

# Official Report (Hansard)

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Suggested amendments or corrections will be considered by the Editor.

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Armstrong, Billy (Mid Ulster)  
Attwood, Alex (West Belfast)  
Bannside, The Lord (North Antrim)  
Beggs, Roy (East Antrim)  
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Weir, Peter (North Down)  
Wells, Jim (South Down)  
Wilson, Brian (North Down)  
Wilson, Sammy (East Antrim)

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# Northern Ireland Assembly

Tuesday 15 February 2011

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

*Members observed two minutes' silence.*

## Assembly Business

**Mr Speaker:** Order. Before we begin, I wish to advise the House that a valid petition of concern was presented on Thursday 10 February relating to the votes on the clauses and the long title, whether amended or not, of the Armed Forces and Veterans Bill. The votes on those matters, which will be on a cross-community basis, may take place later today.

## Executive Committee Business

### **Budget Bill 2011: Second Stage**

**The Minister of Finance and Personnel (Mr S Wilson):** Morning, Mr Speaker. You are looking fresh and well after last night's long session. However, I see that some other Members have not made it here.

I beg to move

*That the Second Stage of the Budget Bill 2011 be agreed.*

Accelerated passage of the Bill is needed to ensure Royal Assent as early as possible in March and, therefore, legal authority for Departments and other public bodies to draw down and spend the cash and use the resources in the Bill in 2010-11 and to ensure the continuation of public services into 2011-12.

As the House is by now well aware, preparation of the detailed Estimates and the related Budget Bill under consideration today, sandwiched between the December monitoring outcome announced to the Assembly as late as 17 January and the urgent need for Royal Assent of the Bill as quickly as possible to allow drawdown on the additional cash voted, is a difficult task for all concerned. I am, therefore, grateful that the Committee for Finance and Personnel has confirmed, in line with Standing Order 42, that it is satisfied that there has been appropriate consultation with it on the public expenditure proposals in the Bill and is content that the Bill may proceed by accelerated passage. I welcome and appreciate the assistance of the Committee in the matter.

I will now briefly outline the purpose of the legislation and draw attention to the main provisions of the Bill. The debate follows the Bill's First Stage yesterday, which, in turn, followed the debate on and approval of the

Supply resolutions for the 2010-11 spring Supplementary Estimates and the 2011-12 Vote on Account. The Bill's purpose is to give legislative effect to the 2010-11 spring Supplementary Estimates and the 2011-12 Vote on Account, which were laid before the Assembly on 7 February 2011. Copies of the Budget Bill and the explanatory and financial memorandum were made available to Members today.

I do not intend to take up valuable debating time with unnecessary repetition of the detail that I gave Members yesterday. However, in accordance with the nature of a Second Stage debate, as envisaged under Standing Order 32 and for the benefit of Members, I will summarise briefly the main features of the Bill.

The purpose of the Bill is to authorise the issue of £15,345,417,000 from the Northern Ireland Consolidated Fund in 2010-11. That is an additional £695,505,000 since the Main Estimates were presented last year. That cash will be drawn down on a daily basis as needed from the Northern Ireland Consolidated Fund, which is managed by my Department on behalf of the Executive.

The Bill will also authorise the use of resources totalling £16,233,236,000 by Departments and certain other bodies, which is some £631,768,000 more than was approved in the Main Estimates last March and June. Those amounts are detailed in part 2 of each spring Supplementary Estimate for 2010-11.

In addition, the Bill revises the 2010-11 limit on the amount of accruing resources that may be directed by my Department to be used for the purposes that are listed in column 1 of schedule 2. That limit includes operating and non-operating accruing resources or, in other words, current and capital receipts, and amounts to £2,356,226,000. Under section 8 of the Government Resources and Accounts Act (Northern Ireland) 2001, a direction on the use of accruing resources will be provided by way of a Department of Finance and Personnel (DFP) minute, which will be laid before the Assembly in March, following Royal Assent to the Bill. Therefore, not only will the Bill authorise the use of resources, it will authorise accruing resources, bringing resources for use by Departments and other public bodies to over £18.5 billion. The sums to be issued from the Consolidated Fund are to be appropriated by each Department or public body for services

as listed in column 1 of schedule 1 to the Bill. Resources, including the accruing resources, are to be used for the purposes that are specified in column 1 of schedule 2 to the Bill.

The amounts now requested for 2010-11 supersede the Vote on Account in the Budget Act (Northern Ireland) 2010, which was passed this time last year, and the Main Estimate provision in the Budget (No.2) Act (Northern Ireland) 2010, which was passed in March prior to the stage two devolution of policing and justice in the Budget (No.3) Act (Northern Ireland) 2010, which was passed by the Assembly in June.

The Bill will also authorise a 2011-12 Vote on Account for cash of £6,645,663,000 and resources of £7,336,432,000 to allow the flow of cash and resources to continue to public services in the early months of 2011-12 until the Main Estimates and related Budget Bill are approved later this year in June. Again, the cash and resources are to be appropriated and used for services and purposes set out in column 1 of schedules 3 and 4 respectively.

Finally, clause 5 authorises temporary borrowing by the Department of Finance and Personnel at a ceiling of £3,327,331,000 for 2011-12. That is approximately half the sum authorised in clause 4(1) for issue out of the Consolidated Fund for 2011-12, and is a normal safeguard for any temporary deficiency arising in the fund. I stress to the House that clause 5 does not provide for the issue of any additional cash out of the Consolidated Fund or convey any additional spending power but it enables my Department to run a very efficient cash-management regime.

There is little more that I can usefully add on the detail of the Budget 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 (Mr McKay):**

Go raibh maith agat, a Cheann Comhairle. The Budget Bill provides statutory authority for expenditure as set out in the spring Supplementary Estimates 2010-11. The Bill also includes the Vote on Account, which allows Departments to incur expenditure and use resources in the early part of 2011-12 until the Main Estimates are voted on by the Assembly in early June.

Standing Order 42(2) states that accelerated passage may be granted for a Budget Bill provided that the Committee for Finance and Personnel is satisfied that it has been appropriately consulted on the public expenditure proposals contained in the Bill. At its meeting on 2 February, departmental officials briefed the Committee and took questions on the Budget Bill being debated today. That evidence session represented the culmination of a process of scrutiny by the Committee of the public expenditure issues of DFP as a Department and at a strategic and cross-departmental level throughout 2010-11. Following that evidence session, the Committee was content to grant accelerated passage, and I wrote to the Speaker informing him of the Committee's decision.

The forthcoming financial year will be the first year of the 2011-15 Budget, which is yet to be finalised and agreed by the Assembly. In line with convention, the Finance and Personnel Committee will publish a co-ordinated response to the Executive's draft Budget 2011-15 proposals. To inform its report, the Committee examined a range of strategic and cross-cutting issues. Those include, for example, the budgetary process, the presentation of the draft Budget document, the basis for the proposed allocations, savings delivery plans, longer-term efficiency savings, levers for rebalancing the economy, and preventative spending. In addition, responses to spending and savings plans for each Department have been received from the respective Statutory Committees and submissions have also been received from the Assembly Commission and the Audit Committee.

The Finance Committee expects to finalise its report tomorrow, and urges the Finance Minister to ensure that it is brought to the attention of the Executive at the earliest opportunity. The Executive must take full cognisance of the findings and recommendations contained therein before the draft Budget 2011-15 is finalised and laid before the Assembly.

Speaking from a party point of view, it is worth bearing in mind that the Budget shortage of £4 billion is a direct result of the British Conservatives and their colleagues in the Ulster Unionist Party, and their ideological position that deep public cuts somehow make economic sense and the private sector will balance the economy: a concept that I do not agree with. As we know, the cuts are far too deep. We want to

see small and medium-sized enterprises (SMEs) and indigenous businesses grow and develop, and we want a healthy balance between indigenous businesses and foreign direct investment (FDI), which will bring highly paid jobs and create more local jobs and more SMEs through the services sector, etc.

That is why concepts such as the devolution of corporation tax are so important. The Minister has expressed some concerns about corporation tax, and I recognise that there are concerns. We need to be careful in how we use those powers. We need to ensure that we adopt a strategy on corporation tax that is balanced and brings in money at the right time and that we present that in such a way that is successful for the local economy.

#### 10.45 am

We also want to see front line public sector jobs being protected. The education budget, in how it was drawn up, is a good example of how to protect front line services. That has been recognised by the Irish National Teachers' Organisation (INTO). The British Government have cut the Budget too deep, and the danger is that, by doing that, the wheels of the economy could grind to a halt. That is why we need to take responsibility for our own economic destiny.

I listened to a bit of 'The Stephen Nolan Show' on my way here. There was talk about the Ulster Unionist Party possibly walking away and Michael McGimpsey walking away as the Minister of Health, Social Services and Public Safety. I wonder whether anybody in the Health Department would notice if he walked away because we need to bear in mind that the Assembly shuts down next month for the elections. At the end of the day, it is about political posturing. If the Ulster Unionists run away from their responsibilities, someone with a backbone should tackle the absolutely obscene salaries that are being paid to consultants and senior managers in that Department and channel such moneys towards front line services. Michael McGimpsey should have done that job for the past four years, but, quite frankly, he has not been at the races.

**The Minister of Finance and Personnel:** I thank the Member for giving way. Does he also note a certain irony that the Health Minister and, indeed, the Ulster Unionist Party are threatening to walk away from the Executive but that they have waited for four years to walk away? They

have pocketed their salaries for four years, but perhaps they will sacrifice their last two days' salary. Does the Member think that the public will have a certain amount of cynicism about that?

**The Chairperson of the Committee for Finance and Personnel:** I fully agree with the Member. Last night, when I went home, I caught a repeat of the leadership debate from the Southern elections, in which the five leaders discussed issues such as the need for some of the Ministers down South to return the vast sums of pensions and bonuses that they will receive in the wake of stepping down. If the Ulster Unionist Ministers or Ministers from other parties step down, I think that the public will recognise that as Ministers running away from the job. As such, perhaps they should hand back some of the money because they have not done the job that they have been placed there to do. It is very petty for the Ulster Unionist Party to be playing politics with an issue as significant —

**Mr Speaker:** I encourage the Member to come back to the Bill, as far as possible.

**The Chairperson of the Committee for Finance and Personnel:** — as health because it is a vital issue. Health is a big part of this Budget, so it is important that we make those points.

I look forward to the debate ahead. The Executive and the Assembly —

**Mr Beggs:** The Member and his colleague opposite seem to be acting in unison in the DUP/Sinn Féin coalition leadership. As regards salaries in the medical profession, does he accept that there can be difficulties in attracting professionals to places such as Altnagelvin Area Hospital and the west of the Province, and that if salaries in this part of the United Kingdom for jobs that are in short supply were reduced below those in other parts, there would be even more calamity and shortages of essential posts? Is he prepared to accept the responsibility for the delays, such as in reassessing X-rays, which might follow?

**The Chairperson of the Committee for Finance and Personnel:** I am glad that the Member raised the issue of Altnagelvin and the north-west because we all know of the scare stories that the Health Minister has put out about the cancer centre in the north-west, which will be built but not staffed. There have been other stories about x thousands of jobs being lost, but the Health Minister has not provided any detail

to his Committee. To be honest, he has treated the members of his Committee like mushrooms because he has kept them totally in the dark. That is disgraceful.

Yesterday, in the debate on whether to extend the Committee Stage of the pleural plaques Bill, we discussed how Committees relate to the Executive and the Assembly. In this instance, the Committee for Health, Social Services and Public Safety needs to be treated with respect and provided with detail of the Health Minister's draft budget because, if Members look at the detail on the budgets from each Department — for example, there are about 40 or 50 pages worth of detail in the Department for Regional Development's (DRD) draft budget — there is very little detail in the Department of Health Social Services and Public Safety (DHSSPS) one. The Minister and the Member should reflect on that and ensure that, in future, when Ministers from the Member's party bring budget details to the House or to their respective Committees, they should provide full details. DHSSPS has around 50% of the entire Budget, so it is absolutely scandalous that the detail —

**Mr McDevitt:** The Chairperson makes a good point about the level of detail and the way in which Ministers present their budgets to the Assembly. Does he agree that we should allow Ministers to scrutinise one another's budgets and that we should have a budgetary Committee — separate from the Chairperson's Committee, which, as the Committee for Finance and Personnel, has broader responsibilities — that is capable of scrutinising budgets and exists just to do that? Does he agree that the system is broken and that, unless the DUP and Sinn Féin work to fix it, we will continue to have bad Budgets?

**The Chairperson of the Committee for Finance and Personnel:** It is important to recognise that each Department has a Committee to shadow it and that each Committee should have full details of its Department's budget and be treated with respect by its Minister. In this instance, that has not been the case.

**Dr Farry:** I am grateful to the Chairperson for giving way. Although I happen to agree with Conall McDevitt's comments about the importance of having a proper scrutiny process and, indeed, having a budgetary Committee rather than simply a Committee for Finance and Personnel, does the Chairperson agree that

central to making the system work across the board is parties taking seriously their place on the Executive and not playing games?

**The Chairperson of the Committee for Finance and Personnel:** I absolutely agree with the Member's comments, because one cannot —

**Mr B McCrea:** Will the Chairperson give way?

**The Chairperson of the Committee for Finance and Personnel:** Let me finish my sentence first. I will give way in a moment.

**Mr B McCrea:** I just want to know whether it is my party that is playing games. Which party is it?

**The Chairperson of the Committee for Finance and Personnel:** I will give way. Go ahead.

**Mr B McCrea:** Who exactly is the Chairperson accusing of playing games? Who is playing games with the Executive? Who is playing games with the lives of the people of Northern Ireland?

**The Chairperson of the Committee for Finance and Personnel:** You are — short and simple.

**Mr B McCrea:** Me personally?

**The Chairperson of the Committee for Finance and Personnel:** No, the Tory boys in the corner generally.

**Mr Speaker:** Members should make their remarks through the Chair. Order. Allow the Chairperson to be heard.

**The Chairperson of the Committee for Finance and Personnel:** I recognise and agree fully with Mr Farry's comments. The Executive should act cohesively and coherently. Members from the Ulster Unionist Party and the member from the SDLP cannot continue to go into the Executive and mess about. In Michael McGimpsey's case, sometimes he does not bother to go in at all.

Another example is the way in which the SDLP went into the Budget review group, which was set up, collectively, to look at ways of generating revenue to mitigate the impact of the cuts. What did the SDLP do? It left the Budget review group, taking all the good suggestions, which it then put into a nice document that it released in December last year — two months after all the other parties released their respective proposals on the comprehensive spending review.

**Mr Callaghan:** I thank the Member for giving way. Perhaps he was not paying attention during

last night's debate, but is he aware that, in April 2009, the SDLP produced comprehensive proposals on the Budget and how to reform it to protect front line services and to create jobs? I shall quote from the 'Belfast Telegraph' at the time:

*"The SDLP proposals are most appealing in terms of employment protection, enhanced training schemes, a wage subsidy scheme and support for nursing jobs".*

Will the Chairperson point out which of those useful proposals the Executive actually adopted?

**The Chairperson of the Committee for Finance and Personnel:** I love how the SDLP refers continually to —

**Mrs D Kelly:** Ah.

**The Chairperson of the Committee for Finance and Personnel:** How are you doing, Dolores?

I love how the SDLP refers continually to its 2009 document and to how all its great ideas emanated from it. I remember one of its Members saying on the radio that the SDLP came up with the idea of the plastic bag levy — it was in its 2009 document, so everybody else copied the SDLP. When the SDLP's document was released in 2009, I and other members of Sinn Féin were drafting proposals for a Bill to introduce a plastic bag levy. Therefore, I will not accept anything from that document as fact, because although the SDLP was, at that time, putting forward what it sees as proposals, we were already implementing them, and that is a fact.

**Mr A Maskey:** Go raibh maith agat, a Cheann Comhairle. Again we are hearing SDLP Members' suggestions, allegations, assertions or whatever. Does the Member agree that during yesterday's lengthy debate on the SDLP amendment, not one member of the party who spoke addressed the amendment? It was so lacking in substance that SDLP members could not even address it, so they spent the day criticising everybody else. They told everybody what was wrong. Having tabled an amendment, they did not have the courtesy to address it, or I suppose they were intelligent enough not to do so.

However, on the SDLP's point that it wants to have a budgetary Committee or other ways of scrutinising the finances, is it not the case that there is an Executive subgroup on the Budget

on which the SDLP has a member? Is it not also the case that there is a Finance Committee in the Assembly on which the SDLP has members? Do we not also routinely debate all matters of finance in the Assembly? Will anybody tell me, or can the Minister or the Committee Chairperson tell me, whether there is any opportunity that the SDLP does not have to discuss and scrutinise all matters of finance? It has the same opportunities as everybody else, but the party lacks so much substance that it cannot address even its own amendments.

**The Chairperson of the Committee for Finance and Personnel:** I thank the Member for his intervention. I fully recognise —

**Mrs D Kelly:** On a point of order, Mr Speaker. Yesterday, in a point of order to the Deputy Speaker, our party asked whether you, as Speaker, would confirm that the advice given to our party on how we could bring forward an amendment was based on advice from the Business Committee, and that it was the only opportunity for us to raise —

**Mr Speaker:** Order. We are having a different debate this morning. All that I can say to the House is that the amendment that was tabled was competent. Let us move on.

**The Chairperson of the Committee for Finance and Personnel:** Go raibh maith agat, a Cheann Comhairle. I agree with what Alex Maskey said. It is clear that although other parties in the Assembly have tried to approach the Budget constructively because of the seriousness of the situation, the party to my left is more concerned about getting PR out of this. I do not know who is behind that party strategy, but it has left the party with egg on its face, as was clearly demonstrated last night. We will not take any lessons on economics from the SDLP. I am addressing the Member for Upper Bann Dolores Kelly. Let us remember that her party has had coffee mornings with Fianna Fáil and Brian Cowen and has canvassed and knocked doors with Fianna Fáil.

**Mr Speaker:** May I once again encourage the Member to come back to the Budget? Let us not discuss tea parties. *[Laughter.]*

**The Chairperson of the Committee for Finance and Personnel:** Of course, the politics of Fianna Fáil and the Dáil and their economic strategies have an impact on economic flow, trade, and so on, on this part of the island. The SDLP should

reflect on that. Margaret Ritchie has clearly demonstrated that she is quite close to Fianna Fáil. Indeed, on a recent episode of 'The Politics Show', she said that Brian Cowen did a good job. Well, I am sure most people on this island would not agree with you, Ms Ritchie.

**Mr Speaker:** Order. I once again say to the Member; as far as possible, let us come back to the Budget.

**The Chairperson of the Committee for Finance and Personnel:** Go raibh maith agat, a Cheann Comhairle.

In conclusion, the Executive and the Assembly have many challenges ahead. We should approach those head on in a collective and constructive manner, without any messing about by any of the parties. I hope that all parties in the House take cognisance of that, because the British Government, supported by the Ulster Unionist Party, have cut the block grant by £4 billion. They have cut capital funding by some 40%. More recently, they have stolen millions of pounds of end-year flexibility. Actions such as those — *[Interruption.]*

**Mr Speaker:** Order. Allow the Member to continue.

**The Chairperson of the Committee for Finance and Personnel:** Actions such as those are reason enough — *[Interruption.]*

**Mr Speaker:** Order.

**11.00 am**

**The Chairperson of the Committee for Finance and Personnel:** Actions such as those are reason enough for this Assembly to move to devolve fiscal and taxation powers because the British Government clearly do not act in the best interests of those we represent. That has been made quite clear by their actions over the past year and in many years before it.

**The Chairperson of the Committee for Justice (Lord Morrow):** Follow that. *[Laughter.]* One of the key issues to be resolved in relation to the Department of Justice budget for the next financial year and beyond was whether it could continue to be ring-fenced. The Executive's draft Budget proposes that the Department of Justice budget will remain ring-fenced for the Budget period. The Justice Committee wishes to dispel any misconceptions that, as a result of ring-fencing the Department of Justice budget

for this period, the budget will be protected and will not face any reductions. The outcome of the proposals to continue to ring-fence the budget is that it will receive the direct Barnett consequential arising from changes in the level of funding of the Home Office and the Ministry of Justice as a result of the UK spending review settlement for Whitehall Departments. The result of that is that the Department of Justice faces an overall reduction in its cash baseline of some £82 million, which is 7.2%, by 2014-15.

Taking into account the effect of inflation, the real term impact is significantly greater. The Justice Committee notes that ring-fencing the Department's budget results in it having a slightly worse resource baseline than the average Northern Ireland settlement. However, the Committee welcomes the fact that, as part of the ring-fencing of the budget, the Department of Justice has guaranteed access to underspend generated this year and throughout the Budget 2010 period. That will provide important flexibility for the Department and, as far as the Committee is aware, is not available to any other Department in Northern Ireland or the United Kingdom. The Committee views the retention of end-year flexibility for the Department of Justice as a distinct advantage. Taking everything into account, the Committee is of the view that ring-fencing is the most appropriate position to take on the Department of Justice's budget.

I now want to move on to one of the most crucial issues with the proposed budget for the Department of Justice, namely the continued access to the Treasury reserve to fund exceptional security pressures faced by the PSNI. The Chief Constable has indicated a requirement for approximately £250 million over the next four-year period. In the draft Budget, the Executive have allocated an additional £45 million to the Department of Justice, and the Department intends to use that to contribute to meeting the security funding pressures facing the PSNI. A bid for £200 million has been with Treasury for some time, and the Department is waiting for confirmation that the bid has been successful. Those who attended yesterday's debate will recall that I mentioned that. It is a vital part of the Justice budget, particularly in relation to policing.

The Committee is extremely concerned about the implications for the Department of Justice budget if that bid is not met in full. In response

to questions from members, departmental officials indicated that there is no contingency plan in the event that the bid is unsuccessful and admitted that taking £200 million from the rest of the Department's budget would result in it being in severe difficulties. The Committee believes that, if the bid is unsuccessful or only partially successful, the implications for the Department's budget in 2011-12 and up to 2012-15 are such that it will not be possible to agree the Department of Justice budget until confirmation of the granting of the bid is received.

The Committee urges the Minister of Justice and the Minister of Finance and Personnel to press for a decision to be made as a matter of great urgency. Given that we are now debating the Second Stage of the Budget Bill and being asked to approve the Vote on Account that relates to the first year of the four-year Budget period, it is imperative that confirmation is received from Treasury as soon as possible that that security funding bid will be met in full from the reserves.

**Mr Spratt:** Given that, only last Thursday, the Chief Constable again indicated that the dissident threat in Northern Ireland continues to be severe, will the Member agree that meeting the security bid of £200 million is imperative if the level of security in Northern Ireland is to be maintained? Furthermore, given the Home Secretary's previous comments that the dissidents pose a threat not only to Northern Ireland but to mainland United Kingdom, will he agree that security is an issue for the whole of the United Kingdom?

**The Chairperson of the Committee for Justice:**

I thank my colleague Mr Spratt for his well-made point that funding for security is not only vital to Northern Ireland but has wider implications. If that bid were not made, there would be implications not only for this region of the United Kingdom but for other regions of the United Kingdom.

**Mr B McCrea:** As part of the agreements reached at Hillsborough, was it not the understanding that the first £12 million of claims for hearing loss would be met out of Executive funds? Is he surprised to discover that the money is in the budget line for the PSNI this year and that there is considerable concern in the PSNI that it will remain in its budget line for the next four years? Will he agree that such funds detract from the fight against terrorism

and that those funds ought to be made up by the Executive?

**The Chairperson of the Committee for Justice:**

I heard what the Member said, but he can rely on the Committee for Justice to debate and discuss those issues. We have gone through all of those matters in great detail, and, if his party colleagues who are members of the Committee were in attendance when that happened, I am sure that they will confirm that. I take his point about that £12 million of funding, and, as a Committee, we are extremely concerned. We are keeping a close eye on that, and I assure the Member that it will not go by default.

The Committee welcomes the Executive's decision to allocate an additional £45 million to the Department of Justice budget. I turn to the key funding priorities for the 2011-15 Budget period and the funding for the next year, which the Vote on Account will support initially at the beginning of the 2011-12 Budget period. The Minister of Justice has identified those priorities: first, protecting front line policing; secondly, protecting other front line areas across the Department with the aim of protecting outcomes for the public; and, thirdly, protecting the voluntary and community sectors as far as possible.

In scrutinising the Department's draft budget allocations, the Committee notes that the figures provided indicate that funding has been skewed towards the priorities of policing and justice. However, based on the information that has been available to date, the Committee is unable to assess properly and accurately the likely implications of funding reductions on the delivery of front line policing and other services. The Committee is concerned that nearly all of the draft savings plans that have been provided by the Department refer to achieving savings through the suppression of posts, redeployment of headcount, workforce modernisation, observing vacancies, natural wastage, reductions in office equipment, reductions in training costs, reviews of the frequency of research work, etc.

Of particular interest are indications from two justice organisations, the Police Ombudsman's office and the Probation Board, that redundancies may be needed to achieve the savings that they are being asked to deliver. The Committee has considerable concerns about that. The Committee is also concerned

about the likely impact on the ability of those organisations and, indeed, the Department as a whole, to deliver services. The Committee wishes to see detailed impact assessments from each area of the Department of the implications of the proposed savings measures. Until those are available, the Committee is not in a position to make an accurate judgement of the Department's draft budget. In the meantime, the Committee also wants further consideration to be given to the situation facing the Police Ombudsman's office and the Probation Board.

Although the Committee welcomes the Minister of Justice's commitment to protect the voluntary and community sectors as far as possible, we have reservations due to the lack of information available about the level of protection that is being afforded.

In relation to delivering savings, the Committee notes that the Prison Service cash baseline will reduce by £18 million by 2014-15. That is to be achieved through an invest-to-save programme, for which £13 million is being provided in 2011-12, and a strategic efficiency and effectiveness programme. The Committee is concerned about the ability to deliver the savings required and about whether the provision of £13 million is a realistic amount to achieve the possible range of reforms that may be required. The Committee wishes to see the details of the proposed efficiency and effectiveness programme as soon as possible.

The Justice Committee welcomes the Executive's decision to allocate an additional £57 million capital funding to the Department of Justice budget, £30 million of which is for the Desertcreat training college.

**Mr Spratt:** The honourable Member will be aware of the frustration felt by those who are dealing with the Desertcreat training college. For some time, the Minister of Health, Social Services and Public Safety held back on announcing any capital funding for the Fire and Rescue Service aspect of the project. Does it surprise the Chairperson to know that, at a meeting of the Policing Board last Thursday, members of the PSNI senior management team indicated that the latest stalling tactic of the Minister of Health is to say that if the college were built and up and running, he would not have the funding to pay for his part of it. I would have thought that the Minister of Health already had the running costs for training for the Fire and Rescue

Service factored into his budget to carry out that training. It is another stalling tactic by the Minister of Health to frustrate that project.

**The Chairperson of the Committee for Justice:**

I was coming to the point that my honourable friend made. The Department of Health's stance, particularly the Minister's, to the project has been regrettable. He could have been much more constructive and forthcoming.

The Committee is very pleased with the Executive's decision to allocate £30 million to the Department of Justice to fund the fire and rescue aspect of the Desertcreat training college. That major scheme can now move ahead in the coming financial year. However, the Committee is very concerned about reports in the media that the Minister of Health, Social Services and Public Safety has indicated that he may not have the recurrent funding for the running of the fire and rescue part of the college. The Committee wants clarification of the position and confirmation that recurrent funding will be available for the Fire and Rescue Service so that Desertcreat training college can be fully operational.

The Department of Justice made no provision in its budget proposals in 2011-12 or thereafter for any requirements that may arise from the implementation of the Bamford review findings. The Committee has been advised by departmental officials that the principle on which they are working is that the lead Department, in this case the Department of Health, Social Services and Public Safety, will make bids for any changes that are proposed as a result of new legislation. Although the Committee is not yet in a position to make decisions on whether it supports the detailed breakdown of the Department of Justice budget, it supports the overall approach to the budget.

Finally, in relation to the legal aid bill, there is some confusion and considerable disappointment in the Committee that the figure that the Committee understood was available as part of the Hillsborough agreement was £79 million.

We are now being told in the draft Budget proposals that the figure that is allocated to the Legal Services Commission for 2014-15 could be £75 million. The Committee has covered that in its submission on the Department's budget. We wait with apprehension to hear the final outcome on what that figure will be. Certainly, we

always understood that it would be £79 million and not £75 million as we are now being told.

**11.15 am**

**Mr Beggs:** First, I want to address some issues that relate to the Department of Agriculture and Rural Development. I serve as Deputy Chairperson of the Committee for Agriculture and Rural Development. From the outset, the lack of information has concerned me and, indeed, the Committee. I will give examples. During the past week, a couple of issues emerged outside the Committee. We were unaware and did not see that a proposal was hidden in the budget to remove funding for the Young Farmers' Clubs of Ulster entirely. I declare an interest as a former member, many years ago. My daughter is a recent member, if not a current one. I am, therefore, aware of how a relatively small amount of seed funding results in the co-ordination of many volunteers who carry out vital youth work in the rural community.

Another example that I noticed in the farming press at the weekend is that funding to support agricultural shows has been reduced. Again, the Committee did not see that proposal. I have reread the Minister's statement, and no issue of that nature became apparent to me.

Last week, the Committee queried officials about the Young Farmers' Clubs of Ulster. They said that it is not a priority funding area and that the Young Farmers' Clubs of Ulster did not teach recognised qualifications such as NVQs. I argue that those clubs are a feeder unit to the College of Agriculture, Food and Rural Enterprise (CAFRE). We are already aware of the need for younger farmers, and the clubs act as a feeder unit for future farmers. With increasingly fewer full-time farmers, that is an area of opportunity. With the increase in world agricultural food prices and value added to the economy by food processing, there is a huge opportunity.

**Mr McCallister:** I declare an interest as I am still a member of the Young Farmers' Clubs of Ulster. *[Laughter.]* I will probably have to leave when I turn 30. I have a good four or five years yet.

**Mr McDevitt:** On a point of order, Mr Speaker. Is it appropriate that Mr McCallister would willingly mislead the House about his age?

**Mr McCallister:** I was just seeing whether anyone was stupid enough to believe me. *[Laughter.]*

On a serious note, I agree entirely with the Member's points about the contribution that the Young Farmers' Clubs of Ulster have made to the well-being of rural youth in Northern Ireland. During the past 80 years, that contribution has been immense. The one growth sector in the economy has been the agrifood sector. It is the one light on the horizon in the economy. Those proposals will feed into that and impact on training and skills throughout the rural community. It is vital that we maintain that training and provide leaders for the agriculture industry. I am sure that when the Minister of Finance and Personnel meets leaders in the agrifood sector, many of them will have been through the Young Farmers' Clubs of Ulster. We must fight to get a fair outcome on that issue

**Mr Beggs:** I will illustrate that with examples of what the Young Farmers' Clubs of Ulster deliver, which, I believe, is important. They deliver stock judging competitions. Young farmers and people in rural communities are trained how to assess good qualities in animals such as cattle, sheep and pigs. If that did not happen, that type of detailed training would not be provided by the Department.

That happens at a very early age. There are other activities, such as silage assessment and fencing competitions. I am not aware of what happens elsewhere. Those who end up going to the agricultural colleges may not learn those skills until later. Not all will reach agricultural colleges, but, at the very least, the clubs are part of the feeder process of encouraging young people into agriculture, to specialise in it and to learn the best technical systems and values to take back from college to their home farms.

**Mrs D Kelly:** It is not only the young people in the agriculture and rural sector who are adversely affected. Does the Member agree that young people and children right across the North will be adversely impacted? The Children's Commissioner produced her response to the draft Budget today. Does the Member agree with the Commissioner's remark that she finds the lack of equality-proofing and due regard for the equality of opportunity in the Budget proposals extremely alarming? She also said that the spending proposals demonstrate that very little account was taken to minimise or mitigate the potential adverse impact on children and young people.

**Mr Beggs:** The influence of the young farmers' clubs extends beyond the farming community.

Many people in the rural community link into the young farmers' clubs, many of which are located in areas where there are no youth clubs or other activities. As the activities are run entirely by volunteers, they are provided in an efficient manner.

**Mr Speaker:** Will the Member try to come back to the subject of the Budget?

**Mr Beggs:** It is important funding for an activity that is similar to that offered by a preschool facility. Would anyone dream of cutting preschool funding? The young farmers' activity is an early farming activity for young people and trains them for the future. I view it as essential in that regard. In the past, its funding has involved the relatively small sum of £75,000 a year. However, when I look through the detailed Budget, I see £16 million listed against anti-poverty measures. As there is no detail, I do not know how it is proposed that it will be spent. Young farmers' clubs feed into that area as well, because they provide social activities in rural communities in which young people can become involved and learn good techniques for farming in the future.

I was also alarmed to see a £16 million commitment for a new DARD headquarters. When we discussed the issue with officials, however, we discovered that the value was £32 million. That was hidden in the written submission that we received from the Minister. She committed to £16 million, but, in fact, £32 million is required towards that capital expenditure over a longer period. It is much better if everything is open and transparent so that people understand what is happening.

Under recurrent capital expenditure for the four years, the Minister indicates that there is £2.3 million for the Department; £2.8 million for new equipment, etc, for the Forest Service; £4.1 million for the Rivers Agency; and £3.3 million for CAFRE and AFBI. That is a total of £12.5 million. However, there is a sting in the tail: the Minister says that that is only 50% of what those services need during the period. She is, however, prepared to commit £16 million to a new structural building as headquarters for her civil servants. Meanwhile, those who deliver essential services, such as the Forest Service, the Rivers Agency, CAFRE and AFBI, will receive only 50% of what they need. I question the wisdom of the Civil Service feeding money into itself through building new headquarters.

There must be other means of delivering that so that we can prioritise delivering services on the ground. I question the commitment of that £16 million.

I will move on to wider issues. I am alarmed about the A5 road. Over the four years, some £675 million, which is 60% of Roads Service's capital budget for that period, is earmarked for that project. However, it does not even have planning permission. The level of road usage is about 10,000 vehicles a day, which is not high. Another important factor is that the funding is in the at-risk category, because the leader of the Irish Labour Party clearly indicated that the supposed 50% funding from the Republic of Ireland was in doubt.

One can examine what some of the trade bodies have been saying. I understand that the Road Haulage Association is saying that the A5 does not hit the top of its priority list of roads, bottlenecks and delays to industry. It is not the priority, yet the Budget proposes committing 60% and cutting lots of smaller schemes that can have a much bigger effect on the economy. We must invest our money carefully to get the best results from it. The A5 does not do that.

As a member of the Agriculture Committee, I am also aware of concern among the local farming community. The Committee hopes to go to the area later this week to view some of the issues ourselves. I fully accept that there are areas of that road that need improvement and overtaking opportunities, but would it not be better, at the very least, to investigate a sectional approach if that has to happen to improve road safety on that road?

I am minded of the experience of the A2 in my constituency, which was in the headlines today. That road is a bottleneck. It has gone through the entire planning process. Blighted property has to be bought by the Department, though vesting has not yet started. Because £4 million has been spent on the planning process and in developing the scheme, which has been granted planning permission, a further £12 million had to be committed to buying properties that have been blighted. Almost one third of the cost of that scheme has been committed, and it is now proposed to put the scheme on hold. It is apparent from the Budget that one reason for that is that the money will be put into this one big basket, which, frankly, has lots of holes in it — the A5. I argue that it would be much wiser to

complete the many smaller projects throughout the Province that are more advanced and will have a bigger effect on our economy and on reducing congestion.

The A2 in my own constituency is certainly one such project. The accident and emergency department at Whiteabbey Hospital has closed and people have to travel further. Ambulances have to come through that congested route, and delays are occurring. The local police response officers have actually been moved from Carrickfergus to Whiteabbey. Again, there are delays. I do not understand why that issue has been wiped from the planned programme. It was identified in the Belfast metropolitan area plan as one of the top five priority areas but, with the stroke of a pen, the Minister proposes to put it into cyberspace, leave all those blighted properties and neighbours dangling there, uncertain of their future, and disrupt those communities without finishing the job. I strongly argue that that route should be finished.

Having seen what happened in my own constituency with the A2, I would take a look at the A5. I would not want to cause similar blight up there. Huge disruption could potentially occur to communities there. We have already learned of disruptions to farmers. What is the point in causing all that disruption, causing blighting, and causing a requirement to invest money in properties that have been blighted — the statutory process if we reach that stage — if perhaps the money will not be available to complete the route? Surely it would be much wiser to look at taking a sectional approach to deal with overtaking opportunities or accident black spots, rather than to commit to what would be the biggest capital roads investment that I have ever been aware of in Northern Ireland for a road with 10,000 vehicles a day. I understand that the A2 in my constituency has about 30,000 vehicles a day.

That is not a good use of public money. In fact, it may even endanger more public funding in a scheme that may never be delivered should funding not be available, never mind within Northern Ireland, but within the Republic of Ireland, which has been linked up in partnership with it.

Another issue that is important is our transport infrastructure. The east Antrim railway line is the only one that is largely reliant on the older train

sets. Thankfully, 20 new train sets were ordered and are due for delivery from this month onwards.

Wonderful, but those new trains will have to be commissioned, and additional trains will mean that additional funding will be required for their running costs. Will we have ordered trains to the value of hundreds of millions of pounds and will they be on the road or will they be parked in the garage? [Interruption.] That is, will they be on the railway line or will they be parked in the garage?

### 11.30 am

It is important when we make investment that we think it through and ensure that we are able to deliver on it. Mention was made about not building buildings when you cannot staff them. Potentially, there is a similar situation with public transport, so I seek reassurance that that will not be the case. We must make careful use of our money so that our investment can be delivered and improve things on the ground.

Another issue in my constituency involves the health sector. For Members' information, East Antrim has no accident and emergency or minor injury units. What we have in Taylors Avenue, Carrickfergus is an ageing, overflowing health centre that is not fit for modern standards and needs significant improvement. We have a building of a similar age in Gloucester Avenue, Larne, which has disability access issues. They put buckets out at times of rain because the roof leaks. There are lots of problems with its layout and it needs to be renewed.

We have suffered as a result of decisions on capital investment priorities, in that Whiteabbey Hospital's accident and emergency unit has closed, as has the unit at Mid Ulster Hospital. The Whiteabbey unit not being available is affecting my constituency by increasing pressure on Antrim Area Hospital. I understand that improvements to the accident and emergency unit there are planned or proposed.

If investment also went into local health and care centres in my constituency, which were just missed in the previous spending period, the delivery of health services in my constituency could be improved. On top of that, many people with minor ailments who go to major hospitals, such as Antrim Area Hospital or further afield, may well be able to be assessed and dealt with in the local community, with pressure being taken off the already burdened Antrim Area

Hospital. I am arguing for joined-up thinking so that we prioritise our capital expenditure and improvements can occur in some very outdated areas of the health estate to improve the health of the people of East Antrim, who have been badly dealt with over many decades.

**Mr McQuillan:** What discussions has the Member had with the Health Minister about those issues?

**Mr Beggs:** I raised those issues with the Health Minister on a number of occasions. I am aware that in deciding the overall capital budget, the Assembly has choices to make. We can choose where we put our capital budget. Are health centres our priority, or is it roads or headquarters for civil servants? There are choices to be made and I vote that we should put money into improving basic, essential services for the people. For the people of East Antrim, that means improvements to our health centres in Larne and Carrickfergus.

**Mr McDevitt:** Good morning, Mr Speaker. The SDLP understands that the Budget Bill is largely the application of what has been handed down by the coalition Government. However, trying to abdicate all responsibility shows a lack of leadership.

Cuts of £4 billion were envisaged for Northern Ireland in the Chancellor's comprehensive spending review settlement. When we leave out receipts and a rates increase, the draft Budget plans cuts of more than £3.2 billion. In other words, the Executive have succeeded in uncovering new revenue equal to the cancellation of only a single road-building project. That shows a lack of imagination and a lack of a fight for the people of this region.

The Chairperson of the Committee for Finance and Personnel has withdrawn from the Chamber. The Finance Minister would never withdraw from a debate on finance in the House and he does put in his hours here. It is regrettable that his Committee Chairperson is unavailable to participate fully in the debate.

Sinn Féin saying that it is fighting Tory cuts is about as credible as Gerry Adams's denial that he was ever in the IRA; it just does not stack up. Unfortunately, nor does this Budget.

The SDLP will not be part of a cosy DUP/Sinn Féin and, since yesterday, Alliance Party consensus on cuts. Much more can be done to

raise funds that can be spent on job creation, job protection and front line services.

In December, we published a detailed Budget plan, 'Partnership and Economic Recovery', which we submitted to the Executive in the hope of influencing the draft Budget. As colleagues have said, that was not our first attempt at influencing the public finance debate in this region. It built on a previous attempt in April 2009. We are not going to stop attempting to influence public finances in this region. Our mandate is big enough to give us a seat, if not two, at the Executive table by right, and Members should reflect on that. We will continue to exercise our mandate on behalf of the people who have voted for us and the many thousands —

**Lord Morrow:** Will the Member give way?

**Mr McDevitt:** Of course I will give way.  
[Laughter.]

**Lord Morrow:** That was a wee bit of a surprise, I must say.

I was interested to hear the Member state all the contortions and distortions that his party has gone through to provide this wonderful document, which seems to be the cure of all ills. It is a wonderful document, but I must be truthful: I have not got round to reading it. I will make a point of reading it.

The Member said that the SDLP sent the document to the Executive. Will the Member clarify, for those of us who are not as close to this as he is, how it was delivered? Was it delivered by the Minister or by post? Does he accept that his party has a Minister in the Executive, and did that Minister not deliver for them?

**Mr McDevitt:** I commend the document to Lord Morrow. I know Lord Morrow from working with him on the Justice Committee, and he is a very fine Chairperson of that Committee and represents us very well in this House. Lord Morrow will know that I am very committed to sustainability. In fact, I am one of the people who have put themselves up for the paperless Committee system. I clarify that we e-mailed the document to colleagues.

The 'Partnership and Economic Recovery' document includes detailed proposals for new revenue streams and receipts and for cash-releasing efficiency savings. We are pleased to

see that the Executive have taken some of our suggestions on board, many of which we have been highlighting, as I said earlier, for nearly two years. Our document contains many more good ideas that the Executive should consider, and we hope to continue a constructive engagement through the Assembly and the Executive during the budgetary process.

However, the draft Budget is simply not joined-up. Each Department has had cuts imposed, and there has been little evidence of thinking outside of departmental silos. The result is a Budget that has been generated by the DUP and Sinn Féin in private negotiation, rather than being collectively agreed. It is a Budget that the Alliance Party seems willing to sign up to pretty blindly. The SDLP believes that the experience gained —

**Dr Farry:** I am grateful to the Member for giving way. It would be helpful if the Member clarified something. There seems to be two different arguments going on. One argument is that the Budget is the product of a DUP/Sinn Féin carve-up, whereby the two parties went off, within the Budget review committee, by themselves and presented a fait accompli to the other Ministers. On the other hand, even though it published its document at the eleventh hour — two months later than every other party — the SDLP is saying that its fingerprints are on the draft Budget, because all the good ideas in the document have been included in the Budget. So, which version is it to be?

**Mr McDevitt:** I am grateful to Mr Farry for giving me the opportunity to remind the House that the document that we published last December was the second one that we published in two years. I have a copy of the first here that I am happy to pass around the Chamber, and we can refer to it during the course of the day. [Laughter.] I know that the Minister of Finance and Personnel has enjoyed referring to it in the past, but he may wish to refresh his memory.

The document that we published in April 2009 includes many of the provisions in this year's Budget that we are able to welcome. However, there is no getting away from the simple fact that the draft Budget before the House is a carve-up, and a carve-up for political reasons. Fair play to the DUP and Sinn Féin, because those parties have the numbers to get the Budget through the House, and I wish them

good luck with that mission. What I cannot understand —

**The Minister of Finance and Personnel:**

Perhaps the Member will explain where he gets the idea of there being a carve-up, because there is as much fantasy in that assertion as there is in some of the stuff that is in his document. The budgets that were most generously treated in the draft Budget were those for DHSSPS and DEL, neither of which are DUP or Sinn Féin Departments. Indeed, the Member's colleague Mr O'Loan, who is sitting behind him and who will probably put his head down in a minute or two, complained last night that the budget for DCAL, which is a DUP-controlled Ministry, was one of the worst hit. Where is the evidence of a carve-up?

**Mr McDevitt:** I had the opportunity to listen to the radio this morning. I shall not mention the broadcaster's name, because it is mentioned too many times in the House. On that programme, John Simpson, who is a senior economist and who, for the record, I do not believe votes for the SDLP, pointed out that DHSSPS is a loser in the draft Budget and DEL a major loser. It is not my job as an SDLP MLA to defend colleagues and another party's Ministers, but that was in evidence in what Mr Simpson said, in the report that was published by Queen's University last week and in the PricewaterhouseCoopers (PWC) report. With the indulgence of the Speaker, the Minister and the House, I will return to that issue a little later.

**Mrs D Kelly:** Does the Member agree that the reason why the SDLP is so angry about the draft Budget is not on behalf of the Department for which its Minister has the portfolio but because those who are most vulnerable, disadvantaged and marginalised will remain so if the Budget is carried through as it stands?

**Mr McDevitt:** The great tragedy of today's debate is that those who are suffering are not in the House. Those people are working families and are the most marginalised in our community. At the end of my remarks, I will take some time to try to evidence that to the House.

There are also problems with the process. The SDLP believes that the experience gained from the outworking of the current Budget, and the serious impact of many outside factors over the four-year period, highlights the need for the flexibility of a full annual Budget process, combined with a long-term strategic

economic plan. In order to best manage our finances, provide sound planning and allow for transparency and accountability, we cannot rely on a Budget document that is years out of date. That will prove to be the case again, as there is a marked absence of medium- and long-term thinking in the four-year draft Budget, for which there is no accompanying Programme for Government.

Now that we have relative stability in government, we must move on from short-fix, short-term politics and, I must add, the politics of the peace process. I am sick and tired of hearing Members, who are my colleagues, try to excuse every failing of regional government as a consequence of our transitional status. My generation do not consider themselves to have transitional status; rather, they feel that they are part of a region with a devolved Government, and they want that Government to work for them.

It is difficult to assess the objectives of the draft Budget, as it is not based on an up-to-date Programme for Government. Although it has been touted as a great four-year plan, without a strategic Programme for Government, it is a short-term fix. Any argument that the 2008 Programme for Government is an acceptable strategy on which to build the draft Budget is totally flawed. We need a new Programme for Government on which to base a proper four-year Budget.

In response —

**Mr Campbell:** I thank the Member for giving way. I think that he has mentioned the absence of a new Programme for Government three times in the past couple of minutes. Does he not accept the point that was made yesterday that we are discussing a Budget in the final few weeks of the current mandate and that the time for the consideration of a new Programme for Government will be in around 10 weeks, not at the end of this mandate?

**Mr McDevitt:** Mr Campbell makes a very good point. However, it was his colleague the Minister of Finance and Personnel, Mr Sammy Wilson MP MLA, who, in answer to a question for written answer to my party leader, Margaret Ritchie, a couple of weeks ago said, and I quote — *[Interruption.]*

**11.45 am**

**Mr Speaker:** Order. The Member must be heard.

**Mr McDevitt:** Mr Wilson wrote:

*“The ideal situation would be to have the draft Programme for Government published at the same time as, or in advance of, the draft Budget.”*

The 2008 Programme for Government was published before the economic downturn. Although we accept the fact that it makes the economy the number one priority, the outlook has changed so radically that businesses and jobseekers have different needs now than in 2008.

In a recent speech to the Northern Ireland Assembly and Business Trust (NIABT) — a speech that I was able to listen to personally — Mr Wilson said that we will not really know the impact of this Budget until we are well into year 4. That admission proves that the Budget is not a precise document and Northern Ireland needs a Programme for Government to accompany it, otherwise we are being asked to put a few pounds on at fairly long odds. Those of us in the House who are betting men and women would never do such a thing.

It begs an important question: how can the public have confidence in the Budget when the Finance Minister is unable to predict its impact? It is not just us who are saying that. The Northern Ireland Council for Voluntary Action’s (NICVA) response to the budgetary process raised serious questions about the process and the Budget itself. NICVA’s budget submission concludes:

*“At present this is not a balanced Budget. At this stage, and with reference to the published information, it is not clear how two major spending Departments — certainly DHSSPS and possibly DEL — will balance the books. The outcome of this may hold important implications for other Departments.*

*While some revenue raising is proposed, more imaginative funding mechanisms, savings and revenue-raising programmes and projects might have been suggested.*

*It is less than ideal that a Budget is to be agreed before a new Programme for Government is in place.*

*The indications in this Budget do not tell us if the Executive has an adequate response to many of the challenges facing Northern Ireland, e.g. rising unemployment and a rebalancing of energy use and the economy towards renewables”.*

I know that that is a difficult one for the Minister. However, it is still part of the Programme for Government — the old one.

The Budget can also be measured against its potential impact on the economy, yet all the economic commentators recognise the need to balance the Northern Ireland economy. That means growing our private sector and getting a more efficient public sector. It means focusing on job creation and investing scarce capital in the right areas. A Budget is one of the key levers available to the Northern Ireland Executive in enabling that change, yet the draft Budget and the Budget Bill fail to do so.

The draft Budget fails to prioritise economic development and contains little economic stimulus to generate jobs in the short term and to get the economy moving. It provides no proposals to move assets and activities from the public sector to the private sector, and it provides no serious aspirations for public sector reform. In large part, that is because the Executive are working to a Programme for Government that is now three years out of date. The only proposal for economic stimulus in the draft Budget — the green new deal — lacks ambition and the funding to match. In the SDLP’s ‘Partnership and Economic Recovery’, we begin to tackle those issues, and we will continue to encourage others to do so as well.

The draft Budget is hugely ambitious, and there are questions over how robust the claims are around additional finance being raised. Initial suggestions were that we would get £1.5 billion new money — new revenue — from the Budget. Those suggestions came from the Minister for Regional Development in a briefing about 48 hours before the draft Budget was proposed. However, they disappeared like snow off a ditch, and we are now talking of a figure of £800 million, but that cannot be quantified either. The SDLP is concerned about the low level of new revenue that will be raised in the draft Budget. When normal receipts are stripped away, there is little new money: less than 1% of the total Budget. The Minister may have described this Budget as a:

*“good Christmas present for the people of Northern Ireland” —*

and it may have nice wrapping, but the box is pretty empty.

**Mrs D Kelly:** I thank the Member for giving way. He has clearly articulated what Stephen Farry has suggested: the Budget is full of holes. Is that a description with which the Member agrees?

Unlike the SDLP, the Alliance Party has given the Budget its full support. Mr Farry argued that any party that does not support the carve-ups arrived at by the DUP and Sinn Féin should leave the Executive. However, since the Alliance Party does not support another DUP/Sinn Féin carve up, namely the cohesion, sharing and integration (CSI) strategy, will it leave the Executive? Members will recall that the only reason why the Alliance Party condescended to take the Justice Ministry was on the basis that a cohesion, sharing and integration strategy would be published. Now that strategy has been rubbished; it will not now appear in this mandate. Should the Alliance Party not consider its position in the Executive?

**Mr McDevitt:** The question stands.

**Dr Farry:** I thank the Member for giving way, and I am grateful to him for facilitating the debate. Is Dolores Kelly asking the Alliance Party to jump out of the Executive before the SDLP, if that is what the SDLP intends to do?

Let us be clear. The devolution of policing and justice has been an outstanding success over the past year. An extremely difficult political issue that almost brought down the Assembly has been stabilised. We are now seeing delivery, and I would not belittle that for one moment.

We have had more progress on cohesion, sharing and integration over the past year than we have ever had during any previous mandate, including when the Ulster Unionist Party and the SDLP were allegedly running this place. As for any carve-up, we have been clear that this Budget was negotiated by five parties, including the SDLP. That party cannot point the finger at the Executive because the Executive is the SDLP inasmuch as it is any of the five parties in this Chamber. The Executive is a collective effort.

The question stands for the SDLP: when Alex Attwood votes against the Budget at the Executive, but is then bound by collective responsibility to defend that Budget, will the SDLP have one version of the party in the Executive saying one thing, and another version outside saying another?

**Mr McDevitt:** I am tempted, Mr Speaker, to depart from the Bill to go back to the question of the CSI strategy. However, I am sure that you would pull me up.

It is interesting that, in these islands, liberal parties seem to be making a habit of doing a bad deal as they enter government. Colleagues in Mr Farry's sister party sold themselves into government for a referendum that they will lose, and the Alliance Party sold itself into government for a cohesion, sharing and integration strategy that is the laughing stock of the community relations sector.

**Mr Humphrey:** I am grateful to the Member for giving way. Talking of sister parties, why is this nation in the mess that it is in, with respect to economic and fiscal policy? It is because of the sister party that the SDLP props up at Westminster. The SDLP sits on the Labour Party Benches.

**Mrs D Kelly:** So do you.

**Mr Humphrey:** The SDLP supported the Labour Party through thick and thin, and that party left this country in the economic mess that it is now in.

**Mr Speaker:** Please address all remarks through the Chair.

**Mr McDevitt:** I am always curious to know why the DUP is unable to get a sister party anywhere. Maybe that is the way that it prefers it. I will return to the Bill, but I will give way first.

**Mr McCallister:** I thank the Member for giving way. I am refreshed to hear DUP Members laying the blame where it belongs, with the Labour Party.

I will return the Member to the Bill. Is he not a little unfair about revenue raising? He may have forgotten about Daithí's plastic bag tax.

**Mr McDevitt:** Serendipity, Mr Speaker. I was about to review the holes in the Budget that Mrs Kelly referred to on the revenue-raising side. The draft Budget anticipates £146 million in rates increases over four years, yet Minister Wilson championed a rates freeze. It expects us to realise £442 million in capital receipts over four years. Let us face it: this is not new money; it has been accounted for in previous departmental budgets. It is funny money, Mr Speaker. I know that the Minister likes to be a comedian at times, but he is a serious man when it comes to being a Minister, and he knows that, too.

The draft Budget anticipates £100 million in receipts from the central asset management unit (CAMU). However, CAMU failed to raise any funds in the past four years. The draft Budget expects £23 million this year in capital carried over from 2010-11 to 2011-12. That was announced in the December monitoring round. However, that money is carried over; it is not new. There is £4 million in the plastic bag levy that Mr McCallister mentioned. I put that question to the Minister of the Environment in the House last week. Surely the point of the plastic bag levy is to reduce reliance on plastic bags, and, therefore, its success will raise no money.

**Dr Farry:** I am grateful to the Member for giving way. I will try to move the debate on to revenue raising. I would be grateful if the Member could clarify when the SDLP will come off the fence and be clear about the need to introduce water charges in Northern Ireland. Water charges are being paid everywhere else in the UK, and we cannot sustain levels of public services here without generating the same levels of revenue that are generated elsewhere.

I note, in particular, that the SDLP has now called publicly for the mutualisation of Northern Ireland Water. I agree with him, and I am glad that we have found some common ground on the issue. However, the SDLP is not being fully honest in accepting the logic of its arguments, because the mutualisation of Northern Ireland Water means that it becomes, essentially, self-financing. That means that a separate charge has to be raised from the public. Therefore, calling for mutualisation means calling for separate water charges. That is the right way to go, but the SDLP should be brave and say that, in doing so, we will bring in £200 million a year that will transform the situation that we are in.

**Mr McDevitt:** I am grateful to Mr Farry, because I was going to return to that matter later, and I will do so. Mutualisation does not equal water charges. I do not want to have to explain the concept of mutualisation. However, Mr O'Dowd suggested that mutualisation was privatisation, but it is actually the opposite. My advice to Mr O'Dowd is to look it up in the dictionary. A mutual company is owned by its customers. The customers of Northern Ireland Water are the people of this region. Mutualisation would be the model that would guarantee public ownership of that utility, not privatise it.

Mutualisation requires that there be a certain and steady income stream. It does not mean that we have to raise that income through water charges. We could continue to subsidise Northern Ireland Water, as we do today, out of the block grant, and we could mutualise it. We could do lots of other things. My party will not be going to the people to surrender on an issue on which we have stood fast, which is that people should not pay a separate water charge in this region as things stand today. We are not going to resile from that position.

**The Minister of Finance and Personnel:** Clearly, the Member is totally confused about the way in which Northern Ireland Water could raise money. If the idea behind mutualisation is to ensure that Northern Ireland Water can borrow money to pay for the infrastructure, it can do that only against a guaranteed income stream. If the borrowing is against a guaranteed income stream from the public sector, the Member knows well — or, at least, he would know well if he has done his homework — that once that guarantee becomes a Government guarantee, any borrowing is measured against our block grant and we lose it. The only source of income that would not allow the Treasury to take borrowing from our block grant would be from a source that is independent of Government guarantee. As Mr Farry and others pointed out, that is why mutualisation will require some charging of the customer if we are to raise money against it.

## 12.00 noon

**Mr McDevitt:** I will continue the point, and I am grateful to the Minister for raising it. In the Chamber last night — it was late — the Minister questioned a lot of the SDLP's borrowing proposals. He basically said that, if we seek to borrow, we hit the block. This is another example of the view that Treasury rules do not allow us to borrow because there are Barnett consequentials and block consequentials. However, that is not quite true. We borrow £200 million a year from the block under RRI. We can get Treasury to agree to exceptions. In fact, in the past three months, we proposed to borrow £175 million for the Presbyterian Mutual Society, which will not score against our block. The Minister is, of course, technically correct that, if we were to try to do it without seeking an exception, we would subject ourselves to a bit of a problem.

**Dr Farry:** Will the Member give way?

**Mr McDevitt:** No, hold on a second. Let me finish the point.

There is nothing to say that we could not go back to Treasury with a properly costed, properly proposed scheme that, in the same way as with the RRI or the Presbyterian Mutual Society, would allow us to raise revenue and guarantee an income stream for a mutual without breaching Treasury guidelines. The guidelines could be changed, as they have been changed often.

**Dr Farry:** Will the Member clarify for the House how many special exemptions Northern Ireland will go to the Treasury to appeal? We are in a very difficult financial situation. The coalition Government want to normalise politics across the UK as far as possible. We have negotiated the PMS settlement. We are negotiating for special exemptions on corporation tax. There is also an ongoing battle regarding end-year flexibility. How on earth will we go to the Treasury and say that we want flexibility in the governance arrangements for Northern Ireland Water? Everyone else in the UK pays for their water through a separate charge, but we, in Northern Ireland, will opt out.

While I am on my feet, may I also ask the Member to clarify why, as a so-called social democratic party, the SDLP is playing a right-wing, populist card by refusing to bite the bullet on progressive revenue raising to properly fund public services? The SDLP is trying to have it both ways.

**Mr McDevitt:** We have got used to Mr Farry propping up the consensus on the cuts coalition of Sinn Féin and the DUP, but he is now a surrender monkey to the Con-Dem coalition in London. This Assembly should except itself from United Kingdom arrangements every bleeding week. We cannot have too many exceptions for our region. We cannot do enough our own way. We will make no apology for seeking further exemptions if it is in the best interests of the people of this region, the finances of the Executive and the Assembly and our major investment needs. Our answer to everything does not have to be, "Och, we could not do that. Sure, the rules do not allow it". It just beggars belief.

**Mr Callaghan:** I thank the Member for giving way. Does he agree that the position outlined by Mr Farry and the Minister, which effectively implies that people here do not contribute to the revenue stream of Northern Ireland Water at the minute, is exactly the same lie as is peddled by

the British Treasury? That has to be dispelled and resisted. All householders here know that they contribute to a revenue stream for water every year through their rates bill.

**Mr McDevitt:** Many colleagues, particularly those in office in the House, will know that the SDLP has made that argument inside and outside the Executive for heading on for a decade.

**Dr Farry:** Given that the Member was a special adviser at the time, he may well recall that, in the past, there was a formal link between the regional rate and water, which was broken by the then SDLP Finance Minister. People now pay for an element of their water through the regional rate. I think that that has been assessed at £160 a household. However, that does not cover the full cost of providing a water service. Although people pay for an element, they do not pay the full cost of what is required to run Northern Ireland Water. It is important that people understand the sums on this matter.

**Mr McDevitt:** I will indulge the House with a clarification on that matter because, in a previous role, I was party to some of the decisions taken in the Executive at that time. I assure Mr Farry that Mr Mark Durkan did not break the link when he was Finance Minister. In fact, that is the problem. The breaking of the link and the change took place after the Assembly had been suspended. That is why the SDLP continues to believe that we can deliver on our RRI commitments and the other major capital investment programmes through a rateable process.

I return to the holes in the Budget. Some £20 million a year has been identified as coming from housing association reserves. However, there is no ability to recoup that money from the associations. The total new revenue claimed in the draft Budget is £807 million. However, the true potential is only £262 million. It is not me saying that; a senior official from the Department of Finance and Personnel said so, on 12 January 2011, to the Committee for Finance and Personnel. As colleagues can see, the supposed £842 million in new revenue is questionable to say the least, as is, in particular, the £442 million already planned by Departments. In fact, the majority of it comes from DSD and is merely the repayment of Housing Executive debt. It is not a new source of money.

In our document, we found many additional revenue-raising opportunities that we have not

seen incorporated into the draft Budget. That means that we have less money to spend. In fact, the SDLP's ideas bridge the entire funding gap in the draft Budget. Our fully costed document 'Partnership and Economic Recovery' — it is available, although some Members last night seemed to think that it was not — provides detailed figures for our proposals. It is available in the Library and online, and I will send Members a link to it on Twitter if that will make it easier for them. It is not exactly a secret document.

The report provides detailed figures for the following SDLP proposals, none of which is in the draft Budget: the resizing of the Executive information service; the scrapping of departmental management boards; car park charging for the Senior Civil Service; the establishment of the Education and Skills Authority; the increase in public sector productivity; reductions in public service expenses and overseas travel; the leasing of Forest Service lands; the abolition of junior ministerial posts — I am sorry if any of the junior Ministers are in the Chamber at the moment; reforming the Northern Ireland Prison Service; a public service pay cut of 5%; procurement savings; a single economic policy unit; restructuring quangos; reviewing university costs; cutting public sector advertising; a supermarket off-licence levy; scrapping the Focus Farms scheme; reducing legal aid costs; a rates increase for banks and ATMs; a levy on telephone masts; an MOT charge increase; fast-track planning charges; Northern Ireland Housing Executive interest reprofiling; a shared future investment bond — I think that I have dealt with the points that the Minister raised in the House last night about borrowing in this region, which we can come back to if he wishes; the sale and leaseback of the Northern Ireland Housing Executive headquarters; the agricultural college receipt and — I apologise, Mr Speaker — the sale of your house on this estate too; the sale of allotments; the privatisation of the Rate Collection Agency; the deferral of non-priority projects; the planning gain developer contribution to local government borrowing; the long-term borrowing; other capital realisation asset sales; the sale of Derry port and airport; and the privatisation of Belfast port, to mention just a few.

The initial delay in publishing the draft Budget has had the knock-on effect of limiting the ability of outside organisations to give a considered response.

**Mr Hamilton:** The Member read, at some rate, a fairly long list —

**The Minister of Finance and Personnel:** He did not want us to think too much about it.

**Mr Hamilton:** That is the point, exactly. Does the Member accept that the glaring omissions from that long list are measures that would realise monetary efficiencies and deliver much more effective government in Northern Ireland? They would involve dismantling what his former party leader called the ugly scaffolding of Stormont: doing away with Departments and saving money in the process; encouraging more efficient working within the new Departments; and getting rid of a considerable number of MLAs and saving money, never mind about getting rid of the Speaker's house or the junior Minister posts. Will he concede that those are glaring omissions from his lengthy list of measures, or is he more concerned about the effect that they might have on the SDLP?

**Mr McDevitt:** I am grateful for the Member's intervention. It is like the story of the bad tradesman who blames his tools; if only he had better tools, he could do a better job. It is not the system that is broken around here, it is the politics. Bad politics, not a bad system, has given us a bad Budget.

**Mr Hamilton:** Will the Member give way?

**Mr McDevitt:** I will give way in a second.

We could have delivered this draft Budget through good politics months ago, and it could have led to a great consultation and proper scrutiny by Committees, not the accelerated passage of an important Bill. But, no; what are we doing? We are playing bad politics in a system that would, if we chose to work it, be capable of transforming this region.

