Castlederg and Katesbridge some two weeks ago fell

below a certain limit. Everybody who lives in close proximity to those sites and within particular postcodes were entitled to further payments, so long as they qualified for certain benefits. That was an extra help.

The much-needed fuel poverty payment will provide further help, and DSD has been designated as the Department to implement that payment. I will bring forward the relevant regulations at the next meeting of the Executive. It is hoped that a lot more people, particularly those in receipt of pension credits and households in receipt of income support, will benefit as well.

Thirdly, Anna Lo raised a pertinent issue about the division of the payments. Everyone who is eligible will have received the traditional £10 bonus in December, as usual. That bonus is sent automatically to the eligible recipients by way of a computer payment. In the majority of cases, the additional amount of £60 was paid in January. Some 93% of one eligible group were paid, and 50% of another group. All outstanding payments will be paid by the end of this month or during March, which is in line with the UK national arrangements.

It is worth noting that a total of £4.354 million was paid to 291,500 pensioners and 143,900 others in December 2008.

In January 2009, an additional £60 was paid to 269,950 pensioners — which is 93% of those eligible — and 72,450 others — which is 50% of those eligible — at a total cost of £20.544 million. That is a considerable amount of money that is going into our local economy and going to help pensioners, the most vulnerable, and those who need it. Those are the people who are affected most deeply, and not only by the cold; they also have certain needs and requirements that need to be catered for. Therefore, those people must be accommodated in that respect. Any Member who is contacted by someone who, for some reason or other, has not received that payment within the next couple of weeks should feel free to contact me, and I will ensure that that matter is dealt with as quickly as possible.

I trust that I have dealt with all the issues that have been raised by Members. However, if I have inadvertently failed to deal with any points that Members raised, I will write to them. As I said earlier, the one-off payment will, in tough economic times, provide genuine help to some of the most vulnerable people and provide a valuable means of support for many who need it, particularly at this time of increased financial pressure.

Question put and agreed to.

Resolved:

That the Christmas Bonus (Specified Sum) Order (Northern Ireland) 2008 be approved.

Amendment to Ministerial Code

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

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

That this Assembly approves the following draft amendments, prepared by the Executive Committee in accordance with section 28A(3)(a) of the Northern Ireland Act 1998, to paragraph 2.4 of the Ministerial Code:-

At end of sub-paragraph (v) delete “or”;

At end of sub-paragraph (vi) insert “; or”;

After sub-paragraph (vi) insert “(vii) relates to a proposal to make a determination, designation or scheme for the provision of financial assistance under the Financial Assistance Act (Northern Ireland) 2009”.

The motion completes the process that I set out to Members during the recent passage of the Financial Assistance Act (Northern Ireland) 2009. During the passage of that Act, one of the areas of intense debate was the extent to which the Executive would be able to consider and agree any determination and designation that we, as First and deputy First Ministers, considered necessary to enable financial assistance to be made, in the light of either exceptional circumstances or unsatisfactory funding arrangements.

As I made clear during the debates on that Act, the need for Executive agreement was, as a principle, never in dispute. Indeed, at the drafting stage, our preference — that is, the preference of the deputy First Minister and me — was, as for most of those who raised their concerns about the issue during the debates, to have the requirement for Executive agreement stated explicitly in the Act. However, our legal advice indicated that was not only unnecessary but inappropriate, as it would be a duplication of the existing requirement in the ministerial code.

Since the restoration of devolution in May 2007, the ministerial code, as the Assembly will be aware, is now a statutory document with statutory effect; therefore, its provisions have legal force. In particular, paragraph 2.4 of the code sets out the matters that Ministers are required to bring to the Executive for consideration. As is clear from other statutory references, “consideration” requires discussion and, also, agreement. It is our view that because of the inherently cross-cutting dimension to the Act, any proposal by us to make a determination and designation would be immediately caught by the existing requirements of that paragraph.

Nevertheless, and in view of the presentational benefits of clarity, we are establishing a separate reference on that point. As I advised the Assembly

during the debate on the Bill, we recommended to the Executive an amendment to the ministerial code that would place on the First Minister and the deputy First Minister an explicit requirement to bring to the Executive any proposal to make a determination and designation under the legislation.

After further consideration, we concluded that that requirement should also be placed on the Minister of the designated Department, so that he or she should bring the actual scheme for financial assistance to the Executive for consideration and agreement. The Financial Assistance Bill has now been given Royal Assent, and I believe that the debate on what is, or should have been, included on the Bill, must now be considered as settled in the interests of moving forward.

Today’s motion, therefore, seeks the Assembly’s agreement, as required by section 28A(3)(a) of the Northern Ireland Act 1998, to the draft amendment as proposed, which is that paragraph 2.4 of the ministerial code be amended by the inclusion of a new sub-paragraph (vii) which adds any matter that:

“relates to a proposal to make a determination, designation or scheme for the provision of financial assistance under the Financial Assistance Act (Northern Ireland) 2009”

as one to be brought to, and considered by, the Executive Committee. The amendment reinforces our existing obligation to the Executive, rather than introducing an entirely new one.

We have already brought a proposal for a determination and designation to the Executive under the existing provisions of the ministerial code, and that was agreed at the Executive meeting on 12 February. We have now made that designation and determination in order to enable the Department for Social Development to prepare a draft scheme for financial assistance, and that will be brought to the next meeting of the Executive on 26 February.

It may be unusual for Ministers to be requesting the Assembly to place additional obligations on them, but I hope that the motion will be taken as a signal of our commitment to accountability and clear evidence that the Financial Assistance Act is not a mechanism to override the wishes of Ministers, but a means by which the Executive, collectively, can affect positive change. It will also establish, once and for all, the appropriate procedure to be followed, and ensure that the question of the need for Executive agreement is not open to subjective interpretation. Therefore, I commend the motion to the Assembly.

Mr Spratt: I support the motion and the change that it brings to the ministerial code. Members will recall that the whole matter of the Executive’s responsibility was a bone of contention as the Financial Assistance Bill passed through the House. Many Members, particularly those to my right, questioned the guarantees given by

the First Minister at that time that this amendment would be brought to the Floor of the Assembly.

The change leaves in no doubt the commitment by the Office of the First Minister and deputy First Minister (OFMDFM) to bring such matters to the Executive. That has been done without the duplication of law, as sought by parties in the course of the debate surrounding the Financial Assistance Bill. Before the First Minister and deputy First Minister can make a determination, the Executive must agree that the relevant circumstances exist and that the financial assistance is warranted and necessary.

Furthermore, the Executive must agree to which Department the development of such a scheme is to be designated. In the previous debates, members in the smaller parties declared that to be some sort of a power grab. In light of that willingness to act with the consent of the Executive, such an argument does not now stack up. This will do nothing to marginalise the smaller parties and should, therefore, be welcomed by them.

When people in this country are in need, they demand that the Executive are able to act swiftly and decisively. I welcome the mechanisms that are now in place to enable that to happen. I hope that the House will support the motion.

5.00 pm

Ms Anderson: Go raibh maith agat, a LeasCheann Comhairle. I support the motion. Although I welcome the First Minister and deputy First Minister's initiative in proposing this amendment to the ministerial code, I must register my slight disappointment that they felt that they needed to do so, but I understand why they felt that way. As Members are aware, the origins of the amendment lie mainly in the debate on the Financial Assistance Bill, during which some parties claimed, quite incorrectly, that the Bill amounted to a power grab by the First Minister and deputy First Minister. Those parties ignored the fact that the views of all Ministers would have to be considered when reaching decisions on any measures emerging from the Bill; therefore, there was no power grab. However, it is unfortunate that we have to pander to the insecurities of some Members.

Nevertheless, the amendment to the code has been proposed, and I hope that Members now accept that any notion of a power grab has been dispelled. The amendment will ensure that the Executive must agree on the determination of any schemes under the Act, thereby ensuring the rights of all Ministers. The First Minister and deputy First Minister will not be giving instructions to any Minister about what they should or should not be doing within their Departments. All Ministers will continue to have their say in the Executive, and that is the basis on which they will move forward. After all, it would be in no one's

interest to try to force a reluctant Minister to implement a policy or a measure with which he or she is unhappy.

Agreement and consensus are what power sharing is about. Once we have that, we can get on with the business of making a real impact on the lives of the people whom we represent, perhaps even implementing genuine cross-cutting strategies that achieve real change on the ground. By proposing this amendment to the ministerial code, the First Minister and deputy First Minister have shown their willingness to achieve the kind of agreement and consensus that is necessary to move forward. They are directly addressing the concerns that were articulated in the Chamber, no matter how ill-founded those concerns may have been. I commend them for doing so.

Mr B McCrea: I have listened with some interest to Members' comments. It was not the case that the so-called smaller parties were insecure. They were doing what they thought was right for their constituents. They were presenting the proposition that there is a balance of government to be found, which means that reaching a four-party consensus requires that everyone's views be taken into consideration. There was some concern that that was not the case.

It is useful that the First Minister and deputy First Minister have decided to clarify matters. Paragraph 2.4(vi) of the ministerial code covers any matter which:

“is significant or controversial and which has been determined by the First Minister and deputy First Minister acting jointly”.

The problem is that other significant and controversial issues do not seem to have attracted the attention of the Executive or the two Ministers concerned. Although I do not wish to sideline this particular debate, I must point out, for reference, that there has been some discontinuity with regard to the education debate. In addressing all the challenges that we face, it surely behoves all of us to try to find a way to work together — indeed, both today and yesterday, the House considered many of the serious economic challenges that we face. That does not mean lecturing people and saying, do as we do and you will be OK. It means listening with respect, and offering amendments with respect — it works both ways — so that we can establish how best to find a way forward in these trying circumstances.

We are happy to support the motion. We are grateful to Mr Spratt for highlighting the guarantees involved. That is all that is required by those in the Chamber who want to join together in working for all the people of Northern Ireland. We must not reach the stage whereby individual Ministers operate in baronial castles, to their own agendas, while ignoring the plight of colleagues and the challenges that they face. Surely that can lead only to division. That is not the sort of progress that we want to make.

Although I understand that the ministerial code is written in its present form so as not to alienate any section of the community, it is important that we find a way to act collectively. Many people in this part of the world would have been unaware of what we were talking about in today's debate on the Budget Bill. However, those people will look to each and every one of us for leadership. Leadership comes through trust. I agree that no party has a monopoly on petty party-political sniping — *[Interruption.]*

I am happy to take a descant from Ms Anderson on that issue.

I have tried repeatedly to tell Members that things are different; the challenges that we face this year are different from those that we faced last year. There will be disagreements, and that is right and proper, but we have to find a way to work together to move forward. Instead of being ambiguous or fudging the issues, we should front up to them and do things properly. In that spirit, I am happy to support the motion on behalf of the Ulster Unionist Party.

Mr O'Loan: I support the motion. The First Minister has delivered on his commitment to amend the ministerial code; the wording of the amendment is straightforward, clear and contained in its own strict frame of reference. We can safely ignore the begrudgery of Martina Anderson, who illustrated how people in larger parties can be small-minded.

The SDLP's concerns about the accountability to the Assembly of the measures in the Financial Assistance Act were much wider than those addressed by the amendment to the ministerial code. I note what the First Minister said today about the purpose of the Financial Assistance Act's operation. I hope that the Act is not abused and that the rights of Members are not abused by the exercise of its provisions. Only the future can determine whether that will be the case.

Given that it is now written in the ministerial code, we wonder why there was such strong resistance at the time to inserting the role of the Executive on the face of the Bill. That would have been more straightforward.

We are entitled to remind Members of the difficulties that surround the enforceability of the ministerial code, which is a serious outstanding issue. I hope that that never becomes an issue with regard to the Financial Assistance Act, and that the terms of the requirement to bring matters to the attention of the Executive are so clear that they would never be challenged. However, that also remains to be seen.

Mr Ford: In the face of such overwhelming unanimity in the Chamber, albeit with qualifications from Members on either side of me, I will not detain the House excessively to discuss the motion. The First Minister said correctly that the debate on the Financial

Assistance Act is over — the issue is simply the modification of the ministerial code.

The First Minister will not be surprised to hear anyone from these Benches welcoming his remarks about the need for the Executive to move towards greater collectivity and ensuring that they act as one in the implementation of necessary, difficult decisions, particularly in light of the current economic downturn. Those of us who have been accused of banging on forever about collectivity and partnership will doubtless continue to do so, while recognising that we have won a small victory in the change to the ministerial code.

