
Northern Ireland Assembly

Monday 15 February 2010

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

Members observed two minutes' silence.

Executive Committee Business

Department of Justice Bill: Royal Assent

Mr Speaker: I wish to inform Members that the Department of Justice Bill has received Royal Assent. The Department of Justice Act (Northern Ireland) 2010 became law on 12 February 2010.

Pensions Regulator Tribunal (Transfer of Functions) Bill: Royal Assent

Mr Speaker: I wish to inform Members that the Pensions Regulator Tribunal (Transfer of Functions) Bill has received Royal Assent. The Pensions Regulator Tribunal (Transfer of Functions) Act (Northern Ireland) 2010 became law on 12 February 2010.

Assembly Business

Mr Attwood: On a point of order, Mr Speaker. At the start of proceedings last Tuesday, I raised a point of order in relation to the return to office of the First Minister. Have you made a judgment on that point of order, and, if so, are you in a position to advise the Assembly of your view?

Mr Speaker: I hear what the Member has said. I have written to him this morning setting out my thoughts on the issue. I am happy to deliberate further on the issue if the Member would like to come and talk to me about it outside the Chamber.

Mr Attwood: Further to that point of order, Mr Speaker, I await receipt of the letter and will consider the matter. I have no issue or difficulty in coming to speak with you about it. However, subject to that, there was public interest in the matter, there was an issue of parliamentary authority, and there was a question about the terms on which a Minister who was appointed by the Assembly had temporarily stepped down and then returned to office. I submit that the matter should have been brought to the attention of the Assembly generally.

Mr Speaker: As I said to the Member when he raised the issue in three points of order, I am not sure that it is always helpful to raise such issues in that way.

I have heard what the Member has said on the issue over the last number of days, including his quoting of Erskine May. I ask the Member to wait for the letter that I have sent to him and then come and talk to me about the issue that seems to concern him deeply.

Executive Committee Business

Suspension of Standing Orders

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

That Standing Orders 10(2) to 10(4) be suspended for 15 February 2010.

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

Question put and agreed to.

Resolved (with cross-community support):

That Standing Orders 10(2) to 10(4) be suspended for 15 February 2010.

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

Supply Resolution for the 2009-2010 Spring Supplementary Estimates: Supply Resolution for the 2010-11 Vote on Account

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

The Business Committee has agreed to allow up to four hours and 30 minutes for this debate. The Minister of Finance and Personnel will have up to one hour to allocate, at his direction, between proposing the motion and making a winding-up speech. All other Members who wish to speak will have 10 minutes. If that is clear, we shall proceed.

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

That this Assembly approves that a total sum, not exceeding £13,772,054,000, be granted out of the Consolidated Fund for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2010 and that total resources, not exceeding £15,567,071,000, be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2010 as summarised for each Department or other public body in columns 2(c) and 3(c) of Table 1 in the volume of the Northern Ireland spring Supplementary Estimates 2009-10 that was laid before the Assembly on 8 February 2010.

The following motion stood in the Order Paper:

That this Assembly approves that a sum, not exceeding £6,197,971,000, be granted out of the Consolidated Fund on account for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman

for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 and that resources, not exceeding £6,662,114,000, be authorised, on account, for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 as summarised for each Department or other public body in columns 4 and 6 of Table 1 in the Vote on Account 2010-11 document that was laid before the Assembly on 8 February 2010. — [The Minister of Finance and Personnel (Mr S Wilson).]

There is a rather uncomplicated motion in my name this morning. I hope that there will be a bit more enthusiasm for supporting it than there was for the motion to suspend Standing Orders. There is probably about £1 billion worth of expenditure for every Member present in the Chamber at the moment. Nevertheless, as I will explain further, it is an important motion for the Assembly to debate.

A take-note debate on the review of 2010-11 spending plans took place in the Assembly on 9 February 2010. The emphasis of that debate was on planning for the future and for 2010-11 in particular. Today, the Assembly's main focus is on setting final spending limits for the current financial year and on providing Departments and other public bodies with the legislative authority to finalise expenditure in 2009-2010. The first Supply resolution seeks the Assembly's approval of the Executive's final spending plans for 2009-2010. The second resolution requests interim resources and funding for the first few months of 2010-11 in the form of a Vote on Account. I request the levels of Supply set out in the resolutions under section 63 of the Northern Ireland Act 1998, which provides for the Minister of Finance and Personnel to make recommendations to the Assembly leading to cash appropriations from the Northern Ireland Consolidated Fund.

The amounts that I ask the House to vote in Supply are substantial: over £13 billion of cash and over £15 billion of resources in 2009-2010. Those figures bring home the extent of the public services that are delivered by Departments and other public bodies

across Northern Ireland. Perhaps, sometimes, Members lose sight of the bigger picture and all the good public services that are delivered day and daily in Northern Ireland, while we debate, at great length, the additional allocations in monitoring rounds and budgets. Let us not lose sight of the effective public services delivered in health, education, agriculture, roads, transport, social development, culture and the environment on an ongoing daily basis. As Finance Minister, I always expect those services to be delivered efficiently on behalf of the taxpayer, and I will continue to press that at every opportunity.

I turn now to the spring Supplementary Estimates that are before us today. I will refer to them as SSEs, so that I do not have to go through that mouthful, which appears fairly regularly in this speech, every time. I remind Members that these SSEs reflect all in-year departmental changes made since the Main Estimates were approved by the Assembly last June. I also remind Members that the SSEs include the annually managed expenditure — AME — as well as the departmental expenditure limits — DEL. I love all this jargon: we have SSEs, AME and DEL. As I continue, it will all become clearer to Members.

I recognise that, during the Budget debates and the monitoring rounds, the focus is on the assigned DEL, over which the House has full discretion regarding allocation of spend. However, we must not forget that the Northern Ireland Budget also includes over £8 billion of AME for demand-led services, such as social security benefits paid out regularly. In that context, the SSEs reflect the DEL changes agreed at the June, September and December monitoring rounds, as well as the AME changes agreed since the approval of the 2009-2010 Main Estimates last year.

In the three monitoring rounds so far this financial year, a total of £90 million of current expenditure reduced requirements, including the strategic stocktake easements, have been surrendered by Departments. I must take a moment to comment on how this much-reduced figure compares to this stage in previous years. My predecessor stood at this Dispatch Box this time last year and announced a figure of £134.6 million in reduced requirements at the SSE stage. My Rt Hon friend, the first Finance Minister, Peter Robinson, announced reduced requirements of £176 million when presenting the 2007-08 SSEs. So, the £90 million of

current reduced requirements declared so far in 2009-2010 represent a reduction of one third on this time last year and almost half of the 2007-08 reduced requirements.

With respect to capital investment, reduced requirements of almost £80 million were declared by Departments in the first nine months of the current financial year, and that compares with £135 million at this stage in the previous year and £197 million at this stage in 2007-08. That is a 40% reduction on this time last year and a 60% reduction on the 2007-08 capital investment reduced requirements.

What does that actually mean? Does it show that the situation is getting worse? It does not. It indicates that Departments have made very positive achievements. Instead of giving back money for programmes that they promised to carry out but failed to, fewer reduced requirements mean that they are spending money on what they promised to spend it on at the beginning of the year. I am sure that Members will join me today in commending Departments on their much improved financial management. That is progress, and it is a signal that they are delivering on their programmes and services that were planned for the second year of the Executive's Budget 2008-2011.

12.15 pm

I turn to the pressures that emerged during 2009-2010. During the first three monitoring rounds of this financial year, we were able to meet some £126 million of current and £137 million of capital pressures in Departments. Allocations of £20 million in capital in the June monitoring round and a further £5 million in the December monitoring round were made to the Department for Social Development (DSD) for renovation grants and disabled adaptations to social housing. Members right across the Assembly drew those issues to my attention when the easements came. When we had money, we agreed those allocations because we were mindful of the benefits to the people who received the grants and had those adaptations made to their home as well as to the construction sector during the economic recession.

Almost £175 million was allocated to the Department for Regional Development to meet the loss of income that resulted from the Executive's decision in November 2008 to defer the introduction of water charging for a further year, and £15 million of capital was allocated

to DRD for roads structural maintenance in December. Again, we were mindful of the spin-off that that would have for the construction industry at a difficult time.

A capital allocation of £2.7 million was made to the Department of the Environment for the full implementation of the e-PIC planning project. That should make it easier to trace planning applications, and it should make planning applications in general a bit more efficient and easier to handle.

Although one would not think it sometimes, an allocation of £15 million was made to the Department of Health under its first call on available resources, which was agreed as part of the Budget for 2008-2011. In addition, the Executive met the requests for additional funding by the Health Minister to facilitate his preparations for swine flu, including, in the December monitoring round, almost £1 million towards the vaccination of children under five.

Funding of £22.3 million was provided for an extremely important Bombardier CSeries project, with its resultant impact on jobs and investment in Northern Ireland. That is further evidence that the Executive place economic growth at the top of their priority list. There was funding for integrated development fund projects, including education initiatives in west Belfast and the greater Shankill area, and the centre of excellence in intelligence systems projects in the north-west. Furthermore, allocations of £3 million current and £3 million capital were made for this Assembly.

Members must not forget that, as well as additional allocations in the monitoring rounds, provision is made in the SSEs for approximately £2.1 billion of social security benefits and income support in 2009-2010, which, of course, is absolutely necessary to support families and people in Northern Ireland in these difficult economic times.

Before leaving the detail of the SSEs, I inform the House that some additional headroom has been built into the Estimates over and above the December monitoring position. I will endeavour to explain to the House the rationale for such action in order to pre-empt any misunderstanding by Members, which may, in turn, result in futile debate or erroneous headlines later. As a result of the agreement of the Executive in November to a proposal to resolve all of the Northern Ireland Civil Service equal pay claims, provision

has been made in the 2009-2010 SSEs for the implementation of that settlement, subject to progress in the work that is under way. It is essential that that be included in the SSEs and the related Budget Bill. If it were not, Departments would not have the authority to fund any final settlement and, therefore, would incur excess votes. That is a position that Departments would find intolerable, and one in which I do not want to place them.

In the preparation of the SSEs, which are the final statutory ceiling on spending plans in the Budget Bill, I also thought it prudent to include headroom of around £25 million to provide the Executive with flexibility in making allocations in the February monitoring round but only if the resources become available. The SSEs also include a few technical adjustments that will be processed in the February monitoring round. Those adjustments do not give additional spending power to the Executive. I emphasise that such headroom has been included on strict conditions, one of which is that resources that are allocated in the February monitoring round must be used only for the agreed purpose: virement approval to cover excess spending in any other areas will not be given later. In other words, spending must be to the agreed budget. Departments have also been clearly advised that the inclusion of headroom is not an indication that the Executive will allocate additional resources in the February monitoring round. I am sure that Members will appreciate the wisdom of that course of action, and, if such prudent action were not to be taken, Members would, quite rightly, accuse me of short-sightedness and inflexibility, which, as they of course know, would be totally unjustified.

During the preparation of SSEs, three Departments recognised the need to declare reduced requirements in the February monitoring round, and they wrote their SSEs in line with those reduced positions.

Finally, I turn to the achievements of 2009-2010. As I reminded the House, we are approving and reviewing the spending of the past year, which has been a difficult time for the Assembly. We have had armchair politicians, cynical letter writers, carping journalists and amateur economists tell us that the Assembly is a worthless body and that the Executive deliver nothing for the people of Northern Ireland. That is the kind of negative message that has gone out, as though —

Mr Storey: That is you, David McNarry.

The Minister of Finance and Personnel: As the Member quite rightly pointed out from a sedentary position, for short-term, cynical political point scoring, some people who sit on these Benches add their voice to that chorus and sometimes join in the unjustified comments of the mob, which seems to want to drag this place down.

It is worth taking a moment to review the money that has been spent, the programme that the Assembly has set in place and the decisions that have been made here. Members from all around the House played a part in making those decisions through Committees and debates and by directing their Ministers. Those decisions have gone through the Executive, who have, of course, had the final say.

We should consider some of the resultant achievements. For example, more than £300 million relates to payments that have been made to farmers under the common agricultural policy, and letters of offer covering £6.7 million in the first tranche of the farm modernisation programme have been issued to 1,268 farm businesses.

In 2009-2010, construction work was completed on 14 major capital school projects. A further two projects are likely to be completed shortly. Contracts have also been signed to provide four new schools: St Mary's primary in Portglenone; St Joseph's primary in Carryduff; Our Lady and St Patrick's College at Knock; and St Patrick's Grammar School in Downpatrick. Furthermore, the go-ahead has been given for a new Magherafelt High School.

In the field of further and higher education, funding of almost £203 million was made available to our two universities to cover teaching, learning and research. The construction of new facilities for the Belfast Metropolitan College began, and construction at other colleges continued, with the South West College opening its technology and skills centre in August 2009.

All that is good news for the local construction industry, and, although I have said it before, I repeat that the construction industry in Northern Ireland is going through a difficult phase. However, as a result of increased investment by the Assembly and the Executive, some 54% of those who are currently employed in the construction industry got their job because

of public sector projects. That, in itself, demonstrates the Assembly's response to a major problem in society.

Members will also be aware of the refurbished Ulster Museum, which officially reopened in October 2009. Construction work commenced on the Titanic signature project building, which is expected to attract 400,000 visitors a year. The financial year commenced with the arrival of 66 new ambulances for the Northern Ireland Ambulance Service. Construction work began on the new south-west hospital; the Downe Hospital opened in May 2009; the new dementia services development centre opened in Belfast; work on new health and well-being centres is progressing in west Belfast; and the Knockbreda Health and Care Centre opened recently. In addition, a £17 million contract was awarded to provide additional dentists in access hot spots across Northern Ireland.

Much work is progressing on the roads. Most notably, the M2 improvement scheme was completed in June 2009 — the Member for East Londonderry appreciates that, as will you, Mr Speaker, because you are now able to speed your way happily to work each morning — and, in December, the new flyover junction at Cloghogue on the A1 Newry bypass opened, increasing capacity in time for Christmas cross-border shoppers, from which Newry benefited greatly, as the Chamber of Commerce told me when I visited last week. In addition, in my constituency, I was particularly gratified to note the recent award of the contract for the A8 Belfast to Larne dualling project. I look forward to its completion, which will mean that I will have an extra few minutes in bed each morning.

Finally, with the delivery of 1,750 social and more than 500 affordable homes in 2009-2010, the PSA target to deliver 10,000 social and affordable homes by 2013 is on track.

The past year was difficult, as an ever-tightening fiscal situation and continued economic problems gripped our country. Yet, despite the headlines and criticism, as a local Administration, in 2009-2010, we were able to respond to local needs, and we will continue to do so.

I turn now to the current financial year and look ahead to 2010-11. The second motion on the Supply resolution for the 2010-11 Vote on Account seeks the Assembly's approval to issue cash and resources to continue the provision of existing services in the early months of the

next financial year, until the Main Estimates and the corresponding Budget Bill are approved by the Assembly. The Vote on Account covers around 45% of the final 2009-2010 provision for cash and resources, and it will ensure the continuance of public services into 2010-11.

In conclusion, Mr Speaker, I leave Members with the motions on the 2009-2010 spring Supplementary Estimates, the Vote on Account and the Supply resolution having been tabled. At the end of the debate, I shall endeavour to deal with any issues that have been raised, although Members will, I hope, appreciate that I may not be able to respond to specific departmental issues.

12.30 pm

The Chairperson of the Committee for Finance and Personnel (Ms J McCann):

Go raibh maith agat, a Cheann Comhairle. I will start by thanking the Minister for his opening remarks and for his explanation of the spring Supplementary Estimates and Vote on Account. First, I will make a statement as the Chairperson of the Committee and then I will make some personal remarks.

At its meeting on 10 February 2010, the Committee for Finance and Personnel took evidence from Department of Finance and Personnel (DFP) officials on the spring Supplementary Estimates for 2009-2010 and Vote on Account for 2010-11. Although routine, they are, by necessity, complex matters, and I thank departmental officials for their assistance to the Committee. The spring Supplementary Estimates, the Vote on Account and the associated Budget Bill stem from the 2008-2011 Budget, which was agreed by the Assembly in January 2008. The measures give Departments the authority to spend and set control limits on which the Assembly can hold them to account.

The Committee has approved accelerated passage for the Budget Bill, which will be introduced by the Minister later today, and I have written to the Speaker to provide confirmation of that. The spring Supplementary Estimates for 2009-2010 seek the Assembly's approval for any additional resources and/or cash needed over and above what was detailed in the Main Estimates for 2009-2010, which were approved by the Assembly in June 2009. In short, they represent changes that have been made to departmental budgets, mainly through monitoring rounds.

I wish to focus for a moment on the additional headroom that has been built into the spring Supplementary Estimates for 2009-2010. The Committee has examined the issue, given that the provision follows the approach taken last year, albeit at a reduced level. During their evidence to the Committee, DFP officials stated that the headroom included in the 2009-2010 Estimates can be divided into three categories: provision necessary for the equal pay settlement; flexibility to allow the Executive to make allocations in the February monitoring round; and technical changes to accounting standards.

The Committee understands that headroom is included because it is not possible to wait to finalise the Estimates until after the outcome of the February monitoring round has been announced in early March. That is because the Budget Bill, which contains the spring Supplementary Estimates and the Vote on Account must have Royal Assent before the end of March. Therefore, it is considered prudent in this instance to include the headroom in the Estimates, although the Committee is mindful that that decision should not be taken lightly as the Estimates need to be taut and realistic.

In briefing the Committee, DFP officials also stressed that headroom is neither indicative of the level of reduced requirements that may be declared in the February monitoring round, nor of any decisions on the outcome of that monitoring round. For Departments that have indicated that they intend to bid for resources in February, and where those bids have initially been assessed as reasonable, the upper limit to which they can spend is increased by building in headroom. The Department in question will then have the Assembly's approval to spend up to that limit if, and only if, any additional funding is allocated to it.

In relation to budgetary changes coming from quarterly monitoring rounds, once again, the Committee for Finance and Personnel has undertaken an active scrutiny role throughout the 2009-2010 financial year. The Committee has received timely briefings on the Department's position prior to each monitoring round, followed by written responses to queries that were raised. In addition, following the Minister's statement in plenary on the outcome of each monitoring round, the Committee was briefed on the strategic and cross-cutting issues relating to public expenditure by DFP officials responsible for central finance.

At its meeting on 20 January, the Committee also received a briefing on DFP's review of the in-year monitoring process. Although the Finance and Personnel Committee has been strongly critical of the standard of financial forecasting and monitoring across Departments in the past, I believe that it is important that we acknowledge progress on that front. The evident decline in the level of reduced requirements surrendered in the monitoring round process suggests a welcome improvement in financial management by Departments and compares favourably against the culture of underspend that existed in preceding years, particularly in the period before the restoration of devolution. That improvement goes some way towards ensuring the maximum use of available resources.

I also wish to acknowledge that, although the decline in the amount of money available for redistribution in monitoring rounds means that there is less flexibility to address emerging pressures, the intention to address overcommitment will go some way towards alleviating that. Although the provision of overcommitment was a necessary safeguard in previous years, the anticipation of underspend provided a disincentive for Departments to prepare realistic and finely tuned financial forecasts and budgets.

Members will be aware that the Committee is co-ordinating a response to the review of the 2010-11 spending plans on behalf of all statutory Committees. Given that that is a separate exercise, which was the subject of debate in the House last week, I do not want to reopen that discussion. However, I reiterate that the requirement for such a review at that time highlights the need for the establishment of an effective process to determine future budgets. In that respect, the Committee looks forward to being consulted on the outcome of DFP's review of the Executive's budgetary process.

The Vote on Account for 2010-11 is a practical measure that provides the sums that are needed to enable public services to continue during the early part of the financial year until the Main Estimates and associated Budget Bill are debated before summer 2010. On behalf of the Committee for Finance and Personnel, I support both motions.

I want to make some remarks as an Assembly Member. I hope that I am not classed by the Minister as cynical for doing so.

There are obvious concerns about the overall resources that are available for public spending. However, the Assembly must face the challenge to achieve the best possible outcomes. That includes raising required revenue in a fair and equitable way that will not further disadvantage people in our communities who already face economic difficulties.

In the short term, the Assembly must look at rates and taxation based on a person's ability to pay. That is how they must be set. The debate must start to look at constraints — revenue-raising powers are currently not in the gift of the Assembly and Executive — and, then, to press for the full range of fiscal powers to be made available. Those powers are required to facilitate the delivery of high-quality public services; develop the economy; build prosperity; and redress the inequality and disadvantage that still afflicts substantial portions of society today.

The lack of fiscal autonomy in the North curtails the Executive's ability to implement their policy decisions that could change standards and people's quality of life. The Assembly also needs to open a bigger debate and look to the future. We must remember that people in the North are in greater social and economic need than people in Britain and the South of Ireland.

Mr Beggs: The Member calls for further tax-raising powers. Does she accept that tax-raising powers exist at present in the form of regional rates and possible water charges, which the Executive have chosen not to exercise? Does she accept that the introduction of additional rate-raising powers and taxation may endanger more jobs by adding further burdens to businesses and could, therefore, worsen many people's financial situation?

The Chairperson of the Committee for Finance and Personnel: I must point out that I am calling for a debate to be opened to look at tax-raising powers. I am not coming down on either side. I am talking about opening a debate.

As I said, the Assembly needs to go further to open a wider debate. The existence of two taxation systems North and South further damages business prospects in the North and deepens the economic divide. The Assembly must start to look at the introduction of a single economy and currency in order to grow and build a strong economy on an all-island basis. The absence of that creates huge barriers to

developing a strong economy and providing public services that are needed.

Mr Storey: Will the Member give way?

The Chairperson of the Committee for Finance and Personnel: No. The Member will have his chance later.

The Assembly needs to have that type of debate. It should not curtail that debate by focusing on the powers that it has at present. It should look at the prospect of what it could develop. We need to look on an all-island basis. We must open that debate now.

The Chairperson of the Audit Committee

(Mr Weir): Before I address the bulk of my remarks to the Supply resolution as a whole, I want to make a few opening remarks in my capacity as Chairperson of the Audit Committee on the Supply resolution for the 2009-2010 spring Supplementary Estimates.

The Northern Ireland Audit Office came to the Audit Committee at the start of January with details of a Supplementary Estimate. The Estimate was to increase the net resource requirement of the Audit Office by £0.3 million, to £9.6 million. However, that requested increase was a technical adjustment arising from the introduction of international financing reporting standards and would not provide the Audit Office with any additional resources to spend. The net cash requirement would, therefore, remain the same. Consequently, it was a technical, or paper, change. *[Interruption]* Perhaps that is Alistair Darling looking for advice from our Minister in that regard.

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

In considering the Supplementary Estimate from the Audit Office, the Committee consulted with the Department of Finance and Personnel and the Public Accounts Committee. The Department and the Public Accounts Committee (PAC) were content. In view of that, and having questioned officials from the Audit Office, the Audit Committee unanimously agreed the Supplementary Estimate. That is how a relatively small technical change was dealt with.

