
Northern Ireland Assembly

Tuesday 15 June 2010

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

Members observed two minutes' silence.

Ministerial Statements

North/South Ministerial Council: Agriculture Sectoral Format

Mr Speaker: I have received notice from the Minister of Agriculture and Rural Development that she wishes to make a statement

The Minister of Agriculture and Rural Development (Ms Gildernew): Go raibh míle maith agat, a Cheann Comhairle.

Before I start, I take the opportunity to wish the Bloody Sunday families in Derry well on a very significant day for them.

With your permission, Mr Speaker, I wish to make a statement in compliance with section 52 of the NI Act 1998 regarding the thirteenth meeting of the North/South Ministerial Council (NSMC) in agriculture sectoral format, held in the Agri-Food and Biosciences Institute, Hillsborough, on Wednesday 31 March 2010. The Executive were represented by Minister Edwin Poots MLA and me; the Irish Government were represented by Brendan Smith TD, Minister for Agriculture, Fisheries and Food. This statement has been agreed with Mr Poots, and I make it on behalf of us both.

The Council noted a presentation by officials on co-operation in research, which dealt with current structures and funding streams for research in both jurisdictions and demonstrated the importance and benefits of ongoing co-operation, with particular emphasis on generating and disseminating knowledge and technology that will support the agrifood industry in exploiting global market opportunities and highlighting the potential for future collaboration. It welcomed plans to continue that co-operation and engagement in areas of mutual interest and benefit, including access to international and EU funding

programmes, and it looked forward to receiving an update at a future NSMC meeting in the agriculture sectoral format.

The Council agreed an all-island animal health and welfare strategy, designed to optimise the animal health status of the island through the alignment of policies to control animal disease. Full co-operation on animal health issues could help to reduce or prevent animal disease spread as well as facilitating trade. Agreement of the strategy fulfils indicator 6 of public service agreement (PSA) 4 of the Executive's Programme for Government. The ultimate objective of the strategy is the development of policies to facilitate the free movement of animals on the island. In order to work towards that aim, three key strategic areas have been identified: partnership; further co-operation on trade, animal identification and animal movement policies and legislation; and further co-operation in developing disease control and animal welfare policies.

Ministers welcomed progress on the delivery of initial activities in the strategy, including progress towards a mutual recognition of genotype programmes, which is at an advanced stage, and the cross-border stakeholder event that took place on 12 April 2010. The Council noted that the EU Commission is expected to publish a review of the EU budget in June or July 2010 as well as a communication on the future of the common agricultural policy (CAP) in autumn 2010.

The Department of Agriculture and Rural Development (DARD) and the Department of Agriculture, Fisheries and Food (DAFF) will continue consultations with stakeholders. Both Administrations will remain in close contact as negotiations progress. Ministers noted the challenges facing the agriculture sector, particularly greenhouse gas emissions reduction targets. Ministers requested officials to remain

in close contact on those issues and to report developments to a future NSMC meeting in agriculture sectoral format.

The Council welcomed the allocation by the EU of €300 million to assist dairy farmers severely affected by the dairy crisis and noted the method of allocation of payments to farmers. The Council agreed that its next meeting would take place in late summer 2010.

Mr Irwin: The Minister says that she wants free movement of animals on the island. Is it not true that there has been free movement of animals, subject to normal testing procedures?

The Minister of Agriculture and Rural

Development: There has been free movement of sheep on the island, but following the beef ban, which was lifted in 2006, there have been restrictions on bovine movement, despite controls on disease. There are still problems, many of which I encounter when visiting marts and shows, where people raise their difficulties in buying stock or moving cattle across the island. There is much to be done, and I believe that the all-island animal health and welfare strategy will help to facilitate that.

Mr Doherty: Go raibh maith agat, a Cheann Comhairle. What preventative measures has the Minister put in place to deal with the threat of bluetongue?

The Minister of Agriculture and Rural

Development: A range of measures is in place to minimise the risk of bluetongue reaching Ireland. We carry out post-import testing of all imported sheep and cattle from Europe and Britain and have taken steps to ensure that importers know the risks and can put measures in place to minimise them. Pre-import testing is one of the conditions laid down by EU regulations before animals can be imported from bluetongue zones. However, that testing is not always necessary if the animals satisfy other conditions.

We have worked closely with industry stakeholders and do not consider other measures to be necessary at this time. I have asked the farming community to remain vigilant for bluetongue by inspecting livestock at least daily for signs of disease and to report any suspicions immediately. My Department has issued all cattle and sheep owners with an information leaflet outlining the clinical signs and symptoms that they should look out for.

We also advise against importing animals from bluetongue-affected areas.

Mr Savage: I thank the Minister for her statement. The three strategic areas that the Minister outlined are co-operation, partnership and further co-operation. Will she assure the House that that co-operation is happening and that incidents that have occurred over the past year or 18 months will not happen again?

The Minister of Agriculture and Rural

Development: We should all learn from our difficulties. I presume that the Member is referring to the dioxins incident. Relations have been strengthened as a result of that incident, and communication between the two Departments is much better, but there is no question that we can always improve. I look forward to further co-operation at ministerial, official and industry level.

We should make more of our health policies and our bluetongue-free island status, which the fortress-Ireland approach has helped to ensure. We have seen the difficulties that foot-and-mouth disease, bluetongue and avian influenza caused in Britain, and we want to ensure that our farmers are not subject to the same controls and do not face the same difficulties as farmers across the water during what has been a difficult enough three years for them. The fact that our farmers have benefited has much to do with the co-operation that we have on the island.

Mr P J Bradley: Mr Irwin and Mr Savage asked about freedom of movement, but I want to take the matter further. I understand that the strategic areas to which the Minister referred have been on the agenda for the past five or six years, so I am disappointed that only a strategy has been agreed up until now. Will the Minister give a date on which the free movement of animals will eventually be permitted? That is what livestock owners want to hear. In her statement, the Minister said that the EU's method of allocating €300 million to farmers affected by the dairy crisis was noted. Will she go into greater detail on what was noted?

The Minister of Agriculture and Rural

Development: The Member is aware that we reached agreement on a strategy at March's NSMC meeting. I accept that there were some difficulties in getting to that stage, but they were not of my making. In the meantime, much work has been done on preparing the strategy. We were not waiting for the strategy to be

agreed before making progress on some of the measures needed to benefit farmers.

We have worked in close co-operation. For example, the fortress-Ireland approach that I first adopted in conjunction with Minister Coughlan has been further developed with Brendan Smith. He and I continue to work together against the real threat that bluetongue poses to the island of Ireland. We have also agreed a common chapter on contingency plans in the event of an outbreak of foot-and-mouth disease, avian flu or bluetongue. I have been to Brussels and Luxembourg on several occasions to make our case on animal health matters, and on sheep ID tagging in particular.

I want to ensure that the North's special position in the EU, which President Barroso has acknowledged, continues to be recognised in disease control, trade and other important high-level discussions. I said earlier that I am continuing to bear down on animal diseases that continue to impose significant ongoing costs to government and industry, specifically bovine tuberculosis and brucellosis.

I was also delighted to welcome Commissioner John Dalli to the cross-border event on the all-island animal health and welfare strategy on 12 April. Over breakfast, I had the opportunity to raise issues with the commissioner. I consider that meeting to have been the start of a very positive working relationship with him and his cabinet.

Members asked about the dairy crisis, and we have made good progress. Some farmers here have not yet given us the necessary contact details to have payments made into their bank account. We are working closely and making good progress on trying to get that number down to zero. The money should be paid out, and we will meet our targets on the payment of our share of the €300 million EU dairy fund.

Mr McCarthy: I welcome the Minister's statement. Did she enjoy an Ulster fry when she had breakfast with her friend? Support local industry.

I have two questions. First, when will the Minister make a statement to the House on the £60 million that must be repaid to the EU Commission? That is an important issue for many people. Secondly, agrifood, which is the largest private industry in Northern Ireland, was discussed at the NSMC meeting. Is the Minister convinced that enough cross-border

work is being done to ensure that that industry continues and expands?

10.45 am

The Minister of Agriculture and Rural

Development: First, I should deal with the question about the fry. The meeting took place in a very beautiful part of Ulster, in the Slieve Russell Hotel in Ballyconnell, County Cavan, and I did have an Ulster fry, which was great. You would know to look at me that I have had a few.

In recent weeks, there have been difficulties with some trade issues. Indeed, yesterday, in conjunction with Minister Foster, I had a very useful meeting with industry representatives at which some of those issues were discussed. Although disallowance was not discussed, I tried to explain my position, which is quite complicated and technical. The first £30 million of the penalty has been covered, and, through the conciliation process, we are negotiating with Europe to have the second part reduced. The Commission made it clear that we have made great strides in improving our mapping system, but, at this point in time, it is considering enforcing the remaining £30 million penalty. We will fight that decision as far as we can, up to the European Court of Justice if necessary.

Mr Molloy: Is there scope to extend the North/South relationship to cross-border co-operation on research?

The Minister of Agriculture and Rural

Development: In the past number of years, we have undertaken several measures to improve co-operation. The Agri-Food and Biosciences Institute (AFBI) works very closely with Teagasc, with which it has a memorandum of understanding on developing complementary research strategies to ensure that we do not have to reinvent the wheel or duplicate work in both areas. That work is very successful and has been ongoing for a number of years.

The College of Agriculture, Food and Rural Enterprise (CAFRE), which carries out quite a bit of research as part of its education programme, also has a close working relationship with Teagasc. Seeing how things are done in both areas is beneficial to the next generation coming through the industry. CAFRE's student exchange programme with Kildalton College in Piltown has been very successful, with students from there coming up to Greenmount and vice versa.

There has been a great deal of co-operation across the services that we provide, and the industry benefits not just from research and development on the island but from the disease controls that are in place. For example, when there was a case of brown rot in the South, we were quickly able to work on measures here, likewise when phytophthora ramorum was identified in the North. Such diseases are discussed on an all-Ireland basis so that scientists can work to ensure that the industry does not suffer the worst consequences of them.

Mr McCallister: I welcome the Minister's statement. It will not have been lost on her how important the agrifood sector is to Northern Ireland. As a recipient of single farm payment, I declare an interest. Will the Minister outline the work that has been and will continue to be done to set out the vision that we need to deal with CAP reform, which is one of the biggest challenges facing the industry? What is her vision, and is she working with others in the Republic of Ireland and across the UK so that they buy in to that vision to sustain agriculture in Northern Ireland?

The Minister of Agriculture and Rural Development: The Member is right: the issue is hugely important, and it was discussed at the meeting on 31 March. With the appointment of the new EU Commission, the debate on the future of the CAP is beginning in earnest. We considered various issues that are emerging from that debate, including the size of the CAP budget and the future basis of single farm payment. We noted that, later this year, the EU Commission is expected to publish the EU budget review and a communication on the future of CAP. Although the debate is at an early stage, we are engaging with stakeholders to develop detailed thinking. I do not want the CAP to be inadequately funded; I will seek to have it maintained at the highest possible level. The Member will be pleased to hear that I also made it clear that the single farm payment should continue post 2013. Given the importance of CAP to agriculture incomes, I expect that view to be held widely.

There is consensus between Minister Smith and me, which is shared by our counterparts in Scotland and Wales. The issue will come up when I meet the Secretary of State for Environment, Food and Rural Affairs Minister and the new commissioner next week. Generally, we find ourselves at odds with the position in

England, although the Treasury position more so than the DEFRA position, because it is very much the wish of the British Government that the agriculture budget should be reduced, as they are a net contributor to it. There will be a fight on our hands, and I will fight strongly for the benefit of the industry here. As I said, we are expanding those discussions. Minister Smith, in particular, is doing a lot of work with his counterparts in France and other EU member states in which there are like-minded individuals. There is no doubt that it will be a battle, but I am ready for it.

Mrs D Kelly: I thank the Minister for her statement. Will she make any comment about the fact that the meeting took place about 10 weeks ago? Will she detail the specific bids that her officials are making to EU programmes?

The Minister of Agriculture and Rural Development: The Member is right to point out that there has been a significant time lapse since the meeting in March. That is very unfortunate, but the circumstances were beyond my control.

Unfortunately, the new rural development Minister, Pat Carey, was only brought into post during the reshuffle in the week in which the meeting was held, so he was unable to attend. Not a lot of detail about EU funding programmes was discussed at that meeting, but I expect to talk to him in the very near future. I will be able to come back with further detail on rural development and EU programmes at that stage.

Mr W Clarke: Go raibh maith agat, a Cheann Comhairle. I also thank the Minister for her statement. What progress is being made towards us being officially recognised as Aujeszky's disease-free? With your indulgence, a Cheann Comhairle, I ask the Minister to elaborate on the challenges that the agriculture sector faces in relation to greenhouse gas emission reduction targets.

The Minister of Agriculture and Rural Development: Under the all-island animal health and welfare strategy, we are taking a joint approach to the eradication of Aujeszky's disease on the island of Ireland. We were recognised formally as having annex II status last July. DAFF achieved similar recognition for its eradication plan on 12 April 2010. On Monday 14 June, following discussion with the industry about how we progress to official EU recognition of freedom from Aujeszky's

disease, I announced a voluntary industry ban on vaccination against the disease. That begins a 12-month vaccine-free qualifying period that will allow us to apply in due course for EU recognition of disease-free status. The South announced its ban on vaccination against Aujeszky's disease on the same day. My staff continue to work with their counterparts in Dublin towards the objective of achieving annex I status simultaneously throughout the island. I pay tribute to the pig industry because it has worked very hard in helping us to get there. It has had its knocks over the past years, but it has been very dedicated to ensuring that we achieve freedom from Aujeszky's disease.

As regards the climate change situation, the Programme for Government contains the target for all sectors to reduce their carbon emissions by 25% by 2025. In other regions, however, the agriculture sector has been asked to achieve a reduction of around 10% on current levels by 2010. My officials have developed a suite of possible mitigation measures for consultation with the industry, including optimising manure and efficient use of fertilisers; optimising livestock management; locking in or sequestering carbon in soil, grassland and peatland; locking in or sequestering carbon by creating new woodland; sustainable management of existing woodland; and increasing renewable energy use and on-farm energy efficiency.

I suspect that that issue will have more of a focus in future NSMC sectoral meetings because retailers are making demands on the industry, and we have to be prepared to help it to achieve those targets and to ensure that there are not any restrictions on trade because of our carbon footprint or perceived carbon footprint.

Mr Kennedy: I am grateful to the Minister for her statement. With regard to animal welfare and combating animal disease, was there any discussion at the North/South Ministerial Council meeting about the ongoing criminal activity by rogue operators who are deliberately infecting herds, particularly in the south Armagh area? Will the Minister take the opportunity to condemn such activities again and to encourage anyone with any information to bring it to the PSNI?

The Minister of Agriculture and Rural

Development: Certainly: on Friday, I made clear my position on criminal activity such as brucellosis fraud and the illegal movement

of cattle that may lead to brucellosis. I have no difficulty in condemning those actions. I appreciated the Member's statement in support of that at the weekend. We have worked hard to eradicate brucellosis, and we were down to a rate of 0.036% before Christmas. However, the activities of a very small number of people have resulted and will result in further control measures while we get to grips with the disease and combat what has been done.

I am still determined to push ahead to achieve brucellosis-free status. I recognise that the timescale has changed, given what happened in Lislea before Christmas. Those in the wider farming community have been fantastic in supporting my actions. They have worked with me by doing what they can to help to reduce the spread of brucellosis. They have accepted our control measures, even though they are difficult and a pain at times, especially for those trying to work and farm at the same time. We are asking them to increase testing and to do things that put them out. Nevertheless, they have done all that without a moan or a grumble, and we need to see that ongoing co-operation. I am pleased that the vast majority of farmers are behind us on this. However, I am disappointed and angry that a very small number of self-serving individuals are prepared to sacrifice our health status on the island and, potentially, reinfect the South. I have been forthright in my condemnation of that, and I am happy to repeat that condemnation this morning.

Mr Dallat: I, too, welcome the Minister's statement, although I am disappointed by its brevity. Like my colleague, I am also disappointed that it took 10 weeks to come here. I am even more disappointed that there will be no more meetings until late summer. Will the Minister assure us that genuine work and progress has been made to sort out the horrendous problems that the agriculture industry faces because we operate in two jurisdictions?

The Minister of Agriculture and Rural

Development: I recognise that there are difficulties for the industry in operating in two jurisdictions. This is early summer, and the next meeting will take place in late summer, but I assure the Member that those meetings are not the only things that are happening. I had a meeting yesterday with the head of our North/South unit to get a report on the work that is ongoing at official level between those

meetings. I also want to see how we can develop the work of the North/South Ministerial Council to ensure that we crank it up and that we eliminate some of the challenges that our farming community faces in working across the border and help it to cope with those challenges.

The NSMC meetings are a valuable and useful vehicle, but they are not the only things that are happening: a lot of work is ongoing in between times.

North/South Ministerial Council: Inland Waterways Sectoral Format

Mr Speaker: I have received notice from the Minister of Culture, Arts and Leisure that he wishes to make a statement.

The Minister of Culture, Arts and Leisure (Mr McCausland): With your permission, Mr Speaker, I wish to make a statement in compliance with section 52 of the Northern Ireland Act 1998 regarding a meeting of the North/South Ministerial Council in inland waterways sectoral format.

The meeting was held in Armagh on 26 May 2010. The Northern Ireland Executive were represented by me as Minister of Culture, Arts and Leisure and Caitríona Ruane, Minister of Education. The Irish Government were represented by Pat Carey TD, Minister for Community, Rural and Gaeltacht Affairs. This statement has been agreed with Caitríona Ruane, and I am making it on behalf of us both.

The chief executive of Waterways Ireland, Mr John Martin, presented a report on progress, which included the provision of 186 m of additional moorings until the end of April 2010 and the provision of new publications to promote and support the use of the waterways and the sponsoring of key events on the waterways in 2010.

11.00 am

The chief executive reported that Waterways Ireland is one of 17 partners from 11 EU countries, along with Norway and Serbia, involved in an EU INTERREG IVc project entitled Waterways Forward, which was formally titled Inland Waterways of Europe. As part of that three-year project, Waterways Ireland will host a meeting of the 17 partner representatives in late 2011.

The progress report detailed the completion of the dredging of Richmond harbour to allow the reconnection of the Royal canal to the Shannon. The official opening of the Royal canal is planned for the end of September 2010.

The chief executive also reported that Waterways Ireland had recently won the coveted O2 ability award 2010 for environmental accessibility. It has also achieved the status of ability company in the categories covering environmental accessibility and customer service.

The Council discussed the main priorities for Waterways Ireland and reviewed the progress that both sponsor Departments have made towards finalising the business plan and budget for 2010.

The Council also received a progress report on the restoration work for the Clones to Upper Lough Erne section of the Ulster canal. It noted that work on the strategic environmental assessment is ongoing and is due to be completed by mid-2010, with work on the environmental impact assessment due for completion in late 2010. It also noted that a preferred route had been identified from a technical/engineering point of view.

The Council received a presentation from Waterways Ireland on the development of the Shannon-Erne waterway, and discussed the developments that have taken place since it reopened. The presentation focused on the reconstruction of the original Ballinamore-Ballyconnell canal as the Shannon-Erne waterway.

Waterways Ireland's annual report and draft accounts for 2009 were also on the agenda. It was noted that following their certification they would be laid before the Northern Ireland Assembly and both Houses of the Oireachtas.

The Council consented to a compulsory purchase order relating to acquisitions south of Lough Ennell to facilitate water supplies on the Royal canal.

The Council agreed that its next meeting in the inland waterways sectoral format will take place in the autumn of 2010.

Lord Browne: It has been apparent for some time that Northern Ireland's waterways require redevelopment to exploit their leisure and tourism potential. What impact does the Minister believe the steps outlined today will have? What further steps does he feel will be necessary if we are to fully unlock that potential?

The Minister of Culture, Arts and Leisure: The tourism potential of waterways is very important, and the existing marketing and promotion strategy was launched in 2004. There is a review process involving key stakeholders, such as the Northern Ireland Tourist Board and the Erne Charter Boat Association, and some meetings have been held. Much of the research material has been collected and collated, and

when that is completed, a working document will be finalised for discussion and a draft strategy prepared. The group is on target for that draft strategy to go out to public consultation later this year.

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

The existing strategy has five key marketing objectives: awareness creation; development of corporate identity; promoting greater use of the waterways; working in partnership with other bodies; and building a platform for sustained development. Those objectives are met through a range of marketing activities, including the publication and distribution of promotional materials, guides and charts through advertising campaigns, press familiarisation visits, and other promotional activity.

Mr Deputy Speaker: Mr Barry McElduff.

The Chairperson of the Committee for Culture, Arts and Leisure (Mr McElduff): Go raibh maith agat. On a point of order, should I not have been called to speak on this matter first, as the Chairperson of the Committee for Culture, Arts and Leisure? I believe that I should.

Mr Deputy Speaker: Of course. I have just come to the Chair and it was not marked on my notes. Please accept my apologies.

The Chairperson of the Committee for Culture, Arts and Leisure: Go raibh maith agat, a LeasCheann Comhairle. On 3 June 2010, the Committee for Culture, Arts and Leisure was briefed by Waterways Ireland on its proposal to introduce by-laws on the waterways. The Committee regarded that as a positive step forward in regularising the current rules that apply on the waterways to ensure that everyone using them has a safe and enjoyable experience.

In the Minister's statement, he said that the Council discussed the main priorities for Waterways Ireland in 2010 and reviewed progress in finalising the business plan and the budget. Can the Minister indicate what those main priorities are?

The Minister also referred to the project to restore the Ulster canal from Upper Lough Erne to Clones. The Committee has kept a keen interest in that issue, and in 2008, we heard from the Blackwater Regional Partnership about the tourism and economic benefits that will result from the reopening of the canal. Can the

Minister indicate a date for completion of the overall project?

The Minister of Culture, Arts and Leisure:

The Member asked a number of questions. I shall start with the last one, which was on the progress of the Clones to Upper Lough Erne section of the Ulster canal.

Waterways Ireland has received the physical survey to allow the preliminary design process to commence, and work on the environmental impact assessment (EIA) and strategic environmental assessment (SEA) is progressing. The SEA is due to be completed by mid-2010, and the EIA is due for completion in late 2010. Possible routes and options are being reviewed, and when the preferred options are identified, the tender for a site investigation will be advertised. A meeting with DOE planners in Northern Ireland was held in December 2009. The selection of the final option is dependent on the outcome of the environmental studies and the final design estimates. That option will be developed to allow it to be forwarded for planning approval, and it is anticipated that it will be forwarded for planning approval in late 2010. Pending a successful outcome to the planning process, the land acquisition process will be commenced and the contract for the construction phase of the project should be awarded in 2011.

Another part of the question referred to by-laws. As was noted, Waterways Ireland met the Committee for Culture, Arts and Leisure on 28 May 2009 and 3 June 2010. The first phase will be the public consultation process, which is due to commence shortly and will run for 12 weeks from the date of issue. Once the consultation has been completed and the views expressed are taken on board, we will be in a better position to move forward in regard to the by-laws.

Mr Deputy Speaker: I clarify that we are discussing the inland waterways section of the meeting.

Mr McClarty: I thank the Minister for his statement. He stated that the accounts of Waterways Ireland will be laid before the House in due course. Can he assure the House that there is no cause for concern with those accounts, and can he further assure the House that the internal management issues that have plagued the body for years have been brought under control?

The Minister of Culture, Arts and Leisure:

I am unaware of any particular issues that have arisen in regard to the accounts. Considerable interest is taken in the governance of the organisation, as indeed it would be with all arm's-length bodies and cross-border bodies. We take considerable interest in those, and rightly so. Waterways Ireland is accountable to the Department of Culture, Arts and Leisure (DCAL) and the Department of Community, Rural and Gaeltacht Affairs (DCRGA) jointly and to the NSMC. Both Ministers have to be satisfied that, through the NSMC, we are discharging our oversight responsibilities in respect of Waterways Ireland. Monthly meetings are chaired alternately by senior civil servants in DCAL and DCRGA, and the chief executive officer and appropriate directors attend.

An issue that is sometimes raised is the possibility of appointing a board to Waterways Ireland, and arising from the St Andrews Agreement, a review of the effectiveness and efficiency of North/South implementation bodies is under way. If that review were to recommend that a board for Waterways Ireland be established, Ministers in the NSMC would have to consider that.

Mr McCarthy: Since we are on the subject of waterways, from which many people get their enjoyment, I am sure that the Minister and Members will join me in offering the sympathy of the House to the family of Mr Ken Dorman from Dundonald, who, unfortunately, lost his life while enjoying the waterways of Strangford Lough last Saturday morning.

The Minister's statement says:

"The Council consented to a Compulsory Purchase Order relating to acquisitions south of Lough Ennell".

Will the Minister advise us whether all interested parties explored every avenue and tried to reach agreement before the compulsory purchase order was taken?

The Minister of Culture, Arts and Leisure:

People would endorse the Member's first point, and we express sympathy with the family concerned.

To facilitate the reopening of the Royal canal, it will be necessary to extract water from Lough Ennell to provide a water supply for the passage of boats. That is what necessitates

the compulsory acquisition of land, because the inway sluice gate and weir to the south of Lough Ennell are used to facilitate the effective management and control of the water levels in the lough. That will ensure that the adequate supply of water to the Royal canal is maintained at all times.

Waterways Ireland requires the NSMC's consent to progress compulsory purchase orders. In some situations, that is necessary, and this is one such situation. I am sure that every effort was made to avoid that, but, in this case, it was clear that a compulsory purchase order was necessary. Although the Member might require more detailed information, I should point out that the lough is outside the constituency of Strangford and outside the jurisdiction of Northern Ireland.

Mr Shannon: I thank the Minister for his statement. The statement says that the chief executive of Waterways Ireland reported that that body is one of 17 partners from 11 European countries. It is always good to talk and to exchange views. Given that exchange of views and information with those European countries, does the Minister know what benefits will flow — to use a pun — to Waterways Ireland to help us here?

The Minister of Culture, Arts and Leisure: Waterways Ireland has joined with 16 partners from 11 EU countries, as well as with Norway and Serbia, in an INTERREG project entitled Waterways Forward. That three-year project, which commenced in January 2010, is being led by the Dutch Recreational Waterways Foundation. Other EU partners include British Waterways, French Waterways and regional representatives from Italy and Spain.

Waterways Forward seeks to exchange knowledge on existing management strategies and regional policies; to develop recommendations on how to establish a better connection between the economic structures of regions adjacent to inland waterways and waterway-related businesses; to remove barriers to stimulate the multifunctional use of the waterways; to diminish the expected effects of climate change, particularly the shortage and surplus of water, on navigability; and, where governance matters are concerned, to establish policy and management structures to improve horizontal and vertical co-operation

between various policy sectors and government management levels.

As part of the work programme, Waterways Ireland will host a meeting of the 17 partner representatives in Enniskillen towards the end of the year. The overall project budget for all 17 partners is €2.8 million, which is 75% co-financed by the EU. Waterways Ireland's contribution, which includes any time that is spent on the project, is €137,000 over the three-year period from 2010 to 2012. Therefore, taking account of the 75% EU funding, the cost to Waterways Ireland will be only €34,000. DCAL's commitment of 15% is, therefore, €5,100 or £4,200 over the three-year period. That amounts to approximately £1,400 a year in a €2.8 million project. Therefore, for a very modest return, we will gain knowledge in a range of areas that will certainly improve the effectiveness of and increase the benefits that flow from our waterways.

Mr Leonard: Go raibh maith agat, a LeasCheann Comhairle. In the context of the Ulster canal, the Minister mentioned marketing measures, priorities and dates. However, delivery on the section of the overall canal project in the more northerly Ulster counties has, in effect, been put back until at least 2020. Many people are aghast at that.

Does the Minister accept that a lack of delivery shows a lack of vision? Will he reconsider whether engagement on this part of the project should commence now? I anticipate the normal references to funds and recession, but does he further accept that to do so would be an investment in tourism potential, economic growth, construction work and regeneration along all sections of the canal and beyond?

11.15 am

The Minister of Culture, Arts and Leisure: The Member raises that matter with considerable regularity on these occasions. I will simply respond by saying that it is not a question of a lack of delivery but of a lack of money. The vision is there to develop waterways right across Northern Ireland so that all areas of the Province benefit from the tourism potential and from the social and cultural benefits that flow from waterways. However, there are financial limits to what can be done at present. Nothing is being ruled out in the longer term, but the lack of money, which I highlighted already, is something that will be with us for a considerable

time. As I indicated previously, if the Member wishes to encourage another Minister to release lots of money to free it up for my Department, I will be more than happy to spend it.

Mr K Robinson: I thank the Minister for his statement to the Assembly. I note that the meeting of the 17 partner representatives from EU countries is due to take place in late 2011. Can you indicate where the meeting is likely to be held? Is there an opportunity to bring it to Enniskillen?

Although I am very impressed with the amount of work that Waterways Ireland has done, is the Minister content with the amount of work that will be carried out shortly north of the border, particularly in light of the volcanic ash cloud and the advent of the “staycation” phenomenon, where more people are holidaying at home? Now may be an opportunity to develop our tourism potential and to increase the impact that Waterways Ireland has on this side of the border.

The Minister of Culture, Arts and Leisure: The policy of getting maximum value from the maximum number of questions is spreading. I am not sure of the location of the event, but I am sure that the meeting will involve a visit to Waterways Ireland’s headquarters in Enniskillen. I would be very surprised if that were not the case, but I will write to the Member with the details of the event that is being held towards the end of the year.

For the investment that we put into Waterways Ireland, we get back considerably more than we put in. Northern Ireland profits from Waterways Ireland. I am all in favour of co-operation with our neighbours in the Republic, as long as we benefit.

The Member asked about the impact on tourism and about the fact that more people are spending their holidays at home. The figures that we were given for Lough Erne in particular indicate a substantial increase in the number of boats on the Lough, so it is clear that there is growth in the sector. The Member may have been making a case for the need for us to be aware of opportunities that should be exploited for the benefit of the local economy rather than have people from here holiday in Great Britain, the Irish Republic, or wherever.

North/South Ministerial Council: Language Sectoral Format

Mr Deputy Speaker: I have received notice from the Minister of Culture, Arts and Leisure that he wishes to make a statement.

The Minister of Culture, Arts and Leisure (Mr McCausland): In compliance with section 52 of the Northern Ireland Act 1998, I wish to make the following report on the tenth North/South Ministerial Council meeting in language sectoral format. It was the sixth meeting to be held since the restoration of the Northern Ireland Executive and Assembly, and the first meeting to be held in 2010. The report has been endorsed by the Minister of Education, who was the accompanying Minister.

The meeting was held in the new NSMC joint secretariat offices in Armagh on 26 May 2010. In this, my third North/South Ministerial Council meeting, I represented the Northern Ireland Executive as Minister of Culture, Arts and Leisure, along with Caitríona Ruane MLA, Minister of Education. The Irish Government were represented by Pat Carey TD, Minister for Community, Rural and Gaeltacht Affairs, who chaired the meeting. The meeting dealt with issues relating to the language body and its two constituent agencies: Tha Boord o Ulstèr-Scotch, the Ulster-Scots Agency; and Foras na Gaeilge, the Irish language agency.

I will now present a summary of the issues discussed by the Council on 26 May. The Council received progress reports from Foras na Gaeilge and the Ulster-Scots Agency on developments to date in 2010. Ministers noted the ongoing collaboration between the agencies, including the organisation of a lecture series entitled ‘aspects of our shared heritage’ in a number of local councils and the arrangements in hand to offer the series more widely and to add a new lecture on the Flight of the Earls and the Plantation. The agencies also collaborated on the screening of a programme about the hamley tongue on the Irish language television station, TG4, on 20 January 2010, which portrayed the Ulster-Scots language in a balanced and fair way that will enhance awareness and understanding of Ulster Scots among the Irish-speaking community.

Ministers also noted progress by the agencies that included the introduction by Tha Boord o Ulstèr-Scotch of a new community workers

scheme, in order to improve capacity in community groups, and the appointment of administrative workers on a part-time basis in eight community and voluntary organisations; the commencement of an independent evaluation of organisations that receive core funding from Tha Boord o Ulstèr-Scotch; and the publication of a new Irish-language weekly newspaper, Gaelscéal, in addition to other educational material.

The Council discussed the main priorities for the two agencies in 2010 and the progress in finalising the North/South language body's business plans and budgets.

The Council noted the improvement in corporate governance and accountability in the Ulster-Scots Agency since December 2009. It agreed that the designation of the interim chief executive would be extended until the end of December 2010 and noted the recruitment process for appointing a substantive chief executive to the Ulster-Scots Agency.

With regard to Foras na Gaeilge staffing and decentralisation, Ministers noted recent developments by the Irish language agency in recruitment, specifically that five offers of posts have been made for Gweedore and four offers of posts have been made for Dublin. The Council approved the appointment, subject to the approval of the Finance Ministers, of additional contract staff for the Irish language agency in respect of the new English-Irish dictionary project, with the cost to be met by the reallocation of funding from within approved budgets.