If I continued too far in that direction, there might be a danger of repaying too many of the compliments that we were paid during the discussion of the Bill. Therefore, although we welcome the implementation of a change in the ministerial code, the test will be to see the wholeheartedness with which Ministers engage in genuine partnership and genuine power sharing, as opposed to what has happened up to now, which has been too much power division into individual ministerial silos. This is a modest gesture in the right direction, and we hope that we will see more of that.

Apparently, Martina Anderson has an insight into the workings of the Executive and, in particular, OFMDFM, but I do not. I can only go on their actions, rather than on the expressions of goodwill that are emerging this afternoon. However, at least those expressions of goodwill are better than the expressions of ill will that we have seen in the past. On that basis, I accept entirely the point made by the First Minister in his opening remarks that Ministers do not often ask to have responsibilities placed on them when they come to a Chamber such as this. It is perhaps the nature of our peculiar system of government that it was necessary for them to do so. In that spirit, I welcome the motion and trust that it is a sign of a greater forward movement together.

Mr Shannon: I support the motion. I sat through many hours of Committee sessions, discussing the Financial Assistance Bill, as did other Members. We also spent many hours in the Chamber, debating the Bill. We are all aware of the necessity of the Bill to help the people of the Province, and that matter has been debated in the Chamber on many occasions. That is our responsibility as elected representatives, and it is one that I take very seriously.

The amendment to the ministerial code is simply part of the necessary amendments to enable the operation of the Financial Assistance Bill, which has now received Royal Assent. That is the focus. There are no hidden agendas, no sly moves and nothing at work behind the scenes. As such, there is no need to debate the issue and no need for the renewal of the

comments that were made by some Members in an attempt to halt the Bill. Now is the time to move together.

The motion is simply worded for a simple purpose — to facilitate the Bill. The Bill has been passed, and I ask that Members support the deeds that flow from it and the delivery of the help that has been promised. I am glad that there seems to be agreement among Members to support the motion. To argue otherwise would prevent help being given to people who need it at a time of financial uncertainty. We need to ensure that nothing stops people from receiving the help that they need.

I support the motion as a step on the path to bringing about the provisions of the Financial Assistance Bill, and I ask that Members do the same, but not with the same begrudgery with which some Members have said that they will go along with it. Let us support it in an honest and truthful manner.

Mr Elliott: Like Mr Ford, I will not delay proceedings, but I would like to make a few comments. Before the Financial Assistance Bill was brought forward by accelerated passage, we all heard the calls from the First Minister and the deputy First Minister that they needed accelerated passage to move the process forward, particularly in light of the payments of £150 that were to be given to people who are less well off and who are suffering winter hardship. We were told that all amendments would be looked at in a positive light, but we have all come to know how difficult that was, because none of the amendments that came forward from any of the two main parties was accepted.

All the amendments were put forward in good faith, and with the wish to try to assist the legislation and to improve it. It is unfortunate that that was thrown back in our faces and was basically rubbished to a large degree by Members from the two main parties.

My colleague Basil McCrea has already mentioned some instances where the ministerial code, as it stands, has proved to be unable to curtail some Ministers in the form and spirit in which it was meant to. It is unfortunate when a Minister refers to the IRA hunger striker Bobby Sands as a local hero. That concerns me greatly, and I would have hoped that an amendment to the ministerial code could have changed that.

The proof of the pudding will be in the delivery of the changes that will be made to the ministerial code. I, for one, and my party will wait with anticipation in the hope that it will actually improve the code.

Again, that remains to be seen. We opposed that element of the Financial Assistance Bill, which we believed to be a power grab. The Members to my left were not too happy that we described it as such, but that is exactly what it is. However, it has passed into law. We need to work with it, make it better and obtain

the benefits for the people of Northern Ireland. That will be the positive outcome of the process.

5.15 pm

Mrs D Kelly: I welcome the amendments to the ministerial code. The First Minister said that it would strengthen the accountability of Ministers to the Assembly. It is disappointing that in proposing the amendments, the First Minister and deputy First Minister did not take the opportunity to strengthen the ministerial code in light of recent comments made by Minister Wilson about foreign workers. Those comments flew in the face of EU and Northern Ireland legislation. It is a pity that the opportunity was not taken to stress that Ministers are responsible for what they say. They cannot change hats and speak as a councillor one day, a Minister the next and a public representative on another. Ministers are Ministers.

Ms Anderson said that the SDLP upset the DUP and Sinn Féin by alleging a power grab. However, that is unsurprising, given that we have little confidence in how the Executive are managed. Mr Deputy Speaker, in an interview, you said that DUP and Sinn Féin Ministers were in the majority on the Executive and, therefore, everything would be railroaded through. That is very disconcerting. The agenda for Executive meetings may be published as little as half an hour before meetings are held, which is hardly what one can call genuine partnership or inclusive government.

With respect to the genuine cross-cutting strategy, the First Minister and deputy First Minister should get down to the work that is already within scope of their Department on bringing forward the long-awaited strategy for cohesion, sharing and integration, which was to be placed before the House last November. With that, alongside the single equality legislation, the gender equality action plan and the anti-poverty strategy, there is ample work for the First Minister and deputy First Minister to get on with.

Mr Deputy Speaker: I remind Members not to refer to the Speaker or Deputy Speaker, and when they do, to refer to them correctly and not to misquote them.

Mr Attwood: To borrow a phrase:

“I fear the Greeks even when they bring gifts.”

Or, more accurately, as my colleague has advised me:

“timeo Danaos et dona ferentis.”

As the First Minister rightly said —

A Member: We are not Greeks.

Mr Attwood: I said “Greeks”, not “geeks”. *[Laughter.]*

The First Minister said that the matter is now settled. However, whereas it is true that the legislation is settled, and the ministerial code will be settled after the vote, the concern that lies at the heart of the debate is not settled. An insight into that is provided by the

comments from the DUP Benches, in which there has been some offering of an olive branch. It may not have had many leaves, but nonetheless, there was a sense of an olive branch.

Mr B McCrea: It is a stick.

Mr Attwood: I was tempted to conclude that, but I want to be generous.

However, that did not characterise the comments that came from the Sinn Féin Benches. The Member for Foyle Martina Anderson said that the amendment was pandering to the insecurities of the smaller parties.

That came from a Member who singularly refuses to take interventions on the Floor of the House; if there is a more dramatic example of insecurity, I cannot name it.

I was not at all surprised to hear the First Minister say that it is unusual for an Executive to have legislative responsibilities placed upon them. That has been the Member for East Belfast's pattern of behaviour throughout the period of attempting to rewrite the Good Friday Agreement. It is the SDLP's view that accountability mechanisms have been put in place not for the sake of accountability, but for the sake of control, and as impediments to the good function of the Government. Members will expect me to make that point, whether they agree with it or not.

Ultimately, this piece of legislation has to be judged against the assertion made in the Assembly by the Sinn Féin Whip that Members will have to get used to their views being dismissed when it comes to the interests of the smaller parties; to good amendments to bad law; to proposals to alleviate issues of concern to our community; to the level of input from all the people whom Mr Spratt referred to as being on the right of him; and to the input of all those legislators and Members.

Mr O'Dowd: On a point of order, Mr Deputy Speaker. Is it appropriate for a Member to misquote another Member in the House?

Mr Deputy Speaker: I have drawn attention to the issue of misquoting, and hopefully, Members will take note of that.

The First Minister: I welcome the contributions made by some Members, but sadly, those of others were characterised by the same type of foolishness that we saw during the several Stages of the Financial Assistance Bill.

I was told not to lecture people; however, given that some Members still do not seem to understand what a ministerial code is, I think that it would be of some value. Both the Member for Fermanagh and South Tyrone Mr Elliott — who does not seem to understand this or a number of other things — and Dolores Kelly think that the purpose of a ministerial code is, or perhaps could be, to silence the remarks of an individual.

Ministers can make whatever remarks they want, and it will have no impact on the ministerial code.

The ministerial code is concerned with the actions and decisions of Ministers. If decisions are required that are significant, controversial or cross-cutting, they are required to come to the Executive. If a Minister does not bring to the Executive a matter that is significant, controversial or cross-cutting, the decision that that Minister makes is not valid. It does not matter which Department that Minister is in, whether it is OFMDFM or any other Department, in those cases, if the decision is not taken by the Executive as a whole, it is not a valid decision and, as such, can be cut down.

Mr Durkan: Does the decision on the Maze stadium come under “significant, controversial or cross-cutting”?

The First Minister: The Member does not seem to realise that in the case of the Maze, it was a non-decision — a decision not to do anything. Every day Ministers decide not to do something; is the Member really suggesting that every time Ministers decide not to do something, they should come to the Executive to explain that they decided not to do something that might have been significant, controversial or cross-cutting? It is decisions to do something that come to the Executive.

The Member can take his own legal opinion on that matter.

The Member for Fermanagh and South Tyrone Mr Elliott seems to have picked up nothing from the previous debate. Does he realise how foolish he looks when he comes to a debate in which the specific purpose of the motion is to place the power in the hands of the Executive as a whole yet he stands up and suggests that the motion is a power grab by the First Minister and deputy First Minister? He has no embarrassment about the fact that he has made that kind of remark and about the contradictions that it entails.

He started his speech by referring to the Financial Assistance Bill's accelerated passage and the need for a willingness to take amendments on board. We accepted four amendments, based on what was said during the consultation process by the Committee for the Office of the First Minister and deputy First Minister, on which his party is still present, and by the comments that were made by Ministers, including two from the Ulster Unionist Party. We did take on board four amendments, but in Mr Elliott's mathematics, that ends up as none at all.

The Member for South Belfast Mr Spratt raised the issue of the scare tactics that were used in the early part of the Financial Assistance Bill's passage. It seems that there are still some Members who are not red-faced by the fact that they keep digging themselves into a hole, even though the proof of the pudding is in the eating.

We have already started the first use of the Financial Assistance Act. We brought the determination and designation to the Executive, and we met the Minister for Social Development and indicated that DSD was being designated as the Department to introduce the scheme. We have already written to that Department to indicate that it is the designated Department, and the Executive have decided that DSD should introduce a scheme at the next meeting. The process has been accelerated as far as OFMDFM can do so, and it is now in the hands of DSD to bring the appropriate scheme to the Executive. On receipt of Executive approval, DSD will administer the scheme.

I hope that the issue of scare tactics will be over for now, and as the Member for Strangford Mr Shannon quite rightly said, the public could not care less about wee games. The public do not care in the least; they want action at the end of it. People are waiting for much-needed payment, and I hope that there will be no delay in the matter. OFMDFM has taken the steps to accelerate the process, and I hope that that will continue.

Basil McCrea was less than convincing when he said that he was not insecure. He made it clear that as far as he was concerned, it was important that issues such as the remarks made by the Minister of Education should be caught by the ministerial code. I say again: decisions are taken on the basis of the ministerial code when a Minister does something — when he or she makes a decision and acts on that decision. If the Member has a problem with remarks made by any Minister that he thinks are a breach of the Pledge of Office, there is a procedure that he can follow. He can get 30 signatures, he can put down a petition of concern, and he can use the stipulation that is contained in legislation that requires the removal of that Minister.

Mr B McCrea: I am grateful for the lecture from the First Minister. There is profound disappointment that this place has not found a solution to the education issue. The First Minister rightly said that people are looking to us for delivery. Is there no way that he and his Executive colleagues can find a resolution to that travesty? If that cannot be covered by the ministerial code, perhaps we need another way to consider such matters.

The First Minister: I will go off on a slight tangent in order to answer the point. If there had been a resolution of that problem, we would have been happy to have introduced it. The Member's party and his Ministers did not find a resolution to it, and he is right to say that people are discontented that the Assembly as a whole was unable to find a resolution. It is, therefore, a good thing that at St Andrews, we ensured that the right to academic selection was secured. It is unfortunate that his party was not part of that process.

5.30 pm

The Member for North Antrim Mr O'Loan said that he hopes that the code will not be abused. I do not know of any other piece of legislation that has more accountability built into it. Clause 1 requires the First Minister and deputy First Minister to bring matters to the Executive for determination and designation. It requires the Minister whose Department is designated to bring the scheme to the Executive.

At each stage, the Committee may — under clause 1 and clause 2 — request consideration of that matter. I would expect the Minister for Social Development to want to consult with her Department as she brings forward a scheme. Any other Minister who is so designated in relation to any further use of the legislation will want to involve their Committee.

In addition, clause 1 enables the Assembly, if it does not like the scheme that is developed, to have the matter debated and annulled in the House by negative resolution. Clause 2 allows the use of affirmative resolution to vote against a proposition. There is no more accountable and democratic decision-making process than that contained in this legislation.