I turn now to the Budget and the Supplementary Estimates. May I echo one of the Committee Chairperson's remarks, although I may take issue with some of her others. I also thank the Minister and his officials for the open and transparent way in which they worked with the

Committee on the issue. In the time between the take-note debate and today's debate, it was of great value to have the Minister before the Committee to deal with a range of issues.

On a broader level, concerns were expressed in the take-note debate that the same level of transparency was not applied to the issue by some of the other Departments. To make a degree of judgement on issues arising from the overall cut in the Budget, the failure of a number of Departments to come forward at this stage with detailed spending proposals is disappointing and frustrating, particularly from the point of view of the Committee for Finance and Personnel. Such a lack of information makes it difficult for us to make an overall assessment. I know that the Minister flagged up next year's Estimates last September. Therefore, I do not think that Departments have any excuses for not coming forward with proposals, and I am disappointed that they have not done so.

Overall, it is clear that the strategic direction taken by the Executive a number of years ago, which was to place the economy at the heart of the Executive programme and the budgetary process and which is now working out through the Supplementary Estimates and the Supply resolution, was a wise move. It was a move of necessity, and today's debate is an outworking of the strategy. As the Minister indicated, direct economic support was provided for a range of projects, such as the Bombardier CSeries. There is a range of other financial initiatives.

At times, we can beat ourselves up over capital spend. However, we should remember that although there has been a degree of pressure on capital spend due to circumstances that I will come to later, the level of spend at about £1.4 billion is one of the highest in the history of the state. I think that only last year's exceeded that level. The figures show how much of the capital spend is being used for the benefit of the construction industry. Everyone accepts that the construction industry is hard-pressed because of the broader recession, but the employment of 54% of construction workers in public sector projects shows the level of commitment that exists.

I am sure that if Members were asked to make a wish list of areas in which they would like to see money from the Estimates being spent, they would come up with a list that would be twice as long as is there. We should realise that the level

of public expenditure is extremely large and, on that basis, is to be welcomed.

I will deal briefly with a couple of the Committee Chairperson's remarks. There is some room for flexibility and, as Mr Beggs said in his intervention, there is power to have a degree of variation, particularly with regard to the regional rate.

12.45 pm

I believe that in hard-pressed economic times — although I suspect that Mr Farry and others may disagree — the holding down of the regional rate has been a positive economic boon to the monetary bills of individual households. Also, it has enabled a degree of spend in the economy that would not otherwise have been available. However, I know that the Alliance Party would not subscribe to that position. On a popular radio programme that often labels itself as the biggest show in the country, someone was talking this morning about the rate rises across Northern Ireland, and the Environment Minister was able to say that the regional rate is being held down. I did not hear a rush of Alliance Members phoning up and saying that if they had their way, they would push the regional rate up. There was a stunned silence. However, I am sure that we will hear that at a later stage. Trying to keep the economy to a level where the burden on the ratepayer and the taxpayer is kept to a minimum is to be welcomed.

I will deal briefly with some of the remarks made by the Chairperson of the Committee for Finance and Personnel, although they were not made in that capacity. She was trying to open up the debate on tax-varying powers, and her argument was that they could be used to supplement the spend. Although I appreciate that it was made in the neutral terms of opening up the debate, there is no doubt where Sinn Féin and, possibly, the SDLP stand on the issue. I see a growing left-of-centre consensus across the Chamber from Mr Farry, who would also be willing to say that.

We should be extremely wary of tax-varying powers. People may find that the consequences of their actions would be counterproductive. Northern Ireland receives a level of subvention from the Treasury because of our circumstances and because of the relatively fair distribution. Would tax-varying powers simply lead to additional money? Would they lead to additional revenue, particularly in the economic circumstances that are likely to move ahead, or would they simply lead to the Treasury cutting large chunks out of

the Northern Ireland Budget, with the end result that we would be no better off financially? The argument would be that if we could raise 3% on income tax or whatever and have not done so, then the Treasury would cut the money, even though we might want to maintain the same level of services. We might find ourselves in a vicious circle where services are hit and people are paying more tax.

Dr Farry: Does the Member accept that there is a reverse side to his argument? We took the decision to fund the deferral of water charges out of the block grant. Equally, the Treasury could ask whether, if we can afford to freeze the regional rate and defer water charges, we need the same level of block grant that it is giving us.

The Chairperson of the Audit Committee: We have been able to fund that out of the existing block grant. However, if we simply moved towards larger taxation-varying powers, the incoming Government might, with the tighter financial position, simply seek to take money away from us. Not surprisingly, Sinn Féin's long-standing policy has been that we could help our finances by having a single island economy and a single unit. Notwithstanding the attractions of the Celtic tiger when it was in full roar, if we were to attach ourselves to the basket case of the economic position down South at the moment, it would be akin to creating a single island economy with Greece. There are constraints in relation to that.

There is a wide range of issues, and my time is constrained. I will come back to a number of the points tomorrow during the debate on the Budget Bill. However, I welcome the proposals as a positive way forward and I look forward to Members across the Chamber giving the Finance Minister's proposals a fair wind.

Mr Deputy Speaker: I remind Members that it is not permissible to have mobile phones and electronic equipment switched on in the Chamber, as it interferes with the recording equipment. It does not take a genius to work out the guilty Members. One just has to look at their eyes, which are cast downwards towards their mobile phones.

Mr McNarry: Despite the recent hype surrounding the Hillsborough debacle, today's debate has a greater public interest value and is more likely to be of immense significance to the House. Therefore, I am pleased to participate in it.

That said, I want to begin with a question for the Minister of Finance and Personnel, which I hope he will answer when making his winding-up speech. We have been told of the considerable logjam of Bills and measures, which are expected to flow from the now unblocked Executive following the much-heralded Hillsborough Castle Agreement. To what extent will that new rush of promised and much-delayed legislation impact on already agreed departmental budgets? Will those new measures and legislation form part of the existing departmental budgets, or will they necessitate further votes? Will they depend on further in-year monitoring rounds, or will they happen at all? Are we to expect some new items in the second budget Bill in June 2010, when the impact of the blocked legislation may be fully known?

The question of how we handle the financial provisions from the expected rush of legislation that will come from the Office of the First Minister and deputy First Minister (OFMDFM) brings me to another issue.

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

Mr McNarry: I ask the Minister to address that issue in the manner that I suggested.

Some weeks ago, representatives of the public spending directorate of the Department of Finance and Personnel told the Committee for Finance and Personnel that the Department was undertaking a review of the in-year monitoring process. That is a welcome move, and it is something that my party has called for consistently for the past year and a half. In-year monitoring has involved the redistribution of some £2 billion during the past four years, and there are concerns that the present system is no longer fit for purpose. If that is the case, we must say so and move on.

It has been clear for some time that the structural pressures in the system have made the in-year monitoring process progressively less effective. Those pressures require the Northern Ireland Departments to spend public money more effectively, leaving less slack available for redistribution. They also highlight the inadequacy of an ad hoc system of unplanned underspends as a proper, defensible, efficient means of redistribution between Departments.

Anticipated cuts in the block grant are likely to become more apparent after the general election. Those cuts may be dressed up as operational

efficiencies, but they will inevitably mean that money will be much tighter than it has been hitherto. As recently as last weekend, a group of leading economists, including a former chief economist of the International Monetary Fund, a former deputy governor of the Bank of England and head of the Financial Services Authority and a former permanent secretary to the Treasury, warned that action to reduce the country's borrowing should start immediately after the general election. They also advised that the next Government should attempt to seek to eliminate the bulk of Britain's deficit within the lifetime of one Parliament; that there was a compelling case for the first measures to cut the deficit to begin in the 2010-11 fiscal year, which is only two months away; and that the bulk of the deficit reduction should come from spending cuts rather than tax increases.

Yesterday, the Shadow Secretary of State for Business, Innovation and Skills, Kenneth Clarke, who has been there before and has some experience in these matters, warned that the next Government will have to introduce tougher spending cuts than any recent Administration.

Mr Storey: Will the Member give way?

Mr McNarry: I am in a flow, so —

Mr Storey: We had not noticed. [*Laughter.*]

Mr McNarry: As you have been rude, I will certainly not give way. [*Laughter.*]

Kenneth Clarke stated that the level of cuts that we are contemplating will probably:

“exceed those of any modern government.”

He went on to say:

“We are going to have to be much tougher on public spending than Margaret Thatcher ever was.”

We all know that such a programme of public spending cuts will impact disproportionately on Northern Ireland because of our high levels of public sector employment.

We need consensus on how to cope with that situation. That will not only force a comprehensive rewrite of the Programme for Government but may lead to a new method of managing and prioritising — that is the key element — all government programmes in Northern Ireland. Therefore, I hope that more frequent in-year monitoring rounds may be possible given the increasing sophistication of financial management

information systems, thus enabling a more robust and flexible response to emerging situations than has previously been possible.

We may have to move towards a more sophisticated common overall priority that is based on scale for all government programmes. That would place every government programme across all Departments on a common weighted scale, with pre-agreed ratings being applied for key substantive elements of all programmes and relative weights for politically pre-prioritised factors, such as healthcare, job creation and social need, which are intrinsic to those programmes. The Assembly will not tolerate a priority that simply reduces money for health services.

Those weightings could be either a numerical scale or a system of banding, so that discussions on spending cuts could be taken, and be seen to be taken, on a fair and equitable basis. Such a system would prevent the potential nightmare scenario under the current system, which relies on departmental cuts as opposed to overall cuts. For instance, a football club could get new grounds, while a hospital ward could be closed anywhere in the country. Today's vote on the Supply resolution is merely a staging post on the way towards a more radical overhaul of the entire system.

I again ask the Minister, despite the complications, to consider mechanisms for a contingency fund for rainy days; I know that he is sympathetic to that. Despite our protestations, the block grant is likely to be reduced, and austerity measures are forecast after the next election, so the overall forecast is for a rainy day ahead. I also ask the Minister to reconsider the disposal of non-required assets in the light of today's market prices rather than the inflated figures that appear on the balance sheet. There is no point in writing into the books that an asset is worth £50 million when it is worth only £5 million. Let us face the reality of its real worth and what money its disposal can realise.

What preparations are being made for the reductions and the demands that a new Government will administer across the United Kingdom? I am sure that preparations are being made, and the House and the public want to know about them as soon as possible. The Minister must tell us what he has in mind to address a hit list from Westminster that could include job cuts, wage freezes, recruitment freezes and hardship demands. We all know

that the situation will not improve, and we must not only be prepared in the Assembly but be acting responsibly in bringing the public with us. I will now give way to the rude Member if he wishes to make a point.

Mr Storey: I thank the Member for giving way. I was not being rude; I was being factual. Will the Member clarify whether he was speaking as a member of the Ulster Unionist Party or on behalf of Tory Party central office? The incoming Government has made it clear that they will implement cuts. Will the Member confirm whether he approves those cuts, given the fact that the wedding has taken place between his party and the Tories?

Mr McNarry: I could address that question to the party that is keeping, and has kept, the Labour Party in government in recent times and seems to continue to want to do so. The only party in Northern Ireland that will ask the electorate to dispose of that government is the Ulster Unionist Party. The DUP is not saying that we should get rid of the Labour Party.

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

1.00 pm

Mr McNarry: In answer to his response: I am wedded to what is best for Northern Ireland and for our needs. That is why the Budget is essential, and that is why I asked the questions of the Minister.

Mr O'Loan: In last week's take-note debate, I said that I had some sympathy for the position in which the Minister finds himself. He had two predecessors during the current three-year budgetary round, and we are entering the third year. Therefore, the Minister cannot be held entirely responsible for all that has happened. I said that I had some respect for the fact that he is the first of those three Ministers to concede that we have a serious financial situation to address.

The Minister demurred when I used the phrase:

"an atmosphere of financial crisis". — [Official Report, Vol 48, No 2, p 62, col 2].

I still contend that that is an accurate phrase. All of us are in close day-to-day contact with public agencies in health, education, roads, and so on, and through our interactions with them, we know the intensity of the pressures that they

face. They tell us that there are things that they would like to deliver but cannot.

If a word-association test were carried out in which the public of Northern Ireland were offered the word "budget", the word "cuts" would be offered back in many cases. That reflects the present atmosphere, and that is even before next year's Budget, which will reduce spending by £370 million, is addressed. I stand over my description of the situation. The fact that we are in this situation after a real-terms increase in the Northern Ireland block over the three-year period puts a question mark on how the Budget has been managed.

The serious pressures for next year have been described frequently as relating to the deferral of water charges and the equal pay issue. I have two points to make on the equal pay issue, one of which I made last week and the other I did not. My first point concerns when the equal pay issue became known and the lack of provision for it. In a broad sense, the issue was known for many years, but specific knowledge about when it was coming to a head and about how much money was involved was certainly known to the Minister of Finance in May 2007, when, I believe, we were told that exact information and quantification of the problem had been sought from NISRA. Information was being sought because it was known that the problem was coming to a head and because there was a pretty clear idea of the scale of the problem and that the scale was great. I am extremely critical of the Minister of Finance of the time because, when the three-year Budget was being considered, that information was not laid before the Assembly as it should have been.

The Minister of Finance and Personnel: I understand the Member's point, but does he recognise that we were in negotiations with the trade unions and to have given an indication of what we expected the bill to be would have been an appalling way to negotiate with anyone? It would have involved having to reveal our bottom line and what we thought the amount should be. There would have been no point in negotiations. The whole point about our not making any figures public is that we were in negotiations about equal pay.

Mr O'Loan: I understand and accept the Minister's point, but I am not referring to that period. I am referring to a period well before formal negotiations had started and when the

three-year Budget was being prepared. At that time, there was an onus on the Minister to tell us about the nature of the equal pay problem and that it would have to be addressed during the three-year Budget period. The Finance Minister of the time did not do so.

In last week's debate, the Minister understood my point on retired workers exactly. He said correctly:

"If the Member is saying that we should go beyond the equality legislation and its requirements, we must look at the rationale for that and the attached costs." — [Official Report, Vol 48, No 2, p75, col 2].

I wish to make clear my stance on that. The negotiations were informed by the equal pay legislation, not dictated by it. Had we simply been proceeding on a legislative basis, we could have let the tribunal sort out the matter. Although the legislation was a significant element in the negotiations, it was not absolutely binding. We need only consider the situation for E02 staff to know that that was the case. Management and the unions agreed that those staff had no case for a settlement under the equal pay legislation, and yet a settlement was made, as well as a further commitment to examine their position as a priority element in a further review. There is a moral case for addressing the situation of retired workers, and, in fairness to them, that ought to be done.

I note what the Minister said about how two projects will offset the significant reduction in the capital acquisition from the disposal of assets. I asked him about those projects — the Royal Exchange project and the waste management project — when he appeared before the Committee. He agreed with me that those crucial projects must go ahead in due course. There is a need to indicate the manner in which that will be done — I hope to say a bit more about that later — and to align the present strategy with what will happen in future years.

Given the budgetary situation for the Westminster Government, we all have concerns that there will be significant cuts to the Northern Ireland block grant, and we have talked here about making a case for that to be based on need. We were not convinced that the House of Lords Barnett Formula Select Committee would be terribly sympathetic to the Northern Ireland situation. However, it reported that, in respect of relative spend on Northern Ireland, Scotland and Wales, Northern Ireland is underfunded,

and we must give it credit for that report. However, no one has gone back to the Treasury to make that case. The Minister of Finance and Personnel told the Committee that his officials are in regular contact with the Treasury, but the Assembly has not heard anything about a further case being made.

In presenting the Budget for next year, the Minister told us nothing about what the beginnings of the strategic approach to the next three years might look like. When the Minister was preparing this Budget for the final year of the first three-year round, it would have made sense for him to have spelt out the anticipated strategy for the next three years, because there will be a markedly different situation then. Is there, in fact, a strategy? If so, it certainly has not been presented.

Of course, there is the issue of potential cuts even in the 2010-11 monitoring round. Has any case been made to the Labour Party and the Conservative Party about the fact that cuts could push the Northern Ireland economy further back into recession? The monitoring round's inability to deal with contingencies is also a serious issue.

Last week, I referred to page 23 of the Department's review of the spending plans. It states that there should be:

"a targeted basis in respect of the scope for some departments to accommodate a greater reduction in funding for 2010-11."

Although the Minister of Finance and Personnel says that he talked to the Ministers of the individual Departments, we have in front of us a Civil Service answer to the question of what needs to be done for next year. A far more political answer ought to have been delivered. I again refer to the SDLP proposals for an annual budget to create an Assembly Committee that would prioritise the Budget. Members should note that the Committee for Finance and Personnel will not do that job. That Committee received reports from the individual Committees and will report on those shortly. However, it is not the job of the Committee for Finance and Personnel — the other Committees would greatly resent it — to say that priority A in one Department is of greater worth than priority B in another Department.

There is no political element in the Assembly currently doing that job, and we believe that

there should be. Our party has said that there ought to be a Budget that meaningfully addresses the downturn and meshes present plans with what we hope will be an upturn in the future.

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

Mr O'Loan: I leave my remarks at that.

Dr Farry: We support the resolutions before us this afternoon, or, as it may turn out to be, this evening. That is the only responsible thing to do to ensure that the money is there to be spent by Departments. This debate is probably part of a wider rolling debate that we will have over the coming weeks on the current financial and economic situation that is facing Northern Ireland. We shall do our best to try to avoid repeating ourselves over the course of that.

Rather than rehearsing a set speech, I want to respond to some of the comments that have been made. Comments were made about tax-varying powers, and my party is keen to support those as something that the Assembly should seek to have. One would expect any regional Government elsewhere in the world to have such powers. Any tax-varying powers would be funded from the block grant, and we would forego such revenue in Northern Ireland in the same way as we approach water charges.

The Ulster Unionist Party lectures Sinn Féin about tax-varying powers. However, I was under the impression that one of the very few policies to emerge from the Ulster Conservatives and Unionists — New Force (UCUNF) arrangement is that of enterprise zones. An enterprise zone will mean powers by which to lower rates of tax. I remind the Ulster Unionist Party that it is one thing to argue for enterprise zones, but it is another to be unprepared to support tax-varying powers: without one, there cannot be the other.

Mr Beggs: Will the Member give way?

Dr Farry: This will be good.

Mr Beggs: I referred to comments made by Sinn Féin whereby it was very clear that it wanted to increase the tax burden on businesses. Does the Member accept that that would affect jobs and, because even more people would become dependent on benefits, it would affect those in our society who are most needy?

Dr Farry: Tax-varying powers can result in taxes going up or down. However, if there is a loss of revenue, it has to be funded from somewhere else.

Mr Hamilton: What is the Member's view on Mr Beggs's earlier contribution? Is he saying that the burden of lost revenue should be passed onto households or, heaven forbid, should create a black hole?

Dr Farry: That is the logic of what was said. Money does not grow on trees, and if we take from one element of funding, we have to take from another to balance that.

There is an argument doing the rounds — the Tories are certainly pressing it very strongly — that we have to pay off our debt in a hurry. Economists concur that carrying a lot of debt is a major drag and something to be avoided. However, there is no consensus on how quickly debt should be paid off. There is still a risk of a double-dip recession, particularly in Northern Ireland, but also on a UK-wide level. Therefore, some degree of common sense needs to be applied. There is a sense that the UUP is in a headlong rush to enter into cuts that are not in the interest of Northern Ireland. At the same time, that party is insisting that we protect our Health Service from any cuts whatsoever. The two things simply do not add up. The UUP cannot say that we should pass the burden onto all other aspects of expenditure in Northern Ireland at the same time as protecting job creation, because the burden would be put onto one Department — for example, the Department of Culture, Arts and Leisure — which would take the entire hit of rebalancing the Budget. Those sums do not add up.

We see major problems ahead in the Budget. That can be traced back to major distortions within the financial arrangements for Northern Ireland. I fully respect the right of the Assembly to set its own spending and revenue-raising priorities for which it has the responsibility and the power. However, that has to be done responsibly, and we have to ensure that we are doing things in the correct manner. Much more benchmarking is necessary, of what we are doing and of what is happening in other jurisdictions, in particular, in our neighbouring jurisdictions. We have to ask whether distortions in our budgets are correct and justifiable, or, whether they point to a much more fundamental problem of inefficiency that we need to address.

I will not labour the point about the cost of division again; people know where my party stands on that issue.

1.15 pm

Mr Weir invited me to talk about household taxation, and I will take his bait. We have to accept that households in Northern Ireland pay less tax than their counterparts elsewhere in the UK. That may be justifiable, but, nevertheless, it is a fact, and we must factor that into our approaches to the Treasury.

The continued deferral of water charges is having a massive effect on our Budget. We must find ways to address the immediate £370 million gap, because the deferral of water charges was not factored in when the Budget was compiled.

The regional rate is also an issue. I am not suggesting that we fill the £370 million gap through a 140% increase in the regional rate, as the Minister of Finance and Personnel suggested last week. However, even an inflationary rise in the regional rate each year for three years would bring in some £25 million to £30 million. That is not a huge sum, but every little helps, and it would make a difference. A freeze in the regional rate is actually a cut, and it is happening at the same time as major cuts in public expenditure. People who do not pay rates have a disproportionate dependence on public services, which are suffering. Although people will respond negatively to attacks on the policy of freezing the regional rate, the intangible benefits that people receive from their regional rate contributions need to be pointed out. People in Northern Ireland are very dependent on their public services.

The Executive are freezing the regional rate, but councils are showing a lack of discipline. Councillors across Northern Ireland are saying to themselves that if they increase rates by 7%, that will have only half the impact because the Executive have frozen the regional rate. Councillors think that because the Executive take all the responsibility, they do not need to have the same sense of discipline.

We must also consider the level of expenditure in Northern Ireland and the distortions in spending across the different headings and in Departments. Public expenditure statistical analyses, which are produced by the Treasury every year, show that we spend well above

the UK average in areas such as agriculture, employment and economic development, perhaps not as efficiently as we should. In other areas such as transport and the environment, we spend less than the UK average.

In areas such as health and education, where our spending is at the level that it should be, there is a question about whether we do things correctly. For example, despite our large spend on health, we still spend less per capita than the UK average in areas such as mental health. That begs the question of where we spend more per capita on health services compared with the UK average. Are those distortions justified, or do they point to more fundamental problems that we have to get grips with as a society? I suggest that the answer is the latter.

We find ourselves in a rather difficult situation due to the £370 million cut in spending. The Minister says that the issue is not simply a battle between cuts in front line services and administrative savings in Departments. It is much too simplistic to view the issue in those terms. We must consider different priorities, and I welcome the approach that he recommends. We must take that approach to a different level and have a more fundamental root-and-branch examination of where we spend money, whether we spend money in the right areas and whether we should do things differently.

We must also recognise the fact that there have been missed opportunities; we could have invested money in certain areas, had the resources been here to begin with. I am struck by the fact that we did not have the same degree of fiscal stimulus to respond to the economic downturn that the UK Government and the Administrations in Scotland, Wales and the Republic of Ireland had. We received some Barnett consequentials from increased spending at a UK level, but those were used to offset emerging financial pressures. We did not use them to try to rebalance our economy and to do things differently.