**Mr Hamilton:** Is the Member seriously trying to convince the House that this system of government is effective, given that, in many respects, it is the same system that was there between 1999 and 2002-03, when his party and the UUP were in lead positions, and the First Minister David Trimble and the Deputy First Minister Mark Durkan did not even speak to each other? Is he trying to tell us that that was an effective system? Admittedly, David Trimble's party colleagues would not even speak to him at that time. However, is the Member seriously trying to say that the system of government

that was in place then and is in place now was effective at that time simply because different people headed it up? The system is wrong, and it prevents us —

**Mr McCallister:** You were in it.

**Mr Hamilton:** The Member who is commenting from a sedentary position is right. I did not speak to him because of all the stuff that he was up to.

**Mr Speaker:** Order.

**Mr Hamilton:** Is the Member seriously trying to say that this cumbersome five-party mandatory coalition is the best system of government for Northern Ireland and the one that the people of Northern Ireland deserve?

**Mr McDevitt:** It is the system that an overwhelming majority of people voted for. I accept that —

**Mr Callaghan:** Will the Member give way?

**Mr McDevitt:** Let me just finish. I accept that the DUP rejected that system, and I respect it for that. I understand why DUP colleagues find it difficult to be at the helm of a system that the DUP actively opposes. However, the truth of the matter is that it is its system, too. If done right, the system would be capable of transforming this region. What signal does it send out to the outside world when we spend our time blaming our tools instead of looking to ourselves, to our politics, to our culture, to our attitude and to the fact that we could have produced a draft Budget in September, if not in early October? We could have done this right. [Interruption.]

**Mr Speaker:** Order.

**Mr McDevitt:** The issue is not a broken system; the issue is broken politics in the big two parties. Mr Speaker, if it is OK with you and colleagues, I would not mind finishing my contribution before lunch. I have only — [Interruption.]

**Mr Speaker:** Order.

**Mr McDevitt:** I have only 18 minutes left so, with Members' indulgence, I will plough on for a little bit, and then I will happily engage in a few interventions. [Interruption.]

**Mr Speaker:** Order. Allow the Member to continue.

**Mr McDevitt:** The issue that goes to the heart of Mr Hamilton's point is the transparency of the system and the politics at the heart of it.

The initial delay in publishing the draft Budget has had the knock-on effect of limiting the ability of outside organisations to provide considered responses. That delay has also had a further detrimental effect on departmental planning, resulting in an even shorter timescale for departmental consultations and a lack of detail in the departmental spending plans we have seen. Moreover, we are left with this ridiculous scenario where the Vote on Account, the first stage of the Budget process in the Assembly, and the Second Stage of the Bill come before the end of the consultation period. It is bizarre. The lack of detail in spending plans further limits the process's transparency and creates further difficulty and confusion for those wishing to respond properly.

There are four ways in which we could improve transparency in the Budget process. First, we could change the Budget to highlight specific spending on front line services. Secondly, we could require each Minister to make a statement to the Assembly on their budget proposals. Thirdly, we could ask all Ministers to open their individual departmental budget plans to Executive colleagues for collective scrutiny. I note that the Chairperson of the Committee for Finance and Personnel has yet to respond to my intervention about his opinion on that matter. Fourthly, as I said, we could establish an Assembly Budget review group to interrogate the cost of government in a similar vein to the Executive Budget review group.

The SDLP has significant concerns that the Budget will lead to a reduction in the scrutiny of government. The huge cuts to the Northern Ireland Assembly secretariat and the Audit Office and the scrapping of the Economic Research Institute of Northern Ireland will have significant implications for the ability of independent bodies to provide options and alternatives and to counterbalance the Executive. A reduction in the funds available means that there is a greater need for scrutiny of spending performance and delivery.

Given that the SDLP has shown, through its fully costed Budget document, that there are further sources of funding available, we believe that there is still scope to provide additional funds in specific areas in order to create jobs, to defend

vulnerable people and to protect front line services. The cuts being dealt by the Executive Budget will create up to 9,000 job losses. That is not my figure; it is the opinion of outside bodies. Figures from the Regional Health and Social Care Board chief executive, John Compton, suggest the possibility of 4,000 jobs going in the Health Service. INTO, the teachers' organisation, suggests that as many as 4,500 jobs could go in the education sector. Already, 213 firm redundancies are planned at Belfast Metropolitan College. The Department of the Environment is predicting 300 job losses over four years. The Department of Agriculture and Rural Development is predicting that 80 jobs will have to go in the next four years. The SDLP believes that, if the Budget was well managed, there should be no need for compulsory redundancies.

### 12.15 pm

The Budget will also have serious implications for the future provision of health services. Alongside potential job losses, predictions are being made that the cuts will limit patient access to new drugs, have a hugely negative effect on social care provision, effect hospital closures and mean that a lack of finance will be available to finalise new projects such as the Altnagelvin cancer unit. There is no point building a cancer unit if we cannot staff it. What signal does that send to the people in the north-west of our region and to colleagues and neighbours in Donegal and the border counties?

The SDLP understands the inflationary nature of the health budget due to an ageing population, demographic changes and the cost of new drugs and technologies. We accept that there are opportunities for reform and savings within the health budget. However, we believe that the Health Minister and Finance Minister must work with their Executive colleagues to ensure that significant changes are made to the Budget to end uncertainty and guarantee the protection of front line services.

The draft Budget fails to provide clarity on student finance, student fees or the education maintenance allowance. Worryingly, however, the draft Budget includes a 21% cut in funding for the Department for Employment and Learning in 2012-13, the year in which the new university charging regime, as voted for in Westminster, is due to come into force. Maybe, during his winding-up speech, the Minister of Finance and

Personnel will clarify his personal position on student fees. I read the Hansard report from the House of Commons on 10 December. I give the Minister full credit: he stood up and made a fine contribution, expressing his opposition to increased student fees.

**The Minister of Finance and Personnel:** Just in case I forget, I want to remind —

**Mr McDevitt:** I would rather that you waited until your winding-up speech. However, as you were generous to me, I will give way.

**The Minister of Finance and Personnel:** Given that the Member has read the Hansard report, I am sure that he will be absolutely clear on my position, and I know that the Member who spoke from his own party made exactly the same point. I believe that we should not have a system that rules out people who could benefit from higher education from having that opportunity because of their inability to pay and fear of student debt. However, I made it very clear that, given the Barnett consequential that had been handed down to the Executive before the House of Commons had even made its decision, our room for manoeuvre and that of the Scottish representatives was severely limited by a financial decision that had been made at Westminster. Therefore, if the student fees decision went through the House of Commons and there was to be a financial consequence for devolved Administrations, it would have to be factored in to any decision and was bound to be a limiting factor in any freedom of movement and choice when it came to making decisions here. That was the position that I stated, and that is why I voted against the increase in fees in the House of Commons. I believed that that was the place to stop it. However, once that decision went through, there was a financial consequence for us. The Member's party, as well as my party, the Ulster Unionist Party, Sinn Féin and the Alliance Party, will have to work out how we address those financial consequences.

**Mr McDevitt:** I appreciate the Minister's clarification on that matter. However, let him never again come to the House and say that he opposes Tory cuts. He has just said that he accepts them and that, having lost the vote in the House of Commons, he is now happy as a devolved Minister to deliver them. Let him nail that lie this afternoon, tonight or whenever he gets a chance to do so.

**The Minister of Finance and Personnel:** I do not know whether the Member is having difficulty. I cannot speak Spanish, and perhaps he does not understand my English. Let me make it clear to him again that, if there is a financial consequence, this House as a whole has to decide how to live with that. I have not heard any credible explanation of how we live with the impact of something that we voted against but which is imposed on us and, therefore, limits our freedom of action. I have not yet heard the SDLP explain how it would live with that.

I remind the Member that a similar situation was faced when his party had the employment and learning Ministry. That was exactly the point that it made: we have to live with the Budget that we have and must impose a £3,000 fee on students. Let us not forget — he seems to have done so — that fees for students in Northern Ireland were introduced by the SDLP and not by the Minister who now heads the Department for Employment and Learning.

**Mr McDevitt:** I appreciate the Minister's comments.

**Mr Callaghan:** This is the second time in two days that we have heard erroneous claims from the DUP Benches about what a previous SDLP Minister did when responsible for higher education. It is not the case that an SDLP Minister introduced fees, and even the figures that are being suggested about what applied at the time, the previously imposed figures, are inaccurate. I think that Members on the DUP Benches should —

**The Minister of Finance and Personnel:** Who introduced them?

**Mr Speaker:** Order.

**Mr Callaghan:** The DUP should consult the history books. Look on Google, Minister, and you will find out. *[Interruption.]* I am not in a position to give way.

**Mr Speaker:** Order.

**Mr Callaghan:** There is a bigger issue here. The Minister let the cat out of the bag about the flaw in the DUP and Sinn Féin approach to the Budget process when he said that the House had to live with the cuts imposed by the Tory-Lib Dem coalition. We do not have to live with it; the real question is how we deal with it. We have put forward proposals to deal with it and bridge the gap, and it is time that the Minister

and others on the Executive met that ambitious challenge.

**Mr McDevitt:** I thank Mr Callaghan for that intervention. I think that he addressed the Minister's points, Mr Speaker.

The Executive have not honestly reprioritised the capital programme in housing either. Instead —

**Mr Ross:** Will the Member give way?

**Mr McDevitt:** No. Instead, they have just spread the pain around. There is no capital spending programme — *[Interruption.]*

**Mr Speaker:** Order.

**Mr McDevitt:** No capital spending programme does more to stimulate jobs, reduce poverty and meet important social policy objectives than investment in social housing, but the Executive have overseen a 40% cut in the newbuild housing budget without any attempt to find money elsewhere. On top of that, the draft Budget proposals would take an overly ambitious £80 million from housing association reserves.

It is incredible that the Department of Education has been allowed to become one of the biggest losers in this Budget process. Alongside the potential for up to 4,500 job losses, as many as 100 schools face the prospect of having building works cancelled. Again, the Budget provides little clarity, and it is not yet certain which schools will be affected.

Research from the Trades Union Congress shows that low- and middle-income families will be an average of £2,700 a year worse off by 2013. In addition, in 2013, the coalition Government in London will replace tax credits and benefits with the universal credit system, which will mean further hardship. The Executive cannot mitigate these changes, but the Budget does not do nearly enough. The social protection fund that the SDLP proposed to ensure that the most vulnerable members of our society could be protected from Westminster welfare cuts has been adopted for only one year. That is hugely disappointing and means that, by 2012, thousands of vulnerable people, many of them with disabilities, will face benefit cuts. It is imperative that the social protection fund is extended over the lifetime of this Budget if it is to be credible as a progressive measure to tackle poverty in this region.

The SDLP is also dismayed that the Executive see fit to impose a pay freeze on over 10,000 low- and lower-middle-income civil servants, approximately 7,400 of whom can be classed as earning below the average industrial wage. I ask colleagues in Sinn Féin to reflect on that. They are asking 7,400 people who earn less than the wage they take home to take a pay freeze. That is not just. They are asking the lowest to pay for the sins of the few.

The social investment fund causes us much concern. Despite such shortfalls in funding for health, education, student finance and housing, the draft Budget provides £80 million for a new Sinn Féin-DUP community fund to be targeted at their selected and preferred groups. OFMDFM's social investment fund for interface communities is politically driven and was not discussed by the full Executive before it was announced. The proposal lacks definition. If it were truly aimed at tackling disadvantage, such money would be better spent on enhancing the delivery of existing Department for Social Development programmes.

**Ms M Anderson:** Go raibh míle maith agat. I thank the Member for giving way. Those most deprived communities may happen to be in west Belfast or the Shankill. Does the Member not realise that what we hear from the SDLP about the social investment fund and the social protection fund is almost a repetition of what the SDLP said many years ago when it supported political vetting? That resulted in groups like Conway Mill in west Belfast and Dove House in Derry being adversely affected.

The social investment fund is crucial. Had you listened to the First Minister and deputy First Minister when they explained to the Committee for the Office of the First Minister and deputy First Minister how the social investment fund would be targeted at the most deprived areas and how the social protection fund would be targeted at people who needed it most, you would see that, on the basis of objective need, such a fund is absolutely crucial. Trying to describe it in the manner in which you and your SDLP colleagues have done does an absolute disservice to the people in our community, particularly those in the most deprived communities, who need those resources to assist them. Your analysis is wrong to arrive at that conclusion. The people in Dove House and Conway Mill have long memories of your position on political vetting and where it affected

people most, which was in the most deprived republican areas.

**Mr McDevitt:** That was an amazing contribution from Ms Anderson. I agree with a tiny bit of what she said: those most on the margins of our community need most support. However, there is no logic whatsoever in the point made. If, in the past, there were failed British Government schemes that were politically driven — schemes that the SDLP had no part in, spent a lot of time opposing and has no truck with defending — why would Sinn Féin try to manufacture its own politically motivated centralised scheme? If it were seriously a scheme to tackle deprivation and marginalisation, why would we not have discussed it around the Executive table properly and in advance, and why would you not give it to the Department for Social Development for delivery?

**Mr Callaghan:** I thank the Member for giving way. Does he agree that the neighbourhood renewal scheme is there precisely to fulfil the purpose of targeting disadvantage in the most impoverished areas of the North of Ireland? I was flabbergasted at my Foyle colleague's contribution. She specified who should be the potential beneficiaries of the scheme when nobody knows what the scheme's criteria are. Everything is a total mystery. What she said only adds weight to suspicions among many groups, including those in what she would probably describe as republican areas, that the scheme is a crony list in waiting that was set up by Sinn Féin and bowed down to by the DUP and its new allies in the Alliance Party, which, previously, was the moral guardian of fiscal rectitude but now seems happy to sign up to anything at all for the sake of one ministerial seat.

**Mr McDevitt:** I thank Mr Callaghan for that point.

**Mr McCartney:** Did Mr Callaghan give an example of political vetting by suggesting that there are Sinn Féin crony organisations somewhere?

### 12.30 pm

**Mr McDevitt:** The point that is being made is that we know that, when there has been political interference — alleged or actual, on this island and in other places — in community programmes, their delivery has been bad.

**Mr McCartney:** Will the Member give way?

**Mr McDevitt:** Let me just finish this point, Mr McCartney.

We know that, and our history is littered with examples of it. Indeed, our party was founded to campaign against it, and, I suggest, our party has the proudest record in the House of doing just that. We must not repeat the mistakes of the past in this Budget. I am putting down a marker to say that, if it walks like and looks like a big mistake, it could be a big mistake.

**Mr McCartney:** Does the Member agree that the British Government stopped the funding for Conway Mill as a direct result of a call from a former member of the SDLP who, at the time, was a serving Belfast city councillor?

**Mr Speaker:** Order. Unfortunately, I have to interrupt the Member, because we are coming up to lunchtime, and, as most Members know, the Business Committee has arranged to meet immediately on the lunchtime suspension. I propose, therefore, by leave of the Assembly, to suspend the sitting until 2.00 pm, when it will be Question Time. After Question Time, we will come back to the Second Stage of the Budget Bill, when Mr Conall McDevitt will, once again, be on his feet.

*The debate stood suspended.*

*The sitting was suspended at 12.31 pm.*

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

**2.00 pm**

## Oral Answers to Questions

### Employment and Learning

#### Apprenticeships

1. **Mr Hilditch** asked the Minister for Employment and Learning what plans he has to increase participation in apprenticeship schemes. (AQO 1050/11)

**The Minister for Employment and Learning (Mr Kennedy):** Apprenticeships are key to developing workforce skills in Northern Ireland now and in the future. Therefore, I am determined to protect the provision for young people in the 16-year-old to 24-year-old category, despite the difficult economic context. Apprenticeships depend on an employer employing a person and encouraging them to undertake the training that is laid out in apprenticeship frameworks. My Department meets the full cost of apprentice-directed training. That can range from £2,600 to £10,800 per person, depending on the level of study, the occupational area and the progression of the individual through the apprenticeship framework. On completion, an incentive ranging from £500 to £1,500 is also paid to the employer.

In considering funding for apprenticeships, I had a difficult choice to make regarding the 16-to-24 and 25-plus categories. Apprenticeships are an important career path for individuals and strengthen the regional economy. However, the potential withdrawal of funding for those over 25 will protect those career paths for the young people who have been most affected by the economic recession. It is worth noting that the Scottish and Welsh Governments have limited the places available for adult apprenticeships, and that England applies a reduced funding rate. In those jurisdictions, an adult apprentice is defined as being over 20.

Pending the outcome of the draft Budget, it is important to note that my Department will honour its commitments to those adults already on the programme. Although there may be no

funding available from my Department for adult apprenticeships, employers can still train adults using the ApprenticeshipsNI model.

**Mr Deputy Speaker:** The Minister's answer is coming up to two minutes.

**The Minister for Employment and Learning:**

Moreover, employers can upskill their staff through the skills solution service that I have established, which works with employers to develop a tailored programme of training.

**Mr Hilditch:** I thank the Minister for his answer. Does he agree that it is becoming more and more an issue that apprentices are finding it difficult to complete their training due to employment circumstances, such as redundancy etc? Will the Department look at other options or measures to assist apprentices in completing their training?

**The Minister for Employment and Learning:** I am grateful to the Member for his question. I accept the point that he made and undertake to look at whatever options we have to improve the situation.

**Mr P Ramsey:** In my constituency, there is a deep worry and concern that the Northern Ireland apprenticeship programme is under direct threat as a result of the Budget. Since 2007, 500 adults have gone through the programme to achieve education to level 2. Lord Empey came forward with a plan to upskill people which is out to tender at present. I hope that the Minister and the Department will honour the existing tender because that programme is making a difference, particularly in an economic climate in which so many adults need to be upskilled to meet the demands of industry.

**The Minister for Employment and Learning:** I am grateful to the Member for the interest that he has shown over a long period on this matter. I largely agree with him about the importance that has been attached to adult apprenticeships. Certainly, in an ideal economic world and with a Budget other than the one that I face, I would not want to impact on adult apprenticeships. However, the harsh realities are that I must make efficiency savings across my Department. I have attempted to do so in a careful and responsible manner. I re-emphasise that anyone in an existing adult apprenticeship will not lose their place; it will continue to be funded. We are talking about new adult apprenticeship schemes.

**Ms S Ramsey:** Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his answers thus far; it is useful to get a bit of background on the impact. The Minister keeps saying, and I agree with him, that there is a need for DEL to be central to kick-starting the economy and to be the engine room for that. Taking on board the Minister's answer to Pat Ramsey on the issue of adult apprenticeships and reskilling and upskilling in light of some of the job losses, has the Minister or his officials had any discussions with other Departments, possibly DETI, to halve the burden of reskilling and upskilling through the adult apprenticeship scheme?

**The Minister for Employment and Learning:** I am grateful to the Member for her question. In dealing with training and skills, I enjoy a very good relationship with the Minister of Enterprise, Trade and Investment and her officials. It is necessary to keep that training in place not only during the period of economic downturn but particularly as we prepare for the upturn. I know that there are significant pressures on the DETI budget too, but where there are ways to co-operate and collaborate, I am happy to do so and will continue to do so.

**Mr Cree:** I also thank the Minister for his answers thus far. How important is it for businesses to work with the Department to upskill employees, particularly in the current economic context?

**The Minister for Employment and Learning:** The Member makes a particularly important point. I want to encourage all businesses to, where possible, continue providing training and upskilling opportunities for their employees, because they will find that, ultimately, that investment is worth the money. Of course, my Department remains open to assisting them in every possible way, but we have to realise the difficult economic circumstances that we find ourselves in and take account of that. However, my Department is happy, willing and eager to co-operate fully with businesses at all levels.

## **Young People Not in Education, Employment or Training**

2. **Mr McLaughlin** asked the Minister for Employment and Learning how much funding he intends to allocate for the implementation of the

recommendations in the report on the inquiry into young people not in education, employment or training. (AQO 1051/11)

**The Minister for Employment and Learning:**

I should stress at the outset that the funding of the recommendations of the inquiry into young people not in education, employment or training (NEETs) is not simply a matter for the Department for Employment and Learning. Although my Department has a role to play in offering support to those who have been failed largely by the education system, others, not least the Department of Education, which has responsibility for early intervention, have a significant contribution to make.

As Members will no doubt recall, the recently published report, which I very much welcome, contains 41 recommendations, many of which are targeted at individual Departments. We are carefully considering those recommendations in the context of providing a cross-departmental strategic approach to the issue, and I hope to bring that to the Executive in March to seek agreement to go to public consultation. Therefore, although at this stage it is not possible to tell what the funding implications of any specific changes that flow from the Committee inquiry report might be, it is important to note that substantial funding is already being allocated to relevant programmes and services across Departments.

For example, my Department has in place a wide range of initiatives, programmes and strategies that are relevant to the issue, such as the essential skills strategy and Training for Success, which is primarily aimed at 16- and 17-year-old school leavers. In combination, those two schemes have already input over £50 million in 2009-2010. My Department bid for additional resources in the spending review. However, unfortunately, the outcome of the draft Budget did not provide additional resources for those purposes. Consequently, on foot of the Committee report and the proposed strategy, we will also examine the possibility of bidding against the Executive social investment fund when the criteria become clearer.

**Mr Deputy Speaker:** The Minister's two minutes are up.

**Mr McLaughlin:** I thank the Minister for that extensive answer. I am still trying to figure out whether he will allocate additional funding on foot of the report. Is he indicating that he

intends to make a bid for additional funding either directly through the Budget or, for example, through the invest to save initiative?

**The Minister for Employment and Learning:**

I am grateful to the Member for his question. In the latter part of my answer, I indicated that there could be an opportunity to bid for funds from the Executive's social investment fund, which is a new pot of money. We are still waiting to see the criteria for how we can apply for that. That would be a sensible way forward for some of the funding initiatives that we could use.

**Mr Campbell:** The Minister will be aware of the very good work of some training skills programmes and of the end product that they deliver. Will he ensure that he analyses vigorously the results that many of those projects have delivered when he looks at the level of funding for the next year?

**The Minister for Employment and Learning:**

I am grateful to the Member for his question. I am happy to give that undertaking. When relatively vast sums of money are being expended, it is important that we analyse the results in detail to ensure that we are getting value for money. I know of and note the Member's interest in particular areas and schemes that are working.

**Mrs D Kelly:** I listened carefully to the Minister's answer. I am sure that he will put me right if I have picked him up wrongly, but it appears clear to me that he does not know the terms of reference for the social investment fund. Has he had any discussions with OFMDFM or had any input into the social investment fund? Given that there is no Executive fund for children and young people and that, recently, in the final outworkings of this year's round of funding allocations, the Finance Minister refused his bid for money to NEETs —

**Mr Deputy Speaker:** Question, please.

**Mrs D Kelly:** — has the Minister any confidence that money will come from elsewhere?

**The Minister for Employment and Learning:** I am grateful to the Member for her question. I am concentrating on the next step, which is the cross-departmental strategy. That will involve other Departments such as the Department of Education and OFMDFM as well as my Department, and, with those responsibilities, there will be a financial consequence. Therefore,

we will seek to implement some of the recommendations contained in the Member's Committee's important and useful contribution to the debate. I will seek the co-operation of all Departments as we move forward.

**Mr Lyttle:** The House has discussed the importance of connecting further and higher education to the business community to ensure that employees are trained in the necessary skills. One of the key points that was set out in the NEETs inquiry was the need for improved careers advice. Despite creating a robust model of careers planning for the schools to use, the uptake seems to vary. How much of a problem is that in ensuring that young people have sound careers planning?

**The Minister for Employment and Learning:** I am grateful to the Member for his question. As Minister for Employment and Learning, I remain concerned, to some extent, about some of the careers advice that is available to young people. In conjunction with the Department of Education and other agencies, I am seeking to improve careers advice, particularly when it comes to business and how we can encourage young people to take up the opportunities that are available to them through education or through higher and further education. That is an important aspect of the work that needs to be carried forward. I am not always convinced that the quality of careers advice is as good as it should be.

2.15 pm

### Education: Violence Against Staff

3. **Dr McDonnell** asked the Minister for Employment and Learning what discussions he, or his Department, has had with the Minister of Education in relation to violence against education and university workers. (AQO 1052/11)

**The Minister for Employment and Learning:** Neither my officials nor I have held any discussions with the Minister of Education or her Department in relation to violence against education and university workers. If, however, there is a particular case, I am happy for the Member to write to me.

**Dr McDonnell:** We give a lot of attention at times to violence against healthcare workers, but I am aware of a small trickle of threats of violence against education workers. Does the

Minister feel that it would be appropriate to have a policy or strategy to deal with it?

**The Minister for Employment and Learning:** It is important that we keep an eye on things as they happen. I am pleased to say that there does not seem to be a significant pattern of violent behaviour in higher education. In the past five years, Queen's University Belfast recorded one incident in which a member of staff was attacked by a student. That happened in 2007. The University of Ulster recorded two incidents last year. In one incident, a student attacked a member of staff, and, in another separate incident, a staff member was attacked by a friend of a student. There have been no recorded incidents of students attacking staff at St Mary's University College or at Stranmillis University College in that period. However, if a pattern were to emerge, it would be a matter of concern, and we would seek to take action.

**Ms Lo:** The Minister is right that there is no evidence of attacks against university or further education college workers, but there has been a problem with violence and antisocial behaviour in the Holylands around St Patrick's Day. Has the Minister had discussions with the universities and with Belfast Metropolitan College on this year's action plan?

**The Minister for Employment and Learning:** I am grateful to the Member for her question and for her interest, along with that of other Members for that area. The four local higher education institutions and Belfast Metropolitan College have been working closely with partners on the Holylands interagency group on planning and preparations for the forthcoming St Patrick's Day. Those partners include the students' unions, Belfast City Council, the PSNI and other Departments, including mine. The preparations will build on the measures already in place, which helped to ensure a relatively peaceful Hallowe'en celebration. Residents' groups have been invited to attend the Holylands interagency group meetings and have been provided with an update on the latest preparations.

**Mr I McCrea:** The Minister may be aware of a campaign that was launched in this Building, prior to his appointment as Minister, the aim of which was to stop violence against women. It related more to higher education and to universities. The Minister referred to the lack of statistics, but will he join me in encouraging people, especially women, to report any violence

against them to the police to ensure that there is a true and proper reading of the statistics and to ensure that things are dealt with accordingly?

**The Minister for Employment and Learning:** I am grateful to the Member for his supplementary question. I agree strongly with him and condemn any act of violence against any individual. I encourage anyone, male or female, who is in the unfortunate position of having been attacked to report it so that assistance can be given and so that we can help to eradicate, not simply alleviate, such instances.

### Education Maintenance Allowance

4. **Mr Doherty** asked the Minister for Employment and Learning for an update on the future of the education maintenance allowance (EMA). (AQO 1053/11)

**The Minister for Employment and Learning:** I want to say, entirely for the avoidance of doubt, that I have no plans to abolish the education maintenance allowance in Northern Ireland. Both my Department and the Department of Education received the findings of the jointly commissioned review of the education maintenance allowance scheme in Northern Ireland in December 2010. Officials from both Departments are assessing the findings of the report; therefore, no decisions have yet been made on the future of the scheme.

The review found that, in the majority of cases, an allowance makes no difference to young people's decision to remain at school or college; however, in some cases, it makes a real difference. I am determined that young people from lower-income families, to whom those allowances make a real difference, continue to be assisted to stay on at school or college. The Committee recommended that the allowances could be better targeted. I can further advise that the report has been shared with the Employment and Learning Committee.

Any proposals to change the provision of the EMA scheme in Northern Ireland will be subject to a public consultation and appropriate equality considerations. They will also take account of the very difficult budgetary position that faces my Department.

**Mr Doherty:** Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his answer; particularly, his assurance that he has no plans to cut the education maintenance allowance.

There is huge public support for retaining it. I am sure that the Minister is aware that a number of councils have passed motions to that end, with particular emphasis on lower-income families. Can he re-emphasise that lower-income families in particular will not be affected by his future plans?

**The Minister for Employment and Learning:** I am grateful to the Member for his supplementary question. Indeed, I am pleased to reaffirm what I have said at the Dispatch Box: I have no plans to abolish the education maintenance allowance in Northern Ireland. There had perhaps been an unfortunate campaign or a suggestion that my Department and I were embarking on that course of action. We have never indicated that. We have simply agreed with the views that are expressed by recommendation 41 of the Committee for Employment and Learning's report, which indicates that EMA could be better targeted, and by better targetting we mean assisting low-income families in particular. England has, in effect, abolished EMA payments, and Scotland and Wales are reforming theirs. However, I am happy to indicate my position and that of my Department with regard to Northern Ireland.

**Rev Dr Robert Coulter:** I thank the Minister for his answers. Does he agree with the Committee for Employment and Learning that the criteria for receiving EMA should focus more on those for whom it provides a significant incentive to re-engage?

**The Minister for Employment and Learning:** I am grateful to the Member for his question. Indeed, I do agree. There is a significant difference in my saying that I have no plans to abolish the EMA and agreeing with the Committee's report that recommended that it should be better targeted. The scheme costs my Department £26 million a year; it is therefore vital that those resources be properly targeted at the point of greatest need. I envisage that that work will need to be done. I am glad that members from all parties played a part in producing the Committee report and recommendation 41. Most people accept that better targetting of those needed resources is a good thing.

**Mr McDevitt:** I acknowledge the Minister's commitment to making EMA a continued success. Will the Minister assure the House that he will widen the net to ensure that those

from marginalised communities who are currently excluded from EMA will be included in the future? Will he also give a commitment that the budgetary restraints that he will have on the new scheme will be minimal and that, going forward, we will be able to enjoy a level of funding that is the same, if not better focused, as that to date?

**The Minister for Employment and Learning:** I am grateful to the Member for his supplementary question and for the ongoing and never-ending commitments that he urges me to give. For all that, however, I said what I said. We have no plan to abolish EMA. Members of all parties in the House, and I hope, the Member, share the strong belief and agree that the better targeting of this measure could be an effective assistance to some, particularly lower income families. That is what we are about, and we will seek to get co-operation as we move forward on that.

## Night Classes

5. **Mr G Robinson** asked the Minister for Employment and Learning to outline the potential impact that reductions in his departmental spending might have on night class provision. (AQO 1054/11)

**The Minister for Employment and Learning:** I have no proposals to reduce spending on night class provision. In the overall strategic framework, colleges and universities are best placed to make decisions on the type and timing of their provision as they seek to meet the needs of their local communities and local businesses. In making those decisions, they will be very much aware that night class provision represents a flexible, responsive way of delivering the training and educational needs of people who work. However, Members will also be aware that, in any spending plans, after delivering savings of 5% year on year, I will still have the problem of a deficit of £40 million in 2011-12 and £31 million in the following year. If that is not resolved through additional funding, colleges and universities will have to look at further options to reduce expenditure. Those could impact on day and night provision.

**Mr G Robinson:** What assessment has the Minister made of the efficiency and effectiveness of the current night class provision across the Province? Does he see scope for improvement in the way in which it is delivered?

**The Minister for Employment and Learning:** I am grateful to the Member for his supplementary question. I agree with the thrust of what he said. There are always ways in which we can, perhaps, be more inventive and use money more wisely. I am generally satisfied with the provision that my further education division provides. The budget for further education is in the region of £150 million a year. Included in that amount is a spend on what are called hobby and leisure courses. All those decisions are taken, quite rightly, by the colleges, which can identify the programmes and courses that best suit the needs of their local communities. I am very satisfied that those courses are in place, as are the opportunities for the people who live in the areas that the colleges serve. I hope that we can continue to fund those courses at that significant level of public expenditure.

**Mrs M Bradley:** I am glad to hear that the Minister agrees with the night class provision. Have there been discussions with any of the FE colleges? Does the Minister intend to utilise the FE colleges for night classes?

**The Minister for Employment and Learning:** I am grateful to the Member for her question. Perhaps the Member is confusing night classes with hobby and leisure opportunities or, more generally, night classes that involve courses for everyone, young and old included. I am reasonably satisfied that the FE colleges have that fairly well under control. I am always happy to take advice on any area where the Member feels we are failing. If she wants to highlight a particular circumstance, I will happily take it on board.

2.30 pm

## Regional Development

**Mr Deputy Speaker:** Question 2 has been withdrawn, and a written answer has been requested.

### A5 and A8 Road Projects

1. **Mr Beggs** asked the Minister for Regional Development for his assessment of the impact on the A5 and the A8 road schemes if the next Government of the Republic of Ireland renege on their £400 million contribution. (AQO 1064/11)

12. **Mrs McGill** asked the Minister for Regional Development for an update on the A5 road scheme and the Irish Government's commitment to this scheme. (AQO 1075/11)

**The Minister for Regional Development (Mr Murphy):** With your permission, a LeasCheann Comhairle, I will answer questions 1 and 12 together, as they relate to progress on the A5 scheme and the impact on the A5 and the A8 schemes if the Southern Government renege on their £400 million contribution.

Projects to provide dual carriageways on the A5 between Derry and Aughnacloy and on the A8 between Belfast and Larne are being taken forward as a result of an agreement in 2007 between the Dublin Government and the Executive. Reflecting that agreement, the draft Budget provides my Department with sufficient funds to continue the development of both schemes and to carry out substantial construction works within the Budget period.

At a plenary meeting of the North/South Ministerial Council on 21 January this year, the Dublin Government reaffirmed their commitment to make a contribution of £400 million to the A5 and A8 dualling projects. If a future Government were to reconsider their commitment, my Executive colleague the Minister of Finance would have to assess the implications.

The A5 western transport corridor scheme is progressing well and the third key milestone for the scheme was achieved on target, with the publication of the draft statutory Orders and the environmental statement in November 2010. That was followed by the formal public consultation period, which ended on 21 January 2011. Given the interest in the project and the level of objection raised, I have decided that a public inquiry will be held to consider the objections.

**Mr Beggs:** We have learnt this morning of the huge cost to the Minister's Department of property getting blighted, yet he is not considering going ahead with building on those sites. I am referring to the A2. Apparently over £12 million has been spent on property, yet that scheme is on hold. Does the Minister accept that the A5 has not been prioritised by engineers or the road haulage industry as a problem area and that, in continuing with that scheme, which requires 60% of his entire capital budget over the next four years, many other,

more advanced schemes in other areas will be blighted —

**Mr Deputy Speaker:** Question, please.

**Mr Beggs:** It should really be rethought to ensure that other priority schemes that are more important to the economy, such as the A8 and the A2, can proceed.

**The Minister for Regional Development:** I can assure the Member that there is significant support for the A5 scheme to go ahead. I am sure that he, as an East Antrim representative, realises that the funding arrangements for the two schemes have been linked together. I am sure that he would not want to see the scheme for the A8, which connects Larne to Belfast, jeopardised either. Both schemes, the contributions to them, the cost of them and the need for them have been a matter of agreement by the Executive as a whole and the Dublin Government. There has been recurring agreement over the past number of years at each North/South plenary meeting when the matter has been raised.

Support for the A5 scheme is substantial, and I invite the Member to engage with chambers of commerce and businesspeople in the north-west, and with people in Derry, Donegal and Tyrone who feel isolated from the rest of the island because of their infrastructure connection. He will see a very strong desire for the Derry to Aughnacloy scheme to go ahead. As I said, no later than last month, the contribution from the Dublin Government was reaffirmed at the North/South plenary meeting, and the commitment to go ahead with both schemes was reaffirmed by the Executive and the Dublin Government.

**Mrs McGill:** Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his response. I represent West Tyrone, and the A5, if it goes ahead — as we hope it will — will go through a large part of my constituency. Can the Minister give an assurance to people in my area who are very much in favour of the A5 but who might have some concerns about exactly where the route will go? Will he give those people some assurances about what might come out of the public inquiry? Exactly what stage is all of that at?

**Mr Deputy Speaker:** One question, please.

**The Minister for Regional Development:** In my previous response, I expressed what I

have found to be very strong support by both Administrations, North and South, and by many people whom I have spoken to in the business community, political representatives, and others in the north-west region generally. Given that it is the biggest road-building project of its kind on the island of Ireland, there will undoubtedly be concerns among those whose land it goes over about access, compensation arrangements and loss of land. There is a need, as I established and recently announced, for a public inquiry into all that to afford people with concerns about the project, and those who support it, an opportunity to express those views in a public forum and be heard by an inspector.

The inquiry will commence in May 2011 and run for approximately eight weeks. Given the size of the scheme, it is likely that the public inquiry will be held at several locations along the proposed route. The details of that will be published in good time for people to be able to access the inquiry, and those who support and those who object to the scheme will have ample opportunity to make their cases before an inspector.

**Miss McIlveen:** Given the ending of end-year flexibility (EYF), what risks are associated with a probable or possible delay in the public inquiry report and its outworkings on the Department's roads budget, given that 70% of the budget is ring-fenced for the A5 and the A8?

**The Minister for Regional Development:** There is always a risk with huge capital projects, which has to be managed and assessed as we go along. The spend for each project is predicted year on year as the projects are expected to happen. However, over the past number of years, significant road projects were on time and on budget.

The arrangement that delivered the Newry to Dundalk road between the North and the South is similar to that being put into place for the A5. All the milestones have thus far been met on time, which augurs well for the proper outworking of the project in relation to the capital spend set against it. There is always a risk with major capital projects. Nonetheless, there were significant engineering issues with the A4, yet that project was delivered on time and on budget. I am optimistic that the A5 and the A8 will be delivered in a similar fashion.

**Mr Neeson:** We hope that the A5 and A8 schemes will go ahead. However, surely a public

inquiry into the A5 will free up funds. Will the Minister not reconsider his decision to put back the improvement of the A2, bearing in mind that I was reliably informed that the A2 was included in his Department's original budget proposals?

**The Minister for Regional Development:** The public inquiry into the A5 was always likely to happen. I do not understand why the Member said that that will now free up funds because it was always built into the likely progression of the A5. Significant road-building or capital schemes almost always involve a public inquiry. Given that the A5 will be the biggest such scheme undertaken here, the likelihood was that it would have a public inquiry. That does not alter any money that was made available for the scheme.

I appreciate the Member's disappointment about the A2 scheme. My Department faces severe budgetary restrictions. It is the big capital-spending Department and its budget was the most severely hit by the Tory-led Government proposals from Westminster with a 40% cut in capital, so we have to make judgements and take hard decisions.

Although the A2 is a good scheme that is recognised as such, there are other significant areas of spend across the Department on public transport, saving jobs in Translink and structural maintenance across the North. I proposed that there was no room in our budget for that scheme to go ahead. That proposition is out for consultation, and the Member and others will have an opportunity to make their views known, and the Assembly will then have an opportunity to vote.

There are so many other pressing demands right across the North —

**Mr Neeson:** We have been waiting for 30 years.

**Mr Deputy Speaker:** Order, please. All remarks must be made through the Chair.

**The Minister for Regional Development:** Many places across the North have been waiting a long time for infrastructure spend. The Executive, in their Programme for Government, recognised that there was an infrastructure imbalance in the North between east and west, and they set about doing something about that.

**Mr Deputy Speaker:** Question 2 has been withdrawn.

## Budget 2011-15: Belfast Harbour

3. **Ms S Ramsey** asked the Minister for Regional Development to outline any ongoing work currently taking place to achieve the anticipated dividends from Belfast Harbour Commission as set out in the draft Budget. (AQO 1066/11)

**The Minister for Regional Development:** The Department's draft 2011-15 spending and savings proposals, which were published on 13 January 2011, included projections for the release of value from the Belfast Harbour Commissioners, in line with the Executive's draft Budget 2010. The draft Budget envisages that additional current expenditure of £15 million per annum can be realised in each of the years 3 and 4, but I believe that it could be possible to achieve a funding stream of up to £125 million.

Officials from my Department and the Belfast Harbour Commissioners are scoping out potential options, excluding privatisation, for realising the fund outlined in the draft Budget. Officials are due to prepare a report for the ministerial Budget review group by the end of February 2011.

**Ms S Ramsey:** Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his answer. Considering that we are looking at a £4 billion cut in the block grant by the Tory/UUP brotherhood, it is important that we look at ways to get additional money. Will legislation be required to take that forward?

**The Minister for Regional Development:** The Member is correct that, with the substantial cut in our Budget by Westminster, it was the duty of the Executive and the Departments to look at areas in which additional revenue could be raised and to be as inventive and as flexible as possible. Obviously, given that Belfast harbour and the port are publicly owned, the Executive will, quite rightly, have a look at them as part of that.

Even though significant benefits could be accrued from the propositions that have been put forward, it is right that we have an opportunity to test them. That is why, whatever benefits are anticipated, prudent as they are, have not been factored into the Budget assessment until years three and four. There is a possibility — perhaps a probability — that that would require new primary legislation, and, as I said, the Belfast Harbour Commissioners and departmental officials are considering potential options, excluding privatisation, that could

enable the Belfast Harbour Commissioners to release resources to assist the Executive. The consideration of potential legislative implications, including the need to promote new legislation, will be considered as part of that.

**Mr Bell:** Does the Minister agree that, given the cuts that the UUP/Conservatives and Alliance/Liberal Democrats are imposing on the people of Northern Ireland, it is incumbent on every Department to look at where they can make the dividends to offset the impact on the most vulnerable people? Is it not important that we offset the effects on vulnerable people and do something, as opposed to just talking about that?

**The Minister for Regional Development:** I find myself in agreement with the Member. There are a number of options. I listened to the debates on the finance motions yesterday and the Budget debate this morning. I find some of the propositions and suggestions that are being put forward amusing, particularly those that are put forward by people who last year sat smiling like Cheshire cats behind David Cameron as he brought his cuts agenda to the North and advocated that people here supported him. Those same people now lament most the impact of those cuts on the Departments that their party colleagues are in charge of.

There are a number of options that we can consider. The first one, which some people have advocated, is to just get on with the Tory cuts, accept what has been imposed on us from Westminster and get on with the pain of that. There are parties in the Chamber that advocated doing that. The second option is to fold up our tents, walk away and say that we are not prepared to deliver the cuts, which means that we are back to direct rule. The third option is to put our heads together to examine revenue-raising options for the Executive and ways in which we can mitigate the worst impacts of the cuts that have been proposed by the Conservative/Lib Dem coalition in Britain. The third option is the best option.

I agree with the Member that all Ministers should be putting their heads together in that regard and putting serious effort into finding efficiencies and savings in their Departments and into exploring options for revenue-raising, which can help us to continue to spend in areas that the Executive have decided are a priority for us.

**Mr O'Loan:** Does the Minister envisage legislation in this Assembly or, as the chairperson of the

Belfast Harbour Commissioners said, at Westminster? Given that that money has been earmarked in the Budget, what contingency plans has he in mind if there are difficulties with that legislative route?

### 2.45 pm

**The Minister for Regional Development:** Whether and where legislation is required is a matter of ongoing discussion between departmental officials, including the head of the Civil Service, and the Belfast Harbour Commissioners. Some legal views have been expressed on the issue, and I have heard differing legal opinions. I am quite prepared to explore that.

As I said, the revenue that may be raised is quite prudent, with £15 million being put into the Department's baseline in years three and four of the Budget period. I do not envisage any difficulties. Indeed, the Minister of Finance, the First Minister, the deputy First Minister and I met the Belfast Harbour Commissioners last week, and we agreed that anything was possible with legislation. There was a genuine commitment, on their behalf and ours, to explore, in a positive way, any opportunities that might arise as a result of looking at the areas around the port. The commitment is there, and it is likely that we can achieve this. It is a prudent commitment, and I think that it can be increased. When the Budget was presented, we said that we had already established some £800 million of revenue, with the potential for a further £800 million, and there is more potential in that proposition.

### Spatial Planning: Cross-border Framework

4. **Mr Boylan** asked the Minister for Regional Development to outline the progress on the all-Ireland collaborative planning spatial framework. (AQO 1067/11)

**The Minister for Regional Development:** Yesterday, I announced the commencement of a joint public consultation on a framework for a collaboration document entitled 'Spatial Strategies on the Island of Ireland.' The consultation will last for eight weeks and will end on Monday 11 April. The consultation document was prepared jointly with the Department of the Environment, Heritage and Local Government in the South.

**Mr Boylan:** Will the Minister outline what benefits the framework will provide for cross-border collaboration?

**The Minister for Regional Development:** Regardless of people's constitutional political viewpoint, there is a broad recognition that we live on a small island of five or six million people, which is becoming more and more interdependent in economic growth. Certainly, the North/South Ministerial Council and the implementation bodies have been working diligently to promote areas of mutual co-operation and advantage. There is an opportunity to boost economic performance and competitiveness across the island through cross-border co-operation and collaboration. It is recognised, whatever people's political viewpoint, that more can be achieved through collaboration than competition between North and South.

Co-operation or collaboration between regions for territorial development is accepted as good practice in the European Union, and it is promoted in the European spatial development perspective and the EU territorial agenda. The consultation document that is out at the moment, allied to the regional development strategy, will provide useful guidance to policymakers for some of the work of the Departments in coming years.

**Mr K Robinson:** I listened with care to the Minister, who is also a MLA for Newry and Armagh. Has the Minister factored into his considerations the impact on the ports of Larne, Belfast, Londonderry, Coleraine and Warrenpoint of the development of a port at Braemor, which is south of Drogheda? Has he also factored in the impact on the transport and distribution industries if its associated all-Ireland distribution hub goes ahead?

**The Minister for Regional Development:** It is an interesting point. There has been much conversation. I have attended many ports conferences and had conversations with port users and operators in the North and across the island. There is much less conversation about the development of Braemor recently than there was a number of years back when the Progressive Democrats had more influence in the Dublin Government. I imagine that following the election, there will be even less discussion.

It also opens up interesting opportunities, because there is a capacity issue at Dublin

port, and ports on the eastern seaboard such as Larne, Belfast and Warrenpoint are looking at the opportunities that that will afford. Things like this spatial strategy and the all-Ireland discussion on economic development and growth have huge benefits, and the ports are part of that. If a significant development were to happen in the South, it would have an impact on some of the ports here, but, equally, there are opportunities for collaboration and competition between ports.

**Mr McDevitt:** I welcome the publication of the consultation. I am sure that the Minister will agree with me that greenhouse gas emissions from our region are running at unacceptably high levels. In fact, they are nearly 10 times higher in this region than in the other parts of these islands. What steps is the Minister taking through the strategy to address the carbon footprint of this island as a whole?

**The Minister for Regional Development:** The collaborative framework is a high-level document that does not go down into the details of transport arrangements. I hope that the Member will take the opportunity to study the document to see where it dovetails neatly with the regional development strategy. Nonetheless, his point about the unacceptability of carbon emissions, particularly from transport, is one that we take seriously. That is why such an emphasis has been put on sustainable transport arrangements, particularly between North and South, and it has been a subject of discussion at every one of our meetings. However, that is between the Department of Transport in the South and my Department here. The spatial strategy framework concerns the Department of the Environment, Heritage and Local Government in the South, and it is not, therefore, part of the North/South transport sectoral meetings.

Nonetheless, there is an opportunity for joined-up arrangements, not just across Departments here but North/South, to try to reduce the carbon footprint, particularly in transport, and to use collaborative strategies right across the island to achieve that.

## Belfast Rapid Transit System

5. **Mr Sheehan** asked the Minister for Regional Development what commitments his

Department intends to make in the draft budget in relation to the Belfast rapid transit scheme. (AQO 1068/11)

**The Minister for Regional Development:** The Department's draft budget provides for the continuation of the planning phase and the commencement of the implementation of rapid transit for Belfast. It also provides for the implementation of the sustainable transport-enabling measures phase of the Belfast on the Move transport master plan in Belfast city centre. The project is focused on the redistribution of existing road space to provide the extensive bus priority measures for use by all public transport vehicles, including the proposed rapid transit system.

**Mr Sheehan:** Go raibh maith agat, a LeasCheann Comhairle. What is the Minister's position on the public finance commitment to the project?

**The Minister for Regional Development:** The Department is in the process of securing external support to complete the outline business case for the pilot rapid transport project, which will identify the preferred options for Belfast rapid transport network routes, the procurement strategy, the commercial business model and a system of fares. The identification of the preferred options will also allow the Department to undertake the necessary public consultation, impact assessments and appraisals. A public awareness exercise, which is anticipated to take place in 2011 as part of the outline business case, will give everyone an opportunity to comment on the options for Belfast rapid transit.

Although the capital budget in the Department is particularly challenging, this project is identified in the Programme for Government as a key project for Belfast, and we want to keep it live and on the books. Although I would prefer that we were much further ahead with the capital commitment to rapid transit, we will continue with the preparatory work. Some of that work will also enhance and improve quality bus corridors, which will improve the overall public transport network in Belfast.

**Mr Humphrey:** Given today's announcement of the failure to upgrade the road network from Belfast to east Antrim, will the Minister consider the movement of people between east Antrim and Belfast city centre? Will he continue to

exclude north Belfast from the Belfast regional transportation scheme?

**The Minister for Regional Development:**

East Antrim is served by a rail link and a road network into the city. As I said in my answer to Mr Neeson, I understand the frustration caused by the delay of the A2 project. Nonetheless, it is well served in its connectivity to Belfast city.

In answer to the question on north Belfast, the initial pilot project identified only two routes before I came into office, and both of them were in east Belfast. We wanted to try to create connectivity right across the city so that it was not simply about bringing people into the city centre but connecting people from either side of it, and we have included a route to the west of the city. The Belfast rapid transit project is a pilot scheme, and pilot schemes were identified, but the intention is to connect the rest of the city. I had discussions with representatives from North Belfast, including the MP for the area and the previous Minister for Social Development, and they identified areas in north Belfast where a rapid transit system would serve a useful purpose. It is my strong desire, and a necessity for the city of Belfast, that we continue with the project to establish the initial routes and to link other parts of the city, including north Belfast.

**Mr A Maginness:** I thank the Minister for his answers. I obviously support the general direction in which the Minister is going. He is full of laudable aspirations.

Can the Minister tell us how many miles of quality bus corridors have been established in Belfast in the current financial year?

**The Minister for Regional Development:**

I do not have the exact number of miles to hand, so I will write to the Member with the details. However, quality bus corridors are a priority for the Department. We have recently established one on the Ormeau Road. As I said in my initial answer, the Belfast on the Move project is about street space in the city centre and lane availability. We intend to move ahead with the project in this Budget period, and we have budgeted for that. The project will allow redistribution of existing roads space to provide extensive bus priority schemes in the city centre, and that in turn will lend itself to the development of the rapid-transit project.

I will endeavour to get the Member the information on the exact number of miles of

quality bus corridors. This is the way forward for the city. All urban areas experience congestion, and the way to deal with it is to make it less attractive for car users to bring their vehicles into the city centre and more attractive for people to use public transport.

## NI Water

6. **Mr O'Dowd** asked the Minister for Regional Development when the new permanent board of NI Water will be appointed. (AQO 1069/11)

**The Minister for Regional Development:**

The process leading to the appointment of a chairperson and up to four new non-executive directors to the board of NI Water is under way. The closing date for the chairperson competition was 14 January 2011. For the non-executive directors competition, it was 28 January. Shortlisting for the position of chairperson took place last week, and interviews will take place in early March. The intention is to appoint a chairperson in the first instance so that that individual can participate as a panel member in appointing the other non-executive directors. The timetable envisaged is that, subject to the various stages of the process remaining on track, the chairperson should be in place before the end of March, with the remainder of the board appointed by the end of June.

**Mr O'Dowd:** I thank the Minister for his answer and welcome the fact that progress is being made. The Minister will be aware that, this past number of days, we have been discussing budgetary matters. There has been a growing clamour from some in the Chamber for a privatisation agenda. What are the Minister's views on privatisation of the water service?

**The Minister for Regional Development:** It is not simply my views that matter, although they are forthrightly and consistently expressed. The Executive as a whole have set their face against privatisation. There is no doubt that the agenda for NI Water under direct rule was to take it from being a Government service and structure and make it a Government-owned company. It was eventually intended for it to be privatised, with separate water charges for consumers, including domestic consumers. As I said, the Executive have set their face against that. I have been at the forefront of proposing that course of action from the Executive, and I intend to bring a paper to the Executive before the end of this term to inform an incoming Executive. It

has been my firm view for some time that not only is it a matter of dealing with the funding issue for NIW but the structure under which it was set up is not fit for purpose for a devolved Government. If the Executive want more authority and responsibility over the agencies in our Departments, we need to have different arrangements for managing them.

**Mr Campbell:** The Minister will be aware of the annoyance, anger and frustration that many people felt over the series of debacles that have surrounded Northern Ireland Water during his more recent tenure.

Given the exercise that he is embarking on, what guarantee will the Minister give the people of Northern Ireland that we will not have a repeat or a mark II?

**The Minister for Regional Development:** I presume that the issues that the Member refers to primarily are the freeze/thaw issues over Christmas and the loss of water as a consequence of them. He will know that the Executive have launched an investigation, involving the Utility Regulator and independent members. That investigation is due to report to the Executive by the end of the month. Whatever recommendations are in that report will be considered by me and the Executive.

NIW has already put forward a short-term resilience-improvement plan to ensure that we get through the rest of the winter without a repeat of the types of incidents that we saw over Christmas.

**3.00 pm**

## Executive Committee Business

### Budget Bill: Second Stage

Debate resumed on motion:

*That the Second Stage of the Budget Bill [NIA11/10] be agreed. — [The Minister of Finance and Personnel (Mr S Wilson).]*

**Mr McDevitt:** I will pick up from where we were before lunch and Question Time. I covered a substantial amount of what I wanted to cover in my earlier contribution.

I will now turn to the Department for Regional Development (DRD) and the draft Budget. The way that DRD has been treated is a particularly good example of the impact that the draft Budget is having on ordinary working people, on rural communities and on the most marginalised in our towns and rural areas. It is worth noting that it was the Minister for Regional Development, in the detail that he provided to the Committee for Regional Development, who conceded that, for example, the cut to the rural transport fund would disproportionately affect socially excluded nationalist people. It is his own admission that the draft Budget will hit working-class nationalists in rural communities hardest, and yet we are still proceeding with it.

It does not stop there. In looking at the impact that the cutbacks in public transport in urban areas will have, we see that the Minister for Regional Development concedes in written documentation provided to the Committee that those cutbacks will hit working-class unionist communities hardest. That is just a small example of the Executive's draft Budget and how it affects and undermines the future of the most marginalised in our communities most.

In the Committee for Regional Development's response to the draft Budget, we were fortunate enough to be able to reflect the views of some of the organisations that are, so to speak, at the coalface and deal daily with the needs of those who most rely on public transport. The Inclusive Mobility and Transport Advisory Committee (IMTAC) speaks out for people who are mobility-impaired. It points out that restrictions in the door-to-door services will limit the ability of older people and people with disabilities to go out in the evenings and at weekends.

The cumulative impact of the reduction in the number of rural community transport partnerships and the reduction in the subsidy to Translink will be to reduce the supports available to the most vulnerable in our community. That is not just my view but that of IMTAC and the Committee for Regional Development, whose report says that those reductions:

*“will cause social exclusion, isolate many people in their homes and reverse the dramatic progress Northern Ireland has made in the past 15 to 20 years for disabled people, young people, older people and those who have no access to a car.”*

In other words, we are being told that the draft Budget sets us back a decade and more. It undoes all the good work, all the investment and all the progress of the past decade in providing accessible transport to the most marginalised in the community. Is that what the House wants to vote for and be part of?

**Mr Campbell:** The Member has illuminated considerably the different parts of the draft Budget. He has outlined, on numerous occasions, his complaint against and his opposition to the draft Budget as constituted, and now he has moved to the issue of rural transport. However, the issue remains: from where does he suggest we take the money in order to put it into DRD as he has just outlined?

**Mr McDevitt:** Mr Campbell’s question is a very good one. I do not wish to go back over the past hour and a half, nor does the Minister of Finance and Personnel, who, I am sure, has made copious notes. For Mr Campbell’s information and for colleagues who were not present during my first-half contribution, I spelt out, at considerable length, the areas in which the SDLP believes that Mr Campbell’s questions could be properly answered. It is our firm conviction that there is an opportunity to raise more revenue in a way that will not impact on the most marginalised in our community. We, as an Executive and an Assembly, should dedicate our time, best energies and all our considerable talents to exploring every one of those options, adopt those that would genuinely work and dismiss those that would not.

I return to the question of rural transport. The Community Transport Association is also of the view that the reduction in the rural transport fund and transport programmes for people with disabilities will have a significant impact on rural communities in the next four years. It identified

the potential for increased rural isolation and exclusion from government services and commerce of the most vulnerable in our society. It says that reductions in the rural community transport network would mean that 25% to 30% of people in rural areas would not be able to access public transport solutions in the next four years. If that is devolution at work, I am sorry but I do not recognise it. The people on the ground and the people who put us here — no matter who we are or what party we stand under — will not recognise it either. The impact on older people, people with disabilities, people with mobility difficulties and their families, arising from proposed reductions in door-to-door services, rural transport, community transport and shop mobility schemes, will be felt in every town and townland in this region. It will be felt hardest and most severely by those who have least and need most. That is not what we should sign off as a Budget. It is a crying shame, and, in the time available, we must seek ways of addressing it.

Before concluding, I will return to one other issue that we debated earlier. I regret, as I regretted earlier, that the Chairperson of the Committee for Finance and Personnel is not in the Chamber. I do not think that it is appropriate or fair to the rest of us that the principled scrutineer — he is joining us now, which is perfect timing. I will give the Chairperson of the Committee for Finance and Personnel an opportunity to take his seat, because I would welcome an intervention from him on this point. Earlier, we discussed the need for more transparency in the budgetary process. There seemed to be a feeling on some sides of the House that that was not needed. However, the Committee for Finance and Personnel’s draft report on the Executive draft Budget 2011-15 includes the following paragraph:

*“In view of the limitations to the in-year monitoring process, the Committee reiterates its call for the establishment of a regularised annual budgetary review mechanism set to a pre-determined timetable, which it considers will add transparency and better enable the Executive to adapt its plans to the clear and changing environments and unforeseen circumstances.”*

I have a basic question for colleagues in the House. Is the Committee telling us what the SDLP is saying: we need a better and more structured budgetary scrutiny process? Can the Committee Chairperson confirm to the

House that that is so, or is what I am reading not the Chairperson's opinion but that of the Committee?

**The Chairperson of the Committee for Finance and Personnel (Mr McKay):**

I am trying to fill myself in on what the Member has been saying in my absence. The Committee report on the Executive's draft Budget has not been finalised. It is pre-emptive for any Member to quote from draft reports.

**Mr McDevitt:** I am happy to have given way to Mr McKay. He is, of course, a member of the Committee, and I presume that he has a mind of his own. I understand that my colleagues on the Committee are happy with that paragraph. I do not believe that there has been huge dissent. I am happy for any other Committee members to inform the House of their position. It seems to me to be a perfectly good paragraph. I do not see what the problem is in putting it on the record of the House that that is the sort of road that we should go down. If a Statutory Committee is thinking about this on a preliminary basis, then "Great". What I do not understand and what those outside the House who are watching will not understand is why people seem to have a problem about agreeing with a good idea. It seems to me that this is more about what we suspected it was about, which is carve-up politics rather than consensual solutions.

**The Chairperson of the Committee for Finance and Personnel:**

I am speaking as Chairperson of the Committee. The Committee is in the middle of considering its draft report, which is open to further discussion. The draft report has not been agreed by the Committee, and I ask the Member not to quote paragraphs from it for discussion in the debate today, until the Committee has had time to carry out the proper process and come to a final agreement.

**Mr McDevitt:** I appreciate Mr McKay's clarification that he is the Chairperson of the Committee for Finance and Personnel; I think we knew that. He is also, of course, an MLA and is perfectly entitled to his opinion as such. We will leave it at that.

This is a fundamentally flawed draft Budget. That is not just my opinion; it is the opinion of Patricia McKeown also. The regional secretary of UNISON described analysing the proposals before us as a "tortuous exercise". She said:

*"We're talking about something that is highly susceptible to legal challenge. We're talking about something that has not been developed in any kind of collective cross governmental way.*

*So, no excuses for that. We are saying to politicians that you've got to re-think this one."*

To be honest, I do not always agree with Patricia McKeown. However, I do on this occasion. I also agree with NIPSA, the Construction Industry Federation and NICVA.

**Mr McCartney:** Will you illuminate what you disagree with her about?

**Mr McDevitt:** We will leave that for another day, Mr McCartney. We are debating the draft Budget, and, if I were to stray from that, Mr Deputy Speaker, you would pull me back and ask me what I was doing.

The problem that colleagues might have is that we are focusing on the draft Budget. Many of them would be much happier if we were having a debate about another issue during the time when we are focusing on the draft Budget.

In conclusion — *[Interruption.]* Mr O'Dowd was not around earlier, but he may have had the TV on in his room, if he was there. I want to return to something that seems to have entered the O'Dowd vernacular. We know what that is like; it becomes a sort of self-perpetuating misleading statement. Mr O'Dowd suggested in the House yesterday that the SDLP was pursuing a privatisation agenda with Northern Ireland Water. I addressed that matter with the Minister earlier, and I am happy to repeat it for the record and for Mr O'Dowd's ears. Mutualisation of Northern Ireland Water is the opposite of privatisation. If Mr O'Dowd knew anything about mutualisation, he would know that mutual companies are owned by their customers.

**Mr O'Dowd:** Will the Member give way?

**Mr McDevitt:** No, I will finish this point, and then I will give way, Mr O'Dowd.

A mutual company, in the context of Northern Ireland Water, would be one owned by the people of Northern Ireland, because they are the customers of Northern Ireland Water. In fact, the mutualisation of Northern Ireland Water would guarantee that it remains in public control and in public ownership.

**Mr McCartney:** Will the Member give way?

**Mr McDevitt:** I will give way at the end, Mr McCartney.

It is also not true — we dealt with this matter earlier too — that, if you mutualise Northern Ireland Water, you must also introduce water charges. That is not so, and it shows that people have not done their research. What you must do, if you mutualise a company and want it to raise money independently — something that we all want to see happening, so that we can make the investment that, we believe, needs to be made in water and sewerage infrastructure — is demonstrate a guaranteed source of revenue. We could do that through a permanent subsidy. It would mean, as the Minister and I debated, going back to the Treasury and negotiating as we did for the RRI and for the Presbyterian Mutual Society and on many other occasions. However, there is no reason why we could not mutualise this company and why we could not guarantee an income stream that would satisfy bond markets and other investors who would be able to put their money into our sewerage systems and water mains without having to introduce water charges here. I will have that debate anywhere and with any Member of the House, because it is an important one.

**3.15 pm**

**Mr O'Dowd:** My reference to the SDLP's privatisation agenda was broader than a reference to just the issue of water. Selling off publicly owned DRD car parks to the private sector is, in anybody's words, privatisation, so perhaps the great, wonderful, wise one will explain that one to me. A main plank of the SDLP's economic policy is to sell off publicly owned car parks to the private sector, which is privatisation. The wise one can knock me down on that one if he wishes; I await that. I am concerned that the SDLP is going down the road of privatising NI Water. That is where the SDLP wants to see it sitting in five years' or 10 years' time.

**Mr McDevitt:** I appreciate Mr O'Dowd's contribution. I do not see any policy justification for DRD's car parks remaining on the public balance sheet, and I make no apology for that. I am not allergic to that idea, but, if Mr O'Dowd is, he can consult 'Das Kapital'. I find it an interesting reference point, but it is not my guiding light when I get up in the morning.

On the broader issue — this is an important point to make — water will need an awful lot of

investment in the next 20 years. We all know that, and we cannot duck it. We cannot just keep passing on that problem to subsequent Executives. We are going to find ourselves in deep, deep doo-doo — pardon the pun — if we do not tackle the investment needs of our water and sewerage services. As Mr O'Dowd seems to be suggesting and as the Minister seems to be advocating, we could ask the Executive to bear the burden of that investment and to absorb Northern Ireland Water back into the Executive and then ask whoever the Minister of Finance and Personnel is — in that case, it would be an even worse job than it would be today — to figure out how to meet our capital investment requirements through traditional public finance. If we did that, two things would happen. The first is that we would quickly find the vast majority of our capital budget going into our sewerage and water systems, and there would be very little left for anything else. The second thing is that it would actually end up costing us more.