I am sorry that time does not permit me to go into any more detail. I welcome the remarks made by the leader of the Alliance Party about greater collectivity. He and I both hope that that will be a trend and a pattern that develops over the months and years ahead. The ministerial code is the foundation on which the Executive operate, and by which the accountability of individual Ministers to the whole is secured. As First Minister and deputy First Minister, we recognise that we are no less bound by those requirements than any other Minister.

The motion seeks to clarify and to strengthen our obligations under the code in respect of the operation of the Financial Assistance Act (Northern Ireland) 2009. In doing so, we intend, and hope, to put beyond the doubt of any reasonable individual our intention to use the Act as a vehicle for the Executive to respond to the needs of the community collectively, swiftly and effectively.

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

Question put and agreed to.

Resolved (with cross-community support):

That this Assembly approves the following draft amendments, prepared by the Executive Committee in accordance with section 28A(3)(a) of the Northern Ireland Act 1998, to paragraph 2.4 of the Ministerial Code:-

At end of sub-paragraph (v) delete “or”;

At end of sub-paragraph (vi) insert “; or”;

After sub-paragraph (vi) insert “(vii) relates to a proposal to make a determination, designation or scheme for the provision of financial assistance under the Financial Assistance Act (Northern Ireland) 2009”.

COMMITTEE BUSINESS

Report on the Inquiry into the Role and Potential of Credit Unions in Northern Ireland

Mr Deputy Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. In accordance with the Business Committee's agreement to allocate additional time to Committee Chairpersons when moving and winding up on a motion on a Committee report, up to 15 minutes will be allowed to propose and 15 minutes to wind up. All other Members who wish to speak will have five minutes.

The Chairperson of the Committee for Enterprise, Trade and Investment (Mr Durkan): I beg to move

That this Assembly approves the report of the Committee for Enterprise, Trade and Investment (05/08/09) on its inquiry into the role and potential of credit unions in Northern Ireland.

Before commenting on the substantive matter, I wish to express my gratitude to the people who assisted the Committee during the inquiry — the Committee Clerk, the former Committee Clerk and the Committee secretariat — for their work in supporting the inquiry.

I also thank the Assembly Research and Library Services for the high-quality research and analysis that were provided to the Committee; Hansard for its accurate reporting of evidence sessions involving all the witnesses who appeared before the Committee during the inquiry; and the Printed Paper Office for its prompt and professional handling of draft reports.

The Committee is grateful to all those who provided evidence, including departmental officials who supported the Committee in the course of its inquiry. Some witnesses gave evidence more than once — not least, the Ulster Federation of Credit Unions and the Irish League of Credit Unions.

I thank my Committee colleagues for their constructive and positive approach to identifying what the Committee believes to be the optimum means of providing Northern Ireland with a credit union movement that is allowed to meet the needs of credit union members and the objectives of sponsor organisations and regulatory authorities.

I want to acknowledge the encouraging regard that the Minister afforded the Committee's inquiry throughout its duration, as well as the engagement of her officials.

As Members will be aware, Northern Ireland's credit union movement dates back to the 1960s. The movement grew and developed throughout the region and now boasts more than 180 individual credit unions, with membership — according to Department of

Enterprise, Trade and Investment (DETI) figures — that represents more than 50% of the population, compared with membership in GB, which represents less than 2% of the population.

Northern Ireland credit unions hold net assets that total more than £800 million, compared with £500 million for credit unions in the whole of GB. Credit unions here are deeply rooted in the communities that they serve and are relied upon by many people in those communities to meet their day-to-day needs for financial services.

Despite their deep-rooted history, and their being so heavily relied upon, credit unions in Northern Ireland have not been able to provide the wide range of services that their counterparts in GB or in the South can offer. Credit unions here can offer, essentially, just three services, compared with 12 in GB and more than 20 in the South. Those services are listed in an annex to the report. That disparity was the key issue that the Committee sought to investigate during the course of its inquiry. One of the report's key recommendations is the expansion of credit union services.

Credit unions across the water can offer services such as current accounts, electronic transfer of wages, ATMs, debit cards, mortgages, direct debits, and so on. Committee members agreed that a solution must be found that will enable credit unions in Northern Ireland to provide similar services to their members.

Credit unions in Great Britain can also participate in Government savings initiatives. That is a particular area in which the credit union movement can, if given the opportunity, make a significant and lasting impact to tackle financial exclusion.

In Northern Ireland, uptake of child trust fund vouchers by parents and guardians is much less than in GB. In some parts of Northern Ireland, uptake is approximately 50%. The Consumer Council estimates that £11 million of child trust funds are unclaimed by parents and guardians in Northern Ireland — a region that relies much more heavily on the credit union movement than any other GB region, but where, unlike any other GB region, credit unions are prevented from providing that essential service. Given the strength of Northern Ireland's credit union movement, it is not difficult to see how widening the range of services that it is able to offer could provide substantial benefits in that area alone.

The Treasury report entitled, 'Financial inclusion: the way forward', which was published in 2007, suggests that access to affordable credit, savings and insurance products are key factors in determining an individual's ability to cope with financial pressure. It states that people who are without access to such products are more likely to be:

“forced into using high-cost sources of lending instead, including home credit (“doorstep lending”) or, worse, illegal loan sharks who use fear and intimidation to extort huge sums from their victims.”

For many people in Northern Ireland, there is currently no alternative to some sort of doorstep lending, because credit unions are not allowed to provide the range of services that they need. Credit unions can provide a realistic, trusted and empathetic alternative to those forms of lending; however, they can do so only if they are allowed to provide the services that their members need and cannot otherwise obtain at reasonable rates.

During the course of its inquiry, the Committee explored options to enable credit unions to provide those additional services. Option one was to consider the delegation of regulation by the Financial Services Authority (FSA) to DETI. Option two was to consider splitting or sharing regulation between the FSA and DETI.

Although the Committee was relatively comfortable with either option, particularly option one, they proved unfeasible because, for various reasons, the FSA and the Treasury did not support either option. It was also difficult to detect any enthusiasm for them from the Department. Had the Committee made recommendations along the lines of either option, the consequence could well have been many more years of discussion and negotiation with no guarantee — and, indeed, little likelihood — of an outcome that met the needs of credit union members.

The Committee explored the third option of forming a company, regulated by the Financial Services Authority, to offer the additional services through credit unions but with credit union regulation remaining within DETI. There was little support in the credit union movement for that option, not least because it involved introducing an additional layer of bureaucracy that is not necessary for credit unions elsewhere.

The Committee’s recommendation, therefore, is option four which is for DETI’s Companies Registry to retain responsibility for the registration of credit unions as a devolved matter in Northern Ireland, while inviting the Financial Services Authority to regulate all Northern Ireland credit unions under the Financial Services and Markets Act 2000. That recommendation has the advantage of credit unions being able to retain the close, amicable working relationship that they have built with the Department’s Companies Registry. It also retains credit unions as a devolved interest for the future and protects possible policy opportunities for the Assembly and the Executive.

The continuing relationship with DETI’s Companies Registry should prove invaluable in providing continuity and in assisting credit unions to manage the transition to FSA regulation. That will also assist the FSA in getting to know the credit union movement here and help it to

develop close, productive working relationships with our credit unions.

The Committee arrived at that recommendation after much consideration and having taken into account the needs of credit unions that do not wish to expand their range of services. The Committee received assurances from the FSA and the Association of British Credit Unions Ltd (ABCUL) that FSA regulation in Great Britain is not unduly burdensome.

Indeed, the ABCUL representative who gave evidence to the Committee informed us that FSA regulation:

“is one of the best things that has happened to credit unions in Britain”.

He also said that it has established:

“good controls and desired results for the credit union sector without being too onerous”.

ABCUL stated that the “lighter touch” — or version 1, as it is called — regulation for smaller credit unions there is mainly desk-based with occasional visits and a focus on establishing compliance standards, and that relationships between the FSA and credit unions are positive and constructive.

In order for the recommended option to be implemented, amendments to the Credit Unions (Northern Ireland) Order 1985 and the Financial Services and Markets Act 2000 would be required. The initial indications are that that can be achieved. The Committee’s report will be a key document in informing the Treasury review of the regulatory framework for credit unions and industrial and provident societies here, which was announced in the pre-Budget report.

The Committee recognises that to make the changes that are required is not merely a matter of handing over regulation and walking away. On the contrary, the Committee has recommended a full package of measures that need to be introduced to assist and enable credit unions here to make the change. Those measures include an FSA presence in Northern Ireland, at least for an agreed transitional period; a programme of training for credit union management and staff in the operation of the new structures and procedures; a package of financial support to assist credit unions to obtain the training, resources and equipment associated with the changeover; and an extension of the Government’s growth fund for credit unions in Great Britain, and any future such funding, to include Northern Ireland credit unions.

The Committee also recommends that credit union membership is opened up to allow people to open joint accounts and to allow groups and societies to open accounts where their aims are compatible with the ethos and values of credit unions.

5.45 pm

The Committee recommends that credit unions are allowed to work with the FSA to consider how to

reinvest a proportion of their assets in the communities they serve. Credit unions recognise that they need to work with Government Departments in that regard.

Mr McCarthy: Given the FSA's abysmal recent record in Great Britain and elsewhere, and given the current financial disaster, does the Member, or the Committee, recognise the preference of the Irish League of Credit Unions, in the report, for the entire operation to remain within DETI Companies Registry?

The Chairperson of the Committee for Enterprise, Trade and Investment: The Member is right; the Irish League of Credit Unions preferred the FSA to delegate its powers to DETI. However, the FSA made it clear that it does not want to delegate its powers to anybody, and that is the view of the Treasury also. Moreover, the Committee did not detect much enthusiasm in DETI for authority to be delegated. Therefore, if the Member's criticism is that, fundamentally, the FSA should not be in charge of regulating credit unions, he must recognise that, in any event, the authority would remain as FSA authority: it would have been in charge of regulation, and it would have set the standards.

Regardless of any other issues involving the FSA's performance in relation to banking and financial services, no concerns have been raised about its regulation of credit unions. The report that we were getting from credit unions in Britain was positive and encouraging in that respect. However, the Treasury — and we as a devolved region — will be able to recommend longer-term changes to the financial regulation of banking, and so on. Therefore, in the future, there could be an overall financial services authority with bespoke regulatory arms that deal with banking, insurance and, perhaps, credit unions and financial services. If that happens, there will be an opportunity to include a more regional aspect to the FSA.

The Committee is aware that questions about the FSA remain unanswered. However, if resolving all the issues that pertain to the FSA were a precondition for making progress on the needs of credit unions here, that would be adding to the delay that has already existed for many years. Late in 2004, I approached a direct rule Minister about the issue highlighted by the Irish League of Credit Unions. Indeed, it is an ongoing problem that was identified long before 2004. The Member's point is well taken, but the Committee has considered all the options.

The adoption of the report's recommendations will represent a considerable challenge and an enormous opportunity for credit unions, and will benefit individuals, families and communities. Therefore, I commend the report to the House and seek support for the motion.

Mr Newton: I join the Chairperson in thanking the Committee staff and everyone who gave evidence.

We are discussing this report in the context of a major downturn in the economy during which unemployment is rising and closures of household-name companies are commonplace. The situation that has arisen with the Presbyterian Mutual Society, which is an unregulated organisation, will cause many investors to face extreme difficulties. Indeed, they might wish that the society had considered regulation as its approach became more ambitious. On a more positive note, the credit union movement wants to play an increasingly positive role through increased services to its members.

As a member of the Committee for Enterprise, Trade and Investment, I support the report and declare an interest as a member of a credit union. The report highlights credit unions' importance to the local community and outlines their roles. The local credit union is the first port of call for many people who want to apply for a loan for a comfort item or — as is more likely — out of necessity. However, in Northern Ireland, credit union members are unable to receive the full benefits of membership enjoyed by those in GB or the Republic of Ireland. The Committee's report attempts to address such issues while providing the safeguards that investors expect and need.

One of John Hume's claims to fame is that he started the first credit union in Northern Ireland. Since then, we have witnessed amazing growth, with the development of approximately 170 credit unions in the Province.

That is coupled with the fact that the credit unions are supported by both sides of the community, with the Orange Order playing a major role, and the Roman Catholic Church playing a much more substantial role in promoting the benefits of credit unions throughout their communities. There is no exclusivity, however, as individuals cross what might be perceived as boundaries to join locally based credit unions. That is to be welcomed.

The importance of the credit union movement can be seen from the fact that some 26% of the population in Northern Ireland are members, compared to less than 1% of the population in England and Wales. That confirms the important role that credit unions play in our society. It also verifies the local community's confidence in the credit union movement.

