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The Speaker



Northern Ireland
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TO ALL ASSEMBLY MEMBERS

14 August 2009

Dear Member,

DEBATE ON INCREASED INCOME FOR EX-SERVICE PENSIONERS – 16 JUNE 2009

I am attaching for the information of all Members a copy of a letter that I have received from Kevan Jones, Minister of Veterans in response to the debate which took place in the Assembly Chamber on 16 June 2009 in relation to increased income for ex-service pensioners.

I have deposited a copy of the Official Report along with my letter to the Minister and his reply in the Assembly Library.

Yours sincerely,

WILLIAM HAY MLA



RECEIVED IN
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PARLIAMENTARY UNDER-SECRETARY OF STATE FOR DEFENCE
AND MINISTER FOR VETERANS

MSU/04/04/02/03/cc

5⁷⁴ August 2009

Dear Mr Hay,

Thank you for your letter of 18 June 2009 about the Royal British Legion and Age Concern 'Return to Rationing' campaign and poverty among older veterans.

I fully appreciate the many extraordinary and unique personal sacrifices our veterans made in the defence of the nation. Her Majesty's Government remains committed to improving provision for all people in retirement.

The Ministry of Defence's obligations to our Armed Forces Personnel and Veterans arise principally in the form of our commitment to support those injured or bereaved by Service, in the form of payments under the war and occupational pension schemes. We also provides a dedicated service for war pensioners through its Veterans Welfare Service.

We have a variety of avenues through which we discuss the Royal British Legion's concerns for veterans. Some of these also draw in officials, and where appropriate Ministers, from other Government Departments, the Devolved Administrations and Local Government. These are always open for discussion on cross-cutting issues such as this.

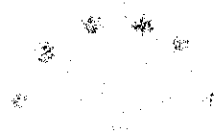
Both my Department and those of my Ministerial colleagues are aware of the specific difficulties veterans can face and we strive to ensure that we deliver high quality services designed to address the particular challenges that come with old age.

Yours
Kevan Jones

KEVAN JONES MP

William Hay MLA
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**Mr Kevan Jones MP
Under Secretary of State for Defence
and Minister for Veterans
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5th Floor, Zone A
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London
SW1A 2HB**

18 June 2009

Dear Minister,

During a sitting of the Northern Ireland Assembly on Tuesday 16 June 2009, Members debated a motion in relation to Increased Income for Ex-Service Pensioners. The following question was put and agreed to. It was resolved:

"That this Assembly supports the campaign by the Royal British Legion and Age Concern to increase the income of ex-service pensioners who are living on an income below the minimum required for healthy living; and calls on the Minister for Veterans to implement the reforms proposed in the campaign".

I attach a copy of the Official Report for your information.

Yours sincerely,

A handwritten signature in black ink that reads "William Hay".

RP WILLIAM HAY MLA

(Approved by the Speaker and signed in his absence)

OFFICIAL REPORT

(HANSARD)

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NORTHERN IRELAND ASSEMBLY

Tuesday 16 June 2009

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

Members observed two minutes' silence.

ASSEMBLY BUSINESS

Mr Attwood: On a point of order, Mr Speaker. During yesterday afternoon's debate on the Supply resolution, the Minister of Enterprise, Trade and Investment said on two occasions that, if matters were raised that she could not answer during the debate, she would endeavour to investigate them overnight and provide answers during today's debate on the Budget (No. 2) Bill. I believe that to be good practice. However, on 19 May 2009, the responding Minister in one debate said about issues that had not been addressed:

"I will ensure that those issues are addressed and that Members get the proper response from the Ministers concerned." — [*Official Report, Vol 41, No 2, p90, col 2*].

That was four weeks ago. I and perhaps other Members have received no correspondence from the Ministers concerned about matters that were raised during that debate, which was about flooding in Andersonstown. Indeed, that matter is relevant at the moment, given our uncertain weather.

My point of order is twofold. First, what requirement is on Ministers to respond after a debate has concluded? Secondly, are you prepared to give a ruling on the authority of the House when Ministers have failed to respond after four weeks to relevant matters that were raised in the Chamber?

Mr Speaker: The Member knows that I was not in the House yesterday because I was engaged on Assembly business elsewhere. However, I must say that I believe that Ministers who give an undertaking to the House to respond to Members should do so. It is clear that they should do that. Furthermore, I have no doubt that the Member's comments have been noted by the Minister concerned.

Mr Attwood: I ask, Mr Speaker, that you consider the general point in order to determine whether conventions might be established whereby Ministers have an obligation to reply in good time, especially

given that some matters may be of acute concern to people whom we represent. Rather than leaving it to the whim of Ministers, is it not time for the House to lay down requirements about when and how quickly Ministers must reply on matters that involve undertakings that they have given?

Mr Speaker: I repeat that I would expect Ministers to honour any undertakings that they have given to the House, and that is clear from what I have said as the Speaker. Nevertheless, let me consider the matter and see what more I can do about Ministers who fail to respond to promises that they have given to the House.

Before moving on to the business of the day, I want to deal with one further matter. On 19 May 2009, I indicated that I would consider remarks that Mr McNarry made about Mr McCartney during Question Time on 18 May 2009, and I have now done so. On many occasions, I have warned Members to take care about what they say in the Chamber about other Members, and that includes — I underline this point — making direct allegations of criminal behaviour when there have been no convictions. I have reflected on what Mr McNarry said, and I believe that direct and unsubstantiated allegations of criminal behaviour were made against another Member. I regard those remarks as unparliamentary, so I ask Mr McNarry to withdraw them.

Mr McNarry: Mr Speaker, I have no statement to make.

Mr Speaker: Given that the Member has not withdrawn his remarks, under Standing Order 65, I order him to withdraw immediately from the Chamber and its precincts for the remainder of today's sitting.

The Member withdrew from the Chamber.

Mr Speaker: I continually say to all sides of the House that, as the Speaker, I address all such matters in a measured way, in the hope that issues might be resolved. However, some Members take that to be a weakness on the part of the Speaker. Let me make it absolutely clear: taking such an approach is not a sign of weakness. When I have to step up to the mark to deal with issues, no matter how difficult they might be, I will do so, but I always try, especially behind the scenes, to resolve those issues. However, if Members are not prepared to at least try to resolve them, I have no choice but to come to the House to deal with them. My job is to protect the integrity of the House and the business that is conducted in it, and I have continually said that it gives me no pleasure to come here to deal with such matters. If an issue can be resolved beforehand, it should be resolved. I remind the House: do not take it as read that there is a weakness in the Speaker. That is not the case.

MINISTERIAL STATEMENT

Planning: Economic Development Proposals

Mr Speaker: I have received notice from the Minister of the Environment that he wishes to make a statement on major economic development proposals and the development plan scheme.

The Minister of the Environment (Mr S Wilson): On 11 May 2009, I made a statement to the Assembly on the weight to be accorded to economic aspects of development proposals. I underlined then the importance that I attach to ensuring that the planning system makes its contribution to the growth of a dynamic, innovative and sustainable economy, especially in these difficult times of global recession.

The primary purpose of my earlier statement was to instil confidence in decision-makers to make judgements that give greater weight to economic considerations where it is appropriate to do so while continuing to protect and enhance the environment. I wanted to ensure that the planning system would play a full and positive role in encouraging investment.

In making this statement today, I will clarify how proposals for significant economic development can be taken forward in the context of the delays experienced in producing a full coverage of up-to-date development plans for Northern Ireland. As we have already witnessed, changes in the economy can take place on a timescale that is significantly shorter than that experienced in the production of new development plans. Indeed, as Members will be aware, delays in the progress of a number of new development plans have been compounded by complex legal challenges. As a consequence, I am concerned that some significant development opportunities may be lost.

I recognise that development plans in Northern Ireland take too long to prepare. In addition, they can be overly detailed, and the strategic vision and direction can become obscured. As a result, in some cases, they are no longer able to provide the basis for an effective planning framework for today's fast-changing society. The system must therefore be improved in order to enable planning as a whole to become more effective in managing the development process. That is why I intend, as part of the overall package of planning reform, to bring forward proposals for a new local development plan system, with the key aim of speeding up the whole process through plans that are more streamlined, quicker to prepare, more strategic in nature and, importantly, more responsive to change. However, that will inevitably take time to achieve. In the interim, I want to ensure, as far as possible that, when significant economic development proposals

come forward that are clearly in the public interest, they are not unnecessarily stalled.

The Planning Service is already giving consideration to available procedural options where such strategic issues arise. For example, district officials in Omagh and Strabane have engaged with Invest Northern Ireland and the local councils to identify shortages of land for economic development and, where that occurs, to actively participate in bringing forward suitable solutions. The article 31 planning application process provides a mechanism through which suitable proposals can then be considered by the development management system rather than delaying matters pending preparation of a new local plan. I highlighted the success of that approach, which is linked to the excellent work of the strategic projects team in Planning Service headquarters, in my earlier statement in May. That method helped to deliver development proposals such as the Coca-Cola all-Ireland headquarters at Lisburn.

I also have concerns about prospective significant economic development proposals being frustrated through the inappropriate application of prematurity considerations in places where new draft plans have been issued but not yet adopted. I appreciate that prematurity is clearly an important consideration in areas in which considerable work has been undertaken to produce new draft plans. However, it is only one of a number of factors to be weighed by the Department in reaching its decision on individual proposals. Other matters, including the planning history of a site, distinguishing factors and administrative fairness must also be considered.

It is clear that, immediately following the publication of the joint ministerial statement in January 2005, officials made extensive use of prematurity considerations in determining proposals, which often resulted in a refusal of planning permission. Since that time, however, more thought has been given to the approach that is adopted. As a result, it has been considerably refined.

10.45 am

To reinforce that position further, I am instructing officials today that prematurity should be employed as a reason of refusal only in cases in which the Department can demonstrate clearly that an approval of planning permission would prejudice or undermine the development plan process or key elements of the plan itself. I am also pleased to advise that such cases have diminished, as, thankfully, most draft area plans are now progressing well towards their ultimate adoption.

I am confident that the clarification that I am providing today, together with my statement of 11 May, will ensure that there is sufficient flexibility in the planning system to deal effectively with significant economic development opportunities that may arise. Alongside

the determination of the Planning Service to process all proposals in a speedy and efficient manner, that should ensure a positive contribution to our economic recovery.

The Chairperson of the Committee for the Environment (Mr McGlone): Go raibh maith agat, a Cheann Comhairle. In reading the Minister's statement, I note that a number of points could be described as a wish list, much of which was already contained in the document on modernising planning. Therefore, I am bound to ask on behalf of the Committee whether a lot of those points are now coming forward by way of a wish list from the Minister because of lack of progress on modernising planning.

Prematurity seems to be a significant matter in the Minister's statement. My question about it is inevitably quite a serious one, and, therefore, the response should be appropriate to that. Has the Department given any consideration to the implications that the Minister's statement will have for those cases and applications that have already been refused?

The Minister of the Environment: To take the first point, I have expressed my disappointment with progress on the planning reform proposals many times in the Assembly. When the proposals were put forward in the issues paper, they gained widespread support among Members and did not attract any adverse comment from Ministers. The proposals also gained wide support not only in the development industry but from a lot of other groups with an interest in planning. Therefore, I am disappointed that I have not been able to progress the planning reform proposals; I anticipated that they would not only have been put out for consultation by now but that the consultation responses would have been received.

As I have also said in the Assembly on a number of occasions — this is not a veiled threat — we are in real danger of losing many of the key elements of the planning reform proposals, including the transfer of planning powers to local councils, if we do not get some movement fairly quickly. I have endeavoured to do what I can to move the proposals on, but they are still stuck with the Executive and the deputy First Minister. I have said that I would seek to determine the changes that can be made without having to secure full Executive assent.

The particular issue under discussion is not linked exclusively to the planning reform proposals, but it was identified as an issue by a number of councils and developers. Indeed, when I looked at some of the reasons given for refusal of some of the major development proposals, a likely impediment was that draft area plans had not been progressed to a stage where they could be used fully.

The Member asked about major proposals that have been turned down already. If a decision has not been made on a proposal or has been deferred or if a decision is in the pipeline and it has been indicated that the decision would be against it on the grounds of prematurity, then, of course, my statement will be used by those who make planning decisions as a material consideration in dealing with those applications.

The statement can also be used, for instance, when considering future applications or those that are at pre-application discussion level. Therefore the statement will be used when determining new applications and the outcome of those on which a decision has not been made. The Committee Chairperson will know that decisions to refuse that have been issued cannot be looked at, but individuals may see my statement as a signal to review their proposals and make new applications.

Mr Weir: I thank the Minister for his statement. Major economic development proposals and planning are significant in Northern Ireland. How will the statement speed up the process of dealing with the economic development proposals? I apologise to some of the Members from rural areas, but will the Minister comment on the progress of the Belfast metropolitan area plan (BMAP), which is, perhaps, the most significant area plan that Northern Ireland faces?

The Minister of the Environment: My statement is not designed to speed up the process; it is designed to allow applications that are being refused or are going to be refused by the planning system to be reconsidered, with less weight being given to prematurity. As I said in my statement, often, when an area plan has been drawn up, it has gone through part of the process; views have been expressed on it; and land has been designated for certain purposes. If somebody makes a different proposal, then the prematurity considerations have to be looked at when making a decision on the planning application, even though a final decision has not been made on the area plan.

There is one way in which my statement might speed up the process. Rather than planners not making decisions on applications until an area plan is approved, they may make decisions without waiting for an area plan to go through the full process.

BMAP is a good example, because the process has taken about seven or eight years. Also, land that was designated for certain purposes at the start of the BMAP process has, perhaps, been challenged at the public inquiry, and we are waiting for the Planning Appeals Commission to provide its final report. Where planning applications have been submitted for that type of land, it would have been deemed premature to make a decision on them. Therefore, decisions may have been set aside, which slows down the process, or they may have been refused.

My statement will help to unlock some of that logjam. It is hoped that we will have a response from the Planning Appeals Commission by autumn 2010. Following that, we will adopt the BMAP proposals. It has been a long process, and I suspect that many of the designations and proposals in BMAP are out of date, given the changes in the economic situation.

Mr Boylan: Go raibh maith agat, a Cheann Comhairle. Cuirim fáilte roimh ráiteas an Aire. I welcome the Minister's statement. The Minister is not the only person who is disappointed that the reform of planning has not moved forward.

Will the Minister provide a time frame for the approval of the draft area plans? If not, what will he do about the people who have made submissions for development in the interim? They are sitting and waiting. A couple of months ago, the Minister talked about economically appraising proposals. In the absence of approval for the draft area plans, can the Minister do anything to provide opportunities for people to proceed with developments? There are opportunities that we should be taking in the current economic crisis. Go raibh maith agat, a Cheann Comhairle.

The Minister of the Environment: I wish to correct a point that I made in my previous answer. I said that the BMAP report was expected in the autumn of 2010; I meant to say summer 2010, so it will be available a little earlier.

The Member raised an important point: this statement is about those area plans. Certain area plans have been held up primarily because legal challenges have resulted in our being unable to progress the plans or because we have had to stop work on them until pending legal challenges have been heard. Where we have been able to negotiate our way out of those legal challenges, such as in the case of the Banbridge, Newry and Mourne area plan or the Craigavon town centre plan, we have done so. Where that has not been possible, plans have been subject to inevitable delays caused by court proceedings.

As I said in my statement, one way in which we might free up some decisions is by giving less weight to prematurity considerations where land designations have been made; where there, perhaps, has been some challenge; and where we would have awaited the outcome of the development plan process. Planners can now make a decision and will be able to give greater weight to economic considerations, except in the situations that I described. If such decisions would undermine the area plan totally, obviously the weight will lie in not progressing with the planning application. However, where planners deem that a decision will not undermine or have a significant impact on the plan, less weight can be given to prematurity than has been the case since the joint ministerial statement of 2005.

As I said, the other way around that issue is for an application to be made under article 31 of the Planning (Northern Ireland) Order 1991, whereby a case can be made for a particular planning application. All the arguments can be looked at, and the Minister, in response to a report from the Planning Service, can make a decision on the application in question.

Mr Elliott: I welcome the Minister's proposals; I have long felt that planners have held back a significant economic development. How does the Minister envisage monitoring the progress of his will, so to speak, or his wishes and proposals? Proposals sometimes fall down because there is no follow-up. How will the proposals be monitored in coming months and years?

The Minister of the Environment: We have a professional planning service in Northern Ireland. Where clear policy guidance or ministerial direction is given to the planners, they take it on board. I am glad that the Member asked that question because I have always wondered what happens when I, as a Minister, say things. Does it change people's behaviour? Do I actually have influence?

To draw a parallel, I made a statement on 11 May 2009 about giving greater weight to economic considerations, and I have seen that proposal reflected already in some of the planning decisions that have been made. Indeed, if the Member cares to look at the Planning Service's website to see some of the recent planning applications that have been dealt with, he will see references to my statement. I am very pleased to see that I have such influence. That is one way of doing things. Once the divisional planning officers and decision-makers are given clear direction, they take it, and it will begin to filter through.

11.00 am

I also want to consider the number of applications that are being turned down because of prematurity. I hope that the number will fall, but I must add the caveat that that depends on the nature of an application. If an application were seen to undermine a development plan, even as a result of this statement, it may be turned down on the grounds of prematurity. However, where there is an argument that applications try to anticipate what the Planning Appeals Commission might say about an area plan, and even if they were granted and did not have a significant impact on the shape of an area plan, I am confident that, from previous experience, planners would follow the instructions that are being given today.

Mr Ford: I thank the Minister for his statement. In response to a question from Patsy McGlone, the Chairperson of the Committee for the Environment, the Minister referred to delays in the new planning reform proposals and laid the blame squarely with the office of the deputy First Minister. I

will not intervene in that problem, but I presume that the Minister's proposals for a new local development planning system are contributing to the delay.

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

There are also significant delays in matters that remain solely the responsibility of the DOE. Half my constituency was highlighted by Mr Weir when he referred to the BMAP system. However, Antrim is living with a 1984-2001 plan, and we have not even seen the draft Antrim/Ballymena/Larne plan. Will the Minister assure the House that, notwithstanding the legal challenges, his staff are doing all the necessary background work to ensure that a robust planning system will be in place as quickly as possible? His announcement today can deal only with the interim situation until a proper planning system is in place.

The Minister of the Environment: The Member's comments about the delay in the planning reform proposals are correct, since part of the proposals entail not only the movement of development control but councils' ability to deal with local development plans. If the proposals do not reach the public domain for consultation, with legislation being the next step, we will miss an opportunity. Within the next month, we will have to decide whether we can move planning powers to the councils by 2011, as we had envisaged. I have said all this before, so I am not saying anything new. If that cannot be achieved, it will be a great tragedy. Planning powers were to have been a major additional power for councils not only for development control but, much more excitingly, in drawing up local development plans and, subsequently, revising them. I warn the Assembly that during the summer recess, there is a possibility that a decision may have to be taken that we will not be able to progress to the full movement of powers to the new councils in 2011.

I understand the Member's frustration about the Antrim/Larne/Ballymena plan. Representatives of Antrim Borough Council expressed that frustration when I met them some time ago. We have been held up because of the BMAP process, which has left a gap in Antrim's plan. However, there are ways in which that could be addressed.

At the strategic leadership board, we discussed the possibility of taking a number of council areas and allowing the transition committees to do some of the background work for the new local development plans because that would help in trying to identify some of the problems. That would move forward the plan for those areas, meaning that the new councils, when formed, would be able to quickly formalise the new development plans.

That is one way in which the Department could help areas such as Antrim in the interim, but that possibility is precluded by our inability to transfer planning

powers to the councils. However, whether the transfer of those powers occurs before or after 2011, the plan is to ensure that all the councils have those planning powers. There is absolutely no reason why the councils should not get involved with the planners in conducting some of the preliminary work. The Department is gathering the information that will aid and assist that process, in case it decides to go down that route.

Mr T Clarke: In his statement, the Minister referred to the "complex legal challenges" being made to some of the development plans. How many of those development plans are subject to judicial review? What impact does the Minister expect those reviews to have on those development plans? When does the Minister expect an outcome from those judicial reviews?

The Minister of the Environment: Three development plans are subject to judicial review, and there are other plans that the Department has not progressed because they would be vulnerable to judicial review. Many of the judicial reviews have been taken because no strategic environmental impact assessment was carried out. The way in which we were doing those assessments, including the fact that there was no an independent body to carry them out, was deemed to be inappropriate. The Department has taken that issue to the European Court of Justice to see whether we can find a way around it.

Once local development planning powers have been transferred to the local councils, the Department will be out of the woods. That is because an independent body, the Northern Ireland Environment Agency, will be able to carry out strategic environmental impact assessments. That is another reason why planning powers must be devolved to the councils as soon as possible. Until that is the case, development plans will continue to be subject to judicial review.

What really irks me is that the people who complain about how slow the planning process is are the same people who make the legal challenges that slow it down. If for their own selfish and commercial reasons they want to stop or hold up a development plan, those people use the magic wand of there not having been a strategic environmental impact assessment to secure a judicial review of the plan, which they know will hold up the process. Not only do those judicial reviews slow the process down, they tie up a great deal of my officials' valuable time.

I accept that there are problems with the planning system in Northern Ireland, but if one looks objectively at how the planning system has improved over the past number of years, one will realise that the Department has sought to address those issues. Some of those who complain about the planning system must ask themselves whether they, by their actions, have imposed financial

and manpower costs, as well as costs resulting from time delays.

Mr McLaughlin: Go raibh maith agat, a LeasCheann Comhairle. I have considerable sympathy with what the Minister is trying to do. My interest is in developing the economy, and if people are being agile, imaginative and, in some cases, premature with the propositions or scenarios that they anticipate, it is incumbent on Government to be agile in their response.

The Minister, by introducing the guidelines, has made a contribution. Predictably, some Members will worry about mistakes being made —

Mr Deputy Speaker: The Member must ask a question.

Mr McLaughlin: The question is whether the Minister has considered how we can speed up the decision-making process for article 31 inquiries. That type of confidence-building measure would reassure people that the planning system is transparent and accountable. There are divisions in the House over the proposed runway extension at Belfast City Airport and over the proposed incinerator at Glenavy, so if decisions were made within prescriptive timescales, that might help to build confidence in the planning system's openness and transparency.

The Minister of the Environment: I welcome the Member's remarks. I sometimes think about article 31 planning decisions myself. I plague the senior planning officers in the Department almost weekly. They must provide me with a report about what is happening with article 31 planning decisions and everything else. However, the Member hit on an important point. When dealing with article 31 inquiries, it is important that short cuts are not taken.

The Member mentioned two particular planning applications. If short cuts are taken, those who seek ways in which to stop or delay the planning process until investors decide that Northern Ireland is not worth investing in and take their money elsewhere will look for every little flaw. Many of those people have, for example, demanded public inquiries into those applications. They will check that we have robustly examined all the evidence that has been submitted. Some of the evidence in the kind of proposals that the Member mentioned is very complex and requires close examination. If that is not done, an application for a judicial review will be made. In fact, I have been threatened with a judicial review if certain things do not happen with the two aforementioned proposals. Planners must move with caution while also seeking to move with speed.

If one looks at the Department's record on article 31 inquiries, it is clear that it has moved quite quickly. I have mentioned in the House some of the actions that have been taken. The planning process for an investment of more than £200 million in the hospital for the west

of the Province was completed in under six months. The Titanic Quarter signature project and the relocation of the PRONI building are multimillion-pound developments for which the planning process was also completed in under six months. I could go on.

We have sought to speed up the processing of article 31 inquiries, but we must be very careful. Those projects have often been subject to such an inquiry because they are fairly controversial. If they are not dealt with properly, and all the detail is not considered, the Department will be doing no one a favour. If a mistake is made, and a planning application is referred to the courts, it could be tied up there for three years. A balance, therefore, must be struck. I do not want the Department to be accused of cutting corners and, as a result, ending up in the courts.

Lord Morrow: I welcome the Minister's statement, in so far as it goes. Having listened to the statement and the Minister's replies to questions, one thing is very clear. We live, work and operate in a red-tape, bureaucratic state. Is the Minister telling the House that that is now at an end? Are we working towards having a product that is fit for purpose? As I read through the statement, there is much merit in its contents, but can the Minister assure the House that, as the head of the Department, he is determined to tackle red tape in his Department and give people a system that is fit for purpose?

The Minister of the Environment: There is not only a determination on my part. Many of the proposals brought to me come from professional planning officers, who equally want to contribute to getting investment into Northern Ireland.

The Planning Service has urged me to accept and implement measures to remove red tape. The streamlining of minor planning applications was developed by professionals in the planning system who identified ways of reducing the level of bureaucracy. As a result, the processing time for planning applications that go through the streamlining process has been reduced from around 84 days to 28 days. That is a good example of where people from inside the system have sought ways of reducing red tape.

11.15 am

Professional planning officers also suggested that applications could be speeded up by introducing pre-application discussions, in which the Department meets all the consultees and gives advice to applicants to help them ensure that the planning application goes through quickly. The Department tells applicants all the stuff that they should have when they present a planning application and how it should be presented. If they take that advice, they are guaranteed a six-month return through the system. That is another way in which the Department has sought to reduce red tape, and it has been fully endorsed and embraced by the planning system.

I am sure that Members could quote examples of what they feel was pettiness and slowness. I have no control over consultees. Especially after the meeting that I attended at 9.00 am this morning, I could indulge myself by blowing my top about the way in which some consultees respond. The consultees I met earlier are outwith my Department; I wish that they had been part of my Department, because I could have got crosser with them.

Improvements need to be made to the system, but for the first time ever, the planning system has not only met but exceeded all the targets that have been set in the Programme for Government for processing times for minor, major and intermediate applications. That is an indication that we are moving forward. Improvements are still to be made and people still need to be pushed, but we are, at least, getting the right mood and putting some of the policies in place.

Mr O'Loan: I welcome the Minister's efforts to create a planning system that is more conducive to economic development. I note with alarm what he said about planning reforms being blocked and possibly jeopardised by Sinn Féin.

How can the Minister say:

"thankfully, most draft area plans are now progressing well towards their ultimate adoption"?