If we were to bring Northern Ireland Water back on the balance sheet today, we would immediately subject the Executive, the Department of Finance and Personnel and the Northern Ireland block to capital charges and VAT receipts. So, the solution to the water problem is not privatisation — I think that we all agree on that and on the fact that we want a water company that is owned by the people of Northern Ireland — and it is not to reintegrate NIW as an agency, because that model simply would not be able to meet the financial investment requirements of the next 20 years. It would put a burden on public funding and finances that we would not be able to meet.

We need to have a mature and informed debate about this. I am up for that, and I know that many colleagues will be, too. There will be points at which the Minister of Finance and Personnel will rightly raise concerns and say, "Well, what you are suggesting will require some changes to Treasury rules or to this or that", and it may do. However, let us unite around something that can actually deliver what we all know is needed.

**Mr Molloy:** The Member says that because the water service needs a lot of investment, we should go down the road of what he is suggesting. Is he, therefore, saying that because Roads Service will need a lot of investment, we should introduce toll bridges and toll roads? Is he also saying that a toll should be charged at

the doors of hospitals because they need a lot of investment? Is he saying that he wants to go back to the Durkan tax that was proposed at the time of the RRI?

**Mr McDevitt:** I thank the Member for his intervention. The answer to those questions is, of course, no, no and no, and there was no such thing as a Durkan tax. However, Mr Molloy makes an important point: there is a key difference between water and the other major infrastructure projects. The need for investment in water is bigger and more immediate than in nearly every other infrastructure. That is our problem. The Minister comes to the House nearly every week, and he is correct to remind us that the system is in a deeply fragile state because of underinvestment in water and sewerage services. It will get better only if we make rapid and significant investment. It is in a more precarious state than our road network. It just is. That is not our fault; we inherited it. Therefore, the solution that we will have to develop should be capable of injecting serious amounts of capital money in a relatively short time. We could do that through public finances. However, if we did, there would be no new schools and no new hospitals, there would be very few kilometres of new road, and things would not be getting better. That is why I say to colleagues that it is time to have a mature debate about this. It is also why I say that it is possible to invest without having to automatically assume that that means water charging. Mr O'Dowd was right to raise that point, although I perhaps disagree with the tone in which he did so. It is possible to invest. However, we need to think outside the box. I do not want to drag on too much, but I would appreciate the opportunity to return to that issue.

The SDLP believes that, if this Budget were passed, we would have no plan for rebalancing the economy of our region. We could be looking at up to 9,000 public service job losses, and we would face a pay freeze for the 7,400 civil servants who earn below the average industrial wage that Sinn Féin MLAs take. The SDLP also believes that thousands more people would face benefit cuts by 2012 and that there would be the potential for hospital closures. We know that. At the same time, the prospect of new medicines and new medical facilities, such as the cancer centre in Altnagelvin, would not be available for patients, and there would be no robust strategy for job creation. There would also be less independent scrutiny of government, because of what this Budget

would do to the Assembly, the Audit Office and the other key scrutiny bodies. There would be a massive drop in building, particularly social housing building, with consequential job losses. Over 100 schools would go without the repairs that they so desperately need, and there would be the potential to introduce student fees of £5,750. Such student fees would say to working families that they could not afford to send their children to be educated, they could not afford what a previous generation was able to afford, and they could not afford to become fully signed-up members of society, because we are going to stop them doing that.

For all those reasons, I ask Sinn Féin to adopt the long-standing SDLP motto that there is a better way. If the DUP is serious about living up to its motto of keeping Northern Ireland moving forward, I ask it to seriously revisit this Budget and to return to the House before the end of the process with something that is built on the twin pillars of social justice and economic development. What they bring should mean that we can all face the people, proud of what this place can deliver and of what devolution can mean. It should also mean that we can look the most marginalised in our society in the eye and say that, above all, this Assembly stands up for them.

**Dr Farry:** I have to confess, I feel somewhat like a batsman who has been padded up in the pavilion for the past four hours behind the slow-scoring, plodding opening batsman who is taking his time.

**The Minister of Finance and Personnel (Mr S Wilson):** He did not make too many sixes.

**Dr Farry:** Certainly not, never mind any fours. I am conscious of the need to pick up the run rate, and I have no intention of going for that length of time. I will be an Adam Gilchrist and have a quick cameo, rather than a Jacques Kallis, plodding away all day for 50.

In all the time that Conall McDevitt was speaking, we did not get an answer to whether it is the SDLP's view that this Budget is a DUP/Sinn Féin carve-up or a document that has the SDLP's fingerprints all over it, thanks to its wonderful policy document that was published at 11.58 pm on the day before the Executive agreed its draft Budget. Perhaps one day we will find that out.

Picking up on what Conall said at the end of his contribution, I fear that he was getting more and more tied up in knots on the issue of mutualisation. I have no difficulty in talking about the concept of market testing government services. It is important that we do not approach this from an ideological perspective. We have to do what is in the best interests of public finances and public service customers. I happen to think that mutualisation is the right way to go, but I am under no illusions about what it means for governance.

There is a fanciful notion that, every time we want to do something different in Northern Ireland, we go to the Treasury with a list of requests and ask whether we can do this or that. That is simply not going to happen. We have to recognise the circumstances in which we are operating and the already long list of issues that we have to tackle. There are no circumstances in which we can make a special case around water that would find a sympathetic ear in the UK Government. If anything, the finger is pointed at us with incredulity at the approach that we have taken to the financing of our water, especially after the severe winter weather in other parts of the UK did not lead to the same absolute and fundamental breakdown in service that occurred in Northern Ireland.

We can make special cases around issues such as corporation tax, which is linked to our special economic circumstances. I suggest that, if we are to have negotiations with the Treasury, we have a short, well-researched and well-argued list of issues. Whether Conall McDevitt wants to admit it or not, mutualisation of Northern Ireland Water, which is the right thing to do, would mean introducing a separate charge for customers. The two go hand in hand. Mutualising NIW while having a massive subsidy from the state would essentially mess up the governance arrangements from day one. We would end up with a repeat of the current unsustainable situation, where we have a government-owned company that is viewed as unsustainable because the logic of separate charges was not followed through. The SDLP is proposing to take that one step further rather than addressing the fundamental issue, the elephant in the room. Water charging is the most obvious source of revenue that we are not addressing in Northern Ireland. The other four parties in this Chamber are intent on remaining on the hook on which they have placed themselves rather than biting the bullet over what is an obvious thing to do.

When Members consider the report from the Finance Committee, they will see the sheer volume of evidence that we have received from virtually every economist in Northern Ireland. It has come from representatives of the business sector, such as CBI and the IoD, all of whom have said that we must be responsible about revenue raising. Instead — this applies across the board — we have all these other schemes that are untested and are being promoted as different ways of bringing in revenue. A water charge, based on the ability to pay and on usage, is a progressive charge. I am happy to say that we do —

**The Minister of Finance and Personnel:** I thank the Member for giving way. At least he is consistent on the issue. He quoted CBI and the Institute of Directors and so on, who have talked about the need to raise revenue, but does he accept that, when there is any suggestion that the revenue to be raised should come from the particular sector that they have an interest in, those organisations immediately say that it is not acceptable? They say that business rates should not go up, that the cap should not be lifted on manufacturing rates and so on. Everybody comes at this from their own angle and is quite happy for the revenue raised to be from somebody else and not from them.

**Dr Farry:** There is engagement with the business sector on identifying where revenue can be raised. The challenge is out there for people who are asking for money to be spent in other areas to say where that money would come from, so at least there is that level of engagement. Secondly, there is a desire that we try to free things up around business costs as far as possible. I do not think it unreasonable to say that we try to keep overall costs for business as low as we can, particularly as we are trying to be much more competitive. Thirdly — this is where I may disagree slightly with the business community — in talking about the future and the opportunity to have a lower rate of corporation tax, one point that I have made to the Minister is that we need to build in some kind of contingency around how we would fund it. I appreciate that the Minister has advised the Committee and will no doubt advise the House that the timescale and the phasing of that would mean that the actual cost to the block grant over the next four years would be fairly minimal.

**3.30 pm**

If we are to go down that route, we can make the case to move money; for example, from state aid, which will come in a different form from 2013, through Invest Northern Ireland or from elements such as industrial derating. Essentially, that would be moving resources from a less efficient form of economic support to a more efficient one through corporation tax. There is a case to be made, and it is a fairly sophisticated argument. I will say a few more things about the economy in a few moments.

I do not particularly want to go down the route of last night again, where the debate simply became about the SDLP and its position. Last night pretty much turned out to be the St Valentine's Day massacre mark II. There was not —

**Mr McCallister:** Did it not go well when you got home? *[Laughter.]*

**Dr Farry:** I have a very forgiving and understanding wife.

**Mr McCallister:** It does not sound like it.

**The Minister of Finance and Personnel:** You would need to.

**Dr Farry:** Just to be clear, I got home on Tuesday, not Monday.

The direction of travel last night was very much one way. Even today, we still do not have an explanation of the rationale behind the amendment and the suggested costings. The SDLP seems to have a fixation with the idea that Members are attacking it for tabling the amendment. Everyone else in the Chamber, apart from David McNarry, respects the SDLP's right to table an amendment. That was not the issue. The issue was that the party, which, the last time that I checked, was part of the Executive, said that the Executive are doing this and that, as if it is not part of that Executive. It is trying to have its fight and make its arguments in the Chamber in advance of its Minister having discussions around the Executive table. In the event that that does not —

**Mr Callaghan:** Will the Member give way?

**Dr Farry:** In a moment.

In the event that that does not go the right way, the party should have the integrity to step down from the Executive rather than find itself in the bizarre situation of being part of the

Executive yet not agreeing with them on the most fundamental decision that faces Northern Ireland.

**Mr Callaghan:** I thank the Member very much for giving way. Does he agree that the Assembly's key role is to scrutinise the spending of public money? The technical amendment that the SDLP proposed last night was tabled precisely to try to improve the first allocation of money for the next financial year, which is part of the next four-year Budget term. It seems that the Member is suggesting that it is better to stand by and allow a second-rate Budget in its first part to be implemented than to try to improve it. For example, the money that we said should be reallocated from OFMDFM effectively correlates with the amount that would be allocated to the social investment slush fund that is being set up under the draft Budget proposals. We are not happy with that, and we absolutely defend our right to try to improve the proposals and do things differently.

**Dr Farry:** I congratulate Mr Callaghan, because, albeit 24 hours late, we finally have some detail on the amendment. It is a shame that the SDLP did not say such things when we debated the amendment last night. As the Minister said, the amount of money that the amendment was going to save was fairly small yet was going to fund a whole range of things.

The much more fundamental problem with what Mr Callaghan said is that he is speaking as if the SDLP is not part of the Executive. If it were not part of the Executive, I would respect the party for making the arguments that it tried to make last night. However, the SDLP is part of the Executive. If it does not want to be part of the Executive, it can step down and make its case. The argument has to happen first around the Executive table.

Secondly, all that we were doing last night was debating the Supply resolution for the Vote on Account to preauthorise the 45% interim resources. That is not the formal authorisation of the full year's expenditure. Indeed, the amendment that the SDLP tried to argue for would have been more appropriate for the Budget (No. 2) Bill in June.

**Mr McDevitt:** I find it curious that Mr Farry is trying to tell any other party in the House what it should or should not do about its membership of the Executive.

Mr Farry supported the Good Friday Agreement. I know that not every Member did, but he certainly did. He was a very vocal and strong supporter of it. He knows that the Good Friday Agreement provides for the establishment of a power-sharing Executive, appointed through the d'Hondt process and in accordance with the mandate of the parties. His party is the only one that is represented at the Executive table because of an exception to that rule. Every other party there is entitled to be there because of their mandate. The people voted for them in big enough numbers to allow them to be there. That is the guiding principle behind the SDLP's membership of the Executive, and most Ministers would say the same. I accept that Mr Farry cannot say that because, of course, the Alliance Party serves on the Executive at the pleasure of Sinn Féin and the DUP. However, on behalf of the parties that are there because of a mandate, frankly, we do not need to take lectures from anyone about what our people asked us to do, why we serve in government or what we can do with our power when in government.

**Mr Ross:** Will the Member give way?

**Dr Farry:** Go ahead.

**Mr Ross:** I thank the Member for giving way. Mr McDevitt's comments are in total contrast to what he said at the beginning of his speech at around 11.30 am. He said that it is time that we moved away from peace process politics. Peace process politics were all about making sure that the Executive included all the big parties. They were all about having 108 Members, not for efficiency or delivery but for political reasons. Is that not in contrast to what Mr McDevitt just said about defending Belfast Agreement-type politics, rather than, as he said this morning, moving away from peace process politics?

**Mr Deputy Speaker:** Order. There are still 20 Members to speak. By wandering off the subject, you have exhausted my patience, so stick to the subject.

**The Minister of Finance and Personnel:** He has exhausted me, full stop.

**Mr Deputy Speaker:** That includes you, Minister. *[Laughter.]*

**Dr Farry:** I shall try to respond to those points in the context of the subject. First, the Alliance Party is at the Executive table based not on the wishes of the DUP and Sinn Féin but on a

democratic vote in the House. We are the only party there on that basis, and, compared to the other parties, that gives us a certain degree of strength and extra legitimacy.

An argument is being made not just in the House by the SDLP but by all the commentators who criticise the Budget. They are calling for better connectivity in the Executive and for the end of the silo mentality. I say to Mr McDevitt that Alex Atwood is at the Executive table, and although his position may be based on the number of seats that the SDLP has, he is bound by the ministerial code, which says that, irrespective of whether he votes for or against the Budget, or even if he abstains, as a Minister, he is bound by the Executive's collective decision. Based on its current approach, the SDLP will find itself in a situation in which it has a Minister in the Executive who is bound by collective responsibility to support the Budget, while, on the outside, the party is doing something entirely different. You might be able to get away with that on routine business. However, on the issue that goes right to the heart of the coherence of any Government, such a situation is completely unsustainable and bizarre.

**Mr McCallister:** Will the Member give way?

**Dr Farry:** The SDLP is the party doing the solo run on this issue and not abiding by the connectivity and leadership that people are crying out for. Tomorrow, we will hear the Ulster Unionist Party's stance on its position in the Executive. On that point, I give way to its excellent deputy leader, who occasionally speaks the truth.

**Mr McCallister:** I am just about to do that. I was sorry to hear that the Member's St Valentine's Night was not all that he had hoped for.

Does the Member recognise that the Executive and the legislature are two separate branches of government? If, according to his own argument, we were always to agree with the Executive, we would not need, as Mr Ross suggested, 108 MLAs. We would need only about 12, because we would act like a politburo and just rubber-stamp whatever the Executive said. Where would the opposition come from? Furthermore, his sister party, the Liberal Democrats, had difficulties with the way in which its MPs voted on tuition fees, but that did not bring down the coalition.

**Dr Farry:** First, the Alliance Party is not the Liberal Democrats. Secondly, the tuition fees issue was negotiated as part of the coalition agreement, which allows both parties to take different lines.

The Member is confusing the role of a legislature in scrutinising an Executive with that of parties in a legislature giving a mandate to an Executive. If parties that are part of the Executive withdraw their support on the Floor of the Assembly on the most important decisions, which go to the heart of the coherence of the Executive, the whole credibility of government falls apart, and the credibility of that party's participation in government falls apart. That is the problem.

**Mr Humphrey:** Does the Member agree that, having heard what we have heard over the past number of hours, this debate is the best advertisement for a move towards a voluntary coalition and away from a mandatory coalition in Northern Ireland?

**Mr Deputy Speaker:** That is the final straw. We must get back to the debate on the Budget Bill. That is the end of it.

**Dr Farry:** I accept your guidance, Mr Deputy Speaker. We have had a good innings around the wider structural points.

The Alliance Party's perspective is that it wants to support the final Budget that the Executive will, hopefully, agree in March and bring to the Assembly. We are in the process of scrutinising the draft Budget and making our points clear. This is about trying to influence decisions that will be taken in due course. Today, I will focus on themes that it is important that we take into account in formulating those decisions. I will address the current profile of public expenditure in Northern Ireland and how we can do things differently.

I recognise the merits of having in place a proper Programme for Government. I have no difficulty in saying that, procedurally, we are not going about the Budget in the ideal way. It is arguable that the employment of best practice in the most difficult of cases is probably more relevant than doing so in a situation of economic growth. However, we are where we are, and we have to move on from there.

Even in the absence of a Programme for Government, it is important that we, as far as

possible, encourage a strategic approach to what we are trying to do and that we promote collaboration between Departments. I am critical of what I regard as 12 independent departmental spending plans of much and variable detail that are not tied together well or at all. We are missing opportunities collectively to do things better through collaborating and avoiding inefficiencies in the system. There is a beggar-thy-neighbour approach by Ministers of passing costs on to other Departments while trying to find savings in their own.

I return to the issue of the economy, which is probably the most important theme that we need to focus on as an Assembly. Some of the key economic aspects of the draft Budget are disproportionate cuts for DETI and DEL, the two main economic-facing Departments; the need for some reallocation of moneys from current to capital expenditure; and issues around some of our other economic support mechanisms. Equally, there is the pressure of protecting the Health Service. The sheer scale of protection that we are affording the Health Service and the Health Minister's desire for us to give much more firm protection will always lead to a trade-off. Although we say that we are supporting the economy, the figures suggest that, in truth, we are protecting the Health Service, doing what we can for the economy, and every other area of investment is suffering disproportionately. We have choices. Although we have a degree of focus on the economy, it is not as clean or as clear-cut as it should be.

I would like to see the shift from current to capital expenditure going further and happening on a strategic rather than an individual departmental level. There is a lot of talk about the need for the Budget to protect jobs.

When a lot of politicians talk about protecting jobs on the back of the Budget, they are talking about protecting public sector jobs. People are not thinking about overall levels of employment in the economy. The education sector is a clear example of that, where the Minister of Education talks about shifting moneys out of capital into current, essentially to defend the status quo and partly to defend employment. That may have merit. At the same time, taking that money out of capital has an impact on the construction sector. We have to ask ourselves where the greater employment prospects lie or where the greater harm to employment will be, and a clear argument is emerging, particularly from the

Construction Employers Federation, about the negative multiplier effect. It argues that cuts from capital budgets will have an even bigger impact through job losses or the failure to recreate jobs in the construction sector and that that in turn will have an even greater negative multiplier effect on the consequences for the service sector, for retail and for jobs elsewhere.

### 3.45 pm

Although it is right for Members to focus on the public sector and the needs of people whom we directly employ, it is also important to look at the bigger picture and understand that sometimes the measures that we take to protect the public sector — we may pat ourselves on the shoulder for what we have done — in turn might have even bigger negative consequences in the wider community. We need to think about employment in an overarching sense rather than simply focusing on the public sector.

We also need a greater focus on benchmarking. Before Christmas, I tabled a whole set of questions to Departments to ask what they are doing to compare the profile of their expenditure with that in other regions in the rest of the UK. The answers were extremely disappointing. Only some Departments were doing any benchmarking exercises at all, and those were very piecemeal. We have to look at what we are doing in Northern Ireland and try to learn lessons from that. For example, there are areas in which we spend disproportionately more on health than the rest of the UK, which in turn means that we spend less on other aspects than in the rest of the UK. We need to analyse all those differentials and decide whether they are justified in light of our local circumstances or whether they point to something much more fundamental and to major inefficiencies. I urge all Ministers to do that, and I urge the Executive to push Ministers in that regard. Perhaps the performance and efficiency delivery unit (PEDU) can play a role in encouraging that. I also mentioned that we do not have any ideological difficulty with market testing but that it works only where it is relevant and a solution is available.

We also need to look at prevention and early intervention. Doing something early often means doing it at a much lower cost and avoiding costly problems down the line. However, it involves a certain leap of faith to shift resources, and I fear that, for many Departments, a decreasing

cake means circling the wagons around what they view as core services. Early intervention and prevention are often seen as optional extras that can be cut, and there is a real danger that that becomes a false economy.

I also want the Executive to push the North/South agenda more proactively. I was quite amazed that, in a contribution that lasted an hour and a half, Conall McDevitt did not once mention North/South opportunities, which seems an obvious gap. We have two Governments on the island of Ireland, both of which are going through considerable budgetary and financial difficulties. No one in the House, irrespective of his or her political background — whether that be as a member of a unionist, nationalist or cross-community party such as ours — should fear the financial and economic logic of trying to provide shared services. There are shared services through investment in some of the roads infrastructure. It is important that that does not become a straitjacket that ends up skewing our budgets inappropriately simply because the money is coming through.

There are major untapped opportunities, particularly in an area such as health, and I would hate a situation to develop in which the two Governments on the island become inward-looking rather than looking to those opportunities. I appreciate the fact that that has been touched on loosely through the North/South Ministerial Council, but it needs to be followed through meaningfully during the lifespan of the coming Budget.

I will mention another issue. However, I will not go into it in great detail because, no doubt, Members can guess what I am going to say. We have said it every time that we have made a Budget speech, and, no doubt, we will say it again in every future Budget speech.

**The Minister of Finance and Personnel:** Cost of division?

**Dr Farry:** Very good. Star pupil. Mr McDevitt followed through on Dolores Kelly's comments about the Alliance Party and CSI. If the SDLP cares so deeply about overcoming divisions in society, it is strange that, during a very long speech on budgetary matters, that party's representative did not address the issue of finding savings from promoting sharing. I find it bewildering that its attack rhetoric is not followed through with any substance. I appreciate that there is no silver bullet for

addressing the cost of division overnight, but it is a journey that we have to undertake to make this society more sustainable.

I mentioned already the need to look at revenue raising. We are not raising revenue in Northern Ireland to the same levels as elsewhere in the UK, and that has a consequence for the amount of money that is available to us. I recognise, as do we all, that the CSR settlement for Northern Ireland was very unfair and that we have to strike a local Budget whether we like it or not. However, due to the failure to bite the bullet, particularly around the most obvious areas of revenue raising, we are making an already difficult situation even worse.

There is nothing to fear from openly, honestly and realistically making the case for progressive taxation so that households that can afford to pay a little more are asked to do so, meaning that we can have better public services. The consequences of not doing that will be underinvestment in our public services, and it is the poor and the most vulnerable who depend disproportionately on public services. The Health Service is a clear example. The areas with the worst public health and the lowest life expectancy are also the most deprived areas in Northern Ireland, so that case is very strong.

I appreciate that I have spoken for slightly longer than I anticipated, but I got waylaid slightly at the start. In closing, I will focus briefly on two areas. One is health, which is important, given the degree of public controversy on which we have all tried to give our views. The other area is education.

I understand where the Health Minister is coming from when he says that he does not have enough money in his budget. I appreciate that, in the past, Northern Ireland spent more per head than other UK regions and that that has now changed due to the financing of recent years. He is perfectly entitled to make that case. I would like him to make it in a constructive way, but that is another story. There could be a shortfall of £1 billion by 2014-15 with the current policies and practices.

Although the Health Minister makes the case that there has to be parity in health spending across the UK, unlike his colleague John McCallister he is not prepared to be honest in saying that the same UK standards are needed on revenue raising. We cannot run public services in Northern Ireland on the cheap;

the Health Minister, in not being intellectually honest and following through with his argument, is trying to get that across. That is a major flaw in his argument. If he were prepared to be brave, he would find that he had much greater sympathy.

We have a choice to make. The full protection that the Minister and others seem to want can be given to the entire health budget, but that will come at a major cost to a whole host of other spending priorities across government, including the economy. Anyone who makes the case for giving health 100% protection is saying, essentially, that we are forgetting about the prospect of any economic growth in Northern Ireland and that we are satisfied with Northern Ireland becoming a financial dependency of the Treasury, where we simply have a handout from London in a dependency culture in which people work in the public sector and where we do not rebalance the economy. That is the consequence of going down the route of capping the resources that are available.

We also lose the opportunity of that full protection to challenge the health sector on inefficiencies. The notion that there are no inefficiencies in a Budget in excess of £4 billion is completely false. I referred to the need to carry out a proper benchmarking exercise and to compare the profile of budgets, particularly the health budget, with other regions. That will illuminate where disproportionate amounts of money are spent in the health sector and where there is underinvestment, so that changes can be made.

We have to take into account other factors, including demographics, more expensive treatments, more expensive drugs and increased technology. All those areas create pressures. That means that we have to change a whole host of policies and practices in the health sector.

The view of the Alliance Party is that we must challenge the health sector. Today, its position is set in stone and it receives full funding at the expense of everything else, but that cannot continue. At the same time, we should encourage the Health Service to change, to be more modern, and to be much more productive because we cannot do everything.

**Mrs D Kelly:** Will the Member accept that the Health Service is the one public service that

fulfilled its obligations under the review of public administration?

**Dr Farry:** Yes, but that is a small point in the overall scheme of things, and many other issues in the Health Service have not been faced up to. Although I am happy to acknowledge the point about the RPA, to overly praise the Minister for one small victory is to detract from what has become an extremely poisonous debate on health. In recent years, massive problems in the Health Service have been swept under the carpet.

I was also disappointed with the approach taken to spending plans for education. I referred to the reallocation of capital to current budgets. Education is an area in which there are clear opportunities for doing things differently, such as the rationalisation of the school estate and the promotion of shared and integrated education. That does not mean opting for the pure model of integrated schools in every situation, but there are menus of different models of shared education. If we are more ambitious in delivering change in the education system, we will reduce the costs. Until we are prepared to do that, we will be pouring money into an inefficient and unsustainable situation.

**Mr McDevitt:** For the record, Members may think that I dealt with all the Budget issues in my contribution, but I did not, and other colleagues will return to the cost of division and to North/South and east-west issues.

Dr Farry raises an important point, and I agree with him. When we look at shared faith schools and the way in which the debate has moved on in the past couple of years, a real new area of conversation is opening up. However, if we were serious about promoting that in public finance terms, we would be using the Budget as an opportunity to demand change. Why does the Member not join us in expressing his serious reservations about the Budget? It clearly does not meet the tests that his party would apply to public policy for it to be able to deliver the sort of outcomes on which his party campaigns. Why does he not join us in saying that it is not good enough?

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

**Dr Farry:** I agree with the first half of what Mr McDevitt said, but I caution against jumping off a cliff with the SDLP based on its current approach to the Budget.

**Mr O'Dowd:** Over the past 36 hours, I listened to the debate on the Budget and the financial position. I listened particularly to the SDLP. The position is not good enough, because there is a £4 billion deficit. However, what is missing from the debate is any detail of what Conall McDevitt wants the rest of the Assembly to sign up to. That is where the gap is. There is a £4 billion deficit in the Budget, but there is a deficit in what the SDLP wants us to sign up to.

**Dr Farry:** Well —

**Mr McDevitt:** Will the Member give way?

**Dr Farry:** I will respond to Mr O'Dowd first, and then I will give the Member a chance.

There is a degree of truth in what Mr O'Dowd said. No one in the Assembly wants to be in the current situation. Every party here, with the possible exception of UCUNF, argued against deep cuts in public expenditure at a UK-wide level and highlighted the dangers of a disproportionate cut for areas such as Northern Ireland that were in a difficult financial situation.

#### 4.00 pm

We have been given a CSR Budget that is well short of what is needed, so difficult choices have to be made. I accept my responsibility, and I know that David Ford, as a Minister and a member of the Executive, accepts his. Even in these difficult circumstances, the last thing that we should do is run away from that responsibility, say that it is far too difficult, or simply stand on the sidelines and produce a mythical argument on how things could be better rather than fight our case to find collective, shared solutions to protect public services and grow the economy as best we can.

I could, like Mr McDevitt, go through an entire list of things that relate to the structure and process of the Budget and how things could be done differently on spending. The Alliance Party's approach is about making this place work while acknowledging that there has to be a vote on a four-year Budget before the end of the term. We are committed to working the system and, through the Executive, seeing what changes we can make to the Budget.

**Mr McDevitt:** I appreciate Mr Farry's giving way. I want to address the important point that Mr O'Dowd made. I refer him to page 61 of my party's 'Partnership and Economic Recovery' document where he will see a fully costed

table that identifies £0.5 billion of new revenue opportunities. That is what my party wants to see in the Budget. I refer Mr O'Dowd to his own party's Budget submission, which is a bit limp. It is seven pages long. I know that not everyone is keen on tables, but his party's Budget submission has no figures.

Here is the deal: the Assembly could raise a further £0.5 billion, yet we have not even started to debate that. Rather, we are settling into a cosy consensus between Sinn Féin, the DUP and — sometimes in, sometimes out — the Alliance Party in favour of delivering Tory cuts. My party wants to challenge that. There are half a billion reasons why you could challenge it, Mr O'Dowd. Why do you not sit down and do something about it?

**Dr Farry:** Mr O'Dowd, would you like to respond?

**Mr O'Dowd:** First, the document that the Member referred to is not a Budget submission; it contains economic proposals that were produced six to seven weeks before the SDLP produced its document. Those documents contain two sets of proposals. Every party around the table has produced proposals for the way forward. What we have to do — and I agree with Mr McDevitt on this — is raise alternative sources of revenue.

Over the past number of days, I have listened to deep criticism of the Minister of Education from the SDLP Benches. When she says that she would like to bid for additional resources, the SDLP says that those resources do not exist and that it does not make economic sense for any Minister to talk in such terms. If SDLP Members say in response to the draft Budget that revenue should be raised from alternative sources, we will agree with them wholeheartedly. We will work our way towards that. Indeed, the Executive's Budget review group is meeting to bring forward proposals to do exactly that.

**Dr Farry:** OK. I shall return. The SDLP still needs to clarify whether the Budget is a carve-up between the DUP and Sinn Féin or whether, with regard to the wonderful document that it produced at the eleventh hour, all the good bits that they have identified in the Budget are their ideas alone.

**Ms Ritchie:** I thank the Member for giving way. How many times do my colleagues and I have to tell the Alliance Party and the representatives of other parties that we originally made proposals

in April 2009? Some of those proposals dealt with revenue raising, some with assets, and some with the re-profiling of expenditure. We did that 20 months ago — long before any other party. I recall that when I was a member of the Executive, some of those ideas were copped by the Executive. In fact, I recall the First Minister being particularly reflective about them. When we published our document on 8 or 9 December 2010, it was simply an elaboration and expansion of those ideas.

We were long at the trough before any other party. Please acknowledge that point.

**Dr Farry:** I am very happy to acknowledge the point made by the leader of the SDLP. In her argument, she has, in essence, confirmed and answered the question that I posed: is this a carve-up or an SDLP budget? After 24 hours of attacking the Budget, the SDLP has essentially argued that it is an SDLP budget, that all of the good ideas in it were developed years and years ago by the SDLP and that the DUP and Sinn Féin have simply absorbed them and reflected that in the Budget.

**Mr Callaghan:** It seems that the Member has some difficulty with the concept of time. The document that my party leader referred to was published in April 2009. The draft Budget was published by the Executive before Christmas. At the time, the Minister referred to it, erroneously, as a Christmas present for the people of the North. Some of the proposals published by us in April 2009 were picked up, in some form, in the current draft Budget, and some of them had been in the public domain. The plastic bag levy, for instance, was in our 2007 manifesto. I say that for the benefit of the not-present Finance Committee Chairperson. The proposals included dealing with senior civil servants' bonus payments; Senior Civil Service recruitment and promotion; the two-year moratorium on Civil Service recruitment; dealing with consultancy costs; the reform of the Planning Service; a levy on telephone masts —

**Mr Deputy Speaker:** Will the Member return to the debate on the Budget?

**Mr Callaghan:** These are documents in the current draft Budget, Mr Deputy Speaker. There were also proposals on reprofiling the Housing Executive debt; the sale and disposal of publicly owned car parks; the sale and lease back of the Housing Executive headquarters; and capital receipts from Belfast port. We are not happy

that they have been picked up in the appropriate way, but they are some of the issues that were in our paper from 22 months ago and which are being picked up now to some extent.

The Member should also bear in mind that our proposals in 2009 were to deal with a quantum of just over £400 million. As the Member should be aware from the debates in the House over the past 48 hours and in the community over the past two or three months, and longer, the bridge that we must cross now amounts to £4 billion. Even if every one of our April 2009 proposals was picked up, there would still be a gap of over £3.5 billion to be bridged. Of course, every one of the proposals has not been picked up and, in nearly two years, we have not heard a good reason why they were not picked up at the time and why those opportunities were squandered. To suggest that because some of our ideas were picked up in the Budget — even incompletely and not properly — that that somehow makes it an SDLP budget beggars belief, particularly given the range of further measures that have been introduced.

**Mr Deputy Speaker:** I remind Members that interventions should be short and to the point. Mr Farry, you have the Floor again.

**Dr Farry:** The irony of a lecture on the Alliance Party not understanding time is stark for all to absorb. I return to the simple point that I made yesterday that this was a DUP/Sinn Féin carve-up. Today it is an SDLP budget, or a partial SDLP budget, or a budget where all the good ideas are SDLP ideas and all the bad ideas are those of others. If an idea has been picked up by anyone other than the SDLP, it will not be implemented properly. There is a very confusing message coming out with regard to whether the SDLP is in or out, whether it has influence, or whether something is being imposed upon it. The notion that we still have a £3.5 billion deficit to face up to is there for everyone; no one is denying that. We are all conscious of the reason why we are trying to agree a difficult Budget that is going to cause a lot of pain to people. However, we have to ask ourselves whether people are prepared to stand up, take tough decisions and be part of a collective Executive working the issue, or whether people are going to walk away and play games.

**Mr Frew:** If some of our Members were to have a sponsored talk, there would be no such thing as a deficit; we would have all the money that

we need in the Budget. We find ourselves in a very difficult place, which was not of our own doing. The Tory plan was to reduce the Budget deficit, and, in real terms, that meant that Northern Ireland was to be faced with cuts of 8% in current expenditure and some 40% in capital investment by 2014-15.

Of course, given the fact that the Executive is made up of five political parties that, in many ways, have belief structures and ideologies that go in completely different directions, it is an achievement in itself that we have been able to agree the draft Budget.

Earlier today, the Finance Minister, Sammy Wilson — he can speak for himself, of course — spoke about a present at Christmas. He was talking about the fact that our business community, our private sector, our public sector, the community out there — the whole population — was crying out for the Executive to agree a Budget, and they did agree a Budget. In addition to that, it was a four-year draft Budget, which people, even in this House, said was impossible to do. We agreed a four-year Budget in order to plan ahead and for businesses and communities to stabilise themselves. In a time of recession and hardship, they were able to plan ahead on a four-year basis. That cannot be discounted out of hand, and we must commend the Executive for the fact that we have got to this point.

I believe that our people are ready and prepared, especially in the public sector, to take a limited amount of pain in that regard. Of course, it would be limited further by a good Budget. I believe that people in the public sector are prepared for a pay freeze, because they have seen how the private sector has been decimated. They have seen how the construction industry has been wiped out by 25%, people have taken pay cuts of up to 15%, and other people have lost jobs. I believe that there is a belief out there that, by taking a pay freeze, they can save jobs in the public sector.

The responsibility and role of the Executive and the reason we have devolution is to minimise the impact of the like of budgetary cuts. The Executive's strategic aims should be to protect the most vulnerable in society and to give priority to promoting the growth of a dynamic economy. The whole point of devolution is that local Ministers will make local decisions — hard decisions — and it is good to see local Ministers making decisions, being held to

account by their Departments' Committees and standing up for their decisions.

That has not been helped by Departments dragging their heels on publishing spending plans and saving plans that enable us, the elected Members here, and, indeed, the public to see the detail and to make up our own minds regarding the draft Budget. It does not stop Ministers from making wrong decisions or no decisions at all, which is even worse. Ministers must accept the massive responsibilities upon them.

One decision that comes to mind is the decision by the Minister of Agriculture and Rural Development to cut funding to the Young Farmers' Clubs of Ulster by 100%. That has been an easy decision that will have terrible consequences for the young farmers' clubs and their members, for the sake of £75,000 a year, which will be lost in some other massive pot. Young farmers' clubs provide essential services to young people living and working in rural communities. It is very important that younger people are retained within what is deemed to be an ageing industrial sector. It is not just for farmers but for everyone who lives in rural areas. The president of the Young Farmers' Clubs of Ulster (YFCU), Thoburn McCaughey, has said:

*"News of the funding cuts comes at a time when the YFCU has seen a year on year increases in participation rates across the full range of training and education services it provides directly for members across its agriculture, arts and culture portfolios. And the proposed cuts would also put at risk a series of crucial initiatives the Association is currently delivering including its high profile Rural Road Safety campaign and Family Farm Succession awareness raising programme.*

*The financial resources provided by DARD are core to all of the success of the YFCU over the past three years. In carrying out our work we have always sought to ensure that we are complementing the Departments own strategic goals, for example, strengthening the social and economic infrastructure of rural areas and enhancing animal and plant health and welfare. And for this reason we find the proposals even more astonishing."*

#### 4.15 pm

I was at a recent event in Ballymena town hall in my constituency of North Antrim where Lisnamurrigan Young Farmers' Club was putting on a production of 'Robin Hood and his Musical Merry Men'. I see that he has left the Chamber,

but Conall McDevitt, who himself likes a good drama and can make a very good drama out of a crisis, would have loved the production.

The club was celebrating its seventieth anniversary, and in the play were people ranging from 50 to 60 years of age to toddlers, who are not even at school yet but who danced about the stage and were part of something very special. The decision that the Minister of Agriculture and Rural Development made will destroy something very special in the rural community, which she, as a Minister, is meant to protect.

Another aspect of the Budget that I wish to deal with is the Presbyterian Mutual Society. I welcome the assistance package for that. It is incumbent on the Executive to ensure that the use of public money to assist PMS will see a just and fair resolution for all, particularly smaller savers. We need clarity on how smaller savers could be prioritised in the scheme. If the Minister is going to respond to anything in my contribution, I ask that it be to that.

I have welcomed the transfer from current to capital expenditure, and I find it unsettling that some Ministers are trying to claw back in the other direction. I hope that they will know and be sure of their own briefs when they talk about what the consequences of that will be. The transfer from current to capital will, of course, assist the construction industry at a time when it has suffered so much, with the loss of at least 21,000 jobs and a 25% reduction in contracting.

I am concerned that some Ministers are likely to have an adverse impact on preventative spending through their budgets. Such spending will save money in the long run, and it would be an easy decision for some Departments to cut it away. However, that will cost thousands, even millions, of pounds in the long run.

This is a time for hard choices. I have no doubt about that. However, it is also a time when there is an opportunity to rebalance the economy and to bring this country to a better place so that, when there is real recovery, Northern Ireland will be much fitter, leaner and less reliant. It will also be in a position to move forward to best serve our people, protect our most vulnerable, enhance our economy, make lives better and increase confidence in our people, because confidence is the key.

Whenever I hear debates such as this and see Ministers' attitudes, I sometimes wonder why, instead of negotiating at the Executive table, they are negotiating on the airwaves or in the pages of our newspapers. I ask myself how that affects our people and damages their confidence. Certainly, it does not have a positive effect. I ask all Ministers to withdraw from doing that and to get back round the Executive table and negotiate and barter for the thousands and millions of pounds that they say they need to make their Departments much better.

I will end here, because I do not want to keep things going. I also want to talk about how the green new deal will assist the construction industry by retrofitting houses. We know of many skilled people who are unemployed and are ready to go with that instantly. It is not just about employment; it will improve the capital housing stock, help to reduce fuel policy and advance renewable energy at a time when we are trying to reach 40% renewable energy targets by 2020.

I am done, and I hope that the Members who speak after me will take a leaf out of my book.

**Some Members:** Hear, hear.

**Mr McLaughlin:** Go raibh maith agat, a LeasCheann Comhairle. Your immediate predecessor in that seat, Mr Deputy Speaker, announced that there was a list of 20 speakers when he was exhorting the then contributor, Mr McDevitt, to get a move on. I was here to 12.30 am last night, and my heart sank to my boots when I heard that.

I started wondering how many of the 20 would be SDLP Members and how many interventions by SDLP Members, which end up being five or 10 minute contributions, it would include. I then began to wonder whether I should start to make arrangements to stay overnight.

It would be helpful to remind ourselves what we are doing here today. The Budget Bill provides the statutory authority for expenditure, as set out in the spring Supplementary Estimates. It also provides for the Vote on Account. All of that is part of the budgetary process and is valid. I have two particular questions about the contributions that have been made and the repetition. I do not intend to indulge in repetition, if at all possible.

Listening to the SDLP, in particular, I have noted the absence of the Official Unionists throughout, particularly their Health Minister, given the many references to the issues surrounding health and the response to the very real pressures that exist in that Department. There have been many protestations of sympathy for the dilemma that the Health Minister faces, and this seems to be a good opportunity to work in a more collective and collaborative way. Some Ministers have endured pain in terms of their departmental budgets, or at least the indicative allocations to them, because they want to be supportive of the Health Service.

I am puzzled by the SDLP's argument that there has been a carve-up. SDLP Members have often contradicted themselves through the rhetoric that they have then deployed, particularly in their claims to have originated most of the positive proposals for revenue-raising.

Constantly reminding people of their minority status here does not seem to be very sensible. SDLP Members seem to be locked into a mode of victimhood, and they look for examples of oppression, denial of their rights or denial of any consideration of their ideas or those of others. That is not the case, and it is not the way that we should be proceeding.

It is wrong for them to deny that we can point to some genuine achievements in very difficult circumstances that have not been of the Assembly's creation, particularly when it comes to global economics, but have had a direct impact. As a collective, sometimes with Ministers acting independently and sometimes after the emergence of a semi-detached attitude, we have managed to bring forward good examples of Ministers working together and addressing realities.

If huge lumps have been lifted out of the block grant, as had been projected, it is a reality. People then have to consider how they can practically respond and oppose the implications of that reduction in the capital and resource funding of the Executive. That is a big challenge, particularly for a coalition of five parties. That would be difficult for a single-party Government or a minority Government that relied either on a smaller party or on independents to function, but it would not be as difficult as the five parties in this coalition attempting to find a methodology and a way through the situation.

The draft Budget document in front of us is the result of collective effort and the harvesting of ideas from the diverse range of parties that are represented here and stakeholders in our community. The consultation on the draft document will produce even more ideas.

I have talked at length about the system that we have devised, and I will not repeat myself, but the Budget review group is a very effective response. It may not be the definitive response, but it is a very effective response and an opportunity, on the basis of the equal standing of Ministers dealing with these issues around the table, to process, examine and develop proposals that will feed into the final Budget document.

We should work at that. I am not saying that we must celebrate it, but the Budget review process, however it is refined over time, could be one of the legacies of this term. We have moved from the position four years ago of quite disparate perspectives and expectations to having completed the first full term of this Assembly. In the process, we have demonstrated that we did respond and that we are responsive. However, we can improve the process and we should continue to improve it.

Promoting the idea of two parties as victims of a wider conspiracy, because they are smaller parties, does not help them or give confidence to the community. All the parties will be contesting an election soon, and we will be judged on our political decisions, whether they were good, bad or indifferent. That will be the electorate's opportunity to establish their primacy, and to either endorse the direction of travel that the Executive have taken or to give us a severe reminder that they are displeased.

We should examine the powers that we have and what we can do more of. We should also examine the ideas for revenue raising and the ideas of those outside the Assembly who think that it is easier than it actually is. I have a wry smile on hearing some of the statements that come from the business community, because, as was mentioned by the Member who spoke previously, the downturn in our economy is characterised more by a failure in the private sector than in the public sector. In the public sector, we have continued to see public services delivered in a mainly efficient manner.

The scrutiny Committees have also begun to develop their skills of forensic interrogation of

the spending programmes and the performance and efficiencies that their respective Departments are delivering or failing to deliver. They have also become much more assertive in their statutory powers, which is all to the good. However, some of those from without this Assembly who think that they know all of the answers do not know very many of the answers, judging from their own performance.

There is a value in the exchange of ideas and the consultation on the Budget, even if it was in a constricted time period. I hope that those people took the opportunity to respond. I have not seen either the volume or the quality of the responses, but those responses will be reflected on and perused by Ministers. From that, we will get a document that is based on the practical experience of managing with the resources that we have and of developing and exploring resources that are not presently available to us.

I hope that the next term will proceed on the basis of seeking additional powers, as I have argued for during this term. I think that we have the answers to the problems ourselves and, as we develop a more comfortable working relationship with each other over time, the harvesting and implementation of those ideas through agreed programmes will be the way forward for us all. I hope that I have kept my contribution as short as I intended.

**Mr Givan:** In the two Committees of which I am a member, we looked at how the draft Budget will impact on services. I will touch on those discussions first.

Key to the considerations of the Committee for Justice was the bid by the Chief Constable to access the Treasury reserves, which was part of the devolutionary settlement. Some reassurance was given that that money will be forthcoming, and we just need the fine detail on it. However, based on the assumption that we will get that money, we should be able to deliver the necessary services that the public require. With that in mind, it was regrettable that the SDLP tabled its amendment to the Supply resolution yesterday to take £7 million from the Department of Justice budget. The Executive have, rightly, ring-fenced the Department of Justice's recurrent and capital expenditure. They have also provided assistance beyond that, and have placed the right emphasis on helping our

police to tackle the dissident republican threat that exists.

We should never be complacent, and it is regrettable that the SDLP wanted to remove £7 million from that budget.

#### 4.30 pm

The Committee for Enterprise, Trade and Investment looked at how the Budget will impact on its work and found that it will allow a lot of the good work that has taken place to continue. Invest NI raised the need for a similar type of scheme as that put in place for the Department of Education with regard to schools, with some kind of end-year-flexibility mechanism. Because Invest NI interfaces with the private sector in a much greater way than any other organisation, the nature of the deals and contracts that are being sought are not similar to other public sector organisations. Invest NI suggested that it could manage its allocated budget with that type of facility. However, Invest NI expressed some concern that the absence of that type of mechanism could create problems. Hopefully, that area is being looked at.

The Assembly has made a contribution to a lot of schemes in my constituency over the past few years. A vast number of new primary schools have been built, particularly in rural areas where we amalgamated a large number of small schools. We were able to do that because we were creating newbuilds, which made it a lot easier for communities to buy into. A decision was taken to give the Department of Education a capital allocation, which would go some way to allow new schools to be built in my constituency, particularly Dromore Central Primary School, which has been one of the top priorities for the Southern Education and Library Board. Almost £8 million has been spent in buying the land and designing the scheme, and we now need to put the contracts in place to allow the school to be built. However, there is some concern that the decision taken by the Minister of Education to put that capital into recurrent will not allow those types of projects to go ahead. That is one school; we have other urban schools that require newbuild facilities, and I will continue to press for that.

We also have concern over proposals around our hospital provision. A major capital scheme has been proposed for the Lagan Valley Hospital site, and there are concerns that the Department of Health, Social Services and

Public Safety has not allowed the trust to go ahead and commission the work. In the current environment when capital expenditure will be scarce, there is real fear that the planned projects will not go ahead, and that will be looked at in the future.

Lisburn also has a very large health centre serving a large population. Ideally, it would be better if we had smaller health centres in the city area, one in the Lisburn north part and one in Lisburn south, rather than one very large central facility. I declare an interest as I use that health centre. When I seek an appointment with my GP, it is usually well over a week before I can see my preferred doctor. It is usually then at least a couple of days before I can get an appointment. Obviously, that is for non-emergency situations. That difficulty has been highlighted by the local community and funding is needed to look at how we can address that problem.

Lisburn city centre is in need of a boost from the Department for Social Development for its public realm scheme. In conjunction with DSD, the council has created the master plan; indeed, I think that former Minister Ritchie launched that master plan. However, we now need the funding. Our city centre has suffered, particularly since the expansion of the Bow Street Mall, which is drawing the footfall away from the traditional Market Square area and taking it to the Bow Street area. The traders are keen to ensure that the new public realm scheme is put in place to try to attract people back to that part of the city centre. That is another reason why we have campaigned hard for the John Lewis and Westfield application. The council has taken a view that the income generated in rates from that development could be used to invest in the city centre, because there is some concern among the traders as to how it would impact on them.

Our roads infrastructure is in need of more investment, particularly at the Sprucefield and Hillsborough roundabout junctions. There are plans for a link road to be built in and around the back of Marks and Spencer to connect the M1 directly to the A1 dual carriageway, which would save motorists from having to navigate those roundabouts. The chronic traffic congestion impacts on those who want to come in and out of Lisburn from the Hillsborough, Dromore and Banbridge areas. DRD has that link road in its plan but, again, there is concern that the capital funding will not be there for it to be built.

Why is the capital funding, which is a primary concern for a lot of the schemes that I want to go forward in Lagan Valley, not there? It is because it was not allocated to us in the block grant. We have had to live within the resources allocated to us, and there are well-rehearsed arguments as to how that came about. The Labour Government, who have a sister party here, spent well beyond their means, and then the Conservative Party decided to cut too quickly and too deeply, and we are suffering the consequences. The Conservative Party also reneged on the £18 billion agreement, and we are now suffering from the consequences of that, too.

I appeal to the sister organisations in the House, the Ulster Unionists and the Alliance Party. If their associations were of any meaningful use to Northern Ireland, they should have been able to exert some influence. However, that has evidently not been the case. Despite telling people to go out and vote for their parties in the last Westminster election — they are not neutral on the Union but in favour of Northern Ireland staying within the United Kingdom — we saw exactly the colour of their money when it came to the Budget that was allocated to us.

There is also the pretence of the Ulster Unionist Party and the SDLP engaging in a charade in which they are in the Executive but not part of it. They snipe from the sidelines and do not take seriously the collective responsibility of having Executive Ministers. They lambast the Finance Minister and other Ministers on the radio but do not engage in meaningful conversation, and when invited to do so, they decline to take up those opportunities. People will see through that. People are not fools, and political parties who treat the electorate as fools will suffer the consequences of holding people in contempt. There will be an opportunity for the people to demonstrate that in the future.

Others took seriously their ministerial responsibility, engaged seriously and sought to mitigate the cuts from Westminster for which the Ulster Unionist Party, in particular, campaigned heavily at the last Westminster election. I look forward to the opportunity to make that case on the doorstep.

**Mr McCallister:** I will begin by replying to some of the nonsense from Mr Givan in his closing remarks.

Let us look at how we got into this mess. For 13 years, a Labour Government overspent and left the Treasury with no money, as the note left for its new Chief Secretary outlined. Mr Givan wonders why an incoming Government would have to cut public spending. He then goes on to say that we — the sister party, the Ulster Unionist Party or however he wants to refer to us — are to blame for the Tory cuts. We stood and told people the truth about it. What about Mr Givan's colleague, the MP for Lagan Valley, who said that he would not accept a penny?

We did not get anyone elected, but we went out and told people the truth. He is expecting us to have influence. You are the guys who won the seats at Westminster, but what influence do you have there? You went out and told the electorate to vote for you because you would have influence at Westminster. You said that you could change things, stop the incoming Tory Government and do this, that and the other. Your eight MPs made not a jot of difference to that system.

**Mr Deputy Speaker:** The Member must make his comments through the Chair.

**Mr McCallister:** The way in which we arrived at this situation is fundamental to this debate. The DUP has had no influence over the Budget process at Westminster. It says one thing here and does another at Westminster, and we can see that in the tuition fees debate.

The main issue that I want to address involves the Committee for Health, Social Services and Public Safety, on which I sit. I heard Mr Givan shouting about Tory cuts, but this is the bit that I would like the Minister of Finance and Personnel to address when he gets to his feet. I was one of the candidates who stood as a Conservative and Unionist. One of the best commitments that we gave was that we would protect health spending. Health spending has been protected in England, Wales and Scotland. The coalition Government stuck to that agreement, yet that has not been passed on to the Health Department in Northern Ireland, according to the Department and the Assembly Research and Library Service. I would like the Minister to address that in his response.

**The Minister of Finance and Personnel:** If the Member wants my response now, I am quite happy to give it. Let us look at the figures for the next year, because Scotland and Wales have not been able to give a four-year deal to their

health services. We are the only Administration that have given a four-year deal. In Scotland next year, there will be a reduction of 0·3%; in Wales, there will be a reduction of 2·5%; in Northern Ireland, the reduction will be 0·3%. We have given the same deal. In England, over the four-year period, a commitment has been made to protect spending in real terms by 0·4%. Our protection is 0·2% over the four years, but we have not imposed the 5% efficiencies, which amount to £20 billion, that have been imposed on the Health Service in England over the four years.

The Member asked for the information: in those terms, we have given better protection and forward planning opportunities to the Health Service in Northern Ireland than has been given in Scotland or Wales and, overall, over the four-year period, in England. We have lived up to the commitment, despite the reductions in our Budget that the Member talked about.

**Mr McCallister:** Last night, I pressed the Chairperson of the Health Committee to read out the Committee's response. This is the view of the Committee:

*"The Committee received a briefing paper from the Assembly Research Service which indicated that if the same percentage changes that were allocated to health in England were applied to the DHSSPS baseline, it would be in line to receive an additional £458 million revenue over the 4 year budget period".*

In fairness to the Minister, I will finish the quotation:

*"but would lose £137 million on the capital side. However, the total net increase would be £320 million over the 4 years, or £80 million per year."*

That information came from an Assembly Research and Library Service briefing paper, and it bears out the Department's response as well.

**The Minister of Finance and Personnel:** The Member has ignored the fact that, on top of the cut in England, there is a requirement for a £20 billion efficiency saving for the Health Service, which amounts to about 5% a year. We have not asked for those efficiency savings to be found in the Health Service in Northern Ireland. Indeed, we have given the Health Minister the ability, when he does make savings, to retain those in his budget and move money around in order to give him flexibility that is not afforded to many other Departments.

#### 4.45 pm

**Mr McCallister:** That does not change the fact that, on the baseline figures, the Minister has not afforded the Health Department the same level of protection as the Department of Health gets in England. That will, of course, lead to problems in health. My colleague the Health Minister made that point consistently. It will have knock-on effects. As other Assembly colleagues have pointed out, the fact that health will take a hit cannot be ignored.

**The Minister of Finance and Personnel:** There is genuinely a need for education here. Perhaps when the Member discusses the figures with the Health Minister, he will ask him about a £330,000 report by Mr McKinsey that he commissioned. That report, which the Minister has had for about eight months, indicates certain things that could be done. If those things are not done, savings of £5 million a month will be lost. We have lost eight months of those savings. Indeed, the Health Minister has made it clear that he does not intend to take any of those actions. Those may be the kinds of things that could be done to try to make savings in the Health Service. However, of course, if we have a Minister who does not want to make unpopular decisions, we will never get to the point of efficiency that we need to get to.

**Mr McCallister:** The Health Minister has never denied that efficiencies will always need to be driven in a service the size of the Health Service. There will always be things that have to be looked at and actions that have to be taken. The point is that health cannot be skimped on, because need is rising constantly. Health inflation is higher, so the pressures on the Health Service are always rising.

**Mr F McCann:** Will the Member give way?

**Mr McCallister:** In just a second.

As Mrs Kelly pointed out, the Health Department is the only Department that has reformed itself.

**Mr F McCann:** Every time an Ulster Unionist gets up and talks about the Budget, the speech is about giving more money to the Health Department. Most departmental budgets have had to take a hit. Will the Member tell us where he would make cuts to give the money to the Health Service?

**Mr McCallister:** I have been trying to press the Finance Minister on the fact that, if the

Health Department enjoyed the same level of protection as the Department of Health in England, the money would go to the Finance Minister through the Barnett consequentials.

**Mr B McCrea:** Does the Member agree that it is absolutely outrageous for the party opposite to try to say that we should have an NHS that is less fit for purpose in Northern Ireland than it is in other parts of the United Kingdom? Would he care to ask the Members opposite whether they are unionists?

**Mr McCallister:** We know the answer: they are not. They do not want to fund the NHS at the same level as in England through what the coalition Government are giving to Northern Ireland. They do not buy into the concept of a Health Service that actually addresses need. Some of the most vulnerable people in our society will be the ones who suffer most.

**The Minister of Finance and Personnel:** I thank the Member for giving way. Given that he avoided answering Mr McCann's question, maybe he will give us an answer to the question now. Where does he expect the money for the Health Service to come from? We allocated all the money in the Budget at present. Where will he take the £200 million a year from? Will he take it from education? Will he double the rates? What will he do to get the money? Maybe he will also ask himself: who has been in charge of the Health Service — which, in his colleague's words, is "not fit for purpose" — for the past four years? Maybe that is where the responsibility lies.

**Mr McCallister:** What my colleague was saying was that that is what it will become in the future if we impose the Wilson cuts that the Minister seems to want to make in health. He would have an £80 million a year start if he gave us the same as the Department of Health in England gets. We need to look at how to change the allocation and take more cross-cutting measures.

I agree with some of the contributions that have been made today. I agree with what my colleague Mr McCrea said last night about the need to be much more outcome-focused. We have to look at how we can use our resources and achieve outcomes for all our citizens through cross-cutting agendas. Public health is not just a matter of health but can impact on DSD around housing and even on how we plan our communities and how we live and work.

That is what we need to do to really drive a public health agenda forward. In the time that our Minister has been in charge of the Health Department, he has delivered on a public health agenda.

**Mrs O'Neill:** It is rich of the Member to talk about the public health agenda given that his Minister has spent 1.6% of the entire health budget on it. That does not indicate to me that he is serious about tackling it.

**Mr McCallister:** How much was being spent on the public health agenda before there was a Public Health Agency? It is a start. It is vital work that has to be done. We must change the mindset in order to address public health needs. The Health Service has been reformed, and the public health agenda is something that we have to work at.

**The Minister of Finance and Personnel:** If the public health agenda is so important, and if the Minister is paying so much attention to it and has sought, over the four years, to make the Health Service fit for purpose as the Member describes, maybe the Member can tell us this: what kind of a Health Minister spends 1.6% on the public health agenda and 1% on public art in new hospitals from his capital budget? Is that getting the priorities right?

**Mr McCallister:** The Finance Minister knows full well that the public health agenda is the way forward. His colleague sitting behind him was talking about preventative spending. Does the Finance Minister not agree with that? When the Chairperson of the Committee for Culture, Arts and Leisure was making a plea for more money, the Finance Minister did not want that money spent anywhere near a hospital or he would have supported some of what I have said.

The public health agenda is absolutely key to delivering preventative spend in the Department of Education and to how we deliver better services and outcomes for our citizens. Our preventative spend will have to be greater. It will have to be better, and we will have to build up the public health agenda and how we resource it. That is made very difficult when the Health budget is being attacked.

**Mr Frew:** When are we going to hear the Health Minister's plans? That is what we want to hear. When he comes on the airwaves and on the radio, it is all negativity. What is that doing to the public? We want to hear plans. We want to

hear the Minister say that we are in a bad place, that we need to get out of that bad place, and that he has a plan. I have not yet heard the Health Minister say that he has a plan.

**Mr McCallister:** The Member heard Dr Farry mention that the Health budget could be as much as £1 billion short — it is hard to be positive when that is the case. The Member may want to reflect on that when he keeps pressure on the budget and keeps denying that there is a widening gap between Northern Ireland and England. It is very hard to keep positive when one cares passionately about the services that we need to deliver. That will be the difference between my party and yours as we go into the election.

**Mr B McCrea:** Does the Member not think that it is a bit rich when Members here line up to have a go? Let me ask them through you, Mr Deputy Speaker; where would they make the cuts? With their expertise as Chairperson of the Committee or as Finance Minister, where would they like to press the button? That is the debate that we are not having. Members of the Assembly fire brickbats, but they have no solutions. I have not heard as much tripe in my life as I did in the last intervention. People talk about education; where is the debate on education? Where is the debate on NEETs? The answer is that there is no debate in the Chamber; all we have is some form of cack-handed deal between the DUP and Sinn Féin that does not include the rest of us. They are not able to put forward an argument that will stand up to public scrutiny, which is why they deal with rhetoric and having a go at the individual — *[Interruption.]*

**Mr Deputy Speaker:** Order. *[Interruption.]*

**Mr McCallister:** Thank you — *[Interruption.]*

**Mr Deputy Speaker:** Order, Minister.

I remind all Members that interventions should be short and to the point. Mr McCallister has the Floor.

**Mr McCallister:** Thank you, Mr Deputy Speaker, and thank you to my colleague for that very useful intervention.

Members will see some of the ideas that the Finance Minister spoke about last night regarding health issues. He questioned the numbers of hospitals, doctors and nurses that we have. Those are very tough decisions that

he suggests we take. I want the health budget to be based on outcomes and on the best outcome that we can deliver for our citizens. I am concerned about the alarming number of as many as 3,000 or 4,000 job losses, which the Minister highlighted to the Committee.

My colleague is absolutely right about the fact that we need to look at everything: our public health agenda; the number of houses that we build through DSD, given that barely 3,000 or 4,000 of them will be built over this CSR period and given the debate about whether that will even be possible with the money from housing associations; and how we build and grow our economy and move away from our over-reliance on the public sector. The Department for Employment and Learning will obviously be the cornerstone of training delivery. The Bill will have a knock-on effect on the Department of Education's problems with capital spend. The mismanagement of the Department of Education means that the structures are in a mess. How is that going to be handled?

**Mr F McCann:** Earlier on, the Member mentioned the most vulnerable in society. However, he coalesced and agrees with a party that is cutting back on welfare reform to the tune of £600 million over the next four years. Surely that will directly hit those who are most in need in society. His party supports the welfare reform cuts and the Tories who brought in those cuts.

**Some Members:** Hear, hear.

**Mr McCallister:** I do not know why that lot is saying, "Hear, hear", because it supports them as well. We need to look at how welfare reform works. Thanks to the Labour Party, the country is in a mess and is broke, because there is no more money. We have to deal with reality. *[Interruption.]*

**Mr Deputy Speaker:** Order. I ask that Members return to the debate about the Budget and do not stray from that any further.

**Mr McCallister:** Thank you, Mr Deputy Speaker.

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

**Mr McCallister:** I am in enough trouble with the Deputy Speaker for allowing too many interventions. I wanted to make only a brief contribution to this debate, because I am quite

anxious to get to other important business in the Assembly today.

The Budget needs to be reviewed. From listening to the Minister's interventions during my contribution, it seems very much as though the draft Budget is not a draft but a done deal between Sinn Féin, the DUP and possibly the Alliance Party. However, no one else buying into it. We need to look at and change certain things. The Programme for Government is certainly one thing that should have been looked at and reviewed. We have been calling for a review of that for the past number of years. It has become irrelevant since it was first drafted. We need to look at how we can take a more co-ordinated, cross-departmental approach to dealing with the problems that our society faces. In the interests of getting to other business, I shall let other Members have their say now.

**Ms Ritchie:** The Bill has the sole purpose of giving statutory effect to yesterday's Vote on Account. Although the Bill relates only to part of the proposed expenditure in year 1 of the Budget, it is part of what — I repeat — is a flawed process around a flawed draft Budget. We remain strongly of the view that the Budget needs to be improved substantially before it can be regarded as fit for purpose. The Second Stage of any Bill is supposed to focus on the broad principles of the Bill, so it is worth asking the question: what are the broad principles behind the Budget Bill? Of course, the truth is that there are no real principles driving the Budget.

As my colleague the SDLP finance spokesman, Declan O'Loan, has asked on numerous occasions, where is the vision, the strategy and the Programme for Government that this Budget is supposed to be providing the resources for? In a written answer from the Minister of Finance and Personnel only a few days ago, I got an admission from him that perhaps there should have been a Programme for Government. So, let us have some honesty around this debate.

Then again, the draft Budget meets some basic DUP requirements. First, it meets the need to transpose the Treasury CSR settlement into the Northern Ireland context, thereby keeping DUP-led devolution on track, complete with nearly £4 billion in cuts. Secondly, it leaves the two Ulster Unionist Ministries with unreasonable settlements for health and further education. Although the personalities and parties holding the various Ministries are due to change in

a few weeks, faced with the choice of doing the right thing or doing the wrong thing while shafting their political opponents, the DUP, predictably, chose the latter course.

### 5.00 pm

So, how did the DUP sell £4 billion in cuts to its partners in Sinn Féin? How did it sell a mountain of misery for the least well off to those self-pronounced champions of equality? How did the DUP get Sinn Féin to swallow the prospect of doubling student fees, with the result that third-level education becomes the preserve of the rich once again? Where is its equality now? The answer is clear, as it always is: give Sinn Féin something for itself. There it is in the social investment fund. It is a slush fund of £80 million that the DUP has gifted to Sinn Féin to buy its agreement to the DUP Budget. Sinn Féin does not know what to do with that money, except that it intends to give it to its friends. The DUP does not really care what Sinn Féin does with the money; it was simply a price that it had to pay.