The report highlights a number of recommendations aimed at improving the services that credit unions may provide. It is clearly evident from those recommendations that the most significant change we could make to the role played by credit unions would be to create the circumstances that would allow them to expand the range and quality of services they may provide. Currently, credit unions can only provide a small number of services, including share accounts, loans and life assurance. Compare that to the number of services available in Great Britain and the Republic,

and it is apparent that the people of Northern Ireland are unable to utilise the full benefits of membership.

I also welcome the recommendation that the FSA and DETI should work together to provide credit union staff with knowledge and skills to operate the new regulatory arrangements necessary for additional services.

The final recommendation that I wish to mention is that there should be appropriate reinvestment of assets by credit unions into community development and community enterprises. That would have the potential to bring about significant economic benefits to communities. I have reiterated the positive role that credit unions play in the community, and the reinvestment of a proportion of assets would be welcome.

In conclusion I will make two important points. The report acknowledges that many credit unions are content with current regulatory arrangements and have no desire to expand the range of services that they offer. If that is the level of their ambition then they can take advantage of the lighter touch to which the Chairperson referred, which will meet the needs of those unions. For those that think on a larger scale, changing from the current regulatory regime to the FSA regime will require management and staff to train in the operation of procedures. The report allows for those with vision and ambition, and for those who want to provide a valuable and important, yet limited, scope of activity.

I recommend the report, which was approved by the whole Committee, to the House.

Ms Anderson: Go raibh maith agat, a LeasCheann Comhairle. I support the motion. I will begin by paying tribute to the work of the credit union movement, which continues to provide key services to communities right across the island of Ireland. The value of its work is more apparent than ever in the current economic climate, when affordable credit union and other financial services are almost impossible to access.

Over the past 40 years the credit union movement has assisted countless thousands of people, particularly those living in economically deprived communities and areas of social disadvantage. Known as the people's bank, the credit union helped those people access the kind of financial services that, until then, were completely unattainable. It is open to all, regardless of their economic circumstances, and I know from my own experience the high regard with which the credit union movement is held in the north-west, in places like Derry — I have not said “stand up for Derry” for quite a while — Omagh and Strabane.

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

The credit union movement should also be commended for the fact that it wants to increase the range of services that it offers to the people of our communities, and we

should assist it in doing so. However, the recent inquiry carried out by the Committee for Enterprise, Trade and Investment exposed a number of barriers that prevent credit unions in the North from offering similar financial services to their counterparts in England and the South of Ireland. Those barriers should be removed, and credit unions given the freedom to get on with providing enhanced services to their members. However, in approving the Committee's report, I would like to put on record Sinn Féin's position that the most effective way of assisting the credit unions and assisting our people is through the transfer of fiscal powers to the Assembly.

Of course, that will take time to achieve, and the report's alternative recommendation is that the credit unions here should come under the regulation of the Financial Services Authority, in order to allow them to offer expanded services. I stress that such an arrangement should be a strictly interim measure, pending the transfer of economic authority. The FSA presided over the collapse of the financial industry in Britain, and I doubt that many people here would have much faith in putting their financial future in the FSA's hands. It is far better that those responsibilities be in the hands of local representatives who come from and care about their communities, and not a flawed FSA or unelected and unaccountable British Ministers.

The report also recognises the need to provide assistance to credit unions in order to implement the expansion of their services. I reiterate that position, and stress that the credit unions should be given the required financial backing to achieve that aim. Furthermore, any credit unions that feel that they do not yet have the capacity or resources to provide additional services should not be compelled to do so. Instead, those credit unions should be supported and assisted until they reach the point at which they feel ready to take that step. Ultimately, that should be their decision.

If Members will pardon the pun, I will reiterate that we owe a huge debt to the credit union movement in Ireland. It has provided an invaluable service to countless thousands of people over the past four decades. If anyone is going to owe a debt to any organisation, there is probably none better than a credit union to owe it to. I support the motion. Go raibh maith agat.

Mr Cree: It is difficult to follow the Chairperson of the Committee, because he usually covers all the points of the debate. Therefore, there was not much point in my sitting up until midnight last night to pen these few words.

Many people in the credit union movement in Northern Ireland have campaigned for a long time to have a range of services that are similar to those enjoyed by other groups in Great Britain and the Republic of Ireland. The Committee for Enterprise, Trade and

Investment spent considerable time taking evidence and consulting all the important stakeholders. The impediments to the expansion of credit union services were identified and explained at some length. As the Chairperson said, four distinct options were developed, and all parties agreed that option 4 was preferred. That would enable the necessary outcomes to be achieved quickly and match the services provided elsewhere.

However, I recognise that assistance must be given to local credit unions for the necessary retraining that will allow them to move forward. Some of the smaller unions may wish to stay as they are, and offer limited services. Others want to expand and offer a wider range of services. We recommend that the Financial Services Authority open an office in Northern Ireland, staffed with people who have an understanding of the credit union movement and the necessary regulatory arrangements.

The credit union movement has grown over the past 50 years, and has a bright future in Northern Ireland. The only note of caution that I wish to express is on the reinvestment of assets into community enterprises, which will necessitate new skills and competences. Investments may be subject to more risk, but with proper training, I see no reason why credit unions should not develop those skills so that significant benefits can be brought to communities. I support the report and recommend it to the House.

Mr Neeson: First, along with other Members, I thank the Committee staff and all those who assisted us in developing our inquiry.

In April and May 2008, when we decided to carry out the inquiry, I believed that the Committee might have had greater priorities. However, events have overtaken us, and I now acknowledge that our timing could not have been better.

There are more than 180 credit unions in Northern Ireland, with around 408,000 members and assets totalling £820 million. Originally perceived as a largely nationalist movement, I am pleased to say that there are now many facilities in unionist and other areas as well.

6.00 pm

The credit unions of Northern Ireland, in evidence to the Committee, said that they believed that their services were rather restricted when compared with those that their counterparts in the Republic of Ireland and in other areas of the UK provide. Larne Credit Union Ltd reflected that belief in a written submission to the Committee. It said:

“Credit unions do not come under the control of the FSA as in the case of England or IFSRA in the Republic of Ireland. This can cause difficulties for credit unions as the freedom of the Registrar in Northern Ireland to act is limited under the powers given to NI by Westminster. This means, for example, that credit unions in NI are

unable to offer Repayment Protection Insurance to members, a service which is available to members in the Republic.”

During the inquiry, the Committee decided, rightly, to meet the administrator of the Presbyterian Mutual Society in private session to discuss the situation. Many of my constituents have been affected adversely by the problems of the society; therefore, it was right that the Committee did that.

One of our priorities was to determine the extent of regulation in Northern Ireland. One of the Committee’s recommendations is that the registration of Northern Ireland credit unions remains with DETI Companies Registry, but that regulation should move from DETI Companies Registry to the FSA to enable credit unions to deliver a wider range of services to their members. I acknowledge the recent controversy regarding the FSA, and although I have some reservations, I still believe that that is the best move to make so that services can be expanded.

Another recommendation is that DETI and the FSA work with the credit union movement to retain credit union staff, who will be operating under the new regulatory arrangements and using the new services.

The Committee also recommends that credit unions here should be able to provide the facilities for joint accounts and group membership — services that are not available in the UK. Contrary to my colleague Kieran McCarthy, I highlight the fact that the Ulster Federation of Credit Unions supports that option, but only as long as the FSA looks after credit unions as ably as DETI Companies Registry currently does.

The Committee believes that the appropriate reinvestment of assets by credit unions into community development and community enterprises can bring significant benefits to communities.

The inquiry has been very challenging, but we believe that the recommendations will bring about major changes for credit unions in Northern Ireland and provide greater opportunities, not only for the credit unions, but for their members. I support the recommendations and the report.

Mr Wells: Mr Deputy Speaker, I may have misled the House earlier with something that I said, so I want to get this confession out in the open. In a previous debate, I accused the Member for West Belfast Jennifer McCann of speaking for 14 minutes and 34 seconds. In fact, the clock was not reset when the Member started to speak and the time was 14.34. It may have seemed like she had spoken for 14 minutes and 34 seconds, but she had not; she finished speaking at 2.34 pm. I put right my remarks, because I noticed that a few Members were shocked by that scurrilous accusation, which I now withdraw. Members may want to frame this confession, because I do not think that it will happen again.

I was appointed to the Committee halfway through its deliberations, and I found the issue very interesting. I confess that I did not know an awful lot about the credit union movement before the inquiry started. I have to say that there is not a penny of Jim Wells's benevolent fund invested in any credit union, the few pence that I have are lodged in the Progressive Building Society or the Northern Bank.

Like other Members, I was very impressed by the breadth of experience and expertise that was exhibited by the credit union movement throughout Northern Ireland. What I found to be even more impressive was that an awful lot of the service is provided on a voluntary basis. Committees work for the greater good of the community throughout Northern Ireland. I was also impressed by the fact that it now extends throughout all the community in Northern Ireland; credit unions operate in almost every part of society. The existence of the Irish League of Credit Unions and the Ulster Federation of Credit Unions means that it is a genuine cross-community movement.

The movement is very much a force for good. What I found particularly surprising was the sheer size of the amount of deposits that the various credit unions have — almost £800 million. That is an incredible bank balance for an organisation that has only been going for about 40 years. The credit unions have also demonstrated prudence in their lending over the past four decades. The financial markets have been through a period of unprecedented turmoil. Insurance companies, banks and stockbrokers have all gone to the wall. There have been all sorts of activities that, on closer examination, are not exactly to the credit of those who were involved. Even an organisation as august as the Presbyterian Mutual Society got itself into terribly difficult times.

Throughout that time, however, the credit union movement has remained untainted by any form of financial irregularity, which is very much to its credit. The 400,000 people in Northern Ireland who are members must have been reassured that while the storms were raging elsewhere, they could quietly and confidently expect that their savings in the credit unions were safe.

The movement has now grown to a stage, however, at which change is required to take account of the new economic realities and to provide a greater range of services and protection for the huge number of people who are members. My understanding is that the credit union movements — the two major federations and the separate group of 13 credit unions in Tyrone — are generally content with most of the report, but the issue of regulation has been highlighted.

That is a difficult issue. At the moment, it must be said that although the Department registers credit

unions, it does not exercise the same regulatory role as the FSA. The Committee's proposal is balanced. It was unanimously accepted that there would be a light touch. Paragraph 10 of the report is crucial. It states:

“the Committee acknowledges that many individual credit unions are content with current regulatory arrangements and have no desire to expand the range of services they offer. The Committee is reassured in this regard, by evidence from the Association of British Credit Unions Ltd (ABCUL)”.

That organisation complied with the FSA. The report states that a light touch will be applied to individual unions — they will be able to remain very much as they were. However, the larger unions that wish to offer a wider range of services will come under the umbrella of the FSA.

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

Mr Wells: Recently, the FSA has, frankly, not provided a great amount of protection, but at least there is now reassurance for investors about the protection scheme.

Mr Butler: Go raibh maith agat. I welcome today's debate and the report into the credit union movement. I declare an interest as a member of my local credit union for the past 20 years. Today's report and this debate follows on from a long-standing grievance that the credit union movement here has had over many years about the unfair way in which the range of services that it offers compares to its counterparts in Britain and the South of Ireland.

Deposit taking is allowed in credit unions in Britain and the South, but not here. The same is true of the transfer of securities and group society membership.

The task before us is to consider how credit unions might expand the range of services that they offer to include current accounts, deposits, mortgages, insurance, ATMs, and so forth.

As the Irish League of Credit Unions said, credit unions are not banks, and they are not seeking to become banks, but they wish to use current banking technology to offer the financial services that their members want.

Some Members spoke about the credit union movement, which has been in existence here for the past 50 years, during which time it has reached out, in particular, to people in disadvantaged communities who have been financially excluded and are not used to using the banking system. As Mark Durkan, the Chairperson of the Committee for Enterprise, Trade and Investment, said, credit unions have assets in the region of £800 million, and they have been able to provide loans at reasonable rates, ensuring that people in disadvantaged communities do not steer themselves towards doorstep moneylenders who charge exorbitant rates. Credit unions have reduced financial exclusion

and have assisted families on low incomes, particularly in disadvantaged areas.

The Minister should take on board the range of services that the Committee believes credit unions could provide, including the growth fund, which the British Government established in order to reach out to people who are financially excluded and whom credit unions in Britain can access. We have the lowest uptake of the child trust fund; credit unions here argue that if people from disadvantaged areas were able to access the child trust fund, more of them would avail themselves of it. Furthermore, in 2010, the British Government will introduce the saving gateway scheme, whereby the Government will match every pound that people save, and that scheme could be included in the extended range of services that credit unions can offer.