In my area, the northern area plan and the Antrim/Ballymena/Larne area plan appear to be totally blocked, and matters are now moving to the European Court of Justice. I take a particular interest in tourism schemes, both those that are of regional significance and those that have local economic significance. Many good schemes are being unreasonably held up and prevented at times by the planning system.

The Minister of the Environment: The Member has probably misquoted me. I made it clear that there are a number of area plans that we are not progressing and cannot progress. He is quite right to say that a judicial review was successfully taken against the northern area plan and that the case has gone to the European Court of Justice. It is likely to be tied up there. That is outwith my Department's control, and the same applies to the Antrim/Ballymena/Larne area plan. In an answer to Mr Ford, I explained that, where a plan is really out of date, the Department is trying, through the transition committees, to move on and to at least get the groundwork done for a new plan that local councils will be able to undertake if and when the planning reform proposals go through the Executive.

As far as tourism is concerned, I hope to bring forward PPS 16 fairly soon. It is yet to be finalised, but it should include a presumption in favour of tourism development in settlements. It will also make provision for some tourist facilities at appropriate locations in the countryside. Some of the major tourist developments have already come to me as article 31 applications.

Once we had all the information on the Giant's Causeway, we were able to progress the decision quickly. That decision has now been made. It was made in the face of a threat of judicial review; we did not shrink from that, because an important tourist facility was required. Consider the tourism signature projects: the Titanic Quarter, the Giant's Causeway and a number of other proposals. We moved those forward fairly quickly.

There is a good thing about the powers that local councils will have. I like to dangle this carrot in front of Members, because I know that they all want to see these powers go to local councils. I hope that by doing so, I am offering a golden opportunity to bring about a positive resolution to discussion on planning reform. The Member is concerned about tourism in his area. It is in the interests of every party to progress towards a situation where, at a local level, a council that knows exactly the needs of the area will be able to shape the future. It can have a vision for the area, put it into a local development plan and shape what happens. That is the reward for getting the planning reforms through the House. I hope that we do not lose this opportunity as a result of esoteric arguments that go on within particular political parties.

Mr Ross: I thank the Minister for his statement. In response to Lord Morrow, the Minister has already detailed some of the actions that the Planning Service has taken to improve its performance. Perhaps the Minister could tell us specifically about the role of the strategic projects team at planning headquarters.

The Minister knows that I tried to ask this question on Thursday: there are proposals for a 20% increase in planning fees. How can he justify that at a time of economic difficulty? Is a 20% increase in fees a good move at this time?

The Minister of the Environment: There are now two strategic projects teams at headquarters. They have been created specifically to handle major strategic economic and investment proposals. As I have explained in previous responses, the process is that those teams talk to developers, and they should bring all the consultees to the table.

I do not claim that the system is perfect. I have received criticisms of it from developers who have come to see me and I have spoken to the managers of the strategic projects teams about that. I must also say that I have received some very complimentary comments from developers about the teams and their very positive attitude. I have mentioned some of their successes. One of their successes that did not receive much publicity last Friday, though the Minister of Enterprise, Trade and Investment commented on it, was that in four months, one of the strategic projects teams was able to clear a 700,000 sq ft development at Bombardier, which represented an investment of £300 million.

That is the kind of work being done by the strategic projects teams. We sometimes become fixated on complaints. Of course, people come to us, as their public representatives, and tell us when things go wrong; they never come and tell us when things go right. Therefore, although we complain and whinge about problems, we do not celebrate successes.

With respect to the increase in planning fees, I make the point that those fees have not been increased for four years; even during the boom years they were not increased. There were several factors involved in deciding to increase the fees: first, costs have risen during those four years; secondly, there has been a fall in fee income as a result of the recession; thirdly, when the Department compared the fees in Northern Ireland with those in other parts of the United Kingdom, ours were significantly lower — in some cases, for major housing schemes, they were hundreds of thousands of pounds lower. I had to make a decision: did we want to start dismantling the expertise in the planning system when the demands from inside and outside the Assembly are to reduce the number of undetermined applications and processing times and be in a position, when the economic upturn comes, to deal quickly with the demands that that upturn, and planning reform, will bring?

When I looked at that question, and the fact that the Department has sought to make significant savings in the system and look for additional money where possible, I decided that I would not be thanked were I to reduce the number of professional planning officers and leave the system unprepared to deal with the economic upturn when it comes.

I was also mindful that councillors and councils continually come to me, and, indeed, to every other Minister who is handing over a service, to say that they hope that I will not be handing over an under-resourced service, which will mean that they will have to impose a burden on ratepayers. I tell the House that if I were to hand over a Planning Service in 2011 with around 20% fewer planning officers, the very people who complain about my putting up planning fees would have to find the money to recruit more planning officers and would be calling me a conman. I would be accused of handing over an under-resourced service and doing so deliberately, rather than making tough decisions.

For those reasons, I believe that the increase in planning fees is necessary. I do not believe that it will be draconian. I ask Members to bear in mind the level of fees that I am talking about: for a single dwelling in the countryside, it will be an additional £100 or £150. If someone spends £100,000 to build a new house, I do not believe that that person will stop building because he or she must pay a further £150 on planning fees. Of course, if I could have avoided the increase, I would have done so. However, for all the reasons that I have given, I believe that it is justified.

Mr Shannon: I thank the Minister for his statement. Undoubtedly, planning reform is needed urgently; every Member who also wears a hat at council level will be aware of that. I commend the strategic projects team, with which I have had meetings, for its work. It has delivered. Will the Minister confirm that the quality of service will be the same throughout the Province, whether it is Ballymena, Omagh or Downpatrick, and that every area will be subject to the same regulations, reform and rules that apply elsewhere?

As regards applications under article 31, which the Minister mentioned in his statement, sometimes referrals are hindered, halted or delayed because the Planning Service has not provided paperwork to the Planning Appeals Commission (PAC) quickly enough. Will the Minister confirm and reaffirm, if necessary, that the progress of appeals under article 31 through the PAC will proceed with urgency?

11.30 am

The Minister of the Environment: First, as regards the uniformity of service across Northern Ireland, the level of work and the quality of any service or determination that the two strategic project teams carry out, whether it be in Ballymena, Ards or Omagh, will always be the same. The teams are located at planning headquarters, not in divisional offices, and they work Province-wide.

Secondly, it is difficult for me to give an assurance on the outcome of an application under article 31 when it is decided that the Department should not determine the outcome of that application and that it should be the subject of a public inquiry. However, I suspect that the Member is referring to the three planning applications for shopping centres in Newtownards.

The Planning Appeals Commission — this is where I do my Pontius Pilate act — does not come under the remit of the Department of the Environment; rather, it comes under the remit of the Office of the First Minister and deputy First Minister. Therefore, I can, thankfully, say that I do not have any control over the Planning Appeals Commission, which jealously guards its independence. Even though additional resources have been given to the Planning Appeals Commission, there are long waiting times. However, the commission sometimes asks the Department whether it wants priority attached to a case that it has sent to the commission; so, we have some input. If we in the Department deem an application to be particularly important, we ask that it be given greater priority. Given the time that it has taken under the article 31 process to make a determination on the planning applications for three shopping centres in Newtownards, I specifically requested that the Planning Appeals Commission give some priority to them. I understand that they are now third on the commission's list of major planning applications to be dealt with.

EXECUTIVE COMMITTEE BUSINESS

Budget (No. 2) Bill

Second Stage

Mr Deputy Speaker: The Speaker has been advised that the Minister of Enterprise, Trade and Investment will move the Second Stage of the Bill on behalf of the Minister of Finance and Personnel.

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

That the Second Stage of the Budget (No. 2) Bill [NIA 8/08] be agreed.

I shall briefly draw attention to a few key points and the general principles of the Bill. As Members know, the Supply resolution was debated at length and approved yesterday, and that was followed immediately by the Bill's First Stage. Following on from the February Vote on Account, the Budget (No. 2) Bill provides the balance of cash and resources to complete the Department's requirements to enable the delivery of services in 2009-2010 as currently planned.

For logistical reasons, accelerated passage is needed to ensure that Royal Assent is granted in July, thereby ensuring that Departments and other public bodies have the legal authority to spend the cash and use the resources for the remainder of 2009-2010 without any delay. I am glad that the Bill can be given accelerated passage because the Committee for Finance and Personnel has confirmed that, in line with Standing Order 42, it is satisfied that there has been appropriate consultation with it on the public expenditure proposals in the Bill. Once again, I welcome and appreciate the part that the Committee has played in progressing the Bill.

The purpose of the Bill is to give full legislative effect to the 2009-2010 Main Estimates that were approved yesterday through the Supply resolution. Copies of the Main Estimates volume, the Budget (No. 2) Bill and the explanatory and financial memorandum have been made available to Members.

For the benefit of Members and in accordance with the nature of Second Stage debates, as envisaged under Standing Order 32, I will briefly summarise the main features of the Bill. The purpose of the Bill is to authorise the issue of a further £7,566,927,000 from the Northern Ireland Consolidated Fund and the further use of resources totalling £8,311,830,000 by Departments and certain other bodies. Those amounts are in addition to the Vote on Account that the Assembly passed in February. The sums to be issued from the Consolidated Fund are to be appropriated by each Department or public body for services as detailed in column 1 of schedule 1 to the Bill, while the resources are to be used for the purpose specified in column 1 of schedule 2 to the Bill.

In addition, the Bill sets for 2009-2010 the limit on the use of operating and non-operating accruing resources, and schedule 2 specifies the purposes for which they may be used. After the Bill receives Royal Assent, under section 8 of the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance and Personnel will lay a minute in the Assembly that specifies the accruing resources within the limits set in the Bill and that directs their use.

Clause 2 authorises the temporary borrowing by the Department of Finance and Personnel of £3,783,464,000, which is approximately half the sum authorised by clause 1(1) for issue out of the Consolidated Fund. That limit prudently allows the Department of Finance and Personnel to efficiently and effectively manage the cash during 2009-2010. However, I must stress that it does not provide for any additional cash to be paid out of the Consolidated Fund or convey any additional spending power.

The daily management of cash is an important function of DFP. That function allows it to supply cash to Departments daily to enable services to be delivered and, at the same time, ensures minimum drawdown of the Northern Ireland block grant from the Northern Ireland Office. Finally, clause 5 removes two Budget Orders that are no longer operative from the statute book.

Yesterday, I was unable to respond to two issues that Members had raised, and I said that I would address those today. Mr Attwood and Mrs Bradley asked about the childcare strategy and PlayBoard. The paper on childcare provision is one issue that the ministerial subgroup on children and young people is considering. That group will meet again this week. Furthermore, I understand that the Office of the First Minister and deputy First Minister has requested the transfer of £350,000 of its existing provision to the Department of Health, Social Services and Public Safety to enable the PlayBoard projects to continue.

Dominic Bradley raised the issue of the cost of the unregulated transfer system. The Department of Finance and Personnel is not aware of any direct costs that fall to the Department of Education as a result of its failure to establish formal arrangements for the transfer of children from primary school to secondary school. That does not mean that there are no costs: parents must pay for tests, in particular those set by the Association for Quality Education, and any subsequent legal challenges may have cost implications. It is of deep regret that parents and schools have been forced to incur additional costs because of the Minister of Education's failure to recognise their concerns about transfer.

I return to the Bill to conclude. I said earlier that the Budget (No. 2) Bill reflects the additional cash and resources that are required to facilitate Departments' detailed spending plans as set out in the 2009-2010

Main Estimates. I will not use any more time on the substance of the Bill, but I am happy to deal with any points of principle or detail that Members raise.

The Chairperson of the Committee for Finance and Personnel (Mr McLaughlin): Go raibh maith agat, a LeasCheann Comhairle. At its meeting on 27 May 2009, the Committee took evidence from senior DFP officials on the Budget (No. 2) Bill, the general principles of which the House is now debating. The Bill authorises departmental spend for 2009-2010 of resources and associated cash requirements based on the second-year spending plans of the Executive's three-year Budget for 2008-2011, which the Assembly approved in January 2008.

Assembly approval of the Bill provides the legal authority for the balance of resources and associated cash requirements as detailed in the Main Estimates for 2009-2010, which we debated yesterday. The Committee was briefed by the Minister of Finance and Personnel and, on several occasions, senior DFP officials on the Executive's draft Budget for 2008-2011. Moreover, the Committee sought submissions from other Statutory Committees before it published a Committee report on the draft Budget in December 2007. The Committee subsequently received a formal response from DFP and was briefed by departmental officials about the final Budget in January 2008.

During their briefing about the Budget (No. 2) Bill, DFP officials informed my Committee of the reasons for the differing figures in the Budget and the Estimates. I refer to that mainly because the anoraks who will read the document may find it of some interest. My Committee was given an explanation of why the figures are reconcilable, particularly given that the same source data are used for the Budget and the Estimates. Indeed, officials subsequently provided the Committee with a helpful paper to demonstrate that fact.

The Committee is aware of the consequences for departmental spend and the potential effect on front line services should the Bill not progress through the Assembly before the summer recess. I reinforce the Minister's comments in that context. The Committee was consulted and is satisfied that it has been appropriately consulted about the public expenditure proposals that are contained in the Bill in accordance with Standing Order 42(2), and it is content that the Bill can proceed by accelerated passage. I wrote to the Speaker on 27 May on behalf of the Committee to confirm that.

There is an issue that has exercised the Assembly on occasion. Members will be aware of the differences of opinion that have been expressed about the respective merits of the Executive holding a formal Budget process annually, as compared to the current three-year arrangement that allows for adjustments through the

in-year monitoring rounds. This is particularly important in the context of changing economic circumstances.

My Committee is undertaking an inquiry into the scrutiny of the Executive's Budget and expenditure, stage one of which culminated in an agreed Committee submission to the review of the Executive's Budget process in October 2008. That submission contained 10 recommendations to be considered by the Department of Finance and Personnel in its review of the Budget process.

Departmental officials were expected to report to the Minister of Finance and Personnel by the end of October 2008 on the outcome of that review. However, I understand that the report has yet to be completed because of work pressures. I would, therefore, welcome an indication from the Minister of when the report on the review of the Budget process will be available to my Committee and when the Committee will receive that formal response on the recommendations made in its submission. That would enable the Committee to proceed to stages two and three of its inquiry.

Mr G Robinson: I congratulate the Minister of Finance on the work that he has done in balancing the books. That is a difficult task at any time, but during an economic downturn it is obviously even more difficult. The Assembly must recognise that the Minister has achieved a tremendous feat.

Despite what some Members think, the monitoring rounds enable the Northern Ireland Budget to maintain flexibility. The importance of that cannot be overestimated, as funds can be redirected to the Departments where they are needed as a matter of urgency. That is called proactive and prudent financial management. I hope that all Members agree with those two terms and further agree that they are essential for good governance in general.

As the Minister said yesterday, more than £3 billion of social security benefits will be administered during 2009-2010, which, unfortunately, is essential in these times. Some £45 million for the provision of newbuild schools is also available. Furthermore, as a member of the Committee for Regional Development, I welcome the expenditure on upgrading the Londonderry railway line and Northern Ireland Railways rolling stock.

The provision of new schools and the updating of transport infrastructure are positive means of ensuring that Northern Ireland has a strong selling package for investors as they begin to invest with the upturn in the global economy that will eventually come. Again, it shows how the Minister and the Executive have come up with proactive and viable investments that have helped reduce the impact of the recession in Northern Ireland, while putting us on a good footing for the future.

I support the motion.

11.45 am

Mr B McCrea: It is a pleasure to follow George Robinson, because he has given me so much to work with.

It is a pity that the Minister of Finance and Personnel is not present, because there are issues that require his attention. I am not sure of the reason for his absence, but all will undoubtedly become clear in the coming days.

George Robinson referred to the flexibility of the monitoring rounds and how they are an excellent system for managing our finances. However, I have heard that no bids will be taken for the June monitoring round because no money is available; that raises the question of whether the block grant in its entirety is overspent. We need to know about that. I realise that we are in trying financial times and that the recent election has changed the political landscape; however, if we are to deal coherently and cogently with the issues before us, we also need openness and transparency. We need to know the extent of the problem, and we must find a collective way of responding to it. It is a pity that we will not be able to meet many of the objectives of the Programme for Government; however, we must face the reality that many of the targets that we set will not be met. The Budget that is tied to those targets must be amended to reflect that reality.

It is important also to recognise the political pressures that are on this place. If the new Minister of Finance and Personnel, whoever he or she may be, maintains an inflexible and rigid approach, the people will begin to wonder about the purpose of this place. How can we respond effectively to the challenges that we face? A Budget should be a living document that is open to change and adequately reflects the events that affect us. If, as announced, the Chancellor postpones the three-year spending review, given the inflationary pressures that have entered the economic equation, it would be wise to plan for block grant cuts being brought forward from 2010 to 2011. Why would he postpone that review otherwise?

There will be cuts. Public sector cuts are regrettable, but they are not just an option: they are the only option. We must recognise that we are attempting to spend more than we earn, and, ultimately, that will be a problem for all of us. It gives me no pleasure to say that we owe it to the people of this country to explain that that is a reality and that we must ask for their support in trying to get the best value for money for all the people of Northern Ireland. To say anything else is misleading. The people have had enough of politicians being economical with the actuality.

As the Shadow Chancellor, George Osborne, said, the big discussion in British politics must be about how we intend to deliver quality public services when money is tight. We will have to make tough decisions, and we will have to insist on getting better value for

money. That cannot be done while people throw political brickbats at one another. Tough decisions require genuine leadership from us all.

The real division in politics, which is as true of Northern Ireland as it is of the whole of the United Kingdom, is not between cuts and investment but between honesty and dishonesty. The Executive pledged to make economic development the top priority of the Programme for Government. That commitment predated the onset of the recession, but it has become all the more relevant. Moreover, the public and economic stakeholders are watching to see whether the Executive put their money where their mouth is. Innovative responses to the downturn from the economic Departments, specifically DEL and DETI, deserve favourable treatment in any of the monitoring rounds to which George Robinson referred.

The entire process ultimately concerns character. How can we, the politicians, reconnect the political system with a public who have lost faith in it? If we do not tell the truth about the Budget, what hope do we have of gaining the public's trust whenever we are dealing with the other, more challenging issues that face this place? Perhaps that is all that we can expect from people who double- and treble-job. Those people have so little regard for the public, they pretend that they can be in two places at once and that they can do two or, on occasion, three jobs at the same time.

If we do not tell the truth about the Budget, we will not begin the process of rebuilding the electorate's trust. It is a matter of competence.

Mr Weir: Despite the Member's remarks being a slight dig at double- and treble-jobbing, I will try not to throw brickbats. The Member highlighted rightly that the division or choice is between honesty and dishonesty and about transparency and being honest about the Budget. He also highlighted the need to have a tougher financial regime and the need to make cuts in the future. Given that many general points are made on the subject, on the basis of honesty and transparency, what areas does the Member believe should be cut from the Budget? It is easy for all of us to come up with a wide range of areas on which we would like to see more money spent. What services would the Member be willing to see being cut from the Budget, and from which Departments would he be willing to see finances cut?

Mr B McCrea: That raises the old canard about whether cuts are optional. If there are to be no cuts, we can carry on regardless. I say to the Member and to the House that there will be cuts, even if they are cuts that are made in real terms as a result of inflationary pressures.

I am familiar with the Department of Education, and I see that, during the previous financial stocktake, in both years, some £100 million was missing from what

was required and what was available. I believe that I am right in saying, although I stand to be corrected, that there was an issue with a further £100 million of the capital budget. The point is that these are —

Mr Hamilton: I thank the Member for giving way. Does the Member agree that some of the figures submitted by the Department of Education to the strategic stocktake are somewhat dubious, particularly the request for fuel costs? I believe that the stocktake considered £8 million of additional fuel costs in each of the two years. That was at a time when fuel costs were going down and when they were at a lower level than was set in the original Budget. Does the Member agree that, in regard to that particular point, other costs that the Department of Education submitted and other Departments' submissions to the strategic stocktake are, when scrutinised, not up to scratch and are not pressures at all?

Mr B McCrea: I will attempt to deal with the points made by both Mr Weir and —

Mr Hamilton: The other one. *[Laughter.]*

Mr B McCrea: The future Minister.

Mr McCallister: Which one?

Mr Weir: I know that you are understudying for David McNarry, but — *[Interruption.]*

Mr Deputy Speaker: Order.

Mr B McCrea: Thank you, Mr Deputy Speaker. I realise that I am dealing with two prospective Ministers. I should have made myself clearer.

That is quite a serious issue. I think that it supports our argument, which is that in order to make savings we need to scrutinise each and every Budget to see where money is being spent unwisely, where better efficiencies can be taken on board, or where the political or economic situation has changed.

The problem that I have is that, in the past, we were spending £60 million to £70 million in the education sector to make provision for teachers to take early retirement. That, in turn, provided a way of allowing new teachers to come into the profession. However, this year, only £8 million is available, which means that we will have to have compulsory redundancies. Therefore, when one looks at the scale of the problem that Mr Hamilton mentioned, there are issues for us to examine. However, there is a bigger picture that we must address.

I return to the point raised by Mr Weir. There will have to be cuts; I am sorry, but I see no other way of finding money. It would be great if people were to tell me that there is money coming along and that we will not suffer any downturn in the comprehensive spending review or any of the efficiencies that are implemented. However, prudence dictates that we plan for the future.

I am not seeking to shirk responsibility; instead, on behalf of the Ulster Unionist Party, I am trying to say that the problem is one that all Members must share. I have resisted the temptation to throw brickbats. I could have said that there has been a litany of disasters and that wrong decisions were taken, but that would get us nowhere.

There is a question about whether we are genuine in our attempts to engage in a positive and constructive manner. Despite our differences we have to act sensibly, because the whole political establishment is in disrepute. Therefore, we have an opportunity to take a sensible course and admit that the recession has blown the Budget completely off course. The Finance Minister has an opportunity to come clean and tell the public what has to be done, and it is right and proper that we examine the new Budget and find a way of saying what parts are sensible and what parts we are not sure about. That is the purpose of this place, and, to use the words of a Minister in answer to a question from me yesterday, I ask people not to have a knee-jerk reaction. This is a genuine attempt to offer a solution for the future.

As George Osborne said, perhaps the most important lesson that politicians need to learn is that, if we tell the public the truth and talk honestly about the measures that we are taking and why we are taking them, they will respect that honesty and support us. That applies to all of us.

Real choices have to be made about public spending. Certain areas, such as health, need to be ring-fenced from cuts, because we are already falling far behind the rest of the United Kingdom to the tune — I know that Members have heard the figure before — of £300 million a year. We need to have a well-informed public debate about budgetary priorities, and we need to take the public into our confidence; after all, it is their money. How will that happen if the Finance Minister will not even take the Assembly into his confidence? How will that happen if the Finance Minister, with the First Minister behind him, refuses even to contemplate revising the Programme for Government?

I have sought to offer a sensible, cogent and reasonable way forward, and I look to other Members to respond in kind.

Mrs D Kelly: The SDLP has serious concerns about the Programme for Government and the Budget. We remain concerned about the extent to which the Budget was predicated upon efficiency savings and asset sales that have not been realised. That has led to major concerns from organisations and sectors about subsequent cuts in front-line services. I will primarily look at the stated objective in the Programme for Government to build a fair, inclusive and shared society, particularly in light of the disgraceful scenes last night on the Lisburn Road and the attacks on migrant workers in the area.

Members will know that the cohesion, sharing and integration strategy is some 20 months behind schedule and that significant funding has been set aside for its implementation. How will that money be ring-fenced to promote the action plans that will result from the strategy? I have held meetings with the Community Relations Council and others who are dismayed that the strategy that they are working to is four or five years out of date. As a consequence, new and innovative projects that do not fit the criteria do not receive funding, whereas some projects that are not as effective in tackling problems continue to receive funding. Society is, therefore, being held back from tackling sectarianism.

12.00 noon

After the recent, brutal murder of Kevin McDauid, the First Minister and the deputy First Minister said that they would take the lead in challenging sectarianism. That has not been the case, as is evidenced by OFMDFM's failure to introduce a strategy to tackle that evil, which is so prevalent in society. Moreover, how will poverty and exclusion be tackled, given that only last November or December we were told that rather than introduce a devolved strategy to tackle poverty, OFMDFM had accepted the direct rule anti-poverty strategy? How will moneys be protected? What new thinking will appear in the Programme for Government and the priorities for Government to help those on the margins of society? By that, I mean people who suffer most from economic deprivation and who live in areas that are often under the jackboot of fascists from their own community, as was seen last night.

The victims' sector has concerns about funding in the Budget. We recognise that additional funding has been set aside in the Budget for victims' groups. However, in the absence of a strategy and work plan for the Victims' Commissioners and of OFMDFM's strategy for victims and survivors, the sector is scratching around to try to find ways in which to spend the money. Therefore, how is the Minister of Finance and Personnel ensuring value for money and improved outcomes for the people who matter most?

Given the economic constraints under which the Assembly is now working, I would be grateful if the Minister could give some guarantees that each Department has set aside and ring-fenced in its budget its contribution to the implementation of Peace III. The Minister will know that very few, if any, of that programme's initiatives will be 100% funded. From where will the additional money come, and is that money guaranteed? The Peace III programme, as Members will know, concentrates on reconciliation and on building a better future. Therefore, I want to know how the programme is being protected.

There are also delays with OFMDFM's sustainable development strategy and action plan. What funding, if any, does that strategy now have and what priority for Government is it afforded, given that, two years into the Programme for Government, no strategy has been announced, launched or consulted on? What impact will that have on the economy and the environment?

My contribution has mainly taken the form of questions, to which I hope the Minister will be able to provide answers.

Dr Farry: I will try to resist the temptation to repeat my remarks of yesterday or, even worse, as Basil McCrea did, to read out David McNarry's remarks from yesterday.

It is important that we are constructive and look to the future. We must be mindful that the years ahead will be very difficult. I wish to correct some points that Members made by emphasising that we have a clear Budget settlement through to 2011 as part of the three-year CSR, which I believe that the Government will honour. The focus of uncertainty is what happens after that. There is no doubt that stringent cuts will be made right across the public sector, and Northern Ireland will take its share of those cuts.