Every penny earmarked for that slush fund should be reallocated to support legitimate programmes that will protect vulnerable households and front line services while stimulating the economy with an emphasis on job creation. That is the fundamental principle that should underpin the draft Budget, the Budget Bill and all Budget processes. I repeat yet again that this Budget should protect vulnerable households and front line services while stimulating the economy, with an emphasis on jobs. No such principles underpin this Budget. This Budget is the straight application of the cuts from London, which have been customised to give the DUP political advantage over its opponents and to give Sinn Féin money for its friends.

In the case of the latter, I wonder what, if anything, it stands for these days. Sinn Féin abandoned the poor in the North —

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

**Ms Ritchie:** I will give way in a few minutes.

Sinn Féin abandoned the poor in the North and attacked the wealth creators in the South. It is green Tories in the North and communist reds in the South.

The principles behind the Budget should have included three other principles, which I will repeat before I give way to the Minister. First, rebalancing the economy between the public and private sector should have been included. Secondly, there should have been a particular focus on job creation in the construction and tourism sectors. Allied to that is a need to protect the vulnerable through, for example, health provision and the new schools estate. In that regard, there is a need to protect services rather than to withdraw them, as is the case with the Downe Hospital in Downpatrick and the new schools for Down High School in Downpatrick and St Louis' Grammar School in Killeel.

There also needs to be a change of heart in the European Commission towards the construction industry. I have already talked to the Minister of Finance and Personnel about that where the aggregates industry is concerned. If the exemption were reinstated, the construction industry, the Quarry Products Association and all those associated with it would be able to deliver better for the people on the ground. Thirdly, a genuine attempt to find new sources of revenue and capital should have been included.

I am happy to give way to the Minister at this stage.

**The Minister of Finance and Personnel:** The leader of the SDLP seems to keep pumping the idea that the Budget was somehow designed by the Executive or by the DUP and Sinn Féin to give some advantage to those two parties over the other parties. Let me just quote her words back to her: she said that the Budget was “customised” to give the DUP benefit over its opponents. The two Ministers who have experienced the biggest cuts and, therefore, have to take the hardest decisions, are the Minister of Culture, Arts and Leisure and the Minister of the Environment. They are both DUP Ministers. The Ministers who have received some of the greatest protection — the Health Minister and the Minister for Employment and Learning — are Ulster Unionist Party Ministers. How, therefore, does the Member reach the conclusion that the Budget is customised to give the DUP advantage or benefit over its opponents?

**Ms Ritchie:** I thank the Minister for his little bit of knowledge, but I still strongly disagree with him. An evidence base proves that there is a

deficit in the health budget. The Chief Medical Officer has an evidence base — *[Interruption.]*

**Mr Deputy Speaker:** Order. The Member has the Floor.

**Ms Ritchie:** — as does the chief executive of the Health and Social Care Board.

**Mr McDevitt:** The Minister of Finance talks about the disproportionate hit that he expects his colleagues to take. However, PricewaterhouseCoopers compiled a report on behalf of NICVA. Figure 5 on page 8 of the report, in case the Minister would like to refer to it before summing up, is titled: “Real terms capital investment outcomes of the Northern Ireland Departments in 2014-15 as % of 2010-11”. It shows that there will be a 30% increase for DCAL, a 70% increase for DFP and a 94% increase for OFMDFM. Those Departments are in the black; the other Departments are in the red.

It is not the case that this is a black-and-white game. There has been funny money and a bit of creative accounting, so that Sammy Wilson can get up in the Chamber and say what he thinks is convenient. However, when one delves into the figures, there are plenty of little hidden funds for his mates, too.

**Ms Ritchie:** I thank my colleague for intervening with some very useful information, to which I will add.

I return to the DEL budget. There is a clear intent to force people to increase or place a hike on student fees, to which I am totally opposed. I voted on the matter in the House of Commons, in the other place, too. *[Laughter.]* It is all very well for people to laugh, but they are party to having —

**The Chairperson of the Committee for Finance and Personnel:** Will the Member give way?

**Ms Ritchie:** No. I have given way enough on this issue.

The information provided by Mr McDevitt is most enlightening. A 30% increase in the DCAL budget, which would have helped the construction industry —

**The Minister of Finance and Personnel:** The increase is in the DCAL capital budget, not the DCAL budget.

**Ms Ritchie:** I am sure that a significant proportion of that —

**The Minister of Finance and Personnel:** Will the Member give way on that point?

**Ms Ritchie:** No. I have not finished my point. *[Interruption.]*

**Mr Deputy Speaker:** Order. The Member has the Floor.

**Ms Ritchie:** That all happened at the same time as the Minister of Culture, Arts and Leisure — *[Interruption.]*

**The Minister of Finance and Personnel:** Get your story straight. *[Interruption.]*

**Mr Deputy Speaker:** Order. Minister, no one should point across the Floor at another Member. The Member who has the Floor indicated that she does not want to give way. I ask the Member to proceed.

**Ms Ritchie:** Thank you for your forbearance on the matter, Mr Deputy Speaker.

It is most interesting that the 30% increase in the DCAL budget coincides with the Minister's decisions to withdraw funding from important capital projects that would have brought important new infrastructure to certain areas. I think particularly of the velodrome project promoted by Down District Council, which would have increased physical and recreational activity in that area.

There is time to get this Budget right. There is an onus of responsibility on certain parties in the Chamber. *[Interruption.]*

**Mr Deputy Speaker:** Order.

**Ms Ritchie:** The DUP and Sinn Féin have attacked the SDLP for trying to change and improve a Budget that is not fit for purpose. However, we believe that that is not only our right but our duty. I repeat that there is time yet to get the Budget right. The documents that we produced and published before Christmas set out in unprecedented detail — more so than those of any party in the history of this place — what needs to change to make the Budget fit for purpose.

We published our 'New Priorities in Difficult Times' document about 20 months ago. I was then a member of the Executive, and I recall that the First Minister was particularly

reflective on the SDLP Budget plans at that stage and indicated that there were some that he favoured. Interestingly, three of them, from my memory, were then adopted by the Executive, so there was some favour among the DUP to our proposals at that time. I have no doubt that it will look at our expanded proposals that were produced in December with some insight. In summary, we call on the DUP and Sinn Féin to make the necessary changes and produce a Budget that we can support.

**The Chairperson of the Committee for Culture, Arts and Leisure (Mr McElduff):** Go raibh maith agat, a LeasCheann Comhairle. As Chairperson of the Committee for Culture, Arts and Leisure, I am grateful for the opportunity to take part in the Second Stage of the Budget Bill. The take-note debate some weeks ago was guillotined somewhat, and I did not have the opportunity to make the following points.

The Department of Culture, Arts and Leisure sustains the second biggest cut —

**The Minister of Finance and Personnel:** I thank the Member for giving way. Does he find it a bit contradictory that, last night, the SDLP Member for North Antrim Mr O'Loan complained about the size of the cut to the DCAL budget — I think that he gave a figure of 17% when he intervened on the Chairman — and, now, this afternoon, the leader of his party has complained that, as a result of the DUP/Sinn Féin carve-up of the Budget, DCAL's budget has been increased by 30%? Which of the two has got it right? Maybe he could confirm that for us.

**The Chairperson of the Committee for Culture, Arts and Leisure:** I am thankful to the Minister of Finance and Personnel, Sammy Wilson; you might know him. Even more alarming than the variation in the figures was the attempt by the SDLP to take a further £0.7 million from the Department of Culture, Arts and Leisure. The party could not identify which programmes should be shelved and go to the wall wilfully and willingly. There is a lot of inconsistency that needs to be addressed in the SDLP group meetings. I do not have the privilege of being at them, but I recommend that it deals with those inconsistencies, variations and disparities at those meetings. That would be important.

I made this point in the spring Supplementary Estimates debate yesterday, and I make it again: DCAL accounts for 1% of total Executive expenditure and sustains, proportionately, the

second biggest cut, of £14.5 million. Public spending on culture, arts and leisure equates to the underspend of other Departments. Other Administrations have not been so severe in respect of their arts and culture budget, so, in a sense, the Executive appear to be alone among Administrations in these islands in proposing such a severe reduction to their arts and cultural budget.

**The Minister of Finance and Personnel:** The SDLP seems to get its figures wrong — its leader thinks that the budget for DCAL went up by 30%, and the Member for North Antrim thinks that it went down by 17% — but I want to make sure that the Chairman has the figures right. The Department for Culture, Media and Sport in GB had its budget reduced by 24%.

**The Chairperson of the Committee for Culture, Arts and Leisure:** I agree with you. I was going to leave out that figure because it did not suit me. That figure did not suit my argument at all. *[Laughter.]* It is an excellent point that the Minister makes. I was going to do comparisons with Scotland and Wales and conveniently leave out England, whatever it is at. I was never a big supporter of England, so I was going to leave it out of the equation altogether.

While reflecting efficiency and inflationary savings, Scotland and Wales managed to maintain significant investment in the arts and —

**5.15 pm**

**Mr O'Loan:** Will the Member give way?

**The Chairperson of the Committee for Culture, Arts and Leisure:** Declan, keep her lit.

**Mr O'Loan:** I appreciate the Member giving way, because I really want to make a point to the Minister. I am surprised that, of all people, the Finance Minister has to be corrected on such a simple point. Of the two percentages, one relates to revenue and the other to capital expenditure. Both figures are absolutely accurate. *[Interruption.]*

**Mr Deputy Speaker:** Order. I remind Members again that they should not shout from a sedentary position.

**The Chairperson of the Committee for Culture, Arts and Leisure:** I was going to leave the English figures out of the examples that I intended to quote. The Fianna Fáil-Green Party Administration in Dublin face — indeed, they

have since gone — the most severe economic crisis in a generation. They applied a 5% reduction to arts funding. Scotland and Wales have largely managed to maintain significant investment in the arts. Perhaps those examples are better.

The Committee for Culture, Arts and Leisure is of the view that any savings that come as a result of cuts to this area will make a negligible difference to the overall Budget for the North but will have a disproportionate effect on the creative industries, job creation, sport, culture and tourism. The arts and creative industries make a contribution to the economy, and the Arts Council is never slow to point out that every £1 invested in the arts returns over £3.60 to the local economy. Nobody disputes the fact that it is a significant net contributor, although the point is regularly forgotten when the cake is sliced. However, the benefits of investment in the arts are felt across society. For example, 56% of the money allocated from the Arts Council's main grant programmes is invested in the most deprived areas. However, those are the very areas that will feel the pain most from cuts in the culture and arts budget.

The potential of the creative industries has been recognised by government, and the Minister of Finance and Personnel understands that, as do the First Minister and deputy First Minister. Therefore, the Committee welcomes the draft allocation of a further £4 million investment in the creative industries. However, overall, the Committee regards the arts cuts as disproportionate and retrograde.

The local film industry is flourishing and has great potential. In December 2010, the contribution of NI Screen to the local industry was acknowledged in the Minister of Finance and Personnel's draft Budget statement. The commitment to provide further investment through an allocation of some £5 million to the high-quality production facilities is definitely a positive step. Recently, the Committee made a set visit to the Paint Hall, where an HBO film, 'Game of Thrones', is being filmed. We were extremely impressed by the hive of industry that was under way in that impressive international production. As a result of that great opportunity, a wealth of experience and expertise has accumulated in areas such as costume making, set production, lighting and special effects.

The Committee strongly supports the development of the local film industry and is, therefore, concerned that by 2014 NI Screen will lose approximately 9.4% from its current expenditure baseline, which in real terms equates to a 15.8% cut. That is a disproportionate cut to a relatively small budget of just over £1 million per annum. NI Screen informed the Committee that wider Film Council funding in 2010-11 will mean that the overall cuts will be severely front-loaded. The Committee is concerned about the long-term damage that those cuts will have on the local film industry's international reputation. Given the positive impact of major film productions on our economy, the Committee calls for serious consideration to be given to revising the proposed reductions.

The Committee heard how cuts will impact on front line services and jobs in DCAL and its sponsored bodies.

**Mr A Maginness:** I listened carefully to the Member, and I am quite sympathetic to his view that the cuts to the DCAL budget are such that, I presume, he finds them unacceptable. If that is the case, will the Member vote against the Budget if it is not amended and if it contains the same cuts and pressures that you believe would damage the film industry, the arts etc in Northern Ireland? What is the Member's position with regard to voting for the Budget in its final form?

**The Chairperson of the Committee for Culture, Arts and Leisure:** I was a corner-forward for Carrickmore. That was my position on the football field. I will certainly vote for the Budget.

**Mr A Maginness:** Will the Member give way?

**The Chairperson of the Committee for Culture, Arts and Leisure:** No, I have done enough, Alban. It is a bit like a jack-in-the-box.

**Mr A Maginness:** Will the Member give way?

**The Chairperson of the Committee for Culture, Arts and Leisure:** On a point of order, Mr Deputy Speaker. I have declined to give way to the Member a second time, but he insists on asking. Will you intervene, Mr Deputy Speaker?

**Mr Deputy Speaker:** I accept your plea for an intervention. It is quite clear that the Member does not want to give way. Continue.

**The Chairperson of the Committee for Culture, Arts and Leisure:** I will continue to make important points, and libraries will be my next port of call, OK? The Committee has always placed a great deal of importance on the role of the public library service. With its emphasis on reading, literacy, learning, information, heritage and culture, it contributes not only to specific DCAL PSA targets but to the wider Programme for Government, including education, health and social inclusion.

It is a bit like a curate's egg here; there is good and bad in the Budget, of course there is. The Committee welcomes the allocation of capital funding to enable the replacement of the electronic libraries contract. That is essential to libraries' IT infrastructure, and failure to secure that bid would have been very bad, so that news is good. The Committee acknowledges that Libraries NI has delivered significant efficiencies since it was established in 2009, which makes it a relatively young organisation. Libraries NI will have to make cumulative efficiencies of £13.61 million in real terms. Because of the efficiencies already made, Libraries NI warned that it has less scope to make the required additional savings, which will impact adversely on front line service provision and lead to the closure of more libraries. Libraries NI has already closed 10 libraries. A further 10 are likely to close under phase two of the libraries strategic review, which is out to consultation.

At this point, on a constituency basis, I want to point up the value and importance of a library in Fintona, County Tyrone, which I believe that Libraries NI should revisit, as it should a library in Draperstown, County Derry.

**Mr McNarry:** And in Killyleagh.

**The Chairperson of the Committee for Culture, Arts and Leisure:** OK, as well as other libraries in the Moy and in Moneymore. Certainly, I am receiving lots of lobbying from people on those libraries, and I know that the Minister appreciates that.

The Committee is extremely concerned that libraries currently being considered for closure are located in small towns, including Killyleagh, and so the securing of the proposed four mobile libraries is essential and absolutely must be retained. Libraries have long been recognised as neutral venues, and they play a key role in promoting equality, diversity, social inclusion and a shared future. Often, ethnic minorities take

advantage of what are to them the absolutely essential facilities on offer in our local libraries. The Committee urges that the next phase of the strategic review takes account of the importance of maintaining neutral venues and prioritises resources and services to enable libraries to continue to support that important role.

Museums are one of the Department's key spending areas. It allocates around £20 million a year to museums and, to date, has invested substantially in key capital projects. However, National Museums has stated that the real reduction in revenue of £5 million over four years will have a major impact of around 25% on staffing levels and affect opening hours, as well as impacting negatively on its ability to operate as a strategic partner in tourism and learning. The low level of capital allocation will mean that it will not be able to proceed with much-needed investment programmes at the Ulster American Folk Park in Omagh, which is the county town of Tyrone, and at the Ulster Folk and Transport Museum.

During these hard times, we have to be innovative in our approach and put our local cultural tourism assets to their best use. It is clear that there is huge untapped potential for our museums to help to grow the tourist industry, which could be a vital source of income for our economy going forward. Therefore, we urge the Minister and the Executive to take a more joined-up approach to supporting and resourcing cultural tourism.

Our Committee has placed great importance on participation in physical activity and sport, as reflected in our most recent inquiry. We came to the firm conclusion that the Executive should prioritise the need to increase participation in sport and physical activity and provide the necessary funding to implement Sport Matters, the strategy for sport and physical recreation for 2009-2019, in this spending round. We are concerned, therefore, that Sport NI's ability to implement the strategy will be severely hampered by the shortfall of £81 million. We welcome the draft Sport NI capital budget of £133 million, which will enable important projects such as the 50-metre pool and regional stadium development to progress. That is good news for sport, and the Committee acknowledges the long-term benefits that it will bring to the development of sport in the region.

The Committee expressed its support for DCAL's bid to support the World Police and Fire Games, which is the largest of its kind in the world. That major event represents an enormous opportunity to boost the local economy and promote this region on a world stage, so we welcome the proposed allocation in support of that bid. However, the Committee continues to be concerned that the proposed reduction in the Sport NI budget will negatively impact on the ability of people who live in socially deprived areas to pursue sport and physical activity, which is key to improving health and well-being. The Committee welcomes and supports the Minister's efforts to resolve the funding issues of Special Olympics Ulster.

It is important to acknowledge the important role of the North/South bodies. However, the Committee was not able to consider the budgets for Waterways Ireland and the North/South language bodies, which have yet to be agreed by both Ministers. The Committee looks forward to receiving more detail arising from the budgetary processes for the bodies in due course.

Finally, the Committee calls for a full EQIA to be undertaken on the DCAL draft budget for 2011-15 with the fear that closures in the museum and library sector will impact negatively on elderly people, the disabled and people who live in areas of high social deprivation and rural isolation. That must be addressed as a priority.

**Mr Bell:** I thank you, Mr Deputy Speaker, for calling me to speak on the important Budget debate. It is an important debate because people outside recognise the financial circumstances that we are in. Most people have a working understanding of the global context of finance, and they understand, as any reasonable person will understand, that the House has to deal with a Budget devolved to it from Westminster. When a Budget devolved from Westminster has £4 billion less in it than we could have anticipated, it is only right and proper that those outside who are in vulnerable situations, many of whom are potentially facing pay freezes and some of whom are facing job cuts, expect us to come to the House, work together and do our job. They do not expect us to pretend that we can pick up pots of gold from some distant rainbow or that there is more money in the Budget than there actually is. They expect us to deal with the Budget that we have and to come to a consensus and work together under a series of principles that will help people

who face job losses and help to promote a jobs-led economic recovery. We do not just want an economic recovery but a jobs-led economic recovery. They want us to work together in implementing the best Budget for the people of Northern Ireland, a Budget capable of taking us out of a recession that is more prolonged and deeper here than in many other regions of the United Kingdom.

### 5.30 pm

**Mr A Maginness:** Quite rightly, the Member said that we want to create jobs and move out of recession, but, as I said to the House last night, the budget that Invest Northern Ireland will receive as a result of cuts to the DETI budget will not be adequate to deal with the new business that it needs to drive job creation in Northern Ireland. If the Member is sincere about job creation, and I believe that he is, he should be interrogating that budget and saying that it is insufficient for that jobs-led recovery.

**Mr Bell:** The honourable Member for North Belfast makes a valuable point, but it contradicts many of the points that were made from the SDLP Benches earlier. According to the SDLP Member for South Belfast, the DUP Finance Minister has protected his mates or his Ministers. We now hear the more honest position of the honourable Member for North Belfast, contradicting totally the assertions that were made moments ago.

I will turn to the points about a jobs-led economic recovery, but my point is that this is not the time to play politics with the Budget. It is not the time to say that, in some way, we do not have to impose the Budget, that we are all opposition politicians and that there is not really a devolution settlement. Some people seem to think that we can hunt with the hounds and run with the foxes and that we can do it all without any level of economic reality. I venture to suggest to the SDLP that that is not being semi-detached from the Executive; it is being semi-detached from reality.

I turn to some of the critical items that are included in the Budget. A big issue has been made of the employment and learning budget. Quite rightly, the First Minister said that he wanted to ensure that employment and learning got a light touch. That is because, as the Member for North Belfast Mr Maginness pointed out, a highly educated and highly skilled workforce is key to taking us out of recession.

The Department for Employment and Learning got the second most generous, most favourable budget in tight economic circumstances. The deputy leader of the Ulster Unionist Party started to make some points about that, so I will address those quickly. The Department got the second most generous allocation, and we now have to deal with the Budget that we have.

The leader of the SDLP talked about the doubling of student fees. Let us look at the history. Hansard records that the SDLP Minister for Employment and Learning had the opportunity and was asked by many Members to look again at the £3,000 student fees that were introduced then, which are now £3,290. The record, with which I will write to every SDLP Member, shows that. That party states that it wishes to deal with student fees. The SDLP had the opportunity to deal with student fees, and, at that time, it decided that dealing with student fees would cost £35 million, and the SDLP Minister refused to revisit the issue of student fees.

Therefore, when the SDLP parrots its commitment to reducing student fees, it is entirely honest for every Member to tell, as I will, every parent they meet on the doorsteps that the reason that their children are paying £3,290 today is because the SDLP Minister refused to deal with the issue of student fees and thereby imposed on a generation of students the economic penalty that that party is now trying to run away from. Tell the parents and the students. Do not grandstand with them and shake their hands. Tell them the truth: you had the opportunity to abolish student fees and you fluffed it.

**Ms S Ramsey:** Ask them if they want to give way.

**Mr Bell:** Do you want to give way? You had the opportunity to deal with student fees, but you imposed them on students because the SDLP —

**Mr Deputy Speaker:** Please address your remarks through the Chair.

**Mr Bell:** The SDLP Minister said that he would not revisit the issue because it would cost £35 million to do so. Therefore, the SDLP is the party of student fees. You had it within your gift to deal with student fees, but you did not deal with them, so you should not pretend to students who have been billed £3,000 for the past however many years that you are the party that opposes student fees. Students are intelligent enough to look at the Internet to see that the SDLP Minister refused to deal with it.

That is the answer that you will get when you knock on people's doors.

When I went to university, I did not pay a fee. When I went to university, I got a full grant, and I had no wish or desire to impose that on anybody else. However, student fees are here today under devolution because the SDLP would not revisit them because it said that it could not afford to revisit them.

**Mr O'Dowd:** That is important, but, even more importantly, the SDLP argued at the time that there was no evidence that student fees barred young people from lower-income backgrounds from going to university. Indeed, in a press release John Dallat said that:

*"Even with the abolition of fees, we know from evidence from the Republic that the percentage of people from lower socio-economic families will not significantly rise with the removal of fees."*

Yet, today it is telling us that it is the champion of those deprived people. A number of years ago, the party said that student fees did not bar people from lower incomes from going to university.

**Mr O'Loan:** Does the Member accept that when Seán Farren was Minister for Employment and Learning he introduced the best support programme for students in any region of the UK and that entry rates to further education from lower socio-economic groups have maintained on account of that excellent support package?

**Mr Bell:** I contend that it is part of the success of devolution that Northern Ireland has achieved the 50% target of its 18- to 25-year-olds accessing further and higher education, but it will not be lost on Members that the SDLP did not deny that it had the opportunity to revisit student fees and that it billed students £3,000 per head. That is the reality. The SDLP is the party of student fees, so do not lecture the House on a Budget of student fees that you introduced.

I know that you are sheepish about having to knock on doors because you will be asked why, when the SDLP had the Ministry, you did not revisit the issue when you had the opportunity to do so. A generation of students is paying back fees that could have been avoided had the SDLP DEL Minister made the choice. However, he did not; he balked at the challenge. Therefore, do not lecture future generations

about what you are doing about student fees when you are the authors of the debt of thousands of students across Northern Ireland. You left that out of your press releases. You are the authors of the debt of thousands of students across Northern Ireland, even though you had the opportunity to revisit the issue.

**Mr A Maginness:** It was the Labour Government.

**Mr Bell:** And your sister party is?

**Mr Deputy Speaker:** Please address all comments through the Chair.

**Mr Bell:** The SDLP is the sister party of the British Labour Party; I cannot see the difference. You cannot hide behind the skirts of the British Labour Party. Accept the fact that the SDLP's Seán Farren, who was Minister for Employment and Learning, was asked to revisit the issue but did not. As a result, thousands of students are in debt because of the SDLP, which is trying to reframe itself as the party against student fees. Student fees are here because the SDLP authored and endorsed them by refusing to revisit the situation.

From what I read last night of the SDLP's economics, that party states that its proposals would bring back £20 million. The fact is that £40 million is needed.

I do not want to go on. I listened to the Member for South Belfast Conall McDevitt go on vacuously for 90 minutes. In that entire time, I did not hear how he would afford one single pound, shilling or pence of what he suggested. We had a performance worthy of the Duracell bunny in vacuousness but did not hear how he could afford one single penny of it.

We do not want to go back to the SDLP's pamphlet on economics. One would be better with a colouring book guide to finance. As every single household in Northern Ireland knows, a certain amount of money is coming into the economy. We have to cut our cloth accordingly. We know how much money is coming in. A lot of points have been made about the results of cuts that the Conservatives, the Liberal Democrats and their sister parties, the Ulster Unionists and the Alliance Party, have brought in. I know that Nick Clegg is not overly popular, so the Alliance Party is trying to put a bit of distance between them. However, the fact is

that that package has left Northern Ireland £4 billion short. People out there —

**Mr O’Loan:** Will the Member give way?

**Mr Bell:** I will give way in a minute. People out there understand that if we are £4 billion short, we have got to cut our cloth accordingly. By all means, campaign for additional finance, but take the money that we have and cut our cloth accordingly. The public understand that. People who potentially face losing their job understand that. I have talked to my constituents in Strangford, public servants on the front line, who have said, “Jonathan, if it is the case that we have to take a pay cut to keep other people in jobs, that is what we want you to do.” One lady, who is a senior social worker, told me that, although she struggles to raise a family and run a home on a tight budget, if a pay freeze has to be imposed to protect the economy, jobs and other front line public servants from going on the dole, she wants that to be done.

Many who sit on the SDLP Benches are making a mistake. It is the mistake of promising people that there is a new dawn or a pot of gold elsewhere. The public have understood the £4 billion cut. Now, they are telling us to deal with it maturely.

**Mr O’Loan:** I am surprised that the point has to be made again. However, since the Member has repeated the error, I will make it. It is not necessary, inevitable or essential that £4 billion of cuts be simply handed out to the people of Northern Ireland, with the consequent effects, particularly on the vulnerable. There is an alternative. My party has produced detailed costings for all our proposals, and those costings are in our document. If the Member wishes, I will place a copy of the document in the Assembly Library for him to consult.

**Mr Bell:** I appreciate that. However, I already have a copy. In fact, there is a one sitting in front of me. The figures do not add up. Let me show you one way in which your figures do not add up. You say that you will take £7 million from the Department of Justice budget, and all the rest of it. I will come to that in a moment. That gives you just over £20 million to play with. You need to find £40 million.

**Mr Deputy Speaker:** I remind the Member that he must make his remarks through the Chair.

**Mr Bell:** Mr Deputy Speaker, £40 million is needed. The SDLP is on record as double-bluffing students, as some people believe, by saying that it will ensure that their fees do not rise any higher than it will put them up. That is a fact. The SDLP told students that their fees would not rise any higher than it had set them in the first place. Therefore, having told students that their fees would not rise any higher than that, the SDLP needs to find £40 million. In the savings plan that it outlined last night, it came up with only £20 million. Therefore, there is a gaping black hole in the economy.

**Mr O’Loan:** I apologise, Mr Deputy Speaker, for having to intervene again. I appreciate that the Member is allowing me to make another intervention. However, he confuses two totally different things. There are substantial saving and spending plans in my party’s documentation that would save more than the £4 billion and divert it towards protecting vulnerable people and stimulating the economy. His reference to yesterday is to what was a technical amendment tabled to the Vote on Account, which is a totally different and separate matter.

**5.45 pm**

**Mr Bell:** The reality is that you need £40 million to keep your promises. In your document, I have not seen where you are going to make the job cuts.

**Mr Deputy Speaker:** Again, I ask the Member to address his remarks through the Chair.

**Mr Bell:** I have not seen it stated in their document where they are going to make their cuts, where they are going to cut the front line services to afford the foolish promises that they have offered. It is simply not there. The maths do not add up. I think that we are left with a double bluff, which is, in respect of the Budget, let us pretend that the SDLP is in but is only half pregnant.

I congratulate Margaret Ritchie for getting it right. She said that it is DUP-led devolution. The reality is that where the DUP is leading, little Alex Attwood is following. He is as much in the Budget and as much a part of the Budget as anyone else. He is voting for the Budget, according to the ministerial code. However, he is hidden away. I did not see him during last night’s entire debate, and I have not seen him during this debate of critical importance. I do not know

where they have put him, but he is not here. The SDLP is part of the Executive.

I listened to the leader of the SDLP, as she sat beside Declan O'Loan. She made claims about Sinn Féin being capitalists here and communists there.

**Mr A Maginness:** Will the Member give way?

**Mr Bell:** I will give way in a moment. It was only a matter of months ago that Declan O'Loan, himself alone, wanted one single party with Sinn Féin. I know that Margaret may have whipped him hard enough to bring him back into line, but it was only a matter of months ago that Declan wanted one single party with the communists and the capitalists.

**Mr A Maginness:** I thank the Member giving way. I have listened carefully to what he has said. In essence, he is saying that the Minister for Social Development, Alex Attwood, is in some way supportive of the Budget and that he agreed to the Budget. Let me make it plain: at the Executive meeting at which the draft Budget was discussed and a vote taken, Alex Attwood indicated that he would not be supporting the draft Budget, along with, I believe, the Ulster Unionist Ministers. The only people who supported the draft Budget were the DUP, Sinn Féin and Alliance Party Ministers. That is a point to note. If there is any implication that the Minister is detached from the SDLP view in some way, it is wrong.

**Mr Bell:** I do not wish to defend what was imposed on us. I think that your former leader referred to it as the ugly scaffolding of the Good Friday Agreement. Part of the ugly scaffolding of the Good Friday Agreement was the Executive and the Executive's members. If the Member is looking for change, he will find many willing listeners on this Bench. The ugly scaffolding that he imposed means that the Executive act together.

If the SDLP has the courage of its convictions and is going to leave the Executive, let it explain to the people of Northern Ireland how it dropped the ball and ran away when the big decisions needed to be made, when protection of the vulnerable needed to be most secure and when the promotion of a jobs-led recovery in the Budget was most critical. Let it explain why it was too afraid to make the big decisions. Having brought us to deficit with its sister party, the British Labour Party, it was too afraid to

make the big decisions to get us into economic recovery. If you are not able to stand the heat, you should not be in the Executive kitchen.

The Department for Employment and Learning budget is going to have to be carefully scrutinised for the benefit of many people. I want to make a couple of points. I will leave off the SDLP; it has got too easy. I want to turn to some of the major points. Let us turn to the education maintenance allowance. It has been effectively scrapped in other parts of the United Kingdom, and we will have to look at it. I welcome the Employment and Learning Minister's commitment at Question Time today to look seriously at how we can protect the education maintenance allowance. For many of my 21 years as a social worker, many of my clients depended on the £30 that they got from the education maintenance allowance. Many of the families in the homes that I went into across Strangford and North Down were totally dependent on their children getting that £30. That £30 did not only contribute to their education. I pay tribute to a generation of children that I worked with who took part of that £30 and gave it back into their households to help buy food for their families. Literally one week of a delay from a technical college in getting the EMA meant a week of economic crisis in those families.

I am strongly in favour of targeting the education maintenance allowance. I have heard it said in England that people can afford to do without it and that children there just use it for pocket money. That may happen in very limited cases in England, but I can assure you that — based on the evidence of working with real young people over 21 years — in the latter years, when the EMA came in, it was the lifeline that kept those young people in education.

**Ms S Ramsey:** I appreciate the Member bringing up the issue of tuition fees and the EMA. Throughout the debates yesterday and today, one of the key themes that I found kept coming up was that some Ministers are working in isolation from the Executive. Does the Member agree that it now seems that Ministers are working in isolation from their own Departments? You can look at the stuff we have done in the Committee on NEETs, and then look at one section of the Department promoting the issue of NEETs and another part of the Department looking at the possibility of

targeting the EMA and taking it from those most vulnerable young people.

**Mr Bell:** I support the Member from West Belfast's contention that there is a crying need for all of us in the House to get real with the amount of money that we have, to be open and transparent on how we are going to deliver it and not to score points off each other but, rather, come to a collective point of view. We have come to a collective point of view on young people not in education, employment or training. We have a report, which has been endorsed, and the question now comes in the Budget.

Rather than playing games and producing idiots' guides to economics, what we should really be doing is taking the money that we have now and asking how we can protect those in the front line and the most vulnerable, and ensure that we get a jobs-led economic recovery that will build our private sector. Therein lies the means of garnering the resources to redistribute to the young people — in this case — who are the most vulnerable. That is the task that we have before us, and it is one on which we dare not fail.

People should realise that, if education maintenance allowance is toyed with, it will not only be toyed with at the educational peril of the future of a generation of people for which it is the only means of getting out of poverty and getting employment, but it will be toyed with at the peril of their lives. I can bring you to many homes where I saw that £30 going straight back into the family home and not being wasted by the young people. Please, take that plea.

We need to see the Budget coming back with what it can do on the issue of student fees, not to play games with it or make false promises on it. I would dearly love to give on what I had. In many ways I feel guilty. As someone who went to university on a full grant, because my parents qualified with their income and did not have any fees to pay, I bear a heavy responsibility not to pull that drawbridge up behind me. My parents made sacrifices. They both got their degrees later in life by distance learning, but they did not come from university backgrounds. However, they ensured that their three boys did, and they did so through a lot of hard work.

I know that we, collectively, do not want to pull that drawbridge up behind us. However, it is equally vital that our universities are properly resourced. We are exporting some 25% to 30% of our young people to England, Scotland and

Wales. Many times, they form relationships over there, build friendships and social networks, find their first employment and buy their first houses, and in many ways we lose them in what has become known as the brain drain. We have to ensure that Queen's and the University of Ulster are able to compete on the international stage and that their teaching and learning is of such quality that when young people have those degrees, they will be able to stand the international marketplace for employment opportunities.

I want to turn to education. I believe that Northern Ireland still outperforms many other parts of the United Kingdom. I am a governor of Regent House, which outperforms not only the United Kingdom but also the Northern Ireland average. Young people from working class backgrounds, many from my constituency, through taking the AQA exam are accessing universities and gaining opportunities that would have been unknown to them without the education system in Northern Ireland. So, it is not time to go for top marks in terms of Karl Marx, it is time in the Budget to look at education from a different angle — and that is not a different Engel, to mix my metaphors. It is time to celebrate success and look at where we can invest in what we are already doing that is outperforming.

I know that many Members want to speak, so let me raise just a couple of other issues. One issue for Strangford, my constituency — and it is critical in the Budget — is the service that the Young Farmers' Clubs of Ulster provide. A small part of the Department of Agriculture and Rural Development budget is devoted to supporting and providing a lifeline to the Young Farmers' Clubs of Ulster.

Those clubs provide a service to many rurally isolated young people aged 12 to 25. They provide the network, the education and the training opportunities. Were they not there for my young people in Strangford, there would be nothing else there for them. I make a strong appeal to the Minister of Agriculture and Rural Development to look again to see whether that £75,000 can be put back into those clubs. We all know the pressures and social isolation that many young people are experiencing.

I will not play games with regional development, but in many parts of my Strangford constituency public transport for employment is not an easy

option. They are rurally isolated and need the support that is out there in the community, particularly as they go through those critical adolescent years when physiologically the hormonal system in adolescence can lead young people to become depressed, and the pressure on them to excel in school is in many cases coupled with, as you know yourself, Mr Deputy Speaker, a rural way of life that is becoming harder and harder to make money at.

Even with very hard work, many in the farming community are struggling to make ends meet. Not that long ago it was the milk issue across Strangford that literally had farmers working long hours to produce milk at a value that was higher than what they could sell it for. However, they kept going and, in certain cases, came out the other side.

The issue is that many rural young people are going home to farming homes and communities where the farm simply does not pay what it used to. They have the pressures of adolescence and education, and many other opportunities down the low country in my constituency for employment through plumbing, joinery and bricklaying are equally going to the wall. It is not a crisis situation. One thing that is critical in the Budget, and has been critical for the past number of years in the Budget, is that where there are opportunities to get construction contracts out, they should be put out. It is not just the plumbers, joiners, roofers, bricklayers, architects and surveyors — it is more than that. Right down parts of my constituency there are suppliers who are dependent on the construction industry buying from them.

This morning, I was talking to one supplier who opens at 7.30 am to try to capture the market in my constituency. Another opens at 8.15 am to try to capture the market and get its supplies into the chain. I appeal to the Finance Minister to continue the drive that the Executive have been making. Where construction contracts can be got out, get them out, because the residential private sector, for many people, has dried up.

### 6.00 pm

Many young skilled men and women are totally dependent on getting employment in the construction sector. Many do not feel able to reskill in something else. It is critical that those young people get an opportunity. They are not looking for handouts; they are looking for a hand

up. One in two people in Northern Ireland who are working on a construction job are working on a job that is funded by the Executive. I appeal for pressure to continue be placed on that system so that those opportunities continue.

I appeal to the Minister of Agriculture and Rural Development to look again at the situation of the Young Farmers' Clubs of Ulster. During an economic recession, when many farming communities and families are literally in a period of depression, those clubs provide a lifeline to the young people of their communities and provide the social and emotional support that will guide them and allow them to lead productive lives. I strongly emphasise the need for the Young Farmers' Clubs to have their funding brought back.

There are many things that I could say. Many people from Strangford have asked me to talk about the situation of the library in Killyleagh. There is huge community support for the retention of that library. Throughout all the difficult times, it provided an essential service. In many ways, it was an oasis, because people did not need money to go there, anybody could access it, and it provided a means to learning, entertainment and relaxation in a village. I am not going to play games by saying that there is a big pot of money and that we do not have to make cuts. However, I am asking for the situation to be looked at again to see whether there is a means by which we can keep our library service in Killyleagh. For many of the people who use it, including the elderly and young people, going to neighbouring libraries from Comber to Ballynahinch will not be a viable option. Please; there is a service that is used, wanted and needed. If we are serious about telling people that we want them to engage in lifelong learning, we have got to realise that many people cannot do that without the services of a local library. I am appealing for that situation to be carefully looked at.

I appeal again for a serious, coherent and consensual approach to the Budget debate. By all means, people should argue their cases, but they should not try to play fake opposition politics. Big claims were made. Margaret Ritchie told us that if she got elected to Westminster, her party would stop the Tory cuts. Well, she did not stop the Tory cuts; those cuts have come. She reminds me very much of the story of the little boy with his finger in the dyke; she thinks

that if she stays put, the cuts will not come. However, the cuts have come.

We must now ask ourselves what the most intelligent and strategic approach is to deal with the money that we have been given. How can we measure the Budget against the services that we need to provide? How can we be realistic with the money that we have? By all means, people should argue where they feel money should be shifted from. That is legitimate politics. What is not legitimate politics is to argue x, y and z, but not specify the pounds, shillings and pence.

Finally, I turn to the issues of policing and justice, and to a budget that was ring-fenced but, sadly, now needs £200 million from the reserve Treasury fund. I do not want to see a situation in which our police officers are constantly having to prioritise their day-to-day policing role, which all our communities so desperately want.

In the past number of weeks, some fantastic police work was delivered on the ground. Last weekend, police in Newtownards came across a car and a person under the influence driving it. They searched the car and found cash and class A and class B drugs. They then searched two houses in Belfast and Ballywalter that were connected with the car, where they found more cash and class A and class B drugs, and they made an arrest. Our communities want that antisocial behaviour dealt with. They also want the shame and scar that Northern Ireland carries, that every 21 minutes of every day of every week of the year our Police Service responds to an incident of domestic violence, to be dealt with. The public want those issues to be properly tackled.

However, we cannot ignore the fact that there are those out there who, sadly, refuse to choose life over death, and who seem determined to murder men and women who serve in the police. When Members of the SDLP talk about taking £7 million out of the justice budget, I cannot see where those funds can come from.

I am proud to serve on the Policing Board. There are young men and women in the police and one of those young girls, while strapping her child into a child safety seat in the back of her vehicle, discovered a bomb underneath it. She went back to work and dealt with it; she put the uniform on and continued to serve all the people of Northern Ireland. That policewoman

was a young Catholic girl, and I salute her. She shows huge courage and bravery in protecting me and my family in the face of people who would plant a car bomb under a vehicle in which a child is about to be placed. However, she and other officers do that.

If we are asking those men and women to go out and do what must be one of the most difficult jobs in Northern Ireland today, I appeal strongly for them to be provided with adequate resources and protection. I also ask that we use whatever legal means are at our disposal to effectively deter those who would, through death or injury, seek to divert or subvert a democratic process, and ensure that they are unsuccessful. It is the first duty of government and the first human right to protect life. We should provide whatever resources are needed by the men and women of our Police Service.

Let us take a serious view of the draft Budget. Let us come together, and, by all means, argue out our differences. However, let us not play games and pretend that we are half pregnant. Let us take a consensual approach and deliver something of value to those out there who look to us to come up with a comprehensive response to their needs.

**Mrs O'Neill:** Go raibh maith agat, a LeasCheann Comhairle. I want to speak on the health budget in particular, but, before I do, I want to draw on a point that Margaret Ritchie made during her contribution. She referred to a slush fund that Sinn Féin has been given by the DUP, which Sinn Féin would use for its "friends". If Margaret Ritchie means those "friends" to be those who are in need, she is absolutely right, Sinn Féin will use the fund for that. However, given that there are no criteria for such a fund and that we all know that it will only be used in extreme and difficult circumstances, that shows the public the position that the SDLP has adopted in supporting people in their daily lives.

The draft Budget is a challenging one for the Health Minister, as it is for all Ministers. However, those challenges must be met in a constructive and innovative manner, in partnership with patients, health professionals and trade union representatives. Unfortunately, that has not been the approach from the current and apparently soon-to-be-gone Health Minister.

Sinn Féin has always supported and been on the record in calling for the funding for front line health services to be maximised. We need to

meet the demands on the Health Service, but that must be considered alongside the need to drive out the inefficiencies that we all know exist.

Despite the fact that we know that the inefficiencies exist, the Minister has failed to publish any kind of savings delivery plan. As I said in the take-note debate, one of the biggest challenges for the scrutiny Committee has been the lack of detail, and we have been unable to get down to the nitty-gritty of the whole health budget. The Minister irresponsibly threw out figures, such as 4,000 job losses, which is a prime example of his flippant attitude to date. That is not acceptable. Without those details, we are unable to measure in real terms the implications of the Budget and the decisions taken by the Minister. We have asked repeatedly for that information, but the Department has not responded.

Perhaps if I were to approach a particular radio programme, the Minister would allow his newly politicised Chief Medical Officer to provide the details on air. The Chief Medical Officer is, supposedly, independent and here to provide advice to the entire Executive, which the Minister hailed when he was on air. He then went on to refuse that Chief Medical Officer the opportunity to speak to the First Minister and the deputy First Minister. There is your independent Chief Medical Officer. That begs the question: what is the Minister trying to hide? Why is he afraid to allow the Chief Medical Officer to speak to the Executive? That is something that Michael McGimpsey needs to address.

I want to pick up on a few of the core issues that need to be raised in the context of the Budget: efficiency; the public health agenda; health promotion, or the lack of it; and the associated health inequalities that are prevalent in society.

There are many identified inefficiencies in the Health Service, and I have listed them quite often in the Chamber. They include consultant's bonuses amounting to £57 million, and travel costs for senior Health Service staff — when nurses cannot get a day off to attend a very necessary one-day course. Where is the equality there? They also include the RPA. John McCallister said earlier that the Health Minister was the only Minister to deliver on RPA. That may well be the case, but we now have more managers in the Health Service than we did

prior to the RPA and, therefore, I do not think that Mr McCallister should boast about it.

We also need to look at the fact of those who do not attend appointments. One of the biggest drains on the Health Service is the rate of non-attendance at hospital appointments. We have some of the highest rates when compared to England, Scotland and Wales or, indeed, the Twenty-six Counties, but the Minister has failed to tackle that problem during his time in office. It is a massive waste of the much-needed time of Health Service professionals and much-needed resources. One of the biggest reasons why people do not attend appointments is that they forget. A pilot scheme introduced in England texted people, and that created massive savings for the Health Service. We need to look at that and be more innovative. Those types of things need to be taken forward.

We also need to look at reducing hospitalisations. Studies have shown that people are staying in hospital longer than necessary. That, again, could save a massive amount of money for the Health Service. We all know the argument around the cost of drugs.

**Mr Easton:** Does the Member agree that a good place to start on efficiency savings would be the Minister's and permanent secretary's hospitality bill, which is running at £22,000 for 2009?

**Mrs O'Neill:** Yes, £22,000. All those small inefficiencies add up, and we need to drive them all out.

We spend £60 more per head more on expensive drugs here than in other areas. The Minister talks about how he will not be able to afford to buy in specialist drugs, for example, anti-TNF drugs. John McCallister is very aware of that because the Committee discussed the issue last week. It stands to reason that if we keep spending more on general drugs, we will not have enough money to buy in the specialist drugs. Again, that is something that we need to look at further.

### 6.15 pm

As I said earlier, we need to look at preventative spending, which attracts 1.6% of the entire health budget. I raised that when John McCallister was speaking. I could write John McCallister's, or the UUP's, answer to that. Along with more money, we need a shift in policy and attitude. The whole focus is on acute

issues, meeting targets and short-term gains. What about the long-term health needs of the population? That is what we need to look at.

We have to look at preventative spending as an investment for the future. If we are serious about challenging health inequalities by investing in health promotion and raising awareness, we need to tackle the reason why people get sick in the first place. That is why my party constantly asks for a review of the Investing for Health strategy that has been sitting on the shelves of the Department of Health for the past few years. We need to see that published, and we need to see a cross-departmental approach —

**Mr McCallister:** I am grateful to the Member for giving way. I agree with her on public health; there is no divergence of opinion on that. The difficulty is in getting to a stage where we can put that extra money into the public health agenda, because the repayment for that is medium to longer term. However, I agree that it is absolutely key to do that.

**Mrs O'Neill:** Yes, but we cannot keep looking at the Health Service purely as a sickness service, as opposed to a Health Service. Short-term gains are fine but we need balance, and a longer-term approach to the Health Service needs to be taken. That is what has been missing. Sitting on the Investing for Health strategy or shelving the document is not going to help anyone. We need to see the document out there. We need to see cross-departmental working aimed at tackling health inequalities across all the Departments.

I want to give just one example of how we are failing to tackle health inequalities, which is about the cost of tobacco-related illnesses. The Health Service spends something in the region of £230 million a year on that, and smoking is by far the greatest cause of preventable death and disease. It is killing five times more people than alcohol, illegal drugs and road-traffic accidents combined. It kills something like seven people a day right across the North and equates to 30% of all cancers.

We need a strategic approach to prevention, including taxation, targeting the illicit trade, more public information and cessation support programmes. We need more focus on and commitment to promoting good health; not doing so is one of the biggest failings. Unless we seriously tackle the attitude of the Health

Department and make it look more towards health promotion, we will constantly have to meet the rise in demands on the Health Service. Nothing is being done to tackle that rising demand.

That is just one area of preventative spending. I gave that one example, but there are many other areas that we need to look at, including chronic diseases such as hypertension, coronary heart disease, strokes and diabetes. There are many, many areas.

I will turn to the draft Budget and the Minister's position on the capital Budget. The Minister said that there would be no funding of the revenue streams for the projects at Desertcreat and Altnagelvin. That is just playing games and is not a reality. We all know that the Belfast City Hospital cannot cope and that it is predicted to be at full capacity within the next few years. Where are our cancer patients going to go? Altnagelvin is not a choice but a reality. It is a necessity that needs to be taken forward. The Department of Justice has set aside £30 million for the Desertcreat project. Is the Minister going to sit back and let that go to waste because he is playing politics with the issue?

Let me be clear: Sinn Féin supports maximising the money for the Health Service. It also wants to see publication of the North/South feasibility study, which is another report that the Minister has kept on the shelf for his own purely political reasons. Obviously, co-operation on a small island like this makes sense.

**Mr Kinahan:** I am very pleased to, at last, get my chance to speak. I congratulate Paul Givan for his short and sharp comments that all related to the draft Budget.

As Members know, we are in the middle of the consultation period, so there is a lack of a great deal of detail in the draft Budget. However, that means that it is our chance to raise our concerns. Before I do that, I will be a little bit holier-than-thou. We spent four hours last night discussing the Budget, and we have probably spent four more today. Most of that time has been filled with point-scoring and petty matters as each party gets its own back. When I go round the doors talking to people, I am told that that is what drives them away from politics. We have to change that and find a new way forward. So, I ask all Members to try to find more constructive ways in future of producing good, effective government here.

We have to take the cuts that are coming on the chin. A poll in January showed that 89% of business leaders said that the cuts will improve the economy. It also showed that 75% wanted the deficit reduced quickly, and we seem to forget that. Only 20% wanted a delay. We have got to get on with it. We have got to, as Mr Bell said, talk to each other and find a joint way forward to make everything work. We have to find the right balance and work through consensus, and that means everyone working together. We need an overview. We need all the Departments working together to try to get the cuts and the balance that we are all looking for. We have got to grit our teeth. Some of it will hurt, but, most importantly, we have to try to look after the public and make sure that as few people as possible are hurt by the cuts.

Today, I am going to touch on three matters. Given that no other Member mentioned the environment, I will do so, and I will say a little bit about construction and a little about my constituency. There is little detail on any budget for the environment, and we need to know what the effects of that will be on many of the ideas that have been put forward. I congratulated the fact that £4 million has been taken and moved to the green new deal. However, we have to look again at the plastic bag levy or tax. A levy on the number of plastic bags that we all use now would raise £25 million and would help us all, but it would not be right for the environment. So, plans are being made on a guess. That guess is £4 million, but it is based on some wrong assumptions, because we are concentrating on the wrong type of bag. The environmental lobby contends that we should be discouraging people from using black bags and many other types of bag. It also damages the industry.

We need the money from the plastic bag tax to sort out and help finance river restoration. However, three Departments are involved in looking after rivers. Perhaps we should be looking at the issue slightly differently. The councils will be dealing with environmental noise. We have to follow UK and EU directives on marine resources. We also have to deal with minerals mapping, fly-tipping and the repatriation of waste. We know that many EU directives are coming at us, and, unless we are very careful, some of the cuts will mean infraction procedures, which may mean large fines of hundreds of thousands or millions of pounds.

I am concerned that we have not looked at the effects of some of the cuts. I would like to see more information so that we know that we are not going to be hit by infraction procedures. We also know that there will be cuts to the non-governmental officers, yet it is those people who bring in three or five times more, as they look after the environment and take on the onus of responsibility for implementing many of the EU directives.

In planning, we know that receipts are down and that the Minister of the Environment is doing his best to minimise layoffs. The Planning Bill is coming through, with 17 lots of guidelines and other pieces of legislation and the need for RPA to come with it, as well as 24 other matters, the responsibilities for which will be transferred to councils. Yet there is no talk of finance. We know that councils will need more resources, whether they come from rates or grants from other Departments.

We know that cuts are planned for the strategic waste infrastructure fund. Yet arc21, SWaMP and the North West Region Waste Management Group are just about to buy their sites, subject to many other matters. That will save a great deal of our money as we recycle and deal with our waste properly in the future.

We need to encourage alternative energy, but I have seen nothing in the draft Budget on that other than the £1.5 million for the hydro project at the Roe Valley. The point is, however, that the £1.5 million is spread over two years, but the project will pay itself back in eight years. Funding for projects that repay themselves is the sort of funding that we should be looking at. At the same time, the Minister of the Environment is, quite rightly, upping his targets on landfill and climate change. Yet, I cannot see in the draft Budget how he is going to hit his higher figures, given that we are cutting back in so many of the same fields. We need more detail about the effects of the draft Budget, and we need to be able to look forward as best we can.

I turn now to construction, about which I will be much briefer. Some 26,000 jobs have been lost in the construction industry. We hear similar statistics from every Department, but every £1 spent in construction creates £2.84. One of the key points that came out our meeting with the construction industry is that the creation of more jobs in the construction industry means more male workers, and we know that the notion of

the male as the breadwinner is slowly slipping. We need to create more jobs. We need to put more money into construction where we can.

Another key point that came out of the meeting is that we should engage independent assessors. That might be a lesson for every Department, as everyone protects their own interests. We need independent people who will come in and help each Department to cut properly and effectively yet still produce the very best that we can. We need to look at private finance and alternative ways of creating funding in the construction industry.

I will move on to an absolutely key matter in my own constituency. I met recently with 20 of the top businessmen in South Antrim, all of whom had chosen to locate in South Antrim to be near the Belfast International Airport and the motorway and to have easy access to Belfast and the two ports. However, we put very little money towards helping Belfast International Airport, which is a key gateway, if not the most important gateway, in Northern Ireland to operate at maximum capacity. If we can put more money into the infrastructure that serves that airport — whether through investing in roads or, perhaps in future, rail links or even linking it with the M2 — that will bring more jobs. That is what we should look at in the long term.

**Mr B McCrea:** Would the Member care to comment on the news about increasing the number of departure routes out of Belfast International Airport and how, if we are to build an economy in this part of the world, it is essential that we have excellent infrastructure and encourage as many airlines as possible to provide flights to as many destinations as possible?

**Mr Kinahan:** I welcome the Member's intervention and totally agree with what he said. We need as many routes as possible, not only to Belfast International Airport but to Belfast City Airport. As Paul Hollway of KPMG said, the money that we put into our infrastructure and, particularly, into our key gateways is what will create more jobs and bring us the wealth that should make Northern Ireland a great country in the future.

I would love to touch on all sorts of other points.

**Mr F McCann:** The Member's colleague Basil McCrea talked about airports, but we should not forget the ports. Most countries are thriving by

encouraging the cruise industry. For example, 850,000 people came through the ports of Palma in cruise ships last year. Efforts have been made here in that regard over the past couple of years. Does the Member agree that our ports need to be invested in heavily to ensure that people come in?

**Mr Kinahan:** I agree entirely with putting money into the ports. However, our problem today is about getting the balance of where, and how, we spend our money. I would like to increase support for the young farmers; save Greystone Library, which is vital to people in Antrim; and support the arts, which needs more funding. Spending money on the arts, compared to spending money on health and other areas, is a very hard argument to make. However, we must make sure that it is part of the balance.

Before I end, I will go back to where I was at the beginning. We need everyone to work together. We need everyone to be constructive. We need to work with a consensus to get the most effective Budget that we can. Everyone intends to do that, but, in the Chamber, we tend to lose our way as we score cheap points over each other. I want to get it across that the public hate that. There may be a bit of fun and craic in some of it, but it is what really switches everyone off politics.

### 6.30 pm

**Mr P Ramsey:** I want to raise a number of points as a member of the Employment and Learning Committee. I also want to raise some issues regarding vulnerable services, particularly from the perspective of the community sector.

Earlier, I asked the Minister for Employment and Learning a question on the ApprenticeshipsNI programme. Clearly, that programme is under threat from the draft Budget, which proposes to cut all funding to adult apprenticeships and shift the costs to employers across Northern Ireland, who are already struggling. If the recognised productivity gap in the local economy is to be addressed and Northern Ireland plc is to be supported by attracting foreign investment and maintain a competitive position in the global economy, the enhancement of skill levels in the economy is essential. A reduction in the budget is unavoidable. It will be put into effect by reducing the support infrastructure associated with the current arrangements. The withdrawal of funding for adult apprenticeships and encouraging employers to bear a greater proportion of the

costs associated with the delivery of the programme will have consequences.

I want to refer, in particular, to a local social economy company in Derry that carries out training for the apprenticeships. It is a company in my constituency that delivers the ApprenticeshipsNI programme for adults, which, since 2007, has assisted more than 500 adults. It has raised those people, academically, to NVQ level 2. It has helped people, not just from my constituency but from across the north-west, in Strabane and around Limavady, to achieve a recognised qualification relevant to their employment. It came about after a serious loss of jobs in the north-west, when Sir Reg Empey, in particular, came up with a plan to help to upskill workers who found themselves unemployed. It also assisted employers whose staff needed upskilling to maximise the strength and capacity of the workforce.

The company has 300 people on the programme and a further 300 on the waiting list. People recognise the potential for upskilling, greater opportunities and access to other forms of employment. I am sure that the Minister will agree that the current economic climate will lead to increased demand for education and training. The downturn in the economy provides the opportunity for skill enhancement.

The success rate here is 98%. I was surprised when I was told that 98% of adult learners have achieved an NVQ. That is such a good model of success to roll out that, surely, the Minister for Employment and Learning should take it on board.

In the Chamber, we always talk about literacy and numeracy problems across Northern Ireland. However, here we have adults in employment achieving skills in literacy and numeracy. The ApprenticeshipsNI programme has facilitated local employers to undertake the training and upskilling of staff, thus strengthening their business skill base and ensuring that jobs are retained against competition. The all-age ApprenticeshipsNI programme will continue to be promoted as the Department's flagship provision for professional and technical training at NVQ levels 2 and 3.

The Finance Minister made it clear that we are still talking about the priorities in the present Programme for Government. While there is no new Programme for Government, it is important that any influence that we can bring to bear

must be on the economy and driven by the economy. We must ensure that industry has the workforce that it requires and that that workforce has the essential skills that it needs.

**The Minister of Finance and Personnel:**

There has been considerable criticism from the Member's party about the absence of a new Programme for Government. However, will he accept that, whether there is a current Programme for Government or a new Programme for Government decided in the new mandate, the priority should be the promotion, growth and rebalancing of the economy so that the impact of the cuts on the public sector can be offset by increases in the private sector?

**Mr McDevitt:** Will the Member give way?

**The Minister of Finance and Personnel:** He is going to tell the Member what line to take.

**Mr P Ramsey:** He does not need to tell me which line to take. Carry on.

**Mr McDevitt:** Will Mr Ramsey agree that, if we are to keep the economy at the heart of the Programme for Government, we will have to do a darn sight better than we did in this mandate? It was not the SDLP who saw the disconnect between the Programme for Government and the economy; Professor Richard Barnett and the independent review of economic policy found that, in fact, all the fine words on the economy were not met by actions in the Programme for Government. Does Mr Ramsey agree that, in the next mandate, we need not only to talk about putting the economy at the heart of things but to actually do so?

**Mr P Ramsey:** We need a Programme for Government that is synchronised with the Budget. It is clear from what a number of Members said, including Danny Kinahan, that, when we go canvassing round the doors, we hear people say that they want jobs for their sons and daughters. So, the economy clearly has to be the priority.

I will now speak from my perspective as a member of the Employment and Learning Committee. The Committee's major, substantive inquiry into NEETs has to form the basis of the Programme for Government so that a difference can be made to the 40,000 young people across Northern Ireland who find themselves in NEET. Although I can concur with the Finance Minister and my colleague behind me on

that, it is obvious that we need a Programme for Government that has to be reviewed and renewed so that different priorities can be considered. Ensuring that nothing is taken away from the economy has to be the number one priority. However, other areas have to be included in the programme, such as services for children and those with learning disabilities, which we must make a huge priority. How can DEL justify cutting a successful Northern Ireland apprenticeship programme that provides the benefits that I outlined and that is, in its own words, a flagship provision?

As the First Minister accepts, the economy has to be the number one priority, and we need to have —

**Mr F McCann:** It is interesting that the Member is talking about apprentices. Just as I did, he probably spoke to the people who were up here today. One of the ways that apprenticeships can be addressed — I know that my colleague Jennifer McCann has been promoting this — is to include social clauses in procurement contracts. If we did that, we would start to get apprenticeships right.

**Mr P Ramsey:** I cannot disagree with that. We have to make sure that young people, regardless of their locality, have access to employment opportunities, especially in areas where public contracts or whatever are being procured.

I want to go on to something else that is close to my heart, and that is the University of Ulster's Magee campus. A number of Members made the point that almost 30% of students from Northern Ireland decide — it is their decision — to go to England, Scotland or Wales to study. However, given the way that things are going with increased fees, particularly in England and Wales, it is clear that our young people are going to want the opportunity to access academic courses across Northern Ireland. We need to be up to providing that. In the past number of years, the number of applications from young people in Northern Ireland has increased. We cannot keep up with the demand from people who want to continue their lifelong learning in Northern Ireland or to get their degree here. I make that point because I know that the previous Minister for Employment and Learning, Sir Reg Empey, provided a bit of investment under the CSR for the MaSN cap

to be increased so that more students could attend the Magee campus in particular.

We know that the University of Ulster has invested £18 million to expand its facilities. However, DEL has no capital moneys to assist that expansion. We should make absolutely no mistake about it: that capital build programme will provide huge economic regeneration and access to education for future generations of young people. As the Finance Minister said, STEM subjects in particular are key to the future needs of the Northern Ireland economy, and we need young people coming through with good degrees in those subjects.

I know that I am wandering off the subject somewhat, but two schools in my constituency — Foyle and Londonderry College and Ebrington Primary School — intend to relocate to a former Army base at Clooney in the Waterside. However, we absolutely do not know what is going to happen in capital build. It is important that money is found for those projects, which will have a domino effect. We want to retain for learning purposes the huge amount of land that Foyle and Londonderry College currently holds, particularly for the expansion of the Magee campus. That would accelerate all the efforts that are being made. At present, we have the 'One City. One Plan. One Voice' agenda. For those reasons, all political parties in the Foyle constituency, the business community, the community sector and the educationalists are behind a single plan to ensure that we make the best of the opportunity and go forward to ensure that we have the capital investment.

I will briefly mention student fees. I am a member of the Committee for Employment and Learning, which is, I must say, a good, strong and committed Committee that has forensically gone through a number of issues. Originally, the Committee was concerned when Joanne Stuart's report on student fees lay on civil servants' desks for months and was not brought forward. At that time, somebody in their wisdom decided to await the outcome of the Browne report before bringing the Stuart report to the Chamber. In Joanne Stuart's original report, there were circumstances in which she made it clear that she did not see any justification for an increase in student fees.

There is no political appetite across all the parties represented in the Chamber for student fees to be increased. We have seen what

happened in the past with student fees. We are now listening to students' union leaders, who clearly tell us that an increase in fees would place undue pressures, burdens and future debts on young people. That is recognised by our Finance Minister, who made similar comments in Westminster about fee increases for students in England and Wales.

We have to ensure that universities are not just a playground for the rich. That is what senior academics across Northern Ireland say, and most Members and parties would concur. Unfortunately, the brunt of the DEL cuts is directed at higher education. How can that be conducive to growing the local economy and providing a well-qualified workforce? Over 80% of respondents to the Department's 2009 Futuretrack survey found that student debts placed an unreasonable burden on students.

We all listen to community groups and are lobbied to champion their causes. Charitable groups and the voluntary sector are clearly expressing concern about the Budget. Those groups say that the Budget fails to address adequately the needs of the most vulnerable children and their families in Northern Ireland. When those groups talk about the needs of families in Northern Ireland, they are also talking about the needs of disabled people, whether that is people with a physical or learning disability.

A PricewaterhouseCoopers report undertaken for the Northern Ireland Council for Voluntary Action identified that the Budget failed to address comprehensively the needs of children as a group that cross-cuts many Departments. The Budget takes a piecemeal approach that does not set the agenda for our priorities for children and families and how we will fund those in the future. That goes back to the point that was made during the intervention that I took from the Finance Minister. If we are to meet the needs of our young people who have difficulties, are vulnerable and under pressure or have learning disabilities, that has to form part of the Programme for Government so that we can prioritise those young people and ensure that funding is directed in the most appropriate and effective way. Nowhere in the Budget is there a clear focus on early intervention instead of crisis intervention, despite all the evidence that that is the most effective and efficient way to fund and achieve real change for youngsters right through from their early years.

Earlier, I made a point about the NEET strategy. I do not see funding for that. There must be a cross-departmental programme of action. It is not only for the Minister for Employment and Learning to ensure that funding is in place to provide better opportunities for those same young people but for most Ministers here, whether that be the Justice Minister, the Health Minister or the Education Minister.

#### 6.45 pm

I made a point earlier in an intervention that I will make again: we spend significantly less on early years provision in Northern Ireland than in Britain. Children in Britain have an opportunity but perhaps, even then, that is not enough in some areas. Britain spends £2,000 a head on early years provision, but, in Northern Ireland, we spend just over £600 a child. That is not fair.