The Council approved the appointment of Michael McLoone to the board of the Ulster-Scots Agency and the extension of the terms of appointment of John Hunter and Tony Crooks to that board.

The Council noted proposals from Foras na Gaeilge that future funding to the Irish language sector would be provided on the basis of a number of discrete schemes. It was agreed in principle that those proposals are within the parameters of the NSMC decision of December 2009. Ministers decided that officials from the sponsor Departments should work with Foras na Gaeilge to agree, by the end of June 2010, the detail of those proposals and the timescale for their implementation. In the context of such agreement being reached by the end of June, Ministers agreed that interim

funding may be provided to existing funded organisations to the end of December 2010. The question of further interim funding after the end of 2010 will be considered at the next NSMC meeting in language sectoral format, and it will be based on the progress made in implementing the agreed proposals. There was consultation with the Irish language sector in the course of undertaking the review, and there will be continued consultation during the implementation process.

The Council received presentations from both agencies of the North/South language body. Foras na Gaeilge gave a presentation on the use of modern technology and other translation developments, which will provide significant savings to all users and significant increases in consistency and standard of translation.

The Ulster-Scots Agency gave a presentation on its ongoing work in the Ulster-Scots community, which includes significant developments on the community workers scheme.

The Council noted that it is proposed that the language body's accounts for 2006 be laid before the Assembly and the Parliament in Dublin at the earliest possible date. The Council also noted that progress is being made with regard to the annual reports and accounts for 2007-09. It requested a further progress report at the next NSMC meeting in language sectoral format. The Council agreed to hold its next meeting in that format in autumn 2010.

The Chairperson of the Committee for Culture, Arts and Leisure (Mr McElduff): Go raibh maith agat, a LeasCheann Comhairle. First, to what extent have concerns expressed by the seven core-funded groups in the North about restructuring the funding of the 19 core-funded organisations throughout the island been taken on board by the North/South Ministerial Council? I seek assurance from the Minister that jobs and services in the Irish-language sector in the North will not be lost or undermined.

Secondly, the Minister mentioned an independent evaluation of the organisations that receive core funding from the Ulster-Scots Agency. What are the terms of reference and the timescale of that evaluation?

Thirdly, can the Minister explain why there is continued delay on his part in bringing forward a strategy to promote and enhance the Irish

language in the North as he is mandated to do by the St Andrews Agreement and the Hillsborough Castle Agreement?

The Minister of Culture, Arts and Leisure: I look forward to getting to the third point. However, I will deal with the first two in order.

The first question was about the seven core-funded Irish-language organisations that are based in Northern Ireland. There has been widespread consultation with core-funded organisations that are based in Northern Ireland and those that are based south of the border in Éire. Quite a number of comprehensive consultation meetings have been held. It is not proposed to administer two separate portfolios in Northern Ireland and the Republic of Ireland. Maybe the Member opposite would like to adopt a partitionist approach — to divide the body up and have two different portfolios. If he wishes to be partitionist, I welcome that.

Mr Storey: He is partitionist.

Mr Deputy Speaker: Order. I have witnessed shouting across the Floor. I will not tolerate it. Make your remarks through the Chair, nowhere else.

The Minister of Culture, Arts and Leisure: Organisations that are based in Northern Ireland will have to compete for funding with organisations that are based in Éire. As regards special consideration that might be given, as the implementation plan is developed, Foras na Gaeilge and its two sponsor Departments will give appropriate, due and full consideration to the organisations that are based in Northern Ireland. Interim funding for those core-funded organisations has been agreed until the end of 2010. I do not believe that additional protection is required.

The second question related to the value-for-money work that is being undertaken by the Ulster-Scots Agency. That work is under way. I do not have details of it to hand. I am happy to write to the Member to set that out for him.

Finally, with regard to the Member's question on the delay in bringing forward the strategy for the Irish language and the Ulster-Scots language and culture, that matter was not discussed at the meeting of the North/South Ministerial Council because it is purely a Northern Ireland matter. It is not a matter for the Irish Republic, Éire.

The Member wishes to know why there have been delays. The strategy has two key elements, which are the same as for any minority language anywhere in Europe. As the Member will be well aware, they are education and broadcasting.

I await a resolution of the education situation, and I require clarification on broadcasting so that we can move ahead on those matters. Once I receive a resolution from the Department of Education, we will be in a much better position to progress issues, which I have always been keen to do. There has been no delay on my part; the delay has been caused by matters that are outside my control.

11.30 am

Lord Browne: I welcome the Minister's statement. Will he explain what has caused the delay in publishing the North/South Language Body's annual reports and accounts?

The Minister of Culture, Arts and Leisure: The accounts for 2000 and 2001 — right back to the establishment of the North/South Language Body — were qualified by the Northern Ireland Audit Office. There was a delay in signing off the body's consolidated accounts, and that eventually happened in 2004. As a result of the delay, the 2000 reports and accounts were not published until 2005. Subsequent annual reports and accounts were also delayed, because the Northern Ireland Audit Office must audit accounts chronologically. The body's 2001 report was published in June 2006; the reports for 2002 and 2003 were published in May 2007; the 2004 report was published in February 2009; and the 2005 report was published in February 2010.

At the NSMC meeting on 26 May 2010, the Council requested a further progress report for the next NSMC meeting in language sectoral format. At the 26 May meeting, Ministers were advised that the consolidated 2006 draft accounts are expected to be cleared in June 2010 and will be laid in the respective Houses as soon as is practicable. Ministers also noted the progress that is being made on the annual reports and accounts for 2007 to 2009.

Mr McClarty: I thank the Minister for his statement and congratulate him on his pronunciation of the Irish Gaelic, which he spoke almost like a native. Obviously, his time spent with Minister Ruane has been very constructive.

The Minister mentioned the ongoing progress in improving the governance of the Ulster-Scots Agency. Is he now confident that the taxpayer is receiving value for money from the Irish language bodies that are funded by his Department? What ongoing assessment does his Department make of the value that society derives from those bodies?

The Minister of Culture, Arts and Leisure:

Support for the Irish language body comes largely from the Irish Republic — Éire — and the contribution from Northern Ireland is considerably smaller. The value and benefits that the Irish language and Ulster-Scots agencies bring to society have to do with the value of culture. What value do we place on our traditional cultures and on cultural diversity? I strongly believe that if we are to get the best value, whatever the language or cultural tradition, it must be done in the context of a shared and better future. That is why one of the key elements of the strategy that I will bring forward in the near future, once those other matters have been resolved, is the vision of a shared and better future.

For example, there are issues about co-operation and collaboration between the two parts of the cross-border language body that could be worked on and further enhanced. There are issues about creating better respect for, and recognition of, cultural diversity. If we are to get value, that must be at the heart of the matter. It is generally recognised that there is value in promoting cultural traditions, which is partly what makes Northern Ireland distinctive and contributes to our richness. If that is the case, the promotion of cultural traditions should be encouraged. Is the work of value? Is it of merit? I believe that it is, and I am sure the Member does as well.

Mr D Bradley: Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire as na freagraí a thug sé go dtí seo. Ba mhaith liom an cheist seo a chur air anois: arbh fhéidir leis an Aire — ós eisean atá freagrach as an Ghaeilge — a fháil amach ar son an Tionóil cad é mar a dhéanfar an £8 milliún atá ar fáil don teanga a dháileadh? Cé a dhéanfas an t-airgead sin a dháileadh? Cá huair a dháilfear é? Agus cad iad na critéir a úsáidfear lena dháileadh?

I thank the Minister for his statement. During the meeting, was there any mention of the £8

million that is available for the Irish language in Northern Ireland? Can he ascertain on behalf of the House how and by whom that £8 million will be dispersed, when it will become available to community groups and what criteria will be used in its dispersal?

The Minister of Culture, Arts and Leisure:

The money to which the Member refers is, I presume, the money that was handed over by the Government at Westminster. That money does not come through my Department; therefore, I have had no involvement in that.

Mr McCarthy: I thank the Minister for his statement. He referred to the introduction by Tha Boord o Ulstèr-Scotch of a new community workers scheme. Perhaps the Minister would like to elaborate on that. He also stated that the Council noted the improvement in corporate governance and accountability in the agency. I have been in the company of an individual who did some work for the Ulster-Scots Agency and was having difficulty getting payment for that. I hope that the improvement in corporate governance and accountability has not led to that individual being left without remuneration for the work that was carried out.

The Minister of Culture, Arts and Leisure:

The Member will, I am sure, agree that it is absolutely essential for any public body handling public money to have standards of governance that are as high as they can possibly be. I note that the Member nods in agreement with that; we are of one mind on that matter. Regarding the particular issue that has been brought to his attention, I suggest that that should be followed up in the normal way. If he wishes to write to me to raise the matter or raise the matter with the agency he can do so.

The Member also asked about the revised financial assistance scheme, which was introduced some time ago. Primarily, the scheme provides financial support for music and dance tuition and other forms of training to the Ulster-Scots community. We also reported that funding is available under the community workers scheme, and eight awards have been made to groups across Northern Ireland through that scheme. They have benefitted from it because it has enabled them to have some administrative support to enable them to take their programmes up to a higher level.

One of the key issues for me, which was highlighted by my predecessor Gregory

Campbell, is that of capacity building. We need to build up the community infrastructure, and that needs to be done incrementally. The scheme was a stage in that process. I said that the groups that received funding were based in Northern Ireland; I should have pointed out that Derry and Raphoe Action extends across the border.

Miss McIlveen: I thank the Minister for his statement. Have either he or his Department given any direction to the Ulster-Scots Agency on how it should proceed strategically?

The Minister of Culture, Arts and Leisure: It is important that an organisation has good governance and a clear strategy. Therefore, on receipt of the Ulster-Scots Agency's draft business plan for 2010, I commented on how it might improve its plans and priorities. I asked the agency to consider four main issues in developing further its 2010 business plan.

First, the primary focus of the Ulster-Scots Agency should be the high-level promotion of Ulster-Scots culture, heritage and language to local and international audiences. Secondly, the agency should have a target in its business plan to develop high-level strategies to ensure that its work is carried out strategically and that funding decisions are made in a clear, transparent and efficient manner. Thirdly, the agency should have high-level explicit targets in its business plan for the development of the Ulster-Scots community in respect of infrastructure and capacity. Fourthly, the agency has a key role to play in the cultural marketing of all things Ulster Scots. That will require proactively building practical working relationships with other public sector organisations, such as the Arts Council of Northern Ireland, NI Screen, and Craft NI. The high-level objective around that should be built into the business plan.

I would like to see the agency putting specific strategies in place to enhance and develop Ulster-Scots projects and activities and the appropriate funding being allocated to advance the themes. I believe that that is appropriate in areas such as fostering east-west relations with our neighbours and friends in Scotland. I am determined to ensure that the Ulster-Scots Agency is fit for purpose, that it delivers value for money, that it takes a strategic approach and that it reflects the needs of the community that it serves. The agency has given a commitment to review its publication strategy, or at least to

create one, and I am keen for that work to be taken forward.

Mr Leonard: Go raibh maith agat, a LeasCheann Comhairle. First, does the Minister accept that the lack of an Irish-language strategy is a serious issue and that the NSMC machinery has thought seriously about that, given that one of its major bodies is worried about it? Does he also accept that the last time that he was asked about the issue he said that it was only an education problem, whereas he said today that it is an education and broadcasting problem and that he needs more information? Those changing and evolving stories about why there is not an Irish-language strategy seep into the confidence of the community concerned, which honestly thinks that all the excuses for the lack of a strategy are simply a ruse and have more to do with a party position than a ministerial responsibility.

Secondly, as regards the specific issues raised at the meeting, will the Minister confirm to the Assembly the specific reasons for the lack of progress on some of the body's annual reports and accounts, given that we are still looking to its 2006 accounts in 2010? Will he give us information about where the problem lies specifically?

The Minister of Culture, Arts and Leisure: The first issue that the Member raised was not dealt with at the NSMC meeting, which I indicated earlier, and, in answer to a colleague, the Chairperson of the Committee for Culture, Arts and Leisure, I explained that there were reasons for that. One of those reasons was the fact that the strategy falls within the remit of the Assembly under education. I am keen to bring forward a strategy to the Assembly and the Executive that covers the Irish language and Ulster-Scots language and culture. Both of those will come together and be forwarded to the Assembly and brought to the Executive at the same time. I indicated that that strategy has been delayed because we needed to see some progress and commitment in the education system to the cultural rights of children from the Ulster-Scots community.

Rights are for everybody, and it is wrong that one cultural community in Northern Ireland should be denied its cultural rights. I am sure that the Member does not wish to see anyone being denied his or her cultural rights. We must ensure that there is progress in the field

of education, and that is an area on which I have been working. However, progress been somewhat slow. Nevertheless, I will continue to ensure that we get to the point where the cultural rights of the children from the Ulster-Scots community are accommodated and implemented in the education system. Members will be aware that the strategy is a cross-departmental one that requires buy-in, commitment and resources from a number of Departments.

11.45 am

I have previously dealt with the delay in bringing forward annual reports. There was a long delay at the beginning of the process, back when the North/South Language Body was established. However, we are now catching up and resolving those matters. That is slightly more complex than might otherwise be the case, because there are two parts to the body. Therefore, the accounts for Foras na Gaeilge and for the Ulster-Scots Agency have to be brought together.

Let me reassure Mr McClarty, who has now left the Chamber, that my pronunciation is very much assisted by the fact that people very kindly give me a phonetic explanation of how to pronounce some of the terms involved. I am very grateful to the people who do that.

Mr Shannon: I thank the Minister for his statement. He referred to the programme about 'The Hamely Tongue' that was on TG4 on 20 January 2010. However, I am concerned that TG4 had no presentation or promotion of the Ulster-Scots language before 20 January 2010 and there have been no Ulster-Scots programmes on TG4 since. I, and many other Ulster-Scots enthusiasts, of which there are many thousands, wish to see Ulster Scots promoted on TG4 and down South. Therefore, will the Minister tell the Assembly what steps he is taking to ensure that Ulster Scots finds the right balance and is promoted, and that the moneys are spent? Will Ulster Scots be promoted for its enthusiasts in the Republic of Ireland and Northern Ireland?

The Minister of Culture, Arts and Leisure: Some of the funding for TG4 programmes comes from the Irish-language broadcast fund and some of it comes from funding that is available from the Government south of the border. I am aware of the benefits of the TG4 programme, and I commend TG4 for commissioning, producing and broadcasting

it. My comments on the matter reflect the Member's own concerns and touch on the broadcasting issue that was raised earlier. We need to see progress by public service broadcasters on the delivery of Ulster-Scots broadcasting in Northern Ireland and the rest of the United Kingdom. At least there has been a programme on TG4.

Mr K Robinson: I am sorry that the Minister touched on that point before I could. The TG4 programme was filmed in my constituency in the area around Cairncastle. I was delighted to see that programme on TG4. As some of my colleagues know, I am an avid TG4 viewer. I missed my cowboy picture that night; however, I saw the Ulster-Scots programme. The programme highlighted for me the fact that Ulster Scots is so far behind the development of the Irish language. Does the Minister envisage that some of the issues that he has discussed and brought to the Assembly will help Ulster Scots to catch up with the Irish language?

The Minister made a point about broadcasting. Following on from Jim Shannon's question, what steps have been taken to ensure that the BBC and UTV, which appear to have endless resources to move to other parts of the Province, do something for the Ulster-Scots community?

The Minister of Culture, Arts and Leisure: I repeatedly met the BBC on the matter. Ulster-Scots organisations, including the Ulster-Scots Community Network — previously the Ulster-Scots Heritage Council — and the Ulster-Scots Language Society, along with individuals from the Ulster-Scots community, have strongly and repeatedly lobbied the BBC on the issue of broadcasting. Mark Thompson, the former chairperson of the Ulster-Scots Agency, has also repeatedly lobbied the BBC. However, to date, progress has been extremely limited. If my memory is faulty, I apologise, but I recall only two programmes about the Ulster-Scots language in the past decade. That is simply unacceptable and untenable, and it breaches the principles of equality and diversity that lie at the heart of a shared future. We have recognised diversity; let us have the equality. There are people in the Chamber who talk a great deal about equality. Sometimes, however, when it gets to the point of delivering equality, whether that relates to broadcasting for the Ulster-Scots community or to education issues, more work needs to be done.

Mr McGlone: Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire as ucht an ráitis sin. Baineann an cheist atá agam don Aire leis an phlé a bhí aige i dtaobh an fhóiraim agus i dtaobh Foras na Gaeilge lena chomh-Aire ó dheas.

I thank the Minister for his statement. My question relates to the Minister's discussion with his counterpart, Minister Carey, on the future of core funding for the Irish-language organisations that were mentioned earlier. Will the Minister elaborate on that discussion and tell us whether he underlined the different contexts in which some of those organisations work?

The Minister of Culture, Arts and Leisure: The approach is to move away from the extensive number of organisations for which core funding is almost ongoing towards ensuring that the organisations address the key priorities that Foras na Gaeilge identified; hence the identification of certain themes. Groups will then have the opportunity to tender for work in a particular sector.

Others are more familiar with the Irish-language world than I, although I am becoming much better acquainted with it. My impression, however, is that there has been duplication in the past, and, without identifying the exact location in the Republic, I will cite a simple example. Three organisations were located in the same place, and all were there to promote the Irish language. They occupied separate buildings and duplicated each other in a number of ways. Yet the point was made that people had nowhere to sit down, socialise and talk to people in Irish. That highlighted the need for a more strategic approach to identify the themes and to determine how the needs within those themes can be met.

As I said earlier, we must adopt a highly strategic approach to the emerging and developing Ulster-Scots community and to the existing Irish-language community. That is particularly true now that resources are coming under increasing pressure. Such an approach will benefit the Irish-language community in the long run.

Executive Committee Business

Budget (No. 3) Bill: Suspension of Standing Orders

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

That Standing Orders 31(d), 37, 39(1) and 42(5) be suspended in respect of the passage of the Budget (No. 3) Bill.

The Chairperson of the Committee for Finance and Personnel (Ms J McCann): Go raibh maith agat, a LeasCheann Comhairle. At its

meeting on 2 June 2010, the Committee heard evidence from senior Department of Finance and Personnel (DFP) officials on the Budget (No. 3) Bill. In addition to the normal request for accelerated passage, DFP sought the Committee's support in suspending several Standing Orders. The suspension of Standing Orders 31(d), 37 and 39(1) dispenses with the need for Further Consideration Stage, and the suspension of Standing Order 42(5) dispenses with the 10-day minimum requirement for completing all Assembly Stages.

The Committee did not consider the request lightly. In this mandate, there has been only one example of Standing Orders associated with the passage of a Bill being suspended. That was in March 2010 and was in connection with the Budget (No. 2) Bill, which provided legislative authority for the allocation of resources to the new Department of Justice. When moving the motion to suspend Standing Orders at that time, the Minister of Finance and Personnel outlined what he considered to be the exceptional circumstances that resulted in the need for a more restrictive timetable to enact the Bill.

That approach was in line with the Committee on Procedures' recommendations in 2002, which came about as a result of the only formal review of the Assembly's legislative process. The review recommended that, when the Executive needed to introduce emergency legislation, the Standing Order that requires a minimum of 10 days for a Bill to pass all its required stages should be suspended. At that time, the view of the Committee on Procedures was that only emergency Bills should pass in less than 10 days.

After an evidence session on 2 June 2010, the Committee for Finance and Personnel agreed to consider the matter further at its meeting of 9 June. At that meeting, the Committee

received advice from the Clerk Assistant on the procedural considerations around the Department's proposal for the suspension of Standing Orders. It also took evidence from DFP officials, during which Committee members noted the Department's argument that the suspension of Standing Orders is to ensure that the opening position of 2010-11 be approved by the Assembly as quickly as possible and before the June monitoring round, which will amend the opening position. Therefore, Committee members sought to establish whether the suspension of Standing Orders was necessary to ensure that the Bill progress through the Assembly before the summer recess and that it receive Royal Assent by 31 July 2010. Committee members also queried how the current circumstances differ from previous occasions and, particularly, why the process was running slightly behind schedule compared with previous years.

The Committee is aware of the potential consequences for Departments' spending and public services should the Bill not progress through the Assembly before the summer recess and receive Royal Assent by 31 July 2010. In that context and after careful consideration, the Committee agreed to support DFP's request to dispense with Further Consideration Stage by suspending Standing Orders 31(d), 37 and 39(1). It also agreed to the request to suspend Standing Order 42(5) so that the Bill can pass all its legislative stages in less than 10 days. However, I emphasise that the Committee's support for the suspension of the said Standing Orders in this instance is conditional on its not being regarded as setting a precedent for applying such measures to future Budget Bills.

The Committee is conducting an inquiry into the Assembly's role in scrutinising the Executive's Budget and expenditure. The plenary process that is associated with the Budget and Estimates forms part of the inquiry's considerations, and I do not wish for the outcome of any aspect of that work to be pre-empted. That said, on behalf of the Committee, I support the motion.

The Minister of Finance and Personnel: I thank the Chairperson for her remarks. I also thank the Committee for agreeing to the suspension of Standing Orders to enable the Bill to pass more quickly.

I want to make a number of points to provide assurances. I know that the Committee has been provided with assurances, but they bear repetition in the House. We are at the end of what has been a long process for this Budget Bill. We recently had extensive discussions about the Budget. The Committees discussed it and, on 20 April 2010, the revised programme of expenditure for 2010-11 was debated in and approved by the House. The Supply resolutions were, of course, debated for about four hours yesterday, during which the contents of the Budget (No. 3) Bill were also reflected. Therefore, extensive discussions about the Budget (No. 3) Bill have taken place in the House and in Committees.

Secondly, the passage of Budget Bills is recognised as something unique. That Standing Order 42 makes provision for the exclusion of the Committee Stage and for accelerated passage for Budget Bills indicates that they merit special consideration.

Thirdly, there is limited scope at this stage for amendments to be made to the Bill. Indeed, it is my understanding that the only amendments that could be made at this stage are those to provisions on borrowing powers, and I suspect that it is unlikely that any amendments along those lines will be proposed.

12.00 noon

For all those reasons, the request for accelerated passage is not unreasonable. There has been extensive debate, the Assembly recognises the uniqueness of Budget Bills, and the possibility of amendment is fairly limited. One other point to make is that suspending Standing Orders in this way will not in any way limit the Assembly's ability to debate the Budget (No.3) Bill, because there is no time limit on the debate. Therefore, the suspension of Standing Orders and the reduction of this stage to eight days should not impair Members' ability to give their views on the Budget (No.3) Bill.

As the Committee Chairperson mentioned, were there to be any delay in passing this legislation, we would find ourselves in a situation where the time for getting Royal Assent to the Budget (No.3) Bill would be tight. That would have implications for Departments. The Bill would also be overtaken by the June monitoring round, so changes would be made to the opening position before the Bill had even received final approval from the Assembly. I think that that

would be discourteous to the Assembly. The Committee Chairperson mentioned that we have inherited our timetable from direct rule and that it has operated over decades. There has been some delay this year, and we all know that the special considerations that had to be taken into account caused the delay in getting the draft Budget and the whole process started.

I hope that, as we engage with the Committee in examining the Budget process, we will be able to work out a method of dealing with Budget Bills, perhaps without the vain repetition that is sometimes made. We need to look at that. Members spoke about it in yesterday's debate, and they may do so again today. As we look at the Budget process, I hope that the need for accelerated passage and the suspension of Standing Orders becomes less frequent in future.

I thank the Committee for its support and understanding. I hope that the explanations that I have given to the Committee and now to the House will enable Members to vote for the suspension of Standing Orders for this Bill.

Mr Deputy Speaker: Before we proceed to the Question, I remind Members that this motion requires cross-community support.

Question put and agreed to.

Resolved (with cross-community support):

That Standing Orders 31(d), 37, 39(1) and 42(5) be suspended in respect of the passage of the Budget (No. 3) Bill.

Budget (No. 3) Bill: Second Stage

The Minister of Finance and Personnel

(Mr S Wilson): I beg to move

That the Second Stage of the Budget (No. 3) Bill [NIA 26/09] be agreed.

I will confine my remarks to a few main points and the general principles of the Bill. The debate follows the Assembly's approval yesterday of the Supply resolutions for the expenditure plans of Departments and other public bodies, as outlined in the 2010-11 Main Estimates and the approval of two Excess Votes for 2008-09.

It is worth restating that the 2010-11 Main Estimates and, therefore, the Bill reflect the Executive's revised 2010-11 spending plans approved by the Assembly on 20 April 2010, as well as the demand-led annually managed expenditure (AME).

Following on from the Vote on Account on the Budget Bill of 2010, the Budget (No. 3) Bill provides the balance of cash and resources to complete the requirements of Departments and public bodies for the opening plans for 2010-11. As pointed out yesterday, the Bill does not make provision for the new Department of Justice, the Office of the First Minister and deputy First Minister or the Public Prosecution Service. Full-year provision for those Departments was made in the Budget (No. 2) Act (Northern Ireland) 2010, which was passed by this Chamber prior to the Easter recess.

As Members are well aware, accelerated passage is needed for logistical reasons and to ensure that Royal Assent is achieved prior to the summer recess. In addition, the legal authority that the Bill confers on Departments and other public bodies to spend the cash and use the resources will ensure a seamless continuation of public services for the remainder of 2010-11. I am glad that the Bill can be given accelerated passage because the Committee for Finance and Personnel has confirmed that, in line with Standing Order 42, it is satisfied that there has been appropriate consultation with it on the public expenditure proposals in the Bill. On several occasions during the formation of the Executive's revised 2010-11 spending plans and in recent weeks, the Committee took evidence on the Main Estimates, the Statement of Excesses and the Bill. Once again, I am grateful to the Committee for its assistance.

The purpose of the Bill is to give full legislative effect to the 2010-11 Main Estimates and the 2008-09 Excess Votes approved through Supply resolutions yesterday. Copies of the Main Estimates volume, the Statement of Excesses, the Budget (No. 3) Bill and the explanatory and financial memorandum have been made available to Members.

For the benefit of Members and in accordance with the nature of Second Stage debates as envisaged under Standing Order 32, I will briefly summarise the main features of the Bill. The purpose of the Bill is to authorise the issue of a further £7,019,163,000 from the Northern Ireland Consolidated Fund and the future use of resources totalling £7,569,483,000 by the Departments and certain other bodies listed in schedules 1 and 2 to the Bill. Those amounts are in addition to the Vote on Account that the Assembly passed in March. The sums to be issued from the Consolidated Fund are to be appropriated by each Department or public body for services as detailed in column 1 of schedule 1 to the Bill, while the resources are to be used for the purposes specified in column 1 of schedule 2 to the Bill. In addition, the Bill sets the limit on the use of accruing resources, both operating and non-operating, for 2010-11, and column 1 of schedule 2 specifies the purposes for which they may be used.

After the Bill receives Royal Assent, the Department of Finance and Personnel will, under section 8 of the Government Resources and Accounts Act (Northern Ireland) 2001, lay a minute in the Assembly that specifies the accruing resources within the limits set in the Bill and that directs their use.

Clause 2 authorises the temporary borrowing by the Department of Finance and Personnel of £3,509,581,000, which is approximately half the sum authorised by clause 1 for issue out of the Consolidated Fund. That limit prudently allows the Department of Finance and Personnel to manage the cash throughout 2010-11 efficiently and effectively. However, I stress that it does not provide for any additional cash to be paid out of the Consolidated Fund or convey any additional spending power. The daily management of the cash is an important function of DFP to ensure the daily supply of cash to Departments that enables services to be delivered, while ensuring the minimum drawdown of the Northern Ireland block grant.

Clause 5 makes good the excess of £16,272,049.74 from the Consolidated Fund for the year ended 31 March 2009 and appropriates it for services by the Department for Employment and Learning and the Department of the Environment, as detailed in column 1 of schedule 3. In its eleventh report of this session, the Public Accounts Committee has recommended, on the basis of its examination of the reasons for the excesses, that the Assembly provide the necessary amounts by means of an Excess Vote. Clause 6 removes from the statute book the Budget (Northern Ireland) Order 2007 and the Budget Act (Northern Ireland) 2007, which are no longer operative.

As I stated earlier, in addition to the two Excess Votes, the Budget (No. 3) Bill reflects the additional cash and resources required at this stage of the financial process to enable the delivery of Departments' detailed spending plans, as set out in the 2010-11 Main Estimates, which were approved yesterday. As discussed in yesterday's debate, this opening position for 2010-11 has already been undermined by the Chancellor's announcement on 24 May. Difficult monitoring rounds lie ahead in deciding how to manage the reduction in our block grant and dealing with emerging pressures during the remainder of the financial year. At the same time, the Executive and the Assembly need to develop plans for the next Budget period, 2011-14. An extremely busy and challenging few months lie ahead. On that note, I will not take up any more valuable debating time on the substance of the Budget (No. 3) Bill, but I will be happy to deal with any points of principle or detail that Members wish to raise.

The Chairperson of the Committee for Finance and Personnel (Ms J McCann): Go raibh maith agat, a LeasCheann Comhairle. I will first speak on behalf of the Committee, but then I will make some comments on some of the debates that have been ongoing, particularly yesterday.

At its 2 June meeting, the Committee for Finance and Personnel took evidence from senior DFP officials on the Budget (No. 3) Bill, the general principles of which are being debated today. The Committee took further evidence from departmental officials on 9 June, but that session primarily focused on matters of process. As outlined, the Bill provides for the balance of cash and resources required to reflect departmental spending plans in the

2010-11 Main Estimates, which, in turn, are based on the Executive's revised 2010-11 spending plans, which were approved by the Assembly on 20 April.

The Bill does not include provision for the Department of Justice, the Office of the First Minister and deputy First Minister or the Public Prosecution Service, as the Main Estimates for those Departments have been approved as part of the process for devolving policing and justice.

The Budget (No. 3) Bill also includes provision for excess cash requirements by the Department for Employment and Learning and the Department of the Environment for 2008-09 that were not anticipated in the 2008-09 spring Supplementary Estimates. The Committee noted that this matter had been considered by the Comptroller and Auditor General and by the Public Accounts Committee, which recommended that the necessary sums be provided by Excess Votes in the Assembly. The relevant Statutory Committees have been informed.

The Committee is aware of the potential consequences for departmental spending, should the Bill not progress through the Assembly before the summer recess and receive Royal Assent in July. In that context, the Committee agreed that the Bill could proceed by accelerated passage, on the basis of being satisfied that it had been consulted appropriately on the Bill's public expenditure proposals, in accordance with Standing Order 42(2). On 11 June, I wrote to the Speaker to confirm that.

12.15 pm

The Committee is mindful of the concerns raised by other Statutory Committees about the lack of engagement by their respective Departments on the review of departmental spending plans for 2010-11. Therefore, before approving accelerated passage for the Bill, the Committee sought assurances from the Minister that steps will be taken to ensure that consultation and transparency are improved for future Budget processes. I am aware that the Minister shares the Committee's frustration with the varying degrees of engagement and consultation between Departments and their respective Committees. Therefore, I welcome the Minister's call to his Executive colleagues to engage early and meaningfully with their Committees and his call during Question Time

yesterday for Ministers to work collaboratively with their Committee when bringing forward proposals during the Budget 2010 process.

The Committee will soon publish its report on the second part of its inquiry into the Assembly's role in scrutinising the Executive's Budget and expenditure. The report is intended to be a positive and useful contribution to the discussion on the Budget process. I reiterate the Committee's long-standing appeal for a formalised Budget process that details the timing of various events in the Budget cycle. The pressures on public spending, which are likely to increase following the British Chancellor's Budget statement next week, add weight to the need for a formalised Budget process that is transparent, allows for full public consultation and fully respects the House's role and processes in Budget and financial scrutiny. Strategic decisions can be made only if the Executive adopt a medium- to long-term approach, and that can only be done effectively when proper processes are in place.

With respect to the more immediate issue that is before us, on behalf of the Committee, I support the general principles of the Bill.

I turn now to cover some issues that were brought up in the debate yesterday. I am conscious that I have a view that we would be in a better position if we had more fiscal powers. However, I do not want to get into that subject today. I also have a view about an all-island approach to the economic situation here. In yesterday's debate, the Minister asked quite a lot for Members who were calling for new spending to tell him where the money would come from. I want to touch on a few ways in which the Minister and the Executive could use public spending more strategically.

I have already spoken here about public procurement, but I want to touch on it again. Public procurement accounts for one quarter of the Executive's total spend each year. When that is combined with local government spend, we are talking about upwards of £3 million a year. That level of expenditure is an important lever that could be used more strategically as a tool to support long-term social and economic well-being, particularly in a time of economic recession when public expenditure is even more constrained. We need to really drive that and use public procurement in that way. The Executive and the Assembly can create a public

procurement environment that assists smaller enterprises in our communities in realising their full potential. That includes the social economy sector, because it could maximise the economic and social impact of public procurement.

I also want to talk about the social values of procurement, and I know that that subject has been brought up here in recent weeks. If we put that in public procurement contracts, particularly in construction, employment opportunities can be created for the long-term unemployed and apprenticeships can be created. I am mindful that a lot of young people are leaving school. Skills and education are important, but a percentage of those young people will leave school with no formal qualifications and go into hands-on, practical work. We need to look after them by creating apprenticeships. It would be much more meaningful if it was put in the contracts in a social way, and targets should be set for that.