I respect what the Executive have done with our economy, particularly the unprecedented level of capital investment. However, the business community is not entirely uncritical of the Executive's handling of the economy. Even when it comes to taxation issues, the business community points out that there have been major opportunity costs to the Executive's approach. The money that has been lost could

have been invested to improve our economy and to do things differently.

Therefore, it is important to view the business community's contribution in a much more subtle way rather than simply anticipating that it only wants cost cuts. Cutting costs will not address the structural imbalances in our economy.

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

Dr Farry: All it will do is make business cheaper. It will not change anything in the long run. The Executive and the Assembly have a responsibility to transform Northern Ireland for the better. We look forward to rejoining the debate tomorrow.

The Chairperson of the Committee for

Education (Mr Storey): I rise as Chairperson of the Education Committee to speak first of all on the Department of Education's surrender of capital and resource moneys through the in-year monitoring rounds in 2009-2010, as reflected in the reconciliation in the Estimates before the House today.

The Committee questioned Department of Education officials at some length as to why £9 million of capital expenditure was surrendered in the December monitoring round. The Committee had no difficulty in understanding how that easement had arisen but had major concerns as to why the £9 million could not have been used to address some of the extensive deficiencies in the schools estate.

I note the Finance Minister's opening remarks, in which he commended Departments for making progress and stated that some had displayed good financial management. However, given the current financial restraints that the Minister of Education repeatedly tells us that education is facing, many Members in the House today will question the financial management in the Department of Education that was not able to identify a process early enough to address a shortfall of £9 million. One issue of grave concern was that no on-the-shelf projects had been identified as a result of consultation between the Department and the education and library boards that could have been approved or moved forward.

Eighty approved school building projects await the go-ahead for site works and construction. However, senior officials have told the

Committee that, without additional capital funding in 2010-11, no new school projects will be released in 2010-11, and all minor work spends will be restricted to those that are necessary to meet statutory requirements, such as health and safety. However, that situation has been contradicted by the Minister of Education, who appeared before the Committee two weeks ago and informed us that she, as the Minister, will make decisions on capital spend for 2010-11. I will return to that matter as a private Member in a few minutes.

To make matters worse, the Committee was informed at the meeting in December of a £278 million backlog in requests for maintenance work in schools. Members across the House will be aware of the huge issue in schools in their constituencies. The Committee had similar concerns about the Department's surrender of £0.8 million of capital funding for science, technology, engineering and mathematics (STEM); subjects that are critical to our economy at this time. Expenditure on STEM subjects should have been properly planned and managed.

I ask the Finance Minister to investigate why there was a redefining of the moneys for STEM projects. Although an element of it arose as a result of a policy change that was instigated by the Minister, the Department then brought schools that were not listed as STEM schools but that covered subjects such as humanities, art and music into the specialist schools programme. If we want to ensure that STEM is at the heart of our educational programme to assist our economy, serious questions must be asked about why capital expenditure was reduced from £75,000 to £25,000 and why the cohort of schools and criteria were changed. One must ask whether that decision was motivated by political interference or purely to ensure good outcomes.

I will make some remarks in relation to the Committee for Education about the 2010-11 education budget as reflected in the Vote on Account motion. The Executive have proposed additional savings of some £52 million in resources and £22 million in capital. However, the Minister of Education informed the Committee that she already had resource pressures of some £40 million, and her senior officials identified a further £70 million capital requirement for 2010-11. The Committee has made a serious effort to inform its members of the Minister of Education's spending plans for

2010-11, having had lengthy evidence sessions on the education budget with senior officials and five meetings with the Minister herself.

Today, however, I want to highlight the fact that the Committee is still awaiting information from the Minister on key measures to address those budget pressures. Therefore, in the time that is allotted to me to speak as a Member of the Assembly, I will begin by asking the Member opposite —

Mr McLaughlin: On a point of order, Mr Deputy Speaker. I was listening very carefully to the Member's comments, and for a time, I was unconfident as to whether I had missed his declaration that he was speaking in a personal capacity. Mr Deputy Speaker, I ask you to review Mr Storey's comments, given that he has just now indicated that he wishes to speak in a personal capacity, and to determine whether he was genuinely, accurately and objectively representing the views of the Committee for Education. I am very much of the belief that he was not.

Mr Deputy Speaker: That is a very difficult issue to judge, Mr McLaughlin. I can review the comments, and they will be reviewed, but it is a very difficult judgement for me to make.

The Chairperson of the Committee for Education: I am quite happy to have anything that I say in the House reviewed. If some Members are uncomfortable with facts, that is an issue for them to address. It seems as though the Minister of Education needs a platoon of defenders in the House.

I will return to the issues that I wanted to address. I would appreciate it if Jennifer McCann could confirm that she was still on-message when she spoke about fiscal policies. In times past, she has obviously not been on-message about education issues, as she has been at complete variance with the Minister of Education over mistakes that have been made. Does anyone in the House really believe the fantasy politics of Sinn Féin or the SDLP that, somehow, a fiscal policy united to the Irish Republic would put us in a far better position? Surely that, as Mr Weir suggested, is like asking the Greek Government to write us a cheque. That is not where we should be heading at this time.

I will now speak about capital spend and the serious financial issues that face the Assembly, and education in particular. It is disconcerting

that although the Minister is undertaking a review of capital spend projects, we still do not know the criteria that will establish whether capital builds will go ahead. It was clear from the Minister's comments on 8 February 2010 that her capital spending policy will be based on criteria and the entitlement framework. However, she also told us:

"We must take into account the reviews of special educational needs and Irish-medium." — [Official Report, Vol 48, No 1, p46, col 2].

We have seen the problems that were highlighted in special educational needs policy, but we have not seen the review of Irish-medium education or what the outcomes might be of such a review.

I give this warning to the House today: if, in trying to redress the serious imbalance in the school estate, any financial jiggery-pokery is engaged in to give preference to a sector that educates 1% of the school population, it will not be tolerated. We need to make that clear in the House today, just in case anyone has any illusions about or is in any doubt as to the seriousness of the situation that we find ourselves in.

1.30 pm

In considering another area of concern with finances, we need to have in place a long-term planning process that delivers for our education system in a way that secures quality education for our children in a twenty-first-century environment. In many places, however, that is not happening.

I support the motion.

Mr McLaughlin: I support the motion. I am on record as saying that the Minister had a most difficult job to do. He had to address the impact of the economic downturn in a way that permits Departments to address, on a continuing basis, the outstanding priorities of the Programme for Government. At the same time, he had to strongly encourage Departments to identify further efficiencies. That is the way to go, and, for that reason, the Minister should be commended.

I endorse some of Declan O'Loan's comments. He mentioned that there have been three Finance Ministers in the first two years of this three-year Budget, which clearly means that the Minister had to address the situation as he found it. I think that he has set it out clearly for us.

The Budget itself was agreed two years ago, in February 2008, in much more benign economic circumstances and in an atmosphere of generally greater expectation and ambition. However, the economic circumstances have changed utterly since early 2008. Although Ministers have managed to maintain the trajectory of the Programme for Government and its Budget allocations, clear and logical impacts were felt. In some ways, some consequences are that the discussions on fiscal autonomy and the potential of the all-island economy have resurfaced.

We must consider all our options as we move forward. The status quo arrangement certainly has its strengths, which must be acknowledged, but one consequence is that people tend to gloat when other economies run into trouble. However, all economies are in trouble; this is a global phenomenon to which different states are responding in different ways. Some states have at their command economic and fiscal tools that they can use in these circumstances. We, however, do not. We have to float like a cork. We follow the trend that is set elsewhere, which is perhaps governed by priorities that are important elsewhere but do not reflect our own.

I welcome continued debate on the matter. I do not see any immediate prospect of agreement across the board. However, we could perhaps do worse than consider the position of the Scottish regional parliament and what appears to be an evident enthusiasm there for managing the economy, garnering more independence and adopting a more innovative approach to the economy. We could ask ourselves why Members there appear to have in their minds, their contemplations and their planning greater flexibility than is demonstrated at any time here.

There is a slavish dependency, and I do not say that to be pejorative. Some people get migraine headaches as soon as fiscal autonomy is mentioned. They will ask what the consequences for Barnett would be. There would be consequences, but we should not be afraid to talk about it or examine whether there are better possibilities than are currently being deployed. There are some associations — for some Members across the Floor, those associations are much better developed than in my case — but we should be talking to our counterparts in the other Assemblies to see what their approach is.

We know that, come the next election and its outcome, whatever the Administration, the question will be who will bite hardest at the resource and capital that will be available to the Assembly going forward. We know that. The situation will get worse.

A colleague of mine travelled to Birmingham on a business trip. He made his accommodation arrangements with a four-star hotel and paid £25 for a one-night stay with bed and breakfast and an evening meal.

Mr Hamilton: I will speak to you about that later.

Mr McLaughlin: Yes. He went out for a drink to a brand new multi-storey building beside the hotel, which had themed bars on 10 floors. There were 10 people in the building. We do not realise here, because of the success of our ministerial team and because of the way in which public funding is available, what is happening elsewhere. Birmingham has four times the population of this region, and it has had to slash and burn just to survive. The economy is in pieces.

I do not think that there is room for people to look southwards and say that it is a basket case. There are plenty of basket cases. People should reflect on our position before they say such things about the South. If it was not for the public service and public funding, we would know what a basket case is.

If we have set ourselves a priority, which all parties have endorsed, then let us go for it. Let us take the hard decisions as well as the easy ones. We should be prepared to recognise that the future recovery of these neighbouring economies will probably be somewhat in advance of our own. That is because of the public expenditure that provides a buttress and protects us. That also means that we will have a lag time of possibly as much as a year before we see the type of recovery that will be possible elsewhere.

The economies in the South and in Britain will recover more quickly, and the economy in Scotland will recover more quickly than we do because it has a slightly different cultural approach. We can learn lessons from them. In what we call a budgetary process, we should be prepared to widen our horizons and examine that.

I support the proposition to allow our Departments to go on spending money and to

draw on account. That is a no-brainer; it has to be supported. We should recognise that the Minister has addressed some of the hard questions in the here and now, but it is time for a strategic stocktake about how our economy relates to the economy on the island, on the neighbouring island and internationally.

Mr Deputy Speaker: I suspect that you will be getting a lot of correspondence enquiring as to the name of the four-star hotel at £25 a night for bed and breakfast.

The Chairperson of the Committee for Social Development (Mr Hamilton): I would have looked up the name of that hotel on my mobile had you permitted me to do so in the Chamber. Clearly there is going to be a rush of demand for that hotel.

The Minister for Finance and Personnel: The rates have already gone up.

Mr McLaughlin: I am sure that we will get a letter from Birmingham thanking us.

Mr Deputy Speaker: Order.

The Chairperson of the Committee for Social Development: I must get on to TripAdvisor later.

I will speak initially as Chairman of the Social Development Committee and make some pertinent remarks in respect of how the motion before us affects that particular Department's expenditure.

As the House is aware, Committee members have been very concerned with the outworking of budgetary decisions in the current fiscal year, which, as everybody would admit, have been taken in the face of very difficult financial conditions. The spring Supplementary Estimates chart the significant changes that have been made to the Department for Social Development's budget throughout the financial year. The principal challenge has, of course, been the reduction in the availability of capital that was brought about by a significant drop in the sale of land and houses.

As Members will recall, the budgetary problems led to some short-term but disturbing difficulties with the special purchase of evacuated dwellings (SPED) scheme. The Committee welcomed the Executive's joined-up response to the problems with the SPED scheme, and I know that the Finance Minister was intimately involved in that response. We hope that that important scheme

will be funded for as long as it is needed. Sadly, it is still needed in a great many cases.

The funding issues for the social housing development programme, though perhaps a little less emotive, were considerably more challenging. The solutions that the Department adopted caused considerable consternation to members and led to the Committee for Social Development's first motion in a plenary sitting in the Chamber. The scale and timing of the reallocation of funding to social house building from Northern Ireland Housing Executive maintenance contracts or private sector renovation grants caused disquiet among the public and not a little dislocation and, possibly, even some redundancies among contractors. The Committee accepts that the challenge that faces the social housing programme is substantial and that the solutions will not be easy. It is hoped that, in the coming year, the Department will be imaginative in its approach to the funding of new social housing and more transparent in its treatment of the inevitable changes to related budgets and their impact on PSA targets. I note with some positivity the rise in Housing Executive sales in the first eight months of the current financial year. Hopefully, that will continue, because it is an important source of revenue for the Department. I welcome the final finding of the promised £20 million for Egan contracts. That is rolling out across the country and having a positive impact on many of our constituents' homes.

On a number of occasions, the House has heard me refer to the Northern Ireland Civil Service equal pay settlement in the context of DSD as well as DFP. The spring Supplementary Estimates show substantial provisions for 2009-2010, which, it is understood, are to be met entirely at the centre. However, in the coming year, the ongoing costs for the Department for Social Development are believed to be around £12 million, which I understand will have to be found by the Department itself. All Members will accept that that is a significant and ongoing pressure. A solution that has been much talked about is improved efficiency of operation, and we want to encourage that. It is hoped that there may be some flexibility in meeting the equal pay pressure in the short term and that DSD will be assisted in its attempts to enhance the efficiency of the delivery of its services and thus cut its costs. We need to bear that in mind, given the large number of individuals who work within the confines of DSD and whose grade

has been affected by the equal pay claim, most notably those in the Social Security Agency and the child maintenance and enforcement division.

The spring Supplementary Estimates also refer to the changing provisions for urban regeneration and community development. The amounts of money that are involved are much smaller than those that relate to the housing programme or, indeed, to social security payments. Nonetheless, the impact of the relatively small spends on deprived communities throughout Northern Ireland is significant. The Committee is concerned that the Department has yet to provide clarity on key community development contracts and thereby secure the immediate future of small community programmes. The Committee trusts that the Department will move quickly to support those important front line services and thus provide assurance to deprived communities. That concludes what I want to say as the Chairperson of the Committee for Social Development.

I now want to make some broader comments about the spring Supplementary Estimates. All Members would acknowledge, and, indeed, others who have spoken have acknowledged, the major importance of this issue. However, as the Minister alluded to earlier, looking around the Chamber, one might wonder whether we are actually voting for the expenditure of such a significant amount of money.

1.45 pm

Everyone has to accept that we are in the midst of difficult budgetary times and that we are on the brink of perhaps even more difficult, testing and trying budgetary times. There is a need for the same flavour of debate that we had in last week's take-note debate on the revised departmental expenditure plans. It could be said that there is a growing maturity in the manner in which Members debate how to address the very difficult budgetary situation that Northern Ireland will face in the years to come. Therefore, we must approach the debate in that spirit. There is no benefit in our talking in the House about financial matters with the name-calling, posturing and catcalling that we have used in the past. Some Members mentioned the pet projects or hobby horses that they want to see address this problem. We owe it to ourselves, to each other and to the people of Northern Ireland to address those problems maturely and sensibly.

I could take issue with many of the points that have been made. I could take issue with, for example, the idea that an all-island economy is a panacea that would solve if not all our problems certainly a substantial number of them. I am not some sort of Neanderthal who thinks that trade across the border should end. Rather, I think that such trade should increase, particularly if Northern Ireland companies are trading with those in the South. There is significant scope to see growth in that trade. I want to encourage it, and we should do all that we can to ensure that it grows. Procurement is a matter that the Department of Finance and Personnel deals with, so I want to see more companies here involved in that area.

The Minister of Finance and Personnel:

I thank the Member for giving way. I am not sure whether the Member who spoke previously picked this up wrongly, but there is no element of gloating about the economic difficulties that the Irish Republic or any other country faces. We may have political differences with the Republic, but we recognise that the economic reality is that cross-border trade is affected. What happens in one part of this island will have an economic impact on the other part. The co-operation that Ministers have sought to engage in recognises that reality, and we seek to work within our available limits.

The Chairperson of the Committee for Social Development:

I thank the Minister for his intervention. That is exactly my point. Although we do not look down South and want the troubles and travails that are being experienced there, we recognise that those troubles have a negative impact on our economy. We may have experienced some sort of benefit through increased retail sales in major superstores, particularly those that are on the border. One could analyse the real benefit to the Northern Ireland economy that that represents, but it is sizeable when it comes to sustaining, or perhaps even growing, employment. It may also improve the expansion rates of those companies. That is one positive element. However, although that type of expenditure may be increasing, some companies in the South are not trading at the same level that they were. That then affects Northern Ireland's manufacturing sector, which is a linchpin of our economy. Therefore, we are not gloating. I am sure that the Minister is glad that he is not in the shoes of his counterpart in the Irish Republic in having to deal with the difficult

problems that they face. Although we have had problems in dealing with the difficult public expenditure situation in Northern Ireland, we have agreed collectively and in a joined-up way on the tough decisions that we have taken. In the South, much more severe action has had to be taken. For example, social welfare payments and public sector pay have been cut. I am grateful that we have not had to face that sort of problem in Northern Ireland, and long may that be the case. As the Member who spoke previously said, the prudent management that our current ministerial team has engaged in has meant that we have not had to face those sorts of difficulties.

Other issues have arisen today that I would like to comment on. Unfortunately, however, time does not permit me to do so.

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

The Chairperson of the Committee for Social Development: I am keen to check out the bargains that are to be had in tourism on the mainland, although I would also like to encourage tourism from the South to Northern Ireland. I hope to pick up on some of those comments at the Second Stage of the Budget Bill tomorrow.

Mr McDevitt: Mr Hamilton's contributions, which demonstrated an informed position on the economy of the rest of this island, will one day make him a fine Member of the Houses of the Oireachtas.

The SDLP is very worried, not about the specific plans that are before us but about the process that has brought about those plans. We are still in a Budget process that started three years ago and that takes no account of the many and serious changes that have taken place in these islands and globally since then. Rather than having a debate about a series of Supplementary Estimates, we should be having a separate one about a new and fitting Budget that is capable of recognising the serious crisis that envelops this region and has impacted on us.

I noted the Minister's comments about the way in which the Executive have been able to insulate many of those in our society from the worst impact of a lot of what has gone on. However, the truth is that we have been doing little more than putting a sticking plaster over a problem when we could and should have been

doing so much more. We remain concerned about the extent to which this budgetary process has been predicated on efficiency savings and asset sales that are yet to be realised. We also have serious worries about the ability of this process to truly and properly defend front line services.

The Minister is famous for having a sceptical view about certain aspects of climate change. I am glad that his scepticism about the existence of a recession ended last December. Despite the fact that the process is wrong, inefficient and inadequate, we must resolve to try to address the serious shortcomings that we know will exist in the year ahead. Shortcomings in health have led 90-year-olds to rely on 15 minutes each week for their showers. They have led to a major part of the proposed services at the beautiful new hospital in Downpatrick, County Down, being threatened because of the inability of the trust to secure the funding for said services. The shortcomings have resulted in old people in your constituency, Mr Deputy Speaker, worrying about their ability to get a hot meal. The shortcomings also lead to daily headlines about whether wards will stay open. They have caused cardiac patients, in particular, to endure extra stress on top of a condition that is already stressful enough.

The Minister made a significant and serious contribution to this debate, and I do not want for one second to take away from it. I apologise if I failed to correctly hear the Minister, but I did not hear a single reference to the working poor during his contribution. I did not hear a reference to the hundreds of families who are now homeless as a consequence of the serious recession into which this region and the world around it has been plunged in recent years. Nor did I hear references to the Republic of Ireland or the European Union. I wonder whether we need to have a more serious debate in the proper context of where we sit, not just as a public finance entity but as a region in Ireland, in these islands and in the European Union.

The SDLP calls for a new Budget because it is time to review fundamentally our spending priorities. It is time to bring forward proposals that are capable of ring-fencing front line services.

Mr F McCann: In the midst of your presentation, I noticed that you mentioned front line services. Would you not agree that your Minister —

Mr Deputy Speaker: The Member should refer all his remarks through the Chair.

Mr F McCann: Sorry, Chair. Would you not agree that your Minister has proposed almost £14 million of cuts that will directly affect maintenance, will cost jobs, will hit community economic programmes and may lead to the closure of some projects? Those are all front line service cuts, and they will directly impact on communities.

Mr McDevitt: I appreciate Mr McCann's intervention. He makes my point: we operate in a budgetary process that was set three years ago and makes no provision to ring-fence or specially protect front line services, so efficiencies are being forced on Ministers.

There is a difference between the Minister for Social Development and the Minister of Health. The Minister for Social Development has had to deal with the realities of the efficiencies that were forced on her. That has not stopped her continuing to invest in public housing and make what provision she can for it. At least she has had the courage to tackle those efficiencies, as Mr Hamilton acknowledged. That is in stark contrast to the Minister of Health who, despite the shared determination of every party in the House to protect and support him in defending front line services, has yet to bring a single line of proposals as to how efficiencies can be sought elsewhere. I cannot come to an even moderately intelligent conclusion about how we save front line services if the Minister of Health will not share with us the basic information necessary for all of us collectively to protect such services. Therefore, I welcome Mr Fra McCann's intervention. He made the very point that I seek to make, which is that the current botched budgetary mechanism is not adequate. It is just not fit for purpose given the reality of our situation.

We all agree that we need new priorities to stimulate economic activity and generate jobs. The social housing building programme that we spoke about a few seconds ago is a way of doing such things. However, this Budget should go much deeper and should be much more strategic in stimulating building and capital investment across the board. We must also be able to prepare businesses and employers for a recovery phase of the recession. However, there is nothing in the current Programme for Government or Budget that would allow us to do

that, other than programmes that have existed for years.

We need to protect vulnerable households and individuals from the worst impacts of the global recession, yet, because the Budget was designed before the recession started, it is often unable to do that. The two largest parties — the DUP and Sinn Féin — agreed that the text of the recent Hillsborough agreement was:

“an affirmation of our shared belief in the importance of working together in a spirit of partnership to deliver success for the entire community.”

We welcome that affirmation and ask the lead parties in the Executive to revisit the Programme for Government and the Budget, and we ask them to do so in a way that genuinely protects front line services, that is capable of stimulating economic activity and that will properly protect services for people who are vulnerable and those who are poor.

This is a take-note debate, so I am happy to note what we are debating. However, I wish that we were able to have a much deeper and more serious debate in the context of a solution that is fit for dealing with the problem that confronts us, rather than simply managing expenditure that was predetermined three years ago.

Mr Lunn: Like Mr Storey, I want to concentrate on the education budget, which I understand totals about £2 billion at present. Mervyn Storey has mentioned some figures, including the need to cut £52 million from resource spending, £22 million from capital expenditure and another £40 million to £70 million that departmental officials have identified.

The backlog in schools estate maintenance is around £240 million, towards which £30 million has been allocated in the coming year. If we had £240 million to spend on maintenance, how much of it would be used to sustain schools that would not exist at all in a properly constructed and properly run education system? I keep returning to the point and I know that we harp on about the cost of division, but, as Stephen Farry mentioned, division, waste and duplication are fundamental problems. I do not buy the Deloitte and Touche figures to which we used to refer, which put the total cost of division at between £1 billion and £1.5 billion. However, with the proper approach, the one area of expenditure about which something could

be done is the education budget, which is a substantial part of the overall spend.