We do not necessarily need to listen to the advice of George Osborne when it comes to the economy. I am very much a Vince Cable man myself. His commentary and record in recent months stands up to scrutiny extremely well. There is a number of options open to Her Majesty's Government to manage the current debt burden. Cuts are one option, but changes to the taxation system should also be considered. It is important that a rounded approach is taken.

A major theme in the current discussion is how the tight budgets that we face should be addressed. We do not have the flexibility or capacity that is necessary to deal with the economic downturn and prepare for economic recovery. The day of reckoning, with respect to further efficiency savings or cuts — call them what you will — is coming for Northern Ireland. Members rightly want to protect front line services, and our party has been challenged by Ministers from all sides of the House to come up with proposals. That is fair, and we will rise to that challenge.

The imperative of finding savings is not simply to deal with the crunch that is coming to public finances; it is about trying to ensure that Northern Ireland's public finances are placed on a much more sustainable footing. The public expenditure statistical analyses, which are published every year, show that Northern Ireland's expenditure profile is different to that in other regions of the UK. There are good reasons for some of the differences, such as our geographical position and the profile of our population. However, not all the differentials can be justified. We need to pay more

attention to that and to find out what we are doing wrong and what we could do better. The figures illustrate the historical underinvestment in our transport system, which continues today. However, expenditure in our education system is well in excess of that in other regions.

Members will know that the Alliance Party has regularly highlighted the structural problem relating to the cost of division in our society. The cost of division can be examined in economic, human, social and, even, environmental terms; I will focus on the financial aspect today. The financial cost of division is potentially £1 billion per annum. That figure comprises the direct costs of dealing with division; the indirect costs of duplicating goods, facilities and services; the cost environment to which Departments and agencies have to respond; the situation on the ground that creates expenditure distortions; and the opportunity costs of lost investment, lost tourism or problems with the labour market.

Some costs relate to devolved matters, while others do not. A major part of the increased cost involves policing and justice. In the short term, there are major pressures that Her Majesty's Government will have to address if the devolution of policing and justice is to be successful in the coming months. In the longer term, we all need to acknowledge that aspects of policing and justice need to be handled differently.

The Deloitte report pointed out that we are spending £1.5 billion per annum, potentially; a figure based largely on a macro analysis and comparison between Northern Ireland and Wales. I freely admit that the figure is nowhere near £1.5 billion when the facts are broken down at the micro level: indeed, the report properly addressed only the direct costs and the opportunity costs of division. My party and I accept the document's flaws, but it is a useful report that points to further conversations that we need to have.

I appreciate that for various historical reasons, some parties in the Chamber have great difficulty with the Deloitte report. I do not want to labour the point, but Sinn Féin is the party with the greatest concerns. Yesterday, Mitchel McLaughlin commented on the potential to make savings from having shared services on an all-island basis, and my party has no difficulty with that in principle. We have clear constitutional prohibitions regarding the Northern Ireland people's consent to any change in the constitution. That aside, I freely admit that the existence of a border on the island of Ireland causes distortions to the economy and to the delivery of certain social goods. More should be made of the institutions that exist to address those issues.

Equally, there are opportunities outside the context of those institutions where progress can be made, and my party is more than happy to engage in conversations on

that issue over the coming months. Therefore, a helpful contribution is being made. It is also important that Sinn Féin recognises that the divisions in Northern Ireland's society have a financial cost, which creates problems for the efficient delivery of services. It is important that Sinn Féin engages in a conversation on that issue. It is not a situation where it is the only show in town.

This morning, the Alliance Party published its proposals on how to deal with the cost of division. They are available on our website, and we have given copies to OFMDFM and DFP. We have made 22 recommendations on how the Government can take action to begin to address the issues. The Deputy Speaker will be pleased to hear that I am not going to read out the report, but I will comment on some of its ideas. As tempting as it is to go into the specifics of finances at this stage, it would consist of nothing more than writing figures on the back of an envelope.

It is important that we start by addressing what is good in the Deloitte report and then identify the gaps and show how Deloitte's starting point can be progressed by the Government. It then falls to Departments to take up any of our recommendations if they feel that they are of merit and for civil servants to carry out formal appraisals to find out whether savings can be made around some of our ideas.

As the poor opposition party in the Chamber, we are limited in the resources that are available to us, particularly on detailed financial issues. Therefore, at this stage, rather than overreaching, we are talking about general concepts. I will set out some of the ideas. First, Northern Ireland needs a clear central formal policy to deal with good relations, whether it is through a shared future, or cohesion, sharing and integration. It is not good enough for OFMDFM simply to invest more money in good relations, which it has done, in the absence of an overall policy that guides how that money can be spent.

I take the point that dealing with divisions in Northern Ireland cannot simply be about tackling the costs at one end. The underlying reasons for the divisions must also be addressed. That is an important starting point.

The Government need to recognise formally that the financial costs of a divided society is an important aspect that they must address. Some Ministers have acknowledged that informally, but it is not part of formal Government documents, the Programme for Government, the Budget or Departments' efficiency delivery plans. We still have time to begin some of that work in the current comprehensive spending review period, but we should be looking forward to the next comprehensive spending review period, when the real challenge will come from central Government.

We need to start with the Deloitte report. I appreciate that it has been disavowed by OFMDFM, but it should

be brought back in. Although the report is flawed, OFMDFM should bank it as a starting point. Further research is needed. We advocate that a formal audit be carried out of the communal background of people who use different goods, facilities and services, because there is strong anecdotal evidence that there are major differentials in certain parts of the community in Northern Ireland in respect of usage. Furthermore, barriers have been erected, and people do not always use the facility that is nearest to them. People go out of their way to use a facility that is further away because, for various reasons, they feel safer doing so. That type of problem is highlighted in Brendan Murtagh and Peter Shirlow's research.

We should also set ourselves a goal of trying to address the £123 million in efficiency savings that is needed over the next two years and find out whether we can meet some of the savings from initial work in this area. All Departments should have a clear duty to encourage desegregation and to promote sharing, and we already have equality monitoring in the proofing of new policies. It would be an easy step to move to "sharing proofing" to find out whether a policy promotes sharing or further entrenches segregation and all its financial implications.

However, we must be straight and face up to the cost involved in trying to move towards sharing and away from segregation. It must be accepted that, in some cases, initial oncosts may be incurred through providing new facilities upfront before being able to address the rationalisation of existing segregated facilities. However, all new facilities should be built with the explicit objective of promoting sharing through public use.

12.15 pm

OFMDFM has an important co-ordinating role to play; Dolores Kelly referred to the anti-poverty strategy that comes under its remit. In Northern Ireland, a clear correlation exists between deprivation and segregated areas. There is almost a two-speed Northern Ireland: one section of the population is plugged into the global economy and doing well, but another section is, essentially, excluded through factors that include segregation. If the opportunities for everyone in society are to be improved, it is important to tackle segregation.

The Department of Agriculture and Rural Development must do more work to break down the various barriers that exist in rural communities. Those barriers are real and although some non-governmental research has been conducted in recent years, that work must be developed.

Sadly, some elements of culture in our society are highly segregated. As well as appreciating and recognising the different cultural traditions, DCAL

must do more work to promote shared cultural experiences.

I have three suggestions for the Department for Employment and Learning. DEL must appreciate the genuine problems that segregation causes in the labour market. People feel inhibited from working in certain areas of Northern Ireland, particularly greater Belfast. That inhibition has economic and financial costs for society and must, therefore, be tackled.

It is not wise for our society to have a multitude of teacher-training organisations, and the differing cultural demands can be met by one organisation. Progress can be made in that area in future. Some Members in the Chamber may object to that proposal, but there you go. We must also explore whether major differences exist in the use of jobcentres by different sections of the community.

The Department of Education is probably at the front line in dealing with segregation that potentially causes a distortion of as much as £300 million a year in that sector. We must move ahead more adventurously with area planning and sustainable schools, and the Department must take more seriously its existing duty to promote or facilitate integrated education. Substantial evidence shows that parents want the choice of integrated schools but only 6% of children avail themselves of that opportunity. The availability of integrated schooling does not meet the demand.

I am not saying that integrated schooling is a panacea for every problem, but it must be one of a menu of options for sharing. Before I am accused of saying that I want a one-size-fits-all system in Northern Ireland, I appreciate that there will be different sectors in education for the foreseeable future. However, greater sharing, and integrated education as a particularly favoured option, must be promoted in that system. When difficult decisions have to be taken on the rationalisation of the school estate, shared or integrated options can facilitate the sustainability of the local option, as opposed to children having to travel. That is an important point to bear in mind. I was slightly dismayed that towards the end of yesterday's debate on the Supply resolution, there was talk of slowing up the process of establishing sustainable schools. I take the opposite view: that process should be taken forward.

DETI must ensure that segregation and the barriers to economic development that arise from it are properly factored into the current review of economic development policy. The Minister of Enterprise, Trade and Investment is, undoubtedly, well placed to comment on that shortly.

The Department of the Environment must make shared space central to planning for the future, particularly for plans that include a public space element. We must ensure that people are encouraged to mix with one another. The Royal Institution of Chartered Surveyors

argues that, in parts, Northern Ireland has the largest carbon footprint in the United Kingdom, due to segregation and other factors. Therefore, tackling segregation is linked to addressing climate change.

The Department of Finance and Personnel has an important co-ordinating role. In particular, PEDU may be useful in challenging some actions by Departments.

It is important for the Department of Health, Social Services and Public Safety to conduct an audit to explore patterns of usage of its facilities by different sections of the community. There is huge expenditure in that area and, as Basil McCrea set out, there are huge financial pressures. As I understand it, Members are particularly keen to ensure that we protect front line services in that area, which is one part of the equation that we must address.

The Department for Regional Development must look at the spatial provision of transport. Is that done in the most efficient way? The evidence for the city of Belfast alone suggests that it is not. Again, therefore, greater efficiencies can be had from considering different approaches.

I pay tribute to and acknowledge the very positive leadership that the Minister for Social Development has shown in talking about mixed housing and shared neighbourhoods. We have seen significant moves forward under the current devolved regime and before that, with sharing having worked its way onto the housing agenda. Obviously, a lot more must be done, because we still have a very segregated social housing sector. Related to that is the blighting of land, and the demand for segregated housing creates major inefficiencies and cost pressures. The Department for Social Development is another Department in which finance is particularly acute at the moment.

At a general level, we must try to tackle divides in our society and the issue of peace walls, as they create barriers to people interacting and to economic activity. They are further examples of blights on the landscape. When I talk about those barriers, I refer not only to the formal so-called "peace walls" in greater Belfast and some other parts of Northern Ireland; there are a number of imaginary "peace walls" in communities. For example, the Westlink in Belfast is a barrier. Some people in the west of the city do not go into the city centre: the Westlink acts as a wall. The River Foyle in Derry or Londonderry is a barrier rather than something that unites the people of that city.

Mr F McCann: I want to pick up on the Member's point that people from west Belfast do not go into the city centre. Does he agree that many surveys that have been carried out show that hundreds of thousands, possibly millions, of people travel from west Belfast to the city centre every year, using public transport and

black taxis? I live on the west Belfast side of the Westlink, and most people there constantly visit the city centre.

A further point that I want to raise relates to the issue of interfaces. I know that everyone wants to see the day that the interfaces are taken away. However, does the Member recognise that excellent work is going on between both sides of the community in an effort to change the mindsets that mean that peace walls must remain at interfaces, and that their premature removal would have serious consequences for people living on both sides of an interface?

Dr Farry: I am grateful to the Member for his comments. First, on the issue of movement, there is evidence that there are people in the west of the city who do not travel into the city centre. That may well be a generalisation. Indeed, some residents of west Belfast, such as Mr McCann, manage to make it to work in east Belfast every day; it is important to acknowledge that. Equally, some people from Poleglass may not enter Lisburn but would instead go to Sprucefield. It is not just a Belfast issue.

Security is a consideration with peace walls and interfaces, and no one wants to take the responsibility for taking all the peace walls down in one go. Nevertheless, important work is being carried out in that area by people such as Neil Jarman who raise the issue and highlight opportunities to take some of the walls down. We should avoid becoming complacent and accepting that the present arrangements must be the reality. We must always challenge and probe, pushing as far and as fast as we can, to get the walls down, because, in the long run, they do not serve communities. They are not a cure for the divisions in our society; they are a sticking plaster.

Peace walls place a greater obligation on the police and other aspects of government to ensure that people who take risks and show initiative have protection and back-up from the rest of us. Those are important points, and perhaps we need to discuss them further in the Chamber by having a formal debate on peace walls. We should note the comments of the Mayor of New York, Michael Bloomberg, at the US/Northern Ireland investment conference last spring.

I have talked a great deal about the pressures and costs for the public sector and about how it needs to respond; however, we must acknowledge that sometimes those costs are also borne by the private sector. Therefore, when the Government are attempting to make the economy more efficient, opportunities may arise for them to assist the private sector to make its services more efficient and to reduce its cost pressures. We all stand to benefit from that exercise.

I appreciate that that was a fairly long review of the opportunities that exist for us, but it demonstrates that there is substantial scope for changing public policy in

Northern Ireland. I am not naive enough to suggest that we can make all those changes overnight; indeed, it may take several Assembly mandates or even a generation. Nevertheless, it is critical that we make a start on those reforms, particularly in light of the coming Budget pressures. My party makes those proposals in a constructive manner, and it is more than happy to engage in debate with Members from all sides of the Chamber and with Ministers and their officials.

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

The sitting was suspended at 12.28 pm.

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

2.00 pm

Mr Hamilton: Looking at the sparsity of the Chamber, obviously it was not clear enough before the lunch break that I would be speaking —

Mr Deputy Speaker: It was clear.

Mr Hamilton: Oh dear. I am happy to delay, Mr Deputy Speaker, if you want to let in all of the screaming hordes who want to hear my contribution, but I will ably go on.

Mr K Robinson: On a point of order, Mr Deputy Speaker. Is it possible for the proceedings to continue given the lack of Members in the Chamber? Do we have a quorum?

Mr Deputy Speaker: If, Mr Robinson, you are drawing my attention to the fact that there is not a quorum, I inform you that we can proceed with the business after the bell has been rung to notify other Members that a quorum is required.

We now have a quorum, so Mr Hamilton should proceed.

Mr Hamilton: Ken Robinson's cunning plan did not work.

Mr Deputy Speaker: It was Baldrick's plan.
[Laughter.]

Mr Hamilton: His attempt to try to silence me has failed.

I am pleased to be able to speak during the Second Stage of the Budget (No. 2) Bill. Coming, as it usually does, a day after a debate on the Supply resolution, there is always some level of difficulty in saying something new or original. However, as you can testify, Mr Deputy Speaker, that has been no impediment to me speaking in the past, and it will not be so today.

Mr Weir: Hear, hear.

Mr Hamilton: I thank the Member for that. I enjoy the opportunity to contribute to a Budget debate because it is one of the most important things that we do as a legislature. Although there may be some level of commonality in the way in which such debates work out in the end, it is still a very important aspect of our work. It is a good opportunity for Members from all corners of the House to talk about public finances in their broadest sense or to talk about particular aspects of their own constituencies or Departments in which they have a particular interest. I welcome the opportunity to speak about such matters.

Before I make some comments about the Executive's response to the economic difficulties that we face, I will pick up on a few comments that were made by Mr Basil McCrea before the lunch break. When listening

to his remarks, certainly the start of them, I was reminded of one of those vintage television programmes in which the regular actor who played a role was sometimes unavailable and it would have been announced that that role would be played by somebody else. Perhaps it should have been announced that the role of David McNarry would today be played by Basil McCrea. I thought that that was the vein down which he would go. Ultimately, however, he was not as unique as David can sometimes be in his contributions.

I will attempt to correct some of the points made by Basil McCrea. He repeated the line that was used yesterday, that no bids were being submitted by Departments in respect of the June monitoring round. I spoke about that yesterday, and the Minister of Enterprise, Trade and Investment made it perfectly clear that bids are being submitted. Indeed, the Committee for Finance and Personnel received a presentation from officials that outlined the bids that the Department of Finance and Personnel (DFP) made. I am sure that the Education Committee, of which Mr Basil McCrea is a member, has heard officials from the Department of Education outline the various bids that they have made. In fact, I would be very surprised if the Department of Education did not make any bids. Bids are certainly being made.

However, what the Executive choose to do with those bids can only be assessed when they have all been received and looked at in the context of where we are. Clearly, there is always an over-application for the limited funds that are available in any monitoring round, and some will be unsuccessful. Indeed, the Executive may take a strategic decision to do certain things during that round, but to say that no bids are being submitted is wrong and was corrected yesterday by the Minister. I find it peculiar that we have heard that statement made again today by members of the Ulster Unionist Party.

Again, there was talk of a lack of flexibility; it has been said that the Budget was rigid and inflexible. I reiterate the point that monitoring round processes are far from rigid and inflexible. In fact, they are quite the opposite. They allow for a degree of flexibility and often for a rapid response to pressures that emerge and that need to be dealt with quickly. It is foolish to suggest that a process that in the past two years has allowed the reallocation from one Department to another of funding of some £1 billion is inflexible. To call such a process inflexible is ludicrous.

In Northern Ireland, £1 billion is a large amount of money in public expenditure. Obviously, it is not as big a sum as that of the Budget itself. However, even if the Budget process were reopened, a reallocation of as much as £1 billion would not be expected. Therefore, to achieve such a reallocation over a two-year period is quite impressive.

Mr Basil McCrea talked at length about what he saw as the inevitability of cuts. Certainly, I would be the first to acknowledge that there are significant pressures on public expenditure beyond the next spending round. The figures are fairly secure for the current comprehensive spending review (CSR) period, but there is less certainty about what happens beyond that. We will have to deal with that situation when we face it. I will not submit in any way to some inevitability of cuts for Northern Ireland, and I know that my party will not do so either. We will fight for Northern Ireland's position and for what we believe to be its entitlements within the United Kingdom. We will continue to argue that some aspects of Northern Ireland mean that it is a special case, even as we move forward. We will not surrender in any way to some inevitability of cuts.

There are pressures on public expenditure in Northern Ireland. In response to the Chancellor of the Exchequer's most recent Budget announcement, people said that Northern Ireland would face something in the order of £600 million of cuts. In fact, the deputy leader of the Ulster Unionist Party said that that would happen; I may be corrected on the figure, but I think that he said something like £600 million. When it turned out that, in effect, the Chancellor's Budget had a neutral impact because of Barnett consequential, I did not see anyone apologising to the House for that. Therefore, sometimes people believe that large-scale cuts or efficiencies are inevitable, but when the situation pans out, it ends up being not that bad.

If there is a belief that cuts or further efficiencies are somehow inevitable and that we must face up to them, I do not see those on the Ulster Unionist Party Benches being mature about the need for efficiencies. Why has there been constant whingeing about the 3% efficiencies in the current CSR period? If we are to face up to the supposed reality of further efficiencies and cuts, why is there a demand that funding for the Health Service be ring-fenced and that it be untouched? I have spoken about this in the House previously, and I do not wish to repeat myself too much, but it is completely wrong to say that half the Budget, with all the obvious inefficiencies that remain in the Health Service, should be ring-fenced and that inefficiency be copper fastened in the system. If, as was suggested, public finances are under increasing pressure, nowhere is immune to scrutiny or can be exempt from it. We need to look everywhere. We cannot just take half the Budget, or what might be slightly over half the Budget at that time, and say that it is ring-fenced.

Mr McCallister: Does the Member accept that the funding gap for health services means that we are falling well behind the level of funding for those services in England and Wales?

Mr Hamilton: When the Member spoke about that issue previously, I pointed out to him that expenditure per capita in Northern Ireland has actually been rising quite rapidly to the point where it is higher here than in other parts of the United Kingdom. The Budget settlement that we see panning out through the Budget (No. 2) Bill has taken expenditure on health in Northern Ireland to record levels. I ask the Member to consider this question: if, as his colleague said earlier, cuts are inevitable, why should one element of public expenditure be immune? Why should it be protected over anything else? The Member's party is adopting a contradictory position that he needs to answer for.

I also heard the old chestnut today about a revision to the Programme for Government. As often as that will be said, I will throw back the same line: I ask that those Members of the Ulster Unionist Party who say and believe that the Programme for Government should be revised please tell their party leader, who when quizzed on it, repeated to the BBC that it did not need to be revised at all and that its principles were correct.

We can debate budget lines, and we can say that money could be taken from one place and spent elsewhere; that is a legitimate argument. The Programme for Government sets the growth of a vibrant and dynamic economy as the Executive's number one priority. Why, in the midst of a difficult economic position, would anyone want to move away from that? In response to the question about pressures on public expenditure in Northern Ireland, we should try to achieve the economic growth that we had hoped would exist in Northern Ireland but which, unfortunately, has been made all the more difficult by the current circumstances.

During yesterday's debate on the Supply resolution for the 2009-2010 Main Estimates and today's debate on the Budget (No. 2) Bill, quite a few Members talked about the response of the Executive, the Assembly and Departments to what are some of the most trying of economic circumstances that not only Northern Ireland, but the whole world, is facing. If devolution is to be about anything, it is to be about ever-improving public services, trying to make a difference and doing things differently to how they were done 10 years ago or to how they might be done if direct rule was still in place.

When people ask me what the Executive are doing or trying to do, or about what the Assembly and I, as a Member, are doing to support and help the economy, I cannot help but mention the record levels of investment that have been made in capital infrastructure in Northern Ireland. The investment strategy for Northern Ireland sets out a target of £18 billion of investment over a 10-year period. In the past year, that has manifested itself through an investment of £1.6 billion or £1.7 billion. The final figures have not yet been brought to the House, but, whatever they are, record

levels of investment have been made in infrastructure in Northern Ireland. That compares favourably with approximately £1.1 billion of investment in the previous year. One does not need to go too far back into the direct rule past to see that the investment was about £650 million in 2002-03.

The current level of investment is not to be sniffed at. Sometimes, we use figures such as £1 billion and cast them aside. We see that footballers are bought and sold for £80 million, and it seems like a snip. A figure such as £1 billion does not sound like a lot when it slips off the tongue, but it is a substantial amount of money, and it demonstrates the substantial investment that is going into Northern Ireland's infrastructure. It is transforming how Northern Ireland looks and how public services are being delivered.

Every aspect of public service delivery is being positively impacted upon by that level of investment. It is visible across every aspect of life in Northern Ireland. It is evident in the likes of roads, with the widening of the M2 and the improvements on the A1 to Newry. Furthermore, more than £100 million has been invested in the Dungannon to Ballygawley road, which is in the Minister's constituency of Fermanagh and South Tyrone.

One can also see improvements to the educational infrastructure, and they offer obvious benefits to those who attend such institutions as the new Belfast Metropolitan College, which is investing some £40 million in a new campus at the Titanic Quarter. Last year, £350 million was invested in schools, and, this year, closer to £400 million will be invested in schools across Northern Ireland. That investment offers obvious benefits. Not only does it provide a nice new shiny building in a town, but it is beneficial to those who attend the schools. Pupils will have a richer learning experience in the improved environment, and the teaching experiences of staff will be more pleasurable. Staff will benefit in that respect, and they will benefit from the pupils warming to that educational environment.

Massive investment has been made in healthcare infrastructure in Northern Ireland as well. For instance, investment has been made in the infrastructures of the Royal Victoria Hospital, Altnagelvin Area Hospital and the Ulster Hospital.

Last year, our waning waste-water infrastructure received investment of almost £200 million, and an investment of over £100 million is scheduled for this year.

If I may be parochial, as all Members tend to be in Budget debates, let me say how happy I am that more than £80 million of capital investment went into my constituency of Strangford. Investment was made in new roads in Newtownards, which were not new roads

merely for the sake of new roads that take traffic away from the congested town centre. In fact, they open up massive economic opportunities in the town that were lost in the past number of decades.

We have also seen investment in waste-water treatment works and housing. In the fishing village of Portavogie, some £1 million of improvements to the harbour have been scheduled between now and 2011.

2.15 pm

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

Mr Hamilton: The Minister is not on her feet, but the Member will happily give way.

Mr McCarthy: I am grateful to the Member for giving way and for his sermon about what is coming to Strangford. However, as he has the ear of the Minister, will he direct some funding to the A20 and the A2? Those, I remind the Member, are roads that go beyond Newtownards, down the Ards Peninsula, and they have not seen investment for donkeys' years.

Mr Hamilton: Obviously, when Mr McCarthy said "Minister", he was thinking of the sermon that I was giving.

Mr McCarthy: You knew what I was getting at.

Mr Hamilton: I understand the Member's point. He and I, along with others, have lobbied strenuously through the years for ongoing improvements to both of those coastal roads. We do not want to see superhighways on the Ards Peninsula, by any means, because they are beautiful roads and their twists and turns make them a tourist attraction in many respects. However, we would like to see occasional improvements to them. I am always happy to join the Member in lobbying for that.

Whether it is those minor roads, major roads, hospitals, colleges or schools, there can be no doubt that massive investment is going on across Northern Ireland. We can always want more. Mr McCarthy is always prone to asking for more. We all want more for our areas and for Northern Ireland in general, and we will always want to see local firms benefiting from capital investment. The Committee for Finance and Personnel is engaged in an inquiry into the public procurement process. Particularly in these difficult times, we all want to see local construction firms getting more of a benefit, or, at least, more awareness of the opportunities that exist in the current set-up.

I could talk for an eternity about all the projects that are going on in Northern Ireland, in my constituency and everyone else's. However, I sometimes think that the public are unaware of where that investment comes from. People just see cranes or buildings being built and they do not always attribute those things to their

own money being ploughed back into their community and building a better Northern Ireland.

I am not so narrow-minded that I will not learn lessons from our neighbours across the border. They have a good scheme whereby they highlight where the national development plan is going into individual villages, never mind the towns and cities. They make it clear to people in those areas how much of their taxes are being reinvested in their local communities. We can learn a lesson from that, so that when people ask what the Assembly and Executive do, we can point to projects in their areas. We could advertise clearly in those areas that the investment has not come from Mars but from the Northern Ireland Executive.

Yesterday, one Member described the Executive as a "do-nothing Government". Not only is that inaccurate but the Member, Mr McNarry, who is not here today, disparaged his party colleagues, the Minister of Health and the Minister for Employment and Learning. I can have a knockabout go at them with the best, but they too are playing their parts, through their Departments, in investing in Northern Ireland through the provision of new healthcare facilities, new colleges and so on.