We have talked a lot about poverty and about the different strategies that have been brought together to alleviate it. In the Welfare Reform Bill debate yesterday, I noticed that child poverty was mentioned quite a lot, especially the increase of severe child poverty in our society. We need to target the money in a more strategic way so that it goes to families who need it, particularly low-income families with children who live in poverty. Look at fuel poverty: we need to have a staged process of social tariffs for the elderly and for low-income families with children who suffer from poverty. We need to look at the way in which we pay the winter fuel payment. Does everybody need it? Can we not have a more focused view and give it to the people who need it? We need to look at the ways in which we spend our money because there are better ways to do it. We need to have a more targeted approach.

To finish, I want to touch on the likes of banking and lending. Again, we have talked about that here. Smaller businesses are being squeezed by banks. They are not lending them money, and they are looking for their money back. The banks are putting people out of business and work. There is a real opportunity for the Executive in respect of the credit unions. We have talked about this, and I know that legislation is going through Westminster. However, it does not have the part that is needed, whereby credit unions could reinvest in communities and social economy enterprises, such as housing

associations, which can build social housing for people. We could make a difference to people's lives. We need to look at how we are spending our money and adopt a more targeted approach. We need to target the people who need it. I am just touching on headlines, but I wanted to bring that in because it was brought up at the debate yesterday. I am sure that other Members will think of other ways to help.

We need to create employment opportunities, we need to regenerate communities right across the North, and we particularly need to target families who are in poverty and people who live in areas of deprivation and disadvantage.

Mr McQuillan: I welcome the opportunity to speak on the Bill as a member of the Finance and Personnel Committee and as a Member for East Londonderry. The Bill will see the transfer of the remaining moneys until the end of the financial year, which is March 2011, to the Departments and associated agencies. Although tedious, the Bill is obviously necessary, as it grants the Minister of Finance and Personnel the authority to do that. If we do not approve the Bill, Departments and all other agencies will not be able to function and will grind to a halt.

This side of the general election, things are a little clearer. The Tory-Liberal Democrat rainbow coalition Government will be one of cuts, sacrifice and depression. Obviously, they are not a Government who have come to power with a great wave of support behind them. They have lacked the flag flying and cheering crowds that New Labour had when it came to power in 1997. The Government will be very unpopular, and I, for one, do not agree entirely with their strategy. There will probably be people jeering and protesting on the streets before long.

We in Northern Ireland are now expected to take our medicine and take our share of the burden. That seems most unfair given the fact that everyone will have to suffer the burden of debt and increases in taxes and the cost of living because of the mismanagement and greed of the bankers in the City, who gambled away their money only to be bailed out by the taxpaying public. Despite the mess that they made, they still get bonuses while the ordinary person will suffer. We have been given the option of deferring any cuts until next year, but we should start to make the savings now, as we are unsure of what Westminster will expect of us next year.

The next few years offer much uncertainty, but we must look to the future. The focus for the remainder of this financial year must be on rebuilding the economy, creating jobs and preparing the younger generations and those out of work for the future. My main focus is on education and training, as well as on assisting businesses and encouraging investment. It is important, therefore, for the Department for Employment and Learning, the Department of Education and the Department of Enterprise, Trade and Investment to work together to prepare a workforce for the future.

We also need to capitalise on tourism. I represent one of the most beautiful parts of Northern Ireland, and tourism has been vital to its development. The area has hundreds of bed and breakfasts, several hotels and many self-catering cottages and apartments. I want my constituency and Northern Ireland as a whole to get the most out of tourism. It offers long-term benefits and payback on investment, because tourists spend money and contribute to the economy. I support the Bill.

Mr Deputy Speaker: The Business Committee has agreed to meet immediately upon the lunchtime suspension. I propose, therefore, by leave of the Assembly, to suspend the sitting until 2.00 pm, when the first Member to speak will be Mr David McNarry.

The sitting was suspended at 12.26 pm.

On resuming (Mr Speaker in the Chair) —

2.00 pm

Assembly Business

Resignation of Mr Ian Paisley Jnr

Mr Speaker: I advise the House that I have received a letter from Mr Ian Paisley Jnr, notifying me that he will resign as a Member of the Assembly with effect from Monday 21 June 2010. I have notified the Chief Electoral Officer, in accordance with section 35 of the Northern Ireland Act 1998.

Executive Committee Business

Budget (No. 3) Bill: Second Stage

Debate resumed on motion:

That the Second Stage of the Budget (No. 3) Bill [NIA 26/09] be agreed. — [The Minister of Finance and Personnel (Mr S Wilson).]

Mr McNarry: Having received such news, I am not sure whether I should congratulate the Member for North Antrim on his decision to resign, but I hope that I will see him in the corridor and have a word with him. It is not often that one gets an opportunity to say something in these circumstances, but I have always found Ian Jnr to be someone whom I could talk to and someone who would listen most of the time. I wish him well. He will be a loss to the House, and one waits to see who his successor will be.

When speaking on yesterday's Supply resolution motions, the Minister said:

"Ordinary people in the street recognise that any reduction in the amount of money coming in every week requires them to make certain decisions, such as whether they stop going out for meals. People who want to go on holiday may decide not to buy a new car or something for the house. That elementary concept seems continually to escape Members. Sometimes, they simply want to list their favourite things on which money should be spent, even adding those to what we spend on at present. If we were to go down that route, our only choice would be to raise the taxes that are available to us in Northern Ireland." — [Official Report, Vol 53, No 1, p51, col 1].

In a profound way, the Minister's comments yesterday set the tone not only for this debate but, in a fundamental way, I hope, for all our thought lines as we enter the most difficult economic times that many of us will ever experience.

I respectfully contend that sharing and understanding the impact that decisions made in London will have on ordinary people here is not beyond any Member. However, we must also consider the home-made impact and the made-in-Stormont errors on spending, and it is surely not beyond the wit of any Member to recognise that we cannot afford to grow the litany of spending errors as we have been doing. It is not that we could have afforded them in the first place, but if we are to tighten our economic belt, we must cut out the errors and mistakes.

Our Budget this year will be considered against the backdrop of a fast-moving political situation in Westminster, with the United Kingdom Budget, which is the first of the new coalition Government, just six days away. Only yesterday morning, the new Office for Budget Responsibility said that the previous Chancellor, Alistair Darling, made an over-optimistic economic growth forecast of 3% for 2011. That office has scaled the growth prediction down to 2.6%, which translates into billions of pounds of potential further cuts. The statement from that office will surely set the tone for next Tuesday's Budget, and, put simply, it means that there is a larger hole in the public finances than was previously thought. To what extent is the Minister aware of the figures that the Treasury is crunching at the moment? Has he been in touch with the Treasury about the matter, given that it arose only yesterday? How bad does he think things look?

This Minister in particular will appreciate that I could not allow yesterday's press reports about his recent Executive paper on the cost to other public services of postponing water charges to pass me by. Those stories reportedly included a table with calculations based on the assumption that full water charges would be available to the local Administration from 2011-12. It was also reported that his party leader, the First Minister, demanded that the document be withdrawn and redrafted. Will he confirm the accuracy of those press reports? For the sake of the House, will he also confirm whether Sinn Féin shared the First Minister's view and also rejected the paper?

I now turn to what lies ahead. The Finance Minister may now realise the scale of the problem that we are dealing with, but what worries me is that he may well be a lone voice in the upper reaches of the DUP/Sinn Féin partnership. Does he believe that his fellow DUP and Sinn Féin Ministers really have a grasp of the seriousness of the financial situation that we are in? The situation is too serious for anyone to be playing their usual game of delaying situations.

The Minister of Finance and Personnel (Mr S Wilson): The Member always provokes me into intervening. He talked of the grasp that members of the Executive have of the budgetary considerations that we will have to face. Is the Member aware of and does he support the calls from his own party to exempt 50% of the Budget available to us in Northern Ireland from

any of the savings and cuts that will have to be found in the future? Does he understand the impact that that is likely to have, especially on Departments that are designed to grow the economy, particularly the private sector, which will be important in getting us out of the present problems?

Mr McNarry: I thank the Minister for his intervention. I am sure that I will deal with what he said about exempting 50% of the block grant from cuts.

To clarify: I did not query whether members of the Executive have a grasp of the seriousness of the situation. I was quite specific and asked whether or not his fellow DUP and Sinn Féin Ministers have a grasp of the seriousness of the situation. I said that because it would be very serious if anyone was playing their usual game of delaying situations. The way in which the decision on RPA was arrived at late last night illustrates how continual delays can compound a situation.

Is the Minister going to do the bidding of the First Minister and the Regional Development Minister — as was mentioned in the press reports that I referred to — or, like the rest of us, is he waiting for responsible action on water charges to flow down to a public who want to know whether they should ration their budgets, as he suggested earlier on? Indeed, are we thinking — surely not — that the public may be thinking that they need to ration their water usage?

When I last spoke on the Budget, on 15 February, I did so in anticipation of major public sector spending cuts. The first tranche of those cuts has arrived, and Northern Ireland's share is some £128 million. That is on top of the £393 million of locally generated cuts that the Finance Minister is already imposing on all the Northern Ireland Departments, which are due to the black hole that he denied existed for a year and a half. That gives a running total of some £521 million of cuts for the current year. That is before the main body of cuts to our block grant arrives as part of the pain that the Prime Minister and others have said we will have to share with the rest of the United Kingdom. I mention that because, at the time of the last Budget vote, I asked the Minister to look at establishing a new method of managing and prioritising all government programmes in Northern Ireland, across all Departments. I hope that more

frequent in-year monitoring rounds might be possible, given the increasing sophistication of financial management information systems. That would enable a more robust, flexible and speedier response to emerging situations than has previously been possible.

It remains my view that we may have to move towards a more sophisticated common overall priority system, based on a common scale for all government spending programmes. That would place every government programme across all Departments on a common weighted scale. Pre-agreed ratings would be applied for key pre-agreed substantive elements of all programmes, with relative weights for politically pre-prioritised factors, such as healthcare, job creation and social need, which are intrinsic to those programmes.

The Minister asked for some ideas. I think that I have been giving him food for thought, and I shall now put some ideas in his direction. The Assembly will not —

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

Mr McNarry: Yes.

The Minister of Finance and Personnel: I need clarification, because I am genuinely intrigued by what the Member means by attaching weightings to particular aspects of the Budget. How does that differ from our policy of setting priorities in the Programme for Government, which are then reflected in the budget allocations that the Assembly makes? For example, our top priority is growing the economy, our second priority is health and so on. How does the Member's idea of introducing weightings differ from that?

Mr McNarry: I am glad that I have caught the Minister's attention. When I was talking about the black hole, his facial expression seemed to be one of confusion rather than laughter. I am rather used to both those expressions on the Minister's face. Nevertheless, they are still difficult to read.

The Minister of Finance and Personnel: It was derision about the black hole.

Mr McNarry: That is your view, but I am still right on it, Minister.

I will address the Minister's question on clarification. It is important that I develop my

argument, and I say this to help the Minister. When discussing relative rates and factors that need to be prioritised, the Assembly will not and should not tolerate a priority that would reduce the money available to, for example, health services simply because that is what we need to do. I am talking about the type of corporate behaviour that the Chairperson of the Committee for Finance and Personnel, Jennifer McCann, mentioned in reference to the Minister's comments yesterday. Such behaviour should take place in the Executive if, in deference to Mr Farry, it really is a five-party coalition.

Those weightings could either be on a numerical scale or on a system of banding so that discussions on spending cuts could be taken and be seen to be taken on a fair and equitable priority basis across all Departments. That system would prevent the political nightmare scenario that can emerge under the current system and which must be devilish for the Minister. The current system relies on departmental cuts as opposed to overall cuts that are imposed suddenly in a blaze of publicity in a headline-grabbing announcement by the Minister. That mechanism is, at best, destabilising to the entire system.

The system that I propose would avoid a situation arising that the public do not understand, in which, for example, a football club might get a new ground while a hospital ward anywhere in the country might be closed simply because separate Departments happen to administer those areas in such a way. In such a scheme, the Health Minister would be able to convince ministerial colleagues that health is a spending priority and of the merits of sustaining spending. It would be a more professional and more corporate way to handle the new climate of cuts that we face as a regional Administration. The emphasis on that point is that we face the cuts as a regional Administration.

I will give way to Ms Ní Chuilín, and I see that the Minister wants in again.

2.15 pm

Ms Ní Chuilín: I thank the Member for giving way and appreciate that he needed to make his point before doing so. He has partly answered my question. If the Member is suggesting that we take a corporate approach to spend here, does that mean that, for example, the Department of Health, Social Services and Public Safety might take money from the

Department for Employment and Learning rather than the Department for Employment and Learning cutting its own spend and, in turn, returning the surplus to the Executive to be spent on health? I am not on the Committee for Finance and Personnel, but my understanding of the kernel of the Member's argument is that we should direct money to where the objective need is rather than allow Departments to, for example, put in 20 inescapable bids.

Mr McNarry: I thank the Member for picking up on that. If she allows me to develop my point, I hope that it will answer that question.

The Minister of Finance and Personnel: I thank the Member for giving way again. I know that the Member wants to produce some fresh ideas, and I always welcome fresh ideas and new approaches to allocating the Budget better. However, I am at something of a loss to understand his point. He used the term "weighting" instead of "priority", and he outlined how he believes those weightings should be used. However, if he considers last year's Budget arrangements when we made the reallocations — they were not cuts; I want to emphasise that point — he will see that that is exactly what happened. For example, because of the priority or — I use the Member's terminology — the weighting that was attached to it, the Health Department had the lowest reduction of all. The fact that OFMDFM and DCAL had the highest reductions shows that I was not being partisan with the Budget allocations. Both Departments, which have lower priorities or weightings, received a 5% reduction in current spending, whereas the Health Department was subject to a 2.1% reduction. Therefore, DFP and the Executive already corporately use the kind of system that the Member describes when looking at how Budget changes might be made.

Mr McNarry: I heard what the Minister said yesterday and what the Chairman said earlier about developing a corporate mentality in here. I know that the Minister and other Members may think that I am focusing on health because my party holds the health portfolio. That is not the reason. I am doing so because I believe that health is the priority and the House also recognises it as a priority. I do not want to get involved in the departmental changeover through the party system or through the fiefdoms that we have, and I do not want Members to focus on Departments that their party is in charge of. That happens too often and is part

of the difficulties that beset the Executive's performance. What I am saying is "Let us have the corporate identity that I am talking about, but let us cement it". That might become clearer as I move on.

It is helpful that we are discussing this issue under a Budget motion. Such a scheme would mean that there would be no delays. That is crucial. There would be no delays to the cuts that are deemed necessary, because all spending programmes would be on a scheduled, prioritised list. When the axe needs to be wielded, it would be immediately clear where it needs to fall first. That needs to be clear to everyone. There would be no delays, such as those that are occurring at present because the Finance Minister is refraining from action — he cannot deny that — until he discovers the division between capital investment and current expenditure from the Treasury.

I will also throw some questions back at the Minister, because he has been asking me questions. I would like to raise the issue of the real state of in-year monitoring. Some comments that the Minister made recently seem to contradict what he said earlier in the year to the effect that in-year monitoring had less and less money in it because of the increasing efficiency of departmental spending. Departmental officials highlighted the inadequacy of the ad hoc system of unplanned underspends as a proper, defensible or efficient means of redistribution among Departments. Yet the Minister's initial reaction to the spending cuts announced by the new Government was to say on 24 May to the BBC:

"We knew it was coming down the line and when departments surrender money through the year as they inevitably do, we can maybe use some of that to offset these cuts that have been imposed on us."

I would like the Minister to tell us how that sits with his earlier statement that in-year monitoring was producing less and less money because of greater departmental efficiency.

As a member of the Finance Committee, I think that it does a very good job in scrutinising budgets. However, the Scottish Parliament last year set up a financial scrutiny unit in its research and support services to enhance its Parliament's ability to examine the fine detail of government spending proposals. As a member of our Finance Committee, I would strongly welcome the availability here of such sound

independent analysis, especially in the current tight budgeting environment. I am sure that the financial scrutiny unit will come up in the House in later discussions, and I hope that a proposal or motion will come out of it. I hope that the Finance Committee will be the driver for that; however, I am flagging it up now so that the Minister will consider it. He should ask for details of that unit if he has not already done so.

I will finish by reflecting on the headlines in today's 'Belfast Telegraph' that the free ride is over. Mike Smyth correctly acknowledges the annual spending gap of £7.3 billion between the public services that Northern Ireland consumes and the taxes paid. What does that mean for us? A significant gap will remain, because that is the benefit to us of being part of the United Kingdom. We must always respect that spending, and we must always act responsibly towards it. However, as we know, things will become more difficult, which means that we must mature as an institution in order to hold the mature debate that the Minister would like.

We must be prepared to take tough decisions on water and even support the Minister if he tells us what happened between him, the First Minister and the Minister for Regional Development in relation to what he wanted to do on water and what they would not let him do, because he has the advantage of us all: he can say that something went on in the Executive, but he knows that the rest of us are not privy to that information because it is confidential. He may tell his party what goes on at Executive meetings, but I assure him that our Ministers do not betray that confidence with us.

In tightening up those things, we must not lose sight of our original priority, which was to grow the economy. Therefore, we must make Northern Ireland a viable place, through growing our private sector. In saying that, I note that reducing corporation tax has also been making the headlines this morning as a kick-start to that revival, and I humbly welcome the fact that others are finally getting on board with the Ulster Unionist Party's core messages of fiscal responsibility and real policies to grow the private sector.

As politicians, we need to start working together to ensure that Northern Ireland comes out of this period in a stronger position. However, the events of yesterday and the collapse of local government reform will not give the public much

hope. I challenge the Minister to outline today the process that the Executive intend to follow to deal with the inevitable difficult decisions that are coming down the line, because that is what the House needs to hear.

Mr D Bradley: Go raibh maith agat, a Cheann Comhairle. The Member who spoke previously referred to today's 'Belfast Telegraph' headlines. However, yesterday's 'Belfast Telegraph' headlines reflected what I had to say here yesterday regarding the £300 million backlog in school maintenance. That is an indication that there is deep concern in the community about the issue. It is an issue that I have highlighted time and again, not only on the Floor of the House but at the Education Committee.

Yesterday, the Minister of Finance and Personnel told us that, since 2006-07, which was a year of direct rule, spending on capital schemes had increased by around 28% and that 25 schemes totalling around £700 million had been completed by then. That is good; I welcome that investment. However, I notice from the figures on capital spend that the Education Committee received from the Department that the projected spend for 2010-11 tells a far less pleasing story. It is a story of a year-on-year reduction of 33.2%. Given that £100 million is needed for essential health and safety work in schools and that there are 600 applications in the pipeline to the value of £45 million for minor works, the £10 million bid by the Minister in June monitoring will not make much of a dent in the overall requirement.

The Minister of Finance and Personnel: The Member is correct that there has been a reduction in the capital budgets. I think that the reasons for that, namely the fall in capital receipts on which some of the capital spend was predicated, have been well rehearsed. Does the Member recognise that building costs have dropped substantially? In fact, many capital projects are coming in at 20% less than the 2007-08 and 2008-09 prices. Therefore, in real terms and on the ability to deliver projects, the gap is not as large as the Member has described.

Mr D Bradley: I thank the Minister for his intervention, and I sincerely hope that what he says is true. There is still quite a gap. Primary schools are probably worse off than the post-primary phase, because the majority of investment over the past 10 to 15 years has

been in post-primary schools and the grammar school sector in particular. I think that we are seeing further slippage in the Executive's investment delivery plan. That cannot be satisfactory to the Executive, considering that the economy is one of their priorities, as the Minister said, and capital schemes impact positively on the economy, especially on the building sector.

2.30 pm

As I said, there is deep concern in the community, and not just among school groups that await newbuilds. Indeed, the Education and Training Inspectorate commented adversely in several reports on conditions that teachers and pupils in some schools endure. Furthermore, the Health and Safety Executive expressed concern over schools that have been inspected and found to be below acceptable standards. Therefore, urgent work needs to be done.

Earlier in 2010, consultation took place on the way forward for special educational needs and inclusion. I must say that that was one of the most controversial consultations that the Department of Education ever conducted. In fact, it was so controversial that the deadline for submissions to the consultation had to be shifted at least twice in order to ensure that all interested parties had time to respond.

Among all the advocacy groups that represent children with special educational needs, it was difficult to find even one that supported the introduction of the proposals. I note that, even though the consultation has finished, responses to it have not been analysed yet, nor have they been shared with the Committee for Education. Despite that, the Minister proposes to spend £25 million on capacity building at a time when teaching posts are in danger; literacy and numeracy teams are having to be dismantled; and special teaching assistants' posts are in question.

We are told that £8.5 million is to be spent in each of the three years 2010-11, 2011-12 and 2012-13 as a result of the findings of the review of special educational needs and inclusion. As I said, that process of review and consultation has not finished. At this stage, even though the Department of Education has allocated considerable resources, it cannot tell the Assembly in detail how it proposes to spend that money. On the one hand, the Department says that the money is being spent as a result

of the review's findings. On the other hand, it is unclear and vague about developments that might emerge from the review.

I ask whether there is enough clarity in the Department's thinking to warrant spending such a large resource on something that is shrouded in controversy and about which the Department itself is so unsure. Surely there is a strong case to be made for waiting until the consultation phase is properly completed. The Department should then assess on that basis what is needed, how much it will cost and how money should be spent.

If the Minister does not do that, what is the point of consultation when the intention is to ignore responses and to push ahead with original proposals, regardless of what parents, teachers and professionals say? Surprisingly, the Department of Education, in a note to the Committee, states that future resource allocation to special needs can be made only after full analysis of consultation responses and development of lower-level policies, including any legislative change that may be required. Surely the proposed £25 million resource should be subject to at least the same caveat that any future spend is subject to. Under the current circumstances, it would be much more sensible, given my scenario about the huge backlog in school maintenance, to delay the £25 million spend on capacity building and redirect it towards the schools estate, minor works and capital build, where it is needed at present.

It has been difficult to assess the Department of Education's budget. On the one hand, officials quite often tell Members one thing, and, on the other hand, the Minister appears in the House and tells us something different. That is confusing not only for Assembly Members and Committee members, but for people in schools who are waiting for news about newbuilds. Perhaps the work that is being undertaken by the Committee for Finance and Personnel in its effort to improve the Budget scrutiny process will bring about an improvement in that situation. I live in hope.

Dr Farry: Today's debate will inevitably be overshadowed by events elsewhere in Northern Ireland and in London. Nevertheless, the subject of the debate is critical to the future of Northern Ireland.

I want to make a number of points, and I will endeavour to avoid repeating anything that was said yesterday in this rolling debate. We must first

acknowledge the public expenditure context in which we are operating. This Budget reflects the £370 million in cuts or efficiencies that the Executive had to make. I fully accept that that is partly the outcome of events having knocked our budgetary assumptions off course. That is perfectly understandable, but I reiterate that, even making allowances for that, from our perspective, there were already financial distortions in the Northern Ireland Budget. Indeed, some decisions that the Executive took in their early days compounded rather than addressed those distortions. I am a member of a party that is now a member of the coalition, so I have to restrain my criticisms of the Executive and make my comments in a much more constructive context. I hope that I have always tried to do that.

We are faced with looming Treasury cuts in this financial year and in the coming years between 2011 and 2014. This year's Budget will lay the ground for the way in which we tackle even greater challenges that will follow in those coming years. It is worth noting that there has been a rapid switch in government policy across Europe from fiscal stimulus to address the downturn towards austerity. Although there always was a range of views in the UK domestic debate, more people have moved towards paying the debt end of the spectrum than had been the case before the problems in Greece and the other so-called PIGS countries in the euro zone.

That said, there is a sense in some quarters, and particularly among some economists, that the pendulum is swinging too far and too rapidly in the other direction. Northern Ireland's heavy dependence on the public sector leaves us open to the dangers of a double-dip recession. Much of the outworkings of those debates will take place at a national and European level, and, in some respects, Northern Ireland will be the subject of decisions that are taken elsewhere. Nevertheless, we should still be mindful, with the limited tools at our disposal, of the need to have counter-cyclical policies to ensure that we are able to manage the last days of the recession and protect ourselves as best as possible from the local risk of a double-dip recession. In doing so, we should not lose sight of the importance of trying to rebalance our economy. In using those scarce resources, there is always a tension between, on the one hand, simply trying to manage demand in the short term and, on the other hand, managing how we invest, restructure and modernise our economy at the supply end of the spectrum.

I welcome the comments that were made a few months ago by the Finance Minister in his speech to, I think, an audience in Dundalk, when he set out some of those views. I have been promoting such an approach in this Chamber for some time, and I welcome the thrust of what the Minister had to say at that time.

In relation to public expenditure choices locally, yesterday I spoke about the importance of having to bite the bullet in raising additional revenue. The Minister, quite rightly, challenged me by asking whether that was the only perspective that the Alliance Party had to offer. It is certainly not, and I promised to try to give a slightly more rounded view on what we can do in Northern Ireland. The first point that I will make is that every Government in our situation would have to consider a range of both revenue-raising and cost-cutting measures. What should divide Governments is the balance that they adopt between those two approaches. The concern that I have had for some time is that in Northern Ireland we have tended to put all our eggs in the one basket of cutbacks and expenditure, rather than seeking to move on a broader front.

I welcome the thrust of what the Finance Minister has been saying, particularly in recent months, and his beginning to recognise that we need to look at both those aspects. Clearly there is a challenge to drive out inefficiencies in our own Budget. There is also a challenge to ensure that we bring public opinion with us. We have to rise to those challenges sooner rather than later; within the current financial year if possible and, if not, certainly when we are laying the groundwork for next year's Budget.

In relation to the public expenditure issues facing us, I will mention what we have traditionally highlighted as the key distortion in our public expenditure: the cost of division. I will just note that; people will be glad to know that I will not go into any more detail on it. I just remind the Minister and other Members that it is an outstanding issue that we have to address. We certainly do not expect massive savings to be generated in the short term, but it is an issue on which we have to make a start and plan to realise those savings in the long run.

I also recognise that there are distortions in public expenditure that arise from having a border on the island of Ireland. While respecting our constitutional situation, we could be doing more on the North/South structures to see where there

is potential for shared services and the resulting savings from those. I reiterate that my party is more than happy to enter into discussions with other parties to explore those areas.

I also want to reflect on what Mervyn Storey was saying yesterday about the challenge of other parties signing up to reforms in the structures, not just in relation to the Assembly and Departments at a central level, but in relation to the wider public sector. The Alliance Party is certainly up for that challenge, and we have been very consistent in supporting more efficient and reformed government over the past decade. Indeed, our 2004 paper 'Agenda for Democracy' set out that position in some detail.

I want to stress the need for a little bit of caution in relation to how far that agenda can go and the perspective that it may be a bottomless pit or in some way cover all the pressures that we are facing. It is something that we should be doing, but it is important that we do not lose sight of the fact that we have to do more than simply review and rationalise the structures of government. In some respects, the real benefit of that is not so much financial savings, important as they may be, but a leaner, more efficient, customer-focused government that produces more effective results and reduces the cost pressures facing businesses and citizens in our society alike.

We also have to recognise that it is very easy to call for a cull of quangos; however, some of them do provide important services and, at times, it is more efficient and better for those to be delivered at arm's length from government, rather than being sucked into central or local government. I am sure the Minister will have something to say about that later; I see him scribbling away in anticipation.

The line between front line and back office services is often blurred, and, as a result, a lot of services fall between the cracks. It is easy to say, "Let us protect front line services and cut administration and bureaucracy." It is important that we run lean, efficient services. However, the notion that we can provide front line services without some degree of management is somewhat naive.

2.45 pm

My final point about the public sector reform agenda is worth bearing in mind. Engaging in reform will involve transition costs that we

must bear in the short term before we can realise the bigger benefits. I do not want to go into a wider discussion about the review of public administration (RPA) now, because that is a debate for another time in the Chamber. However, that is one feature of the debate on the present situation.

It is important that we appreciate exactly what we mean when we talk about efficiency savings and cuts. To me, efficiency savings are about productivity gain and getting greater output from the same input or maintaining the same output with less input. Cutting back, doing less or increasing fees or costs of a service is not an efficiency; that is simply doing something differently, less often or at greater cost or bringing in more money to cover costs. We need to be mindful of that kind of qualification.

The Executive have a real opportunity to make efficiency savings by shifting the balance of resources more towards investment in early intervention and prevention of problems. For example, if a health and social care trust makes the call that a child must be taken into care, the state has a statutory duty to provide for that child, the cost of which is substantial — approximately £80,000 a year. Yet, there is no statutory duty to invest in initiatives such as Home-Start and prevention. However, if the balance of resources were shifted to such areas, fewer children would go into care in the first place. Therefore, if we front-load the investment of resources, we could reduce the cost pressures faced by Departments and, in so doing, ease their budgetary pressures.

In a similar vein, we need to recognise the problems that arise from Departments having a silo mentality and to explore opportunities for greater co-ordination between Departments. If we do so, we may find more rounded outcomes that are, in theory, less expensive. We need to give more attention to that area in order to find savings.

In addressing these theoretical themes, for want of a better term, I wish to compare the profile of expenditure in Northern Ireland with that of other jurisdictions, particularly neighbouring ones. I am a strong defender of devolution, and I recognise that devolution is about local people, through local representatives, making choices on priorities for public expenditure. Nevertheless, in so doing, we should not lose sight of what is happening elsewhere and of

best practice in those places. The Treasury's Public Expenditure Statistical Analyses tables set out the differences in expenditure per capita across the four countries of the United Kingdom and provide us with the opportunity to see different patterns. When we look at those tables, we must ask ourselves whether or not the distortions and differences shown are justifiable given the particular circumstances in Northern Ireland. If they are not justifiable, that would point to the need to find more savings in certain areas.

From memory, I think that we are spending less per capita than elsewhere on areas such as transport and environmental protection. That is evident from our infrastructure and our attitude to the environment. However, in areas such as education, we are spending proportionately more than we should be spending. The anecdotal evidence on the ground shows that cuts in education are causing real problems and are biting at a local level. That begs the question; where are we going wrong with education provision to have put it in such a tight financial situation? The answer may lie in the overall provision of school buildings and facilities. We need to be bold with respect to rationalisation and do it on a cross-sectoral, rather than piecemeal, basis as is happening at the moment.

Northern Ireland has much higher health needs than other parts of the UK, which justifies the historically high level of expenditure here. However, the challenge is to address those differentials and health inequalities so that we reduce the cost pressures facing the Health Service, while always recognising that changing demographics will have a counterbalancing effect and create increased cost pressures as people live longer.

Looking to the future, I think we must try to remember the importance of protecting our public services. Also, we should not lose sight of the Assembly's primary responsibility to grow and modernise our economy. On the latter point, it is important that we ensure that ample resources are left available for investment in economic transformation. As I said earlier, it is not just about investing in the demand-led side through cutting costs for businesses; it is also about investing in the supply side. Therefore, we need to leave sufficient resources available to invest in things such as skills and innovation.

If I were to make a plug for what I believe to be the priority for money, that would be it.

There is also the pressure to reduce corporation tax, and I am not sure whether that is going to happen, but I certainly hope that it will.

In that event, financial provision will have to be made. If we view corporation tax as being something important for making a step change in our economy, we may have to make some tough decisions in the short term to free up resources and cover the lost revenue under the terms of the Azores ruling. On the other hand, I am conscious of the evolving situation around European Union state aid rules. From that, we may no longer be able to invest at the same level as we have in the past on items such as selective financial assistance. Therefore, some resources may be freed up, and we may wish to re-prioritise and use those for economic development investment.

I turn now to the health budget, which is timely, as the Health Minister is joining us. It is my and my party's opinion that we cannot justify ring-fencing the health budget in Northern Ireland. That said, it is open to the Executive to make their own decisions as to the priorities for the protection of front line services. We should not be talking about simply top-slicing Departments' budgets, which is what is happening in practice. We should give some consideration to what is more important and what is less important. Most Members will regard protecting the health budget as something that is more important.

The danger in ring-fencing the health budget is twofold. First, in practice, it would double the costs of, and the savings required from, all Departments, including the economic levers that I mentioned. Secondly, if an organisation is given an indication that it is in a standstill situation, the incentives to look to reform and restructure are often lost. Although there are real problems with front line health services, we are still hearing anecdotal stories about bureaucracy and administration problems in the Health Service. Therefore, there is still the sense that more could be done on those issues, rather than simply cutting back on front line services.

Part of the reform process touches on early intervention and prevention, a point that I made earlier. If proper incentives are created for Departments, it would facilitate that type of shift in resources, rather than circling the wagons around what have traditionally been viewed as

core services and finding savings by cutting back on services that are wrongly viewed as add-ons, particularly community services that can make a real difference through improving people's lives.