Members of the Committee expressed concerns about the most appropriate regulatory regime. A dilemma arises under the present legislation, because regulatory powers must come from the FSA, which has cost implications for the credit union movement. Therefore, I hope that the Minister will consider that matter, because the FSA, for example, does not even have an office here. Furthermore, although some credit unions are run professionally, others are not, so training would be needed to bring standards up to the required level of competency.

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

Mr Butler: I support the report, and I hope that the Minister takes on board its recommendations. Go raibh maith agat.

Mr Hamilton: I am pleased to have been part of the Committee and to have my name associated with the report, which is one of the best reports — if not the best report — with which I have been involved since being elected to the Assembly. Furthermore, I wish to praise the Chairperson, who was the driving force behind the Committee's investigation into this matter.

There are several reasons why I consider the report to be the best one with which I have been involved. Personally, the inquiry has been a great educational experience. Much like Mr Wells, my detailed knowledge of credit unions was limited. Indeed, if Members look at page 10 in the report, they will see that it is blank, so that page could have been indexed as the sum total of my detailed knowledge of the credit union movement at the beginning of the inquiry.

In addition, the report is good because there is a good prospect that its recommendations will be acted on. Sometimes, reports produced in the Assembly have little or no chance of being acted on, and this report's recommendations might actually be taken up by the powers that be.

6.15 pm

The Committee has been considering the subject for approximately 18 months, and if ever there were a need for the services that we are seeking, it has been highlighted by the economic downturn that has developed during that period. The credit union movement is important in helping people to get over some of the problems created by the downturn.

The importance of the credit union movement was drawn for me very starkly when the Irish League of Credit Unions gave evidence to the Committee that highlighted, as has been mentioned before, that the uptake of child trust funds in Northern Ireland is very poor in comparison with the rest of the UK. Even in my constituency, which Mr Wells repeatedly tells me is very affluent, the take-up was approximately 60%, meaning that 40% of those eligible did not take it up. That figure is worse in some areas — in parts of Belfast or in Londonderry, take-up is only about 50%. Therefore, there was bad take-up of that relatively simple benefit, and many of us believe that if credit unions could offer that service, more of those who could take up that benefit would do so.

The level of financial literacy in Northern Ireland is very poor also; again, it is among some of the worst in the UK. There is a very real need for — and benefit in — the credit union movement getting involved in providing more services that could address that problem.

We have heard about the market share that credit unions have in Northern Ireland, in comparison to GB. Give the critical mass that is required, there is a real possibility that if more services are offered to people in lower socio-economic demographic groups, that problem could be addressed in some way.

The key recommendation in the report is that registration remain with DETI and regulation be performed by the FSA. That recommendation was unanimously agreed by the Committee. Given the predicament that we are in, I can understand some of the hesitation that some people have when they hear the words “financial services authority” put together. However, in producing the report, the Committee considered absolutely every option. We considered some options that we thought would be good but were unworkable for one reason or another. When hardy came to hardy, that arrangement was the option that could, on the one hand, provide us with the services and let credit unions provide those services on the ground, and on the other hand, maintain the necessary level of regulation.

The Committee examined absolutely everything; therefore, I find it somewhat peculiar that Martina Anderson, on behalf of Sinn Féin, sought to criticise that for some reason. Her colleagues on the Committee wisely supported the report and did not object to it in

any way. It may come as news to her — in seeking to have some sort of financial services authority for here or contemplating whether we should be covered by the Financial Regulator in the South — that many of the financial institutions in the Republic that have an Irish face and are Irish-owned are, actually, regulated by the FSA. Therefore, some of the points that were being made for, clearly, Brit-bashing reasons need to be examined in the cold, hard light of where we are, and in the context of the need for credit unions to get more services so that they can help their members.

As other Members have mentioned, I appreciate that there are smaller credit unions in Northern Ireland that may be somewhat scared by the recommendations in the report. That is why the recommendations outlined at the back of the report regarding a FSA presence in Belfast, some training and financial support, and the lighter touch that regulation should take, are all the more critical. Implementing that may take some time, it may be something that those credit unions need some support and help with; however, the report is very worthwhile and I am very pleased to be associated with it.

Mr McFarland: I thank the Chairperson, my colleagues, and the staff of the Committee for Enterprise, Trade and Investment for their hard work on the report.

Credit unions provide a very useful service to society. However, in light of the financial developments that have occurred over the past few months, it is difficult to see how credit unions and industrial and provident societies will be able to continue unregulated and unprotected. It is fair to say that most credit unions welcome the opportunity to extend their services to the community. They welcome, in particular, the opportunity to help people to save, and as my colleagues have mentioned, it is very important that we encourage everyone to start saving, given the current economic climate.

However, there is a need for clearer rules and greater protection for savers. My Committee colleagues have covered most of the detail, but I want to particularly highlight several issues. The first is the change in Northern Ireland whereby groups will be able to join credit unions. That is important because groups such as the Scouts, football clubs and small groups that hitherto have not been able to save with the credit union will be able to do so, which will be beneficial to society generally. The ability of credit unions to help the local economy through supporting community enterprise is another useful development.

The proposals may be a challenge to the smaller credit unions, and some of them have made representations to the Committee. My colleague Sam Gardiner was giving me a hard time earlier about some people who had been in touch with him and who were worried

about the FSA coming in with a heavy hand. However, we have had assurances on several fronts, and colleagues have mentioned that today. As is the case in GB, we are likely to see a lighter touch for those credit unions that do not want to expand too much, and a tighter regulatory system for those that want to become further involved in issues.

If the recommendations are accepted, there will be a need for equipment and training, and the possibility of financial support, for those credit unions that will come under the new regime. It is good for the FSA to come here, and it was suggested that we might be able to staff the FSA here with staff seconded from DETI, that is, the staff who currently deal with credit unions. Those staff are used to dealing with credit unions and the credit unions are used to dealing with them. Perhaps some system could be found so that if credit union staff telephoned to ask for advice, they would be talking to the friendly voice of someone they know.

If the proposals are handled sensitively, they will give credit unions a major opportunity to move on, change, expand and produce a much better service to the community. I commend the proposals to the House.

Dr McDonnell: I am grateful for the opportunity to take part in the debate on the Committee's inquiry into the role and potential of credit unions. I thank everyone who contributed to the production of the report — the Chairperson, Committee colleagues and everyone who gave evidence. To my mind, their insight was invaluable in helping the Committee to produce the package of recommendations.

Credit unions in Northern Ireland are an integral part of the local communities that they serve. I am told that one in four of our population is a member of a credit union, which is an awful lot of people. It is a much higher figure than in Great Britain, and our credit unions are smaller, more local and community-based, and they connect with people. The norm in Britain is for credit unions to be large and somewhat anonymous. Unfortunately, despite that, Northern Ireland credit unions are much more restricted in the range of services that they can provide to their customers.

I never cease to be amazed at the substantial contribution that credit unions make, not just to financial stability, but to social stability and social justice, in the communities and neighbourhoods that they serve. They provide a vital financial lifeline, especially to the many people in areas of multiple deprivation who cannot get credit from the larger high-street banks or who cannot afford to pay the excessive and crippling bank charges that we are now forced to pay.

People without access to credit unions are frighteningly vulnerable to the circling loan sharks and others who could rip them off. Credit unions have done a fantastic

job in combating poverty and empowering those on the edge of poverty. However, compared to the Republic of Ireland or Britain, credit unions here have been hampered, restricted and inhibited from providing the service that they could, and should, be allowed to provide to local communities because of the constraints of the regulatory system.

Eight of the recommendations contained in the report go a considerable way towards changing the regulatory arrangements, enabling credit unions to provide a much expanded and effective range of services, and at the very least, the same range of services provided by credit unions in Britain — if they wish to do so. We will not, and should not, force the smaller, weaker, or less-well-organised credit unions out of their depth. However, the strength of these recommendations is that they leave the choice of the range of services that credit unions might provide with the individual credit union, enshrining a degree of autonomy.

There is no need for me to go into the detail of each and every recommendation. That has been done thoroughly already by the Chairperson and by other colleagues who have spoken.

However, it is important to emphasise that we must do all that we can to implement the recommendations swiftly. In that way, those credit unions that are significantly restricted in the services that they can offer will be able to expand their services if they wish to do so, thereby delivering more effective outcomes for the local communities that badly need their efforts and energy. For far too long, credit unions here have been left to operate under unnecessary restrictions. For far too long, they have lagged behind their counterparts in the South and in Britain, and their ability to serve their communities has suffered.

The community-based, self-help ethos of credit unions is invaluable. It resonates with people, reaches out to them and mobilises them. It is estimated that more than 6% of households in Northern Ireland have no savings and do not even have a bank account. As neighbours and local social activists, credit union staff understand their customers and their neighbours' needs. The credit union movement is a trusted community brand, and it is ideally placed to reach those who find themselves financially excluded and marginalised.

Not only do the credit unions offer fair and reasonable credit rates, but they promote sensible money management and help to nurture a culture of saving, investment and financial responsibility — a culture that very much needs to be nurtured in today's economic climate. Our local communities, urban and rural, will significantly benefit from those recommendations if, and when, they are implemented. They will strengthen the role and the services that the credit unions can provide.

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

Dr McDonnell: It is important to state that we would never suggest that our credit unions should simply develop into organisations that have parity with, or are similar to, high-street banks. The great strength of credit unions is their community ethos and their not-for-profit democratic operation. I support the motion.

Mr McHugh: Go raibh maith agat, a LeasCheann Comhairle. I am grateful for the opportunity to participate in the debate. As a member of the Committee for Enterprise, Trade and Investment, I know a bit about credit unions. My father was a founding member of the credit union in Lisnaskea. It started off in a small hut, but over the years, it moved to a very fine building. That credit union was established around 40 years ago, and the community that it serves has benefited enormously from it, as has Enniskillen.

Over the past few weeks, I have spoken to people who work in that area, and they have told me that they know about the Committee's inquiry and are very supportive of it. The aim is to try to get those people on to a level playing field with those in credit unions in England, Scotland and Wales or, indeed, in the Twenty-six Counties.

Table 2, on page 13 of the Committee's report, compares the services provided by credit unions here and elsewhere. As a place that obviously has no sovereignty, our credit unions clearly lag behind those elsewhere; other places have a certain amount of sovereignty, which makes all the difference. That is but one of the many areas in which we lag behind, as Alasdair McDonnell and the Committee Chairperson noted.

The changes that the report recommends must be implemented as soon as possible. The report must not be allowed to become one of the many that sit on a shelf, achieving nothing over the years. Implementation of its recommendations would bring enormous benefits for people. Given the present economic situation, people need to be able to borrow small amounts of money from people whom they can trust. Indeed, one of the great advantages of credit unions is that even if a person cannot make payments, they are not penalised. That does not happen in other financial organisations, such as banks. Bank customers who cannot repay their loans come to grief.

Another difference between banks and credit unions is that it costs a lot more to borrow a small amount from a bank. For a short-term loan of around £2,000 or £4,000, the interest rate is 18%, or even more. The credit union rate for that sort of loan is completely different. People should realise that they can make enormous savings by borrowing from credit unions.

We should encourage people to get involved in their local credit unions, not only to work for them in a

voluntary capacity, but to encourage their kids to start saving with them. That is one of the main things that credit unions have going for them — the idea of having savings and then paying back the loans with a declining total amount. That is where the big savings are.

The Irish League of Credit Unions is, and always has been, very strong in the Twenty-six Counties. There is a very close relationship between the credit unions that are part of the Irish League of Credit Unions and other credit unions in the North. Urgent work by Ministers and Departments on behalf of those credit unions is required so that there is a level playing field in the provision of affordable credit for people in our local communities.

6.30 pm

The other benefit of credit unions is that local communities know what their people want, and they work in support of local groups and enterprise organisations that need amounts of money up to £15,000. Attaining such credit in a safe way is a tremendous advantage for those communities.

Option 4 is the correct one. I thank the Committee staff, the Chairperson and all those who worked hard to bring the report to its fruition. People involved in credit unions have been waiting for this change for many years. Addressing the role and potential of credit unions is one of the most positive measures that the Assembly has taken in the past few months. I commend and support the Committee's report. Go raibh maith agat.