When we talk about equality, it must be about trying to provide the best opportunity for children, and we have to make it real. That should be in the Programme for Government; it should be a priority. I listen to parents — particularly parents of children with special needs — whose children did not have opportunities, whether that meant access to speech and language therapy or other provisions that would assist them through their life. Their children have grown up now, but those parents have become the big champions for that cause. They want to ensure that other children have equal rights and services.

Already, services for the most vulnerable children are facing closure or reduction. The Children First service provides twice-monthly respite for over 70 children in Cookstown and Magherafelt at a cost of £70,000. It is facing closure because the children's fund is ending. That is something that the Finance Minister should take up. These are important services. They provide a vital link to respite for parents who may be getting older and have their own difficulties. There is clear evidence that the pressure and the stress on carers can induce mental illness. They become anxious and depressed, and that leaves a legacy in the healthcare that is required. That service is a vital lifeline, particularly for families with children who have severe learning disabilities.

If we are going to make a difference in people's lives, we have to protect these core services. The children's fund has been very effective over the past nine years in working with the

most disadvantaged and vulnerable children. The difficulty was that it was short-term funding targeting long-term need, and removing the funding does not remove the need. That is the important point.

Across some of the vital Departments, the draft Budget fails to prioritise and meet the needs of the most vulnerable children in our society. For heaven's sake, we have to do that. We talk the greatest game when we say what we want to do in providing for our children, but the evidence is not there to prove that we are making a difference. We continually find deficits in the postcode lottery across Northern Ireland whereby children are not getting access to the most effective treatment at the right time. That is a shame on us all. I am not one for being personal in a debate, but we are here, and we entered politics because we wanted to make a difference. We wanted to improve quality of life and we want to help people, but, at times, we all get frustrated with a system that does not enable us to do that.

I will finish by turning to infrastructure. Some Members caused me concern today when mentioning the A5. They said we should minimise the amount of money spent and section off some areas of the road, rather than doing the full job. In my city, we are trying to maximise the most effective way of access to the city of culture and to a city that is trying to make a bid for world heritage status for its walls. It is vital that we have adequate access.

We have deficits, and one Member today referred to 30 years. We have been waiting longer than that for roads infrastructure into our city. Even in the 1970s and 1980s in Northern Ireland, some roads infrastructure was based on levels of car ownership, so areas of high deprivation were never going to get the roads infrastructure. We are now living with the legacy of direct rule, and, hopefully, we can make a difference.

I plead on behalf of the city and on behalf of 'One City, One Plan, One Voice', which was mentioned earlier. We cannot let go. The Irish Government have made it clear that they intend to invest in the A5 and A6. We cannot let that go. We would fail future generations if we did not ensure that access.

There are several points that I have addressed directly to the Finance Minister. I urge him to consider them. However, the responsibility is not

just on him. We have a collective responsibility and the Executive have a collective responsibility to deliver the best that we can in the present circumstances. We need to deliver for the people on the ground, the people who deserve those services.

**Mr O'Dowd:** Go raibh maith agat, a LeasCheann Comhairle. The debate has been lengthy, and it is questionable who, other than those who billeted in the Building, is listening to it. The bad news for all the Members who spoke earlier is that the news did not cover the debate; it did not appear anywhere. That is disappointing in one sense because we, as politicians, and this political institution often get criticised for not discussing bread-and-butter issues. No issue is more of a bread-and-butter issue than the draft Budget and the budgetary process. Perhaps some of the content was not worth broadcasting, but that is for others to judge.

I have spoken at a number of stages in the budgetary process, including last night. We have to continually ask those who are most vocal in their claims to oppose the draft Budget where the alternatives are. There must be major concerns — 4 billion concerns — about the draft Budget. We are starting on a completely unlevel playing field. I do not think that any of the parties that worked to bring forward a draft Budget could say that this draft Budget is their vision for the future of this society. The Budget has been imposed on the people of the North by a party that did not receive a mandate to do so. It has resulted in major cuts to services, as Pat Ramsey and others outlined.

I have a simple question for those who are most vocal in advocating the rejection of the draft Budget: can they offer an alternative? If they do, we, as a party, will examine that alternative carefully, and, if there are beneficial proposals, I assure them that we will support them. However, throughout the lengthy debates today and yesterday evening and during the hours that have been spent on previous days on radio and television broadcasts, my party and I have not seen alternative proposals being brought forward that would alleviate the cuts to services as a result of the £4 billion of cuts imposed on this Administration by the Tory Government in Westminster.

**Mr O'Loan:** I do not know how the Member can say that. I intervened earlier to draw our document to the attention of a Member on the

other side of the House. We have produced substantial proposals that will address the £4 billion deficit and will find extra money to assist vulnerable households and stimulate the economy. To say that there are no proposals on the table is simply not correct. I ask the Member to look at them.

**Mr O'Dowd:** I welcome the Member's intervention. As most of his party has done, the Member has produced revenue-raising proposals. They were produced very late in the day, but they were produced. We have been lambasted for eight or nine hours about why we have adopted the draft strategy and why the document that the SDLP produced was not part of those proposals. At other stages of the debate, we have been told that the SDLP proposals are part of the draft Budget because all the other parties stole its proposals in the first place.

It was interesting that Mr O'Loan intervened because he was at the forefront of the SDLP campaign in November and early December insisting that a draft Budget be produced. It was a case of "Any Budget. Give us a Budget. We need a Budget". On 29 November, he said:

*"Rather than causing extreme anxiety to community and voluntary sector workers, Sinn Féin and the DUP need to address their funding disagreements which are halting the adoption of a budget".*

**Mr F McCann:** Who said that, John?

**Mr O'Dowd:** Mr O'Loan. I am quoting from a document dated Monday 29 November. He also said:

*"The two main parties need to get down to business, start drawing up a budget and stop dithering."*

**Mr F McCann:** Does the Member agree that, over the entire length of the debate, Members from both parties have been challenged continually to put flesh on the bones of where they would deliver cuts, but they have yet to come up with that?

**Mr O'Dowd:** It is clearly much easier to talk from the platform of opposition than from the platform of responsibility.

It is imperative that the parties that are telling us to ditch the draft Budget come up with an alternative. The alternative is not simply to bring forward revenue-raising proposals, which we have all done. Indeed, the draft Budget contains

£800 million worth of revenue-raising proposals, and there is another £800 million worth of proposals to be examined over the four-year budgetary period. So, we have done that.

The SDLP has moved from "Give us a Budget, any Budget" to "Dump that Budget; it is not good enough". You need to produce an alternative Budget. You need to produce a costed Budget —

**Mr Deputy Speaker:** Through the Chair.

**Mr O'Dowd:** Through the Chair, a LeasCheann Comhairle. You need to produce a costed Budget that shows how services will be delivered to this society over the next four years. If the SDLP can plug the £4 billion gap, while protecting front line services and investing for the vulnerable, we will support it in that venture. However, to date, we have seen none of that. We have seen posturing, and we have heard well-rehearsed speeches. Money from the SDLP has been well spent on performance art, but we have not seen any alternative proposals.

In Sinn Féin, we are disappointed at having to deal with the circumstances that we are in. Indeed, sharing in the anger of members of the community and in that undoubtedly felt by other political parties in the Chamber is perhaps an appropriate way to deal with things. However, anger and disappointment alone will not solve the problems. We are in a new era of politics and of political responsibility. Collectively, the parties represented in the Chamber helped to bring society from conflict. The journey was long and tortuous, but now there is a responsibility on those parties to help bring this society back to some form of economic stability. Sinn Féin's view is that that will not be achieved in a Six County settlement. Sinn Féin strongly believes that the only way to achieve economic stability for the people in the North and the South of this island is through a common economic recovery plan. We believe that channelling resources through the North/South Ministerial Council, which is governed by the Assembly and the Dáil, is a way to deliver that plan. The more the two economies on this island compete with each other, the more they damage each other.

The sudden rise of the Celtic tiger economy in the South ended in it collapsing miserably around their feet. Although some in broader political unionism took delight in that, many political leaders in unionism took a sensible approach, realising that the collapse of that

economy was of no benefit to this economy. Indeed, the plight of the construction industry here can be tied significantly to the collapse of the construction industry in the Southern economy. Our exports and other revenue-raising mechanisms are affected by the fact that the economy across the island is in dire straits.

*(Mr Speaker in the Chair)*

The leader of the SDLP accused us of being opposed to the wealth creators in the South. If she was referring to the leadership of the Anglo Irish Bank, the corrupt banking system or the gombeenism of corrupt politicians there, she was right; we were and will continue to be opposed to them. However, lessons can be learned from that era, and we need to move forward to create long-lasting and stable wealth for the people of this island.

We have talked at length about the difficulties faced by our society. In tracing back to where a lot of those difficulties come from — a banking system that was allowed to go unfettered in creating a major black hole in economies worldwide — we may find a source of funding that will assist our society. Sinn Féin's proposals included placing a levy of £25 million on each of the four main banks. That would bring in £100 million a year and £400 million over four years, which would assist in easing our Budget deficit. We look towards the credit union movement to create a £100 million social fund to assist the social economy and the creation of jobs in various sectors throughout our society.

### **7.00 pm**

We look towards the green new deal, which the Finance Minister has also reluctantly referred to as an area of expansion. We already see progress being made on a plastic bags tax. There is progress, albeit tentative, in relation to the ports. However, all that work and more is being carried out through the Executive's Budget review subgroup, which is probably the most important subgroup of the Executive at the minute. All the Executive parties are invited to attend and to submit proposals. Although Executive meetings are confidential, the SDLP talks about them freely in the Chamber. I am not sure that it can be reported, but I am interested in knowing whether any written, formal proposals that address the Budget proposals in detail have come from parties such as the SDLP or the Ulster Unionist Party to the Executive subgroup. If there are worthwhile

proposals out there, I think that there is a duty on all the parties around the Executive table to study proposals to bring alternative revenue into our society.

It is clear that, for the long-term economic stability of this part of the island and the southern part, we need to move forward with a new sense of direction and purpose. We must move forward not by working against each other's economies but by working towards equal and mutual benefit for the economies of this island for the benefit of the people. As I said in the debate last night, we are not isolationists. We understand the socio-economic and cultural links that many on this island have with Britain, and the economic link with Britain is vital. However, for centuries, that link has been based on the domination by Britain of this economy, and we believe that it should be based on co-operation for the mutual benefit of this island's economies.

As devolution has spread across Britain in the form of the Scottish and Welsh Executives, an opportunity has arisen for a new relationship between the different Administrations on these islands. Some may not be comfortable with the use of the term "Celtic nations", but the Welsh, the Scottish and our own Executive have shown that when they work together for the mutual benefit of their Administrations, their influence on Westminster is stronger. That is an area of economic and other co-operation that our Executive should exploit to drive forward an economic recovery plan.

I will end on the point that there are 4 billion flaws in the draft Budget. The draft Budget is certainly not Sinn Féin's vision for the future or one that the party is comfortable with. I doubt whether any of the other parties involved in the discussions are comfortable with the Budget as it is. The fact of the matter is that no one — no political party, no individual — has come forward with an alternative draft Budget to be examined or debated. Until they do, the posturing, shouting and dramatics are not worth anything. They certainly will not assist the vulnerable in society. They will not help to rejuvenate the economy or create business.

All that that behaviour does is create airtime for those parties. Therefore, unless an alternative comes forward, I believe that the work that is going on in the Executive Budget review subgroup is the most vital piece of work in the

Assembly and the Executive at the minute, and I wish the group well. If other parties have proposals, they should place them in front of that group.

**Mr B Wilson:** The Green Party cannot support the Budget in its present form. There has not been adequate time for public consultation, the Budget is not credible and it lacks detail, and some departmental figures do not add up. It also includes some extremely optimistic assumptions. I believe that it is merely an interim Budget that cannot survive the next four years. In fact, I believe that it is a temporary measure to get us through the election, after which many of the more difficult issues will have to be revisited. It is clear that the Executive will have to look again at their priorities and will be forced to make the difficult decisions that they have avoided over the past four years.

The review will undermine the Executive's claim that they were providing stability and strategic vision by producing a four-year draft Budget. I find it difficult to assess the draft Budget, as we do not have a Programme for Government. The Executive have failed to produce one. That means that there are no objectives, outcomes or targets against which the Budget can be assessed. It makes very optimistic assumptions about assets sales based on an unlikely uplift in the property market. It also includes ideas to raise funds from the social housing sector and Belfast harbour. That is rather speculative, may not be practical and may require further legislation. There are too many questions about the draft Budget to approve it without major changes.

We have to look at the context in which the draft Budget was drawn up. It obviously has been dictated by the Tory cuts to the Northern Ireland block. Although we accept the need to reduce public borrowing, the Government's proposals are reckless, vindictive and ideologically motivated and will create severe problems for the Northern Ireland economy. The Government argue that there is no alternative, but many economists, including a number of Tories, suggest that the proposed cuts are in danger of driving us back into recession.

The Tories claim that the cuts are fair and that everyone must share the pain. That is clearly not the case, as the recent report from the Institute for Fiscal Studies (IFS) pointed out that the Budget is regressive and will hit the poorest hardest, particularly those with children. Like

so many previous Tory Budgets, it is focused on cutting services to the poor, the elderly and the vulnerable, and instead of imposing taxes on the banks and financial institutions that caused the financial crisis, the Tories have increased VAT, the burden of which falls heaviest on those on low incomes. Similarly, the cuts in welfare, housing benefit, disability allowances and tax credit will have the greatest impact on the most vulnerable. According to the IFS, it is the most regressive Budget in generations. The fact that we in Northern Ireland are more dependent on public services means that we will suffer disproportionately. It is important that we do not follow Tory-imposed policies blindly.

George Osborne has claimed that the Budget has protected poor families from cuts. The IFS disagrees, pointing out that the welfare cuts mean that working families on low incomes, particularly those with children, are the biggest losers. It will also have a dramatic effect on the regions in the UK, such as Northern Ireland, that are more dependent on public services. The policies have little to do with the economic situation but are based on ideology and hostility to public services. A cut to the Northern Ireland block grant is based on that ideology and totally ignores the impact that it will have on our economy.

The Budget deficit has provided the Tories with an opportunity to attack the public sector. They are committed to reducing public sector services, and Osborne has admitted as much. The public sector is not an awful waste of taxpayers' money, which some Tories seem to believe, but is there to provide a safety net and essential services for the young, elderly, disabled, poor and most vulnerable members of our community. Unfortunately, in Northern Ireland, a high proportion of people rely on public services, and we will be worse hit than other areas of the United Kingdom.

The cuts set out in the comprehensive spending review are easily the deepest and most sustained cuts to public expenditure since the Second World War. The Budget was based on a number of assertions that the cuts would help the economy to grow and that public sector cuts would lead to private sector growth.

The reduction in public borrowing is dependent on economic growth, but, to date, there is no evidence of that occurring. In fact, the evidence is to the contrary. The most recent growth

figures, which were published in January, are appalling and fully justify my prediction last June that the cuts would lead to a double-dip recession. That is likely to happen in the next quarter, when the full cuts and tax increases come into operation.

The Government's policy is a perfect example of Tory ideology taking precedence over common sense. It is like a medieval doctor bleeding patients in the hope that they might recover, when, in practice, that is more likely to kill the patients. The Tory strategy depends on economic growth, while the policies that have been introduced effectively reduce demand in the economy and cut growth. The figures raise even more questions about the credibility of the Northern Ireland Budget. If the cuts cause the GB economy, which was moving steadily out of recession, to return to negative growth, they will clearly have a disastrous impact on our economy, which has not yet moved out of recession.

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 was 0.4%. The projected growth for the whole year was less than 1%. That indicates that the economic recovery is extremely weak and must be treated with care. In addition, growth in the economy has been limited to the service sector, and construction continues 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, 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, as I believe it will, we may be back into recession.

The report showed that economic activity was extremely low and that there was plenty of spare capacity in the economy. In 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 a third. That is reflected in the level of unemployment, which rose for 27 consecutive months. The rate of job losses has been much more severe here than in the rest of the United Kingdom, and the Ulster Bank suggests that unemployment will not peak until 2012. Therefore, the economic climate in which we are

presenting the Budget is one of negative growth and increasing unemployment.

The welfare reforms introduced by Westminster will have a further negative effect on the local economy. Reform of the national welfare system is a major issue for Northern Ireland, because the local Executive have no control over national changes to benefits or tax credits. As the local population is more dependent on welfare benefits than in other UK regions, the overall expected cuts of up to £20 billion in welfare payments will undoubtedly have a disproportionate effect on our economy.

The Northern Ireland economy is not capable of taking further cuts at present. Although the cuts are necessary in the longer run, they will have to be phased in. It is important that we get out of the recession first. We are in extreme danger of ending up with a double-dip recession. Tory 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 much larger public sector than other parts of the United Kingdom, and that will, therefore, lead to disproportionate reductions in services.

Since the previous Budget in 2007, the economic situation in Northern Ireland has been transformed totally. The economic climate has changed from boom to gloom. During that period, decisions were made that, with hindsight, do not seem to be priorities. The Assembly took a number of decisions, one example of which is the freezing of the domestic rate. That has cost us £50 million. The introduction of free prescription charges cost £15 million. The abolition of industrial derating could have saved £160 million. Free bus passes for the over 60s cost £12 million.

All those things are desirable and, in a perfect society, we could all support them. However, given the change in circumstances, we have to review some of those decisions. We have a situation —

### 7.15 pm

**Lord Morrow:** I thank the Member for giving way. I was very interested and listened carefully to what Mr Wilson said in relation to free prescriptions, free bus passes and all the other issues that he outlined and said were very desirable in a perfect society. Perhaps those

were not his exact words, but that is what he was trying to tell us. Since I suspect that most of us live our lives in an imperfect society, I would be interested to hear him tell us whether he supports the measures, or where he stands on the matter. Maybe he is coming to that point, but I am interested to hear him deal with it.

**Mr B Wilson:** I thank the Member for his intervention. The point that I am trying to make is that we made those decisions before we got into the economic crisis. Perhaps we would not make those same decisions now. We have an ongoing situation with Northern Ireland Water, and we have deferred doing anything about it. We could have saved over £1 billion if we had cut out the subsidy for Northern Ireland Water. Many of the decisions that have been taken by the Executive to date have reduced the amount of money available for other services. The decision not to impose water charges has meant that less funding is available for health and education. Although a rates freeze is politically attractive, it is totally unacceptable if it has to be paid for by a reduction in healthcare for the sick and elderly. Many of those decisions will have to be revisited after the election.

If we look at the proposals in the Budget and the departmental allocations, I am concerned about the cuts in education and the impact that the reduction in the DEL budget will have on the number of students who can attend higher education. I am particularly concerned that there are no details regarding the level of student fees and how that will impact on students, particularly those from poor backgrounds.

Although I welcome the Minister acknowledging the potential of the green new deal in the draft Budget, he appears to be using it as a smokescreen for cuts to other green initiatives. The Minister has set aside £4 million a year for green new deal initiatives. That is grossly inadequate, but the Green Party welcomed it as a first step in the right direction. However, we now learn that the £4 million will be funded by cuts in other projects, including some that have the potential to help to deliver some of the objectives of the green new deal.

First, we were told that the green new deal would be funded by revenue raised from the plastic bag tax, which we have advocated for many years. Then DOE announced £4 million of cuts to environmental enforcement measures,

which are helping Northern Ireland to comply with EU directives. We were told that that money would be allocated to the green new deal. Then the Minister scrapped the rates relief scheme, which would have provided support for people who wanted to insulate their houses. Again, we were told that that money would be redirected to a green new deal fund.

Insulating houses is a priority in the green new deal, so the Minister is simply giving with one hand and taking away handfuls with the other. Investing in insulation would create jobs, help to tackle fuel poverty and reduce carbon emissions. Some 400 people have taken advantage of the rates relief scheme since it was introduced. The scheme appeared to be working and delivering on the potential of the green new deal, so I cannot understand why the Minister has chosen to scrap it. Very specific projects are to be scrapped —

**The Minister of Finance and Personnel:** I will respond to the Member now because he does not usually turn up at the end of debates. The rates relief scheme amounted to £150 per household, but the cost of administering it was £2,500 per household. I am sure that the Member would think it much better to spend the money to deliver services on the ground rather than on administration. Perhaps the Member could bear that in mind. When the scheme ended, I made it quite clear why it had ended: it was because administrative costs far outstripped payments to households. I would rather direct money to energy-saving measures than to build up a vast administrative structure in my Department. I would have thought that the Member would welcome that.

**Mr B Wilson:** I certainly welcome that explanation. However, no matter what new scheme is introduced, it will still have administration costs.

Very specific measures have to be scrapped. There has been the promise of a green new deal to appease the green lobby, which now includes the Confederation of British Industry, the Institute of Directors, environmental groups and trade unions, yet there are absolutely no details on how that money is to be spent. The Minister has moved some money around and, seemingly, removed some money entirely. It is not a green Budget. It will do little to help Northern Ireland's position as a leader in the new green economy. Of course, the Minister has a record and has

not been particularly forthcoming in supporting green initiatives.

Other Members referred to the budget for Invest NI. It causes me considerable concern because growing the economy and creating jobs remains a priority, which, obviously, it should be. However, the reduction in Invest NI's budget will mean that it will not have sufficient funds to support the foreseeable number of new investment projects. We are at risk of missing available job creation opportunities.

**Mr Boylan:** I seek some clarity. The Member sits with me on the Committee for the Environment. We talked about the green new deal and supported funding of £4 million for it. He wants more. In the next breath, he talks about creating jobs, yet he sits on the Committee with me and knows that there is a possibility that 300 jobs will go across the board in the Planning Service. That will delay planning decisions and, therefore, economic growth. I want clarification on exactly where the Member wants the money to go when he knows that there is a possibility of job losses. If jobs are lost in the Planning Service, that will create a backlog in planning decisions. He still looks for money from the Budget for the green new deal. Will he clarify where a balance can be struck? Does he support job losses or job retention?

**Mr B Wilson:** In no circumstances do I support job losses, particularly the loss of skilled jobs in the Planning Service. Those people could be better deployed elsewhere. I have no problem with that.

I want to refer to my main concern about the Budget allocations. I find it particularly depressing that people now use the health budget to score political points. Basically, the health budget is fundamental to society's welfare. It should not be used as a political football. We should listen to the concerns of the Chief Medical Officer. I have no political axe to grind with anyone on the issue. I speak as an economist and as someone who has had a long interest in health economics since I was first appointed to the Eastern Health and Social Services Board in 1981 and sacked by Mrs Thatcher four years later. My concerns about health spending began with the previous Budget, when health received an increase of only 2.6% while the NHS in England was given an increase of 4% in real terms despite not having the same waiting list problems that we had here. That

2.6% increase was the lowest for many years and compared badly with the average of around 8% over the previous five years of direct rule.

The direct rule Ministers gave us 8% for the health budget, and the devolved Government have given us 2.6%. In practice, given the demographic trends and the fact that NHS inflation is significantly higher than basic inflation, the 2.6% increase was, at best, a freeze in overall expenditure.

The 2007 Programme for Government included new programmes to reduce the suicide rate, promote healthier ways of living, halt the rise in obesity and implement the long-delayed Bamford report. However, the Budget did not provide any additional resources to fund those programmes. The Appleby report, which was based on need, looked at the standard of care in Northern Ireland compared with that in England, and it identified a shortfall of £500 million in health spending over the CSR period. Therefore, not only would we have lower standards of care, but the gap between entitlements and expectations in Northern Ireland compared with those in England would continue to widen. He concluded that access targets and waiting times here would not match English levels in the foreseeable future.

When I voted against that Budget, I warned that it would mean cuts in the National Health Service and lead to job losses and longer waiting lists. That has come about, and it will be accelerated if we accept the draft Budget.

The differential in health expenditure between Northern Ireland and England has reduced significantly in recent years. A recent study shows that, taking account of age profile and deprivation levels, the Health Service in Northern Ireland requires 10% more resources per head than England owing to the higher levels of need. The differential in 2007 was 4%, and proposals for 2008-09 totally eroded it.

Efficiencies can clearly be made in the organisation and delivery of the Health Service. I believe that there have been significant improvements in recent years. There are, without doubt, opportunities to make further savings, but they will not have a significant impact on overall health spending. Fundamentally, the Health Service is underfunded, yet it is faced with new demands daily, despite being unable to meet existing demands, such as the implementation of

the Bamford report. The fact that Bamford's recommendations have not been implemented and mental health is still grossly underfunded is a disgrace to any society.

I will now speak about potential savings and alternative forms of revenue raising. I agree with what Mr Beggs said about the dualling of the A5. It should at least be downgraded. To spend £675 million on such a road cannot be justified, given its usage. The Green Party has opposed that scheme since 2009, when we had a long and detailed discussion with environmentalists and local landowners. The scheme is disproportionate, will destroy the natural habitat and severely impact on agriculture in the area. Significant savings could be made by downgrading that scheme.

Savings could also be made on local government reform. I am not clear about how much for that is in the Budget. I declare an interest as a member of North Down Borough Council. For the past year, it has been clear that the original drivers for the review of public administration cannot be achieved. The main driver for reform was to be savings to the ratepayer. Those savings cannot be guaranteed in the present economic state, so it would be irresponsible to spend £118 million that we do not have in the Budget to fund the changes. However, I emphasise that it is essential that we review all our priorities, policies and decisions that were made in the good times. There should be no sacred cows.

If we are to work within the block grant, we must revise our priorities and consider alternative sources of funding. We should seek additional powers to raise tax and, in particular, to introduce a local income tax to replace domestic rates.

### 7.30 pm

The current draft Budget highlights how little control we have over our Budget, which is almost wholly determined by a formula set by Westminster.

Rates are one tax over which we have control, and the Executive could consider a supermarket tax similar to that proposed by the Scottish Government. That involves increasing the business rates on large retailers with a rateable value of more than £750,000. That would apply mainly to supermarkets and out-of-town retail parks. As well as raising extra revenue, it would

support small traders and town centres. If it encouraged people to shop locally, it would also be more environmentally friendly.

The tax would help to rebalance the disadvantages faced by small businesses as supermarkets take advantage of size and economies of scale — an advantage beyond the reach of small businesses. An increase in tax on big business reduces the strain on small business, levels the playing field and promotes competition in the market. It would also compensate for the delay by the Assembly in introducing PPS 5, which limits out-of-town shopping.

The Executive must revisit the options for funding government services. They must review all options, particularly income-based alternatives such as local income tax. That would clearly be fair, because it is based on the ability to pay. It would also mean that non-taxed householders contributed to funding. Other options include local sales tax, service tax, land value tax and green taxes, which would help the environment as well as raising revenue, based on the principle that the polluter pays.

The Green Party believes that the Assembly should acquire tax-raising powers so that all increases in public expenditure are not met solely from a property tax paid by the ratepayer but from a basket of taxes. We must re-examine our priorities, reconsider our previous decisions and ensure that scarce resources are allocated in the most efficient and effective manner.

The Green Party believes that the Westminster cuts agenda is ideologically driven, economically illiterate and will have a disproportionate effect on the poorest in Northern Ireland and the rest of the UK. We reject the Executive's decision simply to implement the cuts, and we are particularly concerned about the impact that they will have on health, education and the green new deal. The Executive should consider alternatives to cutting vital local services, revise the draft Budget to reduce those cuts by incorporating progressive ways to raise revenue and ensure that the wealthiest pay more and the poorer pay less. In the longer term, we should be looking at obtaining flexibility in our tax system so that we are not solely dependent on the block grant determined by Westminster.

**Mr Elliott:** You will be pleased to know, at this time of the evening, that I will cut my remarks somewhat shorter than I had planned. I knew that the Finance Minister would appreciate that.

In fact, I had a discussion with him about it earlier, and he promised that, if I did, he would give me some £200 million — maybe — for a project. Hopefully, he will stand by that.

Earlier, Mr O'Dowd, who is not in his place now, said that no party or Member had come up with an alternative Budget at this stage. He must not be listening to what is happening in Committees and being said in the Chamber, because people are putting forward various options and proposals. Proposals come forward all the time in Committee meetings. A consultation period is meant to be about options, proposals, and so on, and, as I understand it, we are in the midst of such a consultation process.

It is a question of priorities. At some stage, it may come down to a town getting a new road or a new hospital. Those may be some of the difficult decisions that have to be made. However, unless the Executive and the Assembly develop and agree a proper Programme for Government with a proper overall Budget, it will be difficult for them to progress. Had that work been done much earlier, we would not have been here so long tonight debating the Budget Bill.

There is a huge responsibility on the Executive, led particularly by the First Minister, deputy First Minister and Finance Minister at the Executive table, to bring forward those proposals to the rest of the Executive members in a much more timely manner so that there can be much broader agreement.

Detail about the social investment fund and the social protection fund is very limited. I look forward to getting much more detail on those funds, just to hear of the areas where they may be spent and the criteria that are needed to qualify for them.

The OFMDFM proposals suggested 3% efficiency savings for some arm's-length bodies. I am concerned that there is not a much more in-depth look at all quangos, arm's-length bodies and commissioners to establish whether we can cut out a number of them totally without just making efficiency savings. A number of them are not much use to the Province. At least a third, if not more, of those bodies could be easily taken out of commission. That would see significant savings for the Assembly and Executive, and the money could be utilised in much better ways.

It was also very disappointing that the Barroso task force did not produce what the Executive

and Assembly hoped it would produce and develop. If we had had much better outcomes from that, we would have had a much better Budget outcome as well, because clearly those are the areas where we need the investment. We did not accomplish any of that as far as I am aware. There were very high hopes for that, which did not materialise.

Those are a few of my initial thoughts at this stage of the evening.

**Mr McGlone:** Go raibh maith agat, a Cheann Chomhairle. At this part of the evening, most people will be obtaining brevity — from me, anyway — rather than adding to the length of the debate.

The focus of what I am about to say is derived mostly from my capacity as Deputy Chairperson of the Environment Committee and as a member of the Committee. There are concerns that, as a consequence of the Budget, the Department of the Environment is anticipating a reduction of 150 staff, in addition to a previous reduction of 150 staff which departmental officials indicated would be achieved through redeployment or secondment to other jobs in the wider public sector, early retirement, routine retirement and resignation.

They and many others are very concerned that there could be further jobs losses and that the Department does not have an adequate handle on its budgets. A clear example of that came during a presentation by departmental officials to the Committee when they introduced projections for a plastic bag levy. A proposed levy on single-use plastic bags was to be introduced by the Department of the Environment and used by the Department for environmental projects. We saw estimates for a possible £4 million raised by that levy for which there is no legislation in place. On three consecutive occasions during a projected and prepared presentation to the Committee on a private Member's Bill, the Department was not ready to have its officials attend and elaborate on the Bill with regard to that levy. So: no legislation as yet, no projected £4 million raised, no environmental programmes and no other funds identified to support those programmes. We have a budgeting process at the Department around legislation that is not in place and which may not be in place, and that there will be projected cuts of £4 million for key environmental projects.

That is 'Alice in Wonderland' budgeting with money that is not there and is not likely to be there in the lifetime of this Assembly. You often wonder to yourself why that was ever put into a consultation document on the Budget.

Further concerns have been raised around the impact of funding on non-governmental organisations. It is extremely important that we refer to those organisations, because, quite often at less cost than their public sector colleagues, they provide a valuable service in biodiversity and in protecting the environment. They have an overview of what the Department of the Environment is doing and work alongside it to protect our environment and, indeed, our biodiversity.

I turn to the other part of the Department, which is to do with planning. We need to have more efficient planning decisions. I have read some of the preparatory briefing documents that were provided to us by the Quarry Products Association, which feels, and rightly so, that the introduction of further costs through planning fees, including additional costs to the applicant for an environmental impact assessment, will not raise more money for the Department. That should not be seen as a money-making exercise, because it will inhibit and act as a handbrake on the progression of planning applications through the system.

We need to see more investment projects getting started, and we need to see the green new deal being pursued to create low-carbon buildings and to stimulate the local economy. That is where the stimulus will come from. Those of us who have been out and about in the constituencies liaising and consulting with, and working on behalf of, small businesses know where the real growth of the economy will start and where the shoots of that growth will be; among the small and medium-sized enterprises. The indigenous and locally based enterprises need our encouragement, they need our support and they need our investment with the limited budgets that we have.

**Mr Boylan:** The Member sits on the Environment Committee with me. Does he agree that we need to retain as many jobs as possible in the Planning Service to ensure that the planning applications are processed and that the economy grows?

**Mr McGlone:** I entirely accept the Chairperson's point. The Chairperson has been a strong

advocate of us getting a model on how that operation will function. Local government will want to see the outworkings of that model. The Chairperson is correct to point out that we want to see a more efficient Planning Service to deliver on planning applications.

We need to make sure that business is supported and facilitated to help re-establish employment in our constituencies. I speak as a representative of Mid Ulster — some other representatives from the constituency are in the Chamber — where the construction sector has been badly brutalised as a result of what has happened to world economies and, as a consequence, our local economy.

I accept that some key capital projects in the Mid Ulster constituency are going ahead, such as the policing college, which is eventually taking shape. I want to place on record my thanks to those Ministers who have facilitated that project, because, not only does it advance policing for the region but it brings about key investment and more jobs and support services. It is important that that acknowledgement is placed on the record. We want to see that project moving as quickly as possible towards fruition to have good policing in the region and to support our local economy and jobs, especially those in the construction sector.

I thank all those Ministers who were helpful in advancing the project, but I have to say that the Minister of Health, Social Services and Public Safety has not been particularly forthcoming in helping to see the project progress. That has been obvious from a series of Assembly questions that have I put to the Minister of Finance and Personnel and the Minister of Justice and from other meetings that have taken place.

Members will be glad to hear, at this time of the evening, that I am bringing my remarks to a conclusion.

**The Minister of Finance and Personnel:** Hear, hear.

**Mr McGlone:** Thank you, Minister. I need to put down a few markers for my conclusions on the draft Budget.

#### 7.45 pm

The SDLP feels that the draft Budget has no plan for rebalancing the economy or for economic development, and it needs a rethink in that regard. It will also potentially place over

9,000 public sector jobs at risk. Thousands of vulnerable people will also face benefit cuts by 2012. I realise that a good part of that is driven from Westminster, and I pay tribute to my colleague Alex Attwood for the work that he has done with Westminster to try to alleviate the worst excesses of those benefit cuts.

The draft Budget also creates the potential for hospital closures and new medicines and medical facilities, such as the cancer unit at the Altnagelvin Hospital, being unavailable to patients. There is no robust strategy for job creation, but I realise that, in a very supportive role, the Minister of Enterprise, Trade and Investment was particularly helpful with a number of individual projects in the Mid Ulster constituency.

There could conceivably be less independent scrutiny of government. I refer specifically to the reduced funding for the Northern Ireland Audit Office, and the consequential effect that that may have the Public Accounts Committee. The draft Budget will also see a massive drop in the building of social housing, potential construction job losses and 100 schools will go without repairs or new buildings.

All of that, coupled with the potential introduction of student fees at £5,750 a year and the scrapping of the education maintenance allowance, does not augur well for our future. Much more creative thinking is required on those issues, and that is why the SDLP put forward its concerns about the draft Budget and highlighted some of the thematic areas that must feed into it. Thank you, Mr Speaker and the Minister also.

**Ms Purvis:** I appreciate the opportunity to speak on this very important topic. The reality of the economic situation in which this country finds itself is stark. The cuts in public spending will be deep and enduring, and, as was outlined earlier, the potential for a double-dip recession is very real.

There is a very real chance that young people in Northern Ireland, of say 20 years of age, may not hold their first proper job until they are at least 30, and that is based on the opportunities that are available for young people at present. Women in Northern Ireland will quite possibly work in lower paid positions in the public sector, and there is a very real chance that they will face redundancy in the four years that are covered by the draft Budget. Children who are

born in this Budget cycle will have less access to resources in health and education to support and enhance their lifetime opportunities.

The draft Budget will reduce living standards and increase poverty in Northern Ireland. No sector of our society will be untouched, and we will all feel the impact. This is a time for very dedicated, creative and strategic thinking and planning, yet there is little evidence of any such approach in the draft Budget. The economic strategy and proposals for job creation that will be critical to minimise the impact of the draft Budget are unfinished. There is a rhetorical commitment to invest in and support a robust local economy and to identify new funding streams, but how that will be achieved has not been fully worked out.

Revenue streams appear in some departmental spending plans, almost out of nowhere. There is talk of a reduction in corporation tax, but no clear explanation of how that will unequivocally lead to job creation. Indeed, that seems to be the recurring theme for the draft Budget, with rhetorical commitments to key goals or objectives and insufficient evidence or detailed consideration of how they will be achieved.

A more disturbing example is the apparent failure by Departments to truly consider the impact that the draft Budget will have on the most vulnerable, although that is not in the gift of the Minister of Finance and Personnel. Although there has been an extensive verbal commitment to protect those who are most at risk in a very tight Budget cycle, there is very little financial commitment to make it happen in the detail of the draft Budget.

From what I can see from the draft Budget and the departmental spending plans, section 75 obligations have largely been approached as a box-ticking exercise, rather than the critical analysis of the impact that Executive decisions have on those in our society who are already at a disadvantage in accessing opportunities.

For example, I have been lobbying the Executive for several months to introduce children's budgeting into their processes so that we can have a clearer idea of just how much those spending and savings plans will impact on the life chances and opportunities of our children and young people. Unfortunately, that analysis has not been conducted by the Executive, although I note that the issue of children's

budgeting is on the agenda of the next ministerial subcommittee meeting.

What we can see on the surface is sufficiently disconcerting. Families with children are already under strain from the real costs of inflation and increased VAT, and, in addition, they will bear a good portion of the impact of the proposed tax and benefit changes. That was outlined earlier by Mr Brian Wilson when he referred to the report by the Institute for Fiscal Studies.

Reductions in the health and education budgets will further diminish the services and supports available for this generation of children and young people. Thousands of families are further impacted by the lack of a meaningful investment in early years. We know that the dearth of affordable quality childcare in Northern Ireland is one of the main barriers to parents — primarily women — accessing the job market. At a time when the real value of wages is declining, redundancies are increasing and benefits are disappearing, there is absolutely no excuse for the Executive's inability to address the issue and remove that barrier from women's lives. Women will increasingly need access to the job market and greater flexibility than current childcare provision offers so that they can access any form of employment available to them at any time.

Our commitment to our children is further weakened by the anaemic draft child poverty strategy. Despite a legislative obligation to end child poverty by 2020, the strategy applies so many conditions to meet those obligations that it is, essentially, meaningless. The core belief of the strategy appears to be that child poverty can be addressed only in boom economic times, which is both misguided and inaccurate. There are no signs of a commitment to the child poverty strategy in the draft Budget. There is no clear indication of funding for the minimal initiatives that it proposes and no means by which to measure progress or gauge whether we are lifting children out of poverty.

Another thing that troubles me about the draft Budget is that there are no clear indications that Departments have worked together to create the Budget, nor are there any signs that it is connected to the other strategies that the Executive have produced over their lifetime. Where is the cohesion, sharing and integration strategy in the draft Budget? Where is the child poverty strategy? Where is the commitment

to end fuel poverty? Where are the elusive childcare and racial equality strategies, and where is the Programme for Government? The absence of that critical document strongly suggests that, rather than being a Budget based on strategic planning and thinking, the Budget is little more than a series of numbers that have gone through a negotiation process.

We are facing historic economic times. Most of us have not faced this level of economic contraction in our lifetime. This is not the time for an 'It'll be Alright on the Night' approach to budgeting. It will require incredible dedication and creativity to deal with those circumstances. It will also require some very real co-operation between Ministers in the Executive and a commitment to getting the Budget right right now, instead of going through the motions simply because there is an election on the horizon. That creativity, co-operation and commitment were all there when the banks needed assistance — the very banks that played a major role in creating these economic circumstances. Now, through this Budget, ordinary people are starting to pay the bill for the big bank bailout. They need that same level of creativity, co-operation and commitment, and they are expecting us to deliver it for them. I urge the Executive, who have repeatedly made a rhetorical commitment to protect the most vulnerable in our society, to ensure that there is actual money behind that commitment.

As the economy contracts and welfare support disappears, the categories of individuals who fit the description of vulnerable are expanding. It will be absolutely critical for all Departments to work together to ensure that we get maximum impact from increasingly rare resources. Revenue-raising must be creative and progressive. It is clear that those living on limited means will face the highest percentage loss of real income under the Budget.

They will have much less to give. Fees, increases in charges or rates must be fair, with the better off paying more, relative to income. More than finding new sources of income, this Budget must be about managing wisely what we have. We could do much better. For example, I would like to see genuine co-operation among Departments in the commissioning of services, particularly in planning and delivering programmes for children and young people, to ensure that support systems and services for our children and young people remain as

robust as possible and that there is minimal duplication and waste. A statutory duty —

**Mr Beggs:** I thank the Member for giving way. Does she accept that, since the demise of the children's fund and the Executive programme for children, there has been little evidence that such cross-departmental working and commissioning has been happening? It needs to happen so that all Departments recognise the benefits that come from early investment in preventative activity.

**Ms Purvis:** I thank the Member for his intervention; he is absolutely right. He was in favour of a statutory duty to co-operate among Departments when they are commissioning and delivering services, as that would cut down on duplication and ensure that services are delivered in a way that maximises the outcome for children and young people.

**Mr McGlone:** I thank the Member for giving way. I will pick up on the theme expanded on by Mr Beggs. Many community and voluntary organisations are paying the price of the withdrawal of the children's fund from the Office of the First Minister and the deputy First Minister. That is having severe repercussions on community and voluntary organisations, those dealing with children and on other community and voluntary organisations.

**Ms Purvis:** I thank the Member for his intervention; he is absolutely right. I am aware that the children's fund was scrapped because there was a pile of money left in it that was not accessed. However, we should have cross-departmental funds for which Departments can bid when there are cross-cutting themes, such as issues that concern children and young people.

For example, at Question Time yesterday I raised the issue of Home-Start with the Health Minister. Home-Start provides much-needed services on a volunteer basis; it can look after three families for £1,000 a year; and it helps children who are at risk of coming into contact with social services or of going into care. Home-Start scheme volunteers work with families and children to keep them out of care. The sums that they save the public purse, in the longer term, are critical. That is why such schemes should be funded and a cross-departmental fund for children and young people looked at again.

I urge all Departments to source and fund programmes based on outcomes. John McCallister talked about that earlier. Departments should not axe a service in a budget line item in order to come up with the right figures. Like other MLAs, I have watched as funding for small, relatively inexpensive programmes with very high impact disappear while funding for larger, more questionable, programming is preserved.

Preventative spending, which was touched upon by other Members, will be key over the life of this Budget. Many of the programmes now facing closure offer incredible value for money by preventing expensive health and social security crises later. I strongly urge Ministers to look at the real outcomes of the projects and programmes that they support and to work together to ensure that they are not blindly chopping off organisations' funding and thus damaging their ability to function and deliver services.

Perhaps the upside is that the economic crisis will force us to look seriously at the financial cost of division and the duplication of services and at the financial consequences of not directing sufficient resources towards community relations. Economic growth and job creation will be critical over the next few years. That cannot happen without serious investment in a shared future. Without a real and resourced cohesion, sharing and integration (CSI) strategy to tackle the divisions in our society and a clear understanding of the role that poverty plays in feeding and sustaining those divisions, we will not be able to attract the outside investment that we would like.

We will not achieve and maintain the stability that is required to embed and expand economic growth and, ultimately, to shift resources away from the very expensive results of sectarianism — in policing, housing, justice and other large cost-agency responses — towards sustaining prevention and equality of opportunity. Continuing division makes investment difficult and drives the best and most successful and talented members of our communities away.

### 8.00 pm

I encourage the Executive to think through genuinely what they are offering the people of Northern Ireland. What kind of society is really on offer through this draft Budget? What prospects for employment and economic recovery are

here? What do we really expect to happen to those on whom welfare reform will impact?

**Mr Callaghan:** Go raibh maith agat, a Cheann Comhairle. I am acutely aware of the fact that it has been a long 24 hours for very many of us, but I am not going to promise brevity if I cannot be sure of delivering it.

To me, it seems as though the draft Budget is really about lost opportunities. What is being proposed now, without allowing the public proper involvement in forming and shaping a new Budget for the next four years, is a lost opportunity. What the Assembly and the Executive have failed to do, over the past couple of years in particular, represents another lost opportunity.

As Members will know, I have been a member of the Committee for Health, Social Services and Public Safety since the end of November 2010. The Committee has looked at the draft Budget in a number of respects. Yesterday, my colleague Tommy Gallagher read into the record a number of SDLP proposals on how we think the health budget in particular could be better tested and probed. However, I do not think that anyone in the Chamber should vote lightly for a Budget about which such serious and grave concerns have been raised over its potential impact were it to go ahead unamended.

I wish to share with the House some quotations from John Compton, the head of the Health and Social Care Board for the North and the senior official in the Health Service here. On 13 January 2011, he told the Health Committee:

*“As currently presented, the draft Budget means that we will be short of £200 million in cash a number of weeks after it is confirmed.”*

He went on to say:

*“On 1 April 2011, we would need to be able to spend £200 million less cash, and that is what makes the situation so critical.”*

The officials from the Health and Social Care Board pointed out that 70% of the Health Service’s budget is spent on people’s wages and various other costs. Unless a lot of people are to be sacked on 1 April, those costs will still be there. Therefore, we are left to deal with services or charges. Those are the options that were put on the table.

The potential impacts on services were outlined to the Committee. The number of jobs that could be lost has been widely reported. We were told that new and better drugs for patients that would be available in England would not be available here, even though they were approved by the National Institute for Health and Clinical Excellence (NICE) under clinical excellence guidelines.

We were told that there could be rationalisation of community care packages and domiciliary care. We were given the example of someone who is entitled to 15 hours of domiciliary care a week perhaps having to wait two months to get any domiciliary care, which, if it is provided, will be for five hours rather than 15 hours. We were told that there could be longer waiting times. Despite the progress that has been made in reducing them, waiting times, not just for particular specialist procedures but across the whole range of surgical and other medical interventions, would shoot up from nine-week and 13-week targets to 52 weeks for various everyday medical procedures.

We were told that there would be a significant impact on health and social care funding for the voluntary sector. We all know from our own experience the vital role that, from a cost-effectiveness and long-term, wise investment perspective, the voluntary and community sectors play in the Health Service.

Perhaps most stark of all — to me, at any rate — is the prospect of unplanned, short-notice closures of medical facilities. We were given the example of how a hospital ward or A&E department could close at as little as one hour’s notice because there would not be medical staff on hand to provide a safe service if there were no proper provision for locum or other emergency staff when the regular staff are sick or otherwise unavailable.

Anyone who is contemplating voting for the draft Budget unamended, or even only mildly amended, should do so only having given very serious consideration to the frightening potential impacts on health and social care here that have been outlined to us for the next four years.

**Mr P Ramsey:** Does the Member agree that the most important issue facing people in the north-west is anticipation and waiting regarding the radiotherapy unit? We know the consequences, and we have heard briefings. The Speaker and all the Members from Derry visited the

City Hospital last week to see the provision and facilities there for people across Northern Ireland. We know now that 10% of people in Derry who have cancer have to travel there three or four times a week for four or five minutes of radiotherapy. The distress and travel times involved are an absolute disgrace.

Does the Member agree that no games should be played with this important subject and no question marks should be placed over it? The costs of the radiotherapy unit should be absolutely inescapable. It will provide not only for the city of Derry but for the north-west. Some 1,000 people from our area who currently travel to Belfast will receive the service at Altnagelvin. Some 350 people from Donegal will get the service at Altnagelvin. I appeal to the Finance Minister — through the Member — to use his influence on Executive colleagues. It is an absolute disgrace and a crying shame that we cannot go ahead with the unit despite having the capital investment — 50% being paid by the Irish Government — with 30% of the revenue being paid by the Irish Government.

**Mr Callaghan:** I concur wholeheartedly with the Member's remarks. I am on record expressing similar sentiments in the House. A further point is the absolutely essential nature of the radiotherapy centre at Altnagelvin, not only for the future treatment and care of people in and from the north-west of the country but for people across the whole of the north of the island. If treatment is not available in Altnagelvin, those people will still have to travel to Belfast. However, we are told that there simply will not be sufficient capacity in Belfast. Therefore, everyone in Northern Ireland who suffers from cancer over the next number of decades will be affected. That point should be strongly received by everyone in the House. I will come back to it towards the end when I talk about issues that concern the north-west specifically.

I will deal with some of the wider issues relating to the draft Budget. On a number of occasions during today's debate, we heard about whether the SDLP provided various figures or any ideas. Unfortunately, Mr O'Dowd is not here at present. However, if I hear that again, I can threaten only to read into the record the April 2009 'New Priorities in Difficult Times' or our 'Partnership and Economic Recovery' documents, both of which are publicly available. I was disappointed, but not entirely surprised, to hear that some Members had not read those. All of us should

take an interest in ideas that other parties put out on an issue as important as the future of our country and our Budget over the next number of years.

I said at the start that this is about lost opportunities. To some degree, we have lost two years by trundling along with a substandard Budget that was no longer fit for purpose and was designed at a time when economic prospects in the North, around these islands, in Europe and globally were very different to what we have experienced since the recession bit families and businesses very hard. Various SDLP Members mentioned different measures from those SDLP papers, particularly from the earlier publication because it has been in circulation for such a long time, that have not been pursued. I need hardly rehearse them, but certain issues that were not mentioned in the debate are worth mentioning. Why do we have junior Ministers who cost taxpayers a lot of money but seem to deliver few outcomes? Why do we need such a bloated Executive Information Service? Why have we not imposed a pay cut on senior civil servants of 5%, as the SDLP suggested, or a comparable figure? Why do senior civil servants benefit from free car parking in Belfast? That runs against good economic and environmental principles, and we are supposed to be trying to get people out of cars and on to public transport, bikes and other sustainable means of transport.

We have published a raft of ideas that could be taken on board. Why does the public sector still own car parks that are prized assets? I accept that there is some impact from disposing of capital assets in a depressed property market. However, where there are ongoing business concerns in public hands, with a practically guaranteed revenue stream, now would be a good time to release receipts from those, because investors are seeking that type of investment. The money raised could be put into other projects and programmes that are stuck for cash.

The Odyssey complex is a major entity in Belfast. I am sure that all Members, even the less trendy ones, are aware of its existence, as it has been there for quite some time. We talk about probing and testing the draft Budget and every potential source of revenue, and I would like to refer to the Odyssey Trust Company Ltd accounts from 2009. The company, as I understand it, is a charity that

exists to serve the public interest. It was set up with the transfer of significant value in public landholdings. At the time, the value was certainly into the millions of pounds and possibly even into the double-digit millions of pounds. In many ways, it seems to have been left to deal with its own affairs since the transfer of those assets.

In 2009, it spent more than £500,000 on 12 members of staff. We could take an average, but what is really interesting is that, in 2008, three of those staff earned between £70,000 and £80,000. A year later, however, one member of staff earned between £80,000 and £90,000, a further member of staff earned between £90,000 and £100,000, and a third member of staff earned between £110,000 and £120,000.

At the same time as those salaries were reported, the charity said that its cash-at-bank total was £38,130,695. I can break that figure down further. Just over £11.5 million was in unrestricted funds to meet the ongoing needs of the charity. Have we tested the potential for recouping that sort of money? The amounts held against actual and contingent future leasing costs of the property were more than £22 million. That type of potential revenue needs to be probed and tested because, in comparison with some of the other pressures on the draft Budget, these are not insignificant funds.

I and my party colleagues want to know whether, if there is money there, we will test it and go after it. When only £20 million can be made available for a hardship fund, — hardship, as a result of welfare cuts, will affect the most impoverished and vulnerable people in society — we must ensure that money that would help those vulnerable people is not lying in a bank doing nothing for society.

### 8.15 pm

Not far from the Odyssey lies Belfast harbour. Yesterday and today, there was some discussion about the harbour and about a proposal, which was mooted in our aforementioned document from April 2009, to yield value from it. The Minister of Finance and Personnel seems to be a bit more open now about pursuing moneys from the harbour. However, in 2009, his party colleague Edwin Poots, the current Environment Minister, responded to our call in 'New Priorities in Difficult Times' to go after some money held by the Belfast Harbour Commissioners for wider public benefit by saying:

*"Given that the Port of Belfast is a key part of our infrastructure, it would not be wise to prevent its progress by taking resources away from it." — [Official Report, Bound Volume 40, p336, col 2].*

Last night, the Finance Minister said:

*"Under the existing rules, projects may attract money from the Harbour Commissioners. If that is not possible, we have two years to change the law." — [Official Report, Vol 61, No 3, p295, col 1].*

The Finance Minister now seems to have bought into the fact that it is a good idea. So, if it is a good idea today, why did the Minister of the Environment not realise that it was a good idea two years ago? Of course, there could be a disagreement between him and the current Finance Minister. Maybe the Finance Minister can tell us whether he has discussed that with his party colleague, the Minister of the Environment.

There has been a further lost opportunity in that the Finance Minister is now talking about writing in two years to this Budget process if there is a legislative requirement to change the statute to take money from the Belfast Harbour Commissioners. The obvious point is that if that decision had been taken when we first mooted it 22 months ago, we would be only two months away from being able to yield that money. So, unfortunately, that is another lost opportunity.

Earlier, Mr Farry of the Alliance Party talked about the potential for North/South co-operation, and he hit on very many useful points. There is massive potential for mutually beneficial co-operation between those two parts of the island without any hindrance or hurt to anybody's political ideology, national identity or any other consideration. Of course, many of the things that are discussed in the House are cross-border projects. The A5 and the A8, for example, are cross-border projects instigated during direct rule, and the radiotherapy centre at Altnagelvin is a cross-border capital project, and they are all beneficial to those on either side of the border. However, they are just the start of what is possible. There could be much more shared procurement, many more shared services and, particularly in areas such as health, very many more shared specialisms as we try to secure and develop world-class expertise on the island.

A scoping study was done on the potential for further collaboration and co-operation in health and social care between North and South,

but, unfortunately, we are still awaiting the publication of that document. As far as I know, it has not even been discussed at the Executive. However, Ministers may correct me on that if I am wrong.

**Mr McDevitt:** I thank Mr Callaghan for giving way. On the point about the North/South feasibility study on health services, will the Minister, in his summing up, confirm to the House whether he has had sight of that document? It makes 37 recommendations on efficiencies in procurement, service planning, capital planning and treatment services on a cross-border basis, particularly in the border counties but also between the two major cities of Dublin and Belfast. Will the Minister confirm whether he has had sight of that and whether he thinks that it takes a common sense approach that is in line with the conversations that he had recently with the current Minister of Finance in the Republic of Ireland, Brian Lenihan, and those that I am sure he will wish to have with the next such Minister?

**Mr Callaghan:** I thank the Member for his intervention. It seems that telepathy is one of his attributes, because that is precisely the request that I was going to put to the Finance Minister. I will certainly look forward to hearing his response in his conclusion.

Given what I have already articulated about the A5 and the A8, it almost goes without saying that transport, in its broadest sense, is an area in which there could be much better co-operation, not just through joint services but through joint procurement, the sharing of expertise and experience on both sides of the border, and various other things.

The business community is also hungry for further co-operation between the two Administrations. That community sees a lot of duplication and red tape for companies and sole traders doing business on both parts of the island, particularly, though not exclusively, those along the border corridor. From my constituency experience, I know that that is a particular issue for many family firms in the north-west and, I am sure, other parts of the border corridor. For example, such people may have two or three shops or small manufacturing facilities, one on either side of the border, and they face various difficulties in dealing with two different systems and whatnot. It is true that some of that cannot be dealt with by this Assembly. However, many

of those issues can be dealt with, and that is something that we could usefully try to address somewhat better.

People in Derry and the surrounding areas are keen to further our subregional issues. I am particularly mindful of the north-west gateway initiative. It certainly seems to me and my party that a north-west gateway fund, with money contributed by the Dublin Administration and the Belfast Administration, would be a very useful way of addressing some of the particular issues that are faced by that part of the country. Unfortunately, this Budget is strong on one thing: reinforcing the silo mentality that has continually failed our constituencies and communities right across the region. A north-west gateway fund would be one way of addressing that. As Mr Beggs mentioned on a number of occasions today, there are other areas in which cross-cutting funds would be very helpful.

The children's fund was a very productive and precise way of dealing with many of the issues that affect children and young people across the different Departments' respective responsibilities. However, it was abolished and has not been replaced in any authoritative and comprehensive way. To be fair, the Department of Health, Social Services and Public Safety, which may have failings in other areas, did step up to the plate in that area in comparison with other Departments. However, many of the promises that were made then, for similar moneys to be made available but divvied up through departmental channels, have not been fulfilled or lived up to.

On the point of cross-cutting departmental approaches, every Member of the House should consider that allocating money through the traditional departmental approach largely serves the interests of the system, whereas allocating money to funds that are then subject to bids coming up from the grass roots better serves our constituencies and communities. Such funds can co-operate and develop their own partnerships, and are better placed to know their own needs and requirements. A cultural change from what is in this Budget back towards a cross-cutting model would be useful, at least in part. Undoubtedly, that would lead to better outcomes.

There has been so much talk of healthcare in the context of this budgetary debate. An obvious issue is that of obesity, which was mentioned

on the radio today, and the challenges that that will bring evermore. Although obesity already is an issue, it is going to become more and more of an issue given the number of overweight and obese children and adults. That will become a huge drain on the health system and will have all sorts of other effects, not just on physical and mental health but across a stream of other activities and across society.

Obesity is an area that could ideally be addressed by a cross-cutting approach. Clearly, aspects of the problem must be addressed through healthcare, but other aspects could usefully be addressed through education and various other means. We need to move beyond offering platitudes about how government is working well and actually make government deliver better.

Having spoken about funding and funds, I will turn to the social investment fund. That is a bit of an Orwellian description, I think. People might have their own descriptions of it, but it epitomises everything that is wrong with the draft Budget that is before the public and under consideration by the House.

The working class and working families are going to be, and have been, subject to savage welfare cuts coming from the London Administration. The Minister for Social Development, Mr Attwood, who is my party colleague, has primary responsibility for tackling poverty and disadvantage here. He put forward proposals seeking £130 million to address that issue over four years. I am entirely at a loss to understand how, bearing those facts in mind, the draft Budget puts forward £20 million in one year to mitigate all the welfare hardship that will hit the poorest and most vulnerable families in this region and, at the same time, earmarks £80 million across the four-year period for a fund, the purpose of which is unclear and the criteria for which are definitely unclear. In the dying days of this shoddy public consultation process, we still do not have a page of detail about how that fund is going to work. It is very clear that communities, including many of the most impoverished nationalist and republican communities in my city and elsewhere, have real concerns that it is a slush fund, that people have already been given secret briefings about the fund, and that there is not, in fact, equality of opportunity around what is going on here.

When the moral guardians of the Alliance Party are telling us that the draft Budget is worth recommending and supporting, I find it difficult to believe how anybody with any true integrity could stand over something like this. If people are really serious about tackling extreme poverty, whether on the DUP, Sinn Féin or Alliance Benches, they should realise that neighbourhood renewal and other established programmes are the way to go about doing it.

**Mr McGlone:** For those of us who represent constituencies with ever-increasing levels of unemployment, does the Member accept that now is not the time for secretive funds to be set up for select organisations, and that now is the time for real investment in meaningful jobs to get people back into work and to ensure that the root causes of poverty are addressed by proper, meaningful and paid employment?

**Mr Callaghan:** My colleague Mr McGlone makes a valid point. What is most insidious about this so-called social investment fund, this crony slush fund, is that, ironically, it delivers elitism back into our public administration, albeit elitism designed by people who would protest to be anti-Establishment. These are the same people, in Sinn Féin and elsewhere, who would tell us that elitism and privilege cause conflict. It did, it never justified violence, but it certainly caused conflict and inequality.

**Mr Humphrey:** I am grateful to the Member for giving way. I listened to his earlier contribution, which was similar to the one that he has just made. He spoke about secretive funds and select groups being targeted for that money.

I have absolutely no idea what the Member is talking about. Perhaps he could enlighten the House. I have had meetings with your Minister, I represent an area with considerable deprivation and many interfaces, and I assure you that, from the unionist side of those divides, no secret deals are being done and no groups are being identified for money. If you know who they are, please tell us because I have no idea.

### 8.30 pm

**Mr Callaghan:** The Member could usefully have some discussions with the DUP's new-found friends in Sinn Féin because they might be in a position to tell you —

**Mr Humphrey:** I asked you.

**Mr Callaghan:** I reiterate my point: the fact is that it is a secretive business —

**Mr Humphrey:** On a point of order, Mr Speaker.

**Mr Callaghan:** I will allow the Member to intervene in one moment.

**Mr Humphrey:** It is a point of order.

**Mr Callaghan:** I have not heard the Speaker.

**Mr Speaker:** Order. Mr Humphrey wishes to make a point of order.

**Mr Humphrey:** On a point of order, Mr Speaker. The Member has twice made allegations about secret groups being targeted with money. I ask him to name those groups because, on the unionist side, they simply do not exist.

**Mr Speaker:** Order. It is really up to the Member, even after taking an intervention, to decide whether they want to respond to it.

**Mr Callaghan:** It certainly was not a point of order.

At the very least, rather than looking at this from the old zero-sum point of view, the Member should not just be concerned because of what I have said; surely he should be concerned by the very fact that, unless he knows something that I do not, he does not know what the money is for. Nobody out there in the community has been told what purpose it serves.

**Mr McGlone:** Somebody has.

**Mr Callaghan:** That is quite right.

This is not the sort of new politics that we need. It does not deliver equality. For people who supposedly espouse republican principles, Wolfe Tone would be dismayed by the proposal and James Connolly would be disgusted by it.

**Mr Speaker:** Order. I have allowed some latitude around the Bill, but we are straying far away from it. I remind all Members to try to deal with the Budget Bill and the business that is before the House.

**Mr McGlone:** There is a figure of 1798 in there.

**Mr Callaghan:** That is right. I will not confuse things by talking about 1798, 1916 or anything else, Mr Speaker.

In my constituency, another group of people who are dismayed — *[Interruption.]*

**Mr Speaker:** Order.

**Mr Callaghan:** Before I move on to that, the Member could usefully check the Hansard report of today because a Sinn Féin Member named two entities — one in my constituency and one in West Belfast — during the debate. Perhaps he should ask her whether they have been given secret —

**Mr Humphrey:** Will the Member give way?

**Mr Callaghan:** I certainly will.

**Mr Humphrey:** I was in the Chamber when the Sinn Féin Member did that. I asked you about areas in unionist communities in North Belfast, which I represent. I have had meetings with the Minister for Social Development and SDLP members across the constituency, and I have no idea what you are talking about.

**Mr Callaghan:** I am happy to let the Member make his own assertion about his knowledge. The real issue is what other people know and what they are not sharing with everybody on an equal footing, but I will move on.

Another group that is dismayed by the Budget is small-business owners. I think that it was Brian Wilson who mentioned the issue of rates and the rates burden. People have a real sense of injustice because they are being crucified with exorbitant rates as they run small businesses in city centres such as Derry. Some small traders have told me that their rates bills have increased by over 250% in the past three years, when, as they see it, there is an almost unstoppable expansion of out-of-town multiple retail developments.

Those out-of-town developments do not pay rates at the same level, and they have all sorts of other advantages, such as accessibility. I endorse much of what Brian Wilson said on that point, and it would be useful to explore further what we could do to properly rebalance the rates burden so that it favours smaller traders, who are trying to keep town and city centres vibrant and alive. Perhaps some effort could be put into raising rates in out-of-town environments for large multiples in order to offset the rates burden for small traders, particularly those who invest in their properties and businesses and, more generally, in urban regeneration.

Finally, I will deal with some issues in my constituency. Pat Ramsey mentioned the huge

concern in the north-west about the radiotherapy centre at Altnagelvin, of which, Mr Speaker, you are well aware. As I said, not only is it a very important project for Derry city and the wider north-west area, on both sides of the border, but it is an essential part of future cancer care provision for everybody, from Dungloe in County Donegal to Downpatrick in County Down. If the radiotherapy centre does not go ahead, there will be serious and potentially life-threatening consequences for people across Ulster and, indeed, outside it. People in the north-west in particular, but also elsewhere, will find it extremely difficult to forgive politicians who would sacrifice a major capital project for the sake of what, in the bigger scheme of things, is quite a small revenue contribution down the line. I echo other colleagues' call that games should not be played with that issue. We need a resolution. Whether that can be reached on the basis of current arrangements or whether the Executive need to step in, there must, nevertheless, be a resolution.