This is a critical debate and, in some respects, only a precursor to the fundamental decisions that the Assembly and Executive will have to make over the coming months and years. I was somewhat critical of David McNarry yesterday, but I found his comments today more constructive. At least he hinted that even if the Finance Minister is not prepared to be bold and make tough decisions on raising revenue, the Ulster Unionist Party may be prepared to back such an approach. I encourage him to go a step further by leading and championing the tough decisions that must be taken, rather than simply being reactive. Nevertheless, the glass is now more half full than half empty. In that respect, I welcome Mr McNarry's comments, and I look forward to hearing the Minister's winding-up speech.

Mr Speaker: I suggest that the House take its ease as we move on to questions to the Health Minister. We will return to the debate after Question Time, when the next Member to speak will be Miss Michelle McIlveen.

The debate stood suspended.

3.00 pm

Oral Answers to Questions

Health, Social Services and Public Safety

Mr Speaker: Questions 1, 3, 5, 6 and 9 have been withdrawn.

Lifeline

2. **Mr McKay** asked the Minister of Health, Social Services and Public Safety to outline any evaluation carried out in relation to the Lifeline project. (AQO 1426/10)

The Minister of Health, Social Services and Public Safety (Mr McGimpsey): A review of the north and west Belfast pilot telephone helpline has been carried out, and learning from that review has helped to inform the ongoing development of the Lifeline service. The Public Health Agency is undertaking an extensive evaluation of Lifeline. That evaluation will cover uptake and accessibility of the service levels, public and professional awareness of the service, impact on service users and value for money. Interim findings indicate a high level of public support for the provision of the service. They also show that just over half the Lifeline callers are female and that more than half of all callers are over 25. The full findings of the evaluation will be available in early 2011.

Mr McKay: Go raibh maith agat, a Cheann Comhairle. I thank the Minister for his answer. Many people present themselves to support organisations. I am thinking particularly of the Níamh Louise Foundation and the Public Initiative for the Prevention of Suicide and Self-Harm (PIPS). When people present themselves, those organisations are not obligated under their contracts to deal with them unless they have been referred by Lifeline. Therefore, people have to contact Lifeline before they can contact one of those organisations. Does the Minister agree that that is an anomaly that must be urgently addressed?

The Minister of Health, Social Services and Public Safety: I have said many times that voluntary and community groups play a vital role

in that essential interface between community and statutory services.

Lifeline began in January 2008 and, to date, has received 180,000 calls, which is far in excess of anything that we anticipated. The age, location, gender and issues of callers exceeded our expectations. By extension, outcomes of interventions also exceeded expectations. For example, 33,000 wrap-around support service sessions have been provided to clients as a result of those calls. Voluntary and community groups, including, for example, PIPS, which is changing its name to Lighthouse, have played an important role in this process.

I am not aware of anomalies. I do not believe that everything that we do is absolutely perfect. Part of the evaluation will look at such issues, and groups will be able to make those points.

Mr Bell: An important matter is at stake. The Lifeline service refers people to CHILL — Counselling, Help and Information in Lifestyle and Living. Given the tragedy in Newtownards, will the Minister assure us that he will continue to support the excellent work that his Department is doing to provide counselling services to vulnerable young people, particularly those who are at risk of solvent abuse?

The Minister of Health, Social Services and Public Safety: I am happy to give that assurance to Mr Bell. He made an important point, particularly about the tragic circumstances surrounding the recent death of Darlene Bell in Newtownards.

A key part of the Investing for Health strategy, which was the subject of question 1, which was withdrawn, is our drug and alcohol addiction services. They address wider issues, such as solvent abuse, particularly among young people. This society is facing a serious issue, which the Health Department or social services cannot solve by themselves. It is a cross-departmental issue and one on which I continually work with other Departments in an attempt to make improvements and to decrease the numbers of people affected. Drug and alcohol abuse can result in the tragedies that we are seeing among young people. Vulnerable young people can also fall victim to solvent abuse, which can also lead to tragedies, as was witnessed recently in Newtownards.

Mr Gardiner: I commend the Minister for his work in this area. Does he agree that more

funding is required to help out this service? I wish to place on record our appreciation to all those who have helped, but funding is required.

The Minister of Health, Social Services and Public Safety: The resource plays a key part in Lifeline. I invest £3.5 million per annum in it, and a further £3.2 million in specific suicide prevention measures. I am always looking at ways to extend our work and to get a better penetration of the relevant peer groups. There has been a very good response to Lifeline, but it is only one of a wide range of measures that we undertake, no one of which will, on its own, solve our problem. Statistics for 2006-09 show a drop in the numbers of suicides, but we have a long, long way to go. I am by no means complacent, nor is the service.

Out-of-Hours GP Service: Limavady

4. **Mr G Robinson** asked the Minister of Health, Social Services and Public Safety whether he will examine other services in which to reduce expenditure in order to retain the out-of-hours GP service in Limavady. (AQO 1428/10)

The Minister of Health, Social Services and Public Safety: I do not propose to examine ways of reducing other areas of primary medical services expenditure, as out-of-hours services will continue to be provided from the Limavady out-of-hours centre. As I have previously advised the Member, and emphasise once again, out-of-hours services will continue to be provided in Limavady. Patients will continue to have access to the out-of-hours service and will be able to see a GP if appropriate.

Mr G Robinson: Why is the Minister allowing this vital front line service to be cut? It is the equivalent of a 40% cut. At present, five doctors operate it; after 1 July, that will be reduced to three doctors. If that is not a cut, I do not know what a cut is.

The Minister of Health, Social Services and Public Safety: There is a history of questions and answers with Mr Robinson. I thought that I had gone a long way to explaining the situation.

This is certainly a change in the service. At Limavady, we are getting two calls per night in the red-eye shift. From 12.00 midnight until 8.00 am, two calls per night require a doctor consultation. We will provide three GPs on call and three on duty. Three GPs will be active and three will be on backup. In addition to that, we

will put in a triage nurse to receive those calls. These measures will also produce substantial efficiencies and savings; we anticipate savings of £600,000 per annum. It is costing us £1,000 per night to maintain a doctor to have a consultation with about two patients, and that cannot be justified. We pay around £5,000 per month to one GP in the area to maintain the service.

It is an expensive service, but the point is that it will not be withdrawn. We will merely change the location of the GP. That is all that will happen. There will be three GPs on duty, three on call and a triage nurse to receive the calls. The service will continue, and I am confident that it can be maintained at its current standard.

Mr Leonard: Go raibh maith agat, a Cheann Comhairle. Does the Minister accept that the figure that he has cited for the shift beginning at midnight takes no account of the usual workload between the hours of 11.00 pm and midnight? Will he confirm that the nurses have not been trained to the appropriate standards for the commencement of the diminished service? Does he further accept that the public will see this as a cut, not as a reconfiguration? Will he confirm why he will not meet a delegation from Limavady that I have asked him to meet, on the basis that it can just go along and see a person who has already addressed a public meeting? Does the Minister accept that there is major disappointment that he will not open his doors so that members of the public can express their concerns about what they see as definite cuts?

The Minister of Health, Social Services and Public Safety: I am concerned about the level of scaremongering in that part of the world. There has been scaremongering on rapid response vehicles (RRV), the so-called shutting down of the Causeway Hospital and, more recently, out-of-hours services. I hear that the latest scare is about untrained nurses. The behaviour of some Members in that respect is, quite frankly, disgraceful. People must look at the situation rationally. The out-of-hours service is not being withdrawn from Limavady. That service is being maintained, and it is adequate.

People who want to talk to those who put the service in place should start with the trust. There are legitimate concerns about what is happening, but those should be raised with the trust. I repeat that the service is being maintained, and the only difference is that the

GP will come from a different location. There will still be enough GPs to handle the two calls a night to the out-of-hours service, and savings of about £600,000 will be made. The Member supported that when he voted for efficiencies. The particular efficiencies at Limavady will not harm the service.

I wish that Members who were scaremongers about RRVs and the Causeway Hospital would stop their scaremongering about the out-of-hours service. Who hears anything now about RRVs or the Causeway Hospital?

Mr Dallat: I listened carefully to the Minister, and I assure him that I am not in the business of scaremongering. The Minister said that trust was important. Does he agree that not having a consultation process on the change to the service was a bad mistake? Does he accept that Limavady is an area that tends to lose services? Some years ago, it lost its accident and emergency service, and now its out-of-hours doctor service seems to have gone.

There is a general need for reassurance that the service that is in place will work. We were told that when a patient is at a crucial stage and in danger of losing his or her life, a doctor could move from Strabane to Limavady.

I speak positively, because I appreciate the work that the Minister has done for the Health Department. On most occasions, he has delivered what I asked of him.

The Minister of Health, Social Services and Public Safety: The trust does consult, but, in this instance, it is not changing the service, only the way in which it is delivered. The service remains the same, in that an out-of-hours GP service is provided between midnight and 8.00 am. The out-of-hours service does not deal with people who are in life-threatening situations. That type of emergency is a matter for A&E and the Ambulance Service.

I am not aware of when the A&E department disappeared from Limavady, but accident and emergency services have been rationalised to the benefit of the population. As Members know, it is not simply a matter of what is contained in the accident and emergency department, but the services that exist behind it. A proper A&E department requires paediatrics, acute surgery and an intensive care unit. An A&E department without supporting services behind it would be catastrophic.

Mr Speaker: Questions 5 and 6 have been withdrawn.

NHS Dental Services

7. **Mrs D Kelly** asked the Minister of Health, Social Services and Public Safety for his assessment of the equality of access for patients to Health Service dental treatment. (AQO 1431/10)

The Minister of Health, Social Services and Public Safety: I am content that there is equality of access for all groups of Health Service dental patients across Northern Ireland. I have approved the recruitment of 38 additional Health Service dentists in areas where access was problematic. The initiative has been successful and has greatly improved access to Health Service dentistry. Furthermore, the community dental service provides care and treatment for patients who have special needs and are unable to access dental services in the high street. My officials are negotiating a new contract with the British Dental Association Northern Ireland that will further improve access to services. That contract will be piloted next year.

Mrs D Kelly: I thank the Minister for his response. Will the Minister assure the House that the new commissioning arrangements for 2010-11 will not have any adverse impact on dental services? As a former healthcare worker, I know that dentists and dental hygienists used to be able to enter residential homes and statutory day-care centres to provide services to people in care. It was a good idea to have a dental clinic in an outreach centre. Has the Minister any thoughts on the provision of that service, which, I understand, is no longer available?

3.15 pm

The Minister of Health, Social Services and Public Safety: On the latter point, we have a community dental service to provide care for patients with special needs, such as a learning or physical disability, including those in nursing homes. A dental contract negotiation is under way, and I regret that I have been unable to see that brought to fruition.

Members will be aware that dentists are private individuals who can set up shop and take on business wherever they wish. I hope that, in future, as part of a contract, we will commission

dental services where we want them; in other words, where there is need, so that we place dentists much more accurately and carefully, rather than leave their location to market forces. It is vital that we are able to commission dental services in a particular area, and that is one way in which I have looked at how we tender for dental services. In Northern Ireland, some 50,000 patients in a number of hot spots are outside National Health Service dentistry. I have tendered for and contracted a dental provider to provide services specifically in those areas.

Mr Shannon: I thank the Minister for his response. Children are key when it comes to equality of access for patients. The Minister and other Members will probably agree with me that it is vital that dental treatment is available and easily accessible to children at school. Will the Minister assure me that that dental treatment is available to children inside and outside school?

The Minister of Health, Social Services and Public Safety: Of course children are an important focus of dental services, as they are for all health and social care. As for children's dental services, I am negotiating a new dental contract with the British Dental Association. I have put a tender in place with Oasis Dental Care to deal with the hot spots and those 50,000 patients who are outside Health Service provision. As part of that, we registered 273,000 under-18s with dentists. I will continue to look carefully at how we deliver treatment and prevention, which, for children, will be a key part of the new contract. It is important that the emphasis is on prevention rather than treatment because Northern Ireland children have the worst dental hygiene in the UK.

Mr McCarthy: In response to the Minister's answer to Dolores Kelly's question, does the Minister wish to express concern about Dundonald? There were two dental practices within about 200 metres of each other, but, suddenly, a third dental practice was permitted to open between them, which could adversely affect the village's existing dental practices.

The Minister of Health, Social Services and Public Safety: Dundonald was identified as one of the hot spots. Some 18 months or two years ago, the same questioner might have stood in the House to complain that patients in Dundonald were unable to access a dentist. I am glad to say that they are now able to do so, but I will keep the situation there under

control. A new contract with the British Dental Association, which we are negotiating at the minute, is a key way to deal with such issues.

Health Budget 2010-11

8. **Mr McCallister** asked the Minister of Health, Social Services and Public Safety for his assessment of the decision to reduce his Department's budget for 2010-11 by £113m. (AQO 1432/10)

The Minister of Health, Social Services and Public Safety: In spite of having to deliver Northern Ireland-made cuts, I have striven to ensure continued healthcare provision. However, that has simply not been possible in all areas. Crucially, I am not able to sustain the previous standards for waiting times, nor will I be able to introduce all my plans for new services and treatments. The important thing now is that the Health Service is not subjected to further cuts, which would cause pain and distress to the most vulnerable groups in our society.

Mr McCallister: I am grateful to the Minister for his response. Does the Minister agree that it is time that the Executive carried out a needs analysis of the Departments? Given that demand for health services has risen by more than 20% in the past couple of years, does he accept that it is time that we looked at ring-fencing health spending?

Mr Speaker: I remind Members that if they want the possibility of being called to ask a supplementary question, they must rise in their place each time the Minister finishes speaking.

The Minister of Health, Social Services and Public Safety: I agree with the thrust of Mr McCallister's question and the points that he raised. The fact is that demand has risen. The fact is that many of the Members who voted to impose £700 million of efficiencies on the Health Service also voted recently for a Budget that includes £128 million of Health Service cuts. How anybody imagines that the Health Service can stretch itself and deal with increasing demand — Health being the only Department that must do so — escapes logic. I hear Members who voted for cuts complaining about those cuts; they would do well to address that contradiction. To put it another way: we have cradle-to-grave healthcare that is free at the point of delivery, but we also have a state monopoly, so if the state is not prepared to

deliver the service, where should patients go to get it? They cannot get it anywhere else, so they suffer pain and distress. In many areas, that is the situation that people are in.

Mr Givan: The Minister will be aware of the I CAN centre in Ballynahinch. There is some confusion about which Department is ultimately responsible for funding that service. Will the Minister confirm whether it is the Department of Health, Social Services and Public Safety in conjunction with the Department of Education? Furthermore, will he ensure that, through the trust, his Department provides that service?

The Minister of Health, Social Services and Public Safety: To go off topic a little: yes, the Health Department undertook to provide a speech and language therapist at the I CAN centre, and it will continue to do so. The Department of Education is required to provide the premises, teacher and classroom assistant, and that is where the difficulty lies. As I understand it, the Department of Education is unable or unwilling to do that. For two years in a row, the local trust stepped in to provide support and to maintain the service. It is not in a position to do that now. Nevertheless, the speech and language therapist, provided by the Health Department, continues to be available at the I CAN centre. However, as part of the package, we require the premises, teacher and classroom assistant.

Mr McDevitt: I am sure that the Minister will acknowledge that the SDLP did not vote for the cuts. Given that we are all looking to achieve efficiencies in the system, will he confirm that tens of millions of pounds of bonuses will not be paid to consultants this or next year?

The Minister of Health, Social Services and Public Safety: I can confirm that no bonuses will be paid to consultants. We do not pay consultants' bonuses.

Mr Speaker: Question 9 has been withdrawn.

Gastroenterology

10. **Dr Farry** asked the Minister of Health, Social Services and Public Safety for his assessment of the current number of gastroenterologist consultants in the Health Service and the hours of service they provide. (AQO 1434/10)

The Minister of Health, Social Services and Public Safety: Across the five trusts, 30

consultants — adult and paediatric — are working in the gastroenterology service. I am aware of one gastroenterology general internal medicine vacancy in the Western Health and Social Care Trust. There is also a vacancy in paediatric gastroenterology in Belfast. Both posts are being recruited for actively. Of the people who are waiting for gastroenterology procedures, 93% have been waiting for less than the target inpatient waiting time of 13 weeks, and all outpatients for the service have been waiting for less than the target outpatient waiting time of nine weeks.

Staffing levels in individual specialties are the responsibility of trusts, based on the needs of the population that they serve. My Department carries out regional workforce planning to help to ensure that there are sufficient, suitably qualified staff to meet the needs of the population overall. Recent workforce forecasts indicate that there are sufficient numbers in junior doctor grades to meet the demand for consultants across the workforce as a whole over the next five to 10 years. Those forecasts will be reviewed regularly and, where necessary, corrective action will be taken.

Dr Farry: I thank the Minister for his answer. He will be aware of the public concern about the gap in provision in Belfast, which, as he outlined, is now being filled. However, there is also concern about a lack of service provision in the Royal Belfast Hospital for Sick Children. In light of the Minister's comments on workforce planning, to what extent is his Department making general assessments of gaps in consultant provision in Northern Ireland? The general impression from the public is that there are gaps in the provision of service in key specialties.

The Minister of Health, Social Services and Public Safety: A paediatric gastroenterologist has left the Royal Belfast Hospital for Sick Children, which is recruiting to fill that post. In the meantime, it has locum and other support. Therefore, in fact, the gap has been filled. Mr Farry is fond of talking about gaps. In his previous address to the House, I noted that he said that he would not be prepared to ring-fence the health budget. However, he is prepared to ring-fence the policing and justice budget, so, as far as he is concerned, prisoners come before patients.

As far as specialties are concerned —
[*Interruption.*]

Mr Speaker: Order. Members should allow the Minister to continue.

The Minister of Health, Social Services and Public Safety: We have a number of highly specialised low-volume areas that are very difficult to sustain because we cannot operate large teams. This means that we end up with single-handed services, which makes them vulnerable. Therefore, we rely on other tertiary centres in the rest of the UK and in the Irish Republic. The service operates as a network, which is the only way in which it can work.

Mid-Ulster Hospital: Accident and Emergency Unit

11. **Mr D Bradley** asked the Minister of Health, Social Services and Public Safety if his Department plans to extend the opening hours at the accident and emergency unit at the Mid-Ulster Hospital. (AQO 1435/10)

The Minister of Health, Social Services and Public Safety: From Monday 24 May 2010, the accident and emergency units at the Mid-Ulster Hospital and Whiteabbey Hospital became nurse-led minor injury units, operating from nine to five, Monday to Friday. I have, however, asked the Northern Health and Social Care Trust, in conjunction with the Health and Social Care Board, to consider the feasibility of extending the opening hours of those minor injury services. In the coming weeks, I will be advised of the outcome of the board and the trust's assessment.

Mr D Bradley: Go raibh maith agat, a Cheann Comhairle. Will the Minister assure us that the extended hours will apply until the new A&E facility that has been promised for Antrim Area Hospital is in operation?

The Minister of Health, Social Services and Public Safety: I have asked the board to look at the possibility of extending the hours. That is the situation as it stands. The hours will remain at that point until I have the report, the feasibility and the expense.

Antrim Area Hospital's A&E unit is coping very well, despite scaremongering. By consolidating the A&E staff at Antrim and introducing new beds, and generally extending the service, it is coping very well. By 5 June, there were no waits in excess of 12 hours, and the four-hour performance target time was 82%. That

is rising all the time, so we are seeing real improvements. Indeed, I talked to an A&E night sister at the recent nurse of the year awards who assured me again that the scaremongering that we read in the papers is not the case. Antrim A&E is coping very well. However, it requires major investment in the fabric of the building, but that is out of my hands; it is a matter for the House. Perhaps Dominic Bradley would be kind enough to assure me that he will support investment.

3.30 pm

Executive Committee Business

Budget (No. 3) Bill: Second Stage

Debate resumed on motion:

That the Second Stage of the Budget (No. 3) Bill [NIA 26/09] be agreed. — [The Minister of Finance and Personnel (Mr S Wilson).]

The Deputy Chairperson of the Committee for Regional Development (Miss McIlveen): In the absence of the Chairperson, it is left to me to bring out the begging bowl on behalf of regional development and to use this opportunity to underline the importance of providing adequate resources for regional development in Northern Ireland. We must take cognisance of the economic pressures under which the Assembly needs to operate in the current climate, and we must also be aware that pockets are not quite as deep as they used to be. Previously, we complained about those pockets not even being deep enough.

Sometimes, it is all too easy to be parochial in our approaches to matters affected by the Budget. On the other hand, it is important to express the impact that reduced allocations can have on the often vital services being delivered by Departments, particularly in regional development. I am saying that to set in context the views of the Committee in relation to the debate.

The infrastructure investment programmes and transport services provided under the auspices of regional development underpin all aspects of life in Northern Ireland, be they social, economic or environmental. The people of Northern Ireland need and deserve the very best that we can provide in public infrastructure and services. High-quality, efficient and integrated roads and public-transport networks are essential to bring people to work, education and training, and social services across the Province. To connect Northern Ireland with the rest of the world, we need sustainable and economically viable ports and airports to bring tourists and businesses into Northern Ireland and to enhance our ability to compete in the global economy. The everyday quality of everyone's life here depends on our having reliable, efficient, high-quality and value-for-money water and waste-water services, and the quality of the built and lived environment

depends on sound and sustainable regional development policy.

The Committee for Regional Development continues to express its concern that the Department is facing more than £65 million in resource and capital pressures in the current year. That funding is required to meet the demands for the concessionary fares scheme, to maintain the street lighting stock, to support bus and rail services and to continue to provide transport services to older people and those with disabilities. The Committee was disappointed that funding for important and inescapable projects, such as those I have mentioned, is being sought through the in-year monitoring process.

Structural maintenance is a constant theme for the Committee, which has presented its concerns about funding levels for structural road maintenance at all available opportunities. Members are dismayed that roads structure maintenance remains significantly underfunded. Leaving aside the road safety issues that I am sure the Assembly supports, the Department indicates that, in purely value-for-money terms, it costs four to five times as much to carry out reactive maintenance as opposed to proactive treatments.

As Members will be aware, the Snaith review, a recent independent review of structural maintenance, found that around £108 million a year was needed to maintain the structural integrity of the entire network at good practice resurfacing frequencies. Structural maintenance for 2009-2010 was around £85 million, which is £23 million below recommended levels. The allocation for this year of circa £70 million is, again, below the recommended level. This year's shortfall of £41 million is in addition to the existing £700 million-plus backlog in structural maintenance. Underfunding for structural maintenance cannot continue, and the quality of our road network underpins Northern Ireland's competitive position and our quality of life. The impact of the prolonged periods of severe winter weather this year has yet to be finally quantified. However, it is clear that the condition of our roads has deteriorated seriously in recent months.

As we are aware, the Executive's top priority is the economy. It is the Committee's view that prioritising the economy means prioritising road structural maintenance. Spending on

public infrastructure, such as roads and public transport, has been shown internationally to support and to stimulate growth across the economy as a whole. Such investment is never more cost effective than during a period of economic downturn. The Committee would support continued infrastructure investment to ensure that Northern Ireland is in the best possible place to take advantage of the recovery when it comes. For that reason, the Regional Development Committee is calling for additional in-year funding to at least meet the £108 million recommended in the Snaith review, together with allocations to address the backlog.

Those are just some of the difficult financial issues faced by the Department for Regional Development (DRD), even before securing future funding for vital improvements in areas such as bus- and rail-based public transport and improvements in the roads network. DRD can and will spend its allocations, and it managed its capital and resource allocations well last year. Provisional outturn figures that DFP published last week indicate that DRD has a capital underspend approaching 0% and a resource underspend of 1%.

Mr Gallagher: At the outset, I want to comment briefly on some of the points that were made about water charges. I know that the Minister of Finance and Personnel has been faced with something of a dilemma in that area, particularly since 1 April, when Conor Murphy, the Sinn Féin Minister for Regional Development, moved from a situation in which the subsidy has run out, which everybody knew would happen, to one in which money has to be taken from other Departments' budgets to fund the water service. Indeed, as far back as the previous Assembly election, some of us suggested in our manifestos that the DUP and Sinn Féin were tying themselves in knots by claiming that they would have nothing to do with water charges. However, the Finance Minister now has that dilemma to contend with.

I will move on to the education sector and the problems that it has as a result of the way the bundles are handled. I am sorry; I meant to say the budgets, but I suppose that bundles of money are being handed out to the different education and library boards. Under the current arrangements, money is allocated to the schools at the front line and only passes through the boards. The same happens with our youth services, but, thankfully, those front

line services are being protected. However, the problem is that the rest of the education budget goes into what are called central or managed services in the boards. We know that there are pressures in all areas, and, until we get through this exercise, it is a pity the boards will not have clarity on the savings that they must make this year. However, that has not prevented them acting.

The resource budgets for special education, including those for children with severe learning disabilities, come not from the normal schools budget but from the centralised or managed part of the budget. That is a pretty awkward and unfortunate arrangement, especially this year, as the boards cannot cut front line services and must go to the centralised or managed services. Special education is one of the areas that has been hit.

One example of that is the recent decision to cut the provision of summer schemes on special school premises from two weeks to one week. There has been an outcry in the western board area about that decision, and I am sure that the same thing is happening and has been picked up on in other areas. The board used to provide the transport so that the children, particularly those in rural areas, could attend those schemes. However, the entire transport service has now been cut. That means that one week of the special scheme has gone and that the transport for the second week has disappeared. The result is that parents must take their children to the summer schemes. This is carers' week, and we know that children with severe learning disabilities are largely cared for at home and that that is where the burden of that work falls. Those summer schemes provide an opportunity for respite and for parents in difficult circumstances to do other things with, for example, other family members. However, they now find themselves unable to do that. That must be looked at, and Finance Ministers, as we know, can sometimes round up money at the last minute. I am hoping that it is no different this year and that, given that we are talking about children with severe learning disabilities, some money can be found to at this late stage to save those summer schemes.

I want to comment briefly on the balance of resources, which was mentioned by one or two Members, including Stephen Farry. That is an important issue, and, if I can switch to the health sector, I will use health centres as an example. We know that the emphasis now is on

developing primary care services and providing a much greater range of them. The benefit of that to the economy is a reduction in the pressures on hospitals, particularly acute hospitals. So, there are savings to be made by developing primary care services.

Unfortunately, that often requires new premises. There have been 42 or 45 centres identified for primary and community care infrastructure — in other words, newbuilds. I understand that only half a dozen of those have moved forward. If we are looking at things like the balance of resources, we should be looking at doing more to develop primary care services, which would lead to an overall saving in the hard-pressed health budget.

Ms Ní Chuilín: Go raibh maith agat, a Cheann Comhairle. I apologise to the Minister and to other Members for not being in for the whole debate this morning. I was here for a good part of it, and it was fairly interesting.

The Minister of Health made a quip to Stephen Farry at the end of Question Time about the budget for the Justice Department being ring-fenced. That was part of the arrangements for devolution. It was very clear to me that the Health Minister, who has responsibility for the healthcare of prisoners, has made it clear that there is a pecking order when it comes to delivering healthcare to prisoners. That is on the record and is something that we will be keeping an eye on.

Tommy Gallagher made some points about the Budget. I heard him take an intervention. Is he suggesting that the Minister of Finance, Sammy Wilson, should go back to the position that Mr Gallagher's party colleague Mark Durkan had on the reinvestment and reform initiative (RRI), the rates reform, the Durkan tax on water? It seems to me that that is being thrown out. I am prepared to take an intervention from Tommy if he wants to expand on what he said, because I am quite interested in it.

Mr Gallagher: There is not much point in going back if we are trying to find solutions. I can outline the SDLP's current position on water charges, which can be summed up in four words: no new water charges.

Ms Ní Chuilín: I am glad. I have a lot of time for Tommy, which is why I gave him the opportunity to clarify that. It had sounded like he, along with David McNarry, was asking us to pay twice for

water. At least Tommy was given the opportunity to clarify that.

I am on the Social Development Committee along with Simon Hamilton. I am sure that he will cover some, if not all, of the points that he raised in yesterday's debate in more detail today. Sitting on a scrutiny Committee, one of the things that has jumped out at me has been stuff on the formalised Budget process. In his comments today and at later stages, perhaps the Minister can outline how that will be rolled out.

We do get presentations from officials. We all, including the Minister, have sat at the other end of the table and tried to draw something down and get to the bottom of it. Like many other people here, I consider myself to be tuned in as much as I can be. However, some of the language just goes completely over our heads. Some of the stuff that David McNarry was talking about earlier went over his own head, never mind anyone else's. The point is that, as people are becoming more interested in democracy, they are asking questions that sometimes seem very technical. I am not afraid to say "I do not know" or "I will go and find out for you". However, when I write the question down and ask officials, I get an answer that means less and is more confusing.

The Minister of Finance and Personnel (Mr S Wilson): It is deliberate.

Ms Ní Chuilín: You are right; it is deliberate. I have arrived at the position that the use of that language is deliberate and is an art form. It is vital that every available opportunity to understand the democratic processes here, including the scrutiny of budgets, is taken.

3.45 pm

David McNarry spoke about end-of-year monitoring. It is good if less money is available at the end of the year, because it means that the Departments are spending money properly. If less money is to be surrendered, that seems to be a good thing. I am not from the "no surrender" camp, but I understand the logic that if less money is given back, more money has been spent. My concern is still about the spending that happens, because I am not convinced that value for money is being achieved.

I do not expect the Minister to remember, but something that stuck in my mind was a paper

entitled 'Perspective on Social Housing' (POSH). It had a glossy photograph of a housing estate in east Belfast that looked great, but over £1 million had been spent on a handful of houses. I do not begrudge people from East Belfast or any other constituency having a new home; that is a good thing. However, my query is on whether that is good value for money, and I am not convinced that it is.

Under the previous Minister for Social Development, Margaret Ritchie, many houses were bought off the shelf to meet targets. It was good that the targets were met, but the processes that were used to meet the targets suggest that something is not right. Not only were houses bought off the shelf to meet targets, more public money was put into houses to bring them up to a public standard. It does not sit right. My colleague Fra McCann has raised that issue consistently.

Particularly in this place, a lot of clichés are thrown out about the Budget. Sometimes, I can understand where they are coming from and, at other times, they are purely political. However, something needs to be taken out of the statement that we cannot cut our way out of a recession, and I understand that huge challenges will come to us all. We all have to be made accountable for those, and Ministers, in particular, will bear the brunt of that.

I agree with some of the comments of my colleague Jennifer McCann on procurement and social clauses. When Members such as me talk about social clauses, Members on the other side of the House think, "Here we go again, socialist rhetoric." In fact, it makes economic sense.

The Minister of Finance and Personnel: The Member is being a bit unfair, both to herself and to the House on the issue of social clauses. All of us wish to see some social value coming from public procurement, and, indeed, that is now formalised in the procurement process. Frequently, I go out and look at public procurement projects to see what is happening on the ground and to get a flavour of where money is being spent. Especially on larger projects, I always ask whether the project employs anyone who had been long-term unemployed or has taken on young apprentices. Under procurement policy, there is a requirement to do that. I do not regard that as a particularly socialist policy. It is a good

investment, because the more economically inactive people we get back into the workforce and the more people we get skilled up for the future, the better it is for the economy. If public money can help to do that, it is a good thing.

Ms Ní Chuilín: I thank the Minister for that. I will be really honest, because it is not fair to make a throwaway remark about the other side of the House. When I talked about the other side of the House, I was talking about Members such as David McNarry, and I was referring to his body language. Fair play to David, because Sinn Féin has economic spokespeople on the Committee for Finance and Personnel who are really tuned into the subject. I am tuned into it because I have an interest in social development, while other Members talk about budgetary issues all day every day. I can tune in and out with a bit of flexibility. One thing I picked up on is that, when my colleague Jennifer McCann speaks, you can almost see some Members react physically.

I accept the Minister's point, which is the same point that I was going to expand on: social clauses make economic sense. They generally target the long-term unemployed. That is not to be unsympathetic to people who have recently been made unemployed as a result of the economic downturn. Given that their skills have been updated recently and that they may have better CVs, they will be better placed in the labour market than the long-term unemployed. I have great concerns about some aspects of public procurement.

Jennifer spoke about apprenticeships, particularly for young people, and the Minister mentioned them, too. Some of my colleagues on the Committee for Employment and Learning, have debated motions in the House on children and young people who are not in education, training or employment. This is a good opportunity for them.

I will speak about social housing from a social development perspective. Massive regeneration will potentially happen on my doorstep, and I thought that recent events concerning the Royal Exchange were disappointing and sad. Fra McCann knows the issue inside out and back again, but it struck me that Belfast missed an opportunity to secure value for money and improve the sequencing of such issues. I am sure that people from rural constituencies or smaller towns think that that is no big shakes,

because Belfast gets everything. However, there needs to be better scrutiny of how money is spent during the Budget process, of how Departments roll out projects and of the sequencing of big urban regeneration projects.