Those Ministers play their parts in some other measures that the Executive are bringing forward. I talked about infrastructure, but there is also assistance going into people's pockets and to businesses in the form of rates relief and lone pensioner allowance. The latter is something that the Assembly should be particularly proud of; it is one of our finer achievements. According to the last figures that I saw, more than 17,000 individuals in Northern Ireland have benefited from the lone pensioner allowance to the tune of about £2.7 million. That works out, on average, at £150 a person. That is a substantial amount, especially as the demographic group in receipt of it are over 70 years of age and live alone. One hundred and fifty pounds off their rates bills is a substantial amount and a great assistance.

There are also free prescriptions, which are benefiting the public to the tune of £13 million. Free public transport has been extended to those over 60 years of age, which is helping to the tune of around £18 million. There is the fuel credit, which Dr Farry should know better than to describe as a winter fuel payment. That is an entirely separate —

Dr Farry: I called it the "spring fuel payment".

Mr Hamilton: That is inaccurate as well, because it is a fuel credit. I do not know what Dr Farry does, but, funnily enough, people buy fuel throughout the year. The fuel credit has helped many individuals, and it is not to be confused with the winter fuel payment, which is a completely different benefit.

The freezing of the non-domestic regional rate has helped businesses. The capping of the industrial rate

has helped a great many manufacturing businesses with their cash flow and has been proven to have helped some of those businesses through these more difficult times. At the tail end of last year when it was becoming much more apparent how bad the economic downturn was, the Economic Development Forum called for investment in construction, finance for businesses, help for businesses in difficulty, and work to be done on skills. I will not say that everything that the Executive and the Assembly have done has been perfect and will insulate Northern Ireland entirely from the worst ravages of the recession, but they can be marked pretty favourably against the criteria for which experts in industry and the wider business sector called.

I have already talked about the roll-out of the investment strategy for Northern Ireland (ISNI) and the record levels of investment in capital infrastructure in Northern Ireland. The Minister of Finance and Personnel's Department and Invest Northern Ireland are launching a new venture capital fund in the coming weeks. Obviously, problems with finance still exist, because our banks hold so much control. I read with interest the Institute of Directors' recent report on some of the negative experiences that its members have had with banks.

The Minister of Enterprise, Trade and Investment announced in May the short-term aid scheme to help businesses in difficulty. It is a £15 million fund for businesses that have experienced difficulties to help them to retain staff to get themselves out of trouble. At the same time, the Minister for Employment and Learning announced the Skillsafe scheme, which focuses on apprenticeships. The Executive and the Assembly can therefore be marked very favourably against the criteria that the Economic Development Forum identified in the latter part of last year.

I have said before that I am pleased that we have a local Assembly that is capable of debating issues, and that decisions are not foisted on us but are open for discussion. Almost every party in the Assembly is party to the Executive, who formalise and devise the Budget. We can all dispute whether the right actions are being taken, but at least we can all agree that it is much better to debate and implement our own Budget rather than to have it foisted on us. Despite our particular differences of emphasis from time to time, we can all agree that record levels of investment are going into construction and infrastructure in Northern Ireland; that direct help has been given to some of the most vulnerable individuals in our society; and that we have helped businesses that have had a rough time and will continue to have a rough time for some months.

We can, rightly, be proud of many of the initiatives that have been undertaken. Yes, we would all like to do more, but the Budget shows us that a limited amount of resources are at our disposal. We have done a good

job with those limited resources, and we will continue to do our best with them. I welcome the Budget (No. 2) Bill and am happy to support it.

Mr O'Dowd: Go raibh maith agat, a LeasCheann Comhairle. Mr Hamilton has delivered a lengthy and accurate list of the Executive's achievements. He spoke about the billions of pounds that we are investing in our infrastructure, in our health services, in our education services and across society. However, are we mapping a course for economic recovery in this part of Ireland and across the island of Ireland? Are we playing a role in the future economic destiny of this group of islands? As we stand here today debating the Budget (No. 2) Bill, I wonder if the title of the debate is loftier than the process in which we are involved. What we are really doing is dividing up the dubiously-named block grant. We are dividing up what the British Exchequer has decided that it will give us during the current CSR period.

Later in my speech, I will outline what I and my party believe is the way forward. However, I was interested in what Basil McCrea said today about the current CSR, and I am sure that many people will refer to his speech. At one point, he said that we should make cuts now because cuts will be coming. Where, and on what basis, should those cuts be made? I too suspect that the British Government will introduce swathing cuts to the block grant here and across its overall Budget. However, I am not sure whether it is prudent from a financial perspective or wise from an economic perspective to make cuts to services now based on that assumption.

His most startling and revealing comment, which shows the views of the Ulster Unionist Party today, was that public-sector cuts are the only option. He did not say that they are one of the options, a possibility, or that the matter is open for discussion: he said that they are the only option. Our economy relies largely on public-sector jobs, and what Mr McCrea is saying is that there will be major redundancies across the public sector. He is saying that those redundancies will not be because of changes in service requirements, but because the Executive should, as their only option, cut thousands of jobs and services across the public sector to balance the books. Where does he get that philosophy from? He gets it from the Conservative Party.

I am ambivalent about what political party the Ulster Unionist Party aligns itself with: I do not lose any sleep over it one way or the other. However, I am very concerned when a member of a political party stands in this Chamber and pronounces that the future economic direction involves public-sector cuts, because that will mean unemployment in tens of thousands of homes, the removal of millions of pounds of wages from the economy, and the impact that will have on future investment, etc. Conservative Governments

throughout the world have attempted to rectify economic downturns by picking on public services, and it has never been shown to work. All it has done, as we saw during the Thatcher years and the Major years, is bring further deprivation and hardship to the most vulnerable in our society. It does not create the economic dynamic to bring us into a new economic era.

I ask Mr McCrea to reflect on his call for public-sector cuts, because I am sure that the civil servants working in this building, those who work in the Department for Employment and Learning (DEL), and particularly those in the Health Service, who saw the worst of the cuts during the previous Conservative Administration, will be very anxious when they hear that the Ulster Unionist Party is proposing that the only option is public-service cuts.

Also, I am not convinced that the current British Government is committed to a three-year CSR period. They may well make changes at the end of the current financial year, or before that. However, I am not advocating that the Executive, on that basis, should change their budgetary commitments or the Programme for Government at this stage; although we must be wary and continue forward thinking as there is a possibility that the current British Government is going to make changes to its CSR arrangements because of the financial situation in which they, and many Governments throughout the world, find themselves during the economic downturn. The fact is that the taxes that would, under their social agenda and their mindset, commit them to the current spend, are not forthcoming.

We also heard that perhaps we should follow the course that has been set by George Osborne, Alistair Darling or, for that matter, Brian Lenihan. I apologise; I cannot remember the name of the finance spokesman for the Liberal Democrats.

2.30 pm

Dr Farry: It is Vince Cable. How could you forget?

Mr O'Dowd: I am sure that his work could provide me with some night-time reading.

Members suggested that we could follow some of the economic changes to society that those people propose. However, that misses the point. Sinn Féin believes that we should map our own economic destiny. The way out of the economic downturn is for the North to involve itself in an economic recovery plan across the island of Ireland. I await the cries from the Benches opposite about the current state of the Dublin Government's finances. Indeed, they are a disgrace. The Dublin Government have mismanaged the wealth that was created by the so-called Celtic tiger economy, although it is worth noting that that wealth benefited only some sections of society and not all the people of the Twenty-six Counties. That is true when

the gap between rural and urban areas, and between the poor and the rich, is considered. The Dublin Government have squandered that wealth.

We do not seek a Fianna Fáil solution to the economic downturn; neither do we seek a solution from the British Labour Party or from the British Conservative Party. We seek an all-Ireland-based solution. In the interim, that will be between the Assembly and the Dáil. I wonder how often the Minister of Finance and Personnel or the Minister of Enterprise, Trade and Investment, who is filling in for him, have met their counterparts in Dublin to discuss how to map a way forward to economic recovery, how to invest the benefits of that economic recovery in the marginalised sections of society and how to create a wealth base to ensure that services are provided by not cutting public-sector posts, as Basil McCrea has advocated.

Dr Farry: The Member may wish to tell the House whose economic policies he looks up to, but I shall leave that as a side point.

Does the Member distinguish between greater economic co-operation and greater fiscal co-operation on the island of Ireland? I see economic opportunities, particularly considering the great strides that are being made in the South of Ireland on the green economy in contrast to the slower rate of progress up here. However, we rely on a subvention of around £7 billion that can be absorbed by the 60 million people of the United Kingdom. Could that burden be absorbed by the taxpayers of a united Ireland in the short term? Is a distinction to be made between the argument in favour of greater economic co-operation and the argument to do with fiscal dependency?

Mr O'Dowd: The person to whom I looked for advice on budgetary control was my mother, who reared nine of us on a very limited budget.

There are very few states around the world whose economic policies we would wish to match. I am an Irish republican, and I have my views on how the world should be shaped. However, as a people, whether we are unionist, nationalist or republican, we have the wherewithal to master our economic destiny. Fiscal co-operation and broader co-operation are one and the same thing. We are running two health services and two education services. All our services run back to back, and we must consider the costings.

Dr Farry said that he was willing to have a conversation with Sinn Féin on such issues. Our door is open, and I hope that we start that conversation soon. No one should fear conversation and debate. The outcome of any consideration of the possibilities for more efficient and effective delivery of services on this island will not threaten anyone.

With respect to our economic destiny, and looking towards Europe and the world, we are competing

against each other. Yesterday, the Minister of Enterprise, Trade and Investment gave figures, similar to Dr Farry's, illustrating how we could not afford to live without the intervention of the British Government. This may seem somewhat self-serving, but given the history of the British Government in Ireland, I see no reason why they should not continue to make financial interventions in Ireland for many years to come. It is their political, military and economic interventions that I have major concerns about; however, they have a debt to this society that will be paid out over many years.

As regards our position as members of Sinn Féin and as Irish republicans, we are not isolationists and we do not seek to cut ourselves off and float into the middle of the Atlantic. We have a vision of an Ireland of equals, in which we can work and co-operate with our nearest neighbours in England, Scotland and Wales, take our place as equals in the greater European framework and, within that, work in a world economy. How we use our economic growth — our economic destiny — is the important thing. That is where political differences are most blatant.

When we come out of this economic downturn, we want to see a focus on delivering to marginalised communities. The list read out by Mr Hamilton shows that the Executive are doing good work. There is no doubt about that. As Members canvassed during the election campaigns, they will all have realised that there are still wide swathes of society, urban and rural, that are marginalised and left behind and will remain so. In areas that were once affluent, or marginally affluent, unemployment is on the rise.

The unemployment figures hide the reality of the situation. Far more people than are counted in those figures are economically inactive. There are people on what used to be known as "the sick", that is, disability benefits, and so on, who are no longer working or who are incapable of finding work in this society. Those people feel that regardless of the billions of pounds referred to by Mr Hamilton, the Executive and this institution do not deliver for them. As this CSR period continues and we enter into the next spending round after 2011, we must ensure that we have an equality-driven agenda that focuses on targeting social needs, so that we can improve society.

I have some final points to make about education; most debates in this House have education brought into them in some way. I listened with interest yesterday when the Minister replied to a question by saying — I paraphrase her remark — that there were no recognisable adverse costings of transfer 2010 at this stage, though the failure of the policy was the responsibility of the Education Minister. However, it is the Minister of Enterprise, Trade and Investment and her Democratic Unionist Party colleagues who have

failed to hold the debate around the Executive table. Recently, we have heard much from that party's leadership that it will listen and learn. Perhaps if the Minister's Executive colleagues start listening and learning, we could resolve the education issue and a few other outstanding matters.

If we are to improve our economic lot, we will have to listen to and learn from each other. That is the only way forward for society. Go raibh maith agat, a LeasCheann Comhairle.

Mr Weir: Yesterday, I spoke of the great sense of déjà vu in these debates. It is difficult to find much that is novel. One thing is novel about this debate, and I will come to it in a moment. However, it is difficult for me to follow a speech that I think is almost worthy of a Nobel Prize in economics. Sinn Féin's analysis of the economy shows that that party would have difficulty distinguishing between Milton Friedman and Milton Keynes.

In this debate we have seen many old hobby horses ridden around the paddock, although the Member who last spoke gave a high level of exposition and detail. Not surprisingly, the Alliance Party, which, to be fair, gives a fairly consistent message, rode its hobby horse, the costs and implications of division, for several laps of the Chamber.

From across the Chamber, the Assembly has heard about the magic bullet of an all-Ireland economy, which does not so much leap into the future as embrace de Valera. There seems to be a remarkable lack of understanding of the difference between economic intervention and fiscal intervention. Like Stephen Farry, I am certainly happy, and believe that it would be useful, to examine where there can be economic co-operation of mutual benefit. Anyone in the Chamber would welcome that. However, there is as much sense in looking south and linking Northern Ireland into an all-island economy, particularly in view of the Irish Republic's current fiscal state, as there would be in looking north for such a fiscal connection and, perhaps, linking into Iceland's economy. I suppose that if Northern Ireland were to link with Iceland, it would, at least, be assured of a plentiful supply of fish. There would be some advantage.

One slightly novel aspect of the debate is that, due to earlier events in the Chamber, the House has been deprived of the analysis and measured contribution of Mr McNarry, which is always a source of great comfort, particularly on these Benches. One feels that Mr McNarry's absence is almost like 'Hamlet' without the prince. A colleague said, somewhat uncharitably, that it is more like 'Hamlet' without Yorick.

Mr Basil McCrea made a valiant attempt to act as Mr McNarry's understudy. However, there were major differences. Although, like my colleague, I disagree with a number of aspects of Mr McCrea's analysis, it

was, at least, delivered in a measured tone, the nature of which has certainly blown a hole in anything that I had intended to say by way of response.

I agree with Dr Farry that although Mr McCrea is wrong to highlight the threat that exists prior to 2011, clearly there are potential problems post-2011. I must say, without too much political point scoring, that that threat to the public purse comes potentially from a Conservative Government. The Executive's record, both in obtaining the extra £1 billion at the start of the process, and in robustly defending the Budget at Westminster, has been one of high merit.

In the Chancellor's recent Budget statement, there were some fairly grim predictions of cuts to block grants. However, although £123 million was taken out, additional income of £116 million was put in. Although that may not be ideal, most Members would agree that it is as good financially as one could have anticipated. There are major threats, which have already been mentioned, from a potential incoming Conservative Government. I wonder whether when, as I suspect, a series of unpopular decisions is taken at Westminster and, indeed, massive cuts are made by that potential Government, Mr McCrea and his colleagues will be quite so keen to be associated with, and to consistently quote, the name of George Osborne. Will there be a little more blue water between the parties at that stage? That remains to be seen.

Again, reference has been made to honesty and transparency and to preparing for the future. I have no problem with that. However, as regards any reduction in expenditure by various Departments, which seems to have been predicted by Mr McCrea and to which others have referred, when people make a case for reallocation of resources, it is always easy to come up with a long list of where money should go. However, when pressed about where additional money might come from, Mr McCrea talked vaguely of cuts without making any reference to where they might be made, with the exception of some form of ring-fencing in the Health Department. Indeed, Mr McCrea, in disagreement with his party leader, wants the entire Programme for Government and, effectively, the Budget to be rejigged.

2.45 pm

As my colleague Mr Hamilton indicated, I think that Basil McCrea and his colleagues want the Health Department to be insulated from efficiency changes. However, that Department's budget is not under any pressure from efficiencies. If I am wrong about that, I am more than happy to be corrected. The Health Department's budget accounts for approximately 50% of the overall Budget and for a clear majority of new money in the Budget. Therefore, if Mr McCrea wants to ring-fence the health budget from any form of

efficiency at a time when, according to him, cuts must be made, one wonders what level of swingeing cuts he wants to see being made to other Departments' budgets.

All of us want to ensure that money for front line services is protected. This is not an attack on the Health Minister, because the issue pre-dates his time in office by a number of years. Over the past 10 to 15 years, one has seen a rapid growth in the amount of money being invested in the Health Service, and in administration and bureaucracy; however, one has not seen the same level of rapid growth in delivery on health. The real issue is that a Department the size of the Health Department should be delivering as much as it possibly can to front line services given the amount of money that it receives. We should all unite on that point.

I believe that the Budget before us, which I agree with the Minister for Employment and Learning is based fundamentally on the Programme for Government and on the sound economics of putting the economy first, is continuing to deliver for the people of Northern Ireland. Any degree of analysis bears that out, and one only needs to look at the list of capital investments, totalling £1.6 billion or £1.7 billion, for Departments in 2009-2010 to see that. For example, the Department for Regional Development will receive more than £400 million in capital investment; the Department for Social Development will receive almost £400 million; the Department of Education will receive £275 million; and the Department of Health, Social Services and Public Safety will receive £223 million. Now, and over the next few years, that money will deliver real benefits and real change for the people of Northern Ireland.

My colleague mentioned various investments in Strangford. Such investments have a ripple effect across a number of constituencies. For example, my constituency colleague Dr Farry and I recently attended a presentation on the proposed changes to capital investment for the Ulster Hospital over the next few years. Although the hospital is located outside North Down, it will be of service to the people there and further afield.

A high level of investment is taking place. In 2009-2010, £184 million will be invested in roads projects; £35 million will be invested in the Royal Hospitals; and £31 million will be invested in tourism signature projects. Therefore, people who accuse the Executive of doing nothing are wide of the mark. Those amounts of money, which are a record level of investment, will support and help the construction industry, in particular.

Work has been done with the Treasury to ensure that in the region of £80 million can be re-profiled and

carried over to the next financial year. Clearly, a strong commitment exists to make use of that opportunity.

As I said, it is easy for us to identify a range of areas in which we want to see additional money being invested. Indeed, some bids that will be made in the next monitoring round will be met over the next year or two and some will not. The Committee for the Environment, on which I sit, would like to see a range of things happening, particularly on the capital investment side, and it is clear that investment will be needed through the RPA to bring that forward. That has been factored in to a large extent.

One area that has been neglected for many years, particularly under direct rule, is investment in waste infrastructure. Leaving aside the current debate in Belfast about the incinerator, owing to years of neglect of waste infrastructure during direct rule, we have a lot of catching up to do. Money will, clearly, have to be allocated to that area.

Several Members made important points about the planning backlog. Although some planning reforms are starting to have an effect, that area requires more money. One could argue that the most important area for the Department of the Environment is road safety, and it is keen to apply pressure to make improvements that will reduce the adverse statistics. I am sure that members of any Statutory Committee could come up with a similar range of proposals that they believe worthy of double the current funding. It would not be difficult to draw up such a set of proposals.

During the period of the Transitional Assembly, one party managed to spend the block grant in about four days of motions. I will not name that party because I do not want to embarrass the SDLP. However, it is easy politics to say that such-and-such requires more money, and, to be honest, genuine arguments could be made for that money. Even where there is money to be spent, there must be a degree of balance. Although the Minister has used worthy arguments about social housing, I am not sure that the balance between new housing and investment in housing maintenance has been achieved. In my constituency — and others will testify to similar experiences — several projects seem to have been put firmly on the back burner, because housing maintenance seems to have been placed at the bottom of the pile. We must use our money well.

The Executive have taken a strategic decision, which has, ultimately, been bought into by those around that table, that places economic development in this country at the top of the agenda. Others have outlined the burdens on individuals at home, the lone pensioner allowance, the freezing of the regional rate and the help that is available to businesses. Manufacturing rates and the non-domestic rate have been frozen, and initiatives such as relief for small

businesses have been introduced to respond to the recession. I welcome such measures.

We should try to learn lessons from elsewhere, particularly in respect of rates on small businesses. Many people who run small businesses in England have written to their MPs to request the introduction of measures similar to those in Northern Ireland and Wales. They want to copy that model because we have created a business-friendly environment. The party opposite wants not only its silver bullet of all-Ireland co-operation but a high level of fiscal control and tax-raising powers. That will, inevitably, cause pressure to spend more money over the forthcoming years and will increase financial pressure on households and businesses.

We have maintained a business-friendly environment and created a situation that places Northern Ireland in the best position to withstand the recession and to recover during the global recovery. However, we must not be complacent and simply hope to weather the storm. As other Members have said, the Executive will, I assume, consider in days to come the issues that the Economic Development Forum has identified, such as financing SMEs and helping businesses in difficulties. The Budget is pro-business and has stood the test of time. Mr McNarry and others constantly stargaze in search of a black hole; he is outside today and may have a better chance of finding that elusive black hole.

The Budget (No. 2) Bill will stand the test of time, it can take us forward, and I commend it to the House.

Mr McCallister: Taking a broader look at today's Budget debate, I think that Gordon Brown's economic strategy has had a hugely damaging effect on the UK's public sector, private sector and citizens' personal finances. That strategy, combined with the ongoing consequences of a world recession, means that any UK Government, be it Labour or Conservative, will have some difficult decisions to make over the next few years. It would be dishonest and fundamentally absurd for anyone to pretend that we can spend or borrow our way out of the present crisis, let alone argue that spending can remain untouched or completely ring-fenced.

Dr Farry: Has the Member heard of John Maynard Keynes?

Mr McCallister: Yes, I have. Was that just a quiz?

The DUP says that the next Conservative Government will be a Government of swingeing cuts. In precisely the same way that it tried to scare voters into voting for it to stop Sinn Féin topping the poll in the European election, its Members are now trying to scare voters into not voting for Conservatives and Unionists in a general election because of threatened cuts.

Mr Weir: Will the Member give way?

Mr McCallister: I presume that I will get more time in which to speak after Question Time.

Mr Weir: As the motion relates to legislation, Members have unlimited time in which to speak.

The Conservative Party, to be fair to it, has been well documented and very much on the record in saying that it intends to ring-fence funding in four areas, including health and overseas development. It has also indicated that there will be cuts in all other Departments. It is not an issue of the DUP scaring voters; it is a matter of public record that the Conservative Party is going to introduce cuts when it gets into Government.

Mr McCallister: I am grateful for that intervention. It is actually the Member's party that has the track record of trying to scare voters about Sinn Féin topping the poll and, quite bizarrely, arguing at one time that it would never go into Government with Sinn Féin. Look where it is now: sitting very happily with Sinn Féin.

Perhaps the DUP can explain the basis for its scare tactics and produce some evidence that it will resist the cuts. Perhaps its Members will also explain where they will find the money to continue to spend at the same levels.

The DUP is offering no alternative. What financial strategy does it have for maintaining spending at present levels while coping with the continuing economic downturn and a requirement to pay back the huge sums borrowed by Labour over the past couple of years? Does the DUP really believe that attacking the Conservatives will make it easier to influence a Conservative Government in the future? Did DUP MPs not vote last week to bring down Gordon Brown's Government? Mind you, they have changed their minds; they had the chance to vote against the Government on the issue of 42-day detention.
[Interruption.]

I am happy to take the point that was shouted from a sedentary position.

Mr Weir: The Member castigates us about the vote on 42-day detention. The one Ulster Unionist MP also voted with the Government on that issue. I presume, therefore, that he is also condemning the only Ulster Unionist Member of Parliament.

Mr Deputy Speaker: I know that Mr McCallister has taken a lot of interventions.

Mr McCallister: I will happily answer that point later.

Mr Deputy Speaker: You can return to that issue later. I have to interrupt because we are now moving to Question Time.

The debate stood suspended.

3.00 pm

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

Oral Answers to Questions

CULTURE, ARTS AND LEISURE

Sports Stadia

1. **Mrs M Bradley** asked the Minister of Culture, Arts and Leisure to outline his Department's assessment of the economic multiplier effect of sports stadia when they are built in (i) out of town centre; and (ii) town centre locations. (AQO 2991/09)

The Minister of Culture, Arts and Leisure (Mr Campbell): The economic viability of any stadium is primarily dependent on the number of matches that are played and the number of spectators who attend those matches. However, it is generally accepted that sports stadiums can have a greater multiplier effect when built in town-centre locations rather than out-of-town locations.

Research suggests that town centre stadiums have greater spillover effects because of their convenience to restaurants, hotels, bars, shops and tourist attractions. A pedestrian-friendly environment is often cited as one of the main reasons for the greater economic impact of town centre stadium locations.

Mrs M Bradley: I thank the Minister for his answer. Does he still support the concept of a shared stadium for Northern Ireland with the involvement of the governing bodies of rugby, football and Gaelic sports?

The Minister of Culture, Arts and Leisure: Most people would support the idea of a shared stadium. However, Members will recall that the original plan for the Maze meant that the sporting bodies would have had to use the stadium at completely different times; that is not the type of shared space that most people envisage when they talk about a shared environment. That was the concept, however, and we all know what happened. The business cases were reviewed by my Department and others, and I made a statement that moved the situation forward.

I remind the Member and the House that, had I not taken the decision that I did, we would still be wrestling with whether to proceed with the Maze stadium project. I have no hesitation in saying that I took the right decision. The three sports governing bodies concerned met me and gave me their preferred suggestions about the way forward in ways that meet

the strategic objectives of their sports. That is the position at the moment, and it is to be hoped that we will be able to build on that in the very near future.

Mr I McCrea: The Minister will be aware that not everything that matters happens in Belfast. Does he have plans to address deficiencies in sports stadiums outside Belfast?

The Minister of Culture, Arts and Leisure: I thank the Member for that relevant and timely question. We must settle on provision for the three main sports, but there are stadiums in various parts of Northern Ireland. At my previous appearance at Question Time, I spoke about considerable development in Irish League and Gaelic sports grounds. I hope that we have moved a little further on that today and will move even further in the next few weeks. Stadiums across Northern Ireland that cater for the three main sporting disciplines are in need of upgrading, and I am determined that that will happen. Significant investment and resources will be required to meet that demand, but that should not deter us. It is my intention to assist the development of stadium facilities where possible.

Mr McCallister: The Minister mentioned the significant investment that will be required to upgrade stadiums in Northern Ireland. Has he considered the effect that such investment could have on much-needed construction jobs?