The Education Committee has been asked to come up with its own ideas about how to meet efficiencies and cuts.

Unusually, the Minister of Finance and Personnel has something in common with the Minister of Education, because, when we want to spend money, he is very fond of asking us where we will take it from. The Minister of Education asked exactly the same question; she asked for the Committee's advice on how to engineer the efficiencies. However, as Mr Storey said, she has not given the Committee enough detail. As things stand, the Committee cannot make a real contribution to the debate.

2.00 pm

The problem is so much bigger. For example, the education and skills authority (ESA) appears to have hit the rocks. I know that we debated the matter a couple of weeks ago and that we will have another debate shortly; however, establishing the ESA was supposed to be part of the biggest rationalisation programme in the history of the education service. Although the only figure on the table was a saving of £20 million a year, with a fair wind, goodwill and co-operation from the Assembly, the reforms, including area-based planning, the sustainable schools policy and proper rationalisation of the schools estate, had the potential to do so much more.

If the potential savings from the education budget were to be coupled with the introduction of the dreaded water charges, I wonder how much of that £370 million deficit could be dealt with. I know that it cannot be done at a stroke, but savings are there to be made. Last week, I heard the Minister of Finance and Personnel on the radio, and, if he was not preparing the way for the incremental introduction of water charges, I must not have been listening carefully enough, because that is what it sounded like to me. It is about time that the Assembly put its head above the parapet to say that water charges are inevitable and must be introduced. The introduction of water charges is the biggest single issue on which we can deliver and which could make a difference.

The problem with education, as other Members said, is a root and branch one. It makes no sense to keep small schools open when they could be combined with others and when

the main obstacle to doing so is ideological, rather than financial. Oddly, the Minister of Education has proposed the withdrawal of funding from prep schools. That may not sound like a massive deal; however, instead of the Department of Education contributing £800 per pupil, it will potentially have to contribute £2,900 per pupil. Some people say that parents would probably pay the difference. I doubt that, and, if they do not, what will happen? Potentially, there will be an extra burden of 2,500 times £2,900. At a time when we are trying to save money in the Budget, a major ideological decision is being taken. We all have our views about the desirability of prep schools — some people say that they are elitist — but, in financial terms, the timing is not great. It is an argument for another day; such a decision does not need to be taken now.

Jennifer McCann argued for an all-Ireland economy, and other Members touched on that subject. The only thing that I would say about her suggestion is that it is not very well timed. Before this mandate, the Assembly discussed that topic on numerous occasions. I am not sure whether I support an all-Ireland economy, as such, but I seem to remember strenuous efforts being made to introduce a corporation tax here that would have been equivalent to the very beneficial rate in Dublin. Perhaps my recollection is wrong, but removing competition is an example of intelligent co-operation that could benefit this part of the world.

A lot of Members mentioned the regional rate. I completely agree with my party colleague who said earlier that a freeze on the regional rate is actually a cut, and this is the third year of that freeze. Again, we have to put our heads above the parapet and acknowledge that perhaps the financial levers that are under our control in this place need to be used.

(Mr Speaker in the Chair)

I return to the matter of education. With a bit of common sense, massive savings can be made in the education budget. For instance, the ideology could be removed or the various systems could be rationalised. In the absence of ESA and of bringing forward sensible policies, the various sectors are just going their own way, and none more so than the Council for Catholic Maintained Schools (CCMS). For instance, in Larne, the CCMS has come to the conclusion that an entire school population

should be moved 18 miles up the coast, but if anybody else looked at that situation, they would probably not come to that conclusion. That sort of thing is happening because we do not have agreement on a properly constructed way forward. I believe that there could be considerable benefits and massive savings in the long term.

Mr Attwood: I will start by touching on a point that was made by Trevor Lunn. He said that Jennifer McCann's earlier comments in respect of North/South matters were not very well timed. In my view, and in the SDLP's view, Jennifer McCann's comments, and comments that I will make, are actually very well timed, and there is probably no better time for them to be made. I want to elaborate on that. I am not going to flatter the Minister with false praise, but the current Minister of Finance has taken a much more pragmatic approach to certain North/South matters than may have been the case with his predecessor.

The Minister of Finance and Personnel: That is two people that you have ruined: her and me.
[Laughter.]

Mr Attwood: Mr Kinahan is next.

The current Minister has taken a much more pragmatic approach to issues. Without prejudice to whether or not the National Asset Management Agency (NAMA) is in the best interests of the people of the Republic or of the North — we could have a debate about that — the current incumbent in the Ministry of Finance in the North took a pragmatic approach to dealing with his colleague in the South when it came to NAMA and its interests north of the border. At that time, and since, I have acknowledged and welcomed that, but I think that it sets a new standard for what should happen on a North/South basis.

I could make an argument that nationally minded people wish to share more fully in life in the rest of the island, and I could make an argument that unionist minded people should develop and deepen their relationship with the rest of the people of Ireland. However, for the purposes of the debate, and given that there are streams of North/South funding running through various Departments, I only want to make to the Minister a pragmatic argument in relation to North/South matters, mindful of the pragmatic approach that the current Minister has taken in relation to one or two such matters.

Some weeks ago, during another debate, I mentioned that a senior person in an economic agency in the North said that, when it came to North/South matters, the Governments in Dublin and Belfast had only 10 years to get it right. He added that if it was not got right, Dublin would lose out, but Belfast would lose out more. I cannot identify that person, but I will tell the Minister privately who it was. People should be aware that a big heavy hitter in respect of the economic development of this island offered the opinion that we have only 10 years to get it right.

I will explain what I believe that he meant. We are aware from the recent economic crisis that the pace of global change is fast and that the global market changes quickly and will continue to do so. Yesterday, someone on an RTÉ news programme talked about the fact that 3 billion people live south of the United States border, in Latin America. Many of the countries and people there are beginning to position themselves in the global market. We are aware of what is happening in China and in eastern countries.

The person added a further opinion that if there were 20 reasons for foreign direct investors to come to the Republic of Ireland 20 years ago, there now remains only one, and that is corporation tax. He said that foreign direct investment might not return to Ireland in the way that it came during the years of the Celtic tiger economy. That was one reason that he flagged up to explain that the world economy is changing and that Ireland's role in it is changing similarly. Clearly, the recession and businesses cutting costs will change the situation further.

He made the final observation that the business that he heads up and its global network did not have to locate any of its jobs in America, even though it is an American high-tech company — it happens to be Intel. He said that it could easily locate every one of its American jobs in a different economy, although it would not be Ireland. My point is, therefore, that where this island now sits in the global market is different to where it sat even a year or two ago and will be different in coming years.

I want to make that argument to the Minister in respect of those Estimates: unless the Assembly acknowledges that the island and its respective economies are now competing in that context and positions itself to deal with that context, it will not deal with issues that face

people, North and South, such as future job opportunities, welfare, and prosperity.

What is the answer with regard to the Budget and Supplementary Estimates?

The Minister of Finance and Personnel: I note the Member's acknowledgement that I have had contact with the Minister for Finance. That contact was made and will continue for the best of reasons. Will the Member accept that, when it comes to the Programme for Government and, indeed, to many spending decisions in Northern Ireland, the Department does not ignore the potential benefits of co-operation with the Government of the Irish Republic? Indeed, even during the current difficult economic circumstances, that Government acknowledged those benefits by spending on projects in Northern Ireland. Therefore, the picture that the Member paints of insularity is not a reflection of what happens in reality.

Mr Attwood: I thank the Minister for that contribution. I am not saying that there is deep insularity when it comes to issues between the Dublin and Belfast Governments. The Minister rightly points out that the Irish Government saved by pulling back up to 3% of North/South funding, but they did not go after the core funding in chapter 6 of the National Development Plan. The benefits of that are beginning to emerge in the work on the road between Derry and Aghnacloy and the roads that go south from Newry. Therefore, my argument is not that there is deep insularity or that there is not some level of "North/Southerly" that is to the benefit of citizens in the North and South: my argument is that we are only scratching the surface. Given the wider argument that I have outlined on how the island positions itself in the global market; unless we get beyond scratching the surface and begin to drill down to where opportunities really exist, the man who told me in October 2009 that we have only 10 years to get North/South co-operation right may, ultimately, say that we failed to get it right. That is my point.

I make that point to the Minister because of what I said earlier. As the Minister said himself, he has, for the best of reasons, continued to have a working relationship with his colleague in Dublin. I think that, for the best of reasons, those working relationships need to develop around education; R&D; innovation, and bringing together talented people who have ideas so that we can ensure that those ideas

mature into something that will create work and opportunities for people, North and South. This is not rocket science; everybody seems to accept it as self-evident truth.

2.15 pm

In that context, one can deal with the issues that we need to deal with on an all-Ireland basis concerning education, R&D, innovation and the bringing together of people with talent, which is why the Irish Government are funding 100 PhDs in the North. They recognised that there was a talent pool here, in further and higher education, which they have been able to exploit and that brings benefit to the people of Ireland regardless of how the banks and governments mismanaged those opportunities. They created that argument, and they basically told the people in the North that they knew that the North understood the situation and that they were going to give us the opportunity for a bit of uplift. That uplift was the funding of 100 PhDs in the University of Ulster and Queen's University. To me, that is a little bit more than scratching the surface.

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

Mr Attwood: Sorry, Mr Speaker, I was not aware that I had only 10 minutes. That is the argument that I wanted to make. The continuation of such working relationships will begin to undo the damage that was done by partition. I rest my case.

The Chairperson of the Committee for Culture, Arts and Leisure (Mr McElduff): Go raibh maith agat, a Cheann Comhairle. First, I will speak briefly in my capacity as Chairperson of the Committee for Culture, Arts and Leisure. Ba mhaith liom labhairt mar Chathaoirleach an Choiste Cultúir, Ealaíon agus Fóillíochta. I welcome the opportunity to address the House on the spring Supplementary Estimates.

At its meeting on 4 February 2009, the Culture, Arts and Leisure Committee heard evidence from the Department on the spring Supplementary Estimates 2009-2010. During the evidence session with Department of Culture, Arts and Leisure (DCAL) officials, the Committee was updated on a range of adjustments affecting spending profiles as the year progressed. The Committee took an active scrutiny role throughout the 2009-2010 budgetary year. The Department briefed the Committee on its position prior to each

monitoring round and provided detailed written responses to queries raised by members. On all occasions, the Committee robustly challenged the Department to explain its reasons for making bids and for declaring reduced spending requirements when surrendering resources.

The Committee notes that the spring Supplementary Estimates for DCAL detail the plan to surrender £2.5 million in capital through the February monitoring round. That includes more than £700,000 in capital for a project to invest in health and safety for motorsport events. The Committee will continue to encourage the Department to maximise its spend and ensure that capital projects progress as quickly as possible.

The Committee remains of the view that the overall allocation to DCAL is inadequate. The Department is still suffering from the legacy of the past. The Government have consistently undervalued the contribution that sports and the arts make to all sectors of society, including health, the economy and tourism. On behalf of the Committee, I express my support for the motion.

Linked to that, and speaking as an individual, I will say that the Department of Culture, Arts and Leisure got its strategy document for sport through the Executive recently. The document is called 'Sport Matters: The Northern Ireland Strategy for Sports and Physical Recreation, 2009-2010'. However, it appears that sport does not matter, if we are to base our conclusions on the fact that DCAL is handing back an unspent £2.5 million to the Department of Finance and Personnel. I emphasise that point because the Programme for Government contains a target of achieving 53% adult participation in sport and physical activity, which has to be taken seriously.

We have the Sport Matters strategy, and the Programme for Government contains a target of encouraging 53% of adults to participate in sport and physical activity. In the same breath, however, money is being handed back to DFP. There is considerable angst and annoyance in the community over projects that are ready to go. The Department knows all about those projects, yet that capital money was not directed to them. Community angst was evident at a meeting in Belfast last week at which many grass-roots sports clubs made that point.

As the Minister of Finance and Personnel is present, I want him to reflect on the importance of achieving that target in the Programme for

Government. I also question why capital money is being handed back when it could have been spent on projects that have planning permission or for which there are long-term leases on facilities, and where projects are well advanced through community fund-raising. That is a real issue, to which a response is needed.

I suggest that the cake for the arts is not big enough and needs to be enlarged. We talk about dividing up the cake between the professional arts and the pursuit of excellence on the one hand and community-based arts projects on the other hand. A focused look must be taken at the need to increase the overall size of the funding cake for the arts.

Some discussion has been had on the merits, or otherwise, of a single-island economic approach. The Minister is saying that there is a considerable amount of activity in that area, and I welcome that activity. Not only does that approach make sense but it saves money and acts as a stimulus for investment. For example, the A5/N2 road project is capturing the imagination of the construction industry and engineers, and it is opening up roads to opportunities in the north-west of the island. That is a good example of that type of co-operation. The Minister is familiar with the road to Larne and has said that he would enjoy an extra few minutes in bed each morning. With prudent spending, we could achieve that outcome.

There is huge scope for achieving a closer working relationship between Letterkenny General Hospital and Altnagelvin Area Hospital. The list of areas of health co-operation could easily be enlarged to meet the needs of the north-west population. We could look at acute-service provision and at cancer care and treatment. We could also look at the work of Cooperation and Working Together, a partnership project that considers all cross-border collaborative projects. Cooperation and Working Together needs greater funding, and that funding could be mainstreamed. We want to avoid duplication of spending and we want to maximise available resources. I wish Minister Wilson and Minister Lenihan well in their regular and important discussions.

Mr Speaker: As Question Time commences at 2.30 pm, I suggest that the House take its ease until then. When we return to the debate after Question Time, Mr Fred Cobain will be the next Member called to speak.

The debate stood suspended.

2.30 pm

Oral Answers to Questions

Office of the First Minister and deputy First Minister

North/South Ministerial Council

1. **Ms Ní Chuilín** asked the First Minister and deputy First Minister to detail the time, venue and agenda items for the next plenary meeting of the North/South Ministerial Council. (AQO 778/10)

The First Minister (Mr P Robinson): The next North/South Ministerial Council meeting in plenary format is scheduled to be held in June or July. The meeting will be hosted by the Irish Government, and arrangements for the meeting, including the precise date, the venue and the agenda, are on their way. Once the arrangements have been agreed, the Executive and the Assembly will be informed.

Ms Ní Chuilín: I thank the First Minister for his short answer. Does he agree with me that given the review of the North/South bodies, particularly the North/South parliamentary forum, the consultative forum, and other outstanding matters from the St Andrews Agreement and the recent Hillsborough agreement, it would be good to have all those matters concluded before the next plenary session is due to take place?

The First Minister: I note the willingness of the Member from North Belfast to conclude all the outstanding matters from the St Andrews Agreement. I am sure that that includes the proper method for electing the First Minister, the efficiency panel and the standing secretariat for the east-west arrangements. I hope that the enthusiasm of her colleagues will match hers in ensuring that all those matters are dealt with.

Mr Kennedy: Will the First Minister give his assessment of any possible additional expenditure structures or increased role planned for the North/South bodies as a result of the Hillsborough Castle negotiation between his party and Sinn Féin?

The First Minister: I am sure that I can rely on the support of the Member for Newry and

Armagh for the proposals contained in the Hillsborough Castle Agreement. I am sure that he will be canvassing support among his party colleagues. He will recognise that three working groups have been set up with specific responsibilities. The first one is to improve the way that the Executive operate, the second deals with outstanding Executive issues, and the third, which he refers to, deals with matters that are outstanding from the St Andrews Agreement. That agreement, of course, was an agreement between two Governments, and there are various levels of commitment to the outstanding matters. Those will be codified, and we will look to see what progress has been made on those issues and what further progress can be made.

Expenditure on North/South institutions and bodies is subject to the same kind of efficiencies that we are operating under in our Departments. Ensuring that those savings are made is as much a matter for the Government of the Irish Republic as it is for us.

Mr I McCrea: Does the First Minister agree that any move to create an all-Ireland consultative forum should at least be put on hold pending the outcome of the review of the Civic Forum?

The First Minister: First of all, I do not think that too many of us, when we are walking down the street, have people coming up to us and asking us what has happened to the Civic Forum or the all-Ireland civic forum. I have not once been asked about either outside of the political arena. When dealing with issues like that, one has to take into account the element of cost. If we are going to be spending money on such institutions, we have to remember that we will be taking it away from health, education, housing, the environment and all the other issues that are important to us. We must look at our priorities in such matters and determine where our funds are best spent, and whether they provide the best value for money.

As far as the Civic Forum is concerned, we have had a very useful engagement with civic society. The deputy First Minister and I have invited people to provide input on the economy as part of a cross-sectoral body, and we have found their input very valuable. In those circumstances, they are willing to do it without charge, which might be a model to follow.

Mr Speaker: I remind Members that if they want to ask a supplementary question, they must continually rise in their place.

Mr Attwood: I rose to my feet two or three times, so I decided not to do so on the fourth occasion, Mr Speaker.

Given the recession, the need for the island to compete in a global market, and future budgetary constraints, is there an argument that the review of the North/South implementation bodies should be accelerated? Is that not preferable to a further six-month delay until the next North/South Ministerial Council meeting in July 2010 and further uncertainty thereafter about what the two Governments might do with the recommendations that arise from that review?

The First Minister: A working group will consider any outstanding matters from St Andrews, and Mr Attwood's party colleague will have an input into that. Ultimately, the Assembly will have to make a determination on the establishment of any new bodies. The Member asked whether there is an argument for the review to be accelerated. There is such an argument, but it may not be a particularly good one.

OFMDFM: Legislative Proposals

2. **Mr McFarland** asked the First Minister and deputy First Minister how many legislative policy proposals or draft Bills are with their Department for clearance; and to explain any backlog. (AQO 779/10)

The First Minister: At present, 17 papers concerning legislative proposals by Ministers are under consideration for inclusion on the agenda of future meetings of the Executive. As we explained previously to the Assembly, Executive business is a continuous process of consultation and agreement on draft papers that are circulated by individual Ministers. Therefore, there will always be Executive papers at various stages of consideration, the length of which will be determined by a number of factors, including the time needed to consider the often complex and sensitive issues and proposals from their colleagues.

As First Minister and deputy First Minister, we are required by the ministerial code to seek to ensure that decisions that are made by the Executive Committee are reached by consensus. Therefore, it would be inappropriate to seek the formal agreement of the Executive while issues of concern remain outstanding at the

consultation stage. Although it is, therefore, misleading to refer to a "backlog", we are committed to reviewing the operation of the Executive's procedures to secure improvement in effectiveness where it is possible to do so.

Members will be aware that in the Hillsborough Castle Agreement, we stated our intention to seek the agreement of the Executive to set up a working group, chaired by Ministers Sir Reg Empey and Margaret Ritchie, to examine how the Executive might function better and how delivery might be improved. We have now done that, and the Executive gave their agreement to that proposal at last Thursday's meeting. We are grateful to Ministers Empey and Ritchie for each agreeing to undertake the role of co-chairperson. The other members of the working group will be Caitríona Ruane, the Minister of Education, and Arlene Foster, the Minister of Enterprise, Trade and Investment.

The working group will examine the functions and delivery of the Executive Committee and seek to identify steps that might contribute to new and improved processes. It will then make its recommendations to the Executive. The joint chairpersons are keen for the working group to start work as soon as possible.

In addition, in accordance with the proposals that are set out in the Hillsborough Castle Agreement, the Executive agreed that the junior Ministers in the Office of the First Minister and deputy First Minister (OFMDFM) will chair a working group involving all the parties in the Executive to identify Executive papers and decisions that are still pending. That group will provide a report to the Executive detailing the level of progress that has been made on each outstanding matter, and it will make recommendations on whether and how progress can be made on any and all outstanding matters by the end of this month. That will include a programme of work detailing how any remaining issues will be resolved.

We hope that that work will be regarded as evidence of our complete commitment to co-operating in the development and maintenance of an efficient Executive that are fully responsive to the needs of the community and prepared to deal with the challenges that face them.

Mr McFarland: I thank the First Minister for his answer. What examination has been made of the financial impact of the logjam? What likely

impact has the logjam had on departmental budgets?

The First Minister: The Member is sitting in the far corner of the Chamber, but I thought that he might at least have heard that there is no “logjam”, as he twice described it in his supplementary question. Of the 17 legislative proposals in the system, 10 arrived in the past two calendar months and are, therefore, part of an ongoing process of consideration by the Executive.

As far as the financial implications are concerned, I have found, often to my cost, that most legislation ends up costing money. Therefore, the implications are that we have saved money by what the Member describes as a logjam but I would describe as us attempting to get consensus between Executive parties before bringing issues to the Executive table.

Mr McElduff: Go raibh maith agat, a Cheann Comhairle. Tá ceist agam don Aire.

First, will the First Minister outline the Executive’s legislation programme with respect to upcoming priorities? Secondly, I invite the First Minister to acknowledge and congratulate Cookstown Fr Rocks GFC on winning the all-Ireland intermediate club final in Croke Park yesterday.

The First Minister: I am sure that the Member has no territorial interest to declare in the latter matter.

The Executive’s programme is set out in the Programme for Government, which the Member voted for and will, therefore, know thoroughly without having to ask me to outline it. There are around another 30 pieces of legislation that Ministers are to bring forward to the Assembly, which will take us beyond the legislative programme that our predecessors had during their period in office. That indicates that all our Ministers are fully involved in attempting to bring forward legislation that helps our constituents collectively.

Mr Hamilton: The initial question started an unhealthy concentration on what has not been done, and the supplementary questions continued that. Will the First Minister outline how many Executive papers have passed, as opposed to those that have not, at this stage?

The First Minister: I am always pleased to get questions such as this, and it just so happens that I have some figures to hand. At the 61

Executive meetings since the restoration of devolution in 2007, 493 papers have been considered. In addition, 31 papers have been processed through the urgent processes that we have as an Executive. The Executive have, therefore, taken a total of 524 decisions. That compares very favourably with the number of decisions taken during the last Administration when only 320 papers were cleared. We are, therefore, well on our way to being twice as good as our predecessors.

Mr Speaker: I remind Members that all mobile phones must be switched off.

Mr Ford: I heard the First Minister say that legislation frequently costs money and that he was, therefore, pleased that legislation was not going through. What is the status of his Department’s attitude to the ESA Bill, which deals with much-needed educational reforms, and which appears to be costing money by not being implemented, and the local government boundaries Order, which appears to be holding up the review of public administration process for local councils at significant cost.

The First Minister: I make it clear that I did not indicate that I was pleased that legislation was not going forward. I am one of those people who believes that less legislation can often be a good thing. Therefore, I do not judge an Executive on the number of Bills that they pass to see whether they are better or worse than their predecessors: that is why the figure that I gave to Simon Hamilton with respect to decisions rather than legislation is probably the more important one.

The two measures that Mr Ford is concerned about must be resolved. We have set up a working group under the Hillsborough Castle Agreement that will be chaired by the two junior Ministers. That group will identify all outstanding decisions and bring forward proposals for a programme that might resolve those matters. I, too, am keen to see those matters resolved satisfactorily. However, the deputy First Minister and I have a duty under the ministerial code to bring forward issues on which the Executive can reach consensus. That means, effectively, that nothing gets to the Executive table unless it is agreed by the deputy First Minister and me beforehand. That is why I think that the working group is so important, because issues that would not otherwise be part of a discussion at

the Executive can be as part of the ministerial working group that has been set up.