I mentioned value for money. David McNarry, who is no longer in the Chamber, spoke about corporate mentality. I asked him to take an intervention, which he allowed. To be frank, I may need to be on the Committee for Finance and Personnel to understand some of the language, but I still do not understand Mr McNarry's perspective. I am not being flippant when I say that. Through the Programme for Government, we agreed that the Budget should be spent in certain ways. Regardless of the presentational differences that I have with the Minister, the Department of Health has been historically underfunded, and it receives more than its fair share of the Budget. I support the argument that that is probably still not enough.

I formerly sat on the Health Committee, and I now sit on the Committee for Social Development and the Committee for Justice. We may need to consider other examples to see what we can do better. I accept that we have much to learn from other devolved institutions. We could pick out some models from them to use here. However, I am concerned about the pressing need to meet targets. In the process of meeting those targets, more money than has been allocated is being spent. Some big challenges need to be faced in the monitoring rounds.

I will finish by asking the Minister to expand, if possible, on what the formal Budget process entails. I am being totally up front when I say that, before the Westminster election, I was asked more questions about the Budget process than ever before. That is positive. I do not mean questions from lobbyists or big trade unions but from people whose schemes have collapsed or from the media. Although people in the media may not know the language, they see the headlines that classroom numbers are being reduced and ask questions. They may not be able to navigate the process, but they want to know, given all the cuts and the fact that money is not being spent, what we are doing with all the money. I would welcome an answer to that question. The next election is around the corner, and I know that we will be asked to explain ourselves. That is no bad thing.

Mr Speaker: Before I call Mr Givan to speak, I remind the House that, as this will be the first occasion on which he has spoken in a debate in the House, it is convention that a maiden speech be made without interruption.

Mr Givan: I make my maiden speech during very difficult financial times for the economy in the United Kingdom, and particularly for Northern Ireland. As we look to the future, there will be difficult decisions to make. Sometimes, the best way to look at how we make those decisions and what priority we give to them is to look at what we have done in the past. Therefore, I will reflect briefly on some of what the Executive and the Assembly have been able to deliver for the people.

The Executive can be rightly proud of their achievements. The extension of free transport to 60-year-olds is a benefit that we brought in. Everybody is now entitled to free prescriptions, and I must declare an interest as someone who has a mild form of asthma and who uses an inhaler. I am now entitled to free prescriptions, and I am pleased about that. We have been able to freeze the regional rate, and we have capped the level of rating on industrial and commercial premises. We capped domestic rates. We ensured that people who were asset rich but cash poor were protected from excessive rates on their houses when the new valuation system was brought in. Water charging has been deferred for a number of years, and, this year, we introduced the small business rates relief scheme.

As the Finance Minister has indicated, the good days are over, and, in all likelihood, some of the measures that were taken over the years might not have been taken now. Nevertheless, a lot of credit needs to be given to the Executive. To listen to some programmes, one would, at times, think that the Executive have done nothing for the people. However, the record shows that that is not the case.

Tough decisions will have to be made as we move into the future. Ministers are already grappling with making 3% efficiency savings, and we know the difficulties that that has brought. In a previous role, I worked for the Minister of the Environment, and he did not have just 3% efficiency savings to grapple with; he had a 10% reduction in his baseline because of the deficit in planning income from receipts. Therefore, he has had difficulty beyond the 3% efficiency

savings that other Ministers have had to find. Nevertheless, some Ministers will complain, while others will get on with doing the job and trying to live within their means.

Each Minister is given an envelope of funding. They make the case for what that envelope should be, but, ultimately, when the Finance Minister and the Executive approve the Budget spend for Departments, Ministers are responsible for delivering that to specific areas of funding. The Finance Minister is not a dictator. He does not dictate to Ministers that funding must be spent in specific ways. Ministers of those Departments are responsible for ensuring that they carry out their roles.

I agree with other Members' comments that front line services are key and should be protected. However, it is important that inefficiency is driven out. I noted Mr Farry's comments about how, at times, the line between front line services and backroom services can be blurred and that it is difficult to distinguish between them. However, the exercise that took place in the Department of the Environment (DOE) has identified a large amount of waste, and there are processes in place to try to tackle that. Therefore, I do not believe that the line is blurred. I believe that if there is a willingness and a determination by the Minister and civil servants in those Departments to drill down and drive out inefficiency, it can be done.

We talked about the deferral of water charges. Ultimately, it will be difficult to continue to defer water charges, but I do not believe that their deferral should be taken as a soft option. It is difficult to continue to defer water charges, but Members have commented that the pressures that those difficulties place on Departments can act as a catalyst to ensure that they drive out inefficiency. Nevertheless, the year-on-year deferral makes it difficult for Departments to plan properly, because they are often hit late in the cycle with a need to find additional cuts to allow the deferral of water charges to continue. Therefore, that is an issue that we will grapple with, and I am sure that it will be difficult to come to a resolution on it.

There will be many issues that I will want to work on as an MLA for Lagan Valley. One issue is investment in schools, and we have had very considerable capital schemes in the Lagan Valley constituency.

However, other schools are crying out for work to be done. The maintenance backlog has been mentioned in the local press of late, and I know that it is an issue in my area. Work also needs to be done on healthcare provision, road infrastructure, city centre investment and many other areas, and I will endeavour to do that.

4.00 pm

In the education and health sectors, people who have special needs require help. As an MLA for Lagan Valley, my priority will be those who have special health and education needs. I sat on the South Eastern Education and Library Board and was one of the members who voted against the budget that led to us being suspended from that board. One reason why we did that was because it was proposed that if the board was to live within budget, the identification of special needs in children at nursery school was to be removed. There is no statutory obligation on education boards to identify children's special needs at nursery school; that does not need to be done until the child begins primary school and enters P1. It was proposed that work on the earlier identification of special needs would be removed from the budget. We felt that we could not sustain that decision. Indeed, all the political parties on the board shared that opinion, but, ultimately, we were suspended.

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

During questions to the Health Minister, I mentioned the I CAN centre in Ballynahinch. That facility caters for children in my constituency and in other constituencies who have speech and language difficulties. If we do not ensure that the most care is given to those who are most in need — those who have not been blessed with the good health with which I have been blessed, and for which I am grateful — it will stand against them. I am committed to doing that work in Lagan Valley and to trying to build on the work that, as an MLA, former Member Jeffrey Donaldson carried out on behalf of those people.

I will take a few moments to comment on Jeffrey Donaldson. He is one of the hardest-working politicians whom I have come across. I know that our Finance Minister has a similar reputation. Jeffrey will always do what he can to assist anyone, regardless of whether the person is a party colleague or a member of the public, and irrespective of what time of the day or night he or she contacts him. The people of Lagan

Valley endorsed him overwhelmingly at every election. Beyond the party vote, he has a huge personal vote in Lagan Valley, which is testimony to his hard work on bread-and-butter issues on behalf of those people. I am privileged to attempt to step into his shoes and to carry on the work that he has done for the people.

Mr Hamilton: It is a pleasure to follow my old friend Mr Givan. I know that Members would not know it to look at him, but he and I are old friends, although I am more of an old-timer now. From our friendship over many years, I know that he has the skills, ability and attributes to be an excellent Member of the House. That is more than evident from the contribution that he has made in his maiden speech.

The debate has shown what could be described as an “evolution” of debates on Budgets in the House. When I first entered the House three years ago, debates on budgetary matters could be best characterised by Members on all sides reading lengthy wish lists. I did it, other Members here did it, and colleagues who are not here did it.

The Minister of Finance and Personnel: Some still do it.

Mr Hamilton: Some still do it. Yes, the Minister is absolutely right. It would appear that evolution is a slow process for some. At times, all parties and all sides of the House were guilty of rhyming off lengthy lists of what they wanted for their constituencies and pet projects and for the Departments that the Committees of which they were members were scrutinising. The lists also contained issues that affected the Ministers from their parties and those issues that were more pertinent and relevant to them.

Thankfully, as the Minister highlighted, that activity has not completely disappeared, but it would seem to have lessened in some respects. There was an interim period during which Members seemed to complain regularly about the Budget, saying that there was not enough money and that there had been cock-ups, messes, foul-ups, and all sorts of things. That characterised Budget debates for a considerable period. However, I detect a healthy development. Members are now a little more circumspect in their comments. They recognise our real financial and budgetary difficulties. That harsh reality has forced Members to be a wee bit more sensible in their contributions. We

do not tend to hear the lengthy wish lists that characterised Budget debates in the past.

Indeed, even Mr McNarry did two things that I thought I would never see in a Budget debate. The first thing that he did was to give way. He rarely does that. The second thing that he did was to try to put forward many constructive proposals. At least, their intention was to be constructive. If it is not unfair to pick out one person, Mr McNarry characterises the growing level of maturity that exists in the Chamber.

In many respects, Members are all in the same boat. I do not believe that anybody thinks otherwise. We now sit in an Assembly that has a five-party mandatory-coalition Executive, which represent well in excess of 80% of Northern Ireland’s people with regard to the votes cast. I am afraid that we simply cannot get away with bailing out and blaming others any more, even though some Members might have liked to do that in the past.

That harsh reality has been impressed upon us by the public spending scenario that we face. Everyone knows the difficulties that are in our midst. Mr Givan and other Members have pointed that out. We face £128 million of in-year cuts to our Budget. It is difficult enough to face reductions in the Budget when one has time to plan for them. To contend with cuts of £128 million in the middle of the financial year is desperately difficult.

The whole of the United Kingdom has a deficit of £167 billion, and it has been estimated that public sector debt is likely to grow to around 75% of the UK’s entire GDP. There is real and genuine concern that our economy could fall into the same trap that others have fallen into — not necessarily because of anything that we have done but because of the domino effect of what has happened to Greece. It has affected Spain, and other countries, such as Portugal, Ireland and Italy are on the fringes of that. That domino effect could easily hit our economy as well. Therefore, we are all acutely aware of the public spending scenario that we are in. During the next number of days, we face an emergency Budget at Westminster that will have a bearing and an impact on next year’s Budget. It could well make the £128 million of cuts seem easy-peasy in comparison.

As the Minister highlighted previously, the good times have gone. The days of sitting here and waiting for public spending increase after

increase to arrive will not happen any more. The complaining that we did two or three years ago during the middle of those good times will be nothing compared to what is to come during the next number of years. I mentioned the complaints of certain Members in the House who, at times, bemoaned the Budget's inefficiency, inadequacy and inability to deliver enough on this and that. We will look back on the 2008-2011 Budget as representing halcyon days in Northern Ireland.

If people thought that that was bad — when, year in, year out, there were record levels of investment in public sector infrastructure in Northern Ireland to build new roads, hospitals, healthcare facilities, colleges, and so on, which we have seen in all our constituencies — what will they think when that investment stops? Although it will not stop entirely, it will not grow at the same rate that it did in the past. They will not complain about the 2008-2011 Budget then.

There are years of pain ahead of us, but we do have to face those years. We can see this as a crisis, complain about how awful it is going to be, and run about like headless chickens, or we can see it as an opportunity. I hope that the growing level of maturity that is being exhibited in the House turns Members' attention to using this time as an opportunity. I know that it is very difficult to look at the situation as an opportunity, when we are facing the level of cuts that are being proposed and are in the middle of a difficult public spending scenario, but I believe that there is an opportunity for us to do so.

When an abundance of resources is available, as was the case, comparatively speaking, we do not always look at how those resources are being spent. I agree with the Members who said earlier that we were ploughing money in, but I am not entirely convinced — in fact, I know for certain — that we were not always getting the most efficient performance in Departments, nor were we always getting value for money. I do not want to rake up old ground and pick old sores about the health budget, but that is a prime example of a situation in which record increases in investment were achieved, year-in, year-out, yet report after report highlighted the lack of productivity in the Health Service in Northern Ireland. We know that simply ploughing money in did not produce the levels of output that were expected.

In the private sector, no company will ever look at the product that it makes unless it faces competition, profits go down, or it goes into a loss or faces a downturn. It must be the same in the public sector: we must take the crisis of cuts in public spending as an opportunity to do things differently than we did in the past. That attitudinal change, which was not really there in the past, may well be enforced on us.

There is also a need and an increasing desire in the Finance Committee, of which I am a member, to have that change continue into the Budget process. Changing the Budget process will not change the amount of money going in, but it is incumbent on this House to have as rigid and robust a budgetary process as we possibly can. Given the constraints in which we are going to find ourselves, and increasing public demands, we can no longer always accept what Departments put forward. As individual Members, and on behalf of the constituents whom we represent and who benefit from the services that are provided by Departments, we need to get our teeth into the Budget lines that are coming forward and the bids that are being made by Departments. The Minister of Finance and Personnel must lead that change. We must have a Budget process that draws in stakeholders from the outside much earlier and that empowers individuals and Committees to scrutinise better the work of Departments and their budgets.

The Assembly must resource Committees better so that they have the skills and ability to do that work. We cannot simply accept departmental budgets as being the gospel truth. We must test them to ensure that they hit the priorities that have been set by the Executive. We must ensure that they deliver results for people and that they achieve the aims that we all share.

We can talk about the difficulties that we have with public spending and the cuts that we are facing, but we need to sharpen our pencils and become much better at scrutinising budgets than we have been up to now. In the past, I have read out long lists of achievements that we have made, of which we should be rightly proud, whether they are to do with record levels of investment in infrastructure or helping vulnerable people to obtain lone pensioner allowance, which has helped thousands of pensioners in my constituency to save hundreds of thousands of pounds on their rates bills. However, better financial management by the

Executive has gone unheralded even though it is one of their biggest achievements, led as it was by the Finance Minister and his predecessors.

When devolution was restored in 2007, we inherited a scenario in which there was chronic underspending, year in, year out. It was a habitual problem. In 2005-06, the underspend amounted to approximately £375 million. In 2006-07, it amounted to £255.5 million. In two years alone, Departments had nearly £700,000 in their budgets that they had the power to spend but were unable to spend. That has changed drastically over the past number of years, to the point where, in 2008-09 — the last financial year but one — there was only £50 million in underspend. Between 2006-07, which was the last full year of direct rule, and 2008-09, £200 million more was spent on public services in Northern Ireland. We can see devolution making a real difference and impact, with more money being spent, rather than wasted and sent back to the Exchequer for us to bid for again in the hope that we might get it back to spend in our Budget. There has been much improvement in financial management, and we should acknowledge and support that.

4.15 pm

Finally, I want to pick up on some points that were made by other Members. There was mention of an article in today's 'Belfast Telegraph', which appears on the front page, and there is a two-page article inside the paper. I know that there are elements of the media who were enthusiastic supporters of restoring devolution, to the point of damning us all for being pathetic failures for not getting this place up and running again. As soon as the Assembly was restored, they set about trying to knock the place down again. The perverted view of certain elements of the media never ceases to amaze me.

That newspaper article is consistent with a theme that that publication has been pressing for some time. On the front page, and on two pages inside, there are all sorts of doom-laden predictions about the economy in Northern Ireland. There is a reference to a report by a leading economist in a First Trust Bank publication, which states that our subsidised standard of living must end. It refers to Northern Ireland as a "free rider", and states that we are living way beyond our means. All those sorts of inflammatory comments might be interesting in newspapers,

and might even sell a few, although I am not sure about that, but they belie the truth.

I am quite sick of hearing from the same people, whether they are economists, bankers or journalists, all of whom knock the public sector and everybody up here. No matter what party or perspective we come from, we are all here to try our best to make Northern Ireland a better place for the people whom we represent, and I am sick, sore and tired of us, this place and the public sector in general being knocked by certain people in the media, when they are very much dependent on the public sector for their employment. Economists at banks that are now totally or majority owned by the public sector and funded by the public purse are continually criticising the Governments here in Northern Ireland and elsewhere for the decisions that they make, when those banks, because of their bad decisions, have had to be bailed out by the public sector and the public purse.

During the recent Westminster election campaign, a letter arrived in my pigeonhole from three local newspapers that referred to how dependent they were on the public sector in Northern Ireland for advertisements, how important the public sector was to them and how they could not do without the public sector. However, they publish stories knocking Northern Ireland and our public sector. It is high time that they looked at themselves and their own behaviour before criticising others in Northern Ireland.

The reality is that there is a £7.3 billion funding gap in Northern Ireland. Nobody hides that fact; it is no secret. We are dependent on a subvention from the United Kingdom Government. We know that: it is the truth, it is a fact. We cannot hide it, and nobody is trying to. No one in this place denies that that is the case.

The article in today's 'Belfast Telegraph' implies that we are somehow special, that we are some sort of different case altogether, and that we are a basket case alone among the regions of the United Kingdom. However, the fact, as any sensible person knows, is that every region outside of London and the south-east of England is dependent on subvention from those areas. We are not different. We are like Scotland, Wales, the north-east, the north-west, the west Midlands, the east Midlands and other parts of England. We are exactly the same in

that respect, although it gives me no pleasure to say it. I wish that Northern Ireland were less dependent, but we are no different from other regions in the United Kingdom.

It is exactly the same across the border. Are parts of the west or south-west of Ireland not dependent on the Dublin economy? Similarly, the east of Germany is dependent on the west of Germany for sustaining it. It happens the world over. Certain publications do Northern Ireland a disservice when they churn out such claptrap on a weekly, if not daily, basis

I hope that, in time, Northern Ireland can make a greater contribution and that we are not as dependent. That has been my entire focus over the past number of years. The Executive's priority is about closing productivity gaps and giving the economy a kick-start, and that is what we have been trying to do. Thank goodness that there is devolution in Northern Ireland and that we have the ability to address and be sympathetic to the concerns of people here during these difficult times.

In conclusion, I welcome today's more mature debate in the Assembly on the issue. The style of this Budget debate has differed from those that we have had in the Chamber in the past; no doubt that has been brought on by the harsh realities that we face. We must look at the services, projects and schemes that the public sector provides and some of the sacred cows that we have with a much more critical eye than we were prepared to in the past, when there were record amounts of funding coming into Northern Ireland. It is incumbent on us to treat the situation that we will face in the next number of years not as a crisis but as an opportunity to fine-tune the Government and the Executive to make the country as efficient and effective as possible.

Mr B Wilson: I begin by referring to an issue that I raised yesterday: the cost of local government reform. I declare an interest as a member of North Down Borough Council. I welcome last night's decision to defer the reform of local government. It has been clear for many months that the original drivers for RPA cannot be achieved. The main driver for reform was savings to the ratepayer, and as those savings cannot be guaranteed, it would have been a case of throwing good money after bad. In the present economic state, it would be irresponsible to spend £118 million that we do

not have in the Budget to fund those changes. I do not intend to repeat the points that I made yesterday. However, I emphasise that it is essential that we review all the priorities, policies and decisions that were made during the good times.

It is important that we see the Budget in the context of the present state of the Northern Ireland economy, which is fragile and needs tender nurturing. A recent Ulster Bank report indicated that in the second quarter of 2010, economic growth of 0.4% was achieved and the projected growth for the whole year is less than 1%. That indicates that economic recovery is extremely weak and must be treated with care. That was prior to the euro zone crisis, the Greek bail out and Mr Cameron's latest cuts prediction.

In addition, the growth in the economy has been limited to the service sector, with manufacturing and construction continuing to decline. A major factor in the growth in the retail sector has been the influx of shoppers from the Republic to take advantage of the weak pound. However, in recent months, there has been a significant decline in the value of the euro, and as a result, traffic from the Republic is beginning to dry up. If that continues, we might fall back into recession. That is the present economic climate.

Economic activity is extremely low. There is plenty of spare capacity in the economy. Within the private sector, the service sector is producing 11% below its 2007 peak. In addition, manufacturing is down by 15% from its peak, and engineering is down by one third. That has been reflected in the level of unemployment, which has risen for 26 consecutive months. The rate of job loss has also been much more severe here than in the rest of the United Kingdom. Although unemployment fell last month, that is likely to be a blip, especially when the public sector cuts begin to hit. The Ulster Bank reports that the level of unemployment may not peak until 2012. Therefore, that is the economic climate in which we are presenting this Budget. Another worrying feature is house prices. The Royal Institution of Chartered Surveyors survey for March 2010 showed that house prices had fallen for the thirty-second consecutive month. That is very worrying.

We must ask ourselves how the Budget will impact on those economic problems. What

will it do to generate economic activity? How will it reduce the unacceptably high levels of unemployment?

We must also consider the new political context in which we are working, and, in particular, the cuts that were recently set out by Mr Cameron. Mr Cameron frightens me. In comments made just before the election, he singled out the Northern Ireland economy for cuts. I am fearful of the damage that Mr Cameron's policies will do and that they will undermine our fragile economic recovery. His record on the economy is consistent, in that he has been consistently wrong on all major economic decisions made over the past 20 years. It would appear that Mr Cameron hopes to maintain that record by getting it wrong again and destroying our recovery and slashing public services before Northern Ireland gets out of recession.

Mr Cameron's record goes back to 1992, when he was economic adviser to Norman Lamont and Britain was forced to leave the European exchange-rate mechanism. Since then, Mr Cameron's right wing economic views have led him to oppose the minimum wage and the decision to give independence to the Bank of England. We are fortunate that Mr Cameron was not in charge during the past few years, because his policies of refusing to help the banks and of cutting capital investment during a recession are similar to those that were adopted following the 1929 Wall Street crash, which turned into the Great Depression of the 1930s. It concerns me that the impact of applying such policies to the Northern Ireland economy would be extremely serious.

Mr Cameron's recent response to the Budget is, therefore, disingenuous in the extreme. We have been faced with the worst global financial crisis, and the Government had no alternative but to stimulate the economy. Without those measures, unemployment could have been as high as 5 million. There was no alternative, just as cutting public expenditure now is a measure for taking us back into recession and increasing the hardship felt by millions of ordinary people throughout the United Kingdom.

Mr Beggs: Does the Member accept that there is a balance to be struck and that, in fact, if one keeps borrowing and borrowing and borrowing — similar to an extended credit card — one gets into trouble? Does he accept that Greece

and Spain have shown particular difficulties because of that attitude?

Mr B Wilson: Yes, I accept that. However, I am referring to the timing of cuts. The situation is that, at present, before our economy has moved out of recession, we are being asked to make further cuts.

The Minister of Finance and Personnel: I am always interested in the economic policies of the Green Party, which, if followed, would destroy half the businesses in Northern Ireland. When it comes to macroeconomics, the party is as well off as it would be with microeconomics and how individual business decisions are dealt with.

Does the Member accept that if we continue at current borrowing levels, there will be an impact on the economy and our recovery anyhow, insofar as debt interest — not repaying debt — will, by next year, amount to £75 billion? That is bound to have an impact here, and the danger is that there could be a knock-on effect on interest rates that would also impact on businesses. If we keep on spending in the way in which the Member is talking about, how do we get round the problem of servicing the debt without eating into the money that is available for vital services?

4.30 pm

Mr B Wilson: I accept everything that the Minister said. At present, the Northern Ireland economy is not capable of taking further cuts. There will be severe cuts in the longer term, but those will have to be phased in. It is important to get out of recession first. We are in extreme danger of ending up with a double-dip recession. The Tory, and now Liberal Democrat, economic policies are driven by the need to make immediate cuts in public expenditure, regardless of the impact on public services and ignoring the risk of a double-dip recession. Proportionately, Northern Ireland has a larger public sector than other parts of the United Kingdom, and that will, inevitably, lead to a disproportionate reduction in services.

Cuts in public expenditure are essential, but not at this stage. The introduction of further cuts now, given the earlier Budget cuts, would lead to a significant increase in hardship, particularly as Northern Ireland, unlike the rest of the United Kingdom, has barely emerged from recession. The economic recovery must be sustained, not choked at birth.

The actions of the Lib Dems are particularly disappointing. Nick Clegg went into the election with a manifesto pledge to delay spending cuts until the time was right. He immediately caved in to Tory demands, tore up his manifesto and became a cheerleader for instant cuts.

Mr Deputy Speaker: I remind the Member that the debate is on the Budget here in Northern Ireland, not on what happens at Westminster.

Mr B Wilson: Yes, sorry. Thank you, Mr Deputy Speaker. I am trying to put the debate in the context of the pressures coming from Westminster. Further cuts are being demanded, and that is the issue on which I appeal to the Minister. Mr Cameron said that we could defer further cuts until next year, and I appeal to the Minister to follow the example of his Scottish counterpart by doing so. The Scottish Government plan to defer £332 million of cuts, and their Finance Secretary, John Swinney, said that he would defer the savings until next year:

“in order that we can entrench economic recovery.”

He added:

“At a time when economic recovery is extremely fragile, the spending cuts outlined by the Treasury risk undermining recovery and damaging our comprehensive work to support the Scottish economy.”

The Government in Scotland are saying that they cannot impose those cuts now. The Northern Ireland economy is much weaker and more vulnerable than that of Scotland, and we have already suffered cuts and made significant efficiency savings. Enough is enough: we must follow the Scottish example and defer further cuts until next year.

It is not sensible to tear up budgets that have already been allocated, and therefore, despite the reservations that I expressed yesterday, I support the Bill. We must re-examine our priorities and reconsider our previous decisions. We must ensure that scarce resources are allocated in the most efficient and effective manner. Their allocation must be focused on encouraging enterprise and expanding the private sector. In the short term, it is inevitable that the public sector will be reduced, but that will create an opportunity to develop new business, particularly in the green economy.

Mr McGlone: Go raibh maith agat, a LeasCheann Comhairle. I appreciate the

opportunity to discuss the crisis and severe pressures in the budgetary position. As a member of the Environment Committee, I will touch on how those pressures relate to specific issues, how the Budget impacts on that Department and, more important, how it impacts on the public.

The SDLP did not vote for the current Budget when it was drawn up alongside the Programme for Government in 2007. We had significant concerns then about the implications of indiscriminate efficiency savings being imposed on Departments and, consequently, on front line services. The year 2007 followed a decade of uninterrupted economic growth in the North, which we hoped would continue. The year-on-year increases in public expenditure and the booming land and property market resulted in bumper capital receipts. Therefore, the economic analysis on which the Budget was based — in hindsight, it was utterly defective — made assumptions of steady economic growth. Indeed, many Departments were confident of continued growth at unprecedented levels and expanded their staff numbers and expenditure. For example, current problems in the Planning Service resulted from the presumption that those levels of growth would continue ad infinitum. There were numerous wasteful projects and ridiculous wastes of additional public money.

In recent days, I highlighted the hundreds of millions of pounds that have been spent. Further questions will be asked about the review of public administration, which has cost £113.5 million to date. We had Workplace 2010, the failure to establish the Education and Skills Authority and the failure to progress the Maze stadium. The Planning Service expended a huge amount of money on the Electronic Planning Information for Citizens (e-PIC) project, which continues to accrue additional expenditure. All those projects have cost us very dear.

Well over a year ago, in ‘New Priorities in Difficult Times’, the SDLP highlighted the black hole in the Budget finances. Crucially, we also highlighted the areas in which funds could be raised. The Assembly is now struggling with the additional cuts to our Budget of £128 million or more, with much more to come. The SDLP never claimed that our document was the finished article, but it was worthy of stimulating a serious debate, and no one else brought forward ideas for economic development.

When that document was published, it received grudging respect and, indeed, some positive comments from other parties in the Assembly, even including the current First Minister. The implementation of those proposals to assist the Budget is better late than never, and I welcome reports from my colleague Alex Attwood that the Executive are now considering some of our proposals. For example, we put forward ideas such as tackling senior civil servants' pay, the pay of senior staff in quangos and the role of certain quangos. Ridiculously high bonuses were paid to civil servants, even on foot of poor performance. That is a serious situation and an awful indictment of the Assembly's scrutiny of the Civil Service. We now all know that an inflated number of 39 senior civil servants who received high bonuses were based in DFP

Another prime example that we highlighted was the role that the Belfast Harbour Commissioners could play in assisting infrastructure projects. Yesterday in the House, the Finance Minister confirmed that:

"There is a mechanism by which the cash reserves of the Belfast port can be accessed to fund infrastructure projects." — [Official Report, Vol 53, No 1, p33, col 1.]

It is imperative that we build on some of those ideas. We must re-examine ways to invest more resources into areas that will sustain and grow employment during the recession and will position our economy to enable it to capitalise when the recovery comes. We must also show some leadership in bringing about that recovery. We must find ways for the Budget to help to create jobs, especially in the construction industry, which, given the constituency that I represent, I highlight continually.

There must be an in-depth examination to find Budget savings in the public sector, with a particular focus on senior salaries and perks. At the same time, we must protect front line services for vulnerable communities and people. In the past couple of weeks, I witnessed how cuts have impacted on vulnerable people through the closure of the accident and emergency unit of the Mid-Ulster Hospital. That, coupled with a service that is under stress at Antrim Area Hospital, highlighted some of the incredible positions that we now find ourselves in. I am angry about how that situation was managed, and the Executive must have much better budgetary planning to ensure that the public do not face continued shocks. However,

I am aware that the Health Minister said that the closure was not entirely due to budgetary pressures, which is an issue that is being further explored locally.

In the Department of the Environment, we had the RPA debacle. The strategic approach in the Department seems to be almost in meltdown as people make a sort of risk reaction to cuts instead of managing them through a strategic approach. We also have the current cuts to Planning Service and difficulties within the NIEA, at a time when tackling environmental crime is supposed to be a priority for government. The actions that I have outlined are but some of those needed by DOE, but they are important and necessary for all Departments.

It is important that, in our Budget planning, we make changes. Until now, the Executive have failed to take decisive action on the Budget and the economic downturn. For example, we have seen the cross-sector advisory forum turned into a talking shop. It produced a wish list containing some good proposals, but I have no confidence that the Executive will implement them. DETI has commissioned an independent review of economic policy that the Executive have, likewise, failed to consider and implement in our current economic climate.

I highlight one more proposal from the SDLP that requires implementation: an oversight committee to look at the Budget. We have seen the mess that the Executive have made over budgetary issues in the last three years. To protect our front line services and target what limited funds there are to assist vulnerable people, we must ensure that future Budgets are properly scrutinised. We must never again see such a waste of public funds as I have witnessed both in the Assembly and as a member of the Public Accounts Committee. What has passed for public service in this place at times beggars belief. The public themselves must no longer have decisions foisted upon them that may not be based on the Budget. Often we ask ourselves on what logic such decisions are based: witness the closure of the accident and emergency department of the Mid-Ulster Hospital. It may be a local or parochial issue, but it is one that I feel deeply about, given my connection with the area. I live there, and I have seen close family friends being dealt with at that hospital.

Thank you, Mr Deputy Speaker and Minister, for your time.

Mr McHugh: Go raibh maith agat, a LeasCheann Comhairle.

It has been a long enough session today, and I apologise for being unable to speak in the debate yesterday. Had I had that opportunity, I would have left today out of the equation.

The Finance Minister has to sit through all of this, listen to it and try to make comment. Our new MLA said that the Finance Minister was not a dictator. The Minister is a likeable sort of guy; it is hard to see how he could be a dictator. There may be the makings of dictators in other Members of the Assembly, but that has not been checked out yet.

I will try to cover some areas that others would not. At this late stage in the debate, a lot has been said, so we may go over old ground no matter what happens. As Assembly Members, we are much more mature than we were a few years ago, and by now we should have seen through all the issues and into the hidden areas.

Carál Ní Chuilín asked where all the money had gone. That sort of comment tells me that there are others who wonder, as I do, where the savings will be made. We have talked at length over the last four years about savings. Every Budget was about the savings that we could make, but I have yet to see what, if any, savings have been made. That is the crux of the matter. If we cannot make savings in the Departments, we will instead have to make cuts for the future years.

Mike Smyth spoke about borrowing for the future at local council level, like taking out a mortgage, to help local enterprise. That might not be such a bad thing, because some local councils have not borrowed to the same extent as the Assembly may have done. However, that is for another day's thinking, and it may well be worth looking at.

We can look at deflationary or inflationary models. Argentina spent 10 years cutting all expenditure back to zero but found that that was not going to work. It had to go the other way and spend, to raise the standard of living to a more acceptable level than the previous policy delivered.

We must learn from those policies. However, different Governments do different things. Given the new Government in Westminster, it is clear that people in the UK, as the saying goes, voted

for cuts. That is good stuff, but it will affect us. As my colleague said, it affects our Budget, whether we like it or not. We are not separate from that.

4.45 pm

During the debate on the Supply resolutions yesterday, the Minister and others mentioned the challenges and pressures that face existing priorities. We may think that there can sometimes be a lack of information when Committees are trying to scrutinise departmental budgets. Perhaps there is, and the Minister may even think that. He has to listen to what the experts tell him, whether he likes it or not. As Carál Ní Chuilín said, that is an art form, and convincing people can also be an art form. There is no one better at that than those who are skilled in that art. At the end of the day, we can be convinced that we are going in the right direction when we may not be.

David McNarry mentioned a figure of £7.3 billion, and he highlighted the fact that we do not take out anything like what we pay in tax to the Exchequer. He said that we get an easy ride. If all that were removed, which would probably be acceptable to me, it would be easier for us to move to a united Ireland if we did not depend on the easy ride or the pocket money that comes from the block grant, which is what we are getting at the minute.

That funding came from a background of sustaining the unsustainable, which is this entity. The North or the Six Counties was considered unsustainable, which, in its own right, it probably was. Therefore, it had to be bolstered by a tremendous amount of money. We have been in conflict for the past whatever number of years, and we did not get the kind of returns or inward investment that ROI or areas such as Scotland, Wales or England got. That was our dilemma. Therefore, it was not for nothing that that extra money was put in.