The Minister of Enterprise, Trade and Investment (Mrs Foster): I, too, welcome the publication of the first report of the Committee for Enterprise, Trade and Investment following the completion of its inquiry into the role and potential of credit unions in Northern Ireland. I join other Members in thanking the Committee's Chairperson, members and staff for the time and effort that they expended during the inquiry. I also thank the wide range of interested organisations that took the time to both write, of which there were many, and present evidence to the Committee. I will not respond in detail to the specifics of the report, but I will give it my detailed consideration and respond more fully to the Committee's request for views on its recommendations by early April at the latest.

I have listened to, and am grateful for, Members' contributions to the debate. There is clearly much cross-party and cross-community agreement on the important role of credit unions in society in Northern Ireland. The Department has long recognised that for many members of society, particularly those on low incomes, local credit unions continue to be prime sources of affordable credit. The long-established and widespread presence of the credit union movement in

Northern Ireland has been crucial in helping to engender a strong culture of community self-help and to promote financial inclusion, including tackling problem areas such as loan sharking, to which the Chairperson referred.

The Department views credit unions as an integral part of the broader social-economy sector in Northern Ireland, and the movement's contribution was assessed as part of the Department's first survey of social-economy enterprises in 2007. There are some 180 credit unions in Northern Ireland, and the representative body for the social-economy sector — the Social Enterprise Network — continues to strengthen its links with the movement and has helped to give many credit unions the opportunity to publish their services to a wider audience of potential members.

Credit unions have held a special place in society in Northern Ireland for a long time — we heard that the first credit union was established in Londonderry in 1960. However, as the report makes clear, and as Members are only too aware, since 2002, our credit unions have differed in a major way from their counterparts in Great Britain, which were brought under the regulatory umbrella of the Financial Services Authority.

Historically, registration and regulatory responsibility for credit unions in Northern Ireland have been a devolved matter. Legislation was introduced in Northern Ireland in 1969 to enable credit unions to acquire corporate legal status and create the trusted brand image that the movement enjoys to this day. That brand image value is underpinned by the fact that over 90% of credit union members belong to a credit union that is affiliated to one of the two representative bodies — the Irish League of Credit Unions and the Ulster Federation of Credit Unions — which both operate their own membership funded savings-protection scheme.

That legislative framework worked well for the ensuing decades when the movement developed and spread across Northern Ireland. Most of that early development related to membership numbers; more recently, it has related to the scale of funds managed in the unions.

As the report acknowledges, my Department has been able to accommodate a large number of the credit union movement's aspirations, including maximum permissible loan amounts, repayment periods, junior saver limits and the maximum number of shares that a member can hold. The Northern Ireland registrar has also played a pivotal role in the introduction of a new range of enhanced services for credit union members, from the direct paying in of benefits and pensions to the paying out of money and bills by debit card and PayPoint. However, as the report highlights, the Department does not have the statutory authority to approve the introduction and deployment of financial products and services, such as insurance and mortgage

products, which are reserved and regulated by the Financial Services Authority, nor can it do anything to help to approve individual credit unions as providers of child trust fund accounts.

Some Members, including Mr Butler, made the point that Northern Ireland has a lack of uptake of child trust funds. However, it is important to remember that if parents do not take up the trust funds, the Government invest them directly on behalf of the child. Therefore, no funds are actually lost, but they may be placed in a building society in GB, for example. Nevertheless, the point was well made about the uptake in Northern Ireland.

The Committee's report has confirmed that a widening gap exists between the range of products and services that can be delivered to members of credit unions in Northern Ireland and those that are available to members of credit unions in Great Britain. I accept the report's conclusion that Northern Ireland's credit unions are now lagging behind their counterparts in Great Britain in the range of financial products and services that they can offer, even though — and this point was well made by the Chairperson — the Northern Ireland movement has been longer established and has a population penetration of 50%, as opposed to 2% in Great Britain. That is a startling statistic, and it is a point that was well made. Upcoming changes —

Mr Shannon: Part of the credit unions' success story has been the ethos that they are run by the community, for the community. That has ensured their success across the whole community. The credit unions in Portaferry and Kircubbin are members of the Irish League of Credit Unions, and they are examples of that success story. There are also success stories in the Orange Halls in Newtownards, Comber and Greyabbey, which help to ensure that people can get access to credit unions and to funds.

The issue of social inclusion has not been mentioned. There must —

Mr Deputy Speaker: Order. An intervention should be just that — an intervention. It should last for a short time. Will the Member come to a conclusion?

Mr Shannon: I will come to a conclusion now. I thank the Deputy Speaker for his guidance, and I appreciate it.

Does the Minister agree that social inclusion in relation to credit unions is very important? Does she also agree that credit unions provide an opportunity for social inclusion? Hopefully, the new legislation will do likewise.

The Minister of Enterprise, Trade and Investment: Yes. *[Laughter.]*

Credit unions offer much more to society than the sum of their parts. They provide a very worthwhile service to all sections of society. However, upcoming changes in Great Britain's legislation on credit unions

will further increase the gap unless we act now in relation to regulation.

The inquiry demonstrated that increasing the range of products and services offered in Northern Ireland's credit unions is widely supported by a broad range of key stakeholders. My view is that credit unions that are willing to offer, and capable of offering, an enhanced range of financial services and products to their members should be enabled to do so. However, as the report makes clear, that can only happen if they are regulated by the Financial Services Authority. I heard the comments that were made in relation to the authority, but, as it stands, unless the credit unions are regulated by the FSA, they will not be able to offer that range of services. I know that the Irish League of Credit Unions has some difficulties with that, because it has built up a very good relationship with the officials in DETI.

I want to pay tribute to the officials in Companies Registry for establishing that close relationship with all the credit unions throughout Northern Ireland. That is something of which we should be proud.

I endorse the view that credit unions that do not want to go down the route of full regulation should be free to carry on providing their core savings-and-loan services to members. That is a sensible proposal from the Committee. The Financial Inclusion Taskforce in Great Britain recognised the significant role that credit unions can play in promoting financial well-being, and in Northern Ireland the credit union movement has the potential to make an equally, if not more, significant contribution, provided that current barriers can be overcome. Officials have worked closely with all sections of the movement in the past and, in so doing, have developed a professional working relationship with the sector. They will continue to work with and facilitate it as long as it is prudent, sound and acts in the best interests of individual members.

The report recognises that the option of doing nothing is not viable, given the breadth and depth of support for change and expansion of credit union services and the potential benefits that it can bring to communities and individuals. The four main options identified in the report are comprehensive: they are clearly explained and have been fully considered. My officials and I will give full and careful consideration to each of the options and the recommendations contained in the report.

There is also recognition that any change will require significant commitment from the stakeholders, not least, from the credit unions themselves. The report proposes that support will also be required with regard to financial assistance, advice and training to meet the transitional and development requirements necessary to ensure success. Those will need to be looked at

carefully. It will be necessary to explore whether financial support can be made available to assist in that.

In his pre-Budget report to Parliament in November 2008, the Chancellor of the Exchequer announced that the Treasury would undertake a review of all mutual societies in Northern Ireland. As a part of its review, it will be looking at the regulation of Northern Ireland credit unions, taking account of the importance of mutual societies to the Northern Ireland financial sector and drawing on good practice in other regions and countries. I am sure that the Committee's report will be particularly useful to the Treasury's investigation into the way forward for the Northern Ireland credit union movement.

I thank the Committee Chairperson, members and staff, and all the witnesses and contributors for their invaluable input. My officials and I welcome the report and believe its recommendations are extremely timely. I am sorry that Mr Neeson had to leave; he indicated to me that he would have to do so. I am reminded of the politician who said that politics are about "Events, dear boy, events." At the time, Mr Neeson said that he did not think it necessarily the most important issue to bring before the Committee: I have to say that the inquiry has been extremely important and most helpful.

I pay tribute to the credit union movement in Northern Ireland and to the vital role it plays in society in support of what the Executive seek to do, particularly in promoting financial inclusion by, for example, providing an alternative to expensive doorstep credit to which Members have referred and tackling loan sharking about which, unfortunately, we hear more and more during the economic downturn.

I conclude with Mr Shannon's point that credit unions encourage greater community self-sufficiency and inclusion. I am very happy to receive the report.

The Deputy Chairperson of the Committee for Enterprise, Trade and Investment (Ms J McCann): Go raibh míle maith agat, a Cheann Comhairle. I want to restate the Committee's appreciation to all who contributed to the inquiry. We are grateful to everyone who provided written evidence, including Assembly colleagues, community groups and individual credit unions, and particularly to St Matthew's Primary School in the Short Strand. Its submission highlighted the school's scheme to encourage people to become lifelong savers in their local credit union and to steer them away from high-interest doorstep lenders.

We also thank those who appeared before the Committee to give evidence, including both the Irish League of Credit Unions and the Ulster Federation of Credit Unions. They provided the Committee with a valuable insight into what the credit union movement needs from Government in order to forward its goal of

providing the financial services that our communities need so much.

6.45 pm

The written and oral submissions received have been invaluable in assisting the Committee to reach its conclusions and come up with the recommendations in the report.

In his opening remarks, the Chairperson, Mark Durkan, highlighted the importance of the credit union movement, its long history, its deep rooted involvement in our communities, and the reliance that so many people have on credit unions. He spoke of the credit unions' inability to meet the needs of their members due to the legislative constraints placed upon them. Now, more than ever, in the current recession, those barriers must be removed in order to allow people access to the financial services that they need and to make financial exclusion a thing of the past.

The Chairperson also explained how the expansion of services to include the depositing of child trust funds would help to encourage a higher level of take-up of those funds, which, in some areas in the North, is only at the rate of 50%. He listed the options for change in the report, outlining option 4 as the preferred option.

Robin Newton also outlined the importance of credit unions and explained that people who cannot get credit from banks can go to credit unions. He also pointed out that lack of services prevented people from getting what they needed from credit unions, and he talked about how the appropriate reinvestment of assets into local communities could help to develop those local communities.

My colleague Martina Anderson said that, due to the economic climate, the credit union is more important than ever: she quite rightly called it the people's bank. She also spoke about social inclusion. Simon Hamilton, in a reference to her comments, raised the issue of FSA regulation. Martina was outlining some of the concerns that other Members have outlined and, indeed, that the Irish League of Credit Unions has also outlined.

Leslie Cree said that although the Committee agreed with option 4, assistance would be needed by credit unions, and for the opening of an FSA office. He also warned that credit unions must be cautious about reinvestment opportunities.

Sean Neeson quoted Larne Credit Union Ltd, which stated that current regulation is standing in its way and is preventing it from providing certain services. He asked DETI to work with credit union staff to assist in the transfer to FSA regulation.

Jim Wells praised the voluntary aspect of credit unions, highlighting that people who work there do so on a voluntary basis. He credited the movement for its

history and for the fact that it has never become involved in any economic crisis. He said that most people are generally content with the majority of the report; however, he pointed out that some people have concerns around regulation.

My colleague Paul Butler said that inequality exists and that there is a disparity in the range of services available from credit unions. He talked about the different services that could be made available, such as current accounts, ATM services, and the depositing of child trust funds. He demonstrated how credit unions have reached out to people in areas of disadvantage and need, and he talked about the development of some credit unions in England through the operation of a growth fund.

Simon Hamilton said that the key recommendation of the report was that registration should remain within DETI and that regulation should go to the FSA. Alan McFarland said that helping to build the local economy was a very welcome development but argued that there is a need for training, particularly around the staffing of an FSA office. He suggested that perhaps staff from DETI could be seconded.

Alasdair McDonnell pointed out that one in four people here are members of a credit union, and that the movement created social stability and social justice. People who cannot get loans from banks or other financial institutions can get loans from credit unions and, he argued, the expansion of the service would go a long way to help introduce people to a culture of saving.

Gerry McHugh said that bringing credit unions up to the same level of services that those in the South of Ireland and in Britain have would create an even playing field and would encourage people, particularly children and young people, to become more involved in the culture of saving.

I thank the Minister for her constructive and supportive comments; the Committee will welcome her commitment to ensuring that credit unions are able to develop and expand their services. I particularly welcome the fact that she said that she will come back by early April at the latest and that she mentioned financial inclusion. She also mentioned loan sharks, and that is an important point because, as a result of the economic climate, people have been exploited by loan sharks.

The Minister pointed out that registration and regulation has always been a reserved matter. The report highlights the fact that the Department does not have the authority to grant some of the expanded services that some credit unions were seeking, for instance the depositing of child trust funds. Jim Shannon, in his short intervention, — *[Laughter.]* — mentioned the benefits of social inclusion, and that is an important point.