2.45 pm

Maze/Long Kesh Site

3. **Mr Lunn** asked the First Minister and deputy First Minister for an update on the regeneration of the Maze/Long Kesh site. (AQO 780/10)

The First Minister: With your permission, Mr Speaker, junior Minister Robin Newton will answer that question.

The junior Minister (Office of the First Minister and deputy First Minister) (Mr Newton): In April 2009, the First Minister and the deputy First Minister announced that a development corporation would be established to take forward the redevelopment of the Maze/Long Kesh site, and a draft statutory rule has been prepared to create the Maze/Long Kesh development corporation. I am pleased to note that on 25 November 2009, the OFMDFM Committee progressed the draft statutory rule to the Assembly for debate. That debate will be scheduled as soon as possible.

In parallel, the Maze/Long Kesh programme delivery unit continues to prepare the site for potential future development, and in December, it hosted an initial focus group with a number of internationally renowned experts from the British Urban Regeneration Association. Realising the full economic, historical and reconciliation potential of the Maze/Long Kesh will provide us with a rare or, even, unique opportunity that transcends party politics, helps to revive key sectors of our economy in these difficult times and delivers benefit to the whole community. Support for the redevelopment of the site will attract investors, help the construction and tourism industries and, importantly, help to create a significant number of jobs.

Mr Lunn: I thank the junior Minister for his answer, which effectively means that apart from setting up a corporation and a delivery unit, nothing has happened. That has been the case for several years and, as a result, tremendous opportunities have been lost.

Can the First Minister or the junior Minister tell me whether they consider the absence of the stadium proposal, which appears to have been discounted, to be a serious drawback? It would have entailed a major anchor tenant being on

the site and, without that, the development of the site may well be inhibited. Also —

Mr Speaker: I urge the Member to come to his question.

Mr Lunn: I am halfway through it. *[Laughter.]*

Does the First Minister think that, in the absence of such an anchor tenant, the infrastructural costs may be too much?

The junior Minister (Mr Newton): I realise that the Member is a representative of the Lisburn area and, as such, has a vested interest in the site. Perhaps not a “vested” interest; it was wrong for me to say that and I apologise. The Member has an interest for his constituency in seeing the development take place. However, such is the potential scale of the development, it will have an impact not only on the immediate area, but on Northern Ireland and, indeed, beyond.

The Member’s question conveys a sense of frustration at things not moving forward, as he perceives it. However, it is estimated that the development corporation will be operational within six months of the Assembly’s approval of the motion to establish it and the Department of Finance and Personnel’s approval of the business case. However, there will be no loss of impetus, because the programme delivery unit is continuing with remediation work at the site and has commissioned site condition surveys and an infrastructure needs analysis to gain open access to the site and to make contact with future potential developers.

Mr Speaker: I remind Members to be more focused in their questions, as far as possible.

Mr Butler: Go raibh maith agat, a Cheann Comhairle. Gabhaim buíochas leis an Aire as a fhreagra, agus tá ceist agam air.

I am sure that the junior Minister and, hopefully, the First Minister welcome last week’s decision by their Executive colleague Edwin Poots to maintain the listed building status of the preserved buildings at the jail. Although I know that there are other proposals, will the development corporation, when it is set up, make the proposals involving the conflict transformation centre and the preserved buildings part of any development of that site?

The junior Minister (Mr Newton): It is implicit in the Member’s question that he is sensitive to concerns in the wider community about the

potential of the peace-building and conflict resolution centre to become a shrine. In response to a similar question in the House from my colleague Mr McCausland, the deputy First Minister said:

“The important thing for me is that we do not have a shrine at the Long Kesh site.” — [Official Report, Bound Volume 34, p239, col 2].

In answer to a supplementary question from Mr Ford on the same issue and on the same day, the deputy First Minister said:

“The Member referred to those who wish to see a shrine at Long Kesh; I do not know anybody who has argued for a shrine at Long Kesh. I have heard people from the unionist persuasion articulate a view that that is what republicans want. Let me state here and now: that is not what republicans want.” — [Official Report, Bound Volume 34, p240, col 1].

Those are the words of the deputy First Minister on the subject.

Mrs D Kelly: The junior Minister mentioned the potential for job creation in the development of the site. Will he confirm whether there will be any proposals to employ apprentices and the long-term unemployed?

The junior Minister (Mr Newton): I thank the Member for her question, which is on a subject that is particularly dear to my heart. I have a great belief in the need to train apprentices. Northern Ireland’s economy will be underpinned by a skilled workforce at all levels, but particularly at an apprenticeship level.

As we go forward to create the development corporation, we should seek to ensure that apprenticeship provision is included. I anticipate that the site will have a development life of around 20 years. As contracts are handed out, I hope that, where it is legally possible, some provision for apprenticeship training will be built into them.

I was looking at apprenticeship numbers with my colleague Lord Browne today. I am extremely concerned about the current programme-led apprenticeship arrangements, because a maximum of only 50% of apprentices ever get work experience. A young man or woman going into a programme-led apprenticeship may spend all his or her time in a college environment. What does that tell you about producing a skilled workforce for the future? Young people need the opportunity to have a college education

for their vocation, but they also need the experience of a workplace situation or, preferably, employment. That will be necessary to produce quality apprenticeships in the future. I am not too far removed from the thought that we should do all that we can in the development corporation to ensure that opportunities are presented.

OFMDFM: Efficiencies

4. **Mr Paisley Jnr** asked the First Minister and deputy First Minister what impact administrative efficiencies will have on staff within their Department; and how many posts will be affected. (AQO 781/10)

The First Minister: In the Budget for 2008-2011, the Executive agreed that Departments would deliver 5% per annum in administration efficiency savings over the years 2008-09 to 2010-11. OFMDFM is required to deliver £2 million in efficiency savings across the three years. Efficiency savings in OFMDFM are being delivered through an improvement in, and a refocusing of, the delivery of programmes and functions. Those measures will result in a reduction of approximately 51 full-time equivalent posts. The staffing reductions will be achieved through the redeployment of staff within the Northern Ireland Civil Service and through the suppression of vacant posts.

Mr Paisley Jnr: What impact will the 51-post reduction have on the complexion of the Department? How will that reduction make the Department’s staffing arrangements compare with those under the previous Administration? The First Minister previously said the Department’s staffing arrangements were twice as good as they had been under the previous Administration, but I am sure that he will agree that this will mean that they are three times as good.

The First Minister: I remember that, at the beginning of this Assembly term, we were chided about the number of people who worked in OFMDFM equalling that in the White House and about how it was double that in Downing Street or the Republic. Of course, the reality was somewhat different. When the Ulster Unionists and the SDLP were in OFMDFM, there were 420 members of staff in that Department. The number reduced to 408 by September 2007 and by April 2010, we will have reduced it to 344. The figures rose steeply during the previous Administration but are coming down steeply under this Administration. Only 80 of those staff are

involved directly with the deputy First Minister and I compared with the 3,000 that have a similar role in Washington or the hundreds that are available in Dublin and London.

Mr K Robinson: I listened with some amusement to the First Minister's response. However, will he tell us how many members of staff are employed in OFMDFM primarily to manage the central co-ordination of government? Given the recent Hillsborough accord, does he recognise the need to increase the numbers to handle the reversal of the dysfunctionality of that Department?

The First Minister: The Member should have felt embarrassment, not amusement, when he heard the answer to the previous question. I hope that he is pleased that we are getting the same with less. Indeed, if we can get more with less, that will be even better. At the minute, 81 staff equivalent positions are held by those with responsibility for what he describes as the central administration.

Ms Anderson: Go raibh maith agat. Will the First Minister assure us that no front line services will be affected by the efficiency costs in the Department?

The First Minister: The priority for the deputy First Minister and me is to protect front line services; I hope that all Ministers have the same priority. Money is tight, and efficiency is required. However, we must ensure that we cut out waste and bureaucracy and protect front line services.

Social Justice Commission

5. **Dr McDonnell** asked the First Minister and deputy First Minister if they support the establishment of an independent social justice commission to combat poverty and promote social justice for vulnerable members of the community. (AQO 782/10)

The First Minister: The principle of combating poverty and the concept of fairness and equality of opportunity for all members of society, particularly the most vulnerable and marginalised, are integral aspects of our existing Programme for Government and will remain so as we move forward.

A range of independent structures such as the Equality Commission, the Human Rights Commission and the Children's Commissioner

exist in Northern Ireland, and we plan to establish an office of the commissioner for older people as soon as possible. Those bodies collectively promote rights and equality of opportunity for all and provide a strong framework of independent advice, advocacy and investigation. In addition, the introduction of child poverty legislation across the United Kingdom will further enhance those structures and will create a child poverty commission, which will be independent of government, with a statutory requirement to seek its advice when preparing a child poverty strategy. Therefore, we have no plans to introduce another commission as the Member suggests.

Dr McDonnell: I thank the First Minister for his answer. He is aware that extensive social capital is invested in Churches, faith-based groups and their volunteers. What is his assessment of Churches' potential to play a key role in combating poverty and promoting social justice in the communities that they serve?

The First Minister: The Member is right to draw attention to the considerable work that is carried out by Churches and other charitable organisations in Northern Ireland. They have a wealth of committed experience that we would do well to partner and encourage. From our private conversations, he will know that I believe that government has a role to examine the funding that the Executive will receive from obsolete bank accounts. That is a perfect channel to provide funds to help such organisations.

3.00 pm

Agriculture and Rural Development

Common Agricultural Policy

1. **Mr Moutray** asked the Minister of Agriculture and Rural Development what representations her Department has made to DEFRA on the reform of the common agricultural policy. (AQO 749/10)

The Minister of Agriculture and Rural Development (Ms Gildernew): Go raibh maith agat, a Cheann Comhairle. There is no doubting the importance of the upcoming negotiations on the future of the common agricultural policy

(CAP). A number of crucial issues are up for discussion, particularly the size of the CAP budget and the future basis for the single farm payment.

The debate is just beginning, and the European Commission is expected to publish a paper in autumn 2010 that will outline its thinking. Legislative proposals will follow in 2011, with the aim of reaching agreement in 2012. A date is currently being sought for a meeting of the devolved Ministers and the Department for Environment, Food and Rural Affairs (DEFRA), and CAP reform will be a priority issue on the agenda of that meeting.

DEFRA is well aware of the fact that the other devolved Ministers and I do not share its vision for future CAP reform, particularly its suggestion that the single farm payment be phased out. The proposed meeting will provide another opportunity to make the case for the continuance of the single farm payment. I should add that CAP reform is a regular item on the agenda of meetings of the North/South Ministerial Council. I will not deny that it will be difficult, perhaps impossible, to shift the British Government on that issue, but I am determined that the views of the agriculture sector in the North will be properly represented in the upcoming debate. That is why I am considering making my own submission to the European Commission when the CAP reform proposals emerge.

Mr Moutray: I thank the Minister for her response. However, will she make an assessment of the likely impact that any changes will have on local farmers?

The Minister of Agriculture and Rural

Development: Thankfully, the British Government's position is not the position of the majority of EU member states. If we moved away from the single farm payment, farm incomes would be negative, which, ultimately, could destroy our farming industry in its entirety.

Mr Kinahan: What discussions has the Minister held with her colleagues in Scotland and Wales on the common agricultural policy? Furthermore, what communication has she had with the three Northern Ireland MEPs on the future of the policy post 2013?

The Minister of Agriculture and Rural

Development: I have had a number of discussions with our three MEPs and the other devolved Ministers, as well as the Minister

for Agriculture, Fisheries and Food in the South of Ireland, Brendan Smith. CAP reform is a standing item on the agendas for those discussions, because we are all keen to hear one another's points of view, share those views and build our proposals for CAP reform. The matter comes up frequently during meetings with the people that the Member mentioned. I do not see any difference between now and 2013; if anything, the issue will have more importance on the agenda.

Mr Boylan: Go raibh maith agat, a Cheann Comhairle. What are the benefits of North/South co-operation for future CAP reform?

The Minister of Agriculture and Rural

Development: The CAP affects farmers across Ireland, so it makes sense for our Departments to co-operate closely on the issue. Farmers, North and South, have common interests; therefore, I am of the view that we should have frequent discussions about our policy approach. There are opportunities to collaborate on agreed issues when trying to influence the European Commission's position, and I intend to use every avenue that is available to me to get the best deal for farmers in the North.

Mr Ford: The Minister has correctly outlined the difficulty of getting DEFRA to recognise the needs of the more marginal areas of the UK, and we welcome the co-operation that she has established with Dublin, Edinburgh and Cardiff. Has she had any direct contacts with the European Parliament, and, specifically, with George Lyon MEP, given his current role in supervising the review from the parliamentary perspective, in order to build the widest possible coalition?

The Minister of Agriculture and Rural

Development: No. Those meetings will be ongoing as the debate emerges, but I have not spoken to George Lyon about the issue. I keep in close contact with the European Commission, but, obviously, given the implications of co-decision, the role of MEPs becomes more important.

Disadvantage and Inequality

2. **Mr P Maskey** asked the Minister of Agriculture and Rural Development what her Department is doing to tackle disadvantage and inequality. (AQO 750/10)

The Minister of Agriculture and Rural

Development: Go raibh maith agat, a

Cheann Comhairle. Tackling disadvantage and inequality is a key aspect of ongoing work in the Department for Agriculture and Rural Development (DARD), directly through specific anti-poverty and deprivation-focused interventions, and, indirectly, by ensuring that policy proposals or existing policy reviews include action to determine the current level of inequalities that may exist and establish the extent to which any such inequalities can be addressed. The rural development programme allocated £50 million through axis 3 quality-of-life funding on the basis of deprivation and population. That will have a significant impact on addressing disadvantage in the most deprived rural areas.

The Programme for Government (PFG) tasked DARD with meeting a target to bring forward a £10.4 million package of actions to address rural poverty and social exclusion across the Budget years 2008-09 and 2010-11. Through the anti-poverty and social inclusion programme, a range of interventions is under way to address the key priorities of rural life: childcare; fuel poverty; transport and access; community development; and specific local and regional poverty and exclusion issues.

In tranche two of the farm modernisation programme, under axis 2 of the rural development programme, I have proposed that efforts to tackle disadvantage be targeted at less-favoured areas, where the need for modernisation is greatest, to help to enable successful applicants to use the grant to become, or to remain, competitive while working in a very challenging environment. Under the less-favoured area compensatory allowance (LFACA) scheme in axis 2 of the rural development programme, approximately 13,500 claimants received payments in each of the past three years. It is my hope that all those initiatives will play an important role in tackling disadvantage and inequality.

Mr P Maskey: Go raibh maith agat, a Cheann Comhairle. I was pleased to hear the Minister talk about tackling disadvantage; it is important to tackle disadvantage as well as inequality. The Minister gave some details in her response, but can she go into a little more detail on the specific actions that DARD has taken to address inequality?

The Minister of Agriculture and Rural Development: When considering policy

proposals or reviewing existing policies, business areas are required to take action to find out the level and extent of inequality that exists. Equality screening is the first step in the process, and it enables business areas to identify the policies, actions or duties that are likely to have a significant impact on equality of opportunity in one or more of the nine groups covered by section 75.

If, during the screening process, it becomes apparent that there are likely to be significant inequalities, an equality impact assessment (EQIA) is carried out. DARD business areas have carried out a number of EQIAs in recent years, including assessments of the rural development programme, DARD Direct, the rural anti-poverty and social inclusion framework, and the review of the LFACA scheme.

Equality monitoring is necessary under section 75. The duties under that section place an onus on DARD business areas to put systems in place to monitor the impact of their policies on the promotion of equality. Monitoring for adverse impact following the outcome of EQIAs helps to ensure that adverse impacts and inequalities are identified and dealt with and that useful information is available for section 75 screening purposes.

DARD has recently set up an equality monitoring project team, which includes representatives from all business areas. The team has been authorised by the top management group (TMG), and a senior responsible officer (SRO) has been identified. The equality branch will guide the project team, which will focus on co-ordinating and monitoring existing data across business areas and will work to identify any gaps in data. That project will be carried forward in 2010.

Mr Campbell: The Minister described tackling inequality as a “key aspect” of her considerations. Will she look at the views of people in the farming community in a similar light, and will she consider them to be a key aspect when they review the outworkings of her farm modernisation programme? Will she take their views into account on the basis of equality?

The Minister of Agriculture and Rural Development: I am sure that the Member recognises that I am always in listening mode when it comes to farmers. As the next question, question 3, deals specifically with farm modernisation, I will respond to the Member's question when I answer it.

Mrs M Bradley: How much of the £10 million budget to address rural poverty has been spent, and how was it spent? What targets are in place so that we can measure whether people will really benefit from the money?

The Minister of Agriculture and Rural

Development: The £10 million has been spent on a range of areas. Tackling disadvantage, poverty and social exclusion are key elements of the Department's ongoing anti-poverty and social inclusion work. As I said, that covers five priorities: rural childcare; rural fuel poverty; rural transport and access issues; rural community development; and a more general rural challenge fund.

Working in conjunction with the Department for Social Development, £630,000 has been directed towards assisting rural homes through the warm homes scheme and an insulation scheme for hard-to-heat rural homes. In excess of 800 rural homes have benefited from that work. Through a partnership with Minister Murphy's Department, the Department for Regional Development (DRD), we have allocated £390,000, the majority of which has been spent on rural transport schemes and in conjunction with DRD's dial-a-lift service.

We have also been working with the Public Health Agency to implement a regional project aimed at maximising access to services, benefits and grants uptake for rural dwellers. It is envisaged that 4,200 rural dwellers across the 88 most-deprived rural wards will benefit from that project.

I will write to the Member with the other specifics of her question. However, that is an example of some of the areas on which money has been spent and some of the people who have benefited from it.

Farm Modernisation Programme

3. **Mr McCallister** asked the Minister of Agriculture and Rural Development whether the proposals for the second round of the farm modernisation programme will be equality proofed. (AQO 751/10)

7. **Mr Storey** asked the Minister of Agriculture and Rural Development for her assessment of the use of land classification as a criterion to select farmers under the farm modernisation

programme; and whether this could discriminate against farmers living in lowland areas. (AQO 755/10)

The Minister of Agriculture and Rural

Development: Go raibh maith agat, a Cheann Comhairle. With your permission, Mr Speaker, I will answer questions 3 and 7 together.

An equality impact assessment has already been completed for the rural development programme for 2007-2013. The EQIA covered the axis 1 measures, which include farm modernisation. We continually monitor participation in DARD programmes through the analysis of equality monitoring questionnaires, which are issued to all projects supported by the rural development programme, and through the data on individual application forms.

The promotion of equality of opportunity requires proactive measures to secure equality of opportunity among the groups identified in section 75. The equality duty should not inhibit action to counter disadvantage among certain sections of society. I am keen that this tranche should target disadvantage by focusing on businesses that are situated in a less-favoured area, where the need for modernisation is great.

LFAs and, in particular, severely disadvantaged areas are dominated by small farms, and the gap in the average farm business size between farms there and those in the lowlands has widened over the past 20 years. Farmers in those areas face permanent hardship because of poor agricultural conditions, and sustaining agricultural activity in less-favoured areas will be difficult without various kinds of targeted support. That is why there are scores for applicants from disadvantaged and severely disadvantaged areas to enable those who are successful to use the grant to help them to become, or remain, competitive while working in a challenging environment.

Those farms are in the margins of viability, and I am sure that the Member will share my view that we must do all that we can to ensure that farming communities in such harsh environments are not lost.

Mr McCallister: I draw Members' attention to the Register of Members' Interests.

I accept that the Minister's reply outlined that the rural development programme was equality proofed. However, does she accept that the

method that she has chosen for the next tranche of the farm modernisation programme has not been equality proofed? As a lowland farmer, I do not have a mission of meeting any of those criteria. There is absolutely no prospect of thousands of other lowland farmers meeting those criteria because they discriminate severely against people who farm in lowland areas.

The Minister of Agriculture and Rural

Development: We should bear in mind that 70% of farms are in disadvantaged or severely disadvantaged areas and that some schemes, by dint of geographical and topographical conditions, are better suited to some areas than others.

I do not apologise for bringing forward these proposals. I always listen, and I will take views from today's questions. However, it is important to tackle disadvantage and inequality. The Member will be aware that those inequalities exist in disadvantaged and severely disadvantaged areas.

Dr W McCrea: I am sure that the Minister is aware that major concerns were expressed at a meeting of the Committee for Agriculture and Rural Development that European money has been taken from lowland farmers, and they will now be discriminated against and not given an equal opportunity to apply for the farm modernisation programme. Surely that is deliberate discrimination, and, indeed, could be basically sectarian.

The Minister of Agriculture and Rural

Development: The Member will understand that, as a Minister, I have a duty to target objective need. For anyone who does not understand the issue, he makes an allegation that assumes that lowland farmers pay voluntary modulation and upland farmers do not. That is not the case; 70% of our farmers are in disadvantaged or severely disadvantaged areas, and all farmers pay voluntary modulation. However, in the past, some schemes have benefited only farmers in rural areas, and to tackle disadvantage and inequality, I must be proactive.

3.15 pm

Mr W Clarke: Go raibh maith agat, a Cheann Comhairle. Does the Minister agree that all Departments have a responsibility to tackle inequalities by implementing section 75? *[Interruption.]*

Mr Speaker: Order.

The Minister of Agriculture and Rural

Development: Absolutely; that is what I am doing. *[Interruption.]*

Mr Speaker: Order.

Mr McGlone: Go raibh maith agat, a Cheann Comhairle. Is the Minister aware of concerns about the lack of consultation on the new method of application? Will she be a wee bit more specific in detailing what her Department has done to devise a more equitable method of disbursing the funding?

The Minister of Agriculture and Rural

Development: My officials met the Ulster Farmers' Union on 24 June 2009, the Assembly's Committee for Agriculture and Rural Development on 30 June 2009 and the Agricultural Producers' Association on 11 July 2009. At each meeting, the views of the industry representatives were sought to ensure that the farm modernisation programme is targeted at the projects that are most able to demonstrate modernisation. Those include the prioritisation of investment areas, the format of applications, maximum grant rate or variations, maximum grant amount and procurement methodology.

As the Member is aware, the European Commission took an interest in the selection criteria following the first-come, first-served approach to the first tranche. On 21 December 2009, we met the European Commission to inform it of our plans for the next tranche of the farm modernisation programme. The Commission is clear that its role is only to advise member states on the need for clear and transparent selection criteria. It does not have the legislative competence to approve selection criteria. The Commission raised no objection to our proposals, and it was reassured by the detailed selection process that we proposed to distinguish between applications in the second tranche.

Mr Speaker: Question 4 has been withdrawn.

**Dog Control/
Dangerous Dogs Legislation**

5. **Mr F McCann** asked the Minister of Agriculture and Rural Development for an update on the development of dog control legislation. (AQO 753/10)

15. **Mr G Robinson** asked the Minister of Agriculture and Rural Development what additional responsibilities will be placed on local councils under the current proposals to amend the dangerous dogs legislation. (AQO 763/10)

The Minister of Agriculture and Rural Development: With your permission, Mr Speaker, I will answer questions 5 and 15 together.