People should look at where that money was spent and where it is being spent. Each Department has a certain amount of money, and, if we were to go back through the years, we would see that the cake can be cut only in so many ways. The first division in most Departments is in wages, salaries and bonuses. Whatever little corner is left then goes on roads, stone, tendering or whatever else. It is the same with council budgets. Perhaps that needs to be

reviewed. People may not be happy with that, but we are talking about jobs.

Cavan, which is the opposite county to my constituency of Fermanagh, was mentioned to me recently as an example of that situation. The Fire Service there employs 10 people to our 33. We can either sustain jobs or throw people out of them. That is a difficult situation that would not go down well with anyone. However, we may have to consider such matters in the future.

Regardless of whether it is in the North or the South, youth unemployment severely affects the whole island. Compared with the figures for a short time ago, youth unemployment in the Republic has increased by around 100,000. Here, around one in three of our young people is unemployed. That number is disproportionate, bearing in mind the size of the population. We must realise the effect that that has on young people.

Young people now have far higher expectations than we had. What is the future, cost and value for money of the education that they receive if, afterwards, they are told to clear off and find a job somewhere else? Our young people do not have the same opportunities to go to the US or elsewhere that we did when there were previous downturns in the economy.

The recent downturn and the bursting of the bubble have dashed the hopes of many young people. They are not too happy about the recently announced intention to increase student fees. A considerable increase of at least £1,000 and up to £3,000 a term was mentioned. I am not sure that that is the right direction to go in if we are to help students or encourage families from lower-income backgrounds to support their kids to continue in education, which is essential for most of them. That is an issue that must be considered.

Training programmes may ease the impact of unemployment on young people. Unemployment has led many young people into difficult circumstances, including criminal activity, which has its own massive cost. We all know that the cost of keeping someone in prison is an awful lot higher than the cost of keeping them in a job outside. However, the impact of youth joblessness extends to families and communities. Indeed, the entire nation suffers, to the extent that young people have taken their own lives because of the situation in which they found

themselves. That is something that we need to consider when we make cuts at that level.

It has been mentioned that we are over-governed and that councils and other bodies cost money. Minister Poots has often said that there are inefficiencies at council level. Well, he did not exactly point out the detail of those inefficiencies. We need to know what he means, what we can do about it and how we can put that right. Councils lend ad hoc support to many projects, sometimes without giving much thought to their overall budget, but they lend support because it is popular to do so. Perhaps we cannot afford to do those things in the future — I do not know.

Almost all Departments here run up tremendous costs in meeting rules and regulations, including the cost of meeting European rules as well as regulations that cover health and safety at work. Costs are even involved in tendering. Submitting a tender these days is a massively different story from what it was even 10 years ago because of the health and safety regulations that have to be met here. Yet, those who provide goods and services from outside Europe do not have to contend with a lot of that. Therefore, they can compete much more easily than we can. That is something that we cannot do anything about.

My colleagues from the Committee for Enterprise, Trade and Investment and I visited Europe recently. It has been suggested that perhaps more Assembly Members and Ministers should go to Brussels to keep a better eye on what Europe is doing before the regulations and rules that affect us are made, rather than work away here quietly and ignore what Europe is doing, in many instances, behind our backs. Sometimes what is done there is positive; nevertheless, some very costly rules and regulations are created. Take, for example, the issue of roads and the lowering of footpaths, which is necessary but incurs a massive extra cost. That cost was not there a few years ago, and it is not always seen.

There are various measures in the Budget to reduce the incidence of family poverty. Young people's lifestyles are much more expensive nowadays. We can cut those measures on the same basis as we did a number of years ago, but there is a perceived need to keep young people in a particular lifestyle. They have a lot more ways of spending money than they did in

the past. Therefore, families are under massive pressure to try to help their young people with housing and other interests, including education. That is an extra cost for families, some of whom are living on very low budgets or benefits. For example, an individual in the South receives €200 in unemployment benefit compared with £60 here. That difference is not always realised, and there is a similar disparity for a family with two children. Whatever we may say about its economy, it is, at least, a good thing that the South looked after some of those areas quite well. It must now meet the cost of that, but at least it is doing a good thing. We are not doing that. For those on low incomes here, poverty is much worse now than it was 10 or even five years ago because money simply does not go as far as it used to.

The Committee for Enterprise, Trade and Investment addressed fuel prices and the costs and policies associated with renewables. During our review, we tried to determine how we might become less dependent on fossil fuels, the cost of which drains every Department. No matter what, each Department has to come up with money to meet fuel costs, which bear no relation to those of five or 10 years ago. The costs of running services and of capital projects, such as road schemes, are phenomenally higher than they were, and that is not always taken into account. Nevertheless, the problem exists, and it is difficult to deal with because we have become almost entirely dependent on fuel.

People have the same problem in their homes. Relatively low fuel costs a number of years ago meant that the Housing Executive moved to being almost entirely dependent on oil. Perhaps that was a bad policy, but it had little choice in the matter. People are under tremendous pressure from fuel costs, so we must tackle the problem. I have already explained who is charging too much, but I am afraid that that information is falling on deaf ears.

The debate about harmonising corporation tax rates North and South has moved forward quite a bit, and it would be good if we could move towards that. If we could become less dependent on the block grant, perhaps we would be able to consider something like that. On the other side of the coin, the difficulties associated with state aid make the benefits of harmonisation debatable. Nevertheless, compared with the situation a few years ago, at least people are now prepared to talk about it.

As for the Health Department budget, everyone believes that it is essential to continue to plough money into front line services. It is an important Department, but maybe there is a need to scrutinise the minutiae of what is done. The Minister is told about spending at a very high level. Take, for example, the cost of mistakes in hospitals. People break limbs while in hospital. Somewhere in the South, someone said that more people suffer injuries and fractures in hospitals than on the roads. I am not sure what the long-term costs of payouts for that would be. Another cost is the considerable amount of money that was put aside to deal with swine flu, which ended up being a major overspend. Given that there was no pandemic, perhaps what happened had more to do with the agendas of large corporations and drug companies. Nevertheless, it cost us and everyone else plenty.

In the long term, we could save considerable sums in the Budget by adopting an all-island approach. As other Members said, we could make considerable changes, particularly in border areas, in respect of health, tourism and transport. In some instances, as a result of infighting over budgets, tourism bodies in neighbouring areas work against each other's interests. Therefore, we must think about introducing cross-border or all-island tendering; there may be merit in that. I would support doing anything that would produce savings in those areas. For example, perhaps something could be done about the way in which bodies on each side of the border carry out health visits. As many as seven or eight people a week, or even a day, visit the homes of ill people, and people, North and South, have to travel great distances, all of whom claim mileage allowances and so forth.

A great deal of money is being wasted, and that wastage has not been looked at over a very long period, even though it has been staring us in the face.

5.00 pm

I raised the issue of top-heavy Departments. There has been £800 million allocated to policing and justice. That seems to be a necessity, yet many other much more important areas will simply have to endure the cuts. We need to look at all that.

I have talked about how dividing up the cake will pan out. The Department for Regional

Development has done some very good infrastructural work in the west. Although Tommy Gallagher condemns absolutely everything that is done, the Department does much good work. However, a great deal of money could be saved if all areas worked together a little bit more and took a long-term view of roads. We will seriously pay for the current underspend in maintaining our roads infrastructure. Whatever about the South of Ireland's structural funds, I commend it for doing a tremendous job with its roads almost right across the board. We will incur serious costs in the short term through not maintaining our road network.

We are being fined £60 million by Europe because the Department of Agriculture and Rural Development overpaid, I think, £2 million to farmers under the single farm payment scheme. Some farmers must have been overpaid. I declare an interest as a farmer. However, I find that it is very difficult to get a pound over and above. How did that overpayment happen? Where was the appeals process when £2 million was overpaid? Indeed, where was the appeals process when Europe fined us? It is a serious loss. The High Hedges Bill is passing through the House, but this is about wide hedges. Europe should make up its mind and decide whether it wants farmers to create a sustained environment or for them to do the opposite. They are doing both at the minute, and Europe is fining them for both. That is absolutely ridiculous. The costs involved are completely mad.

I must mention what the Minister of Agriculture and Rural Development said today about the brucellosis infection being reintroduced purposely in farm animals so that farmers can claim moneys. There should be no winners from that. Certainly, no payments should be made, and I hope that nobody profits from such criminal activity.

Some Members: Hear, hear.

Mr McHugh: The issue of water metering, or the tap tax, also came up. I will not say very much about it, but we have spent a long time saying that we will not introduce water charges. Water meters are to be introduced in the South. Farmers pay a considerable amount as it is because of metering, but it would be a much better system than simply slapping a broad, extra tax on people for something for which they pay already.

I will bring my remarks to a close. I have no way of knowing whether I have been speaking for an hour, because the clock has remained —

Mr Kennedy: It seems like an hour. *[Laughter.]*

Mr McHugh: At least the Chamber had to see me only once this week. Go raibh maith agat.

The Chairperson of the Committee for Health, Social Services and Public Safety (Mr Wells):

I am grateful for the opportunity to speak in this debate. On a minor procedural matter, I appreciated the fact that the honourable Member for South Belfast Mr McDevitt and several other Members, rather than walk in front of him, sat at the Door and waited until Mr McHugh had finished speaking.

I also noticed that Mr McGlone, the Member for Mid Ulster, sought to go out through the Division Lobby rather than walk across him. That is good news. Members are beginning to learn that it is most off-putting to have someone parade past during the middle of their speech.

Over the past two or three weeks, the Committee has had a number of meetings with the Minister and his senior officials to discuss the Budget. It has also had a long session with the chief executives of the Health and Social Care Board and the Public Health Agency. The Committee has used those meetings to drill down into the budget for health and social care. Our role was to scrutinise and to see whether the most vulnerable in our society were protected and to ensure that the impact on front line services was minimised.

It is no secret that the Minister is not happy with the budget that he has been allocated. He believes that health deserves more funding. His speeches and correspondence to the Committee are littered with figures on growing demands and comparisons with the English system. However, the reality is that the Minister has been asked to make an additional saving of £105 million in revenue in the revised spending plans. That reality is reflected in this Bill. The delivery of health and social care in Northern Ireland within the budget allocated is a complex and extremely difficult task, and no one can deny that.

I should like to comment on the job done by health and social care workers. As individuals, we have heard from nurses and doctors, lab technicians and other essential front line staff

that they are rushed off their feet, and we recognise their hard work and the quality of what they do on behalf of patients and those in need. However, it must be accepted that the majority of the budget in the Department of Health, Social Services and Public Safety is spent on salaries; I believe that it is about 70%. Therefore, there is no way in which staff cannot be affected by the savings. Nevertheless, the Minister has said that there will be no compulsory redundancies, and I as Chairman, and the Committee generally, welcome the fact that no one will be forced to leave their job as a result of the savings. However, the budget has to be cut and the Minister, like every other Minister, must live within his means.

In the opinion of the Committee, the Minister has made some difficult choices. He could have gone for the nuclear option: he could have gone for hospital closures, had wards shut down, or removed a particular service. Instead, he has brought forward a programme that is more balanced. Someone has described it as salami-slicing: taking a little here and there off a huge range of services. We have not been able to get more localised details to find out just how it will affect individual trusts. We have not, as yet, received the operational plans for each of the five trusts. In fact, I understand that they have not even been finished. One of the great complexities and frustrations of being on the Health Committee is that it was announced that savings had been made in February, but we did not receive the final details until three and a half months later.

We are now well into the new financial year 2010-11, and trusts have to hit a moving target in the sense that they are spending money but they did not have a finalised budget for the current tax year.

Mr Shannon: The trust in the area that I represent seems to be aware of some efficiency savings. Ward closures have been mooted, and there will be some meetings tomorrow about that. The trust also seems to be aware of other cutbacks. Therefore, there is some talk about it in my area. However, there are a lot of concerns about cutbacks and whom they will affect. Some of those cutbacks seem to be touching front line services, which concerns me.

The Chairperson of the Committee for Health, Social Services and Public Safety: Part of Mr McCallister's and my constituency falls into

the same trust. Indeed, there will be a highly charged public meeting in Downpatrick on 23 June to discuss these very issues. The chief executive of the trust has argued that they are not cutbacks as such: they are a rationalisation and improvement of services. He says that he can deliver the same service in Downe Hospital with the closure of an entire ward. If that is an indication of what is happening when rationalisation is going on, I shudder to think what will happen when we impose large, real-term cuts.

The details of the various discussions on how the cuts and savings will be made were outlined by me and other Health Committee members during yesterday's debate, so I do not intend to repeat that. Instead, I will outline that the Minister is relying on balancing the books through a number of strategic choices, which have been examined in detail by the Committee. The big savings are expected in a number of areas, one of which is workforce control, whereby a 2% cut in trust payroll will save up to £40 million in 2010-11. That will cause great concern to the community and to those who work in the health and social care sector. The Committee is particularly concerned about the freeze in recruitment and the impact that that will have on staff. A vacant post will not be filled until it has been examined and scrutinised in some detail. That will take time, and, in the interim period, other staff members will be put under severe pressure in trying to cover for the missing post. That change will lead to safety issues and a potential impact on waiting lists.

Another major area of savings and cuts will come through the non-introduction of new services. Current services will be protected, but there will be some impact on waiting lists, and new services will be reduced, delayed or not introduced at all. I am particularly concerned about anti-TNF drugs, and Members who have been visited by constituents complaining of rheumatoid arthritis will know the enormous benefits of those drugs.

About three years ago, I met a young lady while canvassing in the village of Clough in South Down — one of the few areas that still votes for me — who was in severe pain as a result of rheumatoid arthritis and was campaigning for the introduction of anti-TNF drugs for her fellow sufferers. That young lady was about 28 when I first met her and, when I met her again a few weeks ago, I did not recognise her: she

was a totally transformed person because of the benefits of anti-TNF drugs. They had totally revolutionised her life, she was no longer in severe pain, she was able to return to full-time employment and was making a valuable contribution to society. The term “wonder drug” is sometimes overused, but anti-TNF drugs are almost exactly that, because they have a profound impact on the quality of life of those in Northern Ireland who suffer from that awful disease. Therefore, the Committee is concerned that the commissioning plan proposes to reduce the availability of those drugs and increase the waiting list for those life-changing drugs to nine months, rather than reducing it, as was previously planned.

Some members of the Committee met representatives from Arthritis UK at a function in the Long Gallery recently, a charity for which the issue of anti-TNF drugs is a burning issue. They were disappointed that a wonder drug that offered so much hope to people who suffer from that condition had been developed, but it now looks as if sufferers will have to wait a long time to avail themselves of it.

The final savings are expected through the making of additional efficiencies in family health services, with a particular emphasis on the use of generic drugs. I am sure that Members know that generic drugs are products that have gone out of patent, and the company that originally produced them is no longer entitled to charge a large amount to recover its huge expenditure in researching and developing the drug. One drug that I looked at recently had a branded version costing £26 and a generic version costing 90p, and clearly there is huge potential to save money in the Health Service in Northern Ireland by moving towards those drugs, without affecting front line care.

However, there is a problem in that the GPs have the right to prescribe either a generic or branded version of a drug to patients; it is entirely their call. Indeed, there are some GPs who think that their patients like to have a certain branded product prescribed to them, and when the patient goes to the pharmacy, the pharmacist has no ability to alter that prescription and cannot tell the patient that they can have the same product, with the same impact, at one tenth of the cost. The Department is quite rightly making significant strides on generic drugs, but if it could bring the generic prescription level up to between 60%

and 65%, an enormous saving would be made to the budget, with no difference in patient care. The Committee sees that as a way of achieving savings without affecting the most vulnerable.

The commissioning plan contains ambitious targets to increase the use of generic drugs to 64% of the total. That is already a PSA target, but the emphasis must be on speeding up the increase, especially in GP practices. We urge the Minister to crack the whip with GPs to ensure that they always go for the most cost-effective option.

5.15 pm

Northern Ireland spends £224 per capita on medicines. In Wales, the corresponding figure is £194, so we are clearly spending too much in certain areas. There is room for improvement. According to the information that was given to the Committee, there is room for an additional £46 million of savings in that field alone.

That is significant, because, as I said yesterday, adding that figure to the possible £11.7 million of savings that could be made from eliminating consultants' bonuses could save almost £60 million. Would anybody notice any change in front line services if that happened? Those are the types of savings, cuts and efficiencies that we have to find in the Health Service budget: those that have no impact on the patient or the person who is waiting for treatment at a GP surgery.

I have outlined the main elements of the revenue savings in the new revised expenditure plan from the Department. Before I finish, I want to point out that we are still waiting to see detailed operational plans and, despite asking on a number of occasions, we do not know exactly what has been allocated to each trust. Moreover, we do not know anything yet about the capital budget for this financial year.

Every Department has revenue and capital elements of its budget. Capital is vital, because many infrastructure projects are urgently required. We brought officials who are in charge of the capital budget before the Committee during a recent evidence session in the Downshire Hospital, and they did not have a clue where we are going.

For example, the new women and children's hospital in the Royal complex has been earmarked to be built at a cost of £360

million. Given the noises from the Department, the chances of that project going ahead are practically non-existent. However, we need to have that issue dealt with and get alternatives implemented to improve maternity care in the Royal complex.

We have received lobbying material and numerous requests for meetings from groups in the west Tyrone/Omagh area. There is a great deal of controversy over the fact that County Tyrone has been left without any form of acute service cover. Looking at the map and realising that there is nothing between Altnagelvin and Craigavon and between Craigavon and Enniskillen, one can see that the people of Tyrone have much to complain about. They are stranded in the west of the Province, miles away from a hospital with acute cover.

I have listened to people from that area with great interest. The other day, we met a west Tyrone lobby group led by Father Mullan from Drumquin. I got a very nice letter from Father Mullan afterwards, thanking me for the reception that the Committee had provided the group. I never thought that I would get a letter from a priest, so it was very nice to get that. He leads a group that has a very just cause; he said that Tyrone is the Cinderella of acute care in Northern Ireland, and I agree with him. That group demands a new hospital for Omagh in line with what has been provided in Downpatrick.

Downpatrick has a marvellous new facility, but the essential services are going out of it as quickly as one could imagine; every time I open the local paper, another service seems to have been withdrawn. However, there is no certainty about the new hospital in Omagh, because we do not know what stage it is at in the capital budget. There are scores of similar projects in the same position, including new health centres, throughout the country.

It would be lamentable if I were making these comments in the December before the new financial year, but we are more than 20% into the new 2010-11 financial year and we do not have a clue where we are going with capital expenditure.

The sad reality is that the Dáil Select Committee on Health and Children came up to see us and told us that tender prices for capital projects in the Irish Republic are coming in at 21% below the expected price and that contractors are

basically buying projects to keep their staff working.

Therefore, the sad thing is that the time that we could be spending maximising the return for the taxpayer and achieving best value for capital projects is the time that it looks as though there is absolutely no money to get the projects off the stocks and get them going. For example, although the budget for Downe Hospital was £63 million, I suspect that, if it were to go out to tender today, it would be around £55 million. That would be a major saving. Therefore, that is the dilemma that we face.

However, we do not have a clue about where we stand with capital budgets. No matter what happens next year, it is essential that the Department gets its act together and that the Committee gets the figures before the start of the financial year. The Committee cannot be left lagging behind all others without knowing where it is going.

Mr Beggs: Will the Member agree that it would be helpful to revert to the Assembly's original practice? If we were to do that, a draft Budget paper would be produced in the September or October, a couple of months would be available for discussion, debate and consideration, and, ultimately, the Budget would go through in December, rather than go through very late with limited discussion.

The Chairperson of the Committee for Health, Social Services and Public Safety: I understand the difficulties that the Department faced, in the sense that the announcement that a further reduction in expenditure had to be made was not known until January or February. Therefore, it would have been unreasonable to have expected the Department to have come up with a draft budget in October and to have stuck to it. However, the problem was that other Departments reacted immediately to the Minister of Finance and Personnel's decision by going through their budgets and finding savings. They reported those to their relevant Committees to give them time to consider the figures before the end of the financial year and to report back to the Assembly. The Committee for Health, Social Services and Public Safety was left completely in the dark for the three and a half months after October. Although the community was concerned about where potential savings would be made, we did not have a clue, because we did not have even one leak, and, until two

weeks ago, we did not have even the slightest hint of what was going to happen.

Mr McCallister: Will the Member agree that the Health Minister's way of carrying out the process has been much better, in that he has not presented cuts here and cuts there? He has done what Mr Wells said at the start of his speech that he would do and slashed off different bits. That has resulted in a much better outcome, because front line services will be protected, which is what we all want to see.

The Chairperson of the Committee for Health, Social Services and Public Safety: On balance, the Committee decided that the Minister was right to go for what is an extremely complex package of reductions in services, greater efficiencies and savings on generic medicine and so on. He has devised a difficult-to-understand and complex package, but that is not the issue. The issue is why it took so long to tell the Committee what he intended to do. We were left without even an off-the-record briefing on what was happening.

My concern is that the way in which the Minister is proceeding could be described as being too clever by half. I hope that I am wrong, but the way that he is doing this is so difficult and complex and will require such a huge degree of management and supervision that it may be almost impossible to achieve. He plans to save 2% on staffing through a freeze on posts, and each post will then be assessed on whether it should be filled. We have not even mentioned the reduction in agency nursing and locums. That will require a level of expertise that I hope the Department has, and I wish it well. If it can do it, good luck to it.

That is much more preferable than a slash-and-burn approach, which would have involved saving money by closing wards, stopping services and not having any more child protection and so on. I agree with the Minister about that. My argument is not about what he did; it is about the fact that the Committee was kept in the dark for such a long period. Next time, he could at least bring in one representative from each party at the start of the process and roughly outline his intentions, so that, when he makes an announcement, we know where he is coming from. Instead, we got the Minister's plans in their entirety two weeks ago.

As he knows, the Committee had to go through the budget until 7.05 pm, which I think is the

longest time that any Assembly Committee has ever sat. That is an indication of the serious difficulties in which we were placed, and, during the entire period, we were approached by unions, charitable groups and patients' representatives, who were asking us what was going on. Neither Mr McCallister nor I had a clue what was going on, and the Minister did not seem particularly concerned. As I said yesterday, getting financial information from the Minister was like pulling hen's teeth. Nothing was forthcoming from Castle Buildings.

The Committee is concerned about what the future holds. We know that harsh spending cuts are coming; we all agree on that. I would be absolutely delighted if, this time next year, my only concern was how to continue to provide a service based on the current Budget of £4.3 billion. If we were to reach that situation, we would all be happy, and we could all live with that. However, I suspect that that will not be the case. We do not know how severe the cuts will be, and everyone awaits 22 June with some dread. That is not, by the way, the date of the World Cup quarter-finals but the date that has been set for the emergency Budget. We will know our fate when the Chancellor rises to his feet and announces how much money will be given to Northern Ireland.

We must remember that, apart from a few minor powers to raise additional revenue, Northern Ireland cannot invent money, grow money on trees or create it out of thin air. Therefore, we must live with what we have been given. That will result in a difficult year for all of us, because we will have to determine how to allocate that limited Budget among the Departments. We do not know what decision the Executive will take on ring-fencing; that is entirely their decision. We could live with a decision to ring-fence some services, but we do not have the full facts, and, therefore, the Executive must take those terribly difficult decisions.

A decision to ring-fence money for one or two Departments that account for a significant proportion of the Budget would decimate other Departments. People ask why we do not ring-fence spending for health and education. However, those two Departments account for about two thirds of the Budget. Therefore, the implementation of a 10% cut in the remaining Departments would mean cutting about one third of their combined budgets. There is no option to cut the budget for the Department of

Justice, because it is ring-fenced. Those are the dilemmas that we will face. Since the devolution of policing and justice, the Health Department accounts for 40% of the Budget, and that has severe implications for our Department.

We, as a Committee, understand that there is considerable concern in the community among health charities, lobby groups and politicians about the potential impact on the health sector. The Committee will discuss that in further detail at this week's meeting. The other day, somebody asked me what I thought would be the dominant health issues over the next year. My reply was that there would be three issues: budgets, budgets and budgets. Over the next 12 months, funding and the availability of resources for health will, without doubt, be the most dominant issues in the Department.

I thank my fellow Committee members, who recently spent many hours scrutinising departmental officials and the Minister and trying to get to the bottom of how the budget for health and social care will be spent. It has been a long and difficult period for the Committee, but the members were up to it. They were loyal in their attendance and asked some pertinent questions. The departure of the honourable Member for South Belfast Conall McDevitt was a significant loss to the Committee, as he had asked some extremely pertinent questions in the early stages of the process. He was replaced by Mrs Bradley and, more latterly, Mr Tommy Gallagher joined us. Therefore, we have a good mix of youth, good looks and experience on our Committee. Members have worked hard on a difficult issue, and we all await with interest, and some trepidation, developments in the incoming financial year.

The Minister of Finance and Personnel: It has been a long debate, and I should start by apologising to the Assembly. Yesterday, I predicted that today's debate would be reheated fare, that we would go through the political microwave and have to listen to the same old debate all over again. However, Members have spoken from many new angles today, and I wish to respond to them.

Towards the end of the debate, there was one disappointing contribution from Mr McGlone, who did the SDLP no favours. He adopted a cop-out approach when he said that the SDLP washed its hands of any responsibility. He said that his party did not vote for the Budget and

did not believe that it was correct. He said that mistakes had been made and that he had never seen such a waste of public funds in his life.

He then went on to complain about the Department of the Environment and the loss of jobs in the Planning Service. When I was Environment Minister, I went to the Committee with a proposal to increase planning fees after there had been four years without an increase. It would have helped to keep the revenue, which, in turn, would have maintained jobs in the Planning Service. The charge against that proposal was led by none other than the then Committee Chairman, Mr McGlone, who lamented that if the increases went through, the cost of a planning application for a house in the countryside would increase by £100, and no one would want to build any more houses in the countryside. That was the level of discussion that we had on the issue.

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

5.30 pm

It is one thing to come here and moan and whinge about the impact of the Budget changes, it is another thing to accept some responsibility. I enjoyed the experience of going along to the Committee and giving evidence to it, but if there is so much waste in the Department of the Environment, why, under Mr McGlone's leadership, did the Committee spend so many hours and days investigating climate change, which, of course, is very relevant to people of Northern Ireland, and ask experts to come along? With all that waste in public spending, I would have thought that Mr McGlone would have had far better things to do when he was the Chairman of the Environment Committee.

Mr McDevitt: Will the Minister give way?

The Minister of Finance and Personnel: I thought that someone might rise to Mr McGlone's defence, as he has left the Chamber. I will be very happy to listen.

Mr McDevitt: I have a basic question for the Minister. Does he look forward to taking those strange and unique arguments to another place at some point in the near future? Maybe he will get back to talking about the Budget.

The Minister of Finance and Personnel: That was just an introduction. I felt that I had to let off a bit of steam about something, and I am glad that Mr McGlone gave me that opportunity

at the end of the debate. I will come back to some things that he said during his contribution, but, first, I will come to the contributions that other Members made.

Standing Orders require Members to confine themselves to the general principles of the Bill. Mr Deputy Speaker, you were not responsible for doing so, but another Deputy Speaker and the Speaker allowed people to make wide-ranging contributions on the issue. I do not think that there was anything lost in doing that. Once again, I express my appreciation to the Committee for Finance and Personnel for ensuring accelerated passage of the Bill and for ensuring that the legislative timetable for the debate was adhered to.

I come to the contributions that a number of Members made. First, the Chairperson of the Committee for Finance and Personnel raised a number of points. The first point, which her colleague Ms Ní Chuilín also raised, related to the procurement process and to adding social and economic value to that process. We had a wide-ranging debate in the Assembly on that issue on another occasion, and the Committee has already produced a report on procurement, which my Department has partly responded to. It will give a more comprehensive response to the report, but the general guidance on procurement states clearly that economic, social and environmental objectives are to be considered from the outset of the procurement process. Indeed, the objectives in the Programme for Government placed responsibility on Departments to produce procurement plans, which set out how procurement will assist in delivering the most economically advantageous outcomes, including specific measures that will give full consideration to social procurement.

As I said in the intervention to Ms Ní Chuilín, when going around public procurement projects to look at what is happening, I am encouraged when contractors tell me that they have taken on long-term unemployed people or have given people apprenticeship opportunities as a result of the procurement and tendering process that they had to undergo.

Ms McCann also raised the issue of poverty and winter fuel payments and talked about targeting them better to deal with child, pensioner and fuel poverty. She will know that since those are classed as benefit payments, there is parity with the rest of the United Kingdom. We do not want

to break parity and so introduce means-testing, although it is up to the Minister for Social Development to make a decision on that if he so wishes.

I hear the same comments about means-testing all the time, as, I am sure, do other Members. Once means-testing is introduced, there will be a cut-off point, but many people who may not be described as poor are, nevertheless, not well off. They feel that they are being excluded from means-tested benefits simply because they have been prudent and saved a little money. Their pockets are hit, and sometimes they find that having savings leads to their being less well off. That is the other side of the coin.

Ms McCann also raised the issue of child poverty. She will know that there is an obligation, under the Child Poverty Act 2010, which went through the Westminster Parliament, to deal with child poverty. The Act requires a three-year strategy, which must be in place by March 2011. That is being undertaken by OFMDFM, but it will be the responsibility of each Department. Although OFMDFM will set the strategy and the 10-year objectives, it will be delivered across a range of Departments, and it will be for Departments and Committees to ensure that that is done.

Mr McQuillan raised the issues of tourism and savings, and we have great potential for developing tourism. His constituency attracts many tourists because of the Giant's Causeway, but it also has huge potential for jobs and growth, especially in the private sector, and the Executive have sought to encourage it and to direct attention to it. In fact, the Giant's Causeway visitor centre is getting off the ground.

A theme recurs time and time again throughout the responses. It perturbs me that radio phone-in programmes, their presenters — Members — journalists and the chattering classes portray the Assembly, the Executive and local government as bodies that do not deliver or even try to deliver and which make little difference to people's lives. That is the "in thing". It is, therefore, worthwhile highlighting the things that are done. I urge Members to look not only at the amount of money that has been made available to the Giant's Causeway, but at the way in which the planning process sought to accommodate the facility in a sensitive area. It is an indication that the arms of government

came together to provide something that will add significantly to that area's economy.

As regards savings, I agree with the Member that Departments should make early, achievable plans for savings, which they can then bring to Committees so that proper scrutiny can be carried out. Many Members raised that issue in their contributions. Committees should push Ministers to bring those plans forward. I will certainly encourage Ministers to do so. As I outlined yesterday, the Budget process will require Departments to bring forward their plans for savings between now and the end of July. I intend to speak to each Minister about those plans during the summer so that they can be fed into the system in the new session.

Mr McNarry never comes into the Chamber to listen to me. He comes in and talks but never listens to me. We have been talking about processes, Mr Deputy Speaker, and I know that you may accuse me of digressing. However, I believe that we should introduce a system by which, if Members wish to speak in a debate, they should, at least, be present for the summing up of the debate, so that they can hear the Minister's response. They may not like that response. However, at least they would hear the response to the speeches that they have made. Perhaps, you will pass that on, Mr Deputy Speaker. I will say no more about it, except that it would help the process of debates, rather than having Members walk in, make their speeches, walk out, and not be seen again. Ministers never have a chance to respond to them.

The Chairperson of the Committee for Health, Social Services and Public Safety: The Minister can be confident that if he misses any point that is made by most of the Back-Benchers on all sides of the House, they will ensure that it appears verbatim in local newspapers the following week. Therefore, he has nothing to worry about: he will be able to catch it in his local journal.

The Minister of Finance and Personnel: I am sure that I will. However, since I have had to sit through the debate for several hours, I would like it if Members would, at least, return to the Chamber to listen to what I have to say at the end of it.

Let me get back to what Mr McNarry said. At least his contribution to today's debate was, perhaps, just a little notch higher than the

standard that we usually expect from him. He mentioned the black hole and severe cuts. He had a go about water charges and leaked documents from the Executive — on which, of course, he would have great expertise. I suspect that his party is well used to that kind of thing.

I have just listed some of the issues that Mr McNarry raised. He mentioned the weighted scale. I am still at a loss to understand how his weighted-scale theory is any different to how projects are judged against priorities that are listed in the Programme for Government. He mentioned setting up a scrutiny Committee. I would have thought that at a time when we want to streamline the system, we should try to get rid of unnecessary Committees. Mr McNarry says no: let us have a scrutiny Committee.

What really took me to the fair was that although the Assembly has four in-year monitoring periods, all of which require feed-in from Departments, along with Executive discussion on how to allocate money, followed by debate in the Assembly, Mr McNarry wants monthly, rather than quarterly, in-year allocations. The important fact is that none of that would generate any more money for Departments. We would still face choices. We would still have to make difficult decisions because there would still be the same pot of money to spread around Departments.