The Minister of Culture, Arts and Leisure: Yes I have, but I should add a caveat. Other honourable Members — not the Member who asked the question — were critical of me and said that a decision should be taken to proceed with the Maze stadium project because it would provide much-needed construction jobs in the current downturn. I made the point, which I hope is obvious to all Members, that, no matter what decision had been taken, we would not have created construction jobs now, three months ago or in three months' time. The need to involve the planning system and the need to consider the options and business case appraisals that would have to be made meant that, whatever the decision, no construction jobs would be available until the 2010-2011 financial year at the earliest.

The answer to the honourable Member's question is yes, but no decision would have meant construction jobs in this financial year. It would not have been possible to proceed in that timescale.

Voluntary and Community Arts

2. **Ms S Ramsey** asked the Minister of Culture, Arts and Leisure what steps his Department has taken to secure additional funding for voluntary and community arts. (AQO 2992/09)

The Minister of Culture, Arts and Leisure: My Department and the Arts Council recognise and are fully supportive of the important role that voluntary and community arts play in promoting community and social cohesion, in targeting social need, and as a vehicle for physical, environmental and social regeneration.

In 2008-09, the Arts Council awarded funding of circa £5 million for community and voluntary arts activities. That was an increase of 31% from the £3.78 million awarded in 2007-08. During 2008-09, my Department has secured additional funding of £500,000 to support the work of the Re-imaging Communities programme. In addition, the Department has contributed £450,000 to the community festivals fund, which leveraged upwards of a further £450,000 support from local councils.

As the Member will be aware, additional funding allocations, which I have outlined, are of particular significance at a time when there are very real pressures on the public purse and many competing priorities.

Ms S Ramsey: Go raibh maith agat, Mr Deputy Speaker. I thank the Minister for his answer; it is quite useful to get some of those figures, along with a general overview of the issue. I am happy that the Minister supports the role that the voluntary and community sector and community arts play. I commend him for increasing that funding.

Is the Minister aware of the early findings of Liverpool's 'Impacts 08' assessment? Those early findings were very supportive of money going into voluntary and community arts and the impact that it has had on their city, not only in a social context but in an economic context.

The Minister of Culture, Arts and Leisure: Yes, I am aware of those findings. The wider public can often have the view that money going into community and voluntary arts is simply that and no more, producing development in artistic talent but not contributing to the economy. What we have seen and will continue to see over the next 12 to 18 months is significant investment in that sector that will lead to investment in the economy and to people gaining employment when they would otherwise have had great difficulty in doing so.

Mr P Ramsey: I welcome the Minister's response to that question. One of the clear indications coming from the Culture, Arts and Leisure Committee's inquiry into the funding of the arts is that there has been higher investment from the private sector in the community arts and other forms in other regions. Does the Minister have any plans or proposals that could help to inject some funding? Ms Ramsey mentioned Liverpool: there was a huge injection of private sector funding that enabled that city to formalise its bid to become the Capital of Culture.

The Minister of Culture, Arts and Leisure: I am open to any suggestions or proposals for attracting private sector investment. Now is the time to do that, because, as we begin, I hope, to see the end of the current recession, whether in the current twelve-month period or in the next year, the private sector will be looking for locations to invest in. Investors will look at areas where they would not only derive some significant advantage for their business but could begin to see development in establishing beyond their initial reach. I want to promote and develop that. I would be happy to meet the honourable Member or others who might have ideas or suggestions along those lines.

Ms Lo: Given that there has been increased arts funding for the voluntary sector, can the Minister say why the Arts Council has decided to cut the core funding of £60,000 to the Creative Writers Network, which is the main support service for the literary sector and for all our local writers and groups?

The Minister of Culture, Arts and Leisure: I am not aware of the rationale behind the decision that the honourable Member mentioned. However, I will ensure that the Arts Council is informed of the basis of her question and that the response that I get is forwarded to her.

Ulster Scots

3. **Mr Ross** asked the Minister of Culture, Arts and Leisure for his assessment of government support for the development of Ulster-Scots culture and heritage in starting to move towards equality and parity between the Ulster-Scots and Irish speaking communities.

(AQO 2993/09)

The Minister of Culture, Arts and Leisure: I believe that parity of funding between Ulster Scots and Irish is required to enable the infrastructure of the Ulster-Scots community to develop so that it can protect and enhance its language, heritage and cultural traditions. In recent years, significant progress has been made in redressing the imbalance in funding between Ulster Scots and Irish. For example, between 2005 and 2008, the funding allocations from my Department for Ulster Scots almost doubled. In the same period, the funding for Irish increased by 6%. It is my intention that the reduction in the disparity of funding will continue in 2009-2010.

Mr Ross: The Minister will be aware that there are two very successful Ulster-Scots organisations in my constituency based in Cairncastle and Ballycarry. Both those organisations will be pleased with the improvement in funding. One issue that irritates them is the lack of funding that Ulster Scots has received in the past. Why has there been that historical gap in funding between Ulster-Scots and Irish cultural groups?

The Minister of Culture, Arts and Leisure: I am well aware of the two organisations that the Member mentioned. Indeed, I was invited to visit one last year, and I met representatives of the other yesterday. Therefore, I am well aware of their activities, projects and ideas for expansion. I support those expansion ideas, but it is the Ulster-Scots Agency's job to promote and develop them, and I hope that it is doing that.

We all know the various criteria that apply to Ulster Scots and Irish and that they are at different stages of development. However, the fact that the two are at different stages of development, in my view, does not mean that there should also be different stages of funding. I take almost the opposite view: if there is deep interest in both Irish and Ulster Scots, which there is, and if one is at a more advanced stage than the other, it is perfectly obvious what must be done to redress the problem. Pouring more money into the cultural outlook that has been funded and advanced significantly over the years and not giving funding to the one that has not received the same resource is not the solution. Instead, the attitude should be to support the cultural outlook of Ulster Scots, not to diminish or disadvantage the Irish language. It must be ensured that parity is achieved. I hope that I receive the support of the House in following that path, but, if I do not, I will pursue it anyway.

Mr Brolly: Does the Minister not agree that it would be better to stop the tedious arguments about the relative merits of Irish and Ulster Scots and the difference in status that the Council of Europe affords to each one? Instead, we should regard them as separate entities and treat them fairly according to their separate and peculiar needs.

The Minister of Culture, Arts and Leisure: I do not have a difficulty with the Member's question. However, in treating each cultural outlook according to its own rights, demands and needs, I find that the historical imbalance exists. Members in the House, or people outside the House, can choose to deny that, hide their heads in the sand and hope that that is not the case, but there has been a massive imbalance in funding, a continuation of which I am not prepared to preside over.

3.15 pm

If the opposite were the case, what would I be told? What would any Minister be told if he or she was presiding over tens of millions of pounds being poured into Ulster Scots and miniscule amounts being poured into Irish? I or whichever Minister was responsible for that would be lectured, attacked, lambasted and told to rectify the imbalance. The imbalance needs to be rectified. It is in the process of being rectified, and we will continue until we get it right.

That will not mean underestimating, disadvantaging or discriminating against Irish. That will not be the case, and anyone who infers otherwise is wrong and should look at what I have said and will continue to say. Irish and Ulster Scots need support, will continue to be supported, and parity must be achieved.

Mr Kinahan: Does the Minister believe that legislation is necessary to ensure that equality and parity exists between Ulster Scots and Irish across the many cultural manifestations, and what consideration has he given to creating such legislation?

The Minister of Culture, Arts and Leisure: I congratulate the Member on his recent election to the House. He mentioned legislation. He will, I am sure, be aware of the attempt to have Irish language legislation introduced. That route would not be advantageous or productive. The languages strategy, which is the route that I am taking, will be a much better one to achieve the goal of promoting the Irish language, Ulster Scots or any indigenous minority language in which people choose to engage, speak or have a cultural manifestation. All those need to be supported, and a language strategy that takes account of the needs of each is the best way to achieve that. I hope to be able to present that strategy to the Executive in the very near future and then to the Committee for Culture, Arts and Leisure and, subsequently, to the House for consideration.

Maze Stadium Funding

Mr Deputy Speaker: I call Mr P J Bradley.

Mr D Bradley: Mr Dominic Bradley, Mr Deputy Speaker, on this occasion.

Mr Deputy Speaker: Order. I call Mr P J Bradley to ask the next question.

4. **Mr P J Bradley** asked the Minister of Culture, Arts and Leisure whether approval has been sought for the reallocation of moneys earmarked for the proposed Maze Stadium and for an update on the current plans for those moneys. (AQO 2994/09)

The Minister of Culture, Arts and Leisure: I do not care which Bradley it is; I have no difficulty with either.

Under the current capital programme, my Department has the delegated authority to allocate funding that is provided under the social pillar to individual projects in that pillar. Therefore, funding that was allocated originally to a multi-sports stadium can be reallocated without additional approvals. The only requirement is that expenditure remains within the overall allocations indicated by the comprehensive spending review and the investment strategy for Northern Ireland.

I am content that the Department of Finance and Personnel will continue to have the normal approval role for any individual projects that might be outwith my Department's delegated approval limits. I can confirm that £22 million has been reallocated to enable the acceleration of other DCAL projects, including priority sports programmes and projects in the current year. We have, for example, brought forward expenditure on the elite facilities programme and the stadia safety programme. We expect those and other changes to be ratified by the Executive in the June monitoring round.

Mr P J Bradley: I thank the Minister for his answer, and I note the spending of £22 million. How much would have been spent over the next three years on sports stadia development, what is happening to that money now, and how much of it will be spent on sport?

The Minister of Culture, Arts and Leisure: The Member asks a very general question. The overall sporting allocation was previously outlined, and it will not change. As was outlined in answer to a previous question, I hope to be able to take advantage of the sporting allocation to ensure that expenditure that can go ahead in the current financial year, albeit limited expenditure, is spent so that, for example, we develop some of the smaller grounds in line with the safety of sports grounds programme.

We could also consider the implementation of other measures under the elite facilities programme. It is important that those facilities are in place in the run-up to the 2012 Olympics. Olympic teams could come here to avail themselves of our training facilities, but they will go elsewhere if we cannot offer those facilities. Projects will proceed that may not have proceeded had we not taken decisions in monitoring rounds and on the reallocation of the Maze stadium moneys. The projects will benefit sporting bodies across Northern Ireland, and that will be advantageous for everyone.

Mr Shannon: The Minister is well known for his keen support of all sports but, in particular, his support of the Northern Ireland football team. What action is planned to ensure that Windsor Park, the home of the Northern Ireland football team, can continue to host international football in the short term?

The Minister of Culture, Arts and Leisure: That is a pertinent and timely question. No football supporter wants Northern Ireland to have to play home games in Liverpool, Glasgow, Kilmarnock or wherever else. Northern Ireland is well placed in the 2010 World Cup qualifying campaign, and one does not want the team to have to play home games on an away ground. It is essential that international football is retained at Windsor Park. I have been informed that only a limited campaign and programme of work are required to ensure that that happens. I will consider that within the

next couple of weeks. I will seek to keep expenditure on the interim work at a level that does not impinge on any long-term resolution that may be reached among the three sporting bodies. Until that resolution is reached, an expenditure of within £1 million should be sufficient to ensure that international football can continue to be played at Windsor Park in the short term.

Mr Butler: Go raibh maith agat, a LeasCheann Comhairle. I wish to ask the Minister about the money that was originally allocated to the development of a stadium at the Maze/Long Kesh site. Recently, proposals were launched for £20 million to be granted to upgrade Windsor Park. Raymond Kennedy, the president of the IFA, said that he would seek a meeting with the Minister to ascertain whether that amount of money will be allocated to upgrade Windsor Park. Will the Minister comment on that? It is also perceived that, if £20 million is used to upgrade Windsor Park, the money will go to Linfield Football Club rather than to the IFA.

The Minister of Culture, Arts and Leisure: I have made it clear to the IFA and to Linfield Football Club that, depending on the outcome of the proposals that the IFA has put to me, the contract between Linfield and the IFA will have to be renegotiated. A variety of options may be required to develop that outcome, but the contract will have to be renegotiated. Indeed, Linfield referred to that in a recent statement.

I have met representatives from the IFA, the GAA and the Ulster Branch of the Irish Rugby Football Union. Each body has put separate proposals to me for the strategic needs of its sport. If the IFA puts a proposal to me that is similar to what the Member outlined, I will consider it in the context of the IFA proposal. However, there can be no question of a massive improvement of Windsor Park under the terms of the old contract. Neither Linfield Football Club nor the IFA has suggested that that will occur. In fact, almost everyone in Northern Ireland accepts that it will not be the case. A more level playing field for all the other football clubs in Northern Ireland is required, and that will be the case. We need to develop the proposals to the point at which I can bring them to the Executive and then the Assembly for approval, after which we can proceed urgently to resolve the outstanding matters.

Ulster-Scots Agency

5. **Mr McCausland** asked the Minister of Culture, Arts and Leisure what the Ulster-Scots Agency has done to assist community development and east-west links during his time in office. (AQO 2995/09)

The Minister of Culture, Arts and Leisure: As part of a recent review, the Ulster-Scots Agency's financial assistance scheme has been included for consideration in an application for funding community

development workers to advance local initiatives and programmes in the community and to support travel arrangements for events in Scotland. The revised financial assistance scheme is to be presented for approval at the next meeting of the North/South Ministerial Council in language format, which is in a few weeks' time.

Mr McCausland: Will the Minister indicate when the agency will introduce the new proposals?

The Minister of Culture, Arts and Leisure: The North/South Ministerial Council, which meets in about three weeks' time, will have to approve the proposals. I am hopeful that the proposals can be developed immediately thereafter. Community support officers will be of significant help in supporting and developing the Ulster-Scots cultural outlook and their travel to Scotland, within very strict criteria, to help them to develop the whole Ulster-Scots outlook in its natural hinterland on the west coast of Scotland. It is a welcome development, which I hope will be supported by all.

Mr Deputy Speaker: I call Mr Dominic Bradley.

Mr D Bradley: Go raibh míle maith agat, a LeasCheann Comhairle. Fuair tú an fear ceart an uair seo. Mr Deputy Speaker, you got the right Bradley this time.

Does the Minister agree that the tripartite project, which is known as the Colmcille project, has done excellent work in fostering east-west relations and links? Does he also agree that there has been a positive cross-community aspect to the project, and can he assure me that it will have continued support?

The Minister of Culture, Arts and Leisure: My understanding is that the Colmcille project is doing very good work, as the honourable Member said, and it is proceeding apace. I want to be supportive in so far as I can, but the funding arrangements will be slightly different for that group, because the responsibility for it has changed in the past few months. However, it seems to be doing very good work, and I hope that that work can continue and be funded appropriately.

3.30 pm

National Stadium

6. **Mr Lunn** asked the Minister of Culture, Arts and Leisure to provide an update on the proposal for a national stadium. (AQO 2996/09)

The Minister of Culture, Arts and Leisure: For Members who may have not heard me, I have already announced that the multi-sports stadium at the Maze will not be going ahead. As a consequence, I asked the three governing bodies of the sports involved to make known their preferred alternatives for the stadium site. All three bodies have now responded with their options.

My Department will now prepare a strategic outline case, which will identify the options to be tested in a full economic appraisal, on which the Department of Finance and Personnel will need to sign off. The subsequent full economic appraisal or appraisals will review the shortlisted options for value for money, operational viability, sustainability and affordability. Any appraisal will be carried out to the recommended green book standards and is likely to include variants of the preferred options that the governing bodies proposed. As part of the process, an oversight group that represents DCAL, Sport Northern Ireland and the Strategic Investment Board has been established with a remit to undertake the necessary business cases and to make recommendations on stadium provision.

EXECUTIVE COMMITTEE BUSINESS

Budget (No. 2) Bill

Second Stage

Debate resumed on motion:

That the Second Stage of the Budget (No. 2) Bill [NIA 8/08] be agreed. — [*The Minister of Enterprise, Trade and Investment (Mrs Foster).*]

Mr McCallister: I regret that Mr Weir is not in the Chamber, but I am happy to answer his question about my colleague Lady Sylvia Hermon. She supported the Government to give the DUP a chance to organise itself following its humiliation in the European Election.

It is strange that the DUP seems determined to keep attacking the Conservative Party's proposals, when it failed to notice some of the small print in the Chancellor's Budget speech. The Chancellor indicated that, when debt charges are taken into account, there could be cuts amounting to 7%. He also said that after 2013 capital spending will drop from 3.1% to 1.3% of GDP. This morning, we heard that 350,000 public-sector job cuts may occur under Labour. The Conservatives have promised to safeguard key services; yesterday, the shadow Chancellor, George Osborne, wrote:

"we have also used the past four years to change our party and affirm our commitment to the values of our public services. We protect health spending because our priority is the NHS. We protect overseas aid spending because of our moral commitment to the poorest and the millennium goals we promised them."

The DUP may consider that there is some PR advantage in attacking the Conservatives for what they might do. However, in truth, the DUP has not put forward a single credible, deliverable policy to sort out the mountain of debt that will be inherited from the Labour Government. People are not stupid; every one of us is aware of the current economic mess. People want a Government with a clear set of policies to clean up that mess. The DUP's sound bites and cheap attacks only highlight its lack of solutions, and my colleague David McNarry has been making that argument for months. George Osborne, the shadow Chancellor, said:

"Perhaps the most important lesson from around the world is that if you talk honestly to the public about the spending decisions that need to be taken, they will respect you and support you."

Dr Farry: Will the Member give way?

Mr McCallister: Oh, very well. Have two goes, Vince.

Dr Farry: Will the Member explain why David Cameron and the rest of the Conservatives have been so keen to silence Andrew Lansley? He let the cat out of the bag, and they seem to want to keep the news of the pain until after the general election.

On a wider point, will the Member answer the points made by several Members in the Chamber when they highlighted a number of ways to tackle the large debt burden beyond simple cuts in spending? For example, changes to the taxation system must be considered. Sometimes, reducing taxes can increase economic activity, which produces a greater tax take. Is there a wider range of options available to address the debt burden, rather than simple spending cuts?

Also, does the Member recognise that it is legitimate for Governments to invest in economic recovery? That is a well-established Keynesian economic theory. At the start of his contribution, the Member seemed to regard such investment as extremely unusual. It is, in fact, mainstream economic thinking.

Mr Deputy Speaker: I remind Members that interventions should be short.

Mr McCallister: Thank you, Mr Deputy Speaker. The young Vince Cable has not quite got the hang of short, snappy interventions yet.

Dr Farry made several points. I was relieved to hear him suggest that tax cuts could stimulate economic activity in some places: we may make a Conservative and unionist out of him yet.

I was about to address some of the points made by other Members. Mr Hamilton made a similar comment to Mr Weir's; namely that cuts are not inevitable. However, there is an inability to take difficult decisions, to which my colleague Mr McCrea hinted. For example, no decision has been taken, nor leadership shown by the Executive, on water charges. Will the Executive introduce water charges? What are the implications for VAT and the Treasury? All such decisions could have a huge impact on Northern Ireland's budgetary position.

Mr Hamilton: Mr McCallister has raised the issue of the challenge that water charges present to the Executive, of which two of his party colleagues are members. It is well-acknowledged that that undoubtedly presents a major challenge for the Executive. The Member is encouraging the Executive to take a tough decision on water charges; therefore, do he and his party advocate that the introduction of water charges should commence as quickly as possible? Alternatively, does he accept, as I believe that the rest of us in the Chamber do, that the introduction of water charges for domestic customers at this moment would be detrimental and retrograde in the current circumstances?

Mr McCallister: I am recommending that the Executive make a decision. That is the problem with so much of what is going on in this place: the Executive have not made a decision on water charges.

Mr Hamilton: Clearly, the Executive have taken a decision in the current year to defer water charges. Is the Member now saying that, in the midst of very difficult circumstances for individuals and households faced with the potential cost of water charges, that was the wrong decision?

Mr McCallister: Mr Hamilton seems to misunderstand my point. A Member who sits on the Committee for Finance and Personnel should know that the decision on water has huge implications. There are also VAT implications in relation to the Treasury guidance on Northern Ireland Water.

There is huge pressure for the Executive to make a decision on this and set out a long-term strategy for how we fund water; how we fund the much-needed investment in water; how we fund other public services; and how we protect families who are under pressure from increased debt. I accept that many families are under a lot of pressure, but my point is that the Executive must consider these issues. Mr Hamilton has said that cuts are not inevitable, yet he appears to be living in a cloud cuckoo land where you can have it both ways. That is not possible; Members must start being honest with the public.

Mr McCarthy: There is nothing that I like better than an honest politician. Will Mr McCallister tell the House here and now that the Ulster Unionist/Conservative/Tory party will introduce water charges? The Member's party is part of the Executive and the House must have an honest answer.

Mr McCallister: We have two Ministers on the Executive, neither of whom is in charge of water. The Ulster Unionist Party's position is clear; it has been opposed to water charging throughout. We have included that policy in manifestos. All that I am calling for today is some honesty from other parties about how they would fund water. How can they continue to say that they do not want cuts in public services, do not want anything to change and that they will somehow go to Westminster and deliver all those services?

It is a fantasy to believe that all of that can be achieved without imposing charges, finding other sources of revenue, or cutting spending on public services. There has been opposition to the ring-fencing of National Health Service spending. The DUP has been opposed to the creation of the Public Health Agency, which will help improve the health of our population in the long term. The DUP has opposed banning above-the-counter sales of cigarettes in an effort to address the public health issue, even though that move will save money in the long term.

Mr Hamilton: Will the Member give way?

Mr McCallister: I will, provided that Mr Hamilton is very quick.

Mr Hamilton: There is so much to say that it is very difficult to be quick. First, the DUP does not oppose doing away with the display of tobacco products. *[Interruption.]* Yes, hold on a second. Given the current circumstances, the DUP has taken the very sensible and prudent position that the ban should not be implemented here before it is implemented in the rest of the UK. Indeed, I thought that the Member, as a conservative and a unionist, would have accepted that there should be a common position across the United Kingdom.

Mr McCallister keeps raising the issue of inevitability, yet his party leader was quoted yesterday as saying that cuts were inevitable. There is a ludicrous element to this argument. We have a settled financial position up to the end of the CSR. Nobody knows what will happen beyond that period. It may prove to be more difficult than now.

However, to run around talking about the inevitability of major cuts and saying that that option is the only choice is scaremongering to a great many people in Northern Ireland who are employed in the public sector and, more importantly, to those who are dependent on public services. A massive amount of scaremongering is going on, the subject of which is untested in reality, because we cannot deal with financial situations beyond 2011 that have not yet appeared.

Mr Deputy Speaker: I remind Members to keep their interventions short. Members should also address all their remarks through the Chair.

Mr McCallister: I will follow on from Mr Hamilton's speech. His argument about the smoking ban was bizarre. The idea that a party such as the DUP would put finance before saving lives is shameful, and —

Mr Hamilton: Will you give way?

Mr Deputy Speaker: Members must direct their comments through the Chair.

Mr McCallister: I have been more than generous to Mr Hamilton, and, on this occasion, I want to address some of Mr O'Dowd's points. One can see that the DUP has been teaming up with Sinn Féin. Mr O'Dowd's contribution was a mixture of him trying to distance himself from Mrs Thatcher and his praise for the person to whom he looked for advice about managing a household budget: his mother. I believe that Mrs Thatcher was one of the first people to draw an analogy between running a household budget and running an economy. Therefore, he may wish to ask his mother how he can continue to spend more money than he earns, which is one of the issues facing the Assembly.

Mr O'Dowd: The only thing that Mrs Thatcher and I have in common is that we both have mothers. The Member's colleague Basil McCrea said that the only

option is to cut public services. Does the Member support that point of view?

Mr McCallister: If the Member wants, I will allow Mr McCrea to answer that question. The Ulster Unionist Party is saying that other parties in the House seem to be oblivious to the fact that we are in an economic crisis. They seem to be sailing along, thinking that 2011 is a long way off and that we do not need to worry about it: let us keep spending as we do not need to think about who will pay for water charges, how we will handle the economic downturn, the fact that the economy is in crisis and the debt that we will inherit from the Labour Government. Mr O'Dowd's party seems to think the same way.

Mr B McCrea: Does the Member agree that the parties opposite appear to be saying that under no circumstances will there be cuts and that, consequently, they are not prepared to consider any efficiencies or ways to do things better, or to address the new realities that we face? In fact, while the country is running headlong into a crisis, their heads are in the sand.

Mr McCallister: I completely agree; their heads are in the sand. Indeed, Mr O'Dowd spoke about looking to the Republic of Ireland. Of all the economies in the European Union, we should not be taking our lead from the Republic of Ireland. We must be realistic about what will happen after the current spending cycle, and the fact that the Executive have not had the courage to bring forward another Budget and that they refuse to reconsider the budgetary process and the Programme for Government demonstrates that we are not being real. In fairness, even the Alliance Party admits that we may have to consider other options, and the young Vince Cable floated the idea of tax cuts in order to stimulate parts of the economy.

I accept some of Mr O'Dowd's points. So far, the Executive have found it difficult to address the needs of marginalised people and those who have been left behind. Even during the years of economic boom, a considerable number of people in Northern Ireland, especially in some working-class Protestant areas, and throughout the United Kingdom have suffered because of health inequalities and educational underachievement. We must begin to address those problems and get a grip on what we are doing and on our long-term goals.

3.45 pm

Mr B McCrea: In the interests of equality, will the Member join with me in calling for massive investment in Protestant working-class areas, in which there is absolute educational underachievement? The real root of trouble in our society comes from not giving those people every opportunity to succeed. Our party alone will lead those people to the promised land.

Mr Deputy Speaker: Order. I ask the Member not to give way again because there have been quite a few interventions. I think that there have been 10, and I am sure that the Minister wants to respond.

Mr McCallister: I am grateful, Mr Deputy Speaker. I would have given way to Mr Hamilton again, but there is no time. I draw my remarks to a close by pointing out that it is strange that the DUP is so content to keep attacking Conservative and Unionist policies when, at some point, probably next year, it will have to lobby a Conservative Chancellor.

The UUP believes in making the case for Northern Ireland by attending policy meetings, working up a proper policy agenda in the run-up to the next general election, assisting our Conservative colleagues and telling them what we would like Northern Ireland to become. We should steer Northern Ireland towards being an enterprise zone. We want to see some of the costs of division —

Dr Farry: Should we have tax-varying powers?