Public consultation on proposals for changes to dog control legislation ended on 1 February 2010. The aim of those proposals was to protect people from dog attacks and to encourage and promote responsible dog ownership. The Department received a significant number of responses to the proposals. I wish to take this opportunity to thank all the individuals and organisations who took the time to respond. In particular, I thank Mr George Robinson for his extremely supportive response. I am considering all the detailed responses carefully and will take them on board in finalising the policy.

My officials will meet the Committee for Agriculture and Rural Development tomorrow to discuss the responses, and that will enable me to take account of the Committee's views. When the policy is finalised, I will seek the Executive's agreement to a new dog control Bill with the aim of introducing it to the Assembly before the summer recess. The proposals sought to provide councils with new tools, such as new powers for wardens to put conditions on the licences of problem dogs and increased resources to assist them in their statutory duty under the Dogs Order 1983. However, the proposals do not seek to place additional statutory responsibilities on councils.

The existing legislation bans certain types of dog, such as pit bull terriers. The legislation that came into force in 2001 allows the owner of a prohibited type of dog which is subject to a destruction order issued by a magistrate to apply to a council for an exemption from the ban. As the available exemptions can be applied for only in the context of legal proceedings, during which dogs are seized and kept in pounds, the welfare of the dog concerned may suffer, and ratepayers may face a sizeable cost burden. An initial review of the consultation responses appears to show that many welfare organisations welcome the proposal to clarify existing legislation and allow councils, in exceptional circumstances, to exempt such dogs before recourse to a resident magistrate.

However, many councils expressed concerns about the proposal. It was their view that any decision to exempt a banned dog from destruction should be taken in the courts. Councils and other stakeholders put forward a range of proposals on how the complex issue might be addressed, and I will consider those fully before finalising my policy.

Mr F McCann: The Minister went on to answer the supplementary question that I was going to ask about what discussion she has had with councils.

Mr G Robinson: To avoid loopholes and ensure enforcement, will the Minister ensure that the legislation clearly defines the responsibilities of local district councils?

The Minister of Agriculture and Rural Development: I will work closely with local government and councils, because they are the people who will enforce the legislation. To that end, their views were among the first that I sought in formulating the new legislation. We need to move away from the previous legislation, which was knee-jerk, rushed through and, as a result, not fit for purpose. This time, we have taken the time to talk to councils and all stakeholders to get the best legislation that is workable and with which councils are happy.

Mr Cree: Will the Minister detail what assistance her Department is likely to provide to local councils to assist them with their new responsibility under the dog control regulations?

The Minister of Agriculture and Rural Development: Is the Member asking about financial assistance? At this stage, some of our proposals are about licensing. Although we do not propose to move to a full cost recovery system, additional funds will be available. Assistance is always available. We have a dedicated team working on this legislation, and it is always at the end of the phone. If questions need to be answered or if clarification of issues is sought, councils can rely on our assistance. Some financial assistance will be forthcoming from the increase in the licence fee. However, those increases are intended not to facilitate cost recovery but to promote responsible dog ownership.

Mr Dallat: Does the Minister agree that it is most important that the dog licence fee is not set at a level that will discourage people from registering their dogs? That would undo

a lot of the good work that has been carried out over the years and has led, for example, to a reduction in sheep worrying. How will the Minister ensure that councils do not charge outrageous fees for dog licences?

The Minister of Agriculture and Rural

Development: We have been in listening mode on the issue. We revised our original proposals downwards to ensure that people were not put off keeping a dog. It is important to stress that responsible dog owners already benefit from the service provided by councils and will continue to do so. It is hoped that the new regime will make things easier for people.

Even with the best will in the world, dogs will stray. When it happens, we want people to get their dogs back with the minimum of fuss. However, a mechanism to control stray dogs that are a nuisance to other people or other dogs is also needed. My proposals will achieve that. Responsible dog owners should not be held responsible for irresponsible dog owners. I am sorry: saying the word “responsible” three times in one sentence is not good grammar. I also propose to consult on increased penalties for offences, including licensing infringements, to reinforce the need for responsible — there I go again — dog ownership.

Rural Development Programme

6. **Mr O’Loan** asked the Minister of Agriculture and Rural Development what is the current stage of the implementation plans for the seven joint council committees under axis 3 of the rural development programme. (AQO 754/10)

The Minister of Agriculture and Rural

Development: Axis 3 of the rural development programme is delivered on behalf of my Department by seven joint council clusters, each in partnership with a local action group. As part of the delivery arrangements, each joint council committee (JCC) has agreed an implementation plan with the Department for its individual local development strategy, which includes an integral financial plan. To date, all JCCs have opened calls for applications under most measures. So far, they have agreed 298 applications for grant aid worth £8.2 million, which were assessed by local action groups. The Department, in consultation with the joint council committee administration units, closely monitors progress and applications received. Following the end of this financial year, the Department plans

to carry out a comprehensive review of the implementation plans against progress and in conjunction with the JCCs.

Mr O’Loan: Despite what the Minister says, there is a widespread feeling that the axis 3 funding has not been forthcoming. Will she explain what percentage of payments has been made? Is my perception that there are difficulties in the match funding from her Department accurate?

The Minister of Agriculture and Rural

Development: I accept that the delivery mechanisms and delivery areas for axis 3 funding are new and that, therefore, new and robust foundations had to be put in place for the funding to be delivered. That included animation of the new areas, competition and appointment of new local action groups and development of the new infrastructure, support and controls required to enable effective delivery. The JCCs implementing axis 3 have been opening calls throughout 2009 and, as I have said, about £8.2 million worth of grant aid has been approved for successful project sponsors.

The issuing of letters of offer has been delayed because of the large number of applications, the competitive nature of the open calls and the voluntary nature of local action group assessment panels. We took a bottom-up approach. Local action group panels are now nearing the completion of their assessments. The panels have done sterling work and have done really well, and the number of letters of offer that are being issued will increase shortly. I accept that there were a few teething problems, but they have been ironed out, and we will have excellent outcomes from the RDP.

Mr Brady: A Cheann Comhairle, the Minister has already answered my question to a certain degree. However, what steps are being taken to prevent a logjam of applications in future calls?

The Minister of Agriculture and Rural

Development: I hope that the greater familiarity of the LAGs with the assessment and operating rules, allied with shorter call windows, will substantially shorten the time between applications and letters of offer.

Mr Shannon: Will the Minister ensure that all moneys, funding and resources will be equally spread out across the whole of the Province so that all areas benefit? Is it possible to quicken

the payments and ensure that those who apply get a quick turnaround?

The Minister of Agriculture and Rural

Development: Given that we are talking about only six of the nine counties, not all parts of the province will benefit. However, I take the Member's point: we want to ensure that money is spent across all six counties. However, going back to a previous point, the first £50 million of axis 3 of the rural development programme, which is entitled 'Improving the Quality of Life in Rural Areas and Diversification of the Rural Economy', was based on need. For areas where there has traditionally been more disadvantage and inequality, a scoring mechanism was put in place to ensure that the places that needed the money most received slightly more. Again, that is a new and welcome departure for this Department.

Mr McFarland: Has the Minister written any letters of support to individual applicants of axis 3 projects, particularly in the south west action for rural development (SWARD) council cluster? If she has, could that not be viewed as a conflict of interest?

The Minister of Agriculture and Rural

Development: The LAG makes the decision. It is a given that there are needs in each of those areas. I do not accept the Member's accusation. Anything that I have done has been done with propriety.

Mr Speaker: Mr Hilditch is not in his place for question 8.

Rural Development Programme

9. **Mr Burns** asked the Minister of Agriculture and Rural Development to outline her position on the future of the rural development programme. (AQO 757/10)

The Minister of Agriculture and Rural

Development: The rural development programme is an important element of my Department's strategy to support rural areas in the North. It provides support for a broad range of beneficiaries to improve the competitiveness of agriculture and forestry, improve the environment and countryside, improve the quality of life in rural areas and encourage the diversification of the rural economy. The value of the programme is approximately £500 million, of which to date over £100 million has been spent. My officials are actively engaged in the

development and implementation of the various schemes and measures in the programme. We are bidding for resources in which public expenditure is required to match the EU funding.

Although I am committed to ensuring that the current rural development programme progresses, as intended, to completion in 2015, the current economic climate and any future DARD budget plans mean that public expenditure in the programme will be subject to the same scrutiny as the rest of my Department's spending plans.

Mr Burns: Will the Minister consider giving a higher priority to improving forestry in the future phases of the rural development programme? Will she consider offering better payments to farmers who plant trees on their land?

The Minister of Agriculture and Rural

Development: The Member will be pleased to hear that we have already done that. We have increased the rates for forestry grants, and encouraging more people to plant trees is one of our PSA targets.

Mr Elliott: In the light of the ongoing rural development programme, will the Minister consider dropping voluntary modulation from farmers' expenses? That modulation is not voluntary at all; it is compulsory.

The Minister of Agriculture and Rural

Development: I agree with the point. Voluntary modulation is a bit of a misnomer. However, it preceded and predated me, so there is nothing that I can do about it.

3.30 pm

Executive Committee Business

Supply Resolution for the 2009-2010 Spring Supplementary Estimates: Supply Resolution for the 2010-11 Vote on Account

Debate resumed on motion:

That this Assembly approves that a total sum, not exceeding £13,772,054,000, be granted out of the Consolidated Fund for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2010 and that total resources, not exceeding £15,567,071,000, be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2010 as summarised for each Department or other public body in columns 2(c) and 3(c) of Table 1 in the volume of the Northern Ireland spring Supplementary Estimates 2009-10 that was laid before the Assembly on 8 February 2010. — [The Minister of Finance and Personnel (Mr S Wilson).]

The following motion stood in the Order Paper:

That this Assembly approves that a sum, not exceeding £6,197,971,000, be granted out of the Consolidated Fund on account for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 and that resources, not exceeding £6,662,114,000, be authorised, on account, for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the

Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 as summarised for each Department or other public body in columns 4 and 6 of Table 1 in the Vote on Account 2010-11 document that was laid before the Assembly on 8 February 2010. — [The Minister of Finance and Personnel (Mr S Wilson).]

Mr Speaker: I call Mr Fred Cobain.

The Chairperson of the Committee for Regional Development (Mr Cobain): As Chairperson of the Regional Development Committee, I am pleased to contribute to the debate on the spring Supplementary Estimates 2009-2010 and the Vote on Account 2010-11.

The Minister for Regional Development wrote to the Committee last week, setting out the main changes that will arise from the June, September and December 2008 monitoring rounds as he reflected on the spring Supplementary Estimates for 2009-2010. Provision is included in the Department for Regional Development's spring Supplementary Estimates of up to £9 million for a possible allocation to the City of Derry Airport in the February monitoring round.

The Committee for Regional Development scrutinised the quarterly monitoring rounds in 2009-2010, and it responded to the Department on the specific bids and easements contained in each monitoring round return. The February monitoring round briefing from the Department stated that it was not submitting any bids in that round. I understand that the airport issue has arisen in the days since the DRD return was submitted to DFP, and I will seek clarification from the Department on the possible allocation of up to £9 million to the City of Derry Airport.

The Committee's monitoring round scrutiny work gives rise to an issue of strategic concern, and it is not just an issue for the Regional Development Committee: it cuts across and underpins the economic and social well-being of the whole economy and all of Northern Ireland's people. During monitoring rounds and in debates on the Budget and the Programme for Government, the Committee has raised the issue of the need to provide adequate and timely funding for structural maintenance programmes. We have spent 60% of what is needed for structural maintenance. It is fair to say that that shortfall might be absorbed in one financial year, but continuous underspending, which has been the

Department's norm over a prolonged period, affects the structural maintenance of minor roads, rural roads and motorways. The quality of our roads and infrastructure directly influences journey times and reliability, and it enhances or detracts from the tourism experience. It enables or hinders access to work, education and training opportunities, as well as cultural, sporting and leisure services. The quality of roads and infrastructure can have a multiplier effect on the local economy. It directly influences the competitiveness of Northern Ireland's businesses and can, directly or indirectly, support employment. Furthermore, the Committee has a well-rehearsed view that structural maintenance spending also has road safety implications.

Funding for structural maintenance must approach the levels set out in the recently published Snaith review. Professor Snaith recommended funding of £109 million per annum for structural maintenance and additional yearly allocations to address the £700 million backlog in structural maintenance. Each year of underspend contributes to that backlog. I reiterate the Committee's view that, in light of current budgetary pressures, it is no longer acceptable or prudent for the Department to rely on in-year monitoring to adequately fund structural maintenance programmes.

Mr Speaker: Fred Cobain should be recorded as having spoken as Chairperson of the Committee for Regional Development.

Mr A Maginness: The debate has been interesting. The first of a few general points that I want to make relates to monitoring rounds and the progress that, I believe, Departments have made in relation to their spend. There seems to have been a slow but progressive development in the Departments' budgetary discipline. Past overcalculations — deliberate or otherwise — by Departments of their individual needs have been reduced. Departments have adopted a much more sensible and forthright approach to calculating their spend. The culture of underspend has become less prevalent, and the greater financial discipline of Departments must be welcomed because, in the past, Departments provided unrealistic figures. That provides the Department of Finance and Personnel with a more realistic financial forecast of Departments' needs and the Administration's overall needs. However, less money in the monitoring rounds creates a problem, because there will be less

fat, so to speak, to flexibly address marginal pressures that arise in Departments or across government. Although that downside exists, on balance, it is a better way forward.

Members made interesting observations about fiscal powers for the Assembly. There was talk of tax-raising and tax-varying powers, which are good subjects to debate, and that debate should be encouraged. None of us should have a closed mind to taxation powers for the Assembly. At the moment, the range of locally held powers is very limited and is largely confined to the regional rate. The Assembly should be ambitious about trying to increase its fiscal powers, be they tax-varying or tax-raising powers.

With tax-raising powers comes the inevitable responsibility of increasing taxes, which would create problems with constituents and public opinion. However, there is a strong argument for corporation tax-varying powers. In 2006-07, prior to restoration of devolution in 2007, there was considerable debate on that subject, and a strong view was expressed that, in order to mirror the lower corporation tax rate in the Irish Republic, the rate for this region should be separated from the UK rate. That argument made a lot of sense, and it was backed up by eminent economists and financial thinkers, not least of whom was Sir George Quigley. In essence, Sir George argued strongly that the Irish Republic's experience demonstrated how Northern Ireland's ability to attract investment from the global economy's multinational powerhouses would be greatly enhanced by the ability to offer inward investors an attractive post-tax rate of return by radically reducing corporation tax. He suggested trading off a small part of our subvention from the Treasury for that tax flexibility, and, if other UK regions were to object, the principle could be extended elsewhere on similar terms. That measure would have signalled a promising new direction in public policy. However, we politicians did not fully address that argument. Therefore, at some stage in the near future, we should revisit that debate. Perhaps now, as we come out of a severe recession, is not the right time to do that. Nonetheless, it is important that we look at that argument and engage expert advice about it. The substance of Sir George Quigley's argument, which was about trading off a small part of the subvention to get such tax flexibility, is good and is worthy of consideration. If we are to progress as a region, we must have something that is attractive to foreign investors.

We also have to equalise the attractiveness of the region to investors with the attractiveness of the Irish Republic to investors. It is important that we attempt to equalise that so that foreign investors are encouraged to come here.

We also had the Barnett report, which points us in the right direction towards a high-value-added, export-driven approach to the economy. That is important.

Finally, another aspect that was raised today is the impending cuts that will inevitably follow the re-election of the Labour Government or the election of a Conservative Government. It really is a matter of degree, but there is no doubt that there will be severe spending cuts. Given that as a probability, we should prepare ourselves to deal with it. As a region, we depend very much on public expenditure, and, if that public expenditure has been used in the past as a shield to protect us, in the future it will be used as a sword to stab us if it is reduced significantly. Therefore, we must prepare ourselves as an Administration to deal with that. If we do not, we will do a grave disservice to all the people of Northern Ireland. Therefore, I urge the Government to look at the issue carefully and in detail and provide a plan to deal with such an approach by a future British Government.

I invite the Minister of Finance to consider in his response at least looking at a variation in taxation with particular reference to corporation tax, because I believe that that is key to the way forward.

The Chairperson of the Committee for the Environment (Mrs D Kelly): I welcome the opportunity to outline the Environment Committee's views on the 2009-2010 spring Supplementary Estimates and the 2010-11 Vote on Account. The Committee considered the Department of the Environment's submission for the February monitoring round at the same time as it looked at the Department's proposals for meeting the revised expenditure plans. As I mentioned during last week's debate on the matter, the Committee recognised that the 11.3% cut that the Department is required to make is a tough challenge. I also mentioned that the Committee welcomed the Department's decision, albeit a late one, to address the ongoing pressures resulting from a reduction and change in the profile of planning applications by realigning the Planning Service in accordance with the level of fees that are now being received.

The Committee also welcomed the Department's approach of using a vacancy moratorium to reduce staff costs without resorting to redundancies, along with a range of proactive measures, such as reducing running costs and expenditure on consultancy. The Committee remains frustrated with the ongoing saga of e-PIC, but, as the £2.7 million required for its continuation was met in the December monitoring round, Committee members were relieved to hear that the above measures would meet the required savings and that the Department would not make any bids in the February monitoring round. In fact, as the Committee learned, the Department intends to surrender £1 million from the strategic waste infrastructure fund (SWIF) that had been allocated for use by the three waste management groups to carry out environmental impact assessments and placing options to secure sites for new facilities.

Those funds were reclassified from capital to current funding in the September monitoring round. As such, they are no longer ring-fenced, and if they are not utilised, they have to be surrendered to DFP. It now appears that the amount that the waste groups require for options is less than anticipated. That situation allows for some of the £1 million, but the rest will be required in the future if the Assembly is to meet its European waste management obligations fully.

3.45 pm

The Committee was concerned that having been re-profiled, that funding is now being surrendered. The Committee sought clarification of the implications that that would have on waste management. The Department advised the Committee that sacrificing that funding at this stage is in keeping with the waste management groups' project timetables. The Department of the Environment has advised DFP that the funding will be required in the next Budget period.

I stress to the Finance Minister the importance of ensuring that the necessary funding is available when it is needed so that the Department of the Environment can honour its commitments to support local government's waste management functions. The Department advised my Committee that if the full funding is not forthcoming when it is required, there will be a significant impact on local government. Although waste infrastructure procurements

could proceed in the absence of central government funding, district councils would, ultimately, have to pay higher gate fees to the private partners that operate waste facilities, which would have to be funded through the district rate.

The Department told the Committee that the average district rate increase that is associated with the introduction of the new infrastructure has been estimated to be at around 5.1% by 2017-18 with strategic waste infrastructure fund (SWIF) support. However, it would increase to around 7.3% without that support.

In addition, the Department cautioned that if the EU waste framework and landfill directives' targets for recycling household waste and diverting waste from landfill are not met, Northern Ireland could face infraction fines of up to £500,000 each day. That would have a significant impact on every one of us.

I would be grateful if the Minister could provide clarification on the cost of local government reform and on whether any money will be set aside in the next Budget round for the implementation of the shift from 26 councils to 11. Obviously, there is a great deal of concern throughout local government about where the money will be found for RPA.

In closing, as we come to the end of the current Budget and make preparations for the next, I urge the Finance Minister to ensure that SWIF money that is surrendered from this year's Budget will be made available to the Department when it is required. On that basis and on the Environment Committee's behalf, I support the motions.

Mr Ford: It is always a pleasure to speak in an open-ended debate. However, members of the Environment Committee should never speak immediately after the Chairperson of the Committee has covered all the major issues. I have no doubt that that will please the Minister to some extent.

As other Members mentioned, the Assembly debates motions such as these in something of a vacuum. We are dealing with the issues of a world recession and problems of public finance that have flown to every country in the Western World — they have certainly flown to this region of the UK — in circumstances in which three years ago, the Executive chose to set a three-year Budget rather than engage in a

proper budgetary process every year. Therefore, the Assembly must deal with what is, in effect, the limited manoeuvrability that the Executive imposed upon themselves and landed with the current Finance Minister.

That was brought about partly by their decisions to freeze the regional rate, which is effectively a cut in real terms, and to delay the almost inevitable introduction of water charges. Those decisions were made instead of the time being taken to find a way to deal with charging for water and sewerage that would be better, fairer, would encourage conservation and would deal with people who live in what might well become water poverty to parallel fuel poverty. Simply delaying the introduction of those charges for two or three years stores up inevitable problems. Those simple issues of regional rate reform and water charging would cover significantly more than half the deficit that the Minister seeks to cover this year.

In that context, therefore, the Assembly must make the best of what it can do, rather than have a full re-examination that may, perhaps, have allowed greater reprioritisation of the economy on the point that the Finance Minister and his two predecessors have made on numerous occasions.

Despite the Chairperson doing her best to trump me, I want to talk about one or two environmental issues. It is clear that we are significantly slower than other regions of the UK in introducing a number of areas of EU legislation, with the result that we face infraction proceedings from Brussels. There is also a risk that any fines that are levied as a result of our failure will be levied purely on the Northern Ireland exchequer, because they will be our responsibility; the Treasury will not accept any responsibility for something that is our fault. Not spending the money required to get those issues right will have significant knock-on effects on the work of the Department.

Due to the loss of income incurred during the recession, the Department also has problems with dealing with issues such as planning fees. As the Chairperson said, the Department is also dealing with significant issues in the review of public administration and whether the alleged savings are voodoo or real. There needs to be significant investment in the work of local councils to ensure that the review of public administration will proceed and that

savings can be made. We have seen nothing of it yet. That has led to the potential loss of bodies such as the Lough Neagh and Lower Bann advisory committees, which was debated last week. In the short term, they are easy cuts. However, when we look at the cost-benefit analysis of the voluntary effort that goes into some of those bodies and similar ones in areas such as Strangford, and into a range of other environmental non-governmental organisations, we see that there are benefits to the public purse. A relatively minimal input of public money would prevent the loss of those benefits.

We saw the same thing happen during the past year over the issue of support to road safety committees. I fear that we are going in that direction, because there is no doubt that we are spending less than other areas of the UK on environmental protection, and we are seeing a loss through that.

Agriculture is suffering from the inability to make the most of what may be there. First, there was the Crossnacreevy debacle, but in the face of that and the necessary money going into the farm nutrient management scheme, we have seen the potential loss of some other grant aid. At this stage, I declare my wife's interest in agriculture, which is on my register. We face the potential loss of grants under the countryside management scheme, which has huge benefits for the appearance of this region and for encouraging tourism. If farmers do not get maximum grant aid, such development could suffer.

The farm modernisation scheme was mentioned during this afternoon's questions to the Minister of Agriculture and Rural Development. Although limited, money available in that scheme unlocks further expenditure by farmers in investment in their farms, and that benefits construction and small, local engineering firms. It is all part of the interconnectedness of our economic system, which we are ceasing to deal with properly.