The Minister said that the inquiry has demonstrated that credit unions that are willing to take up enhanced services can be regulated by only the FSA, but she went on to praise the working relationship that credit unions have had with DETI's Companies Registry. That is an important point, because, in all the evidence that the Committee heard from the Irish League of Credit Unions and the Ulster Federation of Credit Unions, those bodies said that they enjoyed a good relationship with DETI's Companies Registry. It is important that, if the change takes place, it does so in an atmosphere similar to the type of working relationship that exists.

The Minister said that she would give full and careful consideration to the options, and she mentioned that she would consider providing financial assistance. Another important point is that the credit unions can choose whether to go down the route of providing expanded services. The Minister said that, if the credit unions chose to do that, she hoped to be able to offer training and advice. She mentioned that all of the stakeholders, including the credit unions, will have challenges ahead.

The debate was helpful, and some good conclusions came out of it. The main issues are that significant moves towards combating financial exclusion here and towards expanding services are important. I commend the report to the House, and I ask Members to support the motion. Go raibh míle maith agat.

Question put and agreed to.

Resolved:

That this Assembly approves the report of the Committee for Enterprise, Trade and Investment (05/08/09) on its inquiry into the role and potential of credit unions in Northern Ireland.

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

Motion made:

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

ADJOURNMENT

Magilligan to Greencastle Car Ferry

Mr Deputy Speaker: The proposer of the topic will have 15 minutes in which to speak, and all other Members who speak will have approximately seven minutes.

Mr Dallat: I am grateful for the opportunity to have the Adjournment debate, and I cannot emphasise enough the seriousness of the topic, namely the Greencastle to Magilligan ferry service, which has been operating since 2002. Indeed, later this year, if it is still operating, the service will have carried two million passengers. Five years ago, the ferry service was operating with a subvention of €156,000.

By December 2007, that had fallen to €75,123, forcing the operators to increase a single-journey fare from an initial €5 to €10. That had an immediate negative impact and resulted in a drop in the number of cars carried from 90,866 in 2007 to 63,405 in the year that has just ended.

The Magilligan to Greencastle ferry service is an important part of the North Atlantic tourism corridor, which is the critical passage that links the Causeway Coast with the north-west. The service is fundamental to the development of sustainable tourism, not just along the Causeway Coast, but to Northern Ireland as a whole because it is, in effect, the bridge that enables international tourists to enter Northern Ireland from north Donegal. Many visitors travel to Malin Head, Glenveagh and other places of interest, before making the crossing to the Causeway Coast, where the main attraction for international tourists is the Giant's Causeway and other tourism honeypots, such as the Bushmills distillery.

Given the present economic crisis in the North and the South, it is unthinkable to allow that ferry service to die at a time when the only growth industry that we have is tourism, which is expected to increase, for various reasons, over the next decade. The ferry service is the product of people who had the vision to see the bigger picture. One of them was my late colleague in the Assembly Arthur Doherty, who never gave up, and finally accomplished his dream of having the link that would bring new prosperity to his beloved Magilligan and, of course, to the Inishowen Peninsula.

What a shame it would be if, at this moment of unequalled challenge, that umbilical cord were to be

cut. Once severed, I believe that it would be extremely difficult to put it together again, and years of hard work would be lost for a very long time.

The bottom line is that the service needs substantial subvention in order to operate in a way that allows it to meet its overheads, which have increased substantially. Those overheads include public liability insurance, which has risen tenfold, while the cost of dry docking to comply with safety inspections is around €90,000. How that subvention is to be found is a challenge to both Governments. Although no one underestimates the financial difficulties that our Governments currently face, I do not believe that there is any choice but to continue with the medium- and long-term challenge of developing sustainable tourism in one of the most beautiful parts of this island, which is unequalled in history, culture and music, and is a critical part of the tourist triangle that includes the west coast of Scotland and the Scottish islands.

I acknowledge that the ferry service has survived on small but greatly appreciated subventions from Limavady Borough Council and from Donegal County Council. However, I believe that it is the duty of Governments to take responsibility for ferry services, and, by and large, that is what happens. Indeed, I know of no ferry service in the North or South that is not subsidised, and some to a degree much greater than that which is needed in order to maintain the Magilligan to Greencastle service.

The contract under which the service operates runs out in June of this year. As yet, no provision has been made to resolve the shortfall. The current operators have stated publicly that they could not continue, and it is difficult to see why any potential operator would tender for a contract that is a money loser. Indeed, I believe that it is fair to claim that there would be no takers, which is why I tabled this topic for debate. I have no preference for who operates the service. I simply want to ensure that it continues.

At present, the authorities North and South are fully aware of the issue. Our own Minister for Regional Development has been written to, and a meeting requested. I have just been told that that meeting will take place next week. Indeed, I welcome the Minister, Conor Murphy, to the debate.

7.00 pm

The Republic's Finance Minister has been asked whether he would directly facilitate a meeting with the Special EU Programmes Body. The North/South Ministerial Council has, equally, been made aware of the matter's urgency. In that respect, I accept that the North/South Ministerial Council has no direct function in the assessment of individual projects' applications. However, that does not mean that it has no function at

all. Its very name suggests that it has a legitimate interest, given that this is a cross-border matter.

Members will be aware that the Special EU Programmes Body is the managing authority for the Peace III and INTERREG IVA EU-funded cross-border programmes. The INTERREG programme for 2007-2013 has allocated indicative budgets to various themes whose eligible area comprises Northern Ireland, the South's border counties and western Scotland. That includes a tourism theme that has an allocation of €30 million and a rural development theme that has an allocation of €10 million.

Unfortunately, the tourism theme is currently closed for applications and most of its budget has already been committed in principle. I have been reliably informed that the rural development theme will be open for applications later in 2009. That may offer an opportunity for funding the Magilligan to Greencastle ferry service. However, I am concerned that none of that is of any immediate value, given that, as I have said, the contract runs out in June 2009.

In other words, a crisis looms at a time when tourism in the north-west cannot afford a major setback. The area has already suffered a disproportionate number of job losses on both sides of the border, particularly in East Derry, where the Seagate closure alone cost around 1,000 jobs.

Given that the topic has now been aired in both Stormont and Dáil Éireann, I hope that a way will be found to provide the subvention that is clearly needed to enable the service to survive and prosper. A long-term view of needs in around 10 years' time is required. Malin Head may not be in the same league as Land's End or John O'Groats — which is, perhaps, a good thing — however, it will develop to become a major draw for international tourists. Likewise, the Causeway Coast will receive major investment when the current economic recession is out of the way. Investors will have learned to put their money in long-term sustainable projects and not the kind of speculative, high-risk projects that have brought so much heartache in recent times.

The development of waterways, which would bring tourists from the Shannon and the Erne along the Ulster Canal, and all the way down the Lower Bann to the Causeway Coast, means that the Magilligan to Greencastle ferry service will take on a critical role in the movement of people around the island of Ireland in numbers never before imagined.

Let us hope that the concerns expressed in the debate by me and other Members will be taken seriously and that time will not run out. In the darkest of times, the ferry service is one piece of positive evidence in the north-west that matters can move forward; that we will not lie down and accept the situation, but will fight for

a project that is well worth maintaining. That is not just in the interest of the current generation who struggle to survive on tourism during one of the worst economic periods in history; we must make every effort to ensure that a future generation will have the confidence to invest in tourism and thereby create hundreds — indeed, thousands — of well-paid, sustainable jobs in the only growth industry in Northern Ireland.

We ask for the Assembly's help and appeal to the Dublin Government to act immediately in unison with the Executive on this most crucial issue.

Mr Campbell: I rise to speak as a constituency MLA in respect of the Adjournment topic. I congratulate the honourable Member for securing the topic for debate in the Assembly Chamber.

Mr Dallat rightly pointed out that the Greencastle to Magilligan ferry is a vital lifeline. Operations between Northern Ireland and the Republic are too often assessed parochially as narrow projects that affect only a finite and small geographical area. It would be completely wrong to view the lifeline of the ferry service in that way.

People who know the topography of the ferry landing point on the Northern Ireland side at Magilligan know that the approach road brings vehicle drivers along a narrow B-class road. That road goes past the prison and brings drivers to a T-junction.

Mr Dallat referred to Limavady Borough Council putting forward an amount of money. This is the month of the striking of rates, and, unfortunately, Limavady is at the upper end of the rates spectrum. I am sure that Limavady Borough Council would argue that it has put very significant moneys — hundreds of thousands of pounds — into the ferry service over a number of years.

I hope that the Minister will take the following point into account. A significant number — between 65% and 80% — of motorists coming from the Republic to Northern Ireland turn left rather than right when they reach the T-junction to which I referred. A left turn takes those motorists to the Causeway Coast, Bushmills and the tourist spots.

However, a right turn would take them to the town of the council that spends the money to support the ferry service in the first place. Therefore, there is understandably a degree of indignation on the part of people in Limavady. They have promoted the ferry service and put it in place with European aid and other assistance. It is a tremendous project and its benefits are spread right across the north coast, far beyond Limavady.

Limavady Borough Council has found that it simply cannot sustain the level of investment in the ferry service that it made previously. Therefore, the juncture that has been reached is not merely a T-junction, but a cul-de-sac. One hopes that the Minister and others can

establish whether there are funding opportunities that could maintain the ferry service.

The service provides a lifeline. It is a tourist hotspot, and the numbers that Mr Dallat outlined are very significant. Whichever way the variation in the fuel price goes — whether it is cheaper in Northern Ireland or cheaper in the Republic — there will be a two-way flow of traffic as people avail themselves of cheaper fuel.

A land journey of one hour and 10 minutes will have to be negotiated if the 15-minute ferry service is not maintained. I hope that the Minister will explore all the possible ways of sustaining the service for the greater good of all the people of the north coast and beyond. I know of many people from Donegal and further south who have come across on the ferry to spend several days in various parts of Northern Ireland. Everyone wins when the ferry service is in operation. Unfortunately, if a way of sustaining the service cannot be found, everyone will lose.

Mr Brolly: Go raibh maith agat, a LeasCheann Comhairle. I was involved in the development of the ferry service from the very beginning. I was a member of the Limavady-Donegal steering committee during the construction of the slipway at Magilligan and the awarding of the tender to Mr Jim McClenaghan of the Lough Foyle Ferry Company. Therefore, I have a particular interest in this matter. Indeed, I have a much wider interest in the entire Magilligan area.

As John Dallat said, it is definitely one of the most beautiful parts of Ireland, yet it has been allowed to remain a desert. Why are people not inclined to turn right to visit Limavady? There are hundreds of acres available to develop, sensitively, the area where the ferry lands at the slipway and where one can take the 10-minute journey from Greencastle to Magilligan. Binevenagh — one of the most remarkable mountains one will ever see — looks down on that area, which is the greatest strand in Ireland, with miles of beautiful golden sand. Furthermore, Lough Foyle is ideal for water sports.

As Gregory Campbell said, anyone who turns right towards Limavady or anywhere else will — in one of the most beautiful parts of Ireland — pass the prison and, a few metres further along, a British Army firing range. When a decision was being made to build the new prison, I worked as hard as possible to prevent it from being situated in Magilligan. I spoke passionately to Paul Goggins — obviously, not passionately enough — and, although he understood my argument, the decision was, unfortunately, based on economics rather than sense or the potential despoliation of a beautiful area, and the decision was taken to build a prison.

At that time, I dealt with people in Magilligan who had expertise in landscaping, and so on. One person generously offered to provide a landscape of the entire

area. The next time I meet Mr Goggins, I might show him that landscape. Unfortunately, in the meantime, Mr Goggins announced that he will build a beautiful prison in beautiful Magilligan. I am sure that Jim McClenaghan from the Lough Foyle Ferry Company considered what people from Greencastle and Donegal see when they look across the lough: they see a wasteland. People on the Magilligan side who look across to Greencastle see fishing boats, a harbour, a lovely village and a famous seafood restaurant. It is a lovely place. There is nothing on the Magilligan side to invite people.

When negotiations on the development of the ferry were almost finished, the tender had already been awarded to Mr McClenaghan. At a meeting in Greencastle, an officer from Limavady Borough Council asked officials from Donegal about sharing security costs. There was a stunned silence in the room, particularly among the Donegal representatives. When one official eventually got his breath back, he asked what that meant and was told that security was essential. The Donegal representatives said that they were not interested in security and would not build a security zone or employ security staff in Greencastle. However, security measures were introduced on the Limavady side.

Therefore, there is a prison, a Ministry of Defence firing range and a beautiful security zone at the slipway. People must drive into high cages, but, if they arrive too early, they cannot drive in. Moreover, if someone drives in, it is impossible to get out again, and cars are searched. Limavady Borough Council wants to save some money. It can save £80,000 by removing that security zone. Such a measure will enhance — at least to some extent — the chances of the ferry remaining viable.