Mr McCallister: In the hands of the Alliance Party or Sinn Féin, tax-varying powers would inevitably be tax-raising powers. I would happily give way, but the Deputy Speaker has directed me not to.

Mr Deputy Speaker: I again remind Members to address their remarks through the Chair.

Dr Farry: Will the Member give way?

Mr McCallister: I would happily give way, but the Deputy Speaker has ordered me not to. Our two great parties, the Ulster Unionist Party and the Conservative Party, will work together to produce and deliver Northern Ireland-friendly policies for the difficult years ahead. What, precisely, does the DUP have to offer?

Mr O’Loan: I am pleased to be able to contribute to the debate on the Budget (No. 2) Bill, although, of course, it is the wrong Budget Bill. We should have a very different Budget Bill in front of us as a result of very different budgetary circumstances.

I remind the Assembly of two things. As we have said before, under the Northern Ireland Act 1998, an annual Budget ought to be delivered to the Assembly, but that has not happened. We can now look at the wisdom of that piece of legislation because, even in ordinary times, it is necessary to create a fresh Budget so that one can properly manage the affairs of Government. We do not live in ordinary times — we live in the most extraordinary times. We join with every serious economic pundit who comments on affairs in Northern Ireland in saying that, given the recession and the extreme economic circumstances in which we find ourselves, there was an onus on this Assembly and on the Executive to address the situation by reconsidering the Programme for Government and

the accompanying Budget. I regret the nature of the Budget that is before us.

The absent Minister of Finance and Personnel said that he must always be flexible and responsive to changing circumstances. I have previously referred to a senior official who spoke about the need for a cessation of low-priority programmes. More recently, another senior official came before the Committee for Finance and Personnel and referred to redrawing the Budget. The Minister talks about being flexible and responsive, but, in fact, there is nothing flexible and responsive about what he has done.

I gave credit yesterday, which I repeat today, to certain initiatives that have been taken, within existing Budget lines, to respond to the recession. However, the circumstances of the moment called for something much more radical.

Before making my remarks, I want to comment on some points that have been made already. John O’Dowd made a couple of interesting contributions. He asked whether we are charting a course for economy recovery. It was clear that his answer to that is no. Referring to the marginalised and the economically disadvantaged, he said that the Executive and this institution are not delivering for them. One might be forgiven for thinking that Mr O’Dowd was forgetting that his party is rather intimately involved in what emerges from the Executive and that his colleague is the deputy First Minister. Implicit in his language was subservience to the Democratic Unionist Party. It was clear that he knew who calls the shots nowadays.

In his response to something that John O’Dowd said, Stephen Farry referred to the UK subvention and how we would need the cushion of a population of 60 million, which the island of Ireland could not support, to provide us with that large subvention. That is a counsel of despair. Are we to be condemned for ever to be a poor region of the United Kingdom? That is fundamentally what we are being offered. Those sorts of statements indicate the psychology — a very dangerous psychology — that lies beneath them. We must find a way in which to stand on our own two feet and think for ourselves, instead of being trammelled by the kind of constraints to which Dr Farry referred.

Stephen Farry also said much about a shared future. I agree with and support much of what he said, and I acknowledge what he said about the Minister for Social Development’s contribution to shared-housing initiatives. He overstates the case, however, when he talks about other matters. Much of what he and his party put forward on a shared future is a blancmange of easy tolerance and removes what he considers to be the unfortunate obstacles of diversity to a degree that is impractical, unattainable and, in fact, undesirable. He essentially proposes the model of integrated education

as the ideal. If that argument is taken to its logical conclusion, he is saying that that should be a primary policy objective. I would say that, as well as being unattainable, that would not be a sound policy objective.

I will now move on to my own comments. I shall start with a few more remarks about Workplace 2010, which was referred to yesterday. In the debate on the Supply resolution for the 2009-2010 Main Estimates, the Minister of Enterprise, Trade and Investment said the following, which is quite revealing:

“the reasons why the project was not completed were external, and did not represent a failure by the Executive to proceed with it. It was simply the case that both contractors who were involved in the competitive tendering process joined together, and as a result, there was no competitive tendering. That was the issue, and we could not proceed.” — [Official Report, Vol 42, No 1, p46, col 1].

I think that she is right, but that was not the reason for the collapse of Workplace 2010 that was given to the Assembly, the Finance Committee or the public. A document on the Workplace 2010 website provides the same argument and text that has been used in the other places to which I referred. It states:

“Following this review, and as a result of discussions with the now combined Telereal/Trillium business, the parties have decided that it will not be possible to conclude the current Workplace 2010 procurement process in the foreseeable future. This is because exceptional market conditions have made it difficult to obtain debt finance for this type of property-related contract, and because of the fall in the value of commercial property.

Consequently the current procurement has been terminated.”

That is a totally different reason. I draw the conclusion — and, as I said, I agree with the Minister —

Mr Hamilton: Will the Member give way?

Mr O’Loan: I have not finished drawing the conclusion, but I am willing to give way.

Mr Hamilton: Perhaps I will draw it for the Member. Does he agree that the two arguments that he has cited are not mutually exclusive? I do not think that it was ever said that one argument excluded the other.

Mr O’Loan: Let anyone inspect the record, and they will find that the quotation that I have taken from the Workplace 2010 website was put forward as the unique and sole explanation for the collapse of the project, and not the reason that the Minister gave yesterday. That is so important, because there are various ways in which the reduction of the process to two bidders could have led to difficulty and the collapse of the project, one of which ensued. That means that the process of carrying out the project contained within it a fundamental flaw, and the Minister revealed that yesterday.

Some £175 million was to come from Workplace 2010 receipts. Yesterday, the Minister said that:

“The potential of £175 million from Workplace 2010 receipts was factored into the plans for 2008-09. However, the loss of those

receipts was managed through the in-year monitoring process. Lower construction costs also provided an opportunity for Northern Ireland Departments to procure capital projects at lower cost.” — [Official Report, Vol 42, No 1, p46, col 1].

We are coming to a situation in which the Budget can be balanced only if various projects collapse or drop out. We are starting to see the collapse of projects being presented not as a failure of the Executive to deliver, but as a virtue. That was implicit and put forward directly in what the Minister said yesterday. That is a dangerous situation.

Yesterday, I referred to a third issue arising from the Workplace 2010 debacle, and I will repeat it today, because it has serious implications for the Budget. The issue of the Civil Service estate remains unaddressed. When Peter Robinson was Minister of Finance and Personnel he said:

“We have an estate that needs major investment to bring it up to scratch and provide better working conditions that will drive improvements in the delivery of services, which, ultimately, is what the public sector is in business to do.”

Workplace 2010 was described as an absolutely essential part of the Civil Service reform programme. The Workplace 2010 website states:

“Workplace 2010 involves the introduction of new accommodation standards, including open plan working, which will enable the NICS to rationalise its existing estate and dispose of surplus, poor quality accommodation.

This ambitious and challenging programme will deliver: modern, flexible and efficient workspace for staff; accommodation that meets business needs; a smaller, more efficient estate; value for money for the taxpayer; an environment that will support and enable significant and lasting change.”

All of that, which was absolutely necessary, has not been delivered, and the Minister has not made a revised proposal to provide it in this year’s Budget, or even to embark on solving the difficult problem of the Civil Service estate.

4.00 pm

I will comment briefly on the current failure to bring forward proposals to implement the Bain Review’s recommendations on the location of public-sector jobs. As I said yesterday, from the start of the Assembly’s mandate, that was one fundamental policy issue on which all parties were united in calling for action. The independent review by Sir George Bain and, as he put it, its “modest” proposals, created the template for that action. However, the Minister has not brought forward proposals, and, in fact, has been the most negative and cautious contributor in the Assembly on that matter.

Consultancy fees have been much talked about. Not all such fees are unjustified, and we must be careful in what we say about that issue. However, considering the scale of consultancy fees, there is no question that an issue exists. Yesterday, I suggested that we might

obtain much better value for money by utilising the university sector here.

My main point is that there is an indicator of political stagnation in the reliance on consultancy advice. When the Assembly was established, there was a view that the Civil Service had become atrophied but that the new political regime would sort that out. Now we see that the political system has itself atrophied; the system is not moving on, and it has the same dependency on outside consultants as was the case previously.

I wish to comment on the Finance Minister's answer on the issue of dealing with the current problems. He said that they will be dealt with through the monitoring rounds. It is clear that monitoring rounds do not provide a strategic answer to the problems of the moment. For example, they do not provide what one senior civil servant described as the "cessation of low-priority programmes". They allow only the redistribution of money from programmes that simply cannot go ahead and must return their money to the centre. That is the most modest redistribution of money, and, as a method of achieving a Programme for Government that is adjusted to meet the real needs of the moment, it is inadequate. I can now refer accurately to our Minister of Finance and Personnel as our Minister for monitoring rounds.

I support what Stephen Farry said about addressing the twin issues of the further £123 million of efficiencies that will be taken from the Northern Ireland Budget and the Barnett consequentials, which, over two years, total £116 million. I agree with him that we should not simply wipe our brows once again and claim that we have got away with it, and use the £116 million to largely cover the £123 million. We must use the Barnett consequentials for the purposes for which they were created. In the Budget for Great Britain, those purposes included business modernisation; training and employment; renewable energy; low-carbon technologies; social housing and energy efficiency. Let us put that money to work for what are particularly good purposes.

As I have said previously, the establishment of the performance and efficiency delivery unit (PEDU) was announced with much fanfare, but we have seen little output from it. Major questions must be asked about PEDU, and we must ask about its work programme for the future, because we know that it is remarkably limited.

I will comment on some of the pressures that exist in the Budget for this year. The first, and one that is often not noted, is that we are starting with a Budget that is overcommitted. The Minister may inform us of its level of initial overcommitment, but it is considerable.

The second major pressure facing the Minister is the equal pay issue. There has been an extreme delay in seriously engaging with that issue, and it has been 13

months since the previous Minister of Finance announced his willingness to negotiate on the matter. Only now are we starting a three-month review of one critical part of the solution. That is not fair to the civil servants who are involved, and it is causing a deep feeling of unfairness. The costing of at least £100 million that the Minister gave at the time is not provided for in any way in the Budget.

Water charges have been deferred, and that has left a considerable gap in the Budget for this year. The asset sales that were predicted have not materialised. This year, further efficiency savings of 3% will be demanded. Yesterday, I quoted serious anecdotal evidence from senior managers in the Housing Executive and the Health Service of the extent to which that is bearing down. The general comment that one hears is that the budgetary situation in agencies and spending sections of Departments is more difficult than it has been at any time in the careers of the staff who are involved.

I referred to the extra £123 million of efficiency savings. Also coming up is the issue of the £200 million asset at Crossnacreevy, which is now worth only £6 million.

What are we doing with the money, and how well are we spending it? That is as critical an issue as allocating budgets in the first place, and the Minister accepts that fact. I will comment on one point that the Minister of the Environment made in his statement this morning when he talked about the relationship between the development plans and major economic developments. He went on to say that his planning reform proposals are not able to progress, that he is in danger of losing them, and that they are stuck with the Executive and the deputy First Minister. That was perhaps the most explicit statement about difficulties between the Democratic Unionist Party and Sinn Féin. It is an extremely important issue, and, clearly, it begins to be part of the explanation as to why a very small volume of Executive business is coming before the Assembly.

I want to refer at considerably greater length to the monitoring of targets in the Programme for Government. I will quote from yesterday's Official Report what the First Minister, Peter Robinson, said about the issue. Those of us who were in the Chamber at the time would have noticed that he was very calm and collected about the matter and that he was very reassuring indeed.

I will give a few quotations that illustrate that. In answer to the first question of the day he told us:

"On 5 March 2009, the Executive finalised the formal delivery framework for the Programme for Government. Structures and processes have been established across Departments to monitor and report on performance." — *[Official Report, Vol 42, No 1, p 23, col 2]*.

One might say that that is all very healthy. He went on to say:

“a lead Minister and a senior official have been assigned to each target and commitment in the Programme for Government. Therefore, a person has been identified as being responsible for answering for each of the key goals... Each Department assesses where it stands on meeting those key goals through a traffic-light system whereby progress is identified as red, amber — an amber/green category has crept in — or green. Therefore, we know whether people are meeting their targets in each Department. Those results will be gathered in a delivery report, which will come to the Office of the First Minister and deputy First Minister (OFMDFM) and will be monitored by my officials.”

He added:

“that scrutiny will allow us to see where we are falling behind and, therefore, where more energy, or even resources, may be required to meet those targets.” — *[Official Report, Vol 42, No 1, p24, col 1]*.

So, all is well in the world of delivering the Programme for Government, one may say. One may wonder, then, why the Committee for Finance and Personnel received a document last week that tells a different story. The subject of the document was the progress on establishing a performance management framework for delivery of the PFG targets and commitments.

I will make two remarks as an aside. First, it has been two years since this Assembly and this Executive started business, and only now are we at the stage of developing a mechanism for verifying that the things that we agreed to do in the Programme for Government are actually being done. Secondly, the document I am referring to comes from the aforementioned performance and efficiency delivery unit. I wonder about that. That unit was supposed to be a powerful instrument that would swoop in on serious problems, analyse them to death in a very short period of time, deliver an answer to the body that requested it, and move on again. Yet here it is apparently doing core work of the Department of Finance and Personnel, which one would not expect PEDU to be involved in at all. I draw some conclusions about PEDU from that.

As I said, the document gives a different story about the monitoring of targets. It tells us:

“On the 7th January our Minister wrote to Ministerial Colleagues to highlight certain issues of concern around the robustness of the Delivery Agreements stating that DFP officials would be engaging directly with departments with the aim of ensuring that improvements to the Delivery Agreements were actioned.”

It goes on to outline two key issues of concern, the first of which is about the fact that public service agreement (PSA) targets require Departments to work closely together, and the second of which is about indicators that have yet to be fully developed. The annex of the document deals with key themes and issues, of which there are seven. They are all detailed criticisms about what is not present and what is not

working in the system of monitoring: five of them are very serious, two are less serious.

The first states that there is no statistical data or baseline, and:

“a number of the returns on individual indicators record that no data is available either because the baseline and associated indicators have not yet been agreed or that such information will not be available until a future date. In at least one case, for example, it is reported that the baseline for a target to be delivered during the PFG period 2008-2011 will not be available until 2010/2011.”

The second deals with long-range targets and the availability of milestones, and states that, when the targets are long range beyond the current CSR period, no milestones have been identified within the CSR period.

The third theme is headed:

“No evidence of cooperation between departments:”

and states:

“many of the PSAs are cross cutting in nature and require actions to be carried out by a number of Departments. To facilitate a joined-up focus on delivery it was anticipated that during the preparation of delivery agreements, the lead department would establish a board drawing representation from key contributors, including, where appropriate, officials from other departments. There is little evidence that to date PSA delivery boards have been established in this regard.”

4.15 pm

At this point, I think that I am entitled to make an aside that the SDLP remarked on the requirement to have Executive programmes to deal with such issues as childcare and poverty, and we pointed out the need for cross-cutting work. We were told that we should not have any fears because all of that was covered by the PSAs and that they would nicely join up. However, the document provides evidence that, two years after the Executive started their work, the PSAs are not even starting to be joined up.

The fourth point is about the inconsistency in Departments' assessment of red, amber and green (RAG) status. Mr Robinson said that that was all fine and that everyone was working nicely on their reds, ambers or greens. The document states:

“the RAG system aimed to provide a clear and transparent assessment of progress with very clear guidance issued to departments. Notwithstanding this, however, there are considerable inconsistencies in how departments have assessed progress.”

The document's fifth point is:

“Mitigating measures to bring delivery back on track: Very few returns set out what action departments propose to take to either bring delivery back on track or move from a red to an amber/amber/green assessment.”

Its sixth point is one of the relatively small criticisms:

“PSA delivery agreements not agreed: for a very small number of PSAs it is apparent that not all elements of the delivery framework have been agreed.”

The seventh point is on the changing of targets:

“It was apparent in the departmental monitoring returns that a number of the targets have been amended by the responsible department.”

So, insert: “if you are not meeting your target, change your target”. The document goes on to say:

“Targets can only be amended with Executive agreement.”

The needs of the time demanded that a revised Budget should have been produced, but we did not get one. Are we delivering on the existing Budget? Those in DFP and OFMDFM who are leading the process of analysing whether the Executive are delivering on it do not know the answer because they do not have the mechanisms for measuring it.

Mr McCausland: I support the Budget (No. 2) Bill, which will authorise departmental spend as it is set out in the Bill. I shall pick up on points that have been made by a number of Members. Basil McCrea — quoting George Osborne, of course — asked how the Executive intend to deliver when money is tight and public-sector cuts are the only option. Unfortunately, Basil McCrea failed to say where the cuts should be made and in which Department they should be made. In fact, the onus is on each Minister to handle his or her budget and to ensure that the money is spent as effectively as possible.

The big-spending Departments are the Department of Health, Social Services and Public Safety and the Department of Education. For example, the Bill allocates a figure of almost £18·75 million to a particular sector of the Department of Education, but what is to be prioritised within that? I fear that the Minister of Education might, once again, “deprioritise” the Youth Service, which should be a priority service in the Department. Questions must be asked of the Minister of Education about how she sets her priorities within the Budget allocation of the Bill.

Mr B McCrea: I had hoped to interject before the Member moved on to talk about the Minister of Education.

In my speech, I said that the Department of Health, Social Services and Public Safety must be prioritised because it is £300 million per annum behind the rest of the UK. I am sure that the Member will agree with my colleague Mr McCallister and me that the lives of our people come first.

I also indicated that the Departments most involved in the economy — the Department for Employment and Learning and the Department of Enterprise, Trade and Investment — should be given priority and that that is in line with the thinking of this House.

Mr McCausland: I note that, once again, even when he has the opportunity, Basil McCrea fails to tell us where the cuts are to be made. Which services, or

which Departments, should face cuts? I will return to some points that John McCallister made. That question was put to him and again there was a failure to address and answer that question. In the past 10 years, if we look at the number of administration staff —

Mr McCallister: Will the Member give way?

Mr McCausland: A little patience is a good thing.

Over the past 10 years, the number of administration staff in the National Health Service has risen by over 30% and the number of managers has risen by 100%. It may be that some fat on the administrative side of the Health Department could be cut away, with the saving being directed towards front line services.

I will give Mr McCallister the opportunity to respond.

(Mr Speaker in the Chair)

Mr McCallister: Does the Member accept that there will have to be cuts at some time, or does he have his head in the sand and believe that there will be no cuts at any stage?

Mr McCausland: The Member should know more about that than me. I will return to my point in a moment; the Member has taken me over this matter twice. Were there to be a Conservative Government, there will be no escaping the fact that a Conservative Government will mean Conservative cuts. Until we see what sort of cuts his colleagues will impose on Northern Ireland, we just do not know what will happen.

I return to the issue of education, which is a priority. I agree with Basil McCrea about the importance of directing resources towards those in our society who are underachieving, particularly boys, and particularly those in disadvantaged Protestant areas. However, the Committee for Education is addressing that issue, and we need to keep pressing the Minister on that because although she has a budget, the question is how she will prioritise it. In view of her constant references to equality, I am sure that she will want to ensure that appropriate resources are directed to those who are educationally disadvantaged so that that can be redressed.

I now address the Minister of Enterprise, Trade and Investment. I am sure that, when reviewing her budget, she will want to look at the role of Tourism Ireland. Tourism is important for helping the economy and creating jobs. One of the least successful aspects of our tourism infrastructure is Tourism Ireland. Given the investment that Northern Ireland makes in Tourism Ireland and the resultant numbers of tourists coming here compared with those going to the Republic, it is clear that a lot of work remains to be done. I am sure that the Minister will continue working with Tourism Ireland and challenging it as regards its targets and the reward that we get in Northern Ireland for our investment in that body.

I also wish to pick up on points raised by Dolores Kelly and Stephen Farry. Several Members raised the issue of a cohesion, sharing and integration strategy. We need a robust and comprehensive strategy for cohesion, sharing and integration if we are to achieve a Northern Ireland society based on equality, diversity and interdependence. My party is committed to such a strategy and, as I look around the Chamber, I see a number of other parties committed to such a strategy. However, as several Members have said, that has not come through yet. The only conclusion that one can draw from that is that it is because of the unwillingness and intransigence of Sinn Féin in that regard.

The strategy has not come through as a result of our system of government, and that is why we want to change that. I hope that we will see movement in that direction as others recognise that we need to amend the system of government so that it is not possible for such Members — I suppose I can describe them as “backwoodsmen” — to hold us back from a shared future.

Lessons can be learned from ‘A Shared Future’ about general expenditure in society. There are savings to be made in certain areas, and one of the obvious examples is teacher training. A lot of money could be saved by simplifying the system and having a single teacher-training college. There is no logical reason, or any other kind, that anyone could put forward with any credibility to explain why there should be two teacher-training provisions when, in fact, one would suffice for a place the size of Northern Ireland. I hope that that will be addressed as a way to save money that could be directed to other services.

We can also look at the review of public administration with regard to education. We have started to unpick the system. It has been deconstructed. We are now trying to construct a new system, which must be based on the principle of equality across all the sectors. Over six months ago, the Education Committee wrote to the Minister to ask for a list of, and an explanation for, all the inequalities in the education system, including sectoral inequalities. It took the Minister six months to produce an answer, and when we got that response six months later, after there had been further communication and questions asked, that particular element of our query had not been answered.

The approach that is taken towards the review of the education system must be based on equality and efficiency and on the principle of a shared future. That is bound to have implications for the schools estate and various other matters. It must mean an end to any preferential treatment of one sector over another.

Stephen Farry talked about the duty that has resulted, I suppose, from the Belfast Agreement to promote Irish-medium education and integrated education. If there is to be equality, all sectors must be

promoted. It should not be the case that two sectors are picked out for special mention and attention; every sector should be treated equally. I hope that as we move forward, a system, administration and structure for education will be achieved in which there is not only equality, but efficiency.

I return to John McCallister. I am still disappointed because in spite of the best efforts of my colleague and others at this end of the Chamber, and of Kieran McCarthy, who was valiant in his attempt to achieve it, we could not get an answer from John McCallister. Can he not simply give the House a yes or no answer? Does he advocate water charges, yes or no? I am more than happy to give way to him as long as I get a yes or no answer. A simple answer will suffice. Is there one?

Mr McCallister: The Member always tries to set out preconditions. The point that I was making on water charges was that, at some stage, we have to have a debate. The Executive must bring forward proposals. If the Member is asking whether I am for or against water charges, the answer is that, of course, I am against them. However, we have to have that debate. The Minister must answer questions about VAT and funding. This debate is on the Budget. There are serious funding issues.

Mr McCausland: I am glad that eventually —

Mr B McCrea: Will the Member give way?

Mr McCausland: If Basil McCrea will just listen for a while, I will respond to John McCallister. I am glad that, eventually, we managed to drag an answer out of him. I am sure that Kieran McCarthy and everyone else in the Chamber will be delighted to have finally gotten an answer. It is unfortunate that he ran away from the question for so long this afternoon.

As I said earlier, there is no escaping the fact that Northern Ireland’s future financial position is bound to be influenced by what the Government at Westminster do. We are part of the United Kingdom. I agree with Mr McCallister that that is a good thing. However, the result of that is that, of course, if his colleagues and friends in the Conservative Party are in Government, Northern Ireland faces substantial cuts. He must take responsibility for those cuts, which will be imposed by people who operate under the Conservative and Unionist Whip at Westminster. He will be part of that system, or at least his party will.

4.30 pm

Those are the main issues that I want to raise. Most other issues have been covered at some length. I welcome the fact that we are having this debate, which has teased out quite a lot of —

Mr Durkan: The Member was clear in the question that he asked Mr McCallister, so will he set out, very clearly, where he stands on the issue of water charges?

Is he for or against them? We have been told, on behalf of the Executive, that water charges have been deferred, so does that mean that the Budget that the Assembly passed last year provided for the imposition of water charges? How could water charges have been deferred if they were not provided for? They could only have been provided for in a Budget.

Mr McCausland: Mr Durkan was actually the person who first proposed water charges; there is no getting away from that fact. On that point, I finish my contribution.

Mr B McCrea: Yes or no?

Mr McCausland: Mr Durkan was the first person to propose water charges.

Mr B McCrea: Yes or no?

Mr McCausland: He was the first person.

Mr B McCrea: Yes or no?

Mr McCausland: He was the first person.

The Chairperson of the Committee for Employment and Learning (Ms S Ramsey): I am not keen to join the debate at this point because I am enjoying watching ‘The Muppet Show’. I do not know which Members are supposed to be Waldorf and Statler, but it is great to hear some of the comments.

Mr B McCrea: Name names.

Ms S Ramsey: You two are Dastardly and Muttley.

Go raibh maith agat, Mr Speaker. Considering the lengthy contributions made by some other Members, the House will be glad to hear that I do not propose to speak for too long. The Committee for Employment and Learning will meet departmental officials tomorrow to discuss in more detail the Budget and spending in general. We will make recommendations to the Minister for Employment and Learning after that.

As other Members said, there is no escaping the fact that our economy is in the middle of a deep recession. Unemployment is increasing, people are struggling to get credit and, as a result, the housing market is frozen. The Assembly should not run away from addressing the other issues associated with the recession; however, it has already addressed some of the more serious issues. There is a danger that people will fall into an underclass in which they cannot find work and cannot be reached by the skills and training programmes that are available through the Department for Employment and Learning.

The Committee has chosen to look at the economic difficulties in the most holistic way possible. We have looked at the Executive as a whole and, on numerous occasions, have written to Ministers, not only the Minister for Employment and Learning, about our concerns. We will continue to do that because we

recognise the benefit of the Executive taking a joined-up approach that will get us through these difficult times as painlessly as possible.

One of the Committee’s key messages is that all Departments must bring forward capital investment to stimulate the construction industry. We have had countless debates in the Chamber about the construction industry. Such investment will stimulate other sectors and cause a ripple effect throughout the economy.

The Department for Employment and Learning has been updating the Committee fortnightly on the number of apprentices who have been made redundant since September 2008. The current total stands at just over 15,000, which is a concern in itself, especially if you consider that many of those being made redundant are young people who are only starting out in their career.