Nationalist Members talked about an all-island economy, to which there are economic benefits. However, there is also economic competition between North and South, as there is with other places. I understand that there is to be a further report presented tomorrow on the opportunity for harmonisation of, at least, corporation tax on a North/South basis. That will be of interest to the Minister. However, harmonisation would require investment by the Executive in unlocking future potential benefits. The question is

whether the money is available to do that in Northern Ireland. There is also the minor detail of whether the Treasury would allow us to do it. However, I suspect that that may be beyond our wit this afternoon.

When we seek inward investment to grow our economy, we must recognise that although there are benefits to competition, Newtownabbey will be in competition with New Ross, Newport and New Lanark, as we seek to produce the investment.

The Minister would be disappointed if I did not refer briefly to public expenditure, the cost of segregation and the need to build a shared future. We saw that as long ago as March 2005, when the shared future document was published. It highlighted that parallel living and the parallel provision of facilities were morally and economically unsustainable. It also suggested that simply adapting to segregation rather than seeking to change it was the road to nowhere with regard to building the economy, because it was a totally inefficient resource allocation.

We heard that repeated last year at the economic conference by Mayor Bloomberg of New York. It is not some airy-fairy liberal policy that the Minister might choose to deride about building a shared future: it is a policy of practical economics, making the most of public resources and building an economy that can compete anywhere in the world.

My colleague Trevor Lunn has already talked to a considerable extent on the issue of education and the costs of segregation there. With regard to the Department of the Environment, a recent report from the Royal Institution of Chartered Surveyors pointed out that Northern Ireland's global footprint, in carbon footprint terms and general energy use, is significantly higher than it should be because we do not have a shared future. We have seen not just the direct costs in issues such as housing, but the opportunity costs of what is lost because people are unable to build new housing and manage existing housing stocks efficiently. If people from different backgrounds can live side by side in Antrim and Newtownabbey, why can they not do so in north Belfast? Unless we address those issues and invest money in the good relations programme, we will not see the efficient use of the housing stock. That situation has a knock-on effect in other areas, such as public transport.

I trust that in responding to the debate, the Minister, with his keen concern for ensuring the best value for public money, will at least give us some indication of where he is endeavouring to make representations to his colleagues about the way in which other Departments are run as to whether they are making the most efficient use of the resources that he allocates to them and how he sees that efficiency improving in the future. There is no doubt that we are at the start of a number of years of difficulty as we face the new public spending round. We cannot expect that this year will be a simple and easy year and problems will be resolved next year. We face many difficulties, and the problem is that we have not yet seen a strategic approach to tackle those difficulties. We need a lead on that from the Executive and, more particularly, from the Minister of Finance.

Mr P Ramsey: I welcome the comments of the Chairperson of the Committee for Culture, Arts and Leisure. I was a member of that Committee, and the benefits of sport and art across Northern Ireland are clear and include social, health and regeneration benefits. At a time when we are trying to encourage greater participation and access into sport, this is hugely disappointing. The Minister clearly has a strategy of investing to save, and there is no better investment across Northern Ireland than investing in art and sport for future generations. The Committee has just finished its inquiry into funding for the arts, and it is due to commence an inquiry into the funding of sport. I see a number of Committee members and former Committee members in the Chamber. It is increasingly important, even bearing in mind the Health budget, to invest in sport at an early stage.

I will move on to more prepared comments. Just about every other Government has gone through major upheavals in their Budget, their programme for government and their investment plans since the beginning of the recession. Here, we have tinkered around the edges and, as a result, our economy is underperforming and many people are needlessly unemployed and face hardship. Thousands of people have been made redundant and are unable to find work because of the recession. Our response to the recession should have been to examine our major strategy platforms — our Programme for Government, our Budget and our investment strategy. The people whom we represent cannot understand why that has not happened.

We understand that we are going through a period when there is less money, and we know that the opportunities have changed and that there are new challenges. Why then do we still have the same strategies?

I am a member of the Employment and Learning Committee, and I want to examine the cuts from that perspective. I accept that the Minister, Sir Reg Empey, is serious about bringing the benefits of education and training to our people and maximising support, through the Department's programmes, to companies and their staff. The Department's problems are not confined to funding. DEL's activities are supported and dovetailed by the activities of other Departments. I want to take a few moments to talk about some of those issues, including funding, direction and integration of effort by the Executive's Departments and their agencies.

4.00 pm

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

I assume that the Assembly agrees that we must be aggressive in preparing our people, and this region, for the next phase of economic growth. That must be done through education, training and research from preschool through to higher education: a fact that is becoming doubly important in light of our inability to use selective financial assistance to promote future investment. If we do not improve our regional competencies, we will be overtaken by other regions, and it is, therefore, very disturbing that almost £30 million — £19.7 million in additional current expenditure savings, and £9 million in additional capital expenditure savings — is being cut from the budget of the Department for Employment and Learning. Will the Minister of Finance and Personnel confirm whether those reductions are a one-off, or whether those levels will provide a baseline for the new Budget and the next comprehensive spending review (CSR) period?

There will also be a £6 million reduction in the Department's employment and skills budget. Given our current levels of employment, can the Minister of Finance and Personnel outline what impact that will have on the Department's ability to provide additional training to the increasing numbers of unemployed people, and especially to the young? Is it not ironic that the Executive express the rhetoric of producing a highly skilled workforce, yet, at a time of increasing need for training, because of higher than expected

unemployment figures, the employment and skills budget has been reduced?

Higher education is critical to securing the skills and research that we need for a high-value export-orientated industry. Prior to the Budget revision, there was an almost £24.5 million growth in the higher education budget. That figure is now approximately £8.5 million, which is a reduction of almost £13 million. Does the Minister agree that that will have a negative impact on the ability of our universities and colleges to deliver the educational research that is so critical for our economic performance?

The House will be aware of the worrying dropout rates among our university students. According to figures published in 2009, 12.2% of University of Ulster and almost 6% of Queen's University first-year students dropped out. We know that one of the causes for those rates is financial pressure on students. That should merit an increase in financial assistance for students. However, in the revised Budget, student support is untouched despite an increase in eligibility numbers. Is the Minister concerned about the impact that that will have on the ability of those from lower- and middle-class income backgrounds to remain at university? Has that measure been equality-proofed?

The further education capital budget remains unchanged at £25.8 million. However, that includes £10 million from capital receipts, and the budget may come up short. Will the Minister clarify the status of the release of assets and the potential impact on budgets if those assets are not fully realised?

In addition to the impact of budgetary cuts, our economy is underperforming because of a failure to dovetail Executive activities and priorities across the various Departments. There are numerous examples of things that could and should have been done better, but I will limit my remarks to a few examples. Last week, the Committee for Employment and Learning heard evidence on the flagship programme-led apprenticeship scheme. During Question Time today, junior Minister Newton revealed that almost 50% of participants in that scheme have not acquired placements, with the result that they will never be able to attain the necessary NVQs as a passport to further education or meaningful work. Although the scheme is worthy in its conception, it has not been successful in placing apprentices in

employment. For it to succeed, it requires more than just the supply policy of training; it also requires demand policies so that there is real work for the apprentices during and after their apprenticeships, and the obvious form of that work, as referred to by Simon Hamilton, is in the building of houses. That is why the SDLP has continually called for additional resources to be put into social housing.

There are thousands of potential jobs in energy production. As part of our requirements to reduce CO2 emissions, and to cut the cost and increase the security of our supply of energy, more could be done in switching to local and renewable energy suppliers for heat and electricity. That would provide a demand for local jobs and create apprenticeships. Can the Minister outline the targets in relation to the sourcing of energy suppliers by the public sector? What actions have been taken across Departments, agencies and local government in relation to that?

More should be done to ensure that public procurement contracts are won by small and medium-sized enterprises. That not only necessitates supply-chain improvements, which are happening, but also a new approach to outsourcing. The way projects are put out to tender must be changed to give smaller, local, indigenous companies a fair crack of the whip in winning those contracts.

Those are just a few suggestions and questions that demand side policies and activities that would provide work locally; however, they require imaginative and co-ordinated Executive-led action. They may not even entail additional costs. It is our job to give people hope and confidence locally and internationally to show that we know what we are doing and where we are going and that we have a plan. I ask the Minister to give every consideration to the points made. My own region of the north-west has seen a haemorrhaging of jobs. We need affirmative action, particularly on employment-related schemes, to help that; however, the Department's reductions in expenditure are not helping.

The Minister of Finance and Personnel

(Mr S Wilson): As usual, this has been an extensive and robust debate, with many pertinent — and some not so pertinent — issues raised. Although those issues are not always relevant to the Supply resolution, they touch on the wider economic and Budget

concerns that Members feel are worthy of debate. With your indulgence, Mr Deputy Speaker, and given the spirit in which Members raised those points, I will do my best to respond as fully as possible.

I wish to acknowledge the confirmation today by the Chairperson and the Deputy Chairperson of the Committee for Finance and Personnel that there has been appropriate consultation with the Committee on the spending plans reflected in the motions as a basis for using the accelerated passage procedure for the Budget Bill, which I hope to introduce shortly. The House is now well rehearsed in the logistical need for accelerated passage of Budget Bills and the need for this Budget Bill to be given Royal Assent by 31 March. I appreciate the assistance of the Committee in that matter.

I will go through some of the points that were raised, not necessarily in order of the Members who spoke, but point by point. First, a number of Members, including the Chairperson of the Committee, Mr McLaughlin, Mr Farry, and some SDLP Members, including Mr O'Loan, raised the issue of tax-varying powers and the funding implications. However, we need to be cautious about seeking tax-varying powers from the Treasury. The two Varney reports made it clear that the Azores ruling will mean that if we seek tax-varying powers, we will have to fund any tax dispensation. Let us be clear: tax-varying powers are not a gift that will be handed to the Assembly or the Executive. If we are to have those powers, there will be a reduction in our block grant. Although it may seem very attractive, there would be consequences.

In case anyone thinks that there may be a softening of the Treasury's attitude, we are entering a time in which one can be absolutely sure that the Treasury will be even more determined to ensure that there is no loss of revenue as a result of giving greater control of the tax levers to local Administrations.

Dr Farry: I am grateful to the Minister for giving way. I will not go into the detailed political arguments, but I ask the Minister to expand on his remarks a little. He said that tax-varying powers will lead to a reduction in the block grant, but is it not more correct to say that the block grant will remain the same but that if we use tax-varying powers there will be fewer resources available for spending on public services?

The Minister of Finance and Personnel: No matter how the Member wishes to put it, the impact will be a consequence on spending for Departments in Northern Ireland. Of course, I will continue to make representation to the Treasury on taxation issues from Northern Ireland, as I have done on the issue of property reliefs on conacre land, for example. However, we have to be careful not to go down the route of requesting tax-varying powers. The Conservative Party has talked about making Northern Ireland an enterprise zone, but I would like to see the small print on that bill before I embraced it. A number of Members raised the issue of tax-varying powers.

Peter Weir and the Member for South Belfast Conall McDevitt raised the issue of departmental spending plans and departmental chapters. I understand that eight Departments have now published their proposals to deliver the additional savings that were agreed unanimously on 17 December by all the parties that are represented on the Executive. I am no respecter of persons when I say that the Department of Education, DHSSPS and OFMDFM are the guilty parties that have yet to publish their plans. I am not worried about who the Minister is; Departments should respect the Assembly's Committees and allow them to do their jobs. I hope that the respective Ministers will bring their plans forward fairly quickly.

David McNarry, who is not in his place, talked about a number of issues. He asked about capital assets realisation and whether we had overvalued assets. The Executive's position is that public bodies should dispose of surplus assets in accordance with the green book, and appraisal and evaluation must be undertaken to ensure value for money so that we can proceed with the disposal of the asset. The problem with that has been that current market conditions are such that the value of many of the assets has fallen. In that context, the central assets realisation team has been working with Departments on a number of potential development opportunities to look at where there might be a chance to dispose of some assets. Work at Grosvenor Road, Colintown town centre and the east Belfast development project has been ongoing with the CART. The First Minister and deputy First Minister asked Ed Vernon to review the original recommendations of the CART, and that report is now under consideration.

David McNarry also asked whether legislation will be freed up as a result of the Agreement at Hillsborough Castle. As part of that excellent agreement, which I believe will allow things to move forward, review teams have been set up, and I hope that his party will play its full part in those, because I am sure that he wishes to see the Assembly working, just as well as I do. I hope that feet will not be dragged, and that may well mean that legislation that is stuck in the quagmire of the Executive will get through. I hope that it will.

Much of that legislation will have no financial implications. As Ministers have said time and time again, some of it may have beneficial financial implications and some of it will have other financial implications. Some of the legislation is part of the Programme for Government and provision for it is, therefore, built into Departments' budgets. If any new financial implications arise from legislation, Departments can always make in-year bids in the monitoring process.

Mr McNarry, Mr O'Loan and a number of other Members raised the prospect of further cuts appearing on the horizon and the issue of what we will do when that happens. I accept the point made by a number of Members that it is necessary to find a balance between reducing the level of borrowing at an early stage and ensuring that the economy emerges from recession.

Of course, many factors that are beyond the control of the Assembly must be taken into consideration, not least how easy will it be to continue to finance high levels of debt in the international market. We saw what happens when countries do not take appropriate action, as is the case in Greece. After its credit rating fell, its interest rate payments went up, and, consequently, its problems have become far worse. The existing, or a new, Chancellor will have to make that difficult decision.

4.15 pm

Mr McNarry asked me what I have done to try to ascertain what would be the reaction of the Northern Ireland Assembly. We told Departments to make preparations, but we do not and cannot know the scale of those. If, like me, Mr McNarry listens to Radio 4 in the morning, he will have heard George Osborne this morning. One month, Mr Osborne's party, which may well form the next Government, talks

about swingeing cuts, and the next month, it talks about less swingeing cuts. Then it talks about delaying cuts for a year, after which it goes back to talking about making cuts quickly. The inability of Mr Osborne, who may be the person next in charge of the nation's finances, to answer questions about his plans, makes it difficult for us. I told Ministers that we know what some of the implications for capital spending will be and that they must prepare themselves accordingly. In the Budget, which we will discuss tomorrow, we will consider how the invest to save fund can be applied to help Departments to prepare.

Mr McNarry and Mr O'Loan also raised the issue of a contingency fund. Although a contingency fund, as I have explained to the Assembly on several occasions, may seem attractive, it also has many downsides. If we were to set aside a contingency fund, we would need to take money from the existing Budget and put that into a pot that may or may not be spent, depending on whether an unforeseen circumstance arises. However, how long should we hold on to that money? Should we, for example, hold on to a contingency fund into which we have put £50 million until the very last week of a Budget period, when we must spend it or lose it? Alternatively, when three months of a Budget period remain and no claims have been made on the fund, should we distribute that money to the Departments? Members should not forget that the dioxin scare, which cost us more than £20 million, occurred in the last month of a Budget period. In light of that, how long could we hold on to a contingency fund before running the risk of losing the money? Contingency funds might not be an effective use of resources.

Mr O'Loan: I wish to make a small point about the detail of the Minister's argument. I do not deny what the Minister says about the difficulties of a contingency fund. My point was that there is an issue with contingencies. When a problem presents itself, it must be addressed. The current mechanisms for dealing with such problems through the monitoring rounds were not sufficient to deal with issues that arose recently and will undoubtedly arise again.

The Minister of Finance and Personnel: I take issue with the Member on that. No contingency arose that we were unable to address through in-year monitoring. This year, we dealt with swine flu, the C Series project and several other issues through in-year monitoring.

Mr O'Loan: Will the Minister give way?

The Minister of Finance and Personnel: I just wish to finish my point. Of course, dealing with contingencies has sometimes been painful for Departments, but there are reduced requirements during the year. Given that we are reducing the level of overcommitment to zero next year, the number of in-year monitoring opportunities to deal with those kinds of events should be greater. I do not want to spend too much time on that point, because I wish to deal with many others. However, I repeat that we are happy to have a frank debate about how we should deal with any unforeseen circumstances that arise. Is in-year monitoring the best way to deal with that, are contingency funds a better solution, or are there alternative means to consider?

Mr O'Loan also asked why the issue of dealing with equal pay claims was not built into the Budget. The equal pay claim was not built into the Budget because the amount had not been crystallised at the beginning of the period that the 2008-2011 spending plans cover. Even when an amount did come to light, uncertainties arose over the total costs involved.

Mr O'Loan said that we should have been up front about the amount involved and that I should have told the Assembly what we believed the equal pay claim would cost. However, it would have been absolute madness to do that during negotiations. I notice that in Mr O'Loan's response to my intervention, he said that before negotiations started, I could have told the Assembly what the figure was likely to be. I would not like to send Mr O'Loan to negotiate for me if that is how he believes negotiations should take place.

Mr O'Loan: Will the Minister give way?

The Minister of Finance and Personnel: I have already been fairly generous in taking interventions, but, as I mentioned the Member by name, I may as well give way again.

Mr O'Loan: I thank the Minister for giving way. I do not know why he feels that he has to defend himself so energetically. My criticism is not of the current Minister but of one of his predecessors — two Ministers of Finance and Personnel ago — who, when presenting the three-year Budget, did not draw our attention to the equal pay issue, despite knowing very well about it.

The Minister of Finance and Personnel: At that stage, no Executive decision had been made as to whether we would go down the route of settling the equal pay issue. The Member said that the Assembly should have been informed of the amount that we had allocated for the equal pay claim in the Budget. However, that would have been madness ahead of any negotiations, and I assure him that I will show solidarity with my colleagues on the issue, because they made a sensible decision.

The Member went further when he said that we should now be paying out to people who were not covered by the equal pay decision, despite the fact that the union agreed on the number of people who should be covered and agreed with the terms. The terms fit in with equality legislation, and to have gone beyond the equality legislation and framework would have left us with a much larger bill.

Mr Hamilton raised the issue of funding the equal pay settlement and the £26 million ongoing cost to DSD. Back pay is being covered by the Executive taking money from a central pot. However, the ongoing cost to Departments has to be borne by those Departments. In percentage terms, my Department suffers as big a hit as DSD because of the number of AAs and AOs whom we employ. To do anything else would be to build no incentive into the Budget process for Departments to find better ways in which to operate or to decide whether as many AAs and AOs are needed. If the cost were always going to be funded centrally, Departments would simply keep doing what they were doing and maintain the same number of employees, as there would be no need for individual Ministers to make efficiencies.

Mr F McCann: Does the Minister agree that quite a number of people feel let down because they have not been included? Some of those people missed out by only days or weeks on what, to them, would have been a considerable amount of money.

The Minister of Finance and Personnel: I recognise that disappointment. Perhaps sometimes, during the process, expectations were raised in a way in which they should not have been. All that I can say is that negotiations took place with the trade unions that represent those people and the trade unions believed the settlement, which was within the legislative framework that we had to deal with, to be fair

and equitable. Many of those disappointed people are my constituents and have written to me. Nevertheless, I think that we went into the negotiations to try to deal with the issue as fairly as we could, and that is why the unions subsequently sold the agreement to their members.

Mr O'Loan and Mr McLaughlin raised the issue of the Barnett formula and its challenges. It is quite right that the House of Lords indicated that the need for spend in Northern Ireland is greater than that in the rest of the United Kingdom. However, per capita spend in Northern Ireland is greater than that in other parts of the United Kingdom and, indeed, may even be greater than the gap in need.

Time and time again, I have made the point that opening the Barnett formula would not guarantee that Northern Ireland would be better off financially. The powerful political lobbies in England and Scotland — countries that have greater representation at Westminster — will make the case that although there is greater need in Northern Ireland, public spending per capita is already much greater here than in other parts of the United Kingdom.

I am not encouraging a reopening of the Barnett formula, but if we are going to have an examination of how our allocation is determined, there should be independent adjudication, and the Treasury should not have the last word. If the Treasury has the last word, there is a danger that we will lose out. In the discussions on the spending review 2010, I have been saying to the Chief Secretary to the Treasury that the current economic situation should not mean that Northern Ireland is targeted as part of the Government's plans to reduce the budgets that they allocate.

Mr McLaughlin: Perhaps the Barnett formula is a subject that we should discuss again. The Barnett formula was based on the so-called convergence principle, the idea being that all regions would be equalised and would have access to the same level and quality of service. However, the record shows that the convergence policy has never worked and that the quality of service in the North is, at best, 85% of that which would be expected in the southern regions of England. Therefore, the whole basis of the Barnett formula was flawed. The Minister made the point that reopening the Barnett formula would not necessarily work in our favour,

but there is a case for saying that it is based on a flawed premise.

The Minister of Finance and Personnel: I do not want to go back to my favourite subject of health, but I point out to the Member that some reports have indicated that the lack of convergence might be because the available resources were not used as effectively as they might have been. I suspect that that is how the Treasury would counter the Member's point.

I want to make it very clear that I will not lie down and roll over when fighting for expenditure in Northern Ireland. All that I am saying is that we should be very careful what we wish for. Although we may think that opening the Barnett formula would be good for Northern Ireland, it could have unintended and unhelpful consequences. Therefore, instead of going down the easy and attractive route of opening the Barnett formula, we must be very careful.

Being the brave man that he always has been, and at least he is consistent, Dr Farry stuck his head above the parapet on the issues of rates and water charges and the need to consider raising them to provide more internal sources of income. If we give people good public services, they must be expected to pay for them. As Dr Farry so eloquently put it:

"Money does not grow on trees."

If we want to spend money on public services, we must raise it. The one thing that I want to be sure of first of all is that our money is spent effectively and efficiently. There is no point in going to somebody and saying that although we waste your money, we want some more of it to waste. That is one reason why it is important that we make efficiencies first.

I do not want to raise the issue again, because it is sometimes seen as an easy response, and I do not want to go down the populist line, but efficiencies could be made in the Assembly by reducing the numbers of Members and Departments. That could go some way towards addressing the deficit. We spent £13 billion last year. Nobody can tell me that every pound was spent effectively. Before we start looking at increasing charges to the public, we must look at those issues.

Mrs D Kelly: Will the Minister give way?

The Minister of Finance and Personnel: I will give way in a moment.

I accept Dr Farry's point about equality. Is it right that we do not charge one of his well-off constituents in North Down for water when that results in someone who is in a low-income job or who does not have a lot of money losing out on a service?

I could turn the question around and ask him whether we want to charge a low-paid worker who does not qualify for benefit approximately £400 a year for water so that we can fund the post of a well-paid civil servant. It is an equality issue.

4.30 pm

The Chairperson of the Committee for the Environment: On the matter of efficiencies, I am sure that the Minister is aware of the level of sickness and absenteeism in the Civil Service. At last week's meeting, the Committee discovered that 19,000 working days were lost in the Department of the Environment alone from 1 April 2009 to the end of December 2009. If we are to concentrate on efficiency savings, we must address that matter. Does the Minister have any thoughts on how to address that problem?

The Minister of Finance and Personnel: That is music to my ears. I am glad that the SDLP now takes the DUP route on that matter. Do not forget that the current First Minister, when he was the Minister of Finance and Personnel, was the first person to raise in the Assembly the matter of unacceptable levels of sickness, and he was pilloried for doing so. The Member is absolutely right: in any examination of efficiencies, that matter must be properly addressed. That issue has been raised with Departments. Absenteeism is more heavily concentrated at some levels and in some Departments. When I was the Minister of the Environment, I asked personnel and HR staff to deal with that important issue.