I urge the House and people from the area to visit Magilligan. They will believe what I am saying. It is too precious, and we have little else except tourist attractions. We have no oil, gold, coal or natural resources other than the beauty of the countryside. People might ask why the north-west is not thriving, has not thrived and has been neglected; we have caused it.

We have not recognised what we have, and what we could have. Go to the south-west of Ireland — they have made rocks into a fortune. Places like Killarney do not compare with Magilligan. I am asking that we all wake up —

Mr G Robinson: I remind the Member that the prison has created around 350 jobs. Given the effects of the economic downturn in the Limavady area, particularly with the closure of Seagate, those jobs are very welcome for both sides of the community.

Mr Brolly: I appreciate what the Member has said, but if we are going to have some kind of greater vision, surely we can do better than providing jobs for prison officers in one of the most beautiful parts of Ireland. I think that we can do much better. There could be a championship golf course to link up with golf courses along the north-west and in Donegal. There could be water sports, or a marina — there could be anything. Anything is possible in Magilligan.

7.15 pm

Earlier today a Member was complaining about how Newcastle could not attain a blue flag because of pollution, and how Dundrum Bay was polluted. There is no pollution in Magilligan and, since we are starting from scratch, we can make sure when it is developed that there will be no pollution. Although I appreciate that the prison with 250 jobs is a holding operation, and that some of the local shops may sell an extra 40 cigarettes a week, it is time to open up our eyes and look beyond that. Go raibh míle maith agat.

Mr McClarty: My understanding was that the Adjournment debate was about the Magilligan to Greencastle car ferry service, and apparently not about Magilligan prison, which could be the subject of another debate, because it has huge benefits for the entire East Londonderry constituency and beyond.

Very seldom in the Chamber is there unanimity — sometimes there is grudging unanimity, but on the subject of the Magilligan to Greencastle car ferry I think that there is unqualified unanimity as to the benefits that it provides, not only to the constituency itself, but much further beyond.

As has been pointed out, the service was launched in 2002 with European structural funds, and was designed to promote cross-border travel, tourism and trade. In all those respects, it has been a remarkable success story. The service recorded its one millionth passenger in 2005, and every year since has carried around a quarter of a million passengers. However, the Government of the Republic of Ireland, and ultimately the Northern Ireland Executive, are in danger of neglecting the service, which will result in its closure, wasted investment, and a marked reduction in tourism and trade between Donegal and Northern Ireland.

Of course, people are suffering from the economic downturn on both sides of the border. The ferry represents not only a flow of people, but a flow of money between the two jurisdictions. With the strong euro and cheaper consumer opportunities in Northern Ireland, we are currently at an advantage in attracting tourists and shoppers to Magilligan and the north-east of the Province. Equally, a joint report from Queen's University and University College Dublin in 2006 found that the impact on tourism in Greencastle has resulted in a

marked increase in the number of providers servicing tourism there.

The Northern Ireland Executive and the Government of the Republic of Ireland must come together to save the service. Without the subvention of an estimated €300,000, the service will close in June. The Governments must not look upon saving the service as an added cost. We recognise that this is a time of great fiscal constraint, but saving the Magilligan to Greencastle car ferry service, rather than being an added cost, would be an investment that would result in continued returns in tourism and trade on both sides of the border.

To oversee the closure of the service would be short-sighted and would not represent sustainable management of both our economies in the current economic crisis.

I thank John Dallat for raising this Adjournment topic. I fully support him and all my colleagues who have contributed to the debate.

Mr G Robinson: I declare an interest as a member of Limavady Borough Council.

I am pleased to contribute to this debate, as Limavady Borough Council has supported the Magilligan to Greencastle ferry transport link since 2002-03 with grants totalling more than £800,000. In this financial year, it has supported the ferry with a projected grant of £133,000. The Council's financial backing for the ferry is, therefore, beyond question. Costs include provision for security, staff, energy, rent and rates, insurance and other costs.

My personal commitment to this unique transport link in the north-west is as strong as the council's. I also recognise the difficult economic climate in which everyone, every business and every Assembly Minister has to operate. This difficult economic climate also affects the Magilligan to Greencastle ferry. I must also remind Members that Limavady Borough Council has no spare capacity in its budget, beyond its existing commitments, as expenditure has had to be cut to the bone in order to prevent higher than necessary rises in the rates bills.

Having framed my comments in that context, I wish to explore ways in which to diminish the drain on the public purse, while retaining the ferry service. The development report of 2006 showed that 63% of those who used the ferry did so as part of a leisure outing; 41% of whom used it on day trips. That indicated that the main users of the ferry were using it as a tourist facility. The other notable figures in the report showed that 23% of users were travelling to visit friends and families, or going to and from work in the area. It is therefore essential that we do not overlook the home market for the ferry service.

As that is the case, the council is involved in a project that will, perhaps, highlight the ferry service to a higher level, in tourist literature, local papers and local radio. I also believe that the respective tourist boards could aid awareness of the ferry service by including some higher profiling in their jurisdictions. Such measures would not be intensely expensive and would represent the value-for-money principle that all Members have agreed must be applied to all departmental spending.

This debate is a great way of highlighting the novel means that we in the north-west have of getting around. I believe that the loss of the ferry service would be detrimental, not only the local people, but to the development of our tourist market. The ferry is an essential part of the tourism infrastructure of the north-west and has the potential for growth. I hope that the Minister for Regional Development will consider whether there is anything that his Department can do to help maintain the venture, and that he will have discussions with his counterpart in the Republic in order to determine whether a joint effort can be made to protect this tourism gem.

I wish to make one other point. Mr Brolly mentioned security. Security arrangements are sanctioned by the Department for Transport in London and are enshrined in European legislation. We in Limavady cannot get out of that.

Mr Brolly: We have been examining this issue for six months now, and, in fact, the ferry operator has been told that had a certain officer been present when the chief executive of Limavady Borough Council asked about the need for security at Magilligan, he would have said that there was no need for it. There is no need for security at a slipway. Security is only needed at ports. There is not even a place to tie up a boat at Magilligan; it is just a slipway. There is no need for security, and a decision will probably be made about that soon.

The Minister for Regional Development (Mr Murphy): Go raibh maith agat, a LeasCheann Comhairle. I welcome the debate, and thank the member who secured it and all those who have contributed to it.

I understand the importance of the Magilligan to Greencastle ferry service to the people who live in the north-west, and I am very aware that there is real concern that the ferry will be unable to continue its operation. I am conscious of the role that the ferry has played in tourism, and I am aware of the role that the service has played in bringing communities together.

This adjournment debate has been helpful in bringing about a better understanding of the issues involved. As Members said, the Magilligan to Greencastle ferry has been in operation since 2002 as a commercial venture that the Lough Foyle Ferry Company provides

under joint contract with the local councils in Limavady and Donegal.

Funding for its establishment was provided by the Special EU Programmes Body's Peace and Reconciliation Programme, the International Fund for Ireland, Limavady Borough Council and Donegal County Council. My Department has played no direct role in the ferry service.

It may help if I were to start by explaining my Department's role with regard to ferry services and shipping in general. I do not want there to be any misunderstanding about the powers that are available to the Department for Regional Development. As the Minister for that Department, I have responsibility for road ferry services in the North, of which there are two: the Strangford Lough ferry service, which operates between Strangford and Portaferry; and the Rathlin Island ferry, which operates between Rathlin and Ballycastle.

The Strangford Lough ferry service is directly provided by Roads Service, and it is particularly important to the people who live in the upper Ards area, because it gives them better access to schools, hospitals and other services that they would not otherwise have.

Rathlin Island Ferry Limited provides the Rathlin ferry under contract. The service provides a lifeline to the people of Rathlin Island and is essential for the survival of that island community.

The Department's powers with regard to ferry services are contained in the Roads Order 1993. Those powers enable the Department to provide and to support road ferry services. However, in the 1993 Order, "road ferry service" has a particular definition. It is, in effect, a service for conveying vehicles by boat from a road, across the water, to another road. In the context of the Order, the word "road" also has a particular meaning. It is defined as a public road that the Department maintains.

Having considered the legislation, the Department is of the view that the powers to provide support for road ferry services do not extend to the ferry service across Lough Foyle, because it conveys vehicles from one jurisdiction to another.

As the Minister for Regional Development, I have responsibility for ports and harbours, but I do not have responsibility for shipping, which is a reserved matter. Under the Harbours Act 1970, my Department can make grants, or give loans, to harbour authorities. Although those powers are quite wide-ranging, they restrict such support to what are described as "harbour purposes". The powers cannot be used to provide direct support for shipping.

I should point out that where those powers have been used, it has been the policy of the Department not to subsidise harbour authorities. The Department has used those powers within the past few weeks in the north-west. My Department recently provided Derry's Port and Harbour Commissioners with a loan to enable it to invest £2.2 million in a new dredger for use in Lough Foyle. There is no subsidy involved, and the loan is provided at a commercial rate and is fully repayable to the Department.

Setting those issues aside, I also need to be conscious of the financial pressures on the Executive in general and on my Department in particular. The Strangford Lough ferry service has an operating cost of approximately £1.5 million to £1.8 million a year. A new support vessel, which will cost some £4 million, will also be required in the next few years. The Rathlin ferry service will require a subsidy of approximately £600,000 in the coming year.

I have received representations from Members about the conditions of the roads across the North, and I have made it clear on many occasions that my Department's programmes are under-resourced. The needs of the Magilligan to Greencastle ferry must be considered in that context.

The question over the costs involved in meeting the security regime required by the Department of Transport's transport security and contingencies team (TRANSEC) was a matter of dispute among some Members. Maritime security is a reserved matter, and that body is responsible, in effect, for implementing Regulation (EC) No 725/2004, which deals with enhancing ship and port facilities' security.

I understand that the cost involved in meeting TRANSEC's requirements amount to approximately £90,000 a year. Limavady Borough Council currently meets those costs, but it has indicated that it intends to pass them onto the operator. The costs stem from the fact that the Magilligan to Greencastle ferry service is a cross-border route, which means that the terminal facility at Magilligan Point is subject to a security requirement of a particular level, which is set by the Department of Transport in London. Obviously, there are further question marks over that, and I am happy to explore the matter.

I have pointed out that my Department has limitations in dealing with the Magilligan to Greencastle ferry, because it does not have a specific statutory responsibility for it. More generally, it is disappointing that no part of Government seems to have a specific role in dealing with that service. However, as I said at the outset, I recognise the importance of the ferry service in the local area.

Despite the limitations of my Department, there is — at the very least — a need for interested parties to more fully explore whether any options are available that

may help the service. I would be happy to be involved in that process with my Department.

7.30 pm

I have already received approaches from Members asking me to meet constituents, and I have agreed to those requests. Building on the information that has been gained in this debate, I want to explore the issues more fully at those meetings and evaluate whether assistance may be possible.

It has been suggested that this issue should be added to the agenda of the North/South Ministerial Council (NSMC). As has been mentioned, I understand that it was one of the points that was discussed during a recent Adjournment debate in the Dáil. The Official Report shows that Noel Ahern, the Minister of State at the Department of Transport, answered the debate. He pointed out that shipping services do not fall within the remit of the North/South body, and that it had not addressed that sort of issue previously.

However, as I have already stated, I am willing to help facilitate — in whatever way possible — the examination of all options that might reduce the risk to the operation of that important cross-border transport link. I am willing to engage with the NIO and the British Department for Transport about any reserved matters of security and shipping, and with Limavady Borough Council and Donegal County Council about finding solutions to this matter. Although shipping does not fall within the remit of the NSMC meeting in transport sectoral format, I will meet Minister Dempsey in the NSMC in the near future. I will take that opportunity to raise the issue with him.

I also feel that the ferry service promotes tourism. I think that most of the people who spoke agreed that it was very important for tourism in the northern region of the island. It also promotes business, and it moves workers, goods and people. Therefore, I will also consult with my Executive colleague in the Department of Enterprise, Trade and Investment, Minister Foster.

Even with the legislative limitations that apply to my Department in relation to this issue, it is incumbent on us all to try to explore — with all of the interested parties — what avenues may be open to us to ensure that that ferry service continues to operate. It is important that the service continues to be a feature of life in the north-west. I certainly hope that we will play our part in doing that by engaging with others who have a responsibility or role in that matter. Go raibh maith agat, a LeasCheann Comhairle.

Adjourned at 7.32 pm.