I spoke about cross-cutting funds. In the past decade, in Derry and elsewhere, one of the most useful programmes — one of the few things that has actually delivered an economic stimulus and growth — has been the integrated development fund, which, although it was accessed in a number of areas, could have been bigger and made available to more areas. As a result of that fund, in Derry we have a world class robotics centre at Magee; the airport road upgrade, which could not have happened without it, is about to open; we have world class research at the C-TRIC facility at Altnagelvin; we had investment in the Faughan Valley tourism projects; and we have various other key projects that have helped to secure and create jobs. Unfortunately, the Executive decided to abolish the integrated development fund. At the time that decision was announced, I remember reading reports in the newspapers in which the deputy First Minister spelled out all the successes of the fund, including those in the Foyle constituency, when, at the same time, he was signing its death warrant. That struck me as utterly illogical, although not entirely surprising when we consider the economic competence of the Administration. It is not too late to revisit that type of idea, particularly given that we have disadvantaged areas in which particular problems could be addressed usefully.

Of course, Mr Speaker, as you very well know, being a cultured man yourself, Derry as City of

Culture is coming up in less than two years. As has been mentioned in the Chamber and elsewhere, some Departments have made bids to secure money. As far as I know, DSD is the only one to have actually secured money. Indeed, its bid may have been the only one.

Particularly people in the north-west, but those who are interested in the City of Culture as something which will contribute to regional life, the regional economy, and nationally on both scales, want that year to be the best possible. People will be shocked that no identified priority is given to it in the Budget. That is something that, again, needs to be usefully reviewed before any Budget for the next four years is set. Nobody wants the wonderful opportunity of City of Culture not to be fully seized and for our city and our region not to shine as brightly as they possibly can.

The expansion of the University of Ulster campus at Magee is, without doubt, an essential big-ticket item for the future economic prosperity of the north-west, and what is good for the economy of the north-west is good for the economy of this whole region and island. In many ways, more prescient Members will see that there is a basket of matters that we need to deliver on for the north-west over the next few years. There is, at the very least, doubt and concern about whether the current budgetary provision for employment and learning, in particular, will definitely deliver the kind of step up and added value that we need in Magee to turn Derry into the type of university city that it can be. We all know all of the arguments about how important a large third-level education institution is to ensuring prosperity over a number of years.

Over the past 40-odd hours of debate in the House, I have not once heard the Bain report mentioned, although I will grant that I have not been here all of the time. Outside Belfast in particular, many people, not least public sector workers who do long commutes in and out of the city, as well as other public transport users who share the burden of daily journeys, would like to see some movement on Bain. The Bain recommendations on public sector job decentralisation are not something that we should just leave to chance by passing a Budget for four years, locking ourselves into a framework and then, after the next election, hearing Ministers say: "There ain't no money in the Budget, guv."

We need to have better strategic approaches and planning for those types of issues, which brings me back to the point that was made by a number of Members during the debate. Not having a current Programme for Government for the whole period of the Budget when setting the Budget is a difficulty, but that is not to say that you should not try to foresee some of the issues that must be addressed and deal with them as best you can.

Mr Speaker, earlier, I mentioned 1916, and the road from Derry to Dungiven has a link to 1916. I am sure that you are waiting for this. In 2008, that road was categorised by Roads Service as being in the preparation pool. I understand that to mean that it would be completed or at least under construction within five years. We are now three years beyond that, and this Budget will take us two years beyond the end of the period of —

**Mr Speaker:** Order. We need to be careful that we do not end up discussing a full four-year Budget. That debate will happen later on, in another sitting, so let us be careful. *[Interruption.]*

Order. I agree with some of the Member's comments concerning the north-west. I agree with those all right. *[Laughter.]* However, let us be very careful. We are almost now straying into discussing a four-year Budget, so be very careful.

**8.45 pm**

**Mr Callaghan:** Is that not what we are talking about?

**Mr Speaker:** No, we are certainly not talking about that tonight. It is not about a four-year Budget.

**Mr Callaghan:** One way or the other, it is fair to say — *[Interruption.]* Do not worry; I am near the end, Mr Speaker. *[Interruption.]*

**Mr Speaker:** Order.

**Mr Callaghan:** The fact remains that we have a Budget and we are now told that the Derry to Dungiven dualling project will not be completed or even started. Not a sod will be turned. That is not conducive to the prompt delivery of the future economic prosperity of the north-west and, again, that is a major failing and flaw in this Budget. I refer Members once again to the various alternative proposals and propositions

that we have put forward, which mean that that type of failure to deliver does not have to be a *fait accompli*. We can do things differently.

The Minister of Finance said earlier today that we have to learn how to live with the cuts imposed by London. As I said at the time, that is the wrong approach to take. That approach does not best serve our constituents and our communities, and we need to be more ambitious and aim higher than that. We need to learn how to deal with this crisis in our Budget, and there are proposals on the table. It is not too late to improve the Budget, and it is time that every party in this Chamber —

**Mr McCallister:** Will the Member give way?

**Mr Callaghan:** I will.

**The Minister of Finance and Personnel:** On a point of order, Mr Speaker. If I promise him the money for the A6, the A5, the City of Culture, Altnagelvin and cross-border initiatives, will he sit down?

**Some Members:** Hear, hear.

**Mr Speaker:** Order.

**Mr Callaghan:** I will be happy to hold him to that promise. I make absolutely no apologies for speaking up for people in my constituency, and I hope that the Minister of Finance and Personnel takes on board the points that he has been listening to very attentively. Mr McCallister, did you want to intervene?

**Mr McCallister:** No, the Minister beat me to it. *[Laughter.]*

**Mr Callaghan:** I am sorry to disappoint you both. I was actually in my final sentence. *[Interruption.]*

**Mr Speaker:** Order.

**Mr Callaghan:** It is time that we stepped up to the plate and did better.

**Mr B McCrea:** I am grateful to the Member for warming up the audience so well. Rarely have I heard such a detailed announcement. However, I will try to be brief. Mr Callaghan said that he would not be brief; he certainly did not disappoint us on that bit. During debates such as this, we sometimes want to get points across, and I want to deal with a particular issue. I do not wish to detain people for too long. However, for some clarification, I wonder

who would have said: “I do not want to be seen as pleading a special case for Northern Ireland, or saying that we should be exempt from the disciplines that exist in other parts of the United Kingdom. That is why, on the determination of the budget in Northern Ireland, I have argued that what has happened to the block grant as a result of the Barnett consequential — the Secretary of State talked about it being a good deal, but actually it is not a particularly good or bad deal; it is the kind of deal we would have expected to get, given the settlements that have been made for other Departments across the United Kingdom.”

**Mr McCallister:** Will the Member give way?

**Mr B McCrea:** I will in a moment. I want to finish this little bit. I wonder who would have said: “I and my party have not joined in the siren calls to ‘resist the Tory cuts’ and to ignore what is a reality.”

That might help. I wonder who might have said that.

**Mr McCallister:** My guess is that it is probably the Minister of Finance and Personnel. I caution my colleague from Lagan Valley, considering that, before he rose to his feet, the Minister of Finance and Personnel offered him for Lisburn a city of culture, a university, a harbour and an airport if he kept his speech short. Therefore, he may not want to upset him too much.

**Mr S Wilson:** How do you get a harbour in Lisburn? *[Laughter.]*

**Mr McCallister:** The River Lagan.

**Mr B McCrea:** Mr Speaker — *[Interruption.]*

**Mr Speaker:** Order. The Member must be heard.

**Mr B McCrea:** That is what is wrong with this place. There is no sense of can do. It is always “no we cannot”. I want a harbour for Lisburn, and I think that we should get it.

**Mr McCallister:** You have a river.

**Mr B McCrea:** We have a river, but it was nothing to do with the Minister of Finance and Personnel. That river was there before he got the job.

There is an issue, because, as certain colleagues said, it was the Minister of Finance and Personnel, Sammy Wilson, who made

those remarks at the Northern Ireland Grand Committee and continued:

*“Departments in England and in Great Britain have had certain reductions made to their budgets. As a result of the Barnett consequentials, those reductions feed through to Northern Ireland, so we have to live with those budgets.”*

I cannot understand why Members on the DUP Benches challenge the Tory cuts when the Minister of Finance and Personnel accepts them. In his words, he said that the deal was neither good nor bad and that it was a Budget that we should accept. Therefore, I cannot understand why, when I look at the health budget, it appears that per capita spending is different from England and Wales. For the first time, England will be above the per capita spend of Northern Ireland.

Furthermore, I do not understand why, when we look at the education budget, we see nothing but destruction. We have not talked about that in as much detail, but there will be redundancies. It is said that the Department of Education has the worst outcome of all Departments. I do not understand when I look at the budget for the Department for Employment and Learning and see the difficulties that it faces. When I go through all of the budget cuts, I do not understand why we seem to be worse off than other regions of the United Kingdom.

I want to deal with an issue, which I put out to Members from the DUP and Sinn Féin. To those Members who talk about resisting cuts: where were you when the votes were taken? Were you in the Chamber or were you in Westminster? *[Interruption.]*

**Mr Speaker:** Order.

**Mr B McCrea:** I am quite happy to take interventions from anyone who wants to bring it on now. Let us just see what you have got, or you can sit there and cower on the Back Benches, because we will expose your —

**Mr Speaker:** Order. The Member should not point. The Member can point at me if he wants.

**Mr B McCrea:** Thank you. I appreciate that direction, Mr Speaker.

Why, on 7 June 2010, did the DUP vote with the Conservatives to defeat an Opposition amendment criticising the Liberal and

Conservative Programme for Government? If the DUP was so set against the Tory Programme for Government, why did it defend those plans? On 8 June, the DUP voted with the Conservatives to defeat an Opposition amendment to the Queen's Speech. That amendment would have registered a protest on Conservative plans for the economy. If the DUP was so against the Government's plans, why did it defend them? On 7 July, the DUP voted with the Conservatives to oppose an Opposition motion that noted concerns over the emergency Budget.

When I hear all the tripe about opposition to Tory cuts, it shows me that the DUP says one thing in another place and another thing here. Although I am not talking about anyone in particular, it seems to me that we are not speaking with any form of clarity on the matter.

**Mr McLaughlin:** Had the Ulster Unionist Party been fortunate enough to have had anyone elected at the previous Westminster election, would the Member's party have gone into the Lobby with the Tories to vote to impose those cuts?

**Mr B McCrea:** I am interested in that point, with which I agree. *[Interruption.]*

**Mr Speaker:** Order. Let the Member be heard.

**Mr B McCrea:** Thank you, Mr Speaker. I agree that we face a serious financial reality. The Finance Minister said that for every £4 that we spend in the United Kingdom, we borrow £1. That is not sustainable. We have to do something about it. *[Interruption.]* I am happy if other Members wish to intervene and stand up and be heard. I do not know whether Members can hear with clarity what I am saying. For every £4 that we spend, we borrow £1. That is not sustainable. We will have to find ways of making cuts and efficiencies. *[Interruption.]* Is there a problem with the word "cuts"? People here shy away from doing what has to be done, and I do not like that. We need open, transparent and real debate.

**Mr Weir:** Will the Member give way?

**Mr B McCrea:** No, I will not give way. *[Interruption.]*

**Mr Speaker:** Order, order.

**Mr B McCrea:** Mr Speaker, I will gladly give way.

**Mr Weir:** With reference to the last question, can we take that as a yes?

**Mr B McCrea:** I thought that I was going to be savaged, but it was more of a limp-wristed effort. This party criticises others for doing exactly what it says. The DUP voted with the Conservative Party when it had the opportunity not to do so. That is the real issue. If you want to talk about serious Programmes for Government, you need inclusive debate. You need to ensure that you extract the details and can make real decisions. The problem with the draft Budget in all its guises is that it is rushed and light on detail. We do not know what the implications are. Therefore, we cannot make decisions on it.

It is a candyfloss draft Budget: pink, sickly and fluffy. I expect that we will start making the hard decisions after 5 May. This is a draft Budget to get certain parties through an election; it is not a draft Budget for the people of Northern Ireland. *[Interruption.]*

**Mr Speaker:** Order, order.

**Mr B McCrea:** I am happy to take interventions.

**Mrs Foster:** Is it not the case that the two Ministries held by the Member's party have not provided the detail, so it is those Ministers who have been light on detail and not those from other parties?

**Mr B McCrea:** I am glad that I initiated some dialogue on that matter because I have difficulties with the details that have come through on the education budget. There are other budgets, and the point that I think —

**Mr Storey:** Will the Member give way?

**Mr B McCrea:** Yes.

**Mr Storey:** I thank the Member for giving way. Earlier, the Member seemed to assert that the issue with education was the result of some deal between us and Sinn Féin. He tried to make the assertion that he had been kept out and that he was not aware of all that was going on. I challenge the Member to tell the House if, at any time when I had anything to do with education, I excluded him. Was there ever a situation about which I did not keep him informed? Will he clarify the situation, or was he just trying to score cheap political points to try to get through the election because he knows that that will be a big task for him and his party.

**Mr Speaker:** Please address your remarks through the Chair.

**Mr B McCrea:** It is hard to prove a negative.

**Mr Speaker:** Order, order. Allow the Member to be heard.

**Mr B McCrea:** In conclusion, the issue with the draft Budget is that there seem to be a number of individual budgets.

I support collective discussion, openness and transparency. The issue comes down to the Programme for Government. I would like to find a way to do what is right for all the people of Northern Ireland. On that basis, I will rest my case.

### 9.00 pm

**Ms Lo:** Members will all be delighted to hear that I am the last person to speak in the debate before the Minister. I promise that I will be brief — and I mean brief.

As Stephen Farry, my party colleague, has already given the Alliance Party's general response, I will just mention briefly a couple of points on the DSD draft budget. I am concerned about the social housing development programme. Its budget allocation allows for only around 4,000 new homes to be built in the next four years. In 2010-11, we hope to build nearly 2,000 new homes. In 2007, the Semple review recommended that we build 2,000 homes a year over five years to address the housing shortage. Therefore, the draft budget's plan to build 1,000 new homes a year nowhere near meets the demand for housing that exists now, with more than 30,000 people on the Housing Executive's waiting list.

The draft budget's anticipated capital receipts for land and house sales each year for the next four years is about £100 million per annum. Is that realistic, given that, in 2009-10, receipts were only £18 million against a baseline of £69 million and, in 2010-11, the forecast is only £2.2 million against a baseline of £13 million? It is, obviously, a far cry from the expectation of realising £100 million a year for the next four years.

It appears that any extra funding for housing depends on the idea of getting contributions from housing association reserves. Minister Wilson suggested that £20 million per annum could be obtained in that way. I feel very sorry

for the Minister. He has been sitting there for two whole days listening to all of us gurning about the Budget. However, he suggested an amount of £20 million a year, which is £80 million in total over the four years. While I accept that there is, perhaps, scope to make better use of housing association reserves, how realistic is it that we will get that money? Minister Attwood said that the £80 million is an arbitrary figure that was produced without consultation.

The Northern Ireland Federation of Housing Associations maintains that reserves are for maintenance of homes during their entire economic life. They are for paying back loans and safeguarding against future risk. Housing associations are charities. They are independent of the Government, who have no legal power to extract reserves from them. In a recent e-mail to us, housing associations offered to take a 5% cut on the housing associations' grant over the next four years, which will give us £15 million. However, obviously, that is well short of the £80 million that has been mentioned. Therefore, if the projected capital receipts are not realised and housing associations' contributions are far less than the anticipated £80 million, the social housing programme could have a serious shortfall over the next four years, similar to that which we faced over the past four years.

**The Minister of Finance and Personnel:** At this stage, I suppose that I could make everybody happy by saying that we had this debate last night and I gave my answer then, so thank you very much and goodnight. I will not. I have no intention of doing so. However, I thank Members. Considering that Members gave up romantic evenings with their loved ones last night, I thought that nobody would want to say anything in this debate today. However, I had forgotten that some Members did sneak off last night and had their candlelit dinners, and they have come in today to go through the whole procedure. We have been here since 10.00 am. We will try to do a 12-hour stint. Let us see what happens.

It has been a wide-ranging debate. I think that some Members have not understood what the debate is about. The Member for South Belfast Conall McDevitt does a lovely line in patronising Members. In fact, he did about an hour and a half of it during the debate. If he is going to patronise us, I would love to think that he would at least get his facts right before doing

so. I want to put my comments in the context of what the debate is about. He started off by saying that, had there been a more collegiate approach, had the Executive listened to the SDLP and had we read both versions of its tedious documents — the one from 18 months ago and the one from —

**Mrs Foster:** 1916.

**The Minister of Finance and Personnel:** Yes; 1916. Had that happened, we would have had no need for accelerated passage of the Budget Bill, because we would have had a Budget Bill well prepared in advance, and we could have been working at it from September. I do not know whether he listened to what I said at the start of the debate. Clearly his party leader did. She was on-message, but he was not. Let me remind Members what the Budget Bill that we have been talking about all day is about: it is giving us the legal authority to spend the cash that we used over 2010-11. That cash altered right up until the February monitoring round. The Bill will also give us the ability to spend the cash, which was voted through on the Vote on Account, for the first number of months in the next year, so that we have continuity. Given that we had reallocations of money right up until the February monitoring round, how could we possibly have had this Budget Bill done and dusted and through Committee and everything else in September? Mr McDevitt got lots of other things wrong. I want to come to those later, because there were so many. I want to put it on record that that is what the debate and the Budget Bill are about.

The fact that the Bill is going through by accelerated passage is not a sign of failure. I know that the Member is looking for all kinds of failures. Indeed, that is all we have heard all day from the SDLP. It is not a sign of failure by the Executive if they agree something. At this stage, we have to get the Bill through quickly for it to get Royal Assent, so that we can spend the money next year. I will do a bit of patronising now, Mr Speaker. Now that the Member has got a lesson in that, he will not repeat the same mistake the next time.

**Mr Storey:** I would not bet on it. It is the SDLP that you are talking about.

**The Minister of Finance and Personnel:** I would not bet on it either. I will go through some of the points that have been raised by Members during the day.

Mr McKay, the Chairperson of the Finance and Personnel Committee, raised a number of issues. I will deal with some of those points. The first that he raised was the fact that he would like to see more fiscal powers devolved to the Assembly. I think that Mr McLaughlin and others also raised that point. Indeed, the Chairperson of the Committee, Mr O'Dowd and other Sinn Féin Members talked about how we have to shake ourselves free of the British Exchequer and of Britain's control of our budgets. I know that Sinn Féin Members may have their republican ideals and everything else. However, I have to say to them that, at a time when we have a deficit in public spending of £7.5 billion and not much chance of closing that from local revenues, wanting to break free of what they call the shackles of fiscal chains from Westminster is a very dangerous road to go down. First, as a unionist, I would certainly not want to go down that route, and, secondly, as Finance Minister, I would warn against it for people in Northern Ireland.

The deficit is likely to get larger as we go through this Budget period. Simply having tax powers devolved to Northern Ireland is one thing, but we need to ask what taxes we would raise to fill that deficit. Through the discussions on corporation tax, we know that there will always be a bill attached to it and that it is not always likely to be in our favour. That brings me to the point that the Member raised about corporation tax. Whether we should reduce our corporation tax is an important strategic issue that we have had to discuss in the Executive and the Assembly. My view is very clear, and I have made it clear time and time again. Despite the eagerness of the Secretary of State to rush us into that, I think that, as an Assembly, we need to be careful. We need to examine the price tag and other options closely. I know that the Minister of Enterprise, Trade and Investment has suggested many other things that ought to be included in any document that deals with rebalancing the economy and that may focus the allowances and reductions in corporation tax without leaving us with the same tax bill as Westminster would impose on us. Of course, not only do we need to look at that, but we need to look at phasing it in, at the costs of that if we do it over a period of time and at an early engagement with the European Commission. Before we go down that route, we have to make explicit what the benefits and costs are going to be. Anybody would expect that from any

responsible politician. To date, we do not have that information available to us.

Mr McKay and a number of other Members raised the issue of the Altnagelvin radiotherapy unit. That raises an important issue for the Assembly, and it throws the ball back into the Health Minister's court. That is because, depending on what audience he has been speaking to, over the Budget period, the Health Minister has had different priorities for the capital budget for health. Whenever he goes to Dundonald hospital, that has the priority, because there is a sewer or something running through the middle of a building. However, whenever he goes to the Royal, that has the priority, and whenever he goes to Londonderry, Altnagelvin has the priority.

The Minister may tell me, as Finance Minister, that he has a priority and that he wants it included in his capital budget. If it is a priority, he has to find the money for it within his revenue budget. People cannot say that something is a priority in their capital budget and then, when they get the money, say that, by the way, they have not planned for how they are going to run it. In the case of Altnagelvin, of course, we must remember the important point that we also have the contribution from the Government in the Irish Republic, not just for the capital costs but for the running costs. That relates to the point that Mr Farry made, and I will be a bit more explicit about that later on.

### 9.15 pm

As a unionist, I have no difficulty with the idea of the Executive co-operating with the Government in the Republic to look at how we can share facilities. Of course we will look at that if it makes economic sense and improves services for people along a land border. It is particularly galling that the Health Minister says, first, that that is a priority and, secondly, that he has some finance available from the Republic for the capital and running costs and then says, "By the way, I have not made it a priority in my current spending". Maybe that is part of the dysfunction that we see with health spending.

Lord Morrow asked whether Barnett consequential applied to the Department of Justice even though its budget is ring-fenced. The answer is yes. The whole point of ring-fencing the Department of Justice budget and keeping it separate from our own Budget was that, in doing so, the Government at

Westminster were then obliged to give us a package of measures that included access to the contingency fund, protection for EYF and money for some of the compensation claims — hearing loss etc.

The SDLP plays a dangerous game when it says, "Let's interfere with that ring-fencing. Let's take £7 million from the Department of Justice". In doing so, they open the door for the Treasury to say, "Well, if you believe that you have sufficient money to go into the Department of Justice budget and to take money out of it, then you do not need the money that we have promised". There again, we see the kind of shallow thinking contained in what is supposed to be a well-thought-out policy and amendment that the SDLP brought to the House.

Mr Morrow also raised the issue of the contingency fund and whether the Department of Justice and the police could have access to it not on a yearly basis but on a committed basis for the next four years. The police made a very good argument for that. They said that as far as they are concerned there is a threat. It is agreed nationally that there is a threat. The security services say that there is a threat. The security services have been financed for that threat. The police are saying, "Look, rather than have year-on-year applications to that contingency fund, if we had access to it for the four years that would enable us to plan and spend the money in a better way". That is the debate that we have been having with the Treasury. All I can say to Lord Morrow about that is that my officials, in contact with Treasury officials, have made very good progress on that issue, and we look forward to a positive outcome for the case that has been made.

Lord Morrow and other Members, including, I think, Mr McGlone, raised the issue of Desertcreat and asked whether it would go ahead. The capital funds are there. There is a dispute in that the Fire and Rescue Service element has not been settled with the Health Minister. I support what a lot of Members said about having a collegiate approach to the Budget. There is a failure to approach in a collegiate way even a simple matter such as that, even when the Health Minister knows that it makes sense.

We have training facilities that are totally inadequate and a training budget for the Fire and Rescue Service that is there anyway and

could probably be spent much more effectively in the purpose-built, up-to-date training facility that will be available at Desertcreat. Yet what do we get from the Health Minister? That money is available for the capital spend, but he is not prepared to supply the running costs. However, the running costs are already incorporated into his budget. How are Fire and Rescue Service personnel currently trained? Where does the money for that training go?

There are probably economies to be had from having all the training in one place. If the Health Minister were thinking ahead, he would be looking at the prime site occupied by the Fire and Rescue Service on the Boucher Road. That should not be used for dealing with car crashes, burning fires and parking fire engines; it is a prime retail site. Surely to goodness, looking ahead, a capital receipt could be had from that. What do we have next door to that? We have Health Service warehousing — in the middle of a prime retail site. So, with a bit of forward thinking, there are opportunities to make savings, to gain capital receipts and to have proper training services for the Fire and Rescue Service.

Lord Morrow also raised the issue of the PSNI hearing loss claims. He said that he understood that the money for those claims had to come from the Executive. That was never the case; the cost was always to come from the police budget, which was financed for that purpose. The first £12 million is paid from the DOJ budget, and any claim after that is paid for by the Treasury. In 2010-11, there was a claim for £23 million, with £12 million paid by the Department of Justice and £11 million paid by the Treasury.

I now come to Mr Beggs and his points. He and a number of other Members raised the issue of funding to the Young Farmers' Clubs of Ulster. That issue needs to be taken up with the Minister of Agriculture and Rural Development. Given the amount of money involved and the fact that there is a lot of community return on it, I would have thought that something could be found in the DARD budget.

The Member also raised the issue of DARD headquarters moving and the fact that £16 million of capital had been allocated for it in the budget. As far as we are concerned, DFP has responsibility for estate management across the Northern Ireland Civil Service, and I would

expect the Agriculture Minister to be in contact with me first. If there were then a transfer of funding to DFP for the moving of DARD headquarters, a business case would have to be made, and only then would a judgement be made. That would be a call on the DARD budget.

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

Mr Beggs also raised the A5 and A2 roads projects and expressed some scepticism on whether the money being spent on the A5 was best spent given its usage. It is up to the Minister for Regional Development to prioritise those projects, and he has made the A5 a priority. There is £274 million coming from Dublin for the project, and the construction industry in Northern Ireland has welcomed that as an additional capital injection into Northern Ireland. However, there will be a public inquiry into the project, which will start in May. There will also be uncertainty about the budgetary arrangements after the election in the Irish Republic. That will have to be kept under review. Obviously, if the money from the Republic were not made available, given the size of the project, it could not be financed through the Northern Ireland Budget alone, and there would have to be a reassessment of the priorities.

Mr Beggs also raised the issue of improvements to the A2 at Greenisland. To date, £16 million has been invested in that project, so a considerable amount of public money has already gone into it. He and I share an interest in that project.

In the capital allocation to the Department for Regional Development, £24.4 million has been made available for next year, £22.5 million has been made available for 2012, and £8.2 million has been made available for 2013-14. However, I have to give a health warning again because, although the money is included in the capital budget, the priorities are set by the Minister for Regional Development. There again, lobbying is important, if Members wish those projects to be brought forward.

The Member also raised the issue of health funding in East Antrim and health centres in particular. I think that he is best placed to talk to the Health Minister. I hope he talks to his own colleagues more than he talks to me. There are good reasons to look at the health infrastructure in Northern Ireland, and small health centres could complement a smaller number of regional acute hospitals. That is

probably the way in which the health estate should go, yet, at a time when restructuring is needed and the Health Minister has been made aware that considerable savings can be made from that restructuring, it surprises me that that he wants to take money out of the capital side of his budget and put it into current expenditure. He should perhaps consider using some of his capital to restructure and make certain savings as a result.

Mr Beggs and a number of other Members raised the issue of job losses in the Health Service. We have been told that there will be 4,000 job losses, and I am annoyed at the way that that figure was thrown into the air. When challenged on that, the Health Minister said that it was a rough estimate. I suspect that he looked at his budget, estimated what the reduction in that budget would be, divided that by the cost of each nurse and came to the figure of 4,000 redundancies, despite the fact that he could make many other efficiencies. That figure might make a good headline for the Minister, but it ignores the fact that many of those who work in the Health Service are left wondering where they stand and whether their job is safe. That creates fear and uncertainty for which there is no need. When it comes to cuts, Ministers must be mindful of the impact that they have on people. It is easy to throw these things out. They may make good headlines, may start good discussions and may create a bit of leverage in their budgets, but it shows no consideration for those who are impacted by the bad news that comes from those statements, whether they are truthful or not.

We then came to the very long contribution by Mr McDevitt. We have all these sayings now like “White is the new black” and “An Astra is the new Mercedes”, and I think that Conall McDevitt is the new Declan O’Loan. He can certainly match his party colleague in the time that he can take up on the Floor. He started off with a misunderstanding of what the Budget Bill is about and then went on to show that he misunderstood many other things in the draft Budget. Last night, I accused the SDLP of engaging in a kind of fiscal feeding of the 5,000. That party seemed to suggest that it could cut £22.1 million from departmental budgets, and, with that, finance student fees, the Health Service, poverty, tourism etc. Brandishing his document, Mr McDevitt has tried to turn water into wine. *[Interruption.]*

It was “whine” with an h; the Member is absolutely right.

I want to go over some of the things that Mr McDevitt said. His first criticism of the draft Budget was that it lacked imagination, yet some of the things that he said stretched my imagination to the point that I felt that I was almost in a fantasy world. According to Mr McDevitt, the SDLP has published a cunning plan that will sort out all our troubles, fill the £4,000 million gap that has been left in our Budget and leave us with nothing to worry about.

### 9.30 pm

One has to look at some of the things that Mr McDevitt claimed. First, according to him, he has all these revenue streams in the Budget. He claimed that we can raise money. He talked about the mutualisation of water and how, if the water service were mutualised, we would not have to have water charges. He said that we could also have bonds — peace bonds or cross-community bonds — and could borrow £600 million a year. When Mr Farry challenged him on that, he said that it could not be done under Treasury rules at present, but that we will go to the Treasury with a special case: a special case for water; a special case for bonds; and a special case for borrowing. The whole point is that we got into this problem because we had too much borrowing. The Government are trying to cut borrowing. Is it likely that they will make a special case for a whole range of SDLP fantasy methods of raising revenue?

**Mr McDevitt:** Will the Minister give way?

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

According to Mr McDevitt, it should be easy because we got a £175 million borrowing arrangement for the PMS. Arlene Foster, Peter Robinson and Martin McGuinness could tell us just how hard it was to get that from the Treasury. It came after one and a half years of negotiation with the Treasury for one specific issue that will not be repeated. Nevertheless, Mr McDevitt thinks that we can raise hundreds of millions of pounds and go with special case after special case and that the Treasury will somehow exempt Northern Ireland from the public expenditure rules. I do not think so. That is the first hole in the £4,000 million that the SDLP is supposed to be providing for us.

**Mr McDevitt:** I appreciate the fact that the Minister has given way, and I thank him for his earlier clarification. He undoubtedly remains a very good teacher, and perhaps that is where his true vocation lies.

Will the Minister address the very large hole in the proposed revenue streams in the Budget? His departmental officials are saying that we cannot claim the £807 million that we are trying to claim. We are looking at something more like £262 million. Rather than critiquing the SDLP's revenue proposals, perhaps he can clarify why there is such a large hole already in his own revenue proposals and what consequences he believes that will have for our Budget.

**The Minister of Finance and Personnel:** There is not a hole in our revenue proposals. Let us look at our revenue proposals. First, we have an increase in the regional rate, and that increase will deliver. We can calculate the amount of money that will come from that. We have a sure one there. I will come to Mr Callaghan's contribution later; even the SDLP is not sure about its proposals on the regional rate. After listening to Mr Callaghan, we can identify another hole in the SDLP's proposals.

Secondly, we have revenue from Departments from the assets that they have identified and intend to sell. They are surplus to requirements and amount to £400 million. Those assets have not yet been sold, but Departments have identified that they are available for sale. We have no reason to overstate their price, because spending proposals will be based on their value.

According to Mr McDevitt, we have got ourselves into an interesting hole, in that we have identified assets — buildings and so on — worth £100 million that will go for sale and leaseback. If Mr McDevitt is saying that that is not a very secure source of revenue, perhaps he should read his own document, which predicts not that we could get £100 million from that source but £250 million. I have read his document more than he has. If that is the case, either the SDLP has overstated it, or it bears out the argument that I have making all along, which is that we have been prudent in the figures that we have put into the document. We have underestimated it, because I do not want to find, at the end of this period, that we have put stuff into the document that should not have been there or was not realisable. That is one of the reasons why that figure is reduced to that level.

The other source is where we have changed from current spending to capital spending. There is £252 million there. That is what the Executive have voted for. Some Ministers have said that they wish to reverse it. If that is the case, the figure will be changed, but only with the assent of the Executive and the Assembly. So there will be debate and discussion about that, and Ministers may make a case for change. I would prefer them not to, but, if they make that case, it must be changed only after due consideration has been given.

The other issue has been the income from the Port of Belfast, which is far, far less than the SDLP suggests in its document. Talk about double counting: the SDLP is not only going to get a dividend from the Port of Belfast, it will sell it. How they will sell it and get a dividend, I am not sure. We get either a capital receipt or a dividend. However, we have the best of both worlds with the SDLP I might want to discuss that with SDLP Members. How can I persuade the port to go into private ownership and then, on top of that, give us a dividend back so that we get a capital receipt and a revenue stream from it? Perhaps I can get an explanation of that later. Rather than talk about holes in our capital budget, if the SDLP is so good at identifying holes in budgets, how come this document got past the beady eye of Mr McDevitt? I do not understand that.

I have listened all day to how the SDLP could have solved all our problems for us. I have highlighted only a couple of the things that it has suggested. Let us take another one: the SDLP says that the sale of the airport at Londonderry could bring in £37 million. Maybe the SDLP is better at these things than we are, but we have just given Londonderry council £8.6 million for the airport because it runs at a deficit. The council could not afford to pay for the health and safety improvements. It predicts that the airport will run at a deficit for the next number of years, but it is prepared to take on that deficit. Here is an airport that will run at a deficit, but someone will pay £37 million for it. Again, I would like to know how that kind of figure is brought about.

**Mr McDevitt:** Those are two interesting points, and I appreciate the Minister giving me the opportunity to clarify them. If the Minister reads our paper, he will see that the Port of Belfast is landlord of a very large area that is not currently used for port services. The land is sitting there.

It can be disposed of, and there will still be a very profitable port doing port business. We can continue to take a dividend off that port. So it is not a question of either/or; we can do both.

As to the port and airport at Derry, I refer the Minister to page 47 in the paper, where he will see that it is not just City of Derry Airport, but the airport and the port. You must look at them as a package, which is an entirely different proposition to the one he very correctly identified in his remarks.

**The Minister of Finance and Personnel:** Well, I mean —

**Mrs Foster:** I thank the Minister for giving way. Would he care to comment on the fact that the Port of Belfast has just recently been able to secure a £40 million investment by a company in the renewable energy sphere solely because it has that land to offer that company, thereby bringing £40 million into the city of Belfast and into Northern Ireland?

**The Minister of Finance and Personnel:** I am glad that the Minister of Enterprise, Trade and Investment raised that issue, because it is exactly the point that I wanted to make. The Port of Belfast has other projects in the pipeline, but it believes that the land that the SDLP wants to sell off can be used to create jobs and bring in extra revenue and, therefore, is valuable for the future.

**Mr McDevitt:** Will the Minister give way?

**The Minister of Finance and Personnel:** Let me move on for a minute.

I was interested in the exchange of views. It is not for me to get involved in the row between the SDLP and Sinn Féin. I agree with and support the SDLP on this matter, because I am glad that it is moving away from the old left-wing rhetoric that it used to get involved in. There was an interesting exchange between Mr McDevitt and Mr O'Dowd on whether the SDLP supported privatisation. Of course, the argument was that the SDLP did not support privatisation except, maybe, for one or two little examples. I welcome the SDLP's move to the right. However, let us look at the document and the kind of privatisation that the SDLP wants to have. It wants to privatise car parks. Mr McDevitt explained that it was far better to put car parks in the private sector. The SDLP wants to privatise MOT centres, forests and the

headquarters of the Northern Ireland Housing Executive. It wants to privatise parts of the Port of Belfast, the Speaker's house, allotments and rate collections. I have it all noted down; well, those are probably a good enough start.

The SDLP is the party of privatisation, but, in fact, Mr O'Dowd hit only the tip of the iceberg. I am quite happy that the SDLP wants to move in that direction. Where there are assets that can be sold, of course we want to sell them. However, whether it likes to admit it or not, it is important to recognise that the SDLP wants to privatise the water service. Let me make this clear: if we are going to raise money for the capital required by the water service, an income stream guaranteed by the Government is not sufficient to escape Treasury rules. It must be an independent revenue stream, and the only one available is water charges. Let us not run away from the issue. If that is the route that the SDLP wants to go down, that is fine, but it should at least be honest about that.

The one comment that I have heard from the SDLP all day — I am nauseated by it — is that we need transparency. However, every time we try to nail down the SDLP on exactly what it means or where it is going, it wriggles away. I will come to transparency in a minute or two when I talk about Mr Callaghan. He is the most opaque of them all. I do not recall whether I was sleeping at the time. If we want transparency, let us be honest about the route that we are going down. The SDLP is the party of privatisation, and maybe that is a good step forward. However, in its conflict with Sinn Féin, the SDLP cannot pretend that it is more left-wing. The SDLP cannot pretend that other parties are Tories and it is swathed in the red flag to protect the workers' rights and so on. It is not the green SDLP that is hidden in its document; it is the blue SDLP. Its Members sit on the blue Benches, and that has done them a world of good.

**Mr McDevitt:** I never thought that the Minister would be so interested in and excited about an SDLP document. He is an economist of a certain generation who was taught a certain type of economics. We could debate the issue in and out all night, but the fact is that mutualisation guarantees that Northern Ireland Water will never be privatised because it puts it in the hands of the people of Northern Ireland.

The Minister may find it difficult to conceptualise that. He is from a generation that does not

exactly find co-operativism the currency of the day. His suggestion that there is a Treasury embargo or prevention on being able to treat a constant and guaranteed public revenue stream as a secure form of funding shows that he does not really know too much about bond markets. Bond markets do not care where the money comes from as long as it is guaranteed, which is what our proposal does.

**9.45 pm**

**The Minister of Finance and Personnel:** I just hope —

**Mr Deputy Speaker:** I remind all Members that interventions should be short and to the point.

**The Minister of Finance and Personnel:** Absolutely. Thank you, Mr Deputy Speaker. I hope that the Member has equality-proofed his last comment, because there was a touch of ageism in it. He said that I was of a certain generation. The SDLP is a party that talks about equality, the Equality Commission and everything else. If the Equality Commission looks at those remarks, he will be getting a visit from someone tomorrow morning.

I am interested in the way in which the SDLP has addressed this issue. It has talked about our proposals being vague, but the amendment that it proposed to the Budget last night could not have been any more vague. The SDLP has talked about our proposals being full of holes. However, having gone through the SDLP document, we have seen the holes in it at both a high and shallow level. In fact, the SDLP now denies even some its own proposals. In an earlier intervention, Mrs Kelly talked about the proposal to protect jobs first through a recruitment freeze and then a pay freeze. Her view was that, if we are not recruiting people, no new jobs will be created. Then, by Jove, what did I find when I turned to the SDLP document? The SDLP suggests that a way of saving jobs may be through a recruitment freeze and, indeed, that another way of saving jobs might be through a pay freeze. The SDLP now denies even its own document.

In an intervention on a Sinn Féin Member's speech, Mr McDevitt talked about the fact that we are hoping to put money into the capital budget by taking £20 million from the housing associations. That, according to him, is a ridiculous idea. I wonder where that idea came from. As I turn the page of this document, I see

that, in year 1 and year 2, the SDLP would get extra finance for the capital budget by taking — how much and from whom? — £20 million from the housing associations. The SDLP denies even its own document.

I like the one about planning gain/developer contributions, which amount to a sizeable £120 million over the four years of the Budget. What does the SDLP say? It says that the Department of the Environment has now folded on the consideration of developer contributions. The SDLP document states:

*"We believe however that it is important that a developer contribution is on the statute book ready for application when the economic strictures around the construction sector begin to ease."*

Nearly every SDLP Member talked about the dire straits that the construction sector is in and the fact that we need to find more money to put into the construction sector to retain employment. Those Members said that we may even go into a double-dip recession because of the Tory cuts and this inept Budget. Indeed, according to the SDLP, it is not a recession but a depression. I would have thought, therefore, that it would not be possible to get any developer contributions and that it would just be on the statute book. It is not on the statute book; it is in the Budget — £120 million. Either the situation is so constricted for the construction industry that we cannot get that sum because we are in a recession, or the situation has improved before we have got the Budget agreed and we can get £120 million. Maybe the SDLP will explain whether it is on the statute book or is real money in the Budget. If it is the latter, we have a bit of a hole. Maybe Mr O'Loan will make a better stab at explaining the SDLP's document than Mr McDevitt did. Let us hear him.

**Mr O'Loan:** I am delighted with the attention that the SDLP document is getting from the Finance Minister. His party colleagues are getting a tutorial in useful economics. I hope that the Minister will continue with that; he has obviously had his officials look closely at the document. Between now and the presentation of the final Budget and thereafter across the four-year period, I hope that he will continue to look at those proposals and have them examined by his officials and tested and modified, if necessary. I am perfectly comfortable with that. What the Minister is actually presenting is that there is real substance in the proposals that

will significantly benefit the Executive and the people whom we represent.

The particular proposal is no different to the Minister's presentation on Belfast port, in which he said that we will need legislation but that in future years we can bring that forward. It is sensible to put the matter of a developer contribution on the statute book. We hope that the economic situation will be such that the benefit will be realised before the end of the four-year period.

**The Minister of Finance and Personnel:** I listened to the explanation, but that is not what his document says. Read your document, for goodness' sake. At least I had the decency to read through it. This is not a case of saying that, at least by the end of the four-year period, we might be able to get some developer contributions. In year 1, you are going to get £20 million; in year 2, you are going to get £30 million; in year 3, you are going to get £30 million; and in year 4, you are going to get £40 million. At least we now have an admission that there is a £120 million hole. Mr O'Loan is saying that we should put it on the statute book and that, maybe by the end of the four years, we can get some money out of it. Well, that is not what the document says; it says that you will get it from the very first year. That is yet another example of a hole.

I think that we have got up to £4 for this Budget contribution rather than £4 million. I could keep going through the document, but I want to move on to one final point. I really like this one. SDLP Members were lining themselves up to be holier-than-thou on the issue of student fees, saying that they had nothing to do with it. I am not too sure whether Mr Callaghan — is he from Londonderry?

**Some Members:** Yes.

**The Minister of Finance and Personnel:** I do not know whether his name is Pól Callaghan or Pol Pot, but, if the latter rewrote the history of Cambodia, Mr Callaghan is trying to rewrite the history of the SDLP — in other words, the SDLP had nothing to do with students who are paying fees. I have a BBC news report from 21 November 2000. You can never trust the BBC, Mr Deputy Speaker, so, in case the BBC got it wrong, I also have the 'Times Higher Education Supplement', which you can probably trust a bit more. What about the Hansard report from this place? Maybe you can trust that even more. I

found that there was a move by the Committee for Higher and Further Education, Training and Employment to have the decision of the Labour Government reversed. That was at a time when our Budgets were being increased by between 6% and 8% on a regular basis as a result of very generous spending by the Labour Party.

What did the then SDLP Minister do? He refused to accept the recommendation of the Committee and the vote of the Assembly. He said that he could not do so because it would cost £35 million and he did not have that money in the budget. He was getting a rising contribution from Westminster, and yet he could not do that. The SDLP's John Dallat, however, said that it would not matter because the experience in the Republic was that it did not affect even the less well-off, so they could go ahead and do it safely.

That party is now attacking something that has not even happened yet. It is putting down a marker that, if we do not find £40 million or £60 million for the DEL budget, the Assembly will have yet again failed the students of Northern Ireland. However, we know that the SDLP did differently when it was in a similar position. We have had that time and time again in this debate, but Ministers and parties really have to take responsibility. Members cannot poke at other parties and say that they should not be doing this or that simply because their party does not have the portfolio. It appears, once again, that the SDLP —

**Mr Callaghan:** Will the Member give way?

**The Minister of Finance and Personnel:** I will give way in a moment or two. I am sure that the Member will maybe want to rejig the words that he said earlier.

The SDLP cannot have it both ways. On the one hand, we have got the reduction in the block grant, and that is set against the background of a falling budget and severe difficulties. The £22.1 million of savings that the SDLP identified last night will not fill the hole for student finance let alone all the other things that it wants to use that for. The Assembly will have to make hard decisions. The SDLP cannot run away from that or try to rewrite history to say that it had no responsibility for the introduction of student fees. Neither can it simply wash its hands of the Barnett consequential that the Assembly faces as a result of a decision made at Westminster.

**Mr Callaghan:** I thank the Minister for giving way. He has made fairly serious claims about my rewriting history and various other things. First, what his DUP colleagues, including Mr Bell — it would not be the first time that Mr Bell got his facts wrong in the Chamber, as I have learned very quickly — have said and what you just repeated is that the SDLP said — *[Interruption.]*

**Mr Deputy Speaker:** Order. All comments must be made through the Chair.

**Mr Callaghan:** Sorry, a LeasCheann Comhairle. Up until now, the DUP and the Minister have been claiming that the SDLP had nothing to do, is denying — *[Interruption.]* They are claiming that the SDLP denies that it had anything to do with the introduction of tuition fees in the North of Ireland. That is absolutely a historical fact. I have not rewritten any history. The Minister quoted TES. Anyone who goes to the TES website will find that among the challenges that, it says, Sean Farren faced when he was appointed Minister — so, obviously, it was referring to things that happened before he became Minister — was what to do about tuition fees and student finance in the form of grants.

I note that the Minister has not mentioned the fact that Sean Farren was actually the Minister who reintroduced bursaries for the most disadvantaged students in the North, but, by all accounts, amnesia is not a crime in this Chamber. The Minister is trying to throw dirt around about tuition fees to see where it sticks. The Minister is arguing that Sean Farren is guilty of something. On the same terms, he is not arguing for the abolition of all tuition fees in this Budget — *[Interruption.]*

**Mr Deputy Speaker:** Order.

**Mr Callaghan:** So, what is good for the goose —

**Mr Deputy Speaker:** Order. Resume your seats. The Minister gave way, so Mr Callaghan has the Floor. The Minister cannot take the Floor back until Mr Callaghan sits down, so Mr Callaghan has the Floor.

**10.00 pm**

**Mr Callaghan:** Go raibh maith agat as a ucht sin, a LeasCheann Comhairle. I think that the Minister of Finance and Personnel would do very well to bear in mind — *[Interruption.]*

**Mr Deputy Speaker:** Order.

**Mr Callaghan:** The Minister would do well to bear in mind what has actually happened over the past decade. When Seán Farren and the SDLP were in charge of the university sector here —

**Mr Spratt:** On a point of order, Mr Deputy Speaker. Should an intervention not be short, rather than a speech to the House?

**Mr Deputy Speaker:** I have said that on a number of different occasions. I asked Mr Callaghan to make his intervention short. However, he still has the Floor.

**Mr Callaghan:** Thank you, a LeasCheann Comhairle.

The bigger point is that, when Seán Farren was Minister, there was record investment in the universities here, numbers were growing and research was increasing. The Minister is presiding over a retrograde track in higher education here, and he will continue to do so. *[Interruption.]*

**Mr Deputy Speaker:** Order. There is a good reason why interventions should be short, and it is that we get too many interruptions. I also ask the Minister to keep it short.

**Mr McCallister:** Although it did clarify the situation.

**The Minister of Finance and Personnel:** Yes, I am very clear after that. I know that the Member said when he started his speech that he did not intend to promise to be brief, because he would never make a promise that he could not keep. However, he should apply that to his interventions as well. The one thing that I can promise, and Members will be interested in this, is that I will not be giving way to Mr Pol Pot any longer.

**Mr Deputy Speaker:** I know that all sorts of things are said in the banter across the Chamber. However, I ask Members to respect other Members by calling them by their proper names.

**The Minister of Finance and Personnel:** We will not put it on the record anyway. It does not matter.

I will turn now to Mr Farry's contribution. I always enjoy his contributions, because he usually draws very useful interventions from other Members and then catches them out, which is

always good craic. He is always very realistic and honest in his speeches. I am not so sure whether his party likes all the things that he says, however. Nevertheless, if people stick their chins out and get hit, they will get used to it.

Mr Farry talked about a number of issues, starting with his usual point about raising revenue from the sources from which we can raise revenue. At least he has been consistent in his theme. However, I happen to disagree with him on that, and the Executive disagree with him. I have no doubt that, at some stage, we will have to come to the issue of water rates. We may well come to that through changing the governance structure of Northern Ireland Water. Who knows? There has been a clamour towards raising water rates. However, at this time, given the hardship that many households are facing, the Executive have made the decision not to impose additional water charges on people. The Member is quite right to say that we have to live with the consequences of that, and it means that the extensive capital budget that is required for Northern Ireland Water must come from resources.

Let Members be clear: that is the choice that we make. Members highlighted other capital schemes that they would like to see, such as health centres, schools, hospitals, roads and a range of other things. However, if we are going to invest in our water structure and meet EU requirements, the cost of some of those schemes will go by the board. If we at least know what the choices are, we can then make them.

Mr Farry also talked about the protection of the Health Service. He indicated that he felt that the protection of the economy had somehow been compromised as a result of the protection of the Health Service. Again, however, he at least highlighted the choice. We have given protection to the Health Service — I want to come to that point later — in a way that has had an impact on other people's budgets. That is one of the consequences.

He also asked why we do not benchmark some of our services against others. Recently, PEDU worked with the Department of Education to identify how savings could be made. That was the first port of call: whether we can benchmark services in education against other services, even other services provided in Northern Ireland. That would be a useful start. I cannot remember them all off the top of my head, but

when school meals, transport, teacher support, CCMS administration, etc, were benchmarked, the disparities between what happens in one education and library board and what happens in another were huge.

It should not be necessary for PEDU to go in to identify those issues in a Department. It is the kind of thing that Ministers ought to be doing to ensure that they are getting the best value for money from the resources that are being used. However, it has given a good base for a further study on where efficiencies might be found in the Health Service. At least the Education Minister co-operated on that exercise. We have not had the same co-operation in the exercise that PEDU has tried to do with the Health Service. I have said time and time again that PEDU should not be seen as a threat to a Department; it should be seen as a way of helping a Department to manage its budget in times of austerity.

Mr Farry also talked about the opportunities for North/South co-operation, as did other Members. I want to emphasise that I have no difficulty with that. I have already had discussions with the Finance Minister in the Republic. I have exchanged letters with him, and I hope that, once we have identified the opportunities that there might be at that level, the Departments will work on realising them. Altnagelvin Hospital is a good example of where that co-operation can benefit everyone.

Mr Frew asked me to specifically address the issue of the Presbyterian Mutual Society. I have read some of the letters that have been sent to my Department about the Presbyterian Mutual Society, as has the Enterprise Minister. The issue has been stirred up by some who want to use the Presbyterian Mutual Society and the plight of the savers for their own political advantage. They are cynically abusing and exploiting the predicament that the savers in the Presbyterian Mutual Society find themselves in.

The Enterprise Minister, the First Minister and the deputy First Minister — who could quite honestly walk away from it and say it has nothing to do with him — have put endless hours into this. I have put that effort in, as have previous Finance Ministers. Immense work has been put in by officials from the Department of Finance, the Department of Enterprise, Trade and Investment and OFMDFM.

We believe that, finally, we have got the finance; the one last ingredient is the contribution from the Presbyterian Church. The finance is in place, the Enterprise Minister is drawing up a scheme, and we see the light at the end of the tunnel. Of course, the scheme has to be accepted by the savers in the Presbyterian Mutual Society. I believe that we are on the cusp of getting this sorted, finally, and sorting out the situation. However, there will always be those who would rather that we did not get it sorted out, to be quite truthful. We have got to be very careful of that.

Mr McLaughlin mentioned the consultation on the draft Budget. He highlighted the importance of the consultation process, and I would like to add my endorsement of that process. It has not been as lengthy as we would have wished, but we were constrained by the fact that we did not know what money we were going to have until 20 October. We have a coalition Government, and all five partners had to be involved in the decisions, no matter what the SDLP might say. It is regrettable that, having been involved, two parties decided that they wanted to take the easy way out and simply say that they were going to distance themselves from the draft Budget because there are some unpleasant things in it. However, discussions went on for a long time. We tried to reach agreement, right up to this morning. Despite the fact that people say it has been a very short time period, there have been 1,000 responses to the consultation. Those will now be analysed and brought to the Executive's Budget review group to come up with the final draft.

Mr McLaughlin also raised the issue of tax-varying and revenue-raising powers. I have already said that we need to be careful in that regard, but there are other tax-varying powers. I think that the Member for South Antrim Mr Kinahan raised the issue of Aldergrove airport and the importance of flights and connections. The Minister of Enterprise, Trade and Investment has been in discussion with the Treasury over the whole issue of air passenger duty and the impact that that is likely to have, as well as other tax issues, such as the aggregates levy and the fair fuel stabiliser.

Mr McCallister raised the issue of health and said that the health budget was not sufficient. We had a good exchange on the health issue. At least he gave way on a number of occasions. I disagree with nearly everything that he said. He has ignored the reality. Indeed, I am still

waiting for the response. He wants £200 million for health. I think that two or three Members challenged him to say where that will come from, but he could not give us an answer during his contribution. If he wants to give us the answer now, I am quite happy to give way, but I suspect that he will want to sit there and say nothing. I am sure that he will use the excuse that time is passing and he does not have time to give me a yes or no answer or explain where the £200 million might come from. That really typifies an awful lot of the criticism of the Budget that has come from the Ulster Unionist Party. Mr Basil McCrea, who is sitting beside him, seems to be smitten with the same disease. He can tell you how to spend money, but he cannot tell you how to save it.

**Mr B McCrea:** Will the Member give way?

**The Minister of Finance and Personnel:** I hope that it is a short intervention.

**Mr B McCrea:** I do not know why I suffer from the criticism that was made of others. In his statement to the Northern Ireland Grand Committee, the Minister said that, as a result of the Barnett consequentials, we have to live with those budgets. Why does the health budget appear to fall behind that of England and Wales? That is where I look for clarity. Perhaps the Minister will take the opportunity to explain why.

**The Minister of Finance and Personnel:** I am more than happy to. The Member flits in and out of the Chamber, so he probably did not have the opportunity to listen to the words of wisdom that I gave Mr McCallister, so I will give them to him now.

The health budget in Northern Ireland, over the four-year period, will increase in real terms by 0.2%. In England — he is quite right — it will increase by 0.4%, so one could argue that the Health Service in England will do better in real terms than that in Northern Ireland. However, the other ingredient is that the Health Service in England is expected to find efficiencies of £20 billion or 5% a year over the four years. We have not asked the Health Minister in Northern Ireland to find those efficiencies, which means that there has been a better budget settlement for the Health Service in Northern Ireland than in England. The idea that we got the money for the Treasury from the Barnett consequentials and then took some of it from the health budget is just not true.

**Mr B McCrea:** Will the Minister give way?

**The Minister of Finance and Personnel:** No. I will not give way. I have explained it time and again.

**Mr Givan:** If you do not understand it by now —

**The Minister of Finance and Personnel:** I do not think that it is a case of not understanding; it is just that some people are in denial.

That brings me very quickly to the next point. The SDLP and the Ulster Unionist Party seem to believe that, somehow, this is a carve-up between the DUP and Sinn Féin. The leader of the SDLP said that the Budget was “customised” to give the DUP benefit over its opponents, which means, presumably, the Ulster Unionist Party. I suspect that she also meant that Sinn Féin had the same “customised” Budget to give it an advantage over the SDLP. The facts just do not back that up. The Departments that have taken the highest cuts are DUP and Sinn Féin Departments. The highest cut went to a Sinn Féin Department. The next highest cut went to a Sinn Féin and DUP Department: the Office of the First Minister and deputy First Minister. The next one went to a DUP Department, and the next went to another DUP Department.

**10.15 pm**

**Mrs D Kelly:** Will the Minister give way?

**The Minister of Finance and Personnel:** I will give way in a moment or two. Let me finish.

The Departments that did best — the ones that will get a cash increase over the four years — are the two Ulster Unionist Party Departments, the SDLP Department and one DUP Department. They are the only ones that will get an increase in cash terms over the four-year period. I want to put on record that the idea that, somehow or other, there was a carve-up between the DUP and Sinn Féin to make sure that all the hard cuts and difficult business decisions had to be taken by the SDLP and the Ulster Unionist Party in order to give us some electoral advantage is just so much rubbish.

**Mrs D Kelly:** I thank the Minister for giving way. Will the Minister reflect on those comments, given that a leading and well-respected economist said on the radio yesterday that the three Departments that have been hardest hit are the Department for Employment and Learning, the Health Department and the Department for

Social Development? Furthermore, Anna Lo pointed out the cuts to capital spend in the Department for Social Development, which will result in fewer houses for those most in need on the housing waiting list. Ms Lo seems to be at odds with her party colleague, who is prepared to vote for the Budget even though he thinks that it is full of holes.

**The Minister of Finance and Personnel:** I do not know which leading economist the lady is talking about, but let me give her the facts, which are in the Budget document. The sums are right, and no one has said that the calculations are wrong. Health had a cash increase of 7.58%. DEL had a cash increase of 1.86%, and all the other Departments, apart from DETI and DSD, had a negative cash result over the four years. Those are the facts.

**Mr McDevitt:** Will the Minister give way?

**The Minister of Finance and Personnel:** I am not going to give way. The Member had plenty of opportunities to contribute earlier. Indeed, he slipped wrong information to his party leader, who claimed that DCAL's budget had increased by 30%; whereas Mr O'Loan condemned me for decreasing DCAL's budget by 14%. Both of them cannot be right. Who is right, and who is wrong? The facts bear it out.

**Mr McDevitt:** Will the Minister give way?

**The Minister of Finance and Personnel:** No.

The leader of the SDLP raised some other points. However, she is not here, so, due to the lateness of the hour, I will not go through them.

I liked Mr McElduff's honesty at least. He talked about the savage reduction in DCAL's budget: the worst cut that there has been in any Administration. Of course, when I pointed out that, in fact, the cut to DCAL's budget is about half of that suffered by the Department for Culture, Media and Sport (DCMS) in England, he said aye, but that that figure did not suit him, so he did not bother using it. *[Laughter.]* At least that is one example of candour in the Assembly.

Mr McElduff raised a number of issues about the impact —

**Mr McLaughlin:** He is obviously not a great fan of England.

**The Minister of Finance and Personnel:** He raised the issue of Northern Ireland Screen, in

which, of course, we have invested, because we recognise the importance of the film industry and the very high multiplier impact that investment in it has on jobs and extra spend in Northern Ireland. In this time of austerity, it is good that we have been able to do that.

I have visited museums and libraries, and I understand the difficulties that exist. However, we took a huge Barnett consequential hit as a result of the reduction in funding to DCMS in England. We have not passed all of that on to DCAL. Nevertheless, I accept that DCAL's budget has had the second biggest decrease of all Northern Ireland budgets.

Mr McElduff also raised the issue of arts funding. The Budget reflects a 7.7% reduction over the four-year period. However, the arts sector can benefit from lottery funding and, hopefully, that will help to make up some of the gap.

Mr Givan raised the issue of end-year flexibility for Invest Northern Ireland. First, I do not accept that it was possible to put in a scheme of EYF for Invest Northern Ireland. The monitoring round exists to deal with any unforeseen opportunities that arise for Invest Northern Ireland. Indeed, experience has shown that, when that has been required — the Bombardier CSeries is a good example — funds have been made available. We will not let jobs go just because there may not be sufficient money in the Budget. We will always look for opportunities.

Let me rush on. Mr Kinahan is not here, so I will not deal with his issues. Pat Ramsey raised the issues of education and training and the impact that the reduction in that departmental budget would have on the training of young people. We put a lot of emphasis on the training budget. Indeed, the Department for Employment and Learning identified savings of £2.5 million, rising to £5 million thereafter in the skills and industry programmes. There was proactive work by the Department to buy in the services more cheaply or to find other ways of doing the training. That part of the DEL budget is not the part that is under big pressure, and I think that the Minister, who is sitting there, accepts that. Mr Ramsey also raised the commitment to extend the Magee campus. It is estimated that every 1,000 extra full-time students would cost £8 million to support, and, when budgets are tight, it is not always going to be possible to find that funding.

I come then to Mr Brian Wilson, who is not in his place, so I will not do that. *[Laughter.]* I am going

through these quickly. If Members did not feel that they could stay the required length of time, I do not think that it is proper of me to reply to the points that they made.

Dawn Purvis raised the issue of the special fund for children, as did Mr Callaghan. There were underspends on that Executive programme fund and on other Executive programme funds over the years, and, at a time of financial restraint, it is not prudent to put money into a fund where there has been a consistent underspend and to ring-fence such spending. She also raised the issue of the strategic equality impact assessment (EQIA). The EQIA has been produced for the Programme for Government. Officials have produced it for the draft Budget, and it is publicly available.

Lastly, I come to some of the comments made by Mr Basil McCrea and Mr Callaghan. Mr Callaghan said that he would not be brief, and he was not. He kept that part of his promise. I was surprised by some of the points that he raised. It really went into the realms of fantasy. He talked about the health proposals and the difficulties of the Health Service and said that he could not contemplate voting for a Budget such as this unless it was severely amended to deal with the problems of the Health Service. I refer him to his own document. He is looking for hundreds of millions of pounds for the Health Service before he is prepared to vote for the Budget. I looked at the SDLP's document and its proposals for the Health Service, including extra spending to protect front line services. He said that he could not possibly vote for the Budget because the Health Service does not have a high enough level of protection: how much would the SDLP have allocated to it? He wants £200 million or thereabouts, before he can bring himself to vote for this Budget.

The SDLP document says:

*"While the Party understands that reports of services nearing collapse in certain areas may be exaggerated".*

However, it believes that the Budget should be negotiated. What will it put into it? The answer is £10 million in year 1; £10 million in year 2; £5 million in year 3; and £5 million in year 4. Yet he has the audacity to say that he could not possibly put his hand up for this Budget because, unless I give it hundreds of millions of pounds, his party could not possibly give it support. That is not what the SDLP said in its

document. Indeed, it said that the reports of its demise were greatly exaggerated.

Mr Callaghan went on to outline that another reason why he would not vote for this Budget is because there are secretive funds and secret talks with secret organisations in secret places by secret people about secret topics that we do not know anything about. I would love to know about that because, if the money that will go to OFMDFM is to be allocated in that way, he would have a duty, as a public representative, to inform the House that, somehow or other, the funds that we will vote into the Budget will be misappropriated in some way or handed out to the favourites of either the First Minister or deputy First Minister as a result of the secretive talks that are going on.

**Mr Callaghan:** Will the Minister give way?

**The Minister of Finance and Personnel:** No, I have told the Member that I will not give way to him. He abused it last time, and I will not let him abuse it again. He had every opportunity to explain that. He was challenged on at least three occasions by Mr Humphrey to tell us who the secret people are, where the secret talks happened, what the topics were and what sums of money were talked about. He did not tell us then, and, therefore, I suspect that we will get another set of pathetic excuses as to why it will not be done.

**Mr Humphrey:** I am grateful to the Minister for giving way. I would be a bit more charitable to Mr Callaghan than you, Minister. I think that, perhaps, we should give him another opportunity to name those people. I am interested to know who they are, and I think that his party colleagues in north Belfast will be interested to know who they are. Please tell the House who those people are.

**The Minister of Finance and Personnel:** As I said, he abused his opportunity, and I will not let him intervene again. *[Interruption.]*

**Mr Deputy Speaker:** Order.

**The Minister of Finance and Personnel:** I really loved this one: the small traders in Londonderry are devastated by the prospect of rates rises. Then, when I turn to page 39 of the SDLP document, under the heading "Finding new revenue streams", I see the first suggestion is to, "Unfreeze the regional rate". *[Laughter.]* Who will the regional rate affect? Small traders.

However, the SDLP is appalled at that, and Mr Callaghan could not possibly vote for a Budget that will hit small traders in that way. We actually stole that idea from the SDLP document. We got it into the Budget because the SDLP indicated that it was prepared to support it.

Mr Callaghan said that he was not going to be brief, and he was not brief. He talked himself into a bigger hole the longer he went on, and he talked me into more of a trance the longer he went on. Anyhow, what can we do?