Mr Hamilton talked about difficult Budget decisions and public sector pay. When the Executive discussed the Budget for next year, we requested an investigation into the impact of restrictions on public sector pay, whether through a pay freeze or reductions. That work is ongoing. However, I must say to the Member that it is not a panacea. We have contractual obligations on pay scales that probably account for about a 2·4% increase every year. As far as the top rates of pay are concerned, we have already stopped bonuses for civil servants in

Northern Ireland, and the Treasury will make decisions on public sector pay. Given that the rate of pay for most people who are employed in the public sector is negotiated outside Northern Ireland, that depends on national policy rather than on what happens here.

Mr McDevitt accused me of all kinds of things. He was worried about the Budget and said that I was using sticking plasters and was sceptical about the recession. He said that the Budget process is predicated on efficiencies — I thought that that was a good idea, but he seemed to think that it was a problem — and that it must be more strategic. We are not talking about next year's Budget; this is not a take-note debate. Today's debate is on changes to this year's Budget. Many of the charges that he made against me were unfair. I am sure that his speech today will be a good speech for another debate at another time.

Mr McDevitt: Although I am new to this place, as far as I know we will vote on the Supply resolution for 2010-11 at the end of the debate. With the greatest respect, is that not correct?

The Minister of Finance and Personnel: I made it clear that we are talking about agreeing the first part of next year's Budget to ensure that Departments have a degree of continuity. However, the Member's entire speech was based on the debate on next year's Budget. He also said that significant changes were required, that the Budget is not strategic enough and that we did not respond to the recession. He ignored the changes to the in-year monitoring process that I highlighted. The Member must accept that the household fuel payments, the deferral of water charges and the freeze on non-domestic rates were genuine attempts to help people through the hardship of the recession, attempts that he seems to have ignored.

The Member also talked about the need for additional moneys, but he was not alone in that. He was mild compared with the Member who sits in front of him. He was not happy with the way that money was spent; he wanted it spent in other ways. He talked about the health budget — I cannot make out my writing — and another Budget area. The Member in front of him, however, excelled himself. He said that this was not a strategic Budget and that we were not spending money in the right way. He suggested that he had a few ideas and that we would have to use our imagination. He then

proceeded to spend another Budgetful of money on universities, social housing, apprenticeships, energy projects and sports. He went on and on, but, just like the Member for South Belfast, he did not mention one line of the Budget that he would have changed to facilitate all that spending. It was not imagination that he wanted me to use; he wanted me to dream.

Mr McDevitt: Will the Minister give way?

The Minister of Finance and Personnel: I will give way in a wee minute or two.

How on earth were we meant to address all the issues that were listed? I have zoned in on two Members; other Members did the same but not to the same extent. This is what brings the process into disrepute sometimes. We simply come out sounding like youngsters in a sweetie shop — “I want that, that, that, that, that and that, Mammy.” It does not matter if your mammy has no money in her purse or what it is that you want her to change; it is just a matter of, “Give me all this.” Mr Ramsey’s speech was just that kind of speech, as was that of the Member for South Belfast, although to a lesser extent.

Mr McDevitt: Does the Minister agree that one reason why he cannot substantially answer the questions raised is that he is, in fact, dealing with a Budget that is three years old? Would it not be his preference, as Minister, to bring a nice, clean and fresh Budget to the House? Such a Budget would be able to deal with all the issues in the proper context, which is recession. That was not the context in which the first Budget was written.

The Minister of Finance and Personnel: I know that the Member and other Members talked about having a nice, clean and fresh Budget every year or this year. First, let us look at the changes to the Budget. It was not as if we simply ploughed on regardless and that 2010 was the same as 2008. I cannot remember the figure off the top of my head, but we reallocated approximately £200 million in in-year monitoring. We then introduced the new Budget process for next year, with a reallocation of £370 million. That is a substantial part of the process. I have highlighted some of the practical measures that we took as a result of that action. It cannot be said that we simply ignored the change that occurred between 2008 and now. I say to the Member that Departments and, indeed, Members who made representations at the beginning of the Budget process indicated

that they would rather see three-year Budgets than year-on-year Budgets because they allow for a degree of planning. Of course, that means that, if plans go awry or things change, adjustments have to be made, but I do not accept the contention that changes were not made, nor do I accept that we did not try to respond to the issues that arose as a result.

Mr Lunn raised the issue of prep school funding. I share his concerns about the Minister of Education’s ideological decision. I have raised with her my belief that the issue is novel and contentious and is one that the Executive should decide on. The Minister of Education should not have the right to make a decision on that issue by herself. I take Mr Lunn’s point that that issue could cost the education sector dearly, but, of course, it would not be the first time that, for ideological reasons, decisions were made that may well have a bigger cost impact than that which had been originally intended. It is important that the Executive should look at that.

Mr Attwood and Mr McLaughlin raised the issue of North/South co-operation. I want to make it clear that I do not run away from North/South co-operation. I must also emphasise that neither do I gloat at the economic difficulties on the other side of the border. I may have political differences with others and I may not want any political joining-up of the two parts of the island, but I recognise that economies are integrated: what happens on the other side of the border will have an impact here. If there is prosperity in the Republic, there is the chance of prosperity here. Likewise, if there are economic difficulties in the Republic, there will be economic difficulties here.

I will happily work with the Finance Minister in the Republic to resolve issues, just as I worked with the Environment Minister in the Republic when I was Minister of the Environment. I just do not happen to believe that we need to do that by setting up expensive structures. It should be sufficient for Ministers to work genuinely to encourage co-operation between two states that have an impact on each other’s economies. I have no difficulty in publicly declaring that I want to ensure, through economic co-operation, that the people of Northern Ireland benefit just as the people in the Irish Republic benefit. I am fully committed to that dialogue. Indeed, this week, I will again meet the Finance Minister in Dublin to talk about banking, among other issues.

Mr McElduff mentioned the Department of Culture, Arts and Leisure's reduced requirement in the February monitoring round of £2.5 million in capital. It is my understanding that a number of issues are involved. If, for one reason or another, money is not used for the purpose for which it was voted, it is up to the Minister to surrender it so that it can be reallocated. I would make that point to Mr Storey regarding the Minister of Education. That money has to be surrendered; it is not a case of the Minister saying that he or she could spend the money on something else. I do not think that, from the point of view of accountability, the Assembly would want that to happen in any case.

Mr O'Loan talked about slippage in capital projects. On a previous occasion, I told him that we have delayed any decisions to see what will happen with the projects and the capital market. We need to be assured that the projects will move forward in the way that has been suggested.

Mr Storey mentioned the STEM funding that the Department of Education surrendered. It was used to purchase buses to visit schools. It was rightly surrendered because the rest of the money had not been used for the purposes for which it was given.

Mr Cobain raised the issue of structural maintenance. I recognise the need for and importance of structural maintenance. However, just like Mr McDevitt and Mr Ramsey, he did not say where the money should come from.

Dolores Kelly mentioned the local government reform programme, and she will know that it is being discussed at the strategic leadership board. The funding options will be looked at. Since the savings will be attributed to councils, investment by those councils would not be unexpected. However, the Environment Minister will be bringing proposals to me in the near future.

Mr Ford mentioned the costs of division. I do not want to disappoint him by not responding on the issue. It is up to individual Departments to find savings. I can assure him that, if money can be saved and the costs of division reduced by looking at different ways of doing things, I will be more than happy to pursue the matter with individual Ministers. I do not wish money to be wasted for any reason. However, it is not always easy to make savings, and the savings are not always as apparent as the Member sometimes suggests they are.

In conclusion, I thank Members for their contributions. In a democracy, it is important to debate issues fully and for elected representatives to express the views of their constituents. It is unfortunate that not all Members appreciate the basic concepts of budgeting. Once again, we have heard many suggestions about where additional money could be spent, but it is not clear where that money should come from. I hope that maybe, over time, we will have a dose of realism. I have said from the start that I am happy to look at where we can make savings.

4.45 pm

I commend the resolutions to the Assembly. I urge a corporate approach to the continued work of the Executive, as reflected in the spring Supplementary Estimates and the Vote on Account, on delivering effective, efficient public services to the people of Northern Ireland. I ask that Members support the motions.

Mr Deputy Speaker: Before the Questions are put, I remind the House that the votes on the motions require cross-community support.

Question put and agreed to.

Resolved (with cross-community support):

That this Assembly approves that a total sum not exceeding £13,772,054,000 be granted out of the Consolidated Fund for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2010 and that total resources, not exceeding £15,567,071,000, be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2010 as summarised for each Department or other public body in columns 2(c) and 3(c) of Table 1 in the volume of the Northern Ireland spring Supplementary Estimates 2009-2010 that was laid before the Assembly on 8 February 2010.

Resolved (with cross-community support):

That this Assembly approves that a sum not exceeding £6,197,971,000 be granted out

of the Consolidated Fund on account for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 and that resources, not exceeding £6,662,114,000, be authorised, on account, for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office and the Northern Ireland Authority for Utility Regulation for the year ending 31 March 2011 as summarised for each Department or other public body in columns 4 and 6 of Table 1 in the Vote on Account 2010-11 document that was laid before the Assembly on 8 February 2010. — [The Minister of Finance and Personnel (Mr S Wilson).]

Budget Bill: First Stage

The Minister of Finance and Personnel

(Mr S Wilson): I beg to introduce the Budget Bill [NIA 8/09], which is a Bill to authorise the issue out of the Consolidated Fund of certain sums for the service of the years ending 31st March 2010 and 2011; to appropriate those sums for specified purposes; to authorise the Department of Finance and Personnel to borrow on the credit of the appropriated sums; to authorise the use for the public service of certain resources for the years ending 31st March 2010 and 2011; and to revise the limits on the use of certain accruing resources in the year ending 31st March 2010.

Bill passed First Stage and ordered to be printed.

Mr Deputy Speaker: I inform Members that written notification has been received from the Chairperson of the Committee for Finance and Personnel to confirm that the Committee is satisfied that, in accordance with Standing Order 42(2), there has been appropriate consultation with the Committee on the public expenditure proposals contained in the Bill, and that the Bill can, therefore, proceed under the accelerated passage procedure. The Second Stage will be brought before the House tomorrow, Tuesday 16 February 2010.

Local Government (Miscellaneous Provisions) Bill: Further Consideration Stage

Mr Deputy Speaker: I call the Minister of the Environment, Mr Edwin Poots, to move the Further Consideration Stage of the Local Government (Miscellaneous Provisions) Bill.

Moved. — [*The Minister of the Environment (Mr Poots).*]

Mr Deputy Speaker: Members will have a copy of the Marshalled List of amendments detailing the order for consideration. There is one amendment, so there will be a single debate on that amendment, which deals with reducing the amount to be paid under any future severance scheme to take account of other elected offices held while serving as a councillor.

Clause 19 (Severance payments to councillors)

The Minister of the Environment (Mr Poots): I beg to move the following amendment: In page 11, line 30, leave out subsection (3) and insert

“(3) If regulations under subsection (2)(a) provide for the amount of any severance payment payable to, or in respect of, a person to be calculated by reference to any period for which that person was a councillor, then for the purposes of that calculation there shall be disregarded any period in which that person was both a councillor and—

- (a) a member of the Assembly (within the meaning of the Northern Ireland Act 1998);*
- (b) a member of the House of Commons; or*
- (c) a member of the European Parliament.”*

The amendment is a replacement for clause 19(3) and relates to severance payments to councillors. At Consideration Stage, I advised that I agreed with the amendment that Mr Kinahan and Mr McCallister tabled. That amendment provided that, where the method of calculating the amount of severance payment depends on length of service, my Department's regulations must provide that any period in which a person was both a councillor and an Assembly Member, or a councillor and a Member of the House of Commons, will be disregarded.

During the debate at Consideration Stage, I pointed out that I wished to amend the provision to include any period in which a person was both a councillor and a Member of the European Parliament. I also sought clarity from Members on whether any period of service as a Member

of the Assembly should include periods of service in previous Assemblies or bodies. There appears to be consensus among Members that only periods of service as a Member of the Assembly since 1998 should be disregarded. Accordingly, my proposed amendment provides that service as a Member of the Assembly since 1998 will be disregarded in calculating the amount of any severance payment. Any period in which a person was both a councillor and a Member of the European Parliament will also be disregarded.

My proposed amendment will make it clearer to the public that periods in which a councillor received payment from the public purse for another elected public office will not be counted for the purposes of a severance award.

The Chairperson of the Committee for the Environment (Mrs D Kelly): I declare an interest as a member of Craigavon Borough Council and as a Member of the House.

On behalf of the Committee for the Environment, I welcome the amendment. The Committee considered proposals for the amendment on 4 February 2010 and gave its support, subject to the term “Assembly” being defined. The Committee concurred that, for a range of reasons, it would be appropriate that, in clause 19, “the Assembly” should refer to the Assembly that was established under the Northern Ireland Act 1998. Committee members who have immediate relatives who may be affected by the definition abstained from the discussion. The Committee welcomed the Minister's letter of 10 February, which indicated that “the Assembly” should refer to the Assembly that was established under the Northern Ireland Act 1998. The Committee gave its full support to the amendment on 11 February.

Mr Weir: I declare an interest as a Member of the House, a member of North Down Borough Council, a member of the transition committee of North Down Borough Council and Ards Borough Council, the vice-president of the Northern Ireland Local Government Association and a member of policy development panel A. Having used up my time, I should probably sit down now. I should also indicate that —

The Minister of the Environment: Policing Board.

Mr Weir: The Minister has heckled me using the words “Policing Board”. However, those of us who carry the extensive burden of sitting on the Policing

Board do not receive remuneration for it. Membership of the Policing Board does not, therefore, count as a clash. The Chairperson of the Committee for the Environment, who served on the Policing Board previously, can testify to that.

I have no intention of falling within the purview of this, or any other, amendment or of seeking any remuneration under the clause. Therefore, I can speak in the debate with a reasonably clear conscience if nothing else.

The Chairperson of the Committee for the Environment: That makes a change.

Mr Weir: Some Members may view this as a somewhat novel situation.

The House welcomed the previous amendment, on which the new amendment is based, as an honest attempt to square the circle between two reasonable but contradictory positions on severance for councillors who were involved in the Assembly. On the one hand, there is a feeling that those who benefited substantially from the public purse as Members of the Assembly should not be treated on the same basis as councillors, who are paid a relatively small amount.

On the other hand, there was an equally valid argument that anyone receiving a form of redundancy payment should be treated equitably. One could argue that a full-time politician is no different from a doctor, lawyer or accountant who also leaves the council through severance and who may be on a higher wage than an Assembly Member. Both arguments are valid.

Mr Kinahan and others put forward a reasonable argument to try to square the circle that councillors who had been Members of the Assembly should not benefit for the period during which they had been Members, but for any period before that, they should be eligible when they had been in the same position as other councillors. For example, it may be in future that someone will be a Member for a month before an election, as has happened. If there were a simple blanket disqualification on all MLAs for all time, MLAs who had served 20 years on the council would receive nothing because they had been MLAs for a month. That is not equitable.

The argument relating to the Assembly and the House of Commons is a good one. However, as it was raised in the debate by the Minister,

Mr Ford and me, it left a definitional issue as to what is meant by "Assembly". The intention is to cover Members from the 1998 Assembly onwards, but that question was left unresolved. Given the brief look of blind panic on the face of the proposer of the motion, it is clear that issues relating to the 1982 and 1973 Assemblies had not been taken into direct consideration. I may be wrong, but there is only one councillor in Northern Ireland affected by membership of the 1973 Assembly: an individual in south Down. Several councillors, though not many, are affected by membership of the 1982 Assembly.

There is a difference between the 1982 Assembly and the 1998 Assembly. Members will recall that the 1982 Prior Assembly was the "rolling devolution" that never rolled. Commensurate with that, the remuneration that Members of the 1982 Assembly received would have been only a fraction of what Members of this House receive. From that point of view, membership of the 1982 Assembly was not, in effect, a full-time job. Consequently, with regard to the Minister's amendment, it is fair and equitable to say that this provision should apply from 1998 onwards.

The Minister proposes one other tidying-up amendment on membership of the European Parliament. Logically, if we are disqualifying people for the period of their service in the Assembly and in the House of Commons, the European Parliament is analogous. Until recently, Members of the European Parliament received the same wages as MPs. That has now been standardised, and MEPs are paid the same wage throughout Europe. Logically, membership of the European Parliament should be on the same basis as membership of the Northern Ireland Assembly and the House of Commons. Only one person who has been a councillor has also been an MEP, and that was for a matter of months. That will soon come to an end anyway.

From the point of view of equity, this is a comprehensive solution. Some will continue to argue on either side of the equation: either that there should be no payment or full payment. However, this seems to be a sensible compromise. I welcome the work that has been done by the Minister in tidying up the Bill through this amendment to ensure that it is effective. It should be welcomed by all sides of the House and I support it.

Mr Kinahan: I declare an interest as a councillor on Antrim Borough Council.

I welcome the amendment and support the changes that it will introduce. It is only a slight change, despite the rather long explanation that we just heard. I would like to claim credit for it. There was not a moment of panic; there might have been a tiny bit the other day, but none at the moment.

5.00 pm

I am pleased that the amendment applies to Members of the Assembly, within the meaning of the Northern Ireland Act 1998. I had not thought about that difference, so I welcome the clarification. I also welcome the fact that the amendment includes MEPs. I congratulate all the councillors who have worked hard on our behalf for many years. In many cases, initially, they received no pay or pension. They should be congratulated, and they deserve severance payments.

If I were offered a severance payment, I would not accept it. I have been a councillor for only an initial term, and severance payments should not apply to new boys. I would welcome the MEP's emulating her colleague's decision to stand down from Belfast City Council.

The Minister of the Environment: I thank the Members who contributed to the debate. I do not think that anything new was raised. We have struck a harmonious note once again. That is a further demonstration of the type of unity that we can bring to the House, even to the extent that Mr Ford did not speak during the debate. That greatly assisted us in respect of community relations.

Mr Ford: I am astounded, Mr Deputy Speaker. I really did not think that it was necessary for all parties in the House to say that they agree. The work was done last week. However, if the Minister wants me to speak, I will say that I am glad that the work was done last week and that it has been tidied up today.

The Minister of the Environment: That really seals it now that we have Mr Ford's support. I thank all the Members who addressed the amendment today. I trust that everything is clarified and that we can now move ahead. In the not-too-distant future, I hope to bring other legislation on local government issues before the House.

Question, That the amendment be made, put and agreed to.

Clause 19, as amended, ordered to stand part of the Bill.

Mr Deputy Speaker: That concludes the Further Consideration Stage of the Local Government (Miscellaneous Provisions) Bill. The Bill stands referred to the Speaker.

Committee Business

Roads (Miscellaneous Provisions) Bill: Extension of Committee Stage

The Chairperson of the Committee for Regional Development (Mr Cobain): I beg to move

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 18 June 2010, in relation to the Committee Stage of the Roads (Miscellaneous Provisions) Bill [NIA Bill 6/09].

The Committee Stage of the Roads (Miscellaneous Provisions) Bill began on 27 January 2010. Members will be aware that the Bill makes four provisions to enable local councils to close roads for special events and to introduce a permit scheme for roads and works on roads, and for two smaller issues that enable the Department for Regional Development (DRD) to hold inquiries and to take account of changes to the functions of the Lord Chief Justice and the Lord Chancellor.

During Second Stage, I informed the House that the Committee for Regional Development did not oppose the principles of the Bill, and that remains the case. Thus far, during Committee Stage, the Committee wrote to a range of key stakeholder organisations to request their views on the Bill. It also published a notice in local newspapers to provide any individual organisation with the opportunity to put forward views on the Bill. The Committee agreed a four-week deadline for submissions, which ends on 8 March 2010. The Committee intends to hold evidence sessions with key stakeholders, including the Department, in February and March, and will arrange other evidence sessions as appropriate when it has considered all the written evidence that it receives.

Although the Bill is relatively short, it makes provisions for the introduction of a charge for permit schemes for works on roads and a permit scheme for road closures for events on roads. Those provisions may have an impact on the infrastructure, telecoms and utilities sectors of the economy, and on tourism and sports in Northern Ireland. We will progress the details of both the proposed schemes through subordinate legislation.

To reflect the importance of those sectors to the competitiveness of Northern Ireland and the quality of life for its citizens, members

are seeking a Committee Stage extension to 18 June 2010. Members agreed that date to take account of the context of the Bill, the time needed to gather written evidence, hear oral evidence and compile and consider the Committee's report to the Assembly.

The extension also allows leeway for the Committee to consider in detail the evidence that it receives and any amendments it may wish to propose. I reiterate the Committee's support for the principles in the Bill. In seeking the extension, members are, rightly, being prudent and cautious in their approach, and are seeking to progress business in an efficient and effective manner while discharging their scrutiny responsibilities on behalf of the Assembly.

The Committee is committed to the timely passage of the Bill, and it will endeavour to report on it to the Assembly ahead of the proposed 18 June 2010 deadline, if possible. In the interim, I commend the motion to the House.

Question put and agreed to.

Resolved:

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 18 June 2010, in relation to the Committee Stage of the Roads (Miscellaneous Provisions) Bill [NIA Bill 6/09].

Wildlife and Natural Environment Bill: Extension of Committee Stage

The Chairperson of the Committee for the Environment (Mrs D Kelly): I beg to move

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 20 April 2010, in relation to the Committee Stage of the Wildlife and Natural Environment Bill [NIA Bill 5/09].

Mr Shannon: I have a quick comment, about which I spoke to the Committee Chairperson beforehand.

The week before last, I spoke to Newtownards and district wildfowlers. I informed them that the closing date for responses to the Bill was 31 March 2010. I want to ensure that wildfowlers' associations that have contacted me and those whom I have informed are made aware of the extension and of the new response date. It is important to them that issues are considered, such as moonlight shooting in the UK, having curlew included on the quarry list, the extension of the foreshore season and the use of snares. In fairness, during the debate on the Wildlife and Natural Environment Bill, the Minister of the Environment stated, and it is in the Hansard report, that the thousands of people involved in country and field sports want to be part of the process. I welcome the opportunity to speak on the matter, even though I am not a member of the Committee for the Environment.

Mr Weir: I wonder why? *[Laughter.]*

Mr Shannon: However, it is important that people who make a magnificent and significant contribution to country sports and conservation are involved all through the process and are notified of that possibility.

Mr Deputy Speaker: I call Mr Roy Beggs.

Mr Beggs: I was not aware that I was to be called. I am content that we should have further time to scrutinise further aspects of the Bill as appropriate.

Mr B McCrea: Well said. *[Laughter.]*

Question put and agreed to.

Resolved:

That, in accordance with Standing Order 33(4), the period referred to in Standing Order 33(2) be extended to 20 April 2010, in relation to the Committee Stage of the Wildlife and Natural Environment Bill [NIA Bill 5/09].

Adjourned at 5.09 pm.