The Committee has tabled a motion for next Monday on its report on the way forward for apprenticeships, which includes a number of recommendations. The apprenticeship programme can help people to get jobs during the economic downturn and help prepare society for when the upturn comes.

Some businesses have to make cuts during a recession, and many employers in this part of the world view training and skills development as a luxury that they cannot currently afford. This is the most important time for businesses to invest in skills. When the upturn comes and the global economy begins to recover, businesses that have continued to invest in training and development will be in the best position to succeed with new business ventures and to move into the new industries that often develop in the wake of a recession. Such examples are visible throughout the world.

The Department for Employment and Learning acts as a key driver for the development of skills and for the reskilling and upskilling of our workforce. Workforce development and economic development are inseparable and must go hand in hand, as some Members have said during the debate. Therefore, the Committee calls for further budgeting to allow the Department to deal with those issues.

We welcome the increased Budget provision for the Department for Employment and Learning in 2009-2010, but we urge the Minister not to repeat the underspend of previous years. We have raised that issue with him. Some of the Department’s key programmes involve the demand-led provision of skills and training, uptake of which will grow considerably during the recession as unemployment rises. The Committee considers it vital that funding matches demand for those programmes so that no redundant workers are cast aside. I appeal to the Minister of Finance and Personnel — to the Minister of Enterprise, Trade and Investment, who has stepped in — regardless of who holds that post this week

or next week to be as flexible as possible with the funding requirement for such programmes so that we can intervene when redundancies arise. As I said, the Committee will receive an in-depth briefing tomorrow from departmental officials. We will raise our concerns directly with the Minister and the officials.

Mr Attwood: I think that I am the final Member to speak before the Minister replies. Therefore, given that the Minister has sat in the Chamber for many hours during the past two days, it is appropriate that, speaking for myself and most other Members, I acknowledge her attention. Moreover, given her response to yesterday's debate, I want to acknowledge that, in her current capacity, she is at least responding to the debate, which too often is characterised by exchanges of party positions.

Yesterday, the Minister replied to the material issues and said that she would reply to any outstanding issues on the Floor today. That is the right principle to adopt; a Minister should reply immediately or as soon as possible after a debate. Other Ministers do not adhere to that principle. I remind the Minister of her promise to reply to my questions about whether, further to the ministerial meeting of 28 May, there is a budget line for the childcare strategy, in particular for the period after August, when the funding for PlayBoard expires. Furthermore, I ask the Minister to outline whether a budget line exists for the consequences of any outcome, especially a quick outcome to the equal pay issue. The Minister did not mention that matter in her response yesterday.

I remind the Minister of the welcome commitment that she entered into yesterday about the review of Senior Civil Service pay and bonuses, which I hope will materialise in the fullness of time. In an intervention during yesterday's debate, I said — I repeat it today — that what the Minister said represents an important principle, if it matures in practice. Yesterday, when referring to the senior Civil Service pay and bonuses review, the Minister said that:

“My colleagues are discussing the issue, and the terms of reference may well be extended, as they are not set in stone.” — *[Official Report, Vol 42, No 1, p49, col 1]*.

That is an important principle that now must be developed so that the review extends beyond senior civil servants and takes account of those in publicly funded senior positions. The example was given of the vice-chancellor of Queen's, whose salary increased by one third over four years, allegedly by 5.5% this year and by 13% last year. However, he is not unique. Other senior public officials in higher education and in other publicly funded bodies enjoy equally high — some would say excessive — salaries. Furthermore, they could receive excessive wage increases, which, given the economic circumstances that we all face, is wrong.

It was interesting that SOLACE (Society of Local Authority Chief Executives) has advised its chief executives to publish their pay and expenses on websites in a push for transparency. SOLACE has published guidance on its website to all chief executives to show how they can address public concern about the levels of pay in the public sector. I think that that means at the higher levels of the public sector.

It is important that the Assembly send out the message that the review should cover much more than senior civil servants' bonuses, and I urge the Executive to endorse terms of reference that will do that. In the meantime, I ask the Minister to reply to questions about salaries in the public sector at senior level. For example, does the Minister believe that it is equitable and proportionate for a publicly funded body in the North to increase senior salaries by 5.5% in this financial year, when the offer to other employees in the same institution is an increase of 0.5%, especially given the current economic situation? Does the Minister believe that publicly funded bodies in the North should have a reporting function to the relevant Minister — presumably the Minister of Finance and Personnel — especially given that they are a drain on an already tight Budget? That would enable the salary scales and the salary increases in any one year to be subject to some monitoring by government. That is important when one considers that the Government fund 40% of the entire budget line of Queen's. Will the Minister go further and say that in the current situation, in which some civil servants — one in the North and a number in Britain — have suspended bonuses, it is time for the Government to say that wage increases for senior staff in publicly funded bodies, which come out of the public purse of the Northern Ireland taxpayer, should be suspended?

Given the limitations of the Budget, the three principles of no differential treatment of staff, suspension of wage increases for higher-paid public servants and a reporting requirement to government by publicly funded bodies will go some way to filling in the gap between now and when the review of senior salaries is complete, which, we know, will take some time. I ask the Minister and the Government to consider a much wider review of the size and scale of payments to senior civil servants generally, as Members will be surprised by the scale and size of such payments. Seven senior civil servants at grade 5 or above are currently working in the Department for Employment and Learning. They are on a basic salary of more than £80,000, without bonuses, pensions, increments or length-of-service increases. The Department of the Environment has 16 civil servants at grade 5 or above; the Department of Health, Social Services and Public Safety has 34; the Office of the First Minister and deputy First Minister has 26; the Department for Regional Development has 16; and the

Department of Finance and Personnel has 39. Unfortunately, I do not know the number of senior civil servants in the Department of Enterprise, Trade and Investment, because the answer that came back from that Department is inscrutable and requires someone with greater skills than mine to work it out. My guess is that there are about 28 or 29. That is the size of the Senior Civil Service.

4.45 pm

Having realised that, one begins to consider the issue that Declan O’Loan raised about the performance and efficiency delivery unit and what it reported back, two years after the introduction of the Programme for Government, about how Departments were or were not living up to their performance and efficiency requirements. If we are serious about dealing with the issue of what chief executives and senior civil servants are paid and how that sets the tone and culture for public service in the North, I suggest to the Minister of Enterprise, Trade and Investment that, as part of whatever it is that Mr Dodds says that he does by way of an ongoing review of the Budget, she examines the figures that I have given today. I ask her to do that in light of a meeting between SDLP representatives and the head of the Northern Ireland Civil Service that took place a couple of months ago, during which we asked him to explain why there were 26 officials at grade 5 or above in OFMDFM. He replied, curiously, that there was residual work that had to be done following devolution. The example that he gave us of that work was managing VIP visits. One would think that the head of the Civil Service, when asked about the work of the 26 senior civil servants in OFMDFM, would have given an answer of more substance and weight than a reference to the management of VIP visits. That is, no doubt, part of their function, but I am surprised that senior civil servants would do that type of work.

I suggest to the Minister that the Government are only skirting the issue of salaries and bonuses for senior civil servants. We should deal with the scale and size of our Senior Civil Service, whether it is fit for purpose and whether all those people are necessary and are doing their jobs. Based on many indicators — in respect of DEL also — questions must be asked about how all those issues are worked through.

There is a third and urgent matter to consider. From this side of the House, the nature of some of the debate, especially yesterday’s exchange between Mr Beggs and Mr Hamilton, which was a bust-up about who would or would not make cuts, when they would make cuts and the scale of any such cuts, seemed to miss the wood for the trees. There is a much more immediate and urgent question to be asked about who does what when they are in or out of government. What are public bodies in the North doing, in this time frame, about future spending issues?

I mentioned the situation at Queen’s University in yesterday’s debate. A leaked document, which or may not lack validity — I doubt that it is invalid — quoted informed sources as saying that, from 2012, Queen’s University should expect a 10% cut in Government funds. That was the basis — some might say the pretext — for the threat of more than 300 redundancies. If Queen’s University is thinking in that way, is the University of Ulster doing the same? Are other publicly funded bodies thinking in that way? That is a crucial issue. If Simon Hamilton is right in saying that we do not know what the future holds, then there should be a conversation between funding Departments in government and those that they fund to reassure them about what they might or might not do in the future. If there is a risk of 10% of the staff of Queen’s University being made redundant, whether that risk is spurious, conversations need to be held with Queen’s University or with any other body that is thinking in that way, to make sure that people do not lose their jobs during a recession, when there is no empirical or proper reason for them to do so.

Ministers have an obligation, and it arises from what the Minister of Enterprise, Trade and Investment said in the House yesterday about the block grant beyond 2011-12. She said that it:

“will be confirmed only as part of the next UK-wide spending review, which is not expected until some time next year.”

If people are acting in advance of the outcome of a spending review, then there is an obligation to tell them that they are doing so. Furthermore, they should be reminded of what the Minister of Enterprise, Trade and Investment said about our Budget in the House yesterday:

“Some very rash assertions were made about funding cuts, the best examples of which were made during the debates on the previous Budget, when similar fears were largely overblown. Once again, that highlights the folly of rushed and ill-informed judgement on Budget proposals”. — [*Official Report, Vol 42, No 1, p45, col 1*].

Will there be other institutions — Queen’s University may be one — that will once again have the folly of rushed and ill-informed judgement on Budget proposals that they think are going to come in two or three years’ time? The consequences of that folly and rushed judgement will be that people’s jobs will go to the wall.

There are issues around how the Government are handling the recession, and I will come to those shortly. However, the current situation is that there is a risk of 10% job cuts at Queen’s University, and other institutions could be thinking the same. There could be 10% staff cuts in other publicly funded bodies, in higher and further education, local councils and so on. Is there an obligation to reassure them and ensure that some of the worst practices do not prevail over sensible, mature judgements at this time?

Queen's University may have better sources of information than our Government. It may well be, for example, that the Russell Group of universities, because of its access to information in London, is better informed and is making decisions in advance of those made by our Government. If that is the case, then there is an even more fundamental issue. Where does authority reside? Does it reside in publicly funded institutions taking advice from informed sources outside the North who think that they know better than us? Are the Government in a position of authority, and are they meant to tell institutions in the North what is or is not good public policy when it comes to their future spending priorities and expenditure and the consequences for its employees?

My colleague extracted some very useful information from the Minister of Enterprise, Trade and Investment yesterday about the economic policy units. In doing so, he reminded the Minister about what the SDLP said about economic policy units, which was that, if the three of them could be amalgamated, £0.7 million could be saved in each of the next two years. I suggest that the Government need to think about that.

When the SDLP held the meeting with the head of the Civil Service that I referred to earlier, we asked him what the OFMDFM economic policy unit did. He replied that it had a co-ordinating role in the recession. I invite Members to think about that for a second. The SDLP and other parties are arguing that all that the DUP and Sinn Féin are doing is to manage the Budget in the context of a recession. Now, apparently, there is a group of people in OFMDFM whose purpose is to co-ordinate the Government's role in response to the recession.

Will the Minister confirm what she and her Department's economic policy unit did with respect to the proposals that she brought forward with DEL recently? What was the OFMDFM economic policy unit's input to those proposals? If it had a primary role, what was the Minister's economic policy unit doing at that time? Was it a case of too many cooks spoiling the broth? It just does not add up.

Economic policy units seem to be places to put senior civil servants at grade 5 and above to give them a sense of purpose and mission. Those people may well be doing good jobs, and the Department of Finance and Personnel economic policy unit may be different to the others, but I do not know what the OFMDFM economic policy unit is doing. I ask the Minister to respond to all of that.

The point that Mr O'Loan made yesterday is absolutely right. The Minister said that she was going to meet university economists to see what advice she could get from them. That is a good place to look for advice. It is certainly a better place to look than the

OFMDFM economic policy unit. If it is co-ordinating a response to the recession, God help us all. Yesterday, the Minister said that she would meet economists from our local universities this week to discuss what input they could provide to the economic response to the recession. If I were one of those economists, I would be a wee bit worried about that meeting. The Minister did not speak very respectfully yesterday about the work of two university economists who may well be two of the economists whom she meets in the near future.

The Minister of Enterprise, Trade and Investment: Yes, they are.

Mr Attwood: I thought that they might be.

To paraphrase the Minister's words yesterday, she said that, because the report was commissioned by the Department for Social Development, the Social Development Minister was being self-serving. She also said that one pays for the advice that one wants. Those were not the words she used, but they reflect the tone of what she said. Her exact words were:

"its content and conclusions clearly reflect that it was commissioned by DSD."

The Minister then went further and said:

"Evidence for the construction sector as a whole is based on data for Scotland that are five years old."

She continued by saying that the evidence in the report was based on a single study from 2003 and that the report:

"is not particularly applicable to Northern Ireland or informative in the current economic climate." — *[Official Report, Vol 42, No 1, p47, col 1]*.

In the week that the Minister might be meeting the authors of that report, telling them that their report is not applicable to Northern Ireland does not seem like an invitation for input into the Government. I ask the Minister to reflect on that point, because the report's content is much more serious than her dismissal of it suggests.

The logic of the Minister's comments is that if a Department commissions advice from a consultant, that is self-serving and the advice cannot be relied upon, which is not a credible argument. In any case, it is not respectful to the two men who wrote the report. I ask the Minister to look at the report by Smyth and Bailey this weekend, as she did last weekend. In the absence of any other evidence about the economic multiplier for construction from social housing, it cannot be dismissed. If other Departments, such as the Department for Regional Development, have not gone off and found out what the economic multiplier might be from their investment, that is their problem.

However, when another Department obtains credible evidence, and if there is no contrary evidence, that evidence must be given a fair wind and serious

consideration. If that Department's conclusion is that investment in social housing stacks up in an economic recession and will improve society, so be it. Such an investment is a lot better than buying trains from Spain, which brings no multiplier whatever to Northern Ireland. That has happened, and it is an issue that we may explore further at another time.

5.00 pm

I was listening to an interview the other day, and a well-rehearsed phrase was used to describe this island's economy. "Paradigm shift" was the phrase that was used to illustrate the fact that the future economy of Ireland will be based on the service industries and that as a result of what has happened over the past months and years, foreign direct investment will go into those industries. However, there is a need to discuss the shape that that foreign direct investment on the island of Ireland will take, given what has happened recently. For example, will the Americans ensure that their businesses stay home and manage and reconfigure their economy to ensure that such investment can be made?

The point was also made in the interview that those service industries are not traditional service industries such as ASDA or Tesco, but are service industries to the high-tech industries that are going to be the way forward in the North. For example, when Yahoo invested in Ireland, it came as an IT company. However, it is actually a service industry, and it came here because we have young, imaginative, highly trained and educated people. Although those people would not be creating products in the traditional sense, a paradigm shift would be one element of the development of the economies of Ireland, with the result that they will be based on service industries.

Although I have not responded to what anyone else said during today's debate, I will respond, as is my wont, to what John O'Dowd said. He made many valid points; I am not dismissing his contribution. Indeed, Mr O'Loan endorsed his essential point, which concerned how we must change our culture and attitude to an all-island economy and how it works. That argument is so compelling that it should be self-evident; unfortunately, however, our politics get in the way.

Mr O'Dowd's point was that London should pay its debt to the island of Ireland because of what it did over previous decades and before. I agree that London has an obligation to tell the truth about what happened on this island over the years and decades. I also believe that to maintain stability in Northern Ireland, whatever its future constitutional framework, there must be significant financial guarantees from London.

However, that argument cannot be made without arguing that the republican movement should also pay its debt to the people of Ireland. That has two features.

First, the movement must tell the truth about what it did in the past, and secondly, it must repay the millions of pounds that it has accrued in assets, either voluntarily or by seizure, to the people of Ireland. That demand cannot be made of London while different principles are being applied elsewhere.

If there are to be future guarantees on London funding, and I agree with those demands, I want to know about the millions of pounds in criminal assets that were gathered, and retained, by the republican movement. Furthermore, I want to know how many live investigations the PSNI has into the historic assets of illegal loyalist and republican organisations. I believe that there are none. I want to know how many live investigations the Serious Organised Crime Agency (SOCA) has into the historic assets of the IRA, the UDA, the UVF and the rest. However, again, I fear that I would not be very impressed by the answer.

Mr Brolly: I am very interested in the Member's proposal. However, where exactly does he want to begin with the republican movement? Does he want to start with the Fenians, the United Irishmen, 1916, or does he simply mean 1970?

Mr Attwood: I will start with those who were convicted in Cork for actions arising from the Northern Bank robbery. The Irish state has convicted people —

Mr Brolly: You should have said that.

Mr Attwood: You asked me for an example, so I am giving you an example, and I will give you many more before I have finished. That is where I start, because that was a conviction by the Irish state in public session in a public court, which stated that individuals under the direction of people in the IRA were involved in the Northern Bank robbery. The Irish people have said that the IRA committed the Northern Bank robbery, and there is an obligation on those who committed that robbery to respect the Irish people and their wishes, and hand back that money and all the other moneys that have been taken over the past decades.

In 1984, the New Ireland Forum published a report that assessed the cost of violence up to 1982. That report stated that the overall loss to the Southern economy because of the years of violence, just until 1982, was £1.08 billion. The total cost to the North — including compensation for deaths and injuries, the loss of economic output, the loss of tourism, the increased securitisation of the North and all the horrors and abuses of rights that came with that — was £5.55 billion in only 13 years. That should be put in the context of the discussion about recession, the economy and the need to inject public funds into the North.

The cost to the people of Ireland caused by those who engaged in violence, state and non-state, together with the financial consequences for the economy and tourism of our country totalled £11 billion.

Mr B McCrea: I will check.

Mr Attwood: That is not necessary. When I hear people talk about what the future shape of the island economy should be, about the obligations of London, and about the cost to our people of having less money, I remember that £11 billion was lost by and to the people of Ireland because of what the IRA and others did. That was in only 13 years, and that is the real cost of our current economic difficulties; and that does not even touch on the loss of human life, and the damage to the character, culture and nature of Ireland.

Mrs O'Neill: Go raibh maith agat, a Cheann Comhairle. I think that I am the last Member to speak before the Minister, so Members will be glad to hear that I will stick to health and disability issues, because I am Sinn Féin's spokesperson on those matters.

The political and financial realities that face the Assembly and Executive have been well rehearsed yesterday and today, and it is a given that, as we move through this period of economic crisis, we must do all in our power to address the needs of our communities in a fair, inclusive and equitable manner.

There have been many improvements in the Health Service, and I would not take that away from the Minister. We have witnessed some very welcome improvements in waiting times, trolley waits and service delivery. That said, there are still many challenges facing the Health Service that need to be addressed. There are many issues in the ether about which the people have genuine concerns and feel confused. There is also a lot of frustration among the public, not least because of the big pay-offs that chiefs in the Health Service received. Perhaps we will find those people reinvented and back in quangos or in other positions in the Health Service. When we challenge the Minister on that, he would suggest that it was a spend-to-save initiative. However, it appears to be more of a spending-and-then-spending-more initiative.

That initiative must be weighed against the CSR proposals and the cuts to front line services. There have been cuts to nursing and domiciliary care staff; some nursing homes have been lost; hospital midwives are under severe pressure; there is a lack of respite facilities, and the list goes on.

Front line staff are under pressure, and, as I have said before, the health profile of people in the Six Counties is poor. If we are serious about improving the unacceptable ill-health statistics, we must strike a balance between investing to deal with ill health and investing to eradicate the social and economic causes of ill health. John O'Dowd and other Members said that one of the biggest wastes of resources is having two distinct health services on this small island. As we all know, health is an area in which there should be co-operation. Co-operation must be exploited to the

maximum benefit of everyone who lives on the island, and especially those who live in communities that straddle the border.

It is time for the Health Service to be inventive so as to improve the unacceptable ill-health statistics. If we are serious about tackling the problems, we must address the root causes of discrimination, poverty and social exclusion. We need to return to the Investing for Health policy. We should invest early so that people will not require care for long-term conditions or as many hospital admissions, etc. Investing for Health was a preventative rather than curative approach to health and will undoubtedly lead to long-term savings in the Health Service.

The establishment of the new Public Health Agency presents the Health Service with an opportunity to consider long-term investments rather than short-term fixes. The agency can assess the health agenda from a cross-departmental perspective and provide early education for young people so that they can make better-informed life choices. I look forward to working with the new agency, and I envisage it creating long-term savings for the Health Service.

I want to highlight a few other issues in my role as the party's disability spokesperson. The Department of Health, Social Services and Public Safety is developing numerous strategies and action plans that we expect will be published for consultation in the coming months. I welcome those developments, as do the people who need the services. However, I wonder whether the Minister will have sufficient money to back up the very important strategies on which we have been waiting for some time. For example, the draft disability strategy will cover physical, sensory and communication disabilities. It will address the pathetic level of access to wheelchairs; neurodisability; prosthetics; sensory impairment, and speech and language therapies. Action in all of those areas is long overdue. The Minister made commitments in the Budget to introduce the relevant measures, but some of his statements make one doubt whether that will happen.

We also have to deal with the serious issue of people with learning disabilities who languish in places such as Muckamore Abbey. The latest departmental figures suggest that Muckamore Abbey has 270 people with learning difficulties who are waiting for packages to enable them to live independently in the community. How much does that cost the Health Service? Is that a good use of Health Service funds? The Health Service faces many challenges, and there must be delivery on the ground.

Mr Ford: I start by saying that I will be the last Member to speak before the Minister: I think that I am the fourth Member in a row to do that.

Inevitably, the debate on the Budget (No. 2) Bill has been wide-ranging. To mix the metaphors of Peter Weir and Alex Attwood, we have seen many people riding their hobby horses around their favourite trees, but we seem to have lost sight of the wood. We have talked endlessly in the Chamber about the supposed priorities in the Programme for Government, the various Budget processes and prioritising business and enterprise. Although there have been some achievements in that regard, questions remain about whether our priorities are right in order to build up local businesses and whether the budgeting process is sufficiently flexible to take account of the changes that have taken place in the world economy over the last couple of years.

5.15 pm

At the risk of sounding like a member of the Ulster Unionist Party, which, I am sure you will appreciate, Mr Speaker, I do not wish to do, I suspect that some of the populism that is inherent in the Budgets that we have seen has now reached the point whereby it is starting to catch up with Ministers. I will give one example of that particular hobby horse going around its favourite tree. Stephen Farry placed emphasis on what he described yesterday as the spring fuel payment: it was not a winter fuel payment. It required pensioners to take a leap of faith that they could afford to buy their fuel in the winter when most of us tend to use more fuel than we do in the summer, although apparently not those on the DUP Benches. It required that leap of faith and then delivered only a subsidy to the fuel companies. We could have seen real action on energy efficiency from that.

Given the Minister's previous role as Minister of the Environment, her current role as Minister of Enterprise, Trade and Investment and her acting and, perhaps, future role as Minister of Finance and Personnel, I had hoped that she could have seen the benefits of promoting jobs by developing and then expanding an insulation campaign, rather than simply making a populist gesture that dealt with the problem for only one winter and has done nothing.

We do not yet know what the Executive will offer to people living in fuel poverty next winter and in future winters. That is an example of placing priority, in name only, on supporting enterprise, when a large number of small building firms would have welcomed the opportunity to engage in a house insulation programme for households in most need. However, those firms have not had the opportunity that they would have been given if priority had been placed on a different area.

Mr Speaker, you will be pleased to know that I do not intend to speak for as long as some Members have. I gather that my colleague Stephen Farry managed to make only the fourth-longest speech of the entire debate, although he did his best. Some of today's

speeches reminded me of the time when my good friend Simon Hughes said in the House of Commons, "and, Mr Speaker, nineteenthly".

I shall certainly not rehash 19 points or even half that number, but we need to look yet again at the glaringly obvious elephant in the room, which is the lack of any action on the costs of division. The argument was so well highlighted by Stephen Farry that I do not need to repeat it, although I welcome the fact that it has been referred to by other Members such as Nelson McCausland. I also welcome the fact that John O'Dowd and Peter Weir indicated a willingness on the part of their parties to look at the costs of division in general. Of course, John O'Dowd dressed it up as concerns about the costs of the Irish border in determining the economics of both parts of the island. However, the practical reality is that the costs of division in Northern Ireland are significantly greater, as I shall show later, than the costs of division across the border.

Another matter that does not seem to have merited any discussion today involves the cost of the institutions, the size of the House and the number of Departments. I am surprised that the more articulate DUP Back-Benchers, at least one of whom is still present, did not manage to discuss it as it has been mentioned by the DUP leader elsewhere. *[Interruption.]*

I will give way to Mr Hamilton if he wants me to. Hansard will note that he failed to take the opportunity to intervene on that point. No doubt Mr Hamilton will revisit it at a more opportune moment.

The issue is not about saving the salaries of a number of permanent secretaries and a few more people in grade 5 posts, as Alex Attwood properly highlighted; rather it is about the opportunity costs of the failure to get joined-up Government in this place and the efficiencies that could be realised. It would create a much better emphasis on that supposed concentration on the economy if we had fewer Departments, with a more coherent range of responsibilities in each Department, and fewer MLAs keeping an eye on what was being done. However, perhaps Mr Hamilton and I will revisit that on another occasion.

The debate, as is entirely appropriate for a Budget debate, has dwelt on economic and fiscal issues. At times, there seemed to be confusion between them. There is no doubt that the economic issues that are affected by the Budget will have a significant impact on the private sector in Northern Ireland and, perhaps, wider afield as we look towards our private sector engaging in markets overseas, in Great Britain and across the border.

There are undoubtedly several significant areas in which we could be promoting that type of cross-border

co-operation. Although Nelson McCausland may not like it, the vast majority of people outside this island regards Ireland as a tourist destination. People do not view Northern Ireland and the Republic as being separate. It is important that work be done in such a way as to capitalise on that tourist market throughout Europe and North America.

Last week, genuine issues were highlighted over the way in which entry to higher education will operate across this island. It appears that some students from Northern Ireland may encounter difficulties in accessing places at universities in the Republic. However, it must also be recognised that many students from Northern Ireland wish to access university places across the water. It is not simply a matter of suddenly jumping to adopt an all-island approach while ignoring that second dimension.