I will finish by responding to Basil McCrea's scurrilous allegation that somehow I am a closet Tory, that I have supported the Tory Party and, indeed, that I welcomed the Tory cuts in the House of Commons. Mr McCrea's speeches are usually brief and usually fairly lively. I will be generous and put it down to the fact that he has a very short attention span. *[Laughter.]* I suspect that his attention span did not stretch to reading all the Hansard report, or even the next couple of paragraphs of the Hansard report from the Northern Ireland Grand Committee of the House of Commons. He is absolutely right: I did say that we would not complain about the Barnett consequentials. There is no point.

The Barnett consequentials are not worked out by some Minister who says: "Ha ha, let's stick the knife into Northern Ireland." The Barnett consequentials result from the fact that, when spending proposals are made for Departments in England and there is an equivalent line of spend in Northern Ireland, we receive a consequence of that. It is worked out by a formula on a computer, and we cannot fight with that. It is part of the deal that we have for determining finance in Northern Ireland.

### 10.30 pm

Had the Member read on in Hansard, he would have found that I raised the issue that we had been hit with more than our proportionate share of cuts. Owen Paterson said that he would work for a good deal for Northern Ireland. I made the point that he did not work for a good deal on the Barnett consequentials because he had no control over that.

However, what about the £316 million of EYF that was taken? What about the investment programme of £18 billion that is short by about £4 billion? What about the Barnett consequentials from Olympic spending that Scotland, Wales and Northern Ireland have

been denied? What about the application of the Barnett consequentials to policing, which was not even compliant with the statement of funding? Yet, that amounted to a £23 million cut in the police budget, and it went through for the next four years with a cut in the baseline of a further £92 million? I object to those examples of unfairness, and that is why I oppose what has been imposed on Northern Ireland.

I accept that there is nothing that anyone in the Assembly can do about the Barnett consequentials, but we have every right to be indignant about the additional, gratuitous cuts, which reflect what David Cameron said when he was interviewed on 'Newsnight' before the election. He said that he was targeting places such as Northern Ireland because there was too much public spending there. That is the kind of policy that Mr McCrea and his party supported.

Indeed, Mr McCrea is great at the rhetoric, but, when he was challenged on whether he would have voted for those things in the House of Commons, he did not reply. He is usually verbose, but he did not reply. He has been asked where his party would impose the cuts, given that it wants more money for health and education. Yesterday, he said that the education budget was about £200 million short, and his party said that health was £200 million short. Where will he get that £400 million from? The absolute silence says it all.

This is what the debate is all about: as one of the smaller parties, the Ulster Unionist Party knows that it can vote against the Budget without consequence because the two bigger parties have to carry the burden. The Alliance Party could do exactly the same without any impact, and the Budget could go through. However, at least the Alliance Party has recognised that, once it is in the Executive and has been fully involved in the discussions on the Budget, it has a responsibility, and it has lived up to that. The two other parties have a cowardly attitude and have simply decided —

**Mr B McCrea:** Will the Minister give way?

**The Minister of Finance and Personnel:** Let me finish the point. They have simply decided that the two big parties can carry the Budget and take the flak while they stand back. They say that the draft Budget is not acceptable, too vague and not transparent, and they throw all sorts of other terms at it, but never with any substance. That appears to give a gloss

of respectability to their opposition, but it is all about the fact that they are not prepared to put their hands up for the tough decisions because they want to be lily-white. Come the election, they want to be like Pontius Pilate and say that the Budget has nothing to do with them.

**Mr B McCrea:** On a point of order, Mr Deputy Speaker, is it in order for the Members opposite to yell "cowards" at a Member?

**Mr Deputy Speaker:** We expect the debate to take place in an orderly fashion. There can be various forms of banter across the Floor, but we ask for respect to be shown to all Members. That, by and large, is the situation.

**Mr B McCrea:** I thought that that would be the case. The Minister made a number of contradictory statements. On the one hand, he said that I am normally circumspect and to the point, and, on the other hand, he accused me of being verbose. I want to know why he stated that he did not want to be seen as pleading a special case for Northern Ireland. He has just given us a lot of rhetoric about why we should plead a special case for Northern Ireland, and he should have said that it is unfair. The Minister should argue a special case for Northern Ireland because of the history. That is all that I asked for clarity on.

**The Minister of Finance and Personnel:** It is not pleading a special case to ask to keep the £316 million that was allocated to Departments in Northern Ireland, which the Treasury encouraged us not to spend recklessly and to which it promised us access in future years. It is not pleading a special case for Northern Ireland when money is being spent on the regeneration of the Olympic village. We should have an entitlement to it, as should Scotland and Wales. For years, Barnett consequentials never applied to the police in Northern Ireland, but suddenly last June, without any consultation, the Treasury decided that it was taking £23 million off the police budget because policing had been devolved and a Barnett consequential was being applied. That is not pleading a special case. It is not pleading a special case when a promise is made, but is not lived up to, about an investment fund of £18 billion. That is asking for our entitlement, and we expect the Government to live up to it. If I believe that we are entitled to make an argument to the Treasury, I will do it as strongly as possible.

**Mr B McCrea:** Will the Minister give way?

**The Minister of Finance and Personnel:** I will not give way. I am not going to enter into a debate on the issue. I have answered the question.

Let me just finish with Anna Lo's point about the £20 million from the housing associations. We are not taking £20 million from the housing associations. It is money that they have. They have reserves well over what is required for maintenance, and so on. Mr Farry talked about benchmarking. When housing associations in Northern Ireland are benchmarked with those in other parts of the United Kingdom, they have higher levels of reserves and lower levels of borrowing. Therefore, it is perfectly reasonable for us to argue that we pay housing associations a lower grant per house and that they use their reserves and their borrowing ability to build the same number of houses or more. In other words, we will get more houses for a lower grant from the Northern Ireland Housing Executive. If the housing associations are prepared to abide by that, we should be able to deliver the number of houses that we expect to deliver.

**Ms Lo:** The Minister said that he will reduce grants to the housing associations, but they do not need to accept that. If they do not accept that, it means that we will have less public housing.

**The Minister of Finance and Personnel:** There are between 12 and 14 housing associations in Northern Ireland, and there is competition between them. Their job is to provide social housing, and they make their money by providing social housing and bringing in rents. They make a surplus so they have every incentive to do the job. To date, they have always had a substantial grant of 55% from the Housing Executive. We are saying that they could do it on a far lower grant and still be able to provide the same number of houses. I cannot understand why a housing association would not want to grow its stock. Indeed, one has to consider only how they competed and pushed up land prices for one another during the boom to understand that they are in the market for building more houses and that that situation should continue.

**Mr Hamilton:** Does the Minister agree that there is proven flexibility in the system? There is evidence that the average grant was reduced from around 70% to below 60% over the Budget period by the SDLP's Ministers for Social Development, yet we have still delivered a record

number — some 2,000 — of social housing newbuild units this year. That proves that, even when housing association grants are reduced, there is still an incentive for them to build.

**The Minister of Finance and Personnel:** The Member has knowledge of the subject from his work on the Committee for Social Development. I thank him for that explanation.

In conclusion, I thank all Members for their contributions to the debate, which went from being lively to sometimes being a wee bit sleepy, then back to lively again. It has been up and down. The Bill will make provision for the early months of 2011-12. It is important work. However, the work of the Executive and the Assembly is not complete. Over the next few weeks, we have got to agree and approve the revised Budget for the next four years. That, in itself, will present many challenges. There will be calls for additional funding from many quarters. Those calls will be deafening.

Mr Kinahan made an important point. We can have good knockabout debates in the Assembly, but at the end of the day, as Mr Kinahan said, after we have got past all the party politicking and point scoring — you would not expect anything else in a debating chamber — it is important that, collectively, we look at how, even in these constrained times, we can have a Budget that we believe will do its best to deliver what is important for the people of Northern Ireland. As the consultation draws to a close, I have no doubt that we will have a challenging few weeks. I hope that Ministers will work together. We have put in place in the Executive a structure to enable every Minister to have his or her say. On that note, I ask the Assembly to support the Bill.

**Mr Deputy Speaker:** Before we proceed 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 Bill [NIA 11/10] be agreed.*

## **Employment (No. 2) Bill: Final Stage**

### **The Minister for Employment and Learning (Mr Kennedy):** I beg to move

*That the Employment (No. 2) Bill [NIA 24/09] do now pass.*

**Mr Deputy Speaker:** Order. Members must keep quiet when leaving the Chamber.

### **The Minister for Employment and Learning:**

Mr Deputy Speaker, in the past, I have been accused of making moving speeches. I am not sure that I have the ability to move quite so many Members. They seem to be emptying the Chamber at high speed.

The next stage of the Bill is Royal Assent. I respectfully hope that Her Majesty has not been waiting all day. Anyway, I am pleased that the Bill has reached its Final Stage. It represents one of the key outputs of a very comprehensive review process. I thank all those who have given their time to contribute to what has been a thorough discourse. The provisions of the Bill are consistent with the core principles that the consultation steering group established at an early stage of the review. I want to put on record my appreciation of the work of the steering group's members, from the Confederation of British Industry (CBI), the Federation of Small Businesses (FSB), the Northern Ireland committee of the Irish Congress of Trade Unions (NICICTU), the Equality Commission and the Labour Relations Agency (LRA) who ensured that the public consultation secured the views and opinions of all interested parties.

It is worth reflecting on the principles that have guided that policy review and informed the provisions of the Bill. They are the promotion of good employment relations that encourage competitiveness; provision of strong employment rights; preserving citizen access to the justice system; effective mechanisms to prevent and resolve workplace disputes; availability of non-adversarial alternatives to the tribunal system; and an efficient and effective tribunal system.

The Bill represents the starting point for the roll-out of a package of legislative and non-legislative measures that are designed to change fundamentally the way that workplace disputes in Northern Ireland are resolved. I am conscious that the current system has created difficulties in that too many workplace disputes end up in a tribunal, when they could have

been resolved at a much earlier stage, thus avoiding substantial financial and human costs. I know that there is a concern from employers about the economic difficulties created by the current system. I am also mindful of the equally persuasive arguments about the need to protect individual employment rights.

### **10.45 pm**

I believe that the provisions contained in the Bill and the other measures that are proposed address the needs of employers and employees in an equitable way. The Bill responds to the call for a much less legalistic approach to how grievances are raised in the workplace, through the repeal of the statutory grievance procedures.

I am glad to have the rapt attention of all Members, Mr Deputy Speaker.

**Mr Deputy Speaker:** Will Members please give the Minister proper respect?

### **The Minister for Employment and Learning:**

They are clearly engrossed in something else.

Grievances in the workplace will now be resolved on the basis of a simpler good-practice approach set out in a new Labour Relations Agency code of practice. At the same time, the Bill preserves reasonable minimum legal standards for disciplinary and dismissal situations in cases where a wrong decision could put an individual's career at stake or place an employer in an invidious legal position. I was struck by one of the comments offered in evidence to the Employment and Learning Committee. A witness said that the statutory disciplinary and dismissal procedures are good for employees and for employers.

The Bill also removes confusing links between the grievance and disciplinary processes — I must speak to my officials again [*Laughter.*] — and the time limits for lodging tribunal proceedings.

**Mr Weir:** Discipline them.

### **The Minister for Employment and Learning:**

I would, if I could get it out. Never mind 'The King's Speech'; what about the Minister's speech?

**Mr Weir:** This is not an Oscar-winning performance.

**The Minister for Employment and Learning:** It certainly is not; it is too late in the night.

The Bill affords the Labour Relations Agency complete discretion in offering assistance to settle a dispute before it reaches a tribunal and removes unhelpful limitations on the agency's duty to assist with resolution once a tribunal claim has been lodged. It amends industrial tribunals' powers to reach a determination without a hearing, where the parties give their consent, and it clarifies the tribunal's power to place restrictions on publicity where sensitive matters arise during a case. The Bill reduces unnecessary bureaucracy by providing for the enforcement of tribunal awards and simple conciliated settlements without the need for a court order. It also enables the Fair Employment Tribunal to hear all aspects of a case that currently requires the needless duplication involved in convening a separate industrial tribunal hearing.

Finally, the Bill introduces the legislative framework to afford employees a new right to request time away from core work duties to undertake training that will benefit their business. Employers will be under a responsibility to give such requests serious consideration against a range of business grounds. However, as my predecessor indicated, the provisions for time to train will be commenced only when there is sustained growth in the economy.

Since the Second Stage debate, the Employment and Learning Committee has given detailed consideration to the provisions of the Bill and has produced what I believe to be a comprehensive, thoughtful and balanced report. I express my thanks to the Committee for its detailed scrutiny of the Bill. I concur with the Committee's view that although the Bill represents an important milestone in the movement towards a better way of resolving workplace disputes, we must redouble our efforts to challenge the litigation culture in Northern Ireland.

The Committee has rightly noted that it expects the Department to monitor closely new systems and ways of working and that it wishes to see a continuing willingness to make improvements where and when necessary or desirable. I am happy to give the Committee an assurance on all those points. As I have said, the Bill is part of a wider change process, and its passage today and subsequent Royal Assent will mark the commencement of the review's implementation phase.

Other measures being taken forward in parallel to the Bill are promotion of an expanded and enhanced arbitration scheme as a faster, cheaper and less stressful alternative to the legal process; an economic appraisal to judge the merits of establishing an employment appeal tribunal; work to provide clearer and more consistent information and advice to those facing a dispute; exploration of options to support small businesses in delivering their employment relations responsibilities; development of an employment relations good practice model based on a pilot programme that is being taken forward by my Department; and measures to enhance the capability of managers to deal effectively with what the Chartered Institute of Personnel and Development referred to as "those difficult conversations with staff".

The success of the implementation phase can be judged only over the passage of time, but I am heartened to note that a cultural shift is needed in our approach to workplace disputes in Northern Ireland. The current approach, with its disproportionate focus on formal process and threat of litigation, is not in the best interests of the economy and is not the most effective way of upholding employment rights. I assure Members that my Department will be closely monitoring developments throughout the implementation phase and will continue the very constructive process of stakeholder engagement that has been the hallmark of the review. I look forward to hearing Members' contributions on this important Bill, and I commend it to the Assembly.

**The Chairperson of the Committee for Employment and Learning (Mrs D Kelly):** I thank the Minister for his explanation of the Bill. As he said, the Committee has done extensive pre-legislative work for it in close partnership with the relevant stakeholders and the Department. The Committee stuck to its usual practice of working in partnership with the Department and stakeholders, and the results are plain to be seen.

The Committee Stage of the Bill started on 22 June 2010, and at its meeting on 30 June 2010, the Committee agreed to seek a short extension to the Committee Stage to enable members to take further evidence. A draft motion extending the Committee Stage to 2 December 2010 was agreed by the Committee on 8 September and supported by the Assembly on 20 September. The Committee ordered its

report on the Bill to be printed at its meeting on 24 November 2010.

I commend the Minister and his officials for adopting a practical and sensible approach towards working with the Committee. I would also like to place on record the work of the Committee staff before and after the Bill's introduction.

During the pre-legislative phase, the Committee undertook an extensive study, the object of which was to collate and consider the opinions and views of relevant stakeholder organisations on a way forward for workplace dispute resolution in Northern Ireland. Based on the evidence received, and taking on board members' views, the Committee realised that there is a need to develop and promote a culture of early dispute resolution as opposed to seeking legal redress through the tribunal system as the most appropriate approach.

Alternative dispute resolution should be promoted as the most appropriate alternative to tribunals in order to protect the privacy of those involved and so ensure the pursuit of a faster, flexible and more cost effective means of settling a grievance, especially given the current economic climate.

There is a need to ensure that dispute resolution is made simpler and less bureaucratic for both employer and employee and that a revised system does not simply replace one set of complex and confusing rules and regulations with another that is not user-friendly. Members were mindful of that matter. The Committee strongly believes that the provision of more accessible information and the promotion of a clearer understanding of employer and employee rights and obligations by all those involved are essential to the success of any revised system.

During the pre-legislative phase and the Committee Stage of the Bill, the Committee took evidence from the Department and a range of stakeholders. The evidence shows the need to develop and promote a culture of early dispute resolution as opposed to seeking legal redress through the tribunal system as the most appropriate approach.

As the Minister said, there were concerns raised via the Department's consultation, and the Committee's greatest concern is the opposition of the Federation of Small Businesses to the time-to-train provision. Members understand

small and medium-sized enterprises' (SMEs) concerns about workers taking time off to train. However, reskilling and upskilling is probably the best way for SMEs to evolve and grow. I welcome the Minister's commitment to monitor, review and provide support and information for SMEs. Of course, that must be readily accessible.

The Bill contains 18 clauses and three schedules. I will refer to only a few of those. The Committee raised issues about the wording in the explanatory and financial memorandum on clauses 8 and 12 regarding the Labour Relations Agency. Members expressed concern that the wording of the memorandum with regard to those clauses appeared to suggest prioritising the LRA's work, subsequent to the movement from a duty to a power regarding the LRA's capacity to conciliate pre-claims. That was brought to the attention of the Department and officials. The indication was clear from the Department that it was not a resource issue. That commitment is to be welcomed, and we thank the Minister for taking that on board.

There was also dispute between the LRA and the Department about the resources issue stemming from the movement from a duty to a power. LRA highlighted its opposition to clauses 8 and 12, which propose to reduce the agency's capacity to conciliate pre-claims from a duty to a power. Although the agency acknowledged the Department's argument that that will enable the agency to exercise greater discretion in offering its assistance to resolve disputes, LRA saw that as a potential resourcing issue.

The agency currently has a specific duty to conciliate pre-claim cases. The agency, having that duty, believes that it is on stronger grounds in seeking additional resources to deal with any increase in pre-claim cases, particularly with the Department and the agency actively promoting pre-claim conciliation. The agency representative emphasised its view that clauses 8 and 12 significantly reduced the grounds on which resources could be secured to deal effectively with the Department's policy proposals on promoting pre-claim conciliation and recommended to the Committee that clauses 8 and 12 should be withdrawn from the Bill. However, having got assurances from the Minister and officials, the Committee agreed to allow those to continue unamended.

The officials reiterated that clauses 8 and 12 were to provide LRA with greater flexibility to target its pre-claim conciliation services at those disputes that had the potential to escalate to a tribunal hearing and that were, in the opinion of the agency, amenable to early resolution. The Department is clear that LRA's pre-claim conciliation service should continue to be widely available, which is consistent with the vast majority of the feedback from the public consultation.

Although the Committee's duty is to scrutinise the Bill as drafted, the Bill does not mention resources. Therefore, the Committee focused on the content of the Bill while being very aware of stakeholder concerns. The Committee considered the issue presented by the Department and LRA and agreed that the clauses should remain, with the caveat that the Department must continue to monitor the resource requirements of LRA.

With regard to appeal to statutory arbitration, LRA proposed that an appeal on the arbitrator's award be allowed as part of an extended statutory arbitration scheme. The appeal would be to the industrial court. Although the Bill extends the statutory arbitration scheme from three jurisdictions to all relevant employment jurisdictions, it does not provide for an appeal on the arbitrator's award.

The agency's view was that an appeal against the arbitrator's award on the grounds of fairness would facilitate greater use of statutory arbitration as opposed to submitting a claim to a tribunal. The agency also believed that the proposal to allow an appeal to the industrial court provided for a non-adversarial means of coming to a resolution. That is fully in line with the principles of the Department for Employment and Learning review in relying on legal remedies only as a last resort.

The Department emphasised that arbitration was not, and was not intended to be, a process focused on the legal merits of a case. Rather, it offered a quick, less formal and non-legalistic alternative to the legal process, and, as such, an appeal could detract from the benefits of that process, namely, an efficient consideration of a case that brought closure to an employment dispute. The Committee was satisfied with the Department's arguments and its undertaking to keep the effectiveness of the scheme under review.

I now turn to providing for primacy of alternative dispute resolution. In its briefing to the Committee, LRA pointed out that when parties were unable to resolve a workplace problem in New Zealand and the matter was referred to the employment relations authority for a decision, the authority must first consider whether an attempt was made to resolve the matter by mediation. The authority can direct that mediation or further mediation is used before a case is dealt with unless such direction would mitigate the resolution of a case. The agency put forward the view that tribunals in Northern Ireland should be empowered to ask, at the case management stage, whether alternative dispute resolution was used and, if not, to ask the reason for not having used alternative dispute resolution. In response, the Department indicated that it had sought stakeholders' views at the pre-consultation and consultation stages of the policy review on the possible introduction of mandatory mediation or, as a less radical step, some form of incentivised alternative dispute resolution (ADR). Officials suggested that stakeholder opinion was divided on that issue and that the Department had to consider the respective merits of a voluntary approach and a mandatory regime for ADR in reaching a final policy decision.

#### **11.00 am**

The Department indicated that ADR is intended to offer an alternative to the tribunal system and is not supposed to be perceived as a compulsory process that parties in dispute must go through before accessing the justice system if a legal determination is required. The Department indicated that it was not persuaded that a specific provision to require parties to engage in ADR was an appropriate way forward. Again, the Committee considered both sets of arguments and was satisfied with the Department's assessment that a cultural change is required to create a shift towards ADR and that the imposition of a compulsory imperative is not the best way forward. However, the Committee also expects the Department to keep that position under review.

In relation to confidentiality, in their briefing to the Committee, the agency representatives highlighted that LRA staff and arbitrators have statutory protection in respect of the confidentiality of certain ADR processes, including being compelled to be witnesses at tribunal proceedings. The agency welcomed confirmation

of that by the Department and welcomed the fact that the Department is pursuing the same confidentiality protections for all agency ADR activity. Representatives stated LRA's view that the widening of such protections to all ADR activity is a vital element in sustaining the credibility of the agency's ADR services. They said that, should that not be achieved, the Department's objective to promote the early resolution of workplace disputes might be compromised.

In its response to LRA, the Department defined those statutory protections. The Department stated that it has received legal advice confirming that the conciliation and wider ADR activities undertaken by the staff of the agency, or persons acting as agents on LRA's behalf, are protected by confidentiality provisions in existing legislation. Anything communicated to them during the course of ADR will not be admissible in evidence before an industrial tribunal, save with the consent of the person who communicated the information to the agency. For the Department, that position represents the core focus of LRA's ADR activity. The agency, however, is seeking an extension of the confidentiality provisions to cover non-core ADR activity where none of the specified employment rights jurisdictions are engaged.

The agency has concerns that, at a later stage, following the completion of ADR that falls outside the core area of work, tribunal proceedings may be initiated and the agency's staff may be called upon to give evidence at a tribunal. The Department has advised LRA that it would need to specify the nature and limits of the required protection before it could contemplate drafting any instructions. Again, the Committee is persuaded by the Department's reassurances and willingness to continue dialogue with LRA on that issue.

On the issue of resources, LRA representatives highlighted to the Committee that, in 2009-2010, the agency received 16,318 individual rights claims, of which 9,140 were NICS sex-discrimination and equal-pay claims, and dealt with 53,871 helpline enquires. They stressed that the agency's resources continue to be pressed.

The Department has acknowledged that the recession will pose significant challenges and that all parts of the public sector will need to be prudent in the use of existing resources and be innovative in delivering on core business. The

officials indicated that they are not in a position to comment on the implications of the CSR for all the Department's spending commitments, including the LRA, but argued that the Bill is a clear testimony to the importance that the Department attributes to the work of the LRA.

The Committee accepts the Department's reassurances. Members believe that the Bill represents a first step in the reform of workplace dispute resolution and expect the Department to continue talking to stakeholders and monitoring how systems are coping with the refocus on pre-claim conciliation. The Committee approves the Bill on the basis that work in that area of employment law is ongoing. On behalf of the Committee, I support the motion.

**Mr Lyttle:** As the Minister has noted, and judging by the attendance in the House, the Employment (No. 2) Bill seems to lack the controversy and hot air of some of the other debates that we have had today. Nonetheless, it has the key ingredients for good legislation: a responsive Minister, an attentive Committee and diligent officials who ensured that the Bill was widely consulted on and scrutinised.

As colleagues mentioned, the key findings of the consultation were the need to provide employers and employees with a clearer understanding of their rights and responsibilities and the need to develop a less bureaucratic system and a culture of early dispute resolution, which will also help us to improve how industrial and fair employment tribunals are used. I welcome the improvements that the Bill will make to that important area of employment law.

However, I also note the concerns that were raised with the Federation of Small Businesses. That body represents the small and medium-sized enterprises in our community, which provide the foundation for our economy. It called for provisions to introduce a new right for employees to request reasonable time off work for training. With careful monitoring and appropriate support for SMEs, the time taken to reskill and upskill workers will be a positive rather than a negative for the development and growth of individuals and businesses. If we are to provide a workforce with the new skills that they need to make Northern Ireland capable of competing in a global economy, it is vital that we raise employees' awareness of training opportunities and encourage employers to invest in training. I welcome the fact that

the Department will keep the fairness and effectiveness of that aspect of the Bill under review.

Although work must be done to develop a robust culture of early dispute resolution in Northern Ireland, it is important to recognise the Bill as a step in the right direction. It is also important to note that best practice employment law will require adequate resourcing. As mentioned, in 2009-2010, the Labour Relations Agency received more than 16,000 individual claims and dealt with 53,000-plus helpline enquiries. Although the agency will need to make efficiency savings like everyone else, it is important that it has adequate resources to deal with the important work that it does and that level of enquiries. Of course, it will have to use those resources effectively to deliver improved and more cost-efficient workplace dispute resolution.

In conclusion, I hope that the Bill will provide greater clarity for employers and employees, which will lead to the early resolution of disputes and the creation of positive workplaces that are fit to contribute to a productive and competitive local economy. I support the motion.

**The Minister for Employment and Learning:**

I am conscious that, as Mr Lyttle indicated, Members have had a long day. Nevertheless, the Bill is important legislation that proves the worth of this devolved Administration. Therefore, it is right that we give it proper consideration.

I thank Mrs D Kelly and Mr Lyttle for their contributions to the debate. Before I respond to specific points, I remind Members that the Bill seeks to deliver a set of core principles, which I outlined in my opening remarks and which were the product of a positive engagement with stakeholders. I encourage Members not to view the Bill in isolation, but as an important part of a wider set of legislative and non-legislative initiatives intended to deliver real improvements to the way in which disputes are handled in Northern Ireland.

I am aware that colleagues in the Department for Business, Innovation and Skills in Great Britain recently launched a consultation on further enhancements to its dispute resolution systems — *[Interruption.]* — I hope that that conversation is as interesting as it seems, because it seems fascinating.

Happily, I do not believe that the GB proposals cut across any of the provisions in this Bill,

and my Department will monitor closely the outworkings of that consultation.

With that in mind, I turn to the issues raised by Mrs D Kelly and Mr Lyttle. I thank the Chairperson of the Committee for her comprehensive and positive report to the House. The Committee made a significant contribution to the development and scrutiny of the provisions, and I thank all Committee members for their support and due diligence. Members will not be surprised to hear that I agree with the Committee's view that we need to reduce the bureaucracy that is associated with the resolution of disputes and make the process more solution-orientated for employers and employees.

The Bill and the initiatives associated with it, including the need highlighted by the Committee for improved information and guidance, are intended to achieve that objective. I take on board the concerns expressed by Mr Lyttle. He mentioned the Federation of Small Businesses. We are not seeking to impose undue costs or regulations on businesses.

The Committee rightly highlighted the concerns expressed by the Labour Relations Agency about the motivations behind clauses 8 and 12. I confirm that those provisions have been designed exclusively to provide the agency with greater flexibility to target its pre-claim conciliation services. The volume of pre-claim cases handled by the agency is already increasing year on year, which is encouraging, and I hope that that trend will continue following the passage of the Bill.

The provisions of the Bill are focused exclusively on effectiveness measures and not on cost reduction. I am clear that LRA's pre-claim conciliation services should continue to be widely available because that has been the clear message that the Department received throughout what has been a very extensive and meaningful consultation. It is important to remember that the Department's policy review has at all times been focused on the improvement of systems for dealing with workplace disputes in Northern Ireland.

The review has never been about making efficiency savings. That said, we cannot fail to recognise the challenges posed by the present economic situation. All parts of the public sector have a responsibility to be prudent in the use of existing resources and to be innovative as to how they deliver essential public services during what will be a very challenging CSR period. We will continue to work with the Labour Relations

Agency to ensure that it is appropriately resourced, while recognising the very difficult current public spending context. That more flexible approach mirrors developments in the rest of the United Kingdom, where the Employment Act 2008 replaced ACAS's duty to conciliate on pre-claim disputes with the same discretionary power that is provided for in clauses 8 and 12.

I acknowledge the Committee's concern about the wording of the explanatory and financial memorandum in relation to clauses 8 and 12. I confirm that when the explanatory material issues with the enacted legislation, it will reflect the revised wording that has been agreed with the Committee. With regard to confidentiality, I assure Members that the wider alternative dispute resolution activities undertaken by the staff of the agency or persons acting as agents on LRA's behalf are protected by confidentiality provisions in the existing legislation. Anything communicated to them during the course of ADR will not be admissible in evidence before a tribunal unless the person who communicated the information to the agency gives consent.

Concerns have been raised about conciliation activity outside the statutory regime; for example, relationship mediation. The Department explored with the agency whether there were ways of protecting specific activities, but no adequate proposal emerged from those considerations. However, if a need for additional protections is established, my Department will take whatever measures are required. The great majority of work undertaken by the agency is already protected, and I am confident that a tribunal would carefully consider any decision to require a professional mediator to disclose information that had been communicated in confidence.

On the issue of LRA arbitration, the current statutory arrangements provide for appeal on grounds of breach of human rights or EU obligations, as well as on grounds of fundamental perversion of the procedure. Appeals are heard by the Court of Appeal. I believe that those grounds remain appropriate under expanded arbitration arrangements. Arbitration can only be available where both parties agree, so there is no question of eroding rights to access to the justice system. Arbitration is not a process focused on the legal merits of a case; rather, it offers a quick, less formal and less stressful alternative.

The integrity of arbitration would be compromised if it just becomes a staging post on the way to a tribunal hearing. The broader appeal would

compromise the well-established principle that the decision of an arbitrator is binding. I am, however, willing to offer an assurance that my Department will monitor the effectiveness of the new scheme. I do not rule out the possibility of future changes to the scope of the appeal function if there is still not a sufficient uptake of arbitration.

### 11.15 pm

I turn to another issue raised by the Committee. There has been considerable debate during the review process on the broader issue of whether ADR should, in some way, be a mandatory process. No consensus emerged, but there is certainly a strong feeling in some quarters that, where parties are required to participate in ADR, it will devalue the process. Active promotion of ADR is a much more appropriate way forward. Parties are likely to avail themselves of ADR if it is clear to them that the process is comparatively informal, non-legalistic and voluntary.

On the issue of time to train, I want to assure the House that those provisions will only be commenced when the economy is in a much healthier state. We all understand the value of investing in our workforce, but it is my view that this is not the time to introduce this new right.

The Bill before us this evening is the result of a very positive engagement across the whole stakeholder community. Employer organisations, trade unions, legal practitioners, HR professionals and representatives from the statutory, voluntary and advisory sectors have all valuably contributed to the debate. To their very great credit, all the stakeholders have consistently thought of the bigger picture, recognising the opportunity that devolved government offers to develop regional solutions that respond to Northern Ireland's specific needs.

I once again commend the work of the Employment and Learning Committee, which has been very actively engaged with the policy development process from the very outset. I assure Members that my officials will keep the Committee updated as the implementation of the dispute resolution review is rolled out, and I very much hope that members will now lend their support to the passage of the Bill.

*Question put and agreed to.*

*Resolved:*

*That the Employment (No. 2) Bill [NIA 24/09] do now pass.*

## **Wildlife and Natural Environment Bill: Final Stage**

*The following motion stood in the Order Paper:*

*“That the Wildlife and Natural Environment Bill [NIA 5/09] do now pass.” . — [The Minister of the Environment (Mr Poots).]*

*Motion not moved.*

## **Local Government Finance Bill: Final Stage**

**The Minister of the Environment (Mr Poots):** I beg to move

*That the Local Government Finance Bill [NIA 14/09] do now pass.*

I welcome the fact that this important Bill has now reached its Final Stage, and I take this opportunity to thank the Chairperson, the Environment Committee and all the Members who contributed to the Bill throughout the process and assisted us in improving and refining it.

I will not get into too much detail this evening, because brevity is key and less is more. The Bill will consolidate into one Act the legislative framework for local government finance. Part 1 of the Bill will allow councils more freedom to manage their financial affairs in line with modern accounting practices. It is important that councils have more control over their financial affairs in anticipation of the new powers that will be transferred to them and a stronger system of local government that can take on the challenges of the twenty-first century and the opportunities that exist.

Part 2 of the Bill updates the current provisions for payment of grants to councils by Departments. The two elements making up a general grant are to be replaced with two new grants: the derating grant and the rates support grant. The statutory formula for calculating the amount payable has not been altered.

New provisions have been made to extend all Departments' general powers to pay grants directly to councils. That addresses audit concerns that, in the past, my Department was paying out grants in relation to policies outside of its remit and over which it could not exercise sufficient control. Extending the power to pay grants to all Departments will also remove a layer of bureaucracy, which we always want to do, create time savings and reduce administrative costs. That will be particularly welcome at a time when we all face departmental budgetary pressures and constraints.

Part 3 of the Bill will update the legislative framework for councillors' remuneration, allowing my Department, through regulations, to require councils to make and to publish schemes of allowances paid to councillors. Many councils

already publish that information, but the Bill will provide a statutory basis for doing so.

Northern Ireland is the only devolved Administration where there is no independent panel to consider and to advise the Minister on the systems of allowances paid to councillors. That will no longer be the case. Clause 35 will enable my Department to make regulations to establish an independent remuneration panel and to make those regulations for the membership and functions of the panel.

I believe that the Bill is sound and effective. It has come about as a consequence of the excellent relationship and spirit of co-operation that exists between my Department and the Committee. I thank the Committee for its assistance. The Committee proposed one amendment at Consideration Stage, which I did not agree with. However, it was agreed, and I accepted that outcome.

In conclusion, the Bill will strengthen councils by giving them more freedom to manage their financial affairs in line with modern accounting practices. It will streamline the process for paying grants to councils, make provisions for an independent remuneration panel and allow for the publication of schemes of allowances. It will promote impartiality and transparency in all payments to councillors. I commend the Local Government Finance Bill to the House.

**The Chairperson of the Committee for the Environment (Mr Boylan):** Go raibh maith agat, a LeasCheann Comhairle. If you will indulge me, I will try to wind up between now and midnight.

On behalf of the Committee for the Environment, I welcome the Final Stage of the Local Government Finance Bill. Those of us who are or have been councillors will know that legislation relating to local government finances and the remuneration of councillors was in need of updating. Although quite technical in detail and perhaps not the type of legislation that grabs headlines, the Bill should give confidence to the public, as it does to the Committee, that the framework for overseeing local government finances is consolidated into one piece of updated legislation to reflect modern accounting practices.

Given the financial circumstances that we are in, everyone is being asked to make sacrifices. It is, therefore, important that the framework for ensuring that public moneys are properly managed is appropriate. As a starting point,

it is necessary to ensure that the governing legislative framework is fit for purpose. It was the Committee's role to scrutinise the Bill to make sure that that was the case. In general terms, the Bill will give councils greater freedom to manage their financial affairs. I think that that will be welcome in an era in which, rightly, there is considerably more scrutiny of how public funds are managed.

During the Committee's considerations, it sought views from a range of organisations to get a balanced overview of the issues. The Committee was greatly aided by the insight that oral and written submissions gave. On behalf of the Committee, I thank all those who took the time to engage with us on the Bill.

It is always difficult to distil a range of views into a single agreed position, but I think that the Committee's approach at least allowed those views to be aired and raised with the Department. It is the Committee's opinion, therefore, that the Bill reflects, as far as possible, the concerns of those whom we engaged with and highlights the advantages of working closely with the Department to exchange views and to amend legislation as necessary.

During clause-by-clause scrutiny, we considered one Committee amendment and a couple that the Department proposed in response to Committee recommendations. However, the large majority of the clauses were agreed as drafted. In fact, in its report on the Bill, the Committee made five recommendations, two of which the Department accepted, making the necessary amendments so that the Committee's concerns would be addressed. The Committee was also concerned about the robustness of the audit process. However, it recognised that it would not be appropriate to legislate on the audit process through the Bill and recommended that that process be reviewed and, if necessary, strengthened. I would welcome a commitment from the Minister that he will direct his Department to take that forward with some urgency.

The ring-fencing of the in-year rate support grant was another of the Committee's key concerns. That was important to the Committee, because members felt it unfair that the councils under the most financial pressure could have their budgets altered in a financial year with no option for recouping the loss. I am glad that the House supported the Committee's view on

that. The Committee initially wanted the Bill to allow for the inclusion of social clauses in public procurement contracts but, on advice, it was satisfied that those are being brought forward through subordinate legislation. We hope that that subordinate legislation will progress quickly.

I acknowledge the work that my fellow Committee members have put into considering the legislation. We have had our fair share of legislation, and members have approached each Bill with a judicious eye. I and the Committee acknowledge the support provided by the Committee staff, and we thank them for that. I also acknowledge the collaborative approach taken by the Department and the Committee, which ensured that the Committee's concerns were addressed to its satisfaction.

In conclusion, I endorse the Bill on behalf of the Committee.

**Mr Kinahan:** Everyone will be pleased to hear that I will be brief. I welcome the Bill and the fact that there will be a new legal framework in place that gives councils greater freedom. There is a mass of more work that I will not go into in great detail. The Committee, which I only joined halfway through its consideration of the Bill, has done a mass of good work. Councils will thrive on this legislation, and they need to because there is a mass of challenges coming their way. I support the Bill.

**Mr McGlone:** Go raibh maith agat, a LeasCheann Comhairle. I support the Bill with a degree of qualification, given where we are with the process. I welcome greater freedom for local government finance and, indeed, for local authorities' exercising of those powers. However, the Local Government Finance Bill is very much linked to the review of public administration. We already have the cart before the horse situation that is the Planning Bill going through. It is undergoing the intensive scrutiny of the Committee for the Environment even though we do not have the proper framework and context for it through the changes to and reform of local government, with safeguards built in. Those safeguards will be crucial. Although I welcome freedom on one level, it is crucial that that freedom be balanced with openness, transparency and equality for all. Therefore, the reform of local government will be key to how the powers are exercised, whether they be finance, planning or any other powers that may be handed over to the local authorities.

I will make one more very important point. Although we are saying that there should be greater financial freedom for local authorities, it is crucial that the transfer to local authorities of any powers that are tied in with the review of public administration, including planning, as the Minister will appreciate, be done in a cost-neutral way. That has proven a bit of an issue to date. The closer that we come to a Budget, the more difficult it is to get any degree of assured clarity from the Department in the form of an undertaking that the transfer of powers will not be done at additional cost to ratepayers or councils.

As a member of the Committee that scrutinised the Bill and has seen it through, I welcome it, albeit with the qualification attached that it must be in the context of greater reform of local government.

**The Minister of the Environment:** I thank Members for their contributions. Mr Boylan, the Committee Chairperson, asked a question about the audit process. As I indicated at Consideration Stage, the audit procedures need to be effective, efficient, understandable and subject to regular review. In that context, I am very happy for my Department to carry out a review of the audit process. If we identify that changes are required, we will set about making those changes.

I thank Mr Kinahan for his comments. Mr McGlone raised the issue of the RPA. A good, prudential regime for councils is relevant irrespective of the RPA. If the RPA had not been thought about or devised, this Bill would still be necessary. The Bill does, however, put us in a better place for the RPA. I have already indicated that my Department is looking to transfer powers that have a cost-neutral impact on local authorities. I trust that that would be the case for the Member's own Minister, who will have to transfer the powers for urban regeneration to local government.

**11.30 pm**

**Mr McGlone:** Will the Minister give way?

**The Minister of the Environment:** I will give way in a moment.

I look forward to those powers being transferred to local government, and perhaps urban regeneration may well then receive some beneficial grant aid that will assist towns across Northern

Ireland and not just the cities of Belfast and Londonderry.

**Mr McGlone:** I thank the Minister for giving way and for his co-operation throughout the passage of the Bill.

On the issue of cost-neutrality, I asked the Minister's permanent secretary whether he could give assurances that the transfer of any powers, including planning powers, to local authorities would be done on a cost-neutral basis. I asked that during the discussions about and presentation of the draft Budget to the Environment Committee. The permanent secretary could not give any such assurances. So, the fact that assurances could not be given by the permanent secretary about cost-neutrality during the transition and the handover of powers led to some distilling of the assurances that were given previously. That is by way of information to the Minister about what happened at the Environment Committee about three weeks ago.

**The Minister of the Environment:** I thank the Member for his kindness in drawing that matter to my attention. Of course, we have a devolved Administration in which Ministers and the House call the shots and where the civil servants carry out the instructions that are given to them by the democratic institution. That is correct and it is the way forward in this country, and I say that with the greatest respect to my permanent secretary.

I regularly hear Members criticising me because, for example, we have reduced the number of planners. That is a difficult decision to make, but it must be done in order to do what the Member is requesting, which is to ensure that we have the Planning Service in a position in which it can be transferred to councils on a cost-neutral basis. That is why we are readdressing the issue of planning fees. We will be driving through efficiencies in the Planning Service, we will have a fees regime that is commensurate with the work involved around applications, and we want to put the Planning Service on a proper footing to enable it to be transferred to local authorities at the appropriate time. It is my aim to do that in a way that is cost-neutral to local government. I am sure that the Minister for Regional Development and the Minister for Social Development will also want to transfer their powers to local government on a cost-neutral basis. We want local government to take on the new powers in a way that is beneficial to

the community and not as a sneaky way for this Administration to pass taxes to the community that will have to be raised through the rates revenue.

I think that a lot of that is irrelevant to the piece of legislation that we have before us tonight. However, I feel duty-bound to respond to Mr McGlone's comments.

I thank everyone who helped to bring us to this point. I commend the Bill to the House and welcome its support.

*Question put and agreed to.*

*Resolved:*

*That the Local Government Finance Bill [NIA 14/09] do now pass.*

## Private Members' Business

### Caravans Bill: Final Stage

**Mr McCallister:** I beg to move

*That the Caravans Bill [NIA 17/09] do now pass.*

I am delighted that the Bill has reached its Final Stage and is on track to become the first private Member's Bill in the history of this Assembly to be passed.

**Ms Purvis:** I congratulate Mr McCallister on being the first Member to reach the Final Stage of a private Member's Bill in the Assembly. Is he aware that this is only the second private Member's Bill in the history of Northern Ireland government? The first one became the Wild Birds Protection Act (Northern Ireland) 1931.

**Mr McCallister:** I am grateful to the Member for that. She has certainly been looking into the history books. I cannot see any Members who would have been around in 1931, not even Pat Ramsey.

When I introduced the Bill to the Assembly on 26 April 2010, I was of the firm opinion that the debate and discussions at Second Stage and Committee Stage would be extremely productive and would help to shape the Bill into what will, I believe, be highly effective legislation.

I will now touch on the Bill's main purpose and aims. The Caravans Bill provides a high level of protection for the owners of permanent caravans, which is important because such caravans are their main or only residence. It also provides a level of protection that did not previously exist in Northern Ireland for the owners of static holiday caravans.

Part 1 provides a detailed statutory framework for protecting the rights of residential caravan owners who live on approved sites. That framework centres on the requirement for written agreements to be in place between site owners and caravan owners, for a series of detailed terms to be applied in any agreements and for the courts to have the authority to hear a range matters relating to residential agreements.

The holiday caravan sector is dealt with in Part 2. Although it has been acknowledged that a considerable body of consumer protection law already applies to that sector, many holiday caravan owners do not have written agreements with site owners. Historically, that has made

it difficult to ensure the effective enforcement of existing law. The requirement in Part 2 for written agreements that set out expressed terms of agreement will address that.

Part 3 gives protection from harassment and unlawful eviction to those who own or rent a residential caravan on an approved site. It is designed to protect the rights of residential caravan occupiers peacefully to enjoy their homes.

Part 4 updates the definition of a caravan in line with the definition used in England and Wales. That is important to provide clarity and to help to ensure the effective application of the Bill.

The Second Stage debate all those months ago managed to stir the emotions of even the most passive Members —

**Mr Wells:** Will the Member give way?

**Mr McCallister:** Speaking of which —

**Mr Wells:** First, I refute the accusation that I was present for the passing of the Wild Birds Protection Act (Northern Ireland) 1931. *[Laughter.]* I may rapidly be becoming the Father of the House, but that does not mean that I am the oldest Member, just the longest serving. However, I know that I was in the House before the Member was born.

The Member said that the Bill raised passions, which it did. I was one of those who vented some of those passions at the Second Stage debate. I hope and pray that he will never use this against me in the local press, but I would like to congratulate him on his success in bringing the Bill through. It will forever be known as the McCallister Bill. However, I suspect that he had some expert advice behind the scenes, and I think that that person should also be congratulated. I see the Bill as a major step forward in protecting the rights of caravan owners and occupiers, particularly in my and his constituency of South Down. I have had my ear burned about this issue on many occasions in places such as Cranfield, Annalong and Newcastle, and even Strangford. So, the Bill is an advance.

I realise that the Member had to make some concessions along the way to make the Bill viable. However, hopefully, it will ensure that people who enter some caravan sites do not sign away all human rights in respect of what they can do with their caravan, to whom they can sell it, who they can get to maintain and insure

it, and who they can get to buy it back when they no longer require it. The Member and I know that many difficult issues have arisen. However, this is a step in the right direction. I congratulate him, but I pray that he never lets the public of South Down know that I have done so.

**Mr McCallister:** I am grateful to my colleague from the South Down constituency. I know that he feels passionate about the issue, and he certainly gave me a fairly difficult time at Second Stage. However, that is what has helped to shape the Bill. I will, of course, try to leak the Hansard report of this debate to as many local papers as possible, particularly given how close we are to an election.

**Mr Humphrey:** On behalf of caravanners across Belfast, I thank the Member for bringing his Bill to a successful conclusion. The Member may be aware that Millisle in my constituency of North Down is known as "Shankill by the sea".

Many of those people who had difficulties getting rid of their caravans by selling them on will be delighted with the progression of the Bill. I thank the Member and those who worked behind the scenes in bringing this to successful fruition.

**Mr McCallister:** The Bill is very much about constituents such as the Member's who travel out of Belfast and visit the very beautiful constituencies around it, such as Strangford, North Down and South Down.

**Mr Kennedy:** Newry and Armagh.

**Mr McCallister:** And the very scenic Newry and Armagh. Although I am not sure that I have ever holidayed in Bessbrook.

Throughout this process, I have been very encouraged by the support that the Bill has received from all sides of the House. There has been widespread acceptance of the principles of the legislation, and the detailed scrutiny that the Bill received in the Committee for Social Development added to it. The Second Stage debate certainly added to and greatly informed my thinking about where Members were on the issue. I am grateful to the Committee, under Mr Hamilton's chairmanship, which gave the Bill great scrutiny and helped to improve the legislation.

It was quite clear to me from the outset that the Bill's provisions for the residential caravan sector were supported almost universally around the House, with no major contentious issues

around that. The holiday sector is the larger of the two caravan sectors here in Northern Ireland. It was the subject of many complaints and was the most hotly contested issue during the debate. That issue was probably the most difficult on which to get agreement on the best outcome.

As Mr Wells mentioned, the current draft of the Bill looks rather different from the original draft. When I started work on the Bill, we had to consult, come back, redraft and look at it again. A lot of work and effort was put in to trying to strike a balance between what needed to be a workable piece of legislation for the holiday sector, a meaningful piece of legislation, something that did not over-regulate the industry and something that met Minister Foster's requirement that it not be overburdensome.

**Mr Kennedy:** I add my personal congratulations to the Member on achieving the significant milestone of bringing a private Member's Bill to successful fruition in the Assembly. John McCallister deserves enormous credit, because he has taken on board and listened to the concerns of Committee members and other political representatives and, indeed, to ministerial concerns. I take great satisfaction that John, who has brought the Bill successfully through the House, is a party colleague. He very carefully steered the Bill with great wisdom, which deserves enormous credit.

I also take comfort from the fact that the initial basis for John's taking the Bill through the Assembly was a public meeting in Tandragee, in my constituency of Newry and Armagh, at which a number of caravan owners came together to raise issues of concern with John and other elected representatives. It is timely and right that we pay due tribute to those people who made that initial effort, and to John himself for the hard work that he has persevered with. Congratulations, John.

**Mr McCallister:** I am grateful to my colleague Mr Kennedy for that. I was indeed in Tandragee. I think that I was only filling in that night because he could not go, and I got stuck with all the work. Mr Kennedy enjoys an enormous majority in his seat in Newry and Armagh, but I got stuck with having to draft the Bill. However, I appreciate his support and that of party colleagues. As Mr Kennedy highlighted, the Bill demonstrates to people across Northern Ireland that, when they identify something that is not right, they can

lobby elected Members and change the law in Northern Ireland. That is what politics is and should be about.

### 11.45 pm

The Bill represents a huge step forward and pushes Northern Ireland ahead of the rest of the UK. The merits of written agreements cannot be overstated. It is almost impossible to challenge something that a site owner is trying to impose on a caravan owner if there is no written agreement and no transparency. There can be no nasty surprises if there is a written agreement. Moreover, seasonal caravan owners are being given the same statutory rights as their permanent residential counterparts to form recognised associations and to be consulted on important matters that may affect them.

**Mr Wells:** There is no doubt that the Bill will now go for Royal Assent. Her Majesty will read it with great interest, wonder who John McCallister is, and find out about more about the Member for South Down. I think that most caravan site owners will wonder when the Bill will become law. We are coming into another holiday season, and none of us wants to see a perpetuation of the sometimes ridiculous behaviour of some caravan site owners. Should the House agree tonight, which I think likely, and should Her Majesty decide not to refuse to sign the legislation, when does Mr McCallister expect that we will see the legislation affecting an ordinary person with a site in Cranfield, Dundrum or Newcastle, for example?

**Mr McCallister:** I have, of course, offered to take the Bill to Her Majesty personally, but Danny has an important Employment Bill that he says will go in first.

My understanding is that the normal process is for Royal Assent to take four to six weeks, with the Bill being enacted six months after that date. We are probably looking at late September or early October before it will take effect.

I realise that the hour is late, but I want to record my thanks to the Committee for Social Development, the Committee for Enterprise, Trade and Investment and the Committee for the Environment. I especially thank the Committee for Social Development as it had the heavy lifting to do on this. I am sure that the Chairperson of the Committee will pass on my thanks.

I would especially like to single out Minister Attwood and his predecessor, Margaret Ritchie. When we initially drafted the Bill, Minister Ritchie, as she was at the time, very helpfully wanted to redraft and change things. She helped to facilitate that and to push the case for the legislation through OFMDFM, so I owe a huge debt of gratitude to Margaret Ritchie and Alex Attwood for running with the Bill. I believe that the Second Stage debate was held on Alex Attwood's first day as Minister, so he did not get much of an easy run into his portfolio.

I also thank Minister Poots, as Part 4 of the Bill relates to the Department of the Environment, and Minister Arlene Foster, who has been very useful in steering and debating some of the issues around better regulation. She has been working and showing flexibility and compromise on some issues that we did not always agree on initially. I think it is important to record that.

I am also grateful to Annette Holden, who works with me and who has had to travel around a good bit of Northern Ireland, visiting, listening to and consulting with caravan owners and site owners to build and shape the Bill into what it has become. I feel that that has been a very important part of the exercise. It has been three years and one month since the meeting in Tandragee that Mr Kennedy referred to, and we have had many ups and downs on this.

Civil servants often get somewhat bad press in Northern Ireland, as if they are not up to speed. I hope that the Minister will pass this on to his officials, particularly Stephen Martin: they were absolutely superb in their professionalism and the way in which they dealt with the issues with the Committee and me. They have been an example of how the Assembly can work at its best by shaping legislation, getting a policy idea and progressing, shaping and changing it, working with the Committee, listening to Members and building on that as we go forward. I thank Members for their support in doing that and getting the Bill to this stage.

**The Chairperson of the Committee for Social Development (Mr Hamilton):** I thought that I had been temporarily demoted or that something had been taken off me at some stage. I join in the gushing praise of the Member. Perhaps a group hug or something would be appropriate. I congratulate him on his tenacity in ensuring that the Bill has got to this stage. It was a lengthy process. It seems like an eternity since

he first spoke to me about the Bill. It has been a rollercoaster going up and down since then. It has been a complex Bill. It was complicated by the interventions of some, and he will know that there were stages, even though there were the best of intentions at the heart of the Bill, at which complications and roadblocks made it look like it might not get to this stage. I congratulate him for seeing those through.

I also congratulate and thank everyone who gave evidence to the Social Development Committee. That evidence, from whatever source, certainly helped us to have a much more robust and thorough Committee Stage. The scrutiny of the Bill is evident in the final product and the debates that we had at previous stages. I echo the comments that were made by the Bill's sponsor in congratulating the officials from the Department, who greatly assisted and were always at hand whenever the Committee had queries, and we had many queries during the Committee Stage. I put on record my thanks to them and to the staff of the Committee for their help in allowing the evidence to be taken and the Bill report to be produced.

I will not go into the same detail as the Member. There is a lot in the Bill, but I principally welcome the protections that are afforded to people who live in caravans in the residential sector, some of which are located in my constituency, and also those in the holiday sector. Members will know that the Strangford constituency has one of the highest caravan populations in the whole of Northern Ireland, so it is good to see a Bill coming through that not only protects people but protects those who holiday in our areas.

Perhaps a perception has developed that caravan site owners are somehow the enemy and are all nasty, awful people. There is certainly some bad behaviour, and there are long lists of stories that many Members can recite to back that up. Principally, however, the sector is enjoyed by many thousands of people across Northern Ireland every year without complaint at all. It is an important aspect of our tourism industry, and it is worth putting on record our thanks to that sector for its co-operation in allowing the Bill to pass. The provisions in the Bill strengthen the sector considerably and make it much more attractive. It will thrive and flourish as a result.

With that in mind, on behalf of the Social Development Committee, I congratulate the Member and thank him for his tenacity in

bringing forward the Bill. We look forward to its passing and having a positive impact on caravan owners in the residential and holiday sectors in Northern Ireland.

**Mr P Ramsey:** It was not my intention to speak to the Bill tonight, but it is important as it is a historic night. I commend and congratulate John McCallister for his sheer grit and determination to go through the process. As someone who is involved in the early stages of a private Member's Bill, I know the amount of very tedious and patient work that is required. I think that John will want to commend the Bill Office for all its endeavours.

The Bill is important and will give the ultimate protection and regulation. An awful lot of abuse goes on with unscrupulous site owners, and Jim Wells referred to some areas in which abuse takes place. Whether it is to do with maintenance inside or outside a caravan or making people buy high-priced decking, site owners give people no choice. Furthermore, if people challenge site owners about the cost, the site owners are quick off the mark to tell those people that if they do not like it, they can get off the site, with no power to respond.

The Bill sets a new standard. In Donegal and across Southern Ireland, thousands of caravan owners need the same protection. We always talk about cross-border co-operation, so I hope that someone in the Irish Government is listening to the debate. Previously, I met Irish Government officials to discuss unscrupulous site owners, particularly in and around Donegal, who abuse caravan owners. People there are not allowed to meet or challenge site owners.

For John, personally, this is an important night. Well done, and I hope that his efforts are recognised. Given the protection that he has achieved for so many people, including vulnerable and innocent people, the passing of the Bill will give them heart. I hope that the Bill places the utmost regulation on site owners in Northern Ireland who think that they can get away with abuses and have been getting away with them for many years. As a caravan owner in Donegal, I should declare an interest. The abuses that have gone on for decades cannot be allowed to continue, so I hope that someone — even John — informs the Irish tourist board about the Bill, which could be the way forward in protecting all caravan owners on the island.

**Mr B McCrea:** I will not detain the House too long. Nevertheless, it is appropriate to acknowledge the generosity of the comments by Members on various Benches. Mr Wells pleaded with us not to leak his comments to the local press. I can probably assure him the John will not, but I might. Given that generosity, I shall redress the balance by declaring that I am very pleased for my very good friend Mr McCallister — there we go, it is in the Hansard report, so that is him finished now.

We should all take some pride in the passing of the Bill. Sometimes, we are accused of not working or not delivering. On reading the debates, I was struck by the number of times that I said “Aye”, because that was about all that I said. Nevertheless, I listened to the debates and realised that real legislation was being worked out and real points were being made. As the Chairperson of the Committee for Social Development, Mr Hamilton, said, there were undoubtedly contentious areas that had to be worked through, and that was right and proper. His Committee did a very good job on getting through the issues.

It was also kind of Mr Humphrey to say that the Bill is very good all round. I hope that we have made a difference to many people's lives. I was going to offer my personal congratulations to Mr McCallister, but it is not really him that I should be congratulating; it is Annette, because, while he took all the glory, she did all the work. *[Laughter.]* On those kind words, I shall finish by wishing Mr McCallister all the very best with the McCallister Bill.

#### **The Minister for Social Development**

**(Mr Attwood):** As Dawn Purvis said, although we have come to the end of one of our longest days, we have also come, as other Members stated, to one of our rarest moments. It is so rare that it is hard to believe. Only twice in 90 years has this happened in this Building, and tonight is the second occurrence. This moment is almost unique. Therefore, all the compliments to John McCallister for taking the Bill through its various stages since 26 April 2010 have to be acknowledged.

There must have been something in the air that night in Tandragee, because since then John McCallister has got married, fathered a child, become deputy leader of the Ulster Unionist Party and sponsored and seen the Bill through the Assembly.

**Mr Kennedy:** That is Tandragee for you.

**The Minister for Social Development:** That is Tandragee.

**Mr B McCrea:** But it is not all downhill. *[Laughter.]*

#### **12.00 midnight**

**The Minister for Social Development:** I was not anticipating the election on 5 May in that regard, but congratulations for all those reasons. *[Laughter.]*

I checked it out today, and last year, Westminster passed seven private Member's Bills. In the lifetime of its current mandate, the Scottish Parliament has passed four, has four more in the pipeline and two were withdrawn. The poor Welsh Assembly has passed none, but it did not have primary legislative powers until recently. Therefore, it did not have the capacity to do what John has done in this House over the past months. The point behind that, which will be touched on again in the subsequent debate, is that the capacity of legislators to come forth with an idea, mould it into proposals, draft it into clauses and guide it through all its legislative stages is something that John has set a standard for, against which we should all be judged and judge ourselves.

I do not intend to rehearse the scope of the Bill. That was touched on before and spoken about tonight. However, like everybody else, I want to acknowledge all those who contributed to the passage of the Bill, beyond John's leadership on it. There are a lot of people to acknowledge. First and foremost, I acknowledge my predecessor, Margaret Ritchie. It is very difficult to get a private Member's Bill through, and I put firmly on the record my appreciation of her assistance at ministerial level, working with and being led by John. It was a difficult passage. There were, as Simon Hamilton indicated, some difficult moments. Had it not been for her contribution and, in a small way, belatedly, my own, we might not have been in this position tonight.

I acknowledge the work of the Bill Office. This has ended up being a 28-page Bill; no, it is an 18-page Bill. The work of the Office of the Legislative Counsel and the Bill Office has been essential in all of this. It is not the convention to name civil servants from the Floor of the Assembly, but given that Stephen Martin has been named already, I want to acknowledge

his work. He is not in the Officials' Box tonight because, contrary to convention in Departments, and without the knowledge of the permanent secretary, I told him to go home at 6.00 pm, in anticipation of this being a long night. However, as John and others have done, I want to acknowledge the contribution of Stephen Martin in helping, always with good heart and a willing mind, to get the Bill to where it is tonight.

I want to acknowledge the role of the Environment Committee, the Enterprise, Trade and Investment Committee and the Social Development Committee. Their work was substantial in all this. It demonstrates that when Committees work together, when Members work together and when parties work together, we can have a very productive outcome. There is certainly something in all that, around which we can learn from the past and look forward to the future.

Having acknowledged the Social Development Committee, I want to particularly acknowledge its members and Chairperson. There were some testing moments over the past months and some very significant hurdles to be jumped, but all those tasks have been achieved. I want to acknowledge the Executive, because they assisted in ensuring that various amendments got appropriate endorsement, and those are reflected in the Bill.

However, ultimately, I come back to the fact that this legislature is tonight, subject to the Bill being granted Royal Assent, making a material difference for a community in Northern Ireland that did not previously have the protection that it might have required. That will, to a substantial degree, be corrected through the passage of the Bill.

Finally, I want to again acknowledge the contribution of John. He has shown resilience, fortitude, determination and all the skills that make a good politician and a good legislator. I commend him for that.

**Mr McCallister:** I wonder whether everyone will join me in the election campaign — *[Laughter.]*

**Mr Kennedy:** Will the Member give way?

**Mr McCallister:** I have at least one who will.

**Mr Kennedy:** One volunteer already. I do not want to hold the House or the Member back from his moment of glory now that a new day has dawned. I omitted in my earlier remarks to

indicate that I, too, am a caravan owner. I have no pecuniary interest in the legislation, but lest anyone be sent off to find out why I did not declare my interest, I do so gladly now.

**Mr McCallister:** The good news is that the Member's caravan is in the beautiful South Down constituency.

I am grateful to Members for their kind remarks. I will sum up briefly. Mr Hamilton paid tribute to the Bill Office. The legislation is big for a private Member's Bill. I did not realise that until quite a bit into the process, and I am grateful to the Committee staff. I had a brief stint on the Social Development Committee; perhaps Mr Hamilton felt that my party leader sent me there only to speed things along. However, I assure him that that was not the only reason. I enjoyed my brief time on the Social Development Committee. Mr Hamilton is right that the industry has worked well with the Committee and with myself and Annette Holden to shape the Bill. Of course, members liked some bits and not others, but they worked to put the legislation in place early before we hit the difficult times.

I thank Mr Ramsey. He will know about the issue, given his private Member's Bill on helmets, which I got into all sorts of bother for voting for. It is important that a private Member's Bill goes to Committee so that the work can be done. The Bill Office has a key role in advising Members in that. There are huge issues. The written agreements that the Caravans Bill will introduce will go a long way to addressing some of the issues that Mr Ramsey raised about people who feel that they have been abused financially by site owners. The Bill will make the process more open and transparent and, of course, caravan owners will have the right to form owners' associations to voice their views.

When I look around the Chamber and see that Mr McCrea, Mr Wells and Mr Hamilton are still here, I am concerned about who will do 'The Stephen Nolan Show' in the morning. *[Laughter.]* I am worried that you will all sound terribly sleepy. I was even more concerned when Mr McCrea described me as a very good friend; I assure my party leader that that is not the case. *[Laughter.]* In fact, I have never seen him before. *[Laughter.]*

I am delighted that the Minister is here to respond to the debate, and I hope that he passes on my thanks to his party leader and predecessor, Margaret Ritchie, for her contribution to the Bill

in availing herself of the Office of the Legislative Counsel and pushing it through. I thank the Office of the First Minister and deputy First Minister as well. The fact that amendments that were made at Consideration Stage and Further Consideration Stage were guided by the Minister was of enormous help to me and to the process of the Bill.

The fact that departmental officials were available to the Committee was enormously helpful and important to the smooth progression of the Bill, so I thank him for that. I thank him and Dawn Purvis for their research in finding out that the last time a private Member's Bill was passed was all the way back in 1931. I took a rough guess that it was possibly some time back in the 1960s, but I did not imagine that it would be as far back as that. It is a rare occasion, and there was a great deal of work, but, if I am re-elected on 5 May, that will not deter me from introducing other private Member's Bills on important issues such as this.

**Dr Farry:** I have been out of the Chamber catching up with other work, and I wanted to make sure that, from the Alliance Party Benches, we put on record our congratulations to John McCallister on getting the Bill through to this stage. No doubt, it is about to be adopted. Although I have been slightly tongue-in-cheek in praising him over the past couple of days, my comments are 100% genuine. Well done, John.

**Mr McCallister:** I will definitely not go into the issues on which the Member was praising me over the past couple of days, but I am grateful to him and his party colleagues, particularly Anna Lo, for her contribution as a member of the Committee for Social Development. I thank all Members for their support, advice and assistance in guiding and shaping the Bill to where it is today.