Mr McNarry described measures that he believes would improve the situation. However, those measures would not magic money out of the air, make it grow on trees or persuade the Treasury to make more of it available to us. We would simply have to continue to make difficult decisions. Those decisions are not best made by saying that just because something is a high priority, it must simply be given all the money that it requires.

That seems to be what was being suggested — that a high rating meant that a budget would not be touched. When we talk about giving the growth of the economy a high priority, it does not mean that everything that comes under the heading of growing the economy is necessarily a good project or the best way of spending money. We allocate and give priority to budgets through in-year monitoring and looking at departmental baselines, among other things. When spending proposals come forward, we have a clear indication of their relative benefits when it comes to prioritising spend. We do that rather

than act on an abstract notion that a priority gets money. We must look at those elements.

5.45 pm

I want to say something about the Budget process. The more that we get down to clear lines of departmental spend, the more that we will be able to drill down and look at some of the bids that are being made and make some judgements on them.

Mr McNarry also talked about the economic projections. He loves talking about black holes in the economy and in spending. He was on about it again today. He said that, last year, we had £390 million in cuts in this Budget. I do not know how often I have to say it; I will send him a copy of the Hansard report. We reallocated £370 million in this Budget. We did not cut £370 million from this Budget. I do not know how many ways I have to say it. We decided that we could not sell some assets because of the market. We decided that we were not going to impose water charges because, politically, people said that we could not do it. We decided that we were going to help businesses with their rates. If we used the money for that, we could not use it for something else, and so we reallocated. We did not cut.

We will have to make cuts this year. We will have £128 million less. Next year, it will be the same or even more so. Those are cuts, but there was no black hole because someone lost control of the finances. A reallocation was made on the basis of decisions that were taken by the Assembly. Mr McNarry talked about the economic projections and the difficulties posed by economic growth. We may well face such difficulties, but he did not say that it has been found that levels of borrowing were less than anticipated. I do not know whether one may offset the other, but we will know that when the Chancellor makes his Budget statement next week.

Mr McNarry and Mr Farry raised the issue of corporation tax. We have had long debates on that issue. Although I will be interested to see the paper that comes forward, we must remember that it is only another paper that has been promised. We had Varney I, Varney II, and now we are going to have a third paper — Paterson or Osborne; I do not know what it will be called. We will then see what the full implications of allowing variations in corporation tax for the Assembly are likely to be.

I do not want to go over everything, because the hour is late, but when we responded to the report, a lot of queries were raised about the full cost of devolving corporation tax and allowing changes to be made by the Assembly and also the benefits. Any economic model that predicts benefits 25 years ahead is going on guesswork. No model can sustain all the uncertainties and risks that occur over a 25-year period and come out with accurate predictions. The predictions about creating 90,000 jobs over the 25 years have to be taken with a pinch of salt. It makes a good headline in the paper, but when one looks behind it to see where those figures come from, sometimes the figures become a little bit more suspect.

Mr McNarry also mentioned in-year monitoring, and he raised a query. He seemed to think that there was some contradiction in what I said about in-year monitoring getting tighter. It is, and that is good. Carál Ní Chuilín spoke about the benefit of that. It means that Departments are spending money on what they actually planned to spend it on. It does not mean that there are no reduced requirements. There will still be reduced requirements, because unforeseen circumstances always arise where Departments planned to spend money on something but could not spend it. That is the situation this year again.

The question that the Executive must ask when we present the June monitoring round is how we deal with reduced requirements, bids from Departments and the knowledge that we have got to find £128 million in cuts. Do we simply say that we have x amount of reduced requirements, so we will give x out to Departments because there is x worth of bids? Do we say that we will only give half of x, refuse some of the bids, and use the remainder to facilitate and finance some of the cuts? Or do we give it all over to remove the cuts this year? Those are the kinds of decisions that are being made.

I do not know whether Mr McNarry is just paranoid that someone is trying to pull the wool over his eyes, but to suggest that there is something untoward going on when I say that in-year monitoring throws up less in reduced requirements this year than last year, and less last year than it did the year before — and that, just because I mentioned that maybe some of those reduced requirements could be used in a certain way, the wool is being pulled

over people's eyes — really is either stretching to find something to complain about or not understanding the process.

I have dealt with the Assembly Budget scrutiny unit and the Member's proposal. I would have thought that we would want to move away from more bureaucracy and try to get a more streamlined system.

Mr Bradley raised the issue of the schools capital budget. It must be recognised that there has been a reduction in the schools capital budget. That is partly as a result of the fact that we made decisions to, for example, defer water charges. I noticed that, when challenged about whether the SDLP would support the introduction of water charges, Mr Gallagher was emphatic that it would not. Again, it comes down to that issue: if more money is required for one thing, where does the finance come from? In all the discussion today — I think only two or three members of the SDLP spoke — on no occasion was any suggestion made as to how the additional money that they wanted spent on things could be found.

As I have said, although there has been a reduction, we also know that as a result of the different treatment of PFI projects by the Treasury, there will be savings to the schools capital budget of £10 million this year, which is welcome. Also, as has been pointed out by other Members, construction costs have been reduced. Indeed, Mr McHugh pointed out that, in the Irish Republic, construction costs are coming in 21% below what had been expected. I think that there is a similar situation here in Northern Ireland. Therefore, even with reduced finance, hopefully we can get more projects per pound than we would have two years ago.

Mr Bradley also raised the issue of special educational needs. Although the issue that he raised about the £25 million is primarily for the Education Minister, my understanding is that the consultation responses on the special educational needs report have now been received by the Department of Education, and a summary of those will be produced by the end of the summer.

The emphasis will now be on schools, and I understand that work has already begun on developing school workforce capacity to build in the requirements and responsibilities that schools must meet to cater for children with special educational needs.

Mr Bradley spoke about school maintenance, and we must acknowledge that significant issues exist in that respect. The bill stands at £280 million, £60 million of which is required for areas that need immediate attention. Again, it is up to the Minister of Education to manage those issues by using the budget available to her.

I now come to Mr Farry's points. I have said on many occasions that I enjoy his contributions in the Assembly. However, I noticed today that he is slipping into Lib Dem mode. He does not put up the same kind of resistance to proposals for immediate cuts that he used to, and he talks about balancing the need to raise revenue against the need to cut the amount of money spent on services. He has not yet sold his soul, but he is moving in that direction.

However, Mr Farry made a number of useful points. He and Jennifer McCann talked about the potential of North/South co-operation, and I wish to make a point about that. I do not take a dogmatic stance to the Irish Republic and ignore it because of unionists' difficulties with it in the past. However, to use Mr Farry's words, we must strike a balance. We are very dependent on the UK economy, and east-west links are important. However, a land boundary exists between Northern Ireland and the Irish Republic, and significant work can be done. I have no ideological reason for not wanting to try to maximise the use of resources through co-operation with the Irish Republic. Indeed, I have had discussions with the Finance Minister in the Republic about co-operation, not because I wish to drive some political agenda or ideology but because sometimes it makes sense to share resources and services and to have a useful discussion about how we can maximise the impact of resources that are spent on, for example, procurement in the Republic and here. Of course, we have already benefited from such co-operation, after the Irish Republic contributed to the roads network here when it recognised that it also serves its economy. Certain exchanges will, therefore, be worthwhile.

However, we must bear in mind that the Republic is our competitor in many other areas, so there are limits to how much co-operation can take place. I am sure that the Government in the Republic also bear that in mind when they are making certain decisions. Co-operation is useful in circumstances in which potential savings are available, and it would be wrong of us not to consider those. Co-operation will

sometimes take place Minister to Minister. I have said many times in the Assembly that I prefer to do business Minister to Minister rather than through the complicated structures of the North/South institutions.

Mr Farry also mentioned the counter-cyclical measures. Yesterday, he said that it would be mature of us if we decided to introduce water charges.

Although I have some sympathy with the Member's point, and have said so publicly, we have to recognise that the introduction of water charges is a form of fiscal tightening, in so far as those charges will remove spending power from private individuals that would have benefited the economy. Whether it is through introducing water charges or reducing public spending, there will be fiscal tightening and an impact on the economy.

6.00 pm

Dr Farry: It is a fairly complicated balancing act, and the Department may come to the conclusion that it is right to introduce water charges, thereby tightening the economy in one respect to balance the books and bring money in. However, it may be more economically efficient to loosen the economy in another area. Not levying water charges may not be the most efficient way to ensure spending power in the economy. There may be more efficient ways of doing that.

The Minister of Finance and Personnel: It is sometimes very difficult to work out the total impact of such a change vis-à-vis other methods. If money is brought in through water charges, it would leave in some other form. The question is whether it would have a greater overall economic impact, and that is where economic modelling comes into consideration. There is also a political argument surrounding water charges.

I referred earlier to Mr McNarry's contribution. He finished his speech by demanding to know what I was going to do about water charges. However, if Mr McNarry had done his homework, he would know that I can do nothing about water charges. I have raised the issue of water charges honestly, both publicly and in the Assembly. However, at the end of the day, the responsibility for water charges lies first with the Minister for Regional Development, secondly with the Executive, and thirdly with

the Assembly. On one hand, Mr McNarry puts forward the idea of perhaps supporting water charges, and, on the other, Mr Cobain says that introducing water charges would be a total betrayal. Given that record, Mr McNarry has a debate to sort out in his own party before he asks me what I am going to do about water charges. Nevertheless, it is an issue that we will come back to.

Mr Farry raised the issue of spending differentials and the fact that some Departments spend more per capita than others. He mentioned that the Health Department spends more per capita, but that, when health needs are considered, there may be a need for more spending. That is a very dangerous route for the Member to go down because, if we look at where the biggest disparity of spending per capita is, we find that it is in his Minister's Department, where there is a 40% difference in spending per capita, compared with the rest of the United Kingdom. The average difference is 22% per capita for the Northern Ireland Budget as a whole, whereas there is a 7% difference per capita in the Education Department.

Dr Farry: Will the Minister give way?

The Minister of Finance and Personnel:

Perhaps the Member is going to tell me that he has already been lobbying his Minister to make sure that those disparities are addressed.

Dr Farry: I know that I am going to get myself in trouble for saying this, but if we are to be mature, it is important to recognise the benefits of freezing the justice budget in the short term, given the potential crisis and uncertainty that we face, particularly the threat from dissidents. As we normalise society and as the rule of law becomes better entrenched, it is clear that there will come a time in the very near future when justice has to be paid for against other competing priorities such as health and education. The Minister of Justice gave a very clear warning of that in his keynote speech last week. Such movement will be a sign of Northern Ireland maturing as a society. I recognise that what the Minister of Justice suggested will inevitably happen here under devolution.

The Minister of Finance and Personnel: I used to think that Mr Farry was a rising star in the Alliance Party. With a contribution such as that, I will maybe have to rethink that position. Nevertheless, again, he has demonstrated an

honesty that is sometimes lacking in other Members' contributions by recognising that we need to take a hard look at such issues.

Although Mr Farry mentioned policing, there are other areas in the Department of Justice in which savings can be made. I admire the stance that Mr Ford took on how legal aid costs should be tackled so that we achieve greater parity with other parts of the United Kingdom. He will be taking on a big vested interest there. As with many such issues, however, that will have to happen anyhow.

Michelle McIlveen mentioned structural maintenance and underfunding of Roads Service. The infrastructure of Northern Ireland is important if we are to deliver an effective economy. Last year, Roads Service's maintenance budget was increased to £85 million, which included an additional £15 million. From 2007-08, the budget has gone up from £63 million to £77 million to £85 million. So, we have increased the maintenance budget for Roads Service. I understand that most of that will go on the strategic road network, but other roads, including rural roads, will have resurfacing treatment.

The Member also raised the issue of DRD funding for roads and transport. The allocation is due to increase by more than 20% in the current financial year to just under £700 million, which indicates the importance that we attach to building the infrastructure in Northern Ireland. Of course, it is up to the Minister to decide how that money is allocated.

Mr Gallagher raised the issue of savings. He spoke about the problems of the Western Education and Library Board and the treatment that he believed that the board received from the Department of Education. Education spending went up by 5.8% last year, well above the rate of inflation, and there is a 1.9% increase in education funding this year. How that is allocated is, of course, the responsibility of the Education Minister, as are decisions on timing and information.

Carál Ní Chuilín raised the issue of value for money in social housing. If one looks at this Administration's record on social housing, one can see that, last year, we had the biggest production of social housing for years, with a programme for more than 1,800 homes. The average cost to the public sector was £80,000, and, because delivery is now through housing

associations, their contribution was £50,000 per unit through private lending. The standard of new houses in the public sector is well known and represents good value for money.

The Member raised an issue that is also important to me, and that is the language that is used in the Budget. I, too, am glad to see that more and more people are asking questions and discussing and wanting to discuss with public representatives the whole issue of public spending and how it is done. I suppose that it is the teacher coming out in me, but I do not think that there is any point in providing Committees or Members with documents that they do not understand.

Therefore, they should be in plain English so that people can understand them. Perhaps the Members on the Benches opposite will remember that when they speak Irish, it is sometimes just as confusing as some of the official speak that Carál Ní Chuilín referred to when talking about some of the documents concerning budgetary considerations that come across her desk.

Part of the revision of the Budget process will be to look at how figures and information can be presented in a more understandable way and broken down in a way that makes them clearer. That would enable us to have a proper debate. I do not believe that it is beyond the wit of the Departments to do that. As part of the Budget process, I hope that an easy-to-read summary will be published in the autumn alongside the draft Budget document. That will enable people other than the professional consultees to respond to the Budget, which is, of course, important to all their lives.

Carál Ní Chuilín also raised the issue of streamlining the Budget process. Again, I have assured the Assembly that we want to bring forward a new set of proposals for the Budget process. Part of that will involve Ministers trying to address the problem of Committees not receiving timely and adequate information to enable them to properly scrutinise the Budget. That problem was raised by a number of Members yesterday, today and on other occasions.

Mr Givan made his maiden speech today. If he continues to wear such ties, he will ensure that he gets himself on TV. *[Laughter.]* I do not want to sound patronising, but I congratulate him on his maiden speech, which was insightful, useful

and delivered with confidence. I look forward to more contributions from him in the future.

He raised the issue of special needs and talked about the I CAN centre in Ballynahinch. The education and library boards have a statutory duty to identify children over two years of age who have special educational needs and determine the provision to meet those needs. The boards were established on an arm's length basis so that they could respond to local needs, and that was based on legislation that was set by the Department. If they do not adhere to that legislation, they know the consequences, as Mr Givan described today.

Brian Wilson referred to Budget cuts and his desire to defer them. We know what is coming down the line. Next year is going to be worse and we are unlikely to be out of troubled waters by then. Therefore, simply saying that we should defer the cuts without any consideration of our ability to make some of the savings this year really is reckless. I know that the Member is in the Green Party, but I hope that he is not green when it comes to some of the economic issues. His speech was a bit depressing. He suggested that we should put it all off until tomorrow and hope that everything turns out OK so that we do not have to make the hard decisions now. We cannot heap some of the cuts that we have to make this year on to next year's Budget.

I already mentioned Mr McGlone, but I must come back to the SDLP's wonderful Budget proposals, which supposedly would have steered us out of the present situation. The proposals are brought up during every Budget debate. Mr McGlone said that we could take money from the budget for the Belfast Harbour Commissioners. During Question Time yesterday, I said that the commission does have a cash reserve.

However, that cash reserve is being built up in order to undertake infrastructure work to develop the port to ensure that it becomes more efficient. The port is the major outlet for goods and services from Northern Ireland and for bringing goods, passengers and everything else into Northern Ireland. If we were to take the money from that cash reserve, from where would the port get the money to do its infrastructure work? I take it that Members support the idea of improving our infrastructure. If we were to take the money from the reserve, the Belfast Harbour Commissioners would

simply make a demand on the public purse by borrowing, and that would not solve anything. We would be taking with one hand but giving with the other.

6.15 pm

Mr McGlone talked about some other problems. He said that we did not anticipate that capital receipts would fall. I must say that he failed to mention that DSD did not accurately project housing receipts. It might have been in a better position to do so than DFP. It did not accurately predict what would happen to the Royal Exchange project — money was paid out and then it had to come back in. The SDLP is adopting a hand-washing attitude: "Not me, gov. We have copped out of all of this."

Mr McDevitt: Will the Minister give way?

The Minister of Finance and Personnel: I will give way presently. The SDLP's attitude is that everyone else got it wrong and is to blame and that it has the magic solution.

Mr McDevitt: I thank the Minister for giving way. I did not want to intervene again, but he has returned to the subject of the SDLP

Earlier in his contribution, he talked about corporation tax. I am interested to know whether the Minister wishes to revise an answer that he gave to me previously. At Question Time last month, I asked him about the estimated take of corporation tax in this region, and he told me that it was somewhere between £350 million and half a billion pounds a year. Those are the Minister's words, not mine. I did my homework and figured out that what the Minister must have been doing was extrapolating a Barnett-type formula. He had reckoned on the estimated take across the UK and assumed that we would get, more or less, our Barnett share of it. I hope that all the other comments that the Minister has made today are based on slightly stronger and sounder economic reasoning than that figure appears to be. He is a man who knows what he is talking about most of the time. Will he clarify that specific figure and tell me whether he still stands over the assertion that we are walking away with half a billion pounds in corporation tax every year from this region, as he said we did a month ago? If so, I would welcome it.

What other magic formulas has the Minister up his sleeve to deliver us out of the current financial crisis?

The Minister of Finance and Personnel:

First, as I explained to the Member in my answer, the corporation tax take depends on how wide the scope for corporation tax is and on which businesses are included in the take. *[Interruption.]* The Member wants a simple answer to his question of how much the corporation tax bill is. It depends on the scope of the tax and which businesses pay it. Members talked about that when they discussed the issue in the Assembly. Not every business would be covered by a reduction in the rate of corporation tax. I heard some Members say that they would not allow banks' profits to be covered by a lower rate of corporation tax. The amount collected will vary, depending on which businesses we include and which we leave out. I do not know that the Member has a point to make there at all.

Mr Wells raised a number of issues about the women and children's hospital. I understand that the current allocated profile for its funding is during the ISNI II period. That means that the project will have to be split into two separate projects. One will start in 2015-16 and see completion in 2017-18, while the other will start in 2017 and be completed in 2021.

Mr Wells also raised the issue of generic drugs. It is my understanding that the Health Minister is already working to roll out the use of generic drugs across health and social care services, although, as the Minister pointed out, that will often require educating GPs to use generic drugs.

Finally, he mentioned the hospital at Omagh and the need for services in that part of the west of the Province. I understand that the Western Health and Social Care Trust has reviewed the business case for a new Omagh hospital. The trust will submit a revised business case, which now includes the procurement route, to the Department of Health, Social Services and Public Safety. Of course, that will have to go into the financial melting pot.

I thank Members for their interest in the legislative stage of this public expenditure cycle. I have endeavoured to respond to most of the key issues raised. It has been a good and important debate. I loved Mr McHugh's comment that the debate was about the "pocket

money" of the block grant. We have been debating more than "pocket money" today. It is very important business for Northern Ireland. I believe that this Budget will deliver services to people across the Province, even in these straitened times.

As Members, we would be failing in our jobs if we did not notice money being wasted or spent improperly. Equally, it is our job to recognise that money is being spent on vital services. Good work is being delivered across Northern Ireland. Let us not join the doom and gloom merchants who see nothing good coming from that work or from the Budget allocations that we make. At least, let us give people hope and optimism that we are doing our best to ensure the best use of financial resources.

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

Question put and agreed to.

Resolved (with cross-community support):

That the Second Stage of the Budget (No. 3) Bill [NIA 26/09] be agreed.

Energy Bill: Second Stage

The Minister of Enterprise, Trade and Investment (Mrs Foster): I beg to move

That the Second Stage of the Energy Bill [NIA 23/09] be agreed.

It may be helpful for Members if I outline the background to the Bill. The Energy Bill is intended to update legislation that applies principally to the natural gas sector in Northern Ireland. It is framed in such a way that the gas sector will benefit from policies and legislation that have already been successfully implemented for the electricity sector. Its other main purpose is to create a special administration regime that will be applicable to the gas and electricity sectors.

The proposed Energy Bill now includes the following provisions: first, the power of access for authorised natural gas companies will be enhanced to allow them to enter premises where, for example, there is suspicion of gas-meter tampering. Natural gas companies are currently unable to enter a property to inspect their equipment unless they suspect that there is a safety concern. The new proposals will provide gas companies with extended powers of entry analogous to those already in place for the electricity industry in Northern Ireland and Great Britain.

However, we have also proposed a number of key safeguards. The legislation states that the person seeking entry to a property will have to provide evidence of his or her authority. They will have to provide sufficient notice that they wish to gain entry, and entry will only be permitted during reasonable times. Those safeguards will be put in place to protect consumers. Also, a gas company must be able to satisfy a Justice of the Peace in order to obtain a warrant if entry to the property is refused.

The Bill will also provide for a new offence of damaging gas plant. The provisions will be similar to those already contained in the Electricity (Northern Ireland) Order 1992 for damage to electrical plant.

The introduction of guaranteed performance standards for the gas industry will provide consumers with specific, measured, achievable, reliable and timely standards to gauge the level of service being provided by different gas companies. That will help to create a level

playing field for customer standards and allow for easier comparison of competitive offers.

The Bill also provides a Utility Regulator with the power to delegate gas meter stamping and testing functions, as opposed to being responsible for completing those in-house, which also brings us into line with the rest of the UK.

The Bill will allow for the establishment of deemed contract provisions between natural gas companies and customers. A deemed contract exists between a consumer and a gas supply company where no written or verbal agreement has been exchanged; for example, when a change of tenancy occurs, such as someone moving into a different property. The introduction of deemed contracts will facilitate a sound and binding basis on which companies will supply customers with whom a contract has not been expressly agreed. It also provides suppliers with a clear basis on which to charge for that supply.

The Bill will also introduce special administration regime provisions for the natural gas and electricity industries in Northern Ireland. In the unlikely event of a utility becoming insolvent, the usual insolvency arrangements mean that the primary responsibility would be towards creditors. However, the proposed legislation provides for gas and electricity networks to remain in place and operational in the event of a network company failure to ensure the continuation of gas and electricity supplies to consumers. Responsibility for a utility that becomes insolvent will be transferred to a special administrator appointed by the High Court who would put the energy consumers' interests above those of creditors and shareholders

The Bill will also update provisions for gas storage. A regime to allow the Department and the Utility Regulator to consent to gas storage in Northern Ireland exists and the legislative changes proposed in the Bill are relatively minor. The proposed provisions will clarify the meaning of "store" for the purpose of existing gas storage provisions in the Gas (Northern Ireland) Order 1996. It will also clarify that only the operator of a gas storage facility will store gas for the purpose of the Order, rather than the user of a gas storage facility. That will define that it is the responsibility of the licence holder to operate the gas storage facility and it is only the licence holder who can store gas in the facility.

The equivalent legislation for the electricity industry in relation to powers of access, guaranteed standards of performance, deemed contracts and the offence of damaging gas plant can be found in the Electricity (Northern Ireland) Order 1992. It is intended that the proposed Energy Bill provisions will produce the same legal effect for the gas industry as existing electricity legislation in Northern Ireland. The Bill will also bring Northern Ireland law into line with the Energy Act 2004 in Great Britain by creating a special administration regime for the natural gas and electricity industries.

My Department carried out a consultation exercise on the policy proposals in the Bill, and the vast majority of respondents expressed support for the new legal provisions. However, particular comments are worth highlighting. In response to the legislative provisions that would extend the power of access for gas companies, consumer bodies accepted that gas meter tampering was a serious issue with potential safety implications. They also believed that the existing and proposed legal provisions should contain sufficient safeguards in relation to gaining access to a property. That was considered necessary to allay any concerns about appropriate notice being given if access to a property is requested, and a court must be satisfied with the gas company's arguments before granting a warrant.

Existing provisions provide access powers only when there is a danger to life or property posed by events such as a gas escape; essentially, when there is a safety issue. However, the Energy Bill provides safeguards to protect individuals from unwarranted intrusion. The gas supplier requiring entry under the new powers will have to provide evidence of their authority at the request of the owner or occupier or make a case sufficient to obtain a warrant from a Justice of the Peace. The new legal powers will also provide that such entry can only take place at reasonable times, so there will be no prospect of it happening very early in the morning or the middle of the night.

6.30 pm

Other comments related to whether the proposed special administration arrangements would negate the recently implemented Gas (Supplier of Last Resort) Regulations (Northern Ireland) 2009. That will not be the case, because the 2009 regulations relate to gas supply

companies, whereas the special administration arrangements will apply to network and distribution companies in order to ensure continuation of supply.

Some gas companies were not totally convinced of the need for guaranteed standards of performance. In particular, they said that they would have to pay compensation for failing to meet agreed standards. However, Northern Ireland electricity legislation and GB energy legislation provide for such compensation to be paid by the energy supplier if customer standards are not met. Some companies supported the setting of guaranteed standards but requested that suppliers not be unfairly penalised if the failure was due to other providers — for example, gas distribution network operators. The Department will work with the Consumer Council and the Utility Regulator on the outworkings of that issue. However, essentially it is a parity issue and something that should be proceeded with.

I summarise the content of the Bill as follows: it is divided into three Parts, containing 37 clauses and one schedule. Part 1, clauses 1 to 15, relates specifically to the gas industry. Part 2 relates to both the gas and electricity industries, and Part 3 contains supplementary provisions.

Clauses 1 to 8 provide gas customers in Northern Ireland with an enhanced level of consumer protection by authorising the Utility Regulator and the Department to determine standards of performance in connection with the activities of companies that convey and supply natural gas. Clause 9 makes certain amendments to the Energy (Northern Ireland) Order 2003 in order to ensure that the introduction of the new provisions on gas standards of performance is facilitated.

Clause 10 creates a criminal offence for persons who intentionally or negligently damage gas equipment used for conveying, storing or supplying gas. It also allows gas companies to disconnect premises and/or remove gas meters where the offence is committed. Clause 11 exempts gas plant owned by gas companies from judgement and bankruptcy processes where a customer is in possession of that gas plant.

Clauses 12 and 13 create a procedure to provide for deemed contracts to arise in situations where customers take a supply of gas

without having first agreed a written or verbal supply contract with a gas supplier. Clause 14 enhances gas companies' existing powers of entry to customer premises. Clause 15 clarifies the meaning of gas storage for the purposes of the Gas (Northern Ireland) Order 1996.

Clause 16 amends the 1996 Order so that the Utility Regulator does not have to appoint meter examiners from members of its staff and can delegate that function to an appropriate outside body.

Clauses 17 to 33 create a special administration regime for licensed energy network companies. Where a gas conveyance company or an electricity transmission or distribution company faces actual or threatened insolvency, the new regime will seek to ensure that the operation of that relevant network continues.

Clauses 34 to 37 contain supplementary provisions and the interpretation, commencement and short title provisions of the Bill. Supplementary provisions include providing my Department and the Utility Regulator with the power to make subordinate legislation by means of regulation, subject to negative resolution. Regulations under the Bill may also make any necessary transitional provisions and amendments.

Finally, the schedule covers the content and effect of the special administration transfer schemes that are referred to in clause 18. The transfer of any energy company assets must not prevent the activities of the protected energy company from being maintained, and the assets must be transferred as a viable going concern. That will ensure that the objective of the energy administration arrangements is met. It may be the case that all the protected company assets will be transferred to one company, but the protected energy company may also be separated into several going concerns. All transfers will, it has to be said, be subject to veto or amendment by my Department.

In summary, I consider that the Bill will facilitate the further development of the natural gas industry by introducing measures to bring it up to date with legislation already in place for the electricity industry in Northern Ireland and, indeed, with energy legislation in Great Britain. The Bill will update the law to ensure that legislation continues to provide protection for Northern Ireland energy consumers and energy companies alike.

The Deputy Chairperson of the Committee for Enterprise, Trade and Investment (Mr Butler):

Go raibh maith agat, a LeasCheann Comhairle.

I welcome the Energy Bill and the opportunity to contribute to the debate. The Bill contains provisions relating to power of access to premises for gas companies; a special administration regime for electricity and gas; deemed contracts between gas companies and customers; guaranteed standards of performance for gas suppliers and conveyors; gas meter stamping and testing; and gas storage facilities.

One of the main objectives of the Bill is to permit gas companies to enter customers' premises. For example, it is only right and proper that gas companies should be permitted to enter premises when there is reasonable cause to suspect that equipment has been damaged. The Committee, of course, will want to be assured that such powers are exercised in an appropriate and sensitive manner and that the term "reasonable cause" is defined clearly and adhered to.

The proposal to introduce a regime that is designed to ensure uninterrupted operation of essential electricity and gas networks in the event of actual or threatened insolvency of an energy company is to be welcomed. That will ensure that the interests of consumers and the public are put before those of creditors and shareholders. The Committee has discussed the funding of the proposed regime with departmental officials. It has been suggested that a regime could be funded through the provision of grants or loans. The Committee will, of course, wish to be assured that any proposal to provide a grant to a failing energy company would be very much a measure of last resort.

The proposals for guaranteed standards of performance are, in principle, to be welcomed. The Committee will seek to ensure that the bar is not set too low in determining what constitutes an acceptable standard of performance and customer service. For households and businesses that depend on natural gas, it is an essential service. Guaranteed standards of performance must not only reflect the importance of the service but ensure that consumers are compensated fully and adequately for any failure in performance. The Committee asked the Consumer Council for its views on that matter. It responded that guaranteed standards act as a driver

for energy companies to improve standards and enhance the service that they deliver to consumers. The Consumer Council also stated that any compensation paid to consumers as a result of a failure to meet standards should be recovered from the appropriate company's profits, rather than from consumers. The Department informed the Committee that that is a matter for the Utility Regulator. Therefore, the Committee wrote to the Utility Regulator and asked how money paid to consumers as a result of failure in service can be recovered without consumers having to bear the cost. The Utility Regulator informed the Committee that his office is currently considering that issue and it is his intention to carry out a public consultation on it. The Committee will consider carefully the outcomes of that consultation and the proposals that the Utility Regulator brings forward as a result.

The Committee supports the principles of the Energy Bill. There are, of course, many other important aspects to it, and the Committee will consider those in more detail at Committee Stage.

I speak now as a Sinn Féin Member. The Minister mentioned the power of access. Although I welcome the fact that it is very much a measure of last resort, more scrutiny of that matter needs to be conducted at Committee Stage. There are concerns that people's gas could be cut off, which would give gas companies access to their premises. That has happened on a number of occasions over the years; for example, when NIE had that power. Although I accept that that has to be balanced against meter tampering and people not paying their bill, it has to be very much a measure of last resort.

If gas companies fail to meet certain guaranteed performance standards and have to pay out compensation to consumers, we have to ensure that that does not come out of other consumers' pockets. It must be borne by the company in question.

With regard to deemed contracts — when people have moved into a house but do not actually have a contract — we must ensure that whatever contract they enter into with the gas company does not penalise those using gas or electricity. It is vital to have transparency and independence in testing meters to see whether there is meter tampering. The Minister said that the Utility Regulator will be involved. However,

it would not be right for gas companies to be involved in testing meters, and we must ensure that it is fully independent. By and large, Sinn Féin welcomes the Bill.

Mr Moutray: I support the Bill. I welcome the Minister's remarks and commend her for driving the issue forward so promptly. It is important that legislation for natural gas issues in Northern Ireland be updated and in line with GB. It is important to ensure that the natural gas sector is protected and that it can benefit from the policies and regulations that have been implemented already in the electricity sector.

Although the Bill is technical, I welcome a number of points. I particularly welcome the fact that the Bill provides gas customers in Northern Ireland with enhanced consumer protection. It is important that consumers who decide to use gas as a source of energy be protected. I welcome the fact that the Bill empowers the Utility Regulator and the Department to determine the standards of performance of companies that transport gas and those that supply it to end users. That will ensure that consumers obtain quality service.

Additionally, I welcome the fact that the Bill makes it a criminal offence intentionally or negligently to damage gas equipment used for conveying, storing or supplying gas. Those who damage equipment should be held accountable. The Bill allows gas companies to disconnect premises and/or remove gas meters where the offence is committed. At present, the power of access for natural gas companies is limited; they can access premises only if there is a health and safety risk. The Bill will allow the Utility Regulator to deal with those who have taken a supply of gas without having first agreed a supply contract with a supplier.

The creation of a special administration regime applicable to both gas and electricity sectors will safeguard the provision of supplies by local electricity and gas networks, thereby protecting the interests of consumers and all our constituents. That means that, where a gas conveyance or an electricity transmission or distribution company faces actual or threatened insolvency, the new regime will seek to ensure the continuance of the operation of the relevant network. The interests of consumers will, in that instance, be placed above those of shareholders or creditors. That will help to

protect the consumer with supply and demand, should a company become insolvent.

The Bill will further enhance the natural gas industry and protect consumers and energy suppliers alike. In addition, it will bring us into line with energy legislation in the rest of Great Britain.

Mr Cree: I, too, am pleased that the Energy Bill has reached its Second Stage. Facilitating the diversification of our energy supply is crucial to our long-term energy security in Northern Ireland. Increased competition will benefit consumers in the longer term. I support a uniform approach to the gas and electricity industries, and I welcome the way in which the Bill has sought to provide protection to energy consumers in Northern Ireland. The Bill seeks to provide protection to consumers while attending to the areas that the industry and the utility regulator have highlighted for revision.

6.45 pm

The Bill also brings natural gas legislation in Northern Ireland up to date with that which governs regimes in the gas industries in Great Britain and the electricity sector in Northern Ireland. Given Northern Ireland's reliance on oil-based heat supply — 70% of homes use oil-fired central heating — diversification in the market is welcome for security and energy reasons.

I am pleased that the Bill seeks to introduce a deemed contracts regime, as that will provide a firm basis for suppliers to supply customers with gas and will echo what takes place in the electricity sector in Northern Ireland. Deemed contracts arise when customers take a supply of gas without having first agreed a supply contract with a supplier; where appropriately regulated, they give the consumer valuable protection.

The Bill also introduces a special administration regime in the gas and electricity sectors to ensure the uninterrupted operation of gas and electricity networks, even when continuity of supply is at risk due to the financial status of an energy supplier. Such provision is important to ensure the continuance of the operation of the energy network and the protection of energy consumers. It is also important in the current economic climate as companies face greater risks in the marketplace and may get into financial difficulties. The Bill is significant, as it could protect the supply of energy to consumers when it is interrupted due to the insolvency or

potential insolvency of an energy provider. It provides an important safeguard, which I welcome.

The Bill takes a common-sense approach to introducing a criminal offence when damage is caused to gas plant, akin to the current offence that deals with damage to electricity plant. That consistency is to be welcomed.

I find three areas of the Bill particularly beneficial. First, clauses 1 to 8 will provide gas consumers with more protection by seeking to establish standards of practice. Secondly, clause 10 takes a common-sense approach and seeks to establish a criminal offence in respect of persons who intentionally or negligently damage gas equipment used for conveying, storing or supplying gas. The clause also allows gas companies to disconnect premises and/or remove gas meters where the offence has been committed. That uniformity of practice, with sanctions that are already available to the electricity sector, is to be welcomed. Finally, clause 11 protects the gas industry by exempting equipment that a company has hired or lent to a customer from any bankruptcy processes against the customer. Thus the industry is protected from any potential insolvency proceedings taken against the consumer.

Originally, the Bill referred to gas storage facilities "in Northern Ireland territorial waters". I hope that progress can be made soon to reduce costs to the company and the consumer and increase our energy security by improving the diversification of the energy industry in Northern Ireland. I look forward to participating in the debate as the Bill progresses through the House, and I support its Second Stage.

Mr McDevitt: At the outset, I apologise for the absence of Alban Maginness, the Chairperson of the Committee for Enterprise, Trade and Investment, who has been unavoidably delayed; however, I will do my best to reflect the position of the SDLP on the Bill.

The SDLP generally welcomes the Bill, but I have some questions for the Minister. Furthermore, with the indulgence of the Deputy Speaker, I will make a few general comments, as I will not have the benefit of being party to the Bill's Committee Stage.

As Mr Cree said, the first part of the Bill deals with performance standards. All Members will agree that regional performance standards in the electricity industry have been positive, as

they have acted as an incentive to electricity supply companies and transmission distribution companies to improve their customer service and their security of supply arrangements.

Clause 2 provides for the payment of compensation in the event of standards not being met. However, I do not see any detail in the Bill on whether a supply or transmission distribution business could pass on the costs of such compensation to consumers. Therefore, I wonder whether the intention is to make specific provisions to ensure that, when compensation is paid, it is paid by those who are at fault and not by consumers via the back door. Maybe the Minister could return to that when she sums up.

Powers of entry are covered in clause 14. The term “reasonable times” is used frequently throughout the clause. Again, I am interested to know what exactly is meant by “reasonable times”, because all the powers that will be passed on to suppliers or their authorised agents will be to enter premises at “reasonable times”. Picking up on Mr Butler’s point, that is an important provision, but we must be certain that it will not lead to abuse. Therefore, I would like clarity on the specific meaning of that term. I would also like to know what precedent, if any, the Department and the Minister are drawing on in using it.

That brings me to my next point about reasonable cause. The Bill states that powers of entry will be sought if there is reasonable cause to do so. Again, what precedent is being used to define “reasonable cause”? Like my party colleagues and other parties in the House, I welcome the general provisions of the Bill. It is important that companies and their agents have the powers to enter, but those should be powers that are used in extremis; they should not be powers that are sought or used as a matter of routine.

Clause 28 deals with energy administrators, which, again, is a provision that we welcome. The clause deals with grants and loans, which, as I read it, will be a mechanism that is available to government to bail out a failing energy company that has found itself in administration. Again, in principle, we would all welcome that provision as a common-sense measure, but it raises a series of questions about the funding of grants and loans and where the liability will ultimately lie.

Mr Deputy Speaker, with your indulgence and that of Members, I will read out the relevant

part of the clause, because, although it reads well, I am not sure that it reads as tightly as it should. That may be something that Committee members will pick up on at Committee Stage. Clause 28(4) states:

“The terms on which a grant may be made under this section include, in particular, terms requiring the whole or a part of the grant to be repaid to the Department if there is a contravention of the other terms on which the grant is made.”

That is a welcome provision. Clause 28(5) states:

“The terms on which a loan may be made under this section include, in particular, terms requiring—

(a) the loan to be repaid at such times and by such methods, and

(b) interest to be paid on the loan at such rates and at such times, as the Department may from time to time direct.”

The clause continues by stating that the consent of the Department of Finance and Personnel will be required. In clause 28(2), power is given to the Department to:

“make grants or loans to the company of such amounts as appear to the Department appropriate to pay or lend for achieving the objective of the energy administration.”

Again, those are welcome provisions, but they potentially open a significant liability to us as a region. What are the conditionalities for those? How can we become more convinced than we are now — simply on the basis of the legislation — that, some dark November morning, that power will not open up a proverbial can of worms that we will all grow to regret? Perhaps we need policy statements from the Minister and, more generally, from the Department.

On the more general question of energy policy, I find the Bill’s title ambitious. It is loftily titled the Energy Bill, but it is a Bill to administer a small, although important, part of the management of the gas and electricity supply in this region. I suspect that, had a member of the public walked into the Great Hall this morning and noticed the Energy Bill on the Order Paper, he or she might have expected us to be debating the fact that £9 out of every £10 that consumers spend on energy is sent outside this part of the world. We pay people from other places for the gas and hydrocarbons of which we consume a large amount.

I look forward to the day on which, through legislation, we will have a serious and strategic

discussion about our energy policy. I hope that we will set ourselves ambitious goals to reduce our dependency on imported gas and oil in particular. I await the day when we look to the economic opportunities in our region to reduce our dependency on someone else's oil and find it less in our interests to spend so much time paying so much money to other people. We could be paying some of that money to our people to develop renewable and other alternative sources of energy. Not only would that reduce our dependency on the outside world and increase this region's energy security, it would provide opportunities for the development of indigenous industries. The realisation of light engineering capacity, for example, would stimulate training and employment opportunities in the rural community and provide a solid bedrock on which to grow the local economy.

That is the sum extent of my contribution, and I would appreciate the Minister's clarification on those specific points.

Mr Neeson: I support the Bill, as does the Committee for Enterprise, Trade and Investment. As the Minister said, the Bill focuses on the natural gas industry in Northern Ireland. She eloquently explained the main issues, and I have no intention of repeating them, particularly as the Assembly Commission meets after the House rises this evening.

A minor part of the Bill relates to gas storage, and I welcome that. As the Minister knows, a planning application has been lodged for the area around Larne lough and Islandmagee. As I said in the House before, east Antrim is the energy centre for Northern Ireland. However, I ask that, during the process, full consultation be carried out with the residents of Islandmagee. In recent years, they have faced major issues connected to the building and development of the Moyle interconnector and the new power station at Ballylumford. Local residents should be brought into the equation.

We all realise and recognise the importance of the project, not only to Northern Ireland but to the island of Ireland.

Mr Hamilton: I support the Energy Bill, and I thank the Minister for bringing its Second Stage to the Floor of the House. Many of the clauses have been long anticipated by many in Northern Ireland's energy industry. The Minister and many Members will know that I have a long-standing

interest in the gas industry in Northern Ireland, which, as the Minister and other Members have said, is the Bill's primary focus.

For a long time, I have supported and been an advocate for the expansion of the gas industry in Northern Ireland. I have lobbied extensively and repeatedly, to the point of being an irritation to the Minister and her departmental officials, for the extension of the natural gas network through my constituency of Strangford. I have generously lobbied on behalf of colleagues in South Down for an extension into their constituency and into the greater south-east area of Northern Ireland.

7.00 pm

I have supported the roll-out of the gas network in my hometown of Comber, where Phoenix Natural Gas recently invested almost £1 million to expand its infrastructure and to bring the benefits of natural gas to many more customers. In the summer, I hope to spend a day or two with Firmus Energy as part of the Assembly and Business Trust's company fellowship. I have a long-standing interest in the gas industry, and I hope that it continues. I want that industry to be advanced in Northern Ireland in whatever way is possible.

I have unashamedly done that for three main reasons, the first of which is the environmental benefit of natural gas. Although it is a fossil fuel, it is infinitely better than the high-carbon fuels, such as oil and coal, particularly oil, which are prominent in Northern Ireland, especially in rural areas. If we are to tackle collectively some issues that other Members talked about, such as reducing our carbon footprint and our dependency on those high-carbon fuels, we must consider gas, because it has proven to be much more environmentally friendly than fuels such as oil.

I have also supported gas for economic reasons. In some ways, that benefit is marginal, but there is a significant price differential between natural gas and oil or coal. Given the high levels of fuel poverty in Northern Ireland, the roll-out of gas to as many customers as possible will reap financial benefits for people's pockets. That is very important. Furthermore, natural gas has a wider economic benefit. The placing of those pipelines in the ground will create jobs and investment. We should always encourage money from the private sector,

particularly at this time. That is the background to my interest in the gas industry.

I support the Bill for one main reason, and I want to speak about one area. Broadly speaking, gas now has a greater share of the energy market in Northern Ireland than it had previously. Since the mid-1990s, when natural gas came back to Northern Ireland and Phoenix Natural Gas invested in the greater Belfast area, gas has accounted for an ever-increasing chunk of our energy market. However, the regulatory and legislative system that underpins it has not kept pace with that change in market share. The Bill will try to plug some of those gaps and to bring us into line with legislation in the rest of the United Kingdom. Moreover, it will bring gas companies into line with electricity companies in Northern Ireland, because electricity suppliers enjoy some powers that gas suppliers do not.

I will talk about clause 14, which concentrates on powers of entry. It is important to put that clause in some context. I have spoken to the gas companies, and I understand that they have a problem with customers whom they have reason to believe have damaged or tampered with their gas systems. Although the problem is not widespread, it is at a sufficient level to cause them some concern, to the extent that they have been pushing for a change to the law for some time. When the companies try to investigate the problems, they do not have consent to enter premises. They are sometimes unable to contact customers even though they have reasonable cause, and they find that customers are, mysteriously, unable to be contacted. They are out every time that they are telephoned and every time that their doors are knocked. That is, potentially, a very serious problem.

We talked about welfare reform yesterday and mentioned the old view that, sadly, some people in society encourage benefit fraud. Perhaps some people believe that tampering with a gas meter is acceptable. It is not acceptable. Not only is it stealing from the gas supplier, but it could endanger the homes of that family and its neighbours.

Mr McDevitt talked about reasonable cause for a gas company to want to enter premises. The Gas (Northern Ireland) Order 1996 allows gas companies to enter premises where there is a gas escape. That is only right and proper. However, if Jack the lad were to tamper with

his gas meter, he could damage the meter and the pipes in his house and create the risk of an explosion that could ruin his house and harm his family and his neighbours. That is reasonable cause for such a power.

Gas can be a very dangerous energy supply if it gets into the wrong hands or is mistreated. Therefore “reasonable cause” is a proper power if there is a suspicion that something may be wrong. However, it must be proven either by evidence brought to the gas company by other agencies or the police or by the company’s own data showing erratic or irregular energy consumption or usage changing drastically over a short time. If a gas company has such evidence, it is only right and proper that it enter premises to avert possible disaster. We have all seen the problems that gas escapes cause. Sometimes such problems are created by people tampering with their systems. That is a fact, and the Bill will help to address it.

I welcome the safeguards. Gas companies, even with the best of intentions, cannot simply wade into people’s houses under the suspicion that somebody has tampered with or damaged their system. I welcome the fact that they are encouraged to seek consent in the first instance. Failing that, they have to have evidence, they have to provide notice, they have to ensure that entry is done at a reasonable time, and they have to get the consent of a Justice of the Peace. That is more than reasonable back-up: gas companies cannot simply wade in without a shred of evidence to somebody’s house to check their system.

I welcome the Bill, particularly the clause on the power of entry. I raised the issue with the Minister and her officials in the past, and I am glad that the legitimate concerns of Members and of gas companies have been taken on board and included in the Bill. I am very pleased that the Bill is being brought forward today. I welcome it and encourage Members to support it.

The Minister of Enterprise, Trade and Investment: I am genuinely grateful to Members for the issues that they raised. Sometimes, the House takes a great deal of criticism, but it is at its best when it is doing work like this. Unfortunately, however, work like this rarely gets covered outside the House.

I will respond to the points that were made across the Chamber. Members appreciate that this is a technical Bill, although I believe that it

is very important. Members made the point that the gas industry should be brought up to the same standard that has applied to the electricity sector for some time. Therefore, it is right that we move quickly on it.

The Energy Bill will ensure that the gas sector will benefit from the policies that have been successfully implemented in the electricity sector. A special administration regime applicable to both gas and electricity sectors will safeguard the provision of supplies by local electricity and gas networks, thereby putting Northern Ireland consumers' interests above those of creditors and shareholders. That is a key element of the Bill.

I want to turn to issues that have been raised by Members across the House. On behalf of the Committee for Enterprise, Trade and Investment, the Deputy Chairperson indicated that the Committee wanted to support the principles of the Energy Bill. He also mentioned the funding of the scheme. That is an area that I want to come back to, and I will address the grants that would, as he put it, be paid to failing energy companies. He also spoke from a Sinn Féin point of view about his concerns around power of access and deemed contracts. His final point related to the independence of meter testing and the meters that were removed from houses.

Cutting off gas is a last resort. I think that that is a clear issue and something that has been the case with electricity companies heretofore. Vulnerable customers who are unable to pay restitution in full will not be cut off if they agree to put in a pre-payment meter, for example, to recover the outstanding costs that have been incurred. In consultation with the Department, gas companies have advised that they will discuss and agree with the consumer the rate of recovery. Therefore, there will not be a standard rate of recovery; it will be something that can be worked out between the company and the gas customer.

As to whether companies will pay compensation from their profits or whether it will be paid by consumers, the Utility Regulator, as Members know, monitors the energy industry here, and he has advised that there is no regulatory allowance in the electricity price controls to cover guaranteed standards of performance and that electricity companies are to fund associated costs. In other words, they cannot recoup it from their customers. The Department

will be working with the Utility Regulator on a scheme for the gas industry, and I expect that it will work in the same way as our electricity system. That was the second issue that the Deputy Chairperson raised.

I remind Members that a loan for special administration will be put in place if we believe that there is a danger of the gas network not being able to function, and the special administrator will make sure that it continues to function for the consumer. It is the last resort. If the loan cannot be recouped from a company in special administration, we will have to look at alternatives for recovering that money. Nevertheless, the establishment of a special administration regime for the utility industry will benefit consumers. If the Bill is referred to the Committee today, that is an area on which it will spend a little bit of time.

The Deputy Chairperson mentioned the independence of meter testing. The Bill contains a clause that gives the Utility Regulator the ability to delegate those functions to an appropriate body that is best equipped to perform such tasks. It is thought that the National Measurement Office, which deals with traditional weight and measurement enforcement and operates UK wide, will be the agency appointed by the Utility Regulator to take on the independent testing of any damaged meters that come before him. That will provide the transparency that the Member has been looking for.

Stephen Moutray welcomed the fact that we are making negligent or intentional damage to equipment a criminal offence. One of the main reasons why the provision has been included, and it was mentioned by Mr Hamilton as well, is because tampering with gas equipment is so serious. As one of my officials said: when you tamper with electrical equipment, you could kill yourself; when you tamper with gas equipment, you could kill your whole street. It is serious stuff. I am sure that Members recognise that, and I think that that is what Mr Moutray wanted to recognise today.

7.15 pm

Mr Moutray correctly said that, in the past, a gas company could enter premises only if there was a safety issue. Access was permitted only under the Gas (Northern Ireland) Order 1996. If the Bill goes through, access will be allowed on the grounds of reasonable suspicion. I will

return to that issue, because Mr McDevitt talked about it at some length. Mr Moutray also welcomed the fact that consumers' interests would be protected through the special administration scheme.

Mr Cree also welcomed the Bill and recognised that its purpose is to facilitate the diversity of the energy supply. He recognised that the Bill aims to protect energy consumers and welcomed the special administration scheme in particular. The regulator has described the special administration scheme as the "second line of defence" for customers. Therefore, it exists to provide additional customer protection. My Department and I believe that that is to be welcomed wholeheartedly. Mr Cree went on to talk about various clauses that he particularly welcomes. He said that he hopes, as do I, that gas storage will come to fruition in the coming months.

Mr McDevitt rose to outline to the House the SDLP's position on the Bill. He welcomed the performance standards for customer service in Part 1. He talked about Part 2 and the fact that compensation for low standards should not be borne by the consumer. I responded to that issue when I dealt with points that were raised by the Deputy Chairperson.

Mr McDevitt went on to mention specific provisions. In particular, he mentioned the provisions on reasonableness in clause 14, which deals with "reasonable" time and "reasonable" suspicion. "Reasonable" is a well-used term, which is taken from other legislation, not least the Energy (Northern Ireland) Order 2003 upon which large parts of the Bill are based. As I said, the Bill aims to bring gas provisions in line with those for electricity. If a gas company is denied access to a property, reasonableness is tested by a Justice of the Peace, so someone else makes that decision. An objective test, known as the man on the Clapham omnibus test, determines whether it is reasonable to enter the premises. If necessary, the ultimate arbitrator is the court.

I mentioned loans in my response to the Deputy Chairperson. The Bill aims to ensure that consumers remain online while a company is in difficulty. However, I recognise that points were made about the wisdom of giving a loan to an energy company that is going down the tubes. My Department will have to consider that to determine whether it is in the Government's

best interests to intervene during that period and whether that should genuinely be a policy debate.

We moved on to talk of a dark November morning and special administration. I was not quite sure where that was going. Mr McDevitt was not happy with the title of the Bill and thought it a little grandiose. If it is grandiose this time round, it was grandiose at the time of the Energy (Northern Ireland) Order 2003 and the Energy Act 2004 in GB on the special administration scheme. Therefore, we continue with the grandiose theme.

Mr McDevitt: That legislation was passed under direct rule.

The Minister of Enterprise, Trade and

Investment: The special administration scheme for electricity was, in fact, brought in under the Energy Act 2004. We are largely emulating that scheme for gas companies and, indeed, for electricity companies in Northern Ireland.

Mr McDevitt also said that he would like there to be a more rigorous debate on energy. I am happy for that to be the case. My strategic energy framework will be published by the Executive — please God — before the end of the summer. It has been consulted on widely, and the Member will find that discussion has taken place on all the issues that he raised, including the security of supply and competitiveness.

I thank Mr Neeson for his support. He mentioned gas storage, as I thought he might. He knows that we hope to have a viable gas storage facility in the Larne area that will provide us with 70 days' gas storage. As he said, that will be tremendous for Northern Ireland and, indeed, for Scotland. Such a facility will greatly enhance our security of supply. I am aware that a planning application has been submitted for the Islandmagee storage facility's project on Larne lough. Consultation will be a part of that process, and I want local people to be involved in it.

I commend Mr Hamilton for his work on the extension to the gas network and his advocacy on behalf of gas as a sustainable energy source in Northern Ireland. I am delighted to tell him about the completion of the gas extension network study, which I commissioned, along with the Utility Regulator, to consider the technical and economic feasibility of extending the natural

gas network to the west and to other parts of the north-west of Northern Ireland. We will use the results of that study to consider how best to take the new gas infrastructure to areas where there are sufficient gas loads and where large infrastructure investments of that nature are deemed to be economically viable.

Mr Hamilton concentrated on clause 14 of the Bill, which deals with powers of entry. He gave reasons why those powers are needed. I am glad that he articulated those reasons, and I completely agree with him that they are necessary. Many safeguards have been included in the Bill, and the Committee will want to examine those safeguards. However, they should be welcomed.

I am grateful to those who contributed to what has been a helpful debate on technical but important legislation. I look forward to the further progress of the Bill through the Assembly. My officials and I look forward to working with the Committee and our continuing engagement with Members as the Bill progresses through its legislative stages.

Question put and agreed to.

Resolved:

That the Second Stage of the Energy Bill [NIA 23/09] be agreed.

Roads (Miscellaneous Provisions) Bill: Further Consideration Stage

Mr Deputy Speaker: I have received notice that the Minister for Regional Development is not available this evening. The junior Minister Mr Gerry Kelly will move the Further Consideration Stage of the Roads (Miscellaneous Provisions) Bill.

Moved. — [The junior Minister (Office of the First Minister and deputy First Minister) (Mr G Kelly).]

Mr Deputy Speaker: As no amendments have been selected, there is no opportunity to discuss the Roads (Miscellaneous Provisions) Bill today. Members will, of course, be able to have a full debate at Final Stage. Further Consideration Stage is, therefore, concluded. The Bill stands referred to the Speaker.

Employment Bill: Final Stage

The Minister for Employment and Learning (Sir Reg Empey): I beg to move

That the Employment Bill [NIA 9/08] do now pass.

I am pleased that the Employment Bill has reached its Final Stage because it represents an important milestone towards ensuring that we have in place an effective body of employment law in Northern Ireland. Although the provisions of the Bill are somewhat mixed and eclectic, they provide for important changes to a wide range of employment law.

I am pleased that the proposals on the enforcement of legislation relating to employment agencies and the minimum wage have been welcomed. The private recruitment sector in Northern Ireland provides an important degree of flexibility for work seekers and hirers. It continues to play a vital role in the economic recovery.

The provisions of the Employment Bill will help my Department to deal with agencies that would attempt to abuse vulnerable workers or to break the law to gain a competitive advantage over compliant agencies. Those measures do not affect agencies that operate within the law. However, the provision of unlimited fines through the Crown Court, powers to compel agencies or third parties to provide relevant financial information and the removal of information-sharing barriers between employment agency inspectors and national minimum wage

compliance officers enable my Department to deal more effectively with those who are intent on breaking the law. I welcome the Assembly's support for those provisions.

New provisions about the membership of the Industrial Court will allow for greater flexibility to facilitate future changes with respect to the appointment of members of the court. Following the passing of the Bill, regulations can be made relating to the appointment of members and the terms of their appointment to replace the current primary legislation provisions, which are too restrictive.

We have complied with the requirements of legal advice that failure to allow legal representation before the Industrial Court could have led to a challenge under article 6 of the European Convention on Human Rights; that is, the right to a fair trial. Parties appearing before the Industrial Court will now be able to have legal representation in relation to seven of the court's eight jurisdictions. By its nature, the final jurisdiction, which is to do with the provision of voluntary arbitration in relation to industrial disputes, would not benefit from legal representation, and, for that reason, the necessary changes brought about by the Bill to representation in the Industrial Court do not apply there.

We have heard in the Assembly of a number of cases during the economic downturn where employers have not paid workers who are being made redundant. The losses incurred by individuals may not be limited to non-payment of redundancy or unlawful deductions from wages. They could, for example, extend to interest charges and direct debit charges on bank accounts. The Bill provides for compensation for the full financial loss sustained by individuals, and it will be a great advantage to claimants in such cases that an industrial tribunal can order the employer to pay compensation. That will be in addition to paying or repaying the amount arising from the employer's direct liability. That clause in the Bill relieves claimants of the need to make a separate claim to obtain the compensation element through the civil courts.

Of equal importance are those people who are endeavouring to gain employment through participation in my Department's employment and training programmes. By treating payments received as training allowance, not employed income, we will ensure that participants are not

liable for tax and National Insurance while taking part in those programmes.

I thank the Chairperson and members of the Committee for their detailed consideration of the Bill. The publication of the Committee's report, and its subsequent work in relation to amendments, contributed very much to the final outcome. In particular, the Committee pointed the way for engagement by my Department with stakeholders on consultation rights, and that led to effective agreement in an area that might otherwise have proved contentious. That engagement has clarified the form in which the consultation will take place on the arrangements for public appointments to the boards of CITB-ConstructionSkills Northern Ireland and the Labour Relations Agency.

The Chairperson of the Committee for Employment and Learning (Mrs D Kelly): It has been almost a year since the Second Stage of the Bill and the subsequent Committee Stage. I thank the Minister and his officials for their support and co-operation during the passage of the Bill. I also thank the Bill Clerk and the Committee staff for their work in bringing the Bill to this point. Finally, I thank the other Committee members for the effort and commitment that they have applied to the pre-legislative stage and Committee Stage of the Bill.

I would like to state on the record how important the work of the Committee is in the Bill process. Often the public does not realise that the work of the Assembly is so much more than what is portrayed in the media — a view expressed just a short time ago by Minister Foster of the Department of Enterprise, Trade and Investment.

The Bill's First Stage was on Monday 22 June 2009, with the Second Stage on 30 June and the Committee Stage beginning on Wednesday 1 July. The Consideration Stage was on 25 May 2010. The Committee undertook a fairly extensive pre-legislative scrutiny of the Bill before it was brought to the Floor of the Assembly, and that continued during a thorough Committee Stage.

The background to the Bill is that the Minister's Department is responsible for the regulation of the private recruitment sector, including the inspection of locally based employment agencies and businesses.

The Department employs two inspectors whose role it is to inspect the relevant businesses and to investigate any complaints made against them. If any one of those businesses does not comply with the law, the Department has the power to prosecute it in a Magistrate's Court or to apply to an industrial tribunal to prohibit an individual from operating or being concerned with the operation of an employment agency for a period of up to 10 years.

7.30 pm

The Bill seeks to enhance the Department's powers to investigate and to prosecute those involved in particularly serious offences under employment agency law. I am sure that Members will agree it is vital that there be robust powers to ensure that the employment agency sector is properly policed. In this time of economic hardship, many people have been put out of work and are turning to agencies to find employment. Many of them are desperate, because they have bills and mortgages to pay, and would be easy prey for unscrupulous agencies.

The Bill provides the Department with important powers to compel agencies and third parties, such as banks, to provide financial information that is useful to the investigation of an agency. Obviously, that power must be used sparingly and appropriately and only when authorised at an appropriate level in the Department. The Bill provides clarification on the law relating to information sharing. It allows national minimum wage compliance officers from Revenue and Customs and DEL's employment agency inspectors to legally share and exchange information, which means that employment agency inspectors could, for example, highlight cases to Revenue and Customs in which employment businesses have breached the National Minimum Wage Act 1998. Again, I am sure that Members will be keen to support the protection of vulnerable workers, who are often new to the country and are at the bottom of the pay scale. Such people often do not know their rights and need to be shielded from those who would exploit them.

All Members will be aware of examples that their constituents have brought to their attention of employment agencies' abusing the law. The Committee was made acutely aware of that and, as a consequence, has supported the Bill throughout the process. Businesses must operate in strict accordance with the law

and good practice. All of us have heard of the abuse of wage, leave, maternity and paternity regulations, among others, and we must all show our commitment to working with the bodies and organisations that seek to root out and to end such abuses. The Committee has shown its determination to help vulnerable groups, particularly in the current climate in which unemployment has risen sharply and many more people are looking for work.

The Bill also deals with a more flexible approach to appointments to the Industrial Court, and members are content that that is sensible and necessary. The Bill makes provision for the extension of legal representation to all jurisdictions of the Industrial Court, except that which deals with the provision of voluntary arbitration in industrial disputes. The Committee is aware of the legal advice that the Department received stating that a failure to allow legal representation might be a breach of the right to a fair trial under the European Convention on Human Rights. The Committee is awaiting the Committee Stage of the Employment (No.2) Bill, which deals more fully with workplace dispute resolution. The Committee has done a great deal of the groundwork for the second Bill, and members support the establishment of improved systems for resolving disputes in the workplace.

The Minister and his Department undertook meaningful and thorough consultation, the results of which are reflected in the Bill. The Committee acted as a super-consultee in that process, and it wrote to the Department in December 2008 indicating that members were content with the provisions that went forward and are in the Bill. The only issue that the Committee regarded as problematic was the proposal to amend the legislation relating to a trade union's ability to expel members for reasons relating to party political membership. Members believe that such provisions would have far-reaching and potentially dangerous implications, and the Committee wishes to record its support for the exclusion of that provision from the Bill. The debate on that issue is for another day, but it is one that, ultimately, we cannot avoid.

As part of the Committee Stage, views on the Bill were sought through a public notice in the three main daily newspapers. There were no submissions in response to that. The Committee supported the Minister's

amendments to the Bill, and those were thoroughly debated at Consideration Stage. Members have talked previously about the benefits of the Committee's approach to Bills where members work closely, where possible, with the Minister and his Department to ensure that the Committee's views are heard, respected and acted on. The Committee's chief aims in its relationship with the Minister and his Department will continue to be co-operation, where appropriate, and constructive dialogue.

Mr Butler: Go raibh maith agat, a LeasCheann Comhairle. I do not have much to say. The Committee looked extensively at the Bill during its Committee Stage. I welcome some areas of the Bill, such as that concerning employment agencies, which, as the Minister mentioned, deals with how some agencies have treated workers over the years. I commend the Minister for changing and tightening up the law in that regard. That is not to say that all employment agencies have done wrong or abused staff. However, the issue has come before the House on a number of occasions and the Minister has been asked questions on it. Therefore, this is welcome legislation to ensure that agency workers are treated properly. I also welcome the minimum wage aspect of the Bill.

As the Minister said, there is an issue around people trying to get appointments with organisations such as the Labour Relations Agency. The Committee met trade union representatives, and the Department was very helpful on that matter. That dispute was resolved to everybody's satisfaction.

Overall, the Bill is to be welcomed. A lot of work was done on it over the past year during Committee Stage. The Minister set up a working group to look at the issue of workplace dispute resolution, and a lot of good work was done by that group.

By and large, as far as this side of the House is concerned, we fully support the Bill.

Rev Dr Robert Coulter: I support the Bill and commend the Minister for the way in which he co-operated with the Committee in bringing it to this stage. From this point on, the Bill will give hope to a lot of people who, in the past, felt that they were being neglected when it came to the issue of workplace disputes. I hope that the Bill will achieve much success and result in satisfaction in the workplace.

The Minister for Employment and Learning:

I thank Members for their contributions. I pay tribute to the high level of co-operation that there was with stakeholders, through the Committee, to achieve today's very positive outcome.

It is important to recognise that the Bill is the first piece of primary legislation in the employment field to be delivered by the Assembly. In these straitened economic times, it is even more important that the necessary employment protections are in place, which, while not undermining labour market flexibility, can provide protection for workers.

I thank the Committee Chairperson for her comments. She said that it is vital that robust powers are in place to ensure that the employment agency sector is properly policed. I emphasise that the proposals relating to employment agencies will not place any additional burden on reputable agencies. However, I agree that it is important, especially during the current economic climate, that the recruitment sector in Northern Ireland is properly regulated and that my Department has the necessary powers to curtail those who consistently seek to abuse the law and exploit vulnerable workers.

I will turn briefly to the issue of a trade union's ability to expel members for reasons relating to party political membership. The Committee Chairperson rightly said the provision regarding that issue has been removed from the Bill. That was due to problems surrounding section 75 issues and the legislative competence of the Assembly to deal with those. The Department is currently seeking a way forward on that, possibly by use of a Westminster legislative vehicle. The Committee will be fully briefed on those issues as they develop.

Members will be aware that, as was referred to, there is now a second Bill, known as the Employment (No. 2) Bill, which was introduced on 2 June 2010. I hope that that latter Bill can be dealt with in the same spirit of co-operation that has been adopted to date.

I value the Committee's work in scrutinising the Bills. We have a good relationship, and I look forward to that continuing. I am confident that the Employment Bill will address my Department's objectives of developing and maintaining an effective

framework for employment rights, relations and responsibilities.

Question put and agreed to.

Resolved:

That the Employment Bill [NIA 9/08] do now pass.

Committee Business

Allowances to Members of the Assembly (Repeal) Bill: First Stage

Mr Deputy Speaker: I ask Members to stay in the Chamber so that a quorum can be maintained.

Rev Dr Robert Coulter: I beg to introduce the Allowances to Members of the Assembly (Repeal) Bill [NIA 27/09], which is a Bill to repeal the Allowances to Members of the Assembly Act (Northern Ireland) 2000.

Bill passed First Stage and ordered to be printed.

Mr Deputy Speaker: The Bill will be put on the list of future business until a date for its Second Stage is determined.

Adjourned at 7.41 pm.