Mrs O'Neill cited examples of the kind of co-operation that could take place in acute hospital services. Undoubtedly, difficulties occurred in choosing between Omagh and Enniskillen as the location for the new principal hospital in the south-west. The discussions were conducted in a partial vacuum that did not take account of hospitals in Sligo, Monaghan and Dundalk. Those hospitals have a bearing on Daisy Hill Hospital, Craigavon Area Hospital, South Tyrone Hospital, Tyrone County Hospital and Erne Hospital. If we are to maximise the economic opportunities and use available resources for the greatest benefit, all such issues must be taken into account.

Patients from Northern Ireland travel frequently to major hospitals in Dublin for specialist services. However, much more could be done to increase the practical co-operation that benefits everyone. That is not an issue of fiscal harmonisation or forging a political link but a question of being practical and recognising that, on a small island with a population of six million, much could be done better by working together.

I welcome the recognition from at least some on the DUP Benches that there are practical issues on which co-operation will help everyone, although there is constant muttering against that from the Ulster Unionist Benches. Mr O'Dowd's economics suggest that the wicked Brits will somehow pay for everything. However, I am not sure that we can expect that to happen in the context of the total all-Ireland harmonisation that he wishes to achieve. I declare an interest as someone who used to be called a Keynesian but is now, I believe, called a "Cableist" economist. When John O'Dowd rejected every possible source of economic information, with the exception of Karl Marx, I doubt that he was in line with the thinking of the great majority of people in either part of this island. I may be proven wrong, but the recent election results in the Republic do not show that I am.

Issues must be examined in harmony with other UK regions, too. This week's report on potential increased tax-varying powers for Scotland has ramifications for the Assembly. It would not be particularly easy to have tax-varying powers, but they could bring benefits. The Azores ruling on the potential for such tax-varying powers makes it clear that, if the economy is prepared to take a short-term hit, an opportunity exists under European law to take up that option.

Dr Farry: Given what I am about to say, the heckling from my left may not be terribly appropriate.

Does the Member find it strange that the Conservative and Ulster Unionist Party criticises the Alliance Party's stance on tax-varying powers at the same time as it is advocating enterprise zones in Northern Ireland? How does that party expect enterprise zones to work without our having tax-varying powers?

Mr Ford: The Member asks whether I find that strange. Frankly, given the contributions on the economy from that party over the past few days, I do not find it strange in the slightest. The Minister appears to agree with me, so that will save her from kicking the Ulster Unionists on that point later. However, there are — *[Interruption.]*

Mr Speaker: Order. The Member has the Floor.

Mr Ford: The cost of division operates at an all-Ireland level on some issues. However, the Assembly is not yet confronting, on behalf of society, other, far greater costs of division. A small number of institutions of further and higher education may have problems that have a cross-border angle.

However, Northern Ireland has many villages in which there is a potential issue about whether maintaining two primary schools would be an excessive cost to the public purse, if people were able to move forward with a degree of co-operation or to a single, integrated school.

There are small towns in which maintaining a post-primary school is an issue related to the excessive cost of division. Issues that are not relevant in other parts of Northern Ireland do apply in areas of Belfast where health centres cater for people from only one side of a line, either visible or invisible. Those are all issues where there are very real costs of division, and there is no sign in the Programme for Government or in the Budget process that they are being tackled.

I have just a couple of further points. I think that we —

Mr B McCrea: Oh, there is more.

Mr Ford: Regrettably, it appears that Mr McCrea does not seem able to understand the simple economics that are being put to him. I was trying to make my

speech as simple as possible for the benefit of him and his colleagues. I shall do my best.

The real issue is whether the investment strategy that is highlighted by the Executive has the necessary degree of prioritisation on those issues that will enable us to develop the kind of economy that we will need in the future. It is fine to say that we are prioritising the private-sector economy. However, what parts of that are we prioritising?

For example, I believe that Mr Weir or Mr Hamilton referred to the M2 widening as a piece of public investment. There is no doubt that that provides a certain benefit, but the practical reality for those engaged in transporting business goods is that for most of the day it has made no real difference. What it has done in other terms is to shift a traffic jam, so that Sandyknowes no longer features on the BBC traffic reports every morning; instead, Nelson Street does. I have considerable doubts about whether that is a good use of public money, as opposed to spending it on the kind of public transport developments that are needed to deal with the commuter problem in Belfast.

We must be sure that what we do makes a real difference to enabling our businesses to function, profit and grow for the future. It has been too easy for the Executive to assume that any level of investment can be dressed up as benefiting our economy in a way that has not yet been proven in practice. In that context, I look forward to hearing from the past Environment Minister, present Enterprise Minister and future who-knows-what Minister as she answers for the Department of Finance and Personnel.

The Minister of Enterprise, Trade and Investment (Mrs Foster): It is with great delight that I at last rise to wind up the debate. I am grateful to most Members who have contributed during the debate on the Second Stage of the Budget (No. 2) Bill.

Some time ago, there was a discussion about whether the G20 summit could be called the new Bretton Woods. One need look no further than the House for the new Bretton Woods, because some of today's discussions have been really quite awe-inspiring. I hope to get to some of those later.

I again thank the Committee for Finance and Personnel on behalf of the Minister for its role in ensuring the Bill's accelerated passage. The Committee's assistance will facilitate the continued supply of cash to Departments in order that they can deliver public services and it will provide additional resources, including accruing resources, for use by Departments on those services. I thank the Chairperson, Mr McLaughlin, for confirming in writing that the appropriate consultation took place with his Committee.

In the rest of his speech, Mr McLaughlin asked when the review of the Budget processes would come before the Committee, something that I indicated yesterday in my winding-up speech in the Supply resolution debate. He knows that the evidence base has now been largely collected; officials have consulted quite widely, and the Minister will consider the matter very soon. I am sure that it will then go directly to the Committee for Finance and Personnel.

Next, Basil McCrea, the first of the two Tory boys, came out to play. As I stated yesterday, and will repeat today because Mr McCrea was not here, all Departments have been invited to put forward spending bids as part of the June monitoring round. I understand that considerable bids have come in, and they will be addressed as usual by the Executive in due course.

5.30 pm

With respect to overspending the Executive's Budget, the Member will wish to note that his party's submission to the draft Budget consultation argued the case for a higher level of overcommitment, which would have resulted in even less flexibility to meet in-year pressures. However, we will deal with monitoring round matters in the normal way, and the Member will see the state of the Budget then. I know that he eagerly anticipates that outcome. *[Interruption.]*

Mr Deputy Speaker, the Member need not make asides on every point to which I reply.

The Member pointed out that budgets should be subject to regular review and change. It is not often that I agree with him — in fact, this may be a first — nevertheless, he is right, and that is precisely why we have the in-year monitoring process. However, the Member's implication that budgets should be completely rewritten ignores reality. We are dealing with massive amounts of money and with a range of services and service providers, and sensible service delivery can only take place when there is some degree of stability and forward planning.

We heard a great deal from the Member about honesty and the need to move away from spin, and we also heard a great deal about George Osborne's being the pin-up boy for the Ulster Unionist Party. He was quoted, ad nauseam, about delivering public services and making tough decisions. It reminded me of the cartoonist Matt, a favourite of mine, whose cartoon in 'The Daily Telegraph' today shows a man walking into a hairdresser and asking for no cuts, just efficiencies and tough decisions. At the minute, that is the language of the Tory Party, and Mr McCrea's speech-writer has obviously inherited some wording from Central Office. Indeed, that was apparent in Mr McCallister's approach as well.

Politicians must be clear and honest, but they must not scaremonger. Before Her Majesty's Budget, Mr

McCrea and his colleagues gave us just that. However, in the event, we saw nothing close to what they were talking about, so they must reflect on what they are doing. Let us have open and honest government, but let there be no scaremongering.

Mr B McCrea: I appreciate the Minister's allowing me to intervene, and I promise not to detain the House. In Her Majesty's Budget, Chancellor Darling announced that, by 2013, capital expenditure is to drop from 3.1% of GDP to 1.3% of GDP. Given that relative to the UK, Northern Ireland spends more than 4% of its GDP, does the Minister not think that that means that we will have to manage real cuts?

The Minister of Enterprise, Trade and Investment: Obviously, the Member has not reflected on the fact that we have been given Barnett consequentials; that is a benefit of being in the United Kingdom, which is a point that I will address later. The Member must recognise and address that. There is no point in highlighting one aspect of the Northern Ireland Budget without considering the overall Budget. That is another point on which he must reflect.

The Member also talked about the Programme for Government and the economic downturn. He must look again at the Programme for Government, because the 2007 Budget allocations were based on the expectation of a slowdown in global economic growth. I do not suggest for one minute, and no one is, that the scale and speed of the economic downturn was predicted — it was not — but the Executive are dealing with it and we have adjusted our plans, as recent initiatives to deal with the economic downturn by the Minister for Employment and Learning and, indeed, myself demonstrate.

Mr McCrea said that the PFG targets will not be met and that budgets must be amended. I do not accept that bleak prophecy: my Department has many targets that are on line to be met. However, a more important issue is that we must move the focus from spending to the delivery of services. Listening to the Member, one might think that delivering public services is just about spending money; that is not the case. In fact, public services are about providing services to the public, and yesterday, in my response to the debate on the Supply resolution for the 2009-2010 Main Estimates, I made a point about delivering better public services.

That is why the Executive agreed the new performance management framework in March, as Mr O'Loan mentioned. It is also why the First Minister, when he was the Minister of Finance and Personnel, established the performance and efficiency delivery unit. I will touch on those issues later.

Those very initiatives are intended to facilitate and ensure the delivery of the Programme for Government targets and improve the quality of public service

provision. That is the debate that we should have, rather than a debate that has a simplistic focus on cuts and money. I noted what other Members said about the Ulster Unionist Party. We heard a lot of Members on the UUP Benches asking what our alternative is. Our alternative does not involve just cuts, which seems to be the only thing that came from the Ulster Unionist Benches today. Our discussion should be about better service delivery and making the best use of the money that we have.

In relation to education pressures, the Finance Minister stated at the time of the strategic stocktake that many of the costs may not materialise to the extent that was suggested by Departments as, in some cases, the costs were largely speculative. That was a warning that he gave to all Ministers. It has been shown to be the case by the Department of Education's June monitoring return, which registers a significantly lower level of pressures compared with the £60 million in the strategic stocktake for 2009-2010.

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

Dolores Kelly asked a number of questions. She made a very clear plea that we should take further steps to reduce the levels of sectarianism and racism in our society. In many ways, racism is the new sectarianism in Northern Ireland. I join with Dolores in condemning the attacks in south Belfast over the past number of days. It is absolutely disgraceful, and we need to send out a very strong message that those sorts of attacks on anybody, no matter where they come from, will not be tolerated. That was recognised in the Programme for Government, which, as Mrs Kelly mentioned, sets out to build a peaceful, fair and prosperous society in Northern Ireland. Departments must develop their own priorities and policies in the context of that. However, as she would expect me to say, it is primarily a matter for the First Minister and deputy First Minister to deal with by working with their respective Ministers. That is also the case in respect of the sustainable development strategy and the victims' strategy.

In relation to the Peace III funding issue that Mrs Kelly raised, all EU funding for the Peace programmes is ring-fenced and cannot be spent in any other areas. The current Budget allocation to Departments contains sufficient provision for match funding to ensure that all EU moneys can be, and I very much hope will be, drawn down.

We heard a lot about George Osborne being the pin-up boy of the Ulster Unionists. Now Stephen Farry has told us that his pin-up boy is Vince Cable. It was all very illuminating as Members got that off their chests. In any event, I welcome Dr Farry's acknowledgement that the significant figures that were previously quoted in respect of the cost of division

were flawed and overstated. I hope that the proposals that have been published today, of which I have received a copy but have unfortunately not yet had time to look at, will be deliverable and more closely aligned with the realities of what can be achieved together with the full implication of the changes that they propose. Having said that, the Alliance Party is to be commended for wanting a mature debate that is based on empirical evidence. That was in contrast to some of the empty words that were offered by others.

I will not go over everything that was mentioned by Dr Farry. However, in relation to his point about the review of Invest NI and DETI policies, he should know that the terms of reference take account of the issue of regionality. Therefore, his point about DETI needing to take that into account has already been taken on board.

Mr O'Dowd advocated greater alignment with the Republic of Ireland, something to which Mr Attwood also referred. I think that all Members in this House, as well as the wider public, are only too aware that at this time, we should be grateful for the clear separation from the Republic of Ireland because of the position in which it finds itself.

I hear a lot about working together as an island economy. However, we should not forget that we are competitors with the Republic of Ireland for foreign direct investment. When we go out on trade missions, we are trying to sell the Northern Ireland proposition, and, indeed, Republic of Ireland colleagues are out selling their proposition. We need to remember that.

A key reason why Governments exist is for public service provision. We would see a material erosion of the high quality of services here if we had a clear integration with the Republic of Ireland. People need to reflect on that as well. Public services and driving economic growth are better in the hands of the Executive, underpinned by the strong fiscal benefits that flow from being an integral part of the United Kingdom. Those benefits have been referred to. Dr Farry put the question, as I did yesterday, of where we would get the £7 billion of subvention without the Barnett formula that we have.

With regard to the economic policy that Mr O'Dowd advocated, there is a distinction between the low-tax, poor-public-services policy adopted in the Republic of Ireland and the high-tax, good-public-services policy adopted in other parts of the European Union. However, the Member appears to want the best of both worlds, with low taxes and high-quality public services. We need some reality in the debate. What Mr O'Dowd was advocating is simply not realistic. He gave no explanation of how we would deal with the £7 billion deficit from subvention, apart from the fact that we would ask the Treasury to pay for us. That is a

reverse on the position of no taxation without representation: we are going to have subvention without any representation. That really and truly is in the realms of fantasy politics. I am surprised at Mr O'Dowd for coming off with such nonsense.

Finally, in his usual valiant attempt to defend his Minister of Education, Mr O'Dowd lectured DUP Ministers on not listening. That is such irony coming from the party of the Minister who has singularly failed to listen to Members in the Chamber or to people outside the Chamber — or, indeed, anywhere else — in relation to academic excellence in our schools. That is all that I will say on that issue.

Now to Mr McCallister, who read — not even well — a speech that had been given to him on the need for an honest assessment of the public expenditure position. Essentially, it was a Conservative Party speech. Like the shadow Chancellor, who suggested that the gap can be bridged with easy targets such as the cost of politics and the level of pay in quangos, the Ulster Unionists are complicit in not providing the full picture to the electorate as shown by the slapping down, referred to by Dr Farry, of Andrew Lansley, who was basically told to shut up and keep quiet until after the general election had taken place. If we want honest politics, and if we want to be open, we should have the full picture given to us by the Ulster Unionists.

The Finance Minister has been very clear about the tough issues. We heard a lot about water charges from Mr McCallister. There are huge issues that have to be addressed about water charges. I have to say that the toing and froing that took place in the Chamber today about who will be saying yes or no to water charges is not the sort of debate that we will need on the subject. Every party will have to come up to the mark on that issue; they cannot simply opt out of making the decision when it comes before them.

In relation to enterprise zones, I am not in favour of making Northern Ireland out to be a special case, in need of special attention. People need to look at that very clearly. At a time when we are putting ourselves forward as an open regional economy for people to invest in and are encouraging them to see us as moving forward, as a place for research and development, somewhere that people can come to and invest in, what are we going to do? We are going to present ourselves as a special case. I am not in favour of that, never mind the fact that we have not heard how, given that we do not have tax-varying powers in Northern Ireland, we will deal with the whole concept of the enterprise zone.

5.45 pm

Mr O'Loan made a lengthy speech. I hope that I will be able to deal with most of the issues that he raised, but, if I do not, I am sure that he will let me know at a later date.

The Northern Ireland Act 1998 does not place any legal obligation on the Executive to lay a Budget every year as long as there are firm expenditure plans for each year, which there are. Furthermore, a formal Budget process would give rise to unrealistic expectations regarding the additional services that could be funded when, in fact, the resources required would have to be found from Departments' existing budgets. The focus should be on the delivery of the Programme for Government commitments. We will be happy to review the Budget when sensible proposals, which cannot be addressed through in-year monitoring, are put forward.

Mr O'Loan said a lot about Workplace 2010 and about my comments yesterday, and he contrasted them with comments that other people had made on different occasions. Although market conditions were a contributory factor to the suspension of Workplace 2010, it is clear that the project was already affected by there being one bidder rather than two. As Mr Hamilton stated, there is nothing contradictory about those positions, and they are not mutually exclusive. Each factor was considered in the decision-making process for Workplace 2010.

Mr O'Loan quoted two comments that I made in yesterday's debate, the second of which was:

"Lower construction costs also provided an opportunity for Northern Ireland Departments to procure capital projects at lower cost." [*Official Report, Vol 42, No 1, p46, col 1*].

Therefore, I referred to the very issue that Mr O'Loan said that the Minister of Finance and Personnel had mentioned earlier.

Mr O'Loan mentioned the Bain Report and said that we were seeking decisions about it, but it has not yet been discussed by the Executive. There are difficulties with the Bain Report, and I would not be doing myself any justice if I said otherwise. People know that I am a straightforward person, but, as a Member for Fermanagh and South Tyrone, I have difficulties with the Bain Report, not least because it considers only physical infrastructure instead of the broadband infrastructure that we are putting in place and other ways to bring work to areas that may not have the required physical infrastructure. A debate is needed about the Bain Report rather than a mere rubber-stamping, of which I would not be in favour.

The shortfall in capital receipts was also mentioned. It was not compensated for by slippage in other capital projects alone. Instead, unallocated end-year flexibility funding was used, as well as the reclassification of current expenditure, to supplement the available funding. That allowed Departments to deliver record levels of capital investment last year, as mentioned by my colleague Mr Hamilton.

In-year monitoring provides Departments with the scope to reduce the level of funding for low-priority areas in order to increase funding for others. Mr O'Loan spoke about a "modest redistribution". A sum of £1 billion is not a modest redistribution: that is the amount that has been moved through the system since the restoration of devolution. The level of overcommitment for 2009-2010 is lower than the 2007-08 and 2008-09 levels.

PEDU has led DFP's work on the establishment and ongoing implementation of a robust framework to monitor and drive delivery against the Programme for Government and PSA targets. I noted Mr O'Loan's comments on PEDU. It will continue to work with Departments in specific areas, as thought necessary, to ensure that funds are allocated to deliver improvements in delivery and outcomes. PEDU has worked with the Planning Service; it arrived as I was leaving the Department of the Environment. It has considered ways to improve planning processing times for delivery against the challenging PSA targets. PEDU is also conducting a review in collaboration with Land and Property Services.

I am sure that the Member will agree that, now more than ever, taxpayers' moneys must be spent wisely. Part of that means that some taxpayers will want to see the improvements in services that were promised in the Programme for Government delivered in full, on time and with the proper use of resources.

To that end, a robust framework has been put in place to monitor delivery. I noted Mr O'Loan's comments about that framework. Surely the robustness of the monitoring system is shown by the criticisms that the Member quoted from PEDU. If the system is criticised, it means that it is working; it would be worse if there was no criticism and people were still complaining about the level of delivery. The real measure of progress now will be the way in which Departments review and improve their plans.

Mr O'Loan said, and I hope that I am quoting him correctly:

"If you are not meeting a target, you should change it."

That is a very poor way to make progress. Why would one try to meet a target when one can simply change it if one does not meet it? There is no rationale behind that. The statement — [*Interruption.*]

That is what was said:

"If you are not meeting a target, you should change it."

Mr O'Loan: I was paraphrasing the criticism that was in the DFP's document: when Departments faced uncomfortable targets, they changed them.

The Minister of Enterprise, Trade and Investment: That is certainly not happening in the Department of Enterprise, Trade and Investment; we

do not change our targets even though some people have said that we should because we will not meet them. That is not the way to operate. We keep our targets, and if we do not meet them, we give the reasons why. Other Ministers and I will certainly push ahead to try to meet those targets.

Mr Attwood: The fact that the Minister had to change tack confirms the validity of the point that was made. She misheard the comment, and now she is criticising anybody who says that she should change targets. If a report is given to the Committee for Finance and Personnel that says, essentially, that Departments should change targets if they cannot meet them, does that not contradict the Minister's support for the initiative that she outlined in her previous comments?

The Minister of Enterprise, Trade and Investment: No, it does not. Being challenged is part of being in Government. Would it not be terrible if I did not have to sit here for six hours listening to people challenging me about the Budget? Would that not be wrong? The fact that PEDU is attracting criticisms shows that it is working.

I apologise to the Member for picking up his comment wrongly; I thought that he had said that. I am glad that he did not say that and that he agrees with me that targets are there to be met in full.

Nelson McCausland and Mr Ford raised the same point about Tourism Ireland. Members will understand that as a unionist, I am not entirely comfortable with the concept of Tourism Ireland. However, when I became Minister of Enterprise, Trade and Investment, I had robust meetings with Tourism Ireland about how it delivered for Northern Ireland. In the past, I believed that Northern Ireland did not get the best change out of Tourism Ireland's work. However, I am alert to that issue.

I wish to tell Mr McCausland that a campaign that was launched across GB last week highlights the fact that Northern Ireland's currency is sterling and that savings can be made with it. I hope that it will deliver specifically for Northern Ireland, and I commend Tourism Ireland for its work on that campaign for Northern Ireland.

Sue Ramsey talked about the effect of the downturn on the most deprived, and the Executive fully recognise that the economic downturn will have a major impact on the most deprived people in our society. That is why the Finance Minister provided funding for the fuel poverty assistance scheme, which provided £150 to more than 150,000 low-income households. I will return to that issue later, because it was raised by the Alliance Party in relation to my feelings about energy efficiency.

I thank Alex Attwood for his opening comments. I responded to the childcare issue this morning in my opening remarks.

As I set out yesterday, the Civil Service equal pay claim involves complex issues and there is still a great deal of work to be done before the matter is resolved. I know that that will disappoint many Members; however, discussions are continuing and the Minister has had a meeting with NIPSA. As I said in the House yesterday, we want to work to a negotiated settlement rather than having to resort to litigation. Discussions are continuing and it would be inappropriate for me to comment further at this stage.

I have a personal view on senior salaries and public-sector pay, but I will not pre-empt the review that the Minister of Finance and Personnel announced last week. However, the fundamental principle remains that public-sector pay should be sufficient to recruit, train and motivate staff, and I am sure that the Member will agree with me on that. I will not comment on individual cases without the full details being available, although, as he knows, most public-sector workers are subject to HMT pay guidance. We must also recognise the realities of the existing terms and conditions that many public-sector workers have.

With regard to the reduction in QUB funding, we made enquiries with the sponsor Department for Queen's University, and it is not aware of where the figures that Mr Attwood quoted yesterday from Saturday's 'Irish News' came from. It has certainly not been given any figures of that amount from DFP. It is not for me to tell Queen's University what to do. However, I repeat that the Budget allocations for 2011-12 and beyond will be confirmed only as part of the UK-wide spending review next year. I agree with the Member when he asks whether it is appropriate for Queen's University to be getting information from another place. I assume that he will take that matter up with the Minister for Employment and Learning, because that Minister has the right to ask whether that is the case, and I am sure that he would do so if the Member were to ask him.

Much was made of the economic policy units in DETI, DFP and OFMDFM; however, those units carry out very different functions even though they all have the same title. My own economic policy unit is taking the lead role in the review of Invest Northern Ireland, while DFP's unit is looking at public-sector pay policy. I am sure that if the Member wanted to raise the issue of OFMDFM's economic policy unit, OFMDFM would be happy to give him an answer.

Mr Attwood: You can ask them.

The Minister of Enterprise, Trade and Investment: I cannot ask OFMDFM, and there is no point in saying that I can. I am more concerned with

the Department that I am representing today and the Department for which I have responsibility.

With regard to the report from Bailey and Smyth, he who pays the piper calls the tune, and the Member will know what I mean. There is an element of that in their report, and the Member cannot deny it. However, I did not dismiss the Bailey/Smyth report; I just did not think that the analyses were wide enough, and I pointed that out yesterday in relation to some of the indexes that were used. Had I been free this afternoon, I would have met one of the authors to discuss the report and other issues. However, I hope to be able to do so in the near future.

The Member is correct that foreign and direct investment has moved into service industries, as it is shifting into different areas. I want to see more research and development coming to Northern Ireland. I have looked closely at how Israel has used research and development as a lever to attract investment, and I want to see whether we can do more on that. Nevertheless, as the Member knows, we are doing a great deal on research and development.

6.00 pm

David Ford mentioned fuel poverty. It is no secret that I would have liked to have seen more on energy efficiency in that package, but the Executive held a discussion about that, and there was a feeling that there was a need for an approach that delivered immediate benefits. Mr Ford may say that the benefits were not immediate, but the assistance package consisted of a sum of money to be provided to low-income households in the context of record-high oil prices. We need to have a discussion about energy efficiency in the home, because there is no point in considering renewable energies, as we are in the interdepartmental working group on sustainable energy, if we have not first addressed the issue of energy efficiency. That is vital to our efforts.

I turn to the savings to be made through a reduction of the size of our institutions. It is true that only a modest level of direct savings, through salaries and allowances, of around £6 million a year would be made through a 50% reduction in the number of MLAs. However, more significant savings would be made from a reduction in the number of Government Departments. It is clear that there is duplication, some of which Mr Attwood pointed out. Therefore, we need to have a discussion about the reduction of the scale of this place, and I hope that we will be able to do that in a meaningful way in the near future.

In conclusion, as we continue into 2009-2010 and face the first monitoring round in the next few weeks, there are many challenges ahead for us as an Administration, not least water charges and Civil Service pay. Those challenges must be met with

political maturity by putting aside parochial interests to make tough yet practical and long-sighted decisions that will assist our economy to recover, with resultant benefits for the whole of our society.

I thank Members for their interest in this legislative stage of the public expenditure cycle. It is good to robustly debate the issues, and today's discussion has been good. Again, I thank the Committee for its support in securing accelerated passage, and for ensuring that the legislative timetable is adhered to in order to continue to deliver public services across Northern Ireland. I ask the House to support the Bill.

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

Question put and agreed to.

Resolved (with cross-community support):

That the Second Stage of the Budget (No. 2) Bill [NIA 8/08] be agreed.

EXECUTIVE COMMITTEE BUSINESS

Sea Fish