*Question put and agreed to.*

*Resolved:*

*That the Caravans Bill [NIA 17/09] do now pass.*

**Mr Deputy Speaker:** I ask the House to take its ease for a few moments.

*(Mr Speaker in the Chair)*

## **Armed Forces and Veterans Bill: Consideration Stage**

**Mr Speaker:** I call the sponsor, Mr David McNarry, to move the Consideration Stage of the Armed Forces and Veterans Bill.

**Mr McNarry:** Good morning, Mr Speaker.

*Moved. — [Mr McNarry.]*

**Mr Speaker:** Members will have a copy of the Marshalled List of amendments detailing the order for consideration. The amendments have been grouped for debate in my provisional grouping of amendments selected list.

I inform Members that a valid petition of concern was presented on Thursday 10 February in relation to the Bill's eight clauses and the long title. I remind Members that the effect of the petition is that the vote on the clauses and the long title will be on a cross-community basis.

There is a single group of amendments, comprising amendment Nos 1 to 9, which deal with departmental responsibilities, Orders and regulations. Once the debate on the group is completed, any further amendments will be moved formally as we go through the Bill, and the Question on each will be put without further debate. The Questions on stand part will be taken at the appropriate points in the Bill. If that is clear, we shall proceed.

### ***Clause 1 (General duty to have due regard to the impact of the exercise of functions on the services community)***

**Mr Speaker:** We now come to the group of amendments for debate. With amendment No 1, it will be convenient to debate amendment Nos 2 to 9. The amendments would transfer the responsibilities that the Bill places on the Department of Finance and Personnel to the Office of the First Minister and deputy First Minister. They would also provide for regulations to be made prescribing the functions of a co-ordinator.

I inform Members that amendment Nos 2 and 3 are mutually exclusive and that amendment Nos 3 to 8 are paving amendments for amendment No 9.

**12.15 am**

**Mr McNarry:** I beg to move amendment No 1: In page 1, line 14, leave out subsections (3) and (4) and insert

*“(3) The Department may by order amend the list of authorities in subsection (2) by adding to, or removing from, the list an authority other than a Northern Ireland department.*

*“(4) No order may be made under subsection (3) unless a draft of the order has been laid before, and approved by resolution of, the Assembly.”*

*The following amendments stood on the Marshalled List:*

No 2: In clause 2, page 1, line 20, leave out subsections (2) and (3) and insert

*“(2) The Department may make regulations prescribing the functions of a co-ordinator.*

*“(3) Regulations may not be made under subsection (2) unless a draft of the regulations has been laid before, and approved by resolution of, the Assembly.” — [Dr Farry.]*

No 3: In clause 2, page 2, line 4, leave out

*“the Department of Finance and Personnel”*

and insert “the Department”. — [Mr McNarry.]

No 4: In clause 4, page 2, line 31, leave out

*“the Department of Finance and Personnel”*

and insert “the Department”. — [Mr McNarry.]

No 5: In clause 4, page 2, line 36, leave out

*“the Department of Finance and Personnel”*

and insert “the Department”. — [Mr McNarry.]

No 6: In clause 4, page 2, line 38, leave out

*“the Department of Finance and Personnel”*

and insert “the Department”. — [Mr McNarry.]

No 7: In clause 5, page 2, line 41, leave out

*“the Department of Finance and Personnel”*

and insert “the Department”. — [Mr McNarry.]

No 8: In clause 5, page 3, line 3, leave out

*“the Department of Finance and Personnel”*

and insert “the Department”. — [Mr McNarry.]

No 9: In clause 6, page 3, line 23, at end insert

*“ ‘the Department’ means the Office of the First Minister and deputy First Minister”. — [Mr McNarry.]*

I am very proud to be associated with the Bill and with the deserving people to whom it relates. I hope that the House will join me, this morning as it is now, in securing for them due recognition and respect by supporting Consideration Stage and advancing the Bill towards a positive conclusion. I am grateful for the opportunity to speak up for the Bill and for those who will benefit from the Assembly's approval.

A number of grouped amendments will strengthen my Bill. However, sadly and regrettably, I am aware of the lodging of a petition of concern. It is a shoddy tactic against the Bill. Regrettably, it has served only to bring into the open serious elements of discrimination and sectarianism that we on this side of the House thought were behind us as we pursued betterment for all our people who live, work and are educated here and who seek to enjoy life to the full or as best they can in a shared society. With your permission, Mr Speaker, I will return to that issue later.

As I said to the Committee for the Office of the First Minister and deputy First Minister and to the House, my Bill does not give anyone special category status, queue-jumping priority, extra privileges or specific advantages. All it would do is remove disadvantages. The Bill is entirely designed to give equality to members of the armed forces: the Army, the Air Force, the Navy, the families and the veterans. The amendments also serve to allocate responsibilities to the Office of the First Minister and deputy First Minister.

I thank the Committee for the Office of the First Minister and deputy First Minister for hearing my explanation of the thinking behind the Bill and the amendments. I also thank the Committee staff, the Assembly's Research Services, the Speaker's Office and the Bill Office for helping my Bill to reach this crucial stage. I also thank the witnesses who came forward to the Committee, the respondents who submitted written comments to the Committee and, not least, the Equality Commission.

This is pertinent to our discussion: after a careful reading of the Bill, the Equality Commission told the Committee that it seemed

*“not to conflict with any equality or anti-discrimination legislation.”*

The commission said — I suggest that this is relevant to all the amendments before us — that

*“The Bill creates a duty for a range of specified authorities to give due regard to the impact that the exercise of their functions may have on an identified category of people, service personnel and their families.”*

It added:

*“the Bill confers no preference and makes no requirement of any public authority around any action required to be taken following the giving of due regard to that impact.”*

By encapsulating the purpose of the Bill as being that those who serve must not be disadvantaged by virtue of what they do, the Equality Commission succinctly summed up for the Assembly what the amendments to my Bill can achieve. Regrettably, it appears that there are those who are not convinced by any amendments. By using the tactic of a petition of concern, they seem intent on further disadvantaging people who live in our communities. However, I contend that it would be commendable if the whole House were to judge the Bill and the amendments on the merits of a genuine desire to ensure that no one who lives among us would or should be disadvantaged. It is not those who wear the uniform who are at fault; the problem lies with those who are unwilling to recognise and respect people in a British uniform.

Neither the Bill nor the amendments have hidden agendas. The Bill brings to Northern Ireland due regard to members of the armed forces, their families and veterans. It also gives due regard to the impact of functions on the services community. That is the genuine and honest purpose of my Bill. It was such from the beginning. There are no other intentions behind it. The Bill, along with the amendments, takes account of those commitments. Therefore, the proposals relate to devolved matters which include prosthetic limb provision; access to NHS dentistry; the health needs of veterans; getting on the NHS waiting list; the roll-out of community mental health; affordable homes; adaptable social housing; adapted affordable homes; disabled facilities; affordable homes that extend access for veterans; social housing with local connections; a certificate of cessation; homelessness; school place allocation; educational attainment; special educational needs; education and training

for service leavers; basic skills for families; concessionary bus travel; blue badge access; childcare provision; flexible careers in the armed forces; support to the volunteer reserve forces; and support to the employment of service families and the employment of service leavers in the public sector. The Bill and the amendments can address the fact that those people can lose out on all of that, which is why it makes good sense to accept the amendments that pass all-round responsibility from DFP to OFMDFM.

The Bill, with the amendments, is an exercise in fairness and equality. It extends rights that are available elsewhere in the United Kingdom to former and serving members of the armed forces and their families in Northern Ireland. The amendments that relate to OFMDFM identify the important job that needs to be done in a businesslike and no-nonsense way that best suits the competency of the Bill. With the amendments made, the Bill will be seen by many observers as a test of the genuineness of the commitment to equality that is so often professed by Members of the Assembly. It is a Bill with genuine and open intent. As I said, there are no hidden agendas, simply a desire to extend rights that are already enjoyed elsewhere in our country. I ask Members to reflect on that and to give the Bill and the amendments fair passage. As far as I am concerned, there is no political subtext.

There has never been a time when the public have been more aware of the sheer professionalism and dedication of our armed forces, often in the face of official neglect and systematic and scandalous underfunding and underequipping in the most dangerous of circumstances. The Armed Forces and Veterans Bill would be a legal charter for our armed services personnel. It would press Stormont Departments to ensure that the armed forces, their families and veterans are not disadvantaged because of their military service. It will extend rights that are available to armed service personnel and their families in other parts of the United Kingdom.

The Bill and the amendments that were tabled for this evening — now this morning — assert how important the role of OFMDFM can be in addressing all the rights involved. It is crucial that the Assembly knows that I have deliberately not sought to lobby on the Bill. I have not made contact with the many organisations, including the Royal British Legion, to ask them what

they think of the Bill or to take a view of the new amendments that we will talk about this morning. I have taken that approach because I did not want, in any way, to diminish the integrity of the Bill or the people whose futures I seek, with the help of the House, to address. I deliberately stayed away from that so that I could not and would not ever be accused of political lobbying for the Bill. I contend that the Bill, with the proposed amendments, is right for Northern Ireland.

Mr Speaker, with your permission, I will now deal with the petition of concern. I consider that it is being used as a destructive, mean and wholly suspect device to kill the Bill and the amendments. A number of issues arise, which I need to say. It seems clear to me that the pan-nationalist front has been lurking in the shadows until moments like this to unwrap its deceit and the covering-up of a sinister, deep-rooted hatred for Britishness. That is what you are saying to me. The joint action of two parties to kill this Bill is as cutting and as hurtful as the sniper's bullets that are used to take out a life, confine a person to a wheelchair or send them into a future of stress, trauma and mental hell, with the obvious effect on their family. In respect of the Bill and the amendments that we are discussing, what is the definition of constitutional nationalism riding on the back of the Provisional Irish republican movement? What does partnership government mean for Sinn Féin, the all-Ireland party with its split personality policy disorder? Is the real message not tied up in the petition of concern?

The Bill, the Committee report and the amendments are about members of Her Majesty's armed forces and their families. Enda Kenny, the man most likely to be Taoiseach, has said that, should a visit take place, Her Majesty Queen Elizabeth would receive a generous welcome in the Republic. I am sure that he is right and speaks for the greater number, by far, of Irish democrats in that nation. I wonder what those same sane people will think of Sinn Féin's election doorstep appeal when they learn that the commander-in-chief of this nation's armed forces, their families and veterans is not, according to Sinn Féin, welcome in their country, not fit for equality and not deserving of having certain disadvantages removed. Sinn Féin's hostile and sectarian treatment of such people, who are from a variety of nations, including the Irish Republic, is based purely on the British uniform that those people wear. Is that why

44 MLAs have put their name to this shameful petition of concern?

I remember some spin doctors who were caught in their own euphoric whirlpool of superimposed optimism. They coined the phrase "We have moved on" about this place. According to those using a petition of concern, it seems that that is not the case. Look at what is happening to this Bill and the amendments, and you can see that we have not moved on. If anything, the actions represented by the combined efforts of the SDLP and Sinn Féin are bent on moving us backwards. That is the clearest signal that they are sending. And for what? They see no shame in their action, and their extreme dislike for a British uniform is so perverse that they cannot see that the person wearing it is a human being rather than a figure of hate.

The Bill and the tabled amendments should meet with the House's approval. They have done so with the OFMDFM Committee, and, given a vote without a veto, I am positive that they would do so tonight. The blocking of the Bill and the amendments, clause by clause, represents a turning point in my thinking about what was a mood change for developing a settlement of minds leading to the respect and accommodation of two traditions.

### 12.30 am

For four years we have managed — just about, at times — to keep the House together, and in a few weeks' time we will reach something that many of us thought might not be possible: we will have completed a term and set a wonderful precedent for those coming in in the next mandate. I wanted that, and I see it in the Bill. I see it passionately, because I am only talking about people. I do not see the uniform. I see them living in my community. I see their children going to our schools. I see their wives going to the same shops as we go to, and I have not got a clue who they are, because the wives and children do not wear the uniforms, yet we are picking out people who do wear a uniform.

What is not being recognised in my Bill and what I wanted to be recognised is cross-community support for the people I am talking about. I also see that in the amendments and what they will do. None of that is noticeable, because there are no amendments from Sinn Féin or the SDLP. All that is noticeable tonight is their petition of concern. That premeditated, spiteful blocking of the Bill will do untold damage to relationships. If

ever a wrecking device was used so intentionally and deliberately to drive a wedge between us or unhinge the progress that I have spoken about, they have made it. If this is a veto against our Britishness, that is how it will be seen, and that is what I see in it. Perhaps that is what Sinn Féin wants to achieve. Perhaps that is the sum total of its game.

The petition of concern is all about rejecting the Bill and the amendments, forfeiting all we have come though and closing down whatever opportunities may lie ahead for future generations, all because they simply cannot stomach giving a man or woman wearing a British armed forces uniform or their family the simple human decency of ensuring that those who serve must not be disadvantaged by virtue of what they do. I look forward to the debate and commend the Bill and the amendments.

**The Chairperson of the Committee for the Office of the First Minister and deputy First Minister (Mr Elliott):**

I declare an interest as a former member of the security services and a member of the Royal British Legion. In addressing this group of amendments, I want to refer to the Committee's scrutiny of the Bill. I note that at this stage there is a petition of concern in relation to the clauses and the long title. The Committee was not consulted or advised of the petition of concern, and therefore has no comment on it. However, throughout the Committee's consideration of the Bill, Sinn Féin representatives stated their opposition to it.

Following the Second Stage of the Bill, the Speaker issued a letter to the Chairpersons of the Committee for the Office of the First Minister and deputy First Minister and the Committee for Finance and Personnel requesting that they consider Committee scrutiny of the Bill as a matter of joint concern under Standing Order 64. The Chairpersons discussed which Committee should take forward the Committee Stage of the Bill and agreed that the OFMDFM Committee should do so.

On 20 October 2010, the then Chairperson, Mr Kennedy, advised that he had agreed that the OFMDFM Committee would take forward the Committee Stage of the Bill. The Committee agreed at that meeting that it would undertake the Committee Stage of the Armed Forces and Veterans Bill. On that date, it also agreed to issue a public notice seeking written evidence on the clauses of the Bill and to write to a

number of identified stakeholders to seek their views on the Bill. The public notice was placed in the 'Belfast Telegraph', 'The Irish News' and the 'News Letter' on 25 October 2010.

On 10 November 2010, the Committee agreed a timetable for the Committee's consideration of the Bill and agreed a motion to seek an extension to Committee Stage until 28 January 2011. The Committee also considered the responses to its call for evidence. It received 13 written submissions and agreed to request that the sponsor, Mr David McNarry MLA, brief the Committee on the Bill. The Committee also wrote twice to the Office of the First Minister and deputy First Minister to request its views on the Bill. It has not yet received a response.

On 24 November 2010, the Committee took evidence from Mr David McNarry MLA, who advised it that the intention of the Bill was to end any disadvantage that members of the armed forces, their families and veterans may suffer because of service in the armed forces and to bring Northern Ireland legislation into line with that in the rest of the United Kingdom. At the same meeting, the Committee agreed to request legal advice on the competence of the Armed Forces and Veterans Bill in relation to existing equality legislation.

On 15 December 2010, the Committee noted a response to the request for legal advice from the Clerk Assistant that provided procedural advice. The Committee then agreed to invite the Equality Commission for Northern Ireland to brief it on the Bill in relation to equality. On 12 January 2011, the Committee was briefed by the Equality Commission for Northern Ireland on the Bill in relation to equality. The Committee considered proposed amendments from the Committee for Finance and Personnel and the Department of Finance and Personnel requesting that any reference in the Bill to the Department of Finance and Personnel be changed to refer to the Office of the First Minister and deputy First Minister.

The Committee also considered amendments from the Examiner of Statutory Rules. It agreed to write to Mr McNarry to advise that he might wish to take the amendments forward. On 19 January 2011, the Committee undertook its formal clause-by-clause scrutiny of the Bill. During the meeting, Mr McNarry agreed to take the amendments forward. The Committee considered amendment No 1 and amendment

Nos 3 to 9 during its clause-by-clause scrutiny and agreed, on division, that it was content with the amendments. It also agreed, on division, to all the clauses. The Committee did not consider amendment No 2 and, therefore, has no view on it.

I want to make some personal comments. I congratulate my colleague Mr McNarry on bringing the Bill forward and getting it this far. I feel, on a personal level, that it is very rewarding and necessary within the community and society that we live in. I am disappointed that a pan-nationalist and republican front lodged the petition of concern. That is particularly difficult, as the Bill would provide equality in a number of areas and much fairer representation. The citizens of this community who are members and veterans of the armed forces and their families deserve this Bill. They deserve it in the sense that they deserve equality. They deserve it because, as Mr McNarry explained, they are citizens of this Province, this community and the United Kingdom and deserve the same respect and equality as everyone else who lives here. So, it is particularly difficult for me to accept that this petition of concern was lodged by some of the representatives who continue to claim equality in this community and this Province but do not want to allow it through this Bill. That is disturbing and concerning for me. As someone who served in the security services in this Province, I served the entire community.

Like others, I served everybody in this society, and I served alongside people from various backgrounds. I am sure that those people and their families feel as aggrieved as I do that the petition of concern is attempting to block the Bill. I recall people who served alongside me but who were not from the same religious or community background as me. They served with the same distinction, vigour and desire to serve the entire community as I did in the hope that they would make this a better society for us all to live in. Therefore, it disappoints me that some people are trying to disadvantage those people and their families.

**Mr Spratt:** I, too, support the Bill and congratulate Mr McNarry for bringing it before the House this morning. My party supported the Bill throughout its Committee Stage in the Committee for the Office of the First Minister and deputy First Minister because it provides for certain public bodies to have due regard for the impact of policy and legislation on members of the armed forces community. The Bill also requires each

Department to identify and to address issues for members of the armed forces. It also obliges Northern Ireland Departments to consult their counterparts in England, Scotland and Wales to ensure consistency in policy and legislation impacts on the armed forces communities between jurisdictions.

The Bill is about equality. I served in the Police Service for 30 years, many of which were spent alongside military colleagues who came not only from this Province but from the rest of the United Kingdom. I know how much military personnel and their families have to move and the associated disruption that that causes for family life when it comes to schooling and the availability of care. That movement is particularly disruptive to families who have children with special educational needs.

During my time on the South Eastern Education and Library Board, it was clear that some of the schools that are closely attached to our military bases, particularly primary schools, have many changes of personnel, because children come in, stay a couple of years and move again. That movement puts a strain on family life.

The Bill merely brings equality to those people and to veterans, many of whom have suffered horrendous injuries. Some of those injuries were incurred recently by personnel serving in Afghanistan and other places, and even in our Province. The Bill is about ensuring equality for folks who came from military service back into normal society. It was to help them to integrate again with the community or communities that they were coming to live in.

From day one of the Bill's Committee Stage, it was clear that Sinn Féin opposed the Bill. That was made very clear by Ms Anderson, who espouses equality almost day and daily. I hear her at the Policing Board, in the House and all over the place talking about equality. However, when it comes to our military personnel and their families, equality goes out the window. What surprised me more than anything else was that Mrs Kelly raised few concerns throughout the Bill's passage at Committee Stage.

**Mr Humphrey:** None.

**12.45 am**

**Mr Spratt:** As the Member correctly said, Mrs Kelly raised no concerns as the Bill passed through the Committee. She rarely raised her voice.

However, as has been said, pan-nationalism joined together to table a petition of concern on the Bill, and from the perspective of this side of the House, that is disturbing and disappointing. At least Sinn Féin made its position clear from day one. However, I was surprised when the SDLP joined in that pan-nationalist front.

Mr McNarry made it clear from the start that he was not seeking any special status for military personnel, the veterans or their families. He also made it clear that it was all about equality for all members of the armed forces throughout the United Kingdom, and ensuring that Northern Ireland was part and parcel of that equality as it affects our military personnel here.

I do not always see eye to eye with the Equality Commission, but it was clear in its position when it met the Committee. Sinn Féin was keen to bring the Equality Commission to the Committee, and when it came, it gave fairly extensive evidence that was recorded by Hansard. It told the Committee that it had no issues or concerns with the Bill and that it did not conflict, in any way, with any part of the equality legislation of Northern Ireland.

Therefore, as Sinn Féin could not get the Equality Commission to place a blocking mechanism on the legislation, the next move was to table the petition of concern. Sinn Féin did not make it clear to the Committee at any stage that it was going to use a petition of concern to block the legislation, as the Chairperson of the Committee has clearly and ably said. However, that was the intent all along the way, and the SDLP was in on that little plan. Shame on those parties; they should never again talk to me about equality. If they cannot have equality for military personnel, they should not espouse it and keep pushing it down our throats on a day and daily basis, not just in this Chamber, but in other forums, such as the Policing Board.

I am very disappointed that the Bill will be blocked through a petition of concern. I congratulate Mr McNarry on bringing the Bill to the House, and I assure him and the Speaker of the DUP's support for all the amendments. Irrespective of a petition of concern or anything else, we will put down the marker of where this side of the House stands on equality, and it is equality that was rightly deserved —

**Mr Weir:** The Member, the Bill's sponsor and the Chairperson of the Committee have spoken out against the use of the petition of concern.

However, Members should consider the petition of concern as a double attack on the Bill. Members have signed the petition of concern, but because the petition of concern only creates the need to have a cross-community vote, there is still an opportunity for the Members opposite, if they were to have a dramatic conversion, to support the Bill. If that happened, the Bill would pass, even with the petition of concern. By voting against the Bill, they are actually taking a second decision to kill it off. They are killing it twice, and many Members on this side of the House find that particularly repugnant.

**Mr Spratt:** Yes, indeed. My friend makes a valid point. If Members on the opposite side of the House really believe in equality, I appeal to them to let us see equality in action, to change their minds and vote for the Bill and to let it go through on the equality basis that has been presented. The challenge is over to them —

**Mr Beggs:** Does the Member accept that the Members opposite do not have to vote for the Bill, they merely have to abstain? If they were to do so, the Bill would go through.

**Mr Spratt:** Yes, indeed, and I have already made that appeal to them. They may abstain or do whatever they have to do, but they should live up to the equality that they preach day and daily.

**Mr Weir:** I appreciate what has been said. Obviously, the Speaker will rule when it comes to the vote. However, my understanding is that it requires a majority and that at least one Member opposite would have to have the courage of his or her convictions to support the Bill for it to pass. The rest could abstain. *[Interruption.]* Not even Stephen Farry riding in as the seventh cavalry could rescue this particular one.

**Mr Spratt:** I will leave it to the Speaker to get into the technicalities. However, I have said what I want to say.

**Mr Ross:** Does the Member agree that given that this is a short Bill of three pages, with no equality or human rights issues and a very small financial implication, the opposition from the Members opposite has little to do with the substance of the Bill and more to do with an election in the coming weeks.

**Mr Weir:** Who is going to be greener?

**Mr Spratt:** It is very clear that the opposition is about elections and about seeing who can be

greener. Once again, the SDLP is trying to be greener than the Shinners.

**Mr P Maskey:** Go raibh maith agat, a Cheann Comhairle. I will certainly be opposing the Bill, as will my party. The word “equality” has been raised along with the term “petition of concern”. Only a short while ago, Members on the opposite Benches signed a petition of concern on the Caravans Bill with regard to the Travellers issue. Nobody on the other side of the House should lecture me or anyone else on this side of the House about equality. That important point has to be made. Mr McNarry referred to shoddy tactics. I do not think that it is shoddy tactics. It is a shoddy Bill, and that is why we are opposing it.

We do not believe that the Bill is about equality, although that is stated a number of times in the Bill. It is more about preferential treatment, which is wrong. I will speak for a few moments only because that is all that I have to offer the debate.

The Bill is about preferential treatment. I represent a community in the constituency of West Belfast, which has many disadvantaged wards. Very few people in the past, including British rule Ministers, have dedicated any finances to that area, other areas in North Belfast or many areas across the North of Ireland. Those are the inequalities that many of us have faced when living, working and representing our constituencies. Those are the issues that need to be addressed. Some of the issues in the Bill relate to housing.

**Mr Humphrey:** Will the Member give way?

**Mr P Maskey:** No thanks.

A number of issues in the Bill relate to housing. For the past nine years, I have worked for people in my constituency who have been trying to get a house from the Housing Executive. The Bill would mean that someone from the so-called armed forces would be able to get a house ahead of another person, even if that other person was near the offering stage and was to get a house in a few days. The preference would have to go to someone from the armed forces. I do not think that I could allow that to happen or would like to see that happen. I do not think that many of my constituents would like to see that happen either, because they have fought far too long and too hard to ensure that their needs, wants and requirements are met by getting houses. That is an important issue. I do not

think that it would be equality if someone could jump above them in the housing waiting list.

**Mr Humphrey:** Will the Member give way?

**Mr P Maskey:** No, thanks.

Health is another aspect of this Bill. Someone living in my constituency is likely to die six years earlier than someone who lives in a more affluent area. Is that equality? Those are the equality issues that the Assembly and the Executive need to tackle.

**Mr Ross:** Will the Member give way?

**Mr P Maskey:** No, thanks.

Those are the issues that I am asked about day and daily. Why do I not have a home? Why are we all on hospital waiting lists for operations? God forbid that someone in my constituency with a serious illness should have to go into hospital for an operation. If we pass this Bill, does it mean that a person from the armed forces with the same illness would get preferential treatment? That is what the Bill tells me, and that is why my party and I cannot support the Bill. Those are the big issues that we need to deal with.

I will certainly not fall into the trap that Mr McNarry tried to set at the start of this debate. He talked about building bridges and relationships. In his contribution, he built no bridges across this Chamber. In his contributions over the past four years in this Assembly, he has built very few bridges. Whether in the Chamber, on ‘The Stephen Nolan Show’ or through any of the media outlets, he has done very little of that. He has certainly never come to me on any issue and asked how we can work together on it in the Assembly. Mr McNarry has failed to do that, and there are only a couple of weeks left in this mandate. If he has failed to do that over the past four years, he will more than likely fail to do so over the next four weeks. I think that that is wrong.

As to equality, our party slogan is “an Ireland for equals”. That is what I want to see, and that is what I fight for and work for in the Assembly. That is what all our elected representatives, right across the island of Ireland, work for day and daily. We want to make sure that no matter what community you come from, no matter what religion you are, no matter what colour your skin, you are treated as an equal. There should be no preferential treatment.

**Mr Humphrey:** Will the Member give way?

**Mr P Maskey:** No, thanks.

We should all stick to that: no preferential treatment. We have seen far too much preferential treatment over the years. If we stick to no preferential treatment, the Assembly will do itself justice and will do justice for our citizens right across the North of Ireland. That is what this is about: equality for everyone. Sinn Féin will oppose this Bill.

**Mrs D Kelly:** I am dismayed at the comments of some of the Members on the Benches opposite. When the Committee considered the Bill that is being brought forward by Mr McNarry, I listened carefully to the representations and justifications for it. I note that there were only 13 responses, some of which were from individuals and some of which were from councils. In fact, I think that responses had to be sought from the British Legion and some other Army service support groups.

I want to make it very clear that our objection to the Bill is not based on a hatred of Britishness. My party and I remain unconvinced that there are any inequalities because there are armed forces personnel and veterans whose needs are not met through the section 75 protections of the Good Friday Agreement.

My party and I remain unconvinced. We have not yet heard from Members of any glaring examples of individuals, or of any great numbers of individuals, being disadvantaged by the absence of this Bill. We believe that public services should be targeted at those who are most in need and that all people have a right to expect quality public services. That is something that we seek to deliver through our Minister's Department and by holding to account and scrutinising all other Departments' service delivery and how they target their resources.

### 1.00 am

I regret the tone of some of the Members on the opposite Benches. I listened carefully to what the Equality Commission had to say, and although it told the Committee that the Bill did not appear to contain any inequalities, it did not know how its outworking would affect other users of public services across the North. I regret that we find ourselves in this position, but, unfortunately, we were unconvinced by the arguments of Mr McNarry and others.

**Dr Farry:** I support the Bill, and I may even speak to the amendments as well, if that is OK, particularly the one tabled in my name and that of my colleague Kieran McCarthy.

First, I will offer my view on the petition of concern. The rules permit it, but I understand the frustrations that have been expressed by a number of Members about it. I do not associate myself one bit with the language that has been used to describe the SDLP and Sinn Féin as a pan-nationalist or pan-republican front. That does not help, and although I understand that there are deep frustrations, the language used and the sentiments expressed are not conducive to moving the Assembly forward.

There are frustrations over the blocking of the substance of the Bill. I want to make a second point about the feelings of frustration. The Bill has not changed substantively since it was introduced, apart from several amendments substituting the Department of Finance and Personnel for the Office of the First Minister and deputy First Minister, which did not amount to a big change. If parties were intent on blocking the Bill, why was it not blocked at Second Stage, when it passed unopposed? What has changed since then to cause the Bill to be blocked now? If parties want to block it, that is their democratic right. However, the consequence of not blocking the Bill at Second Stage is not just the fact that we are debating it this morning but that the OFMDFM Committee has gone through the process of discussing it. That comes at the cost of not discussing other things in the Committee and of putting advertisements in the papers. Those may be small matters, but they add up. If Members were intent on blocking the Bill, why, for goodness' sake, did they not block it earlier rather than later in the process?

Members will know that my party is not a big fan of petitions of concern. We recognise that the function has to be there for extreme cases, but it must only be used for a narrow range of topics. We should, ultimately, be moving towards weighted-majority voting without designations, which would perhaps be a better safeguard. We also recognise that when we pass laws or make decisions, we do not do so unfettered. There are wider human rights and equality protections available to us, as well as the protection of general law, which acts as a check and balance on the Assembly. If Members feel that a majority can force something through, that is not right.

There are other checks and balances available in wider society.

I have been on a journey with the Bill. To be fair, Mr McNarry knows that, and he and I have had a discussion about it, unlike others. I was unclear about the Bill at the outset, but I was happy to see it go to Committee. My concern was that the Bill would compromise equality protections and would privilege a certain section of the community over others. For that reason, I was particularly keen that the Committee should take evidence from representatives of the Equality Commission, because it is best placed to give a considered opinion. Its unambiguous opinion was that the Bill, as presented, did not conflict with wider equality law and equality duties. I took heart from that, and it convinced me that we could support the Bill. That type of process is why we have a Committee Stage in which Members can properly scrutinise legislation. Where there are doubts, those can be addressed and satisfied. Having gone into that session with the Equality Commission still somewhat sceptical about the Bill, I came out of it prepared to recommend it to the rest of my party and to speak in favour of it in the House.

Amendment No 2 reflects that we have not had enough engagement on some of the detail of the Bill. A lot of organisations did not come forward with evidence. I was slightly concerned about the way in which clause 2 was drafted in relation to the duties that would be placed on a Department and, in particular, on a co-ordinator in a Department. In consultation with the Bill Office about my concerns, the view was that rather than including a lot of specifics, the safest way in which to progress the Bill was to state the detail of how Departments would respond to their duties through regulations. Therefore, amendment No 2 aims to put that aspect of the Bill at arm's length, pause for greater reflection on how it will work, and ask Departments to come back with their own regulations on how we take it forward. That is perhaps a slightly more cautious way of addressing it. I may move the amendment, depending on how things go later on, or it may well be academic at that stage. I will see how things turn out. However, that is an important matter to address.

Far be it from me to make the case for the Bill as a whole, but I wish to make two brief points. First, equality is not divisible in society. Being sensitive or having due regard to a particular

section of society in respect of equality, does not, in itself, undermine equality, access to equal treatment and opportunity for everyone else in society. Secondly, there is already a lot of good practice in how a whole range of public bodies, whether the Health Service or particular schools, respond to the needs of service personnel and service families. The point of the legislation is that that is not always guaranteed. Legislation would go some way to giving that protection. I am familiar with schools that have a very large number of children of service personnel going through their doors. There are particular challenges involved in what is, in effect, a transitory population in respect of how those people bed down in the community and access dental services, GP services, and so on. We need to have sensitivity towards those people.

That is the ultimate rationale behind the Bill; it is not overly sinister. It is really about ensuring that how people who serve on behalf of the UK and the families who suffer as a consequence lead their lives is taken into account. Doing that for those people does not detract in any way, shape or form from how other people in society access services.

**Mr G Robinson:** First and foremost, I am also very disappointed that a petition of concern has been tabled. In a previous debate on the Bill, I said how strong my family's links with the services are. I am extremely proud of those links. For a number of years, I worked as a civil servant with a large number of military personnel at the former Shackleton Barracks military site in Ballykelly. I know from first-hand experience that those service personnel and their families need to be treated on the basis of equality — nothing more, nothing less. As has already been stated, the Equality Commission had no issues with the Bill at Committee Stage.

In supporting the Bill, I am paying the respect owed to those who served in many conflicts, ancient and ongoing. I will repeat something that I said in the Chamber back in October. This Bill is about equality of treatment for our service personnel and their families. The nature of the job that servicemen and servicewomen do, and the constant need for them to be posted here, there and everywhere across the world, means that they do not have a stable home in the way that most of us do. That is no reason for them to be denied the very best care when they need it most. That is particularly true in respect of service personnel and veterans who received

the most horrendous injuries while serving their country. Injured personnel may be recuperating at home, miles away from where the original treatment was given, but that should not lead to delays in treatment or mean that they are put to the bottom of waiting lists.

I make no apologies for repeating myself, as I feel that this is the essence of the Bill. Whether in housing, health or education, veterans and the families of serving personnel need to be treated with respect and understanding due to their highly mobile lives. It is their country that requires them to move, and society should ensure that they are looked after.

The Bill will ensure equality of treatment and opportunity; that is all. Many Members talk about equality, and now they have the opportunity to show their dedication to it. I am talking about the people on the other side of the Floor. I hope that, even at this late stage, those Members will show some support for the Bill.

**Mr Humphrey:** I support the Bill. I begin by saying that I am extremely disappointed at the discourtesy shown to the Bill by the Sinn Féin Members who sit on the OFMDFM Committee and have failed to turn up for the debate. Those on this side of the House support the Bill because it recognises the contribution made to the life of our nation by the service community. I congratulate Mr McNarry on the hard work and dedication that he has put into the Bill over recent months and on his attendance in Committee, as mentioned by others.

I am saddened but not surprised by the petition of concern that has been submitted by Sinn Féin and the SDLP. It must be recognised that the service community in Northern Ireland represents some 5,000 people in the standing garrison plus the wives and families who are quartered here. Of course, thousands of people from Northern Ireland are serving in the armed forces elsewhere, and their families have also served previously, at home and abroad, in their dedication to those who are in the forces. I emphasise the role of families, because those who are involved in fighting are the tip of the iceberg. All their courage and commitment would not be possible if they did not have the support of the families at home. Although the soldiers do the fighting and bleeding on foreign soil, their wives are at home doing the crying and worrying and making ends meet. They are looking after children, doing school runs and so on.

At this stage I pay tribute to the bravery of those who served in the forces in Northern Ireland: the Royal Ulster Constabulary, the Ulster Defence Regiment, the Police Service of Northern Ireland and the Royal Irish Regiment. I pay tribute to those personnel and their families. It must be remembered that they returned and continue to return to their private homes. They did not return to barracks or bases protected by security. Among the bravest of those people were those from the Roman Catholic community who joined the police and the Army, such as Constable Peadar Heffron, who was blown up last year. He is the type of person we are looking to support, protect and deliver equality for through the Bill.

Teddy Roosevelt said:

*"A man who is good enough to shed his blood for the country is good enough to be given a square deal afterwards."*

It was true in 1903, and it should remain true today. We should extend this to reflect the sacrifice of service families also. We must move to a positive position in the United Kingdom and, in particular, here in Northern Ireland in which we recognise that soldiers, sailors and airmen are essential public workers, just like teachers, doctors, nurses and policemen. They go wherever they are sent to do the job they are told to do. Unfortunately, the nature of their job is such that they and, in particular, their families are often disadvantaged with respect to their ability to access public services. The Bill seeks to safeguard them against that. Clearly, the parties opposite oppose that very principle. The proposed amendments are sensible, as they place the responsibility for implementing this legislation where it should rightly lie — in a cross-cutting measure that applies across a range of Departments and public bodies.

### 1.15 am

The Bill is aimed at tackling disadvantage and preventing the social exclusion of soldiers and their families, who, despite the very dangerous nature of their work, are paid substantially less than others in public service. It will also help to make society in Northern Ireland much more cohesive. That is why I was particularly saddened when I listened to Mr Maskey, who clearly has not even read the Bill. I represent many hard-pressed areas as well, so I know that there are many deprived communities in north and west Belfast, but do not say that many of

the wards in those areas have not received investment. Millions of pounds have been pumped into them. There is much more work to be done, but do not say that there has not been any investment there.

All too often, people hit out at measures that are seen to have anything to do with the military, and it is plain to see the motives of those who regard the services as being the arm of the state. That is a very narrow, parochial and, some might say, even sectarian view that is more to do with the conflict than with what is going on around the world today. Sinn Féin talks about an Ireland of equals, and we have heard that again tonight. However, it really prefers an 'Animal Farm' situation where some Irishmen are more equal than others, including an increasing number from the Republic of Ireland who serve in the Crown forces. It is particularly disappointing that the SDLP has also been willing to buy into that mindset, given that it has preached for years about moving beyond conflict. Its decision to support the petition of concern is to its discredit and shame. It needs to take a leaf from the book of their friends in America. Even the most vociferous Democratic opponent of the wars in Iraq and Afghanistan would not dream of showing anything less than full, wholehearted support for the servicemen and servicewomen who are fighting there. As Mr Ross said, for some across the Chamber, this is not about principle but posturing, electioneering and party politicking. It is disgusting. If Members want to disagree with war, argue with the politicians, because they deploy the troops. Soldiers are public servants who obey orders.

Mrs Kelly said that she had not heard from anyone about the disadvantage that servicemen would experience if we did not support the Bill, and I will come to that in a moment. I am genuinely saddened that the SDLP has set its face against the Bill. I listened to some Members in the Chamber today talking about how we should not put Northern Ireland society into silos, and yet that is just what is being done.

It has been argued that there is no need for legislation in Northern Ireland to make the nation's commitment to the armed forces because there is no equivalent legislation in the rest of the United Kingdom. Public authorities in the rest of the country are not under duties similar to those proposed in the Bill. The Welsh Assembly has established an official group to address the needs of the service community,

and the Scottish Government have an all-party parliamentary group working on it. The Governments in Scotland and Wales are working in lockstep with Westminster on those issues. However, Northern Ireland has no similar high-profile commitments and is operating at arm's length from the wider UK arrangements. Indeed, as others have said, Northern Ireland is lagging far behind the rest of the United Kingdom in implementing the priorities set out in the White Paper 'The Nation's Commitment: Cross-Government Support to our Armed Forces, their Families and Veterans' around, in particular, housing, education and support for families. Unsurprisingly, those areas of work are headed by Ministers from the parties opposing the Bill.

Taking up Mrs Kelly's point, I will turn to that White Paper. Prosthetic limb provision was delivered in England in February 2009 and in Wales in July 2009, and delivery is ongoing in Scotland. In Northern Ireland: nothing. Priority and affordable homes were delivered in Wales and Scotland in May 2009 and July 2008 respectively. In Northern Ireland: nothing. Extending access to affordable homes was delivered in England in July 2008, in Wales in May 2009 and in Scotland in July 2008. High-priority adapted social housing was delivered in England in April 2009. A revised code applies in Wales and was due to be delivered in November 2010. I understand that that has been delivered. In Scotland, that was delivered in June 2009. The affordable homes means test was delivered in England in July 2008, in Wales in May 2009 and in Scotland in July 2009. In Northern Ireland: nothing. The disabled facilities grant means test was delivered in England in July 2008, in Wales in May 2009 and in Scotland in April 2009. In Northern Ireland: nothing. The establishment of a local connection for social housing was delivered in England in December 2008, in Wales in March 2009 and was on track to be completed in Scotland by the end of last year. In Northern Ireland: nothing. The acceptance of certification of cessation is in place in England. A revised code of guidance was due in Wales at the end of last year. Scotland delivered it in February 2009. Improved school place allocation was delivered in England in February 2009 and in Wales in July 2009. I could go on. However, I have given ample examples of how ex-servicemen in Northern Ireland, who make the same commitment as their colleagues in England, Scotland and Wales, continue to be

discriminated against. Ironically, the Department that is responsible for most of that is the Department for Social Development.

The parties across the way spend their time preaching about equality and human rights, yet they are entirely comfortable denying those same rights to members of the armed forces and their families. They should be ashamed in bringing the Bill down on those grounds. What message is the SDLP sending to the Royal British Legion, to ex-servicemen's associations, to former policemen of the RUC and the —

**Mr Elliott:** I thank the Member for giving way. Does he agree that many of those who served in the armed forces had their basic human right to life taken away, as happened on many occasions in this Province, by people who I believe were working against this society and against this community? Some of those people may be sitting in here tonight.

**Mr Humphrey:** I agree entirely with the Member and thank him for his contribution. The most basic human right is the right to life. Too many people in Northern Ireland, some 3,000 of them, lost that most basic of human rights.

Mrs Kelly also mentioned that only 13 representations were made on the Bill. The reason for that, as members of the Committee will remember, is that so many of those ex-servicemen's organisations simply did not have the capacity to make a contribution. In itself, that is very telling of the failure of this state to support those who have given, in many cases, their limbs and whose friends have given their life.

**Mr Ross:** I thank the Member for giving way. Mrs Kelly made an insinuation as to why there were "so few" responses to the consultation. However, Members in this House, including the SDLP, said that there was huge public outcry about another private Member's Bill backed by the Member for East Belfast Dawn Purvis. However, there were only eight responses to that public consultation. Responses to public consultations are not a reason to oppose legislation such as this.

**Mr Humphrey:** The attitude of the nationalist and republican parties respectively demonstrates precisely why the legislation is required in this area. Left to their own devices, they will do nothing to support the armed services community. Indeed, it demonstrates why even stronger legislation is needed. This should

serve as ample evidence to the United Kingdom Government that nationwide action is required to ensure that servicemen and women in and from Northern Ireland are not disadvantaged through what looks like naked sectarian decision-making.

I support the concept of equality and a shared future. I commend equality of citizenship across our United Kingdom. I urge parties that claim to seek human rights not to discriminate against our brave service personnel but to have courage and deliver equality and fairness to the people who have made the ultimate sacrifice when supporting their family and to those who travel the world, particularly those in Iran, Iraq and Afghanistan, to support freedom and democracy. Yet, those so-called democrats deny them equality in their own country.

**Mr Bell:** It is difficult to follow a speech that has been so well researched, comprehensively argued and factually detailed on the reasons why this Bill is reasonable, necessary and proportionate to the men and women who serve in our armed forces.

I refer Members to the personal testimony of one young man from Strangford. He has a camera that his father bought for him on his head. He knows what it is like to come under live fire. What we are asking these men and women to do is to walk waist-deep — sometimes chest-deep — through freezing ravines in Afghanistan, fully tooled up and fully armed. These young men of 19 and 20 years of age and young women walk through ravines because of the risk of improvised explosive devices. As they walk through those ravines, they come under sustained gunfire attack from Taliban elements. In seconds, they have to choose whether to return fire, not wishing to inflict any form of harm — what is referred to as collateral damage — on innocent men and women in those communities. Not returning fire often places them at greater risk. They then have to go back into some of the communities in Afghanistan and help to rebuild homes, schools and infrastructure and to provide protection. That is not their job for eight hours a day; that is their job for, at times, 24 hours a day. That is what our men and women are being sent by a democratic act of Parliament to achieve. It is shameful that, in many cases, those men and women have been let down through poor equipment and inadequate planning.

Sadly — I say this with deep regret — they will be let down again by a twisted use of legislation.

The facts are very clear. I say to the self-proclaimed prophets and prophetesses of equality, “If you cannot have equality of all, you cannot have equality at all”. The Members who will go through the Lobby tonight and use the perversion of a petition of concern to deny equality will hereafter lose their moral right to talk on equality again. The Equality Commission looked at the Bill, the Equality Commission scrutinised the Bill, and the Equality Commission said that there is no case to answer.

### 1.30 am

In Committee, where were the Members who had concerns? Where did they raise those concerns? I will give way if they will raise them or at least explain why they failed to do their job in the OFMDFM Committee. The silence from the prophetess of equality is deafening. She is happy to get into bed with Sinn Féin. Moments ago, she attacked its members and referred to them as communists. Now, she laughs about young men and women, many of whom come from the community that she professes to represent.

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

**Mr Bell:** She lets them down with laughter, and she lets them down by failing to do her job in Committee. She also lets them down because, when she does not offer equality to all, she cannot offer equality at all. There is nothing funny about the men and women of our communities running the risks that they do. As for laughing, she should be ashamed of herself.

The vote will be lost, but the argument will be won. Never again can those who will go through the Lobbies and deny equality have any moral authority to speak in the House on equality. There should be a military contract. I am not saying that everybody has to agree with conflict and wars, whether they are in Afghanistan or anywhere else. It is a democratic right and choice to not agree with them, but it is not a choice for the men and women who serve and who are sent into situations of severe conflict by a democratic act of Parliament. It is not a choice not to support them, and it is not a choice to handicap them by not providing the services that other people receive.

My Strangford colleague Mr McNarry is to be strongly congratulated. He will win the argument and the moral authority on the issue this evening. Historians will look back on this shameful episode. Sinn Féin may have been trapped by its history and bias, but the reality is that the SDLP has come in as its little helper to deny equality. Mr McNarry is to be congratulated, because the moral authority has been won. The case has been presented on homes, prosthetic limbs and access to services. All that the Bill asked for was a level playing field, not an advantage in west Belfast for a home or access to a service. It asked for a simple level playing field of the type that is so comprehensively offered in other parts of our United Kingdom.

There are those who will carry the shame because of their fear of the electorate coming at them from elements in Sinn Féin. They are prepared to lose the moral authority, to deny equality and to not offer those men and women a level playing field. If that is not naked sectarianism, I do not know what is. They still have a chance tonight. They can abstain and allow one Member to go through. Will they take it? That is a choice for them and their conscience, but they will be reminded at every stage in all future debates that their self-professed commitment to equality is bogus and hypocritical. All that was looked for was a level of co-ordination and access to housing and healthcare on the same basis as everybody else. Many of us who have worked in social services know about the damage that can be done to children who are moved many times. They were offered services on the basis that the number of times that they had to move had had a significant effect on the quality of their education and on their development potential. It was not to give them a hand up; it was solely to bring those children to the level that others of the same age, stage and circumstances would have achieved without that level of trauma as a result of so many moves. All that was being asked for was that the children of military personnel who have suffered so much due to the loss of a loved one should be offered services to allow them to compete on a level playing field with children of the same age, stage and circumstances and to achieve their developmental potential.

The Bill has been scrutinised by the Committee for the Office of the First Minister and deputy First Minister, which found nothing to object to.

It was scrutinised by the Equality Commission, which, having subjected the matter to due legal diligence, came back formally and on the record to say that there were no detrimental equality implications, damning totally the argument that people are looking for a special advantage. That is on record, so now let the vote be taken and recorded. From now on, let those who chose to deny equality live with their conscience. You cannot support the Equality Commission today and not support it tomorrow. You cannot cherry-pick the bits that you want and ignore the rest. If, on a nakedly sectarian platform, you ignore the Equality Commission tonight, you demean your argument for equality and fail to disguise your sectarian blushes.

The argument has been won, and the level playing field will be achieved. The sectarianism, poor level of debate, lack of argument and ignorance about the Equality Commission that we have witnessed will not survive, and it is clear that those who refuse to support equality are doing so simply because the Bill involves men and women of the armed forces. Naked prejudice has been revealed tonight, and it is a shame that the election will not cover your blushes. History will record that tonight the Equality Commission told you that the Bill had no equality implications — none. History will record that tonight, although young people deserve better from this society, you chose not to allow a level playing field, and, should your choice of Lobby reinforce inequality, history will record your shame.

**Mr Weir:** I thank the Member for giving way. On a wider issue, does he agree that the amendments will strengthen the Bill?

**Mr Bell:** Yes, I support that argument.

It is self-evident that history will record that, today, every Member was afforded an opportunity to create a level playing field and equality for the armed services and veterans, without impacting negatively on any section 75 groups. That opportunity was not taken. Instead, the perverse use of a petition of concern reinforced a sectarian path. I am glad that my name will not be recorded among those who missed that opportunity.

**Mr Kinahan:** As many Members know, I am extremely pleased to speak to the amendments to the Armed Forces and Veterans Bill. I declare an interest as a former member of the armed forces with the Household Cavalry, the Black

Watch and, in the Territorial Army, with the North Irish Horse. I am very proud to have served with them all.

As Members have heard, this Bill is to give our armed forces, past and present, equality with their colleagues in the rest of the United Kingdom, in England, Scotland and Wales. It is not to give them preference but to stop them being discriminated against.

Before I go into the clauses, I want Members to think about what our armed forces do for us around the world. Think of the Navy, stationed off Somalia, trying to prevent the pirates from kidnapping people as we have seen recently. A few years ago the Army, including one of our Irish regiments, was trying to keep the peace in Sierra Leone. We have also seen the Army in Iraq, toppling Saddam Hussein, freeing the people and stopping the persecution of the Kurds. Just under 200 soldiers have paid the final penalty. The Army is today in Afghanistan, with the support of the RAF and the Navy, to stop al-Qaeda purging the world and trying to get its own way. Also, let us not forget, the Army is there to try to stop the flow of drugs, which are very much a curse of our world, through the eastern bloc to Europe.

Those servicemen are our peacekeepers, protectors, guardians and, to many of us, our heroes, especially those who have served here. They go where the politicians send them. They are just doing their duty.

On that slightly sombre thought, I move to the amendments, which seem to have been forgotten about. Clause 1 of the Bill requires certain authorities to:

*“have due regard to the impact the exercise of such functions is likely to have”*

on members of the armed forces, veterans and their families. Amendment No 1 allows the Assembly to add authorities, other than Departments, so that such people can be looked after properly.

We are not just talking about the present armed forces. I remind Members that the forces had a United Nations role in Korea, Cyprus and many other areas, including, recently, Serbia and Bosnia. They were there protecting people and keeping the peace. We seem to forget that, as some Members blacken the name of those who are wearing uniform. Members should

remember that, in many cases, the forces include servicemen from all parts of Ireland.

It was sad to see members voting against the amendments as we put them through in the Committee. It shows us that some Members of the Assembly have not moved on and still see soldiers as imperialists, though those days are long gone. Those Members are still anti-Royal Family and basically anti-Army. Many of them are still probably anti-police, despite sitting on the Policing Board. It is time they moved on.

Clause 2 of the Bill relates to the appointment of a co-ordinator:

*“to take responsibility for identifying and addressing matters”*

that affect members of the armed forces, veterans and their families. Amendment No 2 lets the Department make regulations prescribing functions of the co-ordinator, again subject to the draft approval of the Assembly. I want Members to know that here we are talking about the families; until now, I have concentrated on those serving. Their families have endless postings and endless moves away from their families and established friends into quarters, which are sometimes pretty ghastly, where they have to live in their own small world and suffer endless separation from the things that they know. Many of the wives and families live in fear of the awful phone call that might come their way one day when their loved ones are serving abroad. For all of that, there is very little pay for what they are doing.

I am very disappointed that the petition of concern is blocking this Bill and disappointed to see that Sinn Féin and the SDLP have not moved on.

Dare I touch on the other amendments? We agree with amendment Nos 3 to 9, all of which are purely technical.

#### **1.45 am**

However, I thought that we were moving on here. I intend to move on, I have moved on, and I support the concept of equality. We are all still haunted by that ghastly phrase:

*“They haven’t gone away, you know.”*

We need to put that phrase behind us and obliterate it. I was shocked — or maybe not when I think about it — when, at Committee, Martina Anderson pointedly asked me whether

I was going to declare an interest as a soldier after I had forgotten to do so one occasion. I wondered whether she was going to declare an interest as a member of another armed force. That should be kept in mind throughout all of this. I want Northern Ireland to move on, and I thought that we had moved on. Today has put us back irrevocably, and I hope that things will change in the future. I support the Bill.

**Mr McNarry:** I offer warm thanks to all my colleagues who have stayed behind to support my Bill. I also recognise that you, Mr Speaker, the Commission staff, administrative staff and others remain in the Building as well.

My party leader, Tom Elliott, the Chairperson of the Committee for the Office of the First Minister and deputy First Minister went to some length to outline the Committee’s role and the work that it did to reach its report stage. I am glad that he did, because there is something of an additional deceit on the part of those who tabled the petition of concern. They did not stop to think of the amount of work that goes into getting a Bill such as mine to the stage at which it is presented here this morning. We talked earlier about costs and how we might save money, but that really did not happen. Somewhere down the line, there is a lesson there for us all.

I happen to believe that if you have something to say, get it out and say it. I am disappointed by what has happened and by the manner in which it has been dealt with. On the two occasions that I was in front of the Committee, I knew exactly where Sinn Féin members stood. Even before I spoke, a Deputy Speaker of this institution and member of that Committee, when asked by the Chairman whether anybody had a comment to make on the Bill shouted out “Scrap it.” That is not the type of democracy that we want to foster when it comes to anybody’s entitlement and right to sponsor a Bill. I would like to get rid of certain things, but we have to allow the legitimate right of every Member, as equals in the House, to present their case. “Scrap it” was my introduction to Sinn Féin’s view on my Bill.

As I said earlier, I do not want to think that I was stupid in believing that Members would not say that to me in this institution, that they would not disrespect my Britishness so much and that they would not kick me in the crotch where it hurts when they knew damn rightly that what

they were saying was highly offensive. Maybe I will meet the same people tomorrow or the next day. Maybe we will say hello. They remind me that certain people in the House will not even get into a lift with them, but that was never me. I have always asked that they share in my country as it is, but they have told me tonight that they will not do so.

I am grateful to Tom Elliott because, as Chairperson of the Committee, he was, at all times, courteous. Indeed, that courtesy was afforded to me by the Committee in general. However, I felt that one side of the table, apart from Stephen Farry, was a cold place for me. If a unionist feels that any part of this institution is a cold place, we have not travelled very far, but that is where we are.

I thank Tom for his reference to equality, and I am sure that his reference and that of other Members to the equality issue will live on long after the debate. The debate will not be forgotten, and it certainly will not be put to bed. I also thank him for sharing a personal insight into his service, as did other Members subsequently. He outlined clearly the meaning of service, particularly highlighting the distinction that I and others can see. There is a difference between those who gave service to their country and identified themselves by their uniform and those who, without identifying themselves, resorted to the most horrendous violence in recent times.

I thank Jimmy Spratt for his kind words and for supporting my Bill at Committee Stage. It is clear that Jimmy also recognised the key element of the Bill — a word that cropped up in the contribution of nearly every Member — as equality, which deliberately punctuates the Bill, because it is lacking currently. I share with him his disturbance, which is a good choice of word, at the resurrection this morning of pan-nationalism. I am not one to subscribe to the view that it has been resurrected because of elections or because one bit of green did not want to be less green than the other. I challenge those parties by saying that it never went away. It has always been there, but the Bill has brought it out and exposed it, and that saddens me very deeply.

During Jimmy's contribution, Peter Weir, Roy Beggs and Mr Ross intervened to ask whether, even at this stage of knowing what was on the Floor, one of the 44 Members who signed the

petition would walk through the Lobby with us to give cross-community consent to the Bill. The heads shook to indicate no. I thank my colleagues for at least putting that to Members across the way.

The petitioners have said nothing that challenged my introductory comments. The spurious remarks about preferential treatment remain on the record, and they will remain spurious. Sadly, all I could hear were lame excuses. There was no give and no equality, only hatred, and it was not even disguised. Let the record show that 44 petitioners signed the petition and 44 stay locked and resolved to be together as one. The reformation of the pan-nationalist front is what you have put together here.

I thank Stephen Farry for his unusual, unique way of taking logic to actually mean something tonight. I appreciate that. I recognise his methodology of process and how he changed his view, and it was good of him to say it. He changed his view after hearing evidence from the Equality Commission. Who asked the Equality Commission to attend? I cannot speak for Stephen, but I assumed that he wanted it there because there were challenges coming from Sinn Féin Members in particular saying that the Bill does not build itself up on equality issues. The Equality Commission came and confirmed what I knew was contained in the Bill. I thank Stephen for that. I am not sure what he is doing with amendment No 2, but I can accept it and thank him for supporting the Bill. It has been gratifying to have that support.

I thank George Robinson for his support for the Bill from day one and for his clear understanding of the genuine intentions behind the Bill. From day one, he saw where we were with it, what was required and how it could be brought forward. We have all had a knock back. When George and I talked about it, we never thought that it would be blocked at this stage or at any stage along the way.

I also thank William Humphrey. He expressed his disappointment with the Members who are blocking the Bill. He knows better than most the extent of the needs of the wider services' family and the disadvantages that they need not suffer in Northern Ireland, as part of the United Kingdom. It is almost insufferable, as William illustrated when he read out the list of how other people who were previously disadvantaged in the same category as this are no longer

disadvantaged. What do we say to those people? Do we say that this part of the United Kingdom is different from England, Scotland and Wales? I cannot say that, and I do not know how I can find a way round a veto, because this place does not allow me to find a way round it, unless we find that the Members who are doing this tonight have a conscience that we could prick. Let us see if there is still time to prick that conscience between now and when we go to the vote.

Jonathan Bell took us into the life of the person that my Bill would offer to help, should they fail to return home safely. He told us what it was like from his experience of talking to a person in our constituency. He also gave a very succinct and distinct message to the petitioners. He told them that, essentially, they have lost their right to talk about equality. So they have. I believe that that sentiment, which was expressed by Jonathan, will be heard loudly in all families, not just unionist families, when news of what has happened in the House breaks in our country in the next couple of days.

## 2.00 am

My colleague Danny Kinahan declared his service record in the armed services. He even told us how he recoiled when asked to declare it in Committee. He was asked to do that for a very distinct reason. He gave us a good insight into what the services do as peacekeepers. Thankfully, he talked about scrutinising the amendments, which is what we were meant to do in the debate. I think that we have all been knocked off a bit by what has happened. I thank Danny for, technically, bringing us back to the amendments. He reminded us why the amendments strengthen the Bill.

I sense his will to move on and I empathise with it. I know that we have all had that will knocked back. I sense his resolve, like mine and that of other unionists, to move on and keep moving on to keep growing this country of ours into what it should be and to get what we want from it, which is a place where all men and women are equal and where there are no special privileges for anyone. I defy anyone to tell me where in my Bill it conferred special privileges on anyone who wore a uniform. It was putting right a wrong — a right and a wrong that were both recognised in England, Scotland and Wales. The Assembly could not step up to the mark to do the same.

Part of their problem is the reference to a nation. The Bill comes from the nation's charter, which is a command paper. You do not accept this as a nation, do you? That is very sad. It is also very sad that, in the Assembly, the uniform of our armed forces cannot be recognised and respected. The sadness will rest with you.

Unfortunately, I still wait to see whether my colleagues and I have pricked just one conscience and whether one of you will follow us and walk through the Lobby with us to enable the Bill to progress to its next stage. Let it advance and, for goodness' sake, turn away from disadvantaging people who do you no harm. All that I ask is that one of you does that. Forty-four of you signed that petition of concern. I do not know where the rest of you are. I ask that one of you has had your conscience pricked enough to come and walk with us to progress the Bill to its next stage. Please, think about it.

*Question, That amendment No 1 be made, put and agreed to.*

**Mr Speaker:** I remind Members that as I have received a valid petition of concern in relation to clause 1, the vote will be on a cross-community basis.

*Question put, That the clause, as amended, stand part of the Bill.*

*The Assembly divided: Ayes 38; Noes 11.*

## AYES

### UNIONIST:

*Mr S Anderson, Mr Armstrong, Mr Beggs, Mr Bell, Mr Bresland, Lord Browne, Mr Buchanan, Mr T Clarke, Mr Craig, Mr Easton, Mr Elliott, Mr Frew, Mr Givan, Mr Hamilton, Mr Hilditch, Mr Humphrey, Mr Kennedy, Mr Kinahan, Mr McCallister, Mr B McCrea, Mr I McCrea, Mr McFarland, Miss McIlveen, Mr McNarry, Mr McQuillan, Lord Morrow, Mr Moutray, Mr Newton, Mr Poots, Ms Purvis, Mr G Robinson, Mr Ross, Mr Spratt, Mr Storey, Mr Weir, Mr Wells.*

### OTHER:

*Dr Farry, Mr Lyttle.*

*Tellers for the Ayes: Mr Beggs and Mr Kinahan.*

## NOES

### NATIONALIST:

*Mr Butler, Mrs D Kelly, Mr G Kelly, Mr A Maginness, Mr A Maskey, Mr P Maskey,*

*Mr F McCann, Mr McDevitt, Ms Ní Chuilín,  
Mr P Ramsey, Ms S Ramsey.*

*Tellers for the Noes: Mr F McCann and Mr McDevitt.*

*Total votes 49 Total Ayes 38 [77.6%]*

*Nationalist Votes 11 Nationalist Ayes 0 [0.0%]*

*Unionist Votes 36 Unionist Ayes 36 [100%]*

*Other Votes 2 Other Ayes 2 [100%]*

*Question accordingly negatived (cross-community vote).*

*Clause 1, as amended, disagreed to.*

### **Clause 2 (Co-ordinators)**

**Mr Speaker:** I remind members that amendment No 2, which has already been debated, is mutually exclusive with amendment No 3. I call Dr Farry to move formally amendment No 2.

**Dr Farry:** On the basis that clause 2 is fairly meaningless in the absence of clause 1, I do not move amendment No 2.

*Amendment No 2 not moved.*

**Mr Speaker:** Amendment No 3 is mutually exclusive with amendment No 2, which has not been moved, and is also a paving amendment for amendment No 9. Amendment No 3 has already been debated. I call Mr McNarry to move formally amendment No 3.

**Mr McNarry:** The petition of concern, disgraceful as it is, effectively renders my Bill dead. I will not move amendment No 3 or the remainder of the amendments.

*Amendment Nos 3 to 9 not moved.*

**Mr Speaker:** As Mr McNarry has indicated that he is not moving the remainder of his amendments, I will not call them.

I now propose, by leave of the Assembly, to group the remainder of the clauses for the Question on stand part and that the long title be agreed. I remind Members that, as I have received a valid petition of concern in relation to clauses 2 to 8 and the long title, the vote will be on a cross-community basis.

*Question put, That clauses 2 to 8 stand part of the Bill and the long title be agreed.*

*The Assembly divided: Ayes 38; Noes 9.*

## **AYES**

### **UNIONIST:**

*Mr S Anderson, Mr Armstrong, Mr Beggs, Mr Bell, Mr Bresland, Lord Browne, Mr Buchanan, Mr T Clarke, Mr Craig, Mr Easton, Mr Elliott, Mr Frew, Mr Givan, Mr Hamilton, Mr Hilditch, Mr Humphrey, Mr Kennedy, Mr Kinahan, Mr McCallister, Mr B McCrea, Mr I McCrea, Mr McFarland, Miss McIlveen, Mr McNarry, Mr McQuillan, Lord Morrow, Mr Moutray, Mr Newton, Mr Poots, Ms Purvis, Mr G Robinson, Mr Ross, Mr Spratt, Mr Storey, Mr Weir, Mr Wells.*

### **OTHER:**

*Dr Farry, Mr Lyttle.*

*Tellers for the Ayes: Mr Beggs and Mr Kinahan.*

## **NOES**

### **NATIONALIST:**

*Mrs D Kelly, Mr G Kelly, Mr A Maskey, Mr P Maskey, Mr F McCann, Mr McDevitt, Ms Ní Chuilín, Mr P Ramsey, Ms S Ramsey.*

*Tellers for the Noes: Mr F McCann and Mr McDevitt.*

*Total votes 47 Total Ayes 38 [80.9%]*

*Nationalist Votes 9 Nationalist Ayes 0 [0.0%]*

*Unionist Votes 36 Unionist Ayes 36 [100%]*

*Other Votes 2 Other Ayes 2 [100%]*

*Question accordingly negatived (cross-community vote).*

*Clauses 2 to 8 disagreed to.*

*Long title disagreed to.*

## **2.30 am**

**Mr Speaker:** I appreciate the co-operation of the whole House, especially that of the sponsor of the Bill for not moving all the amendments, because we would have been here for another hour. I also thank Dr Stephen Farry for his co-operation. That needs to be recognised at this late hour.

*Adjourned at 2.32 am.*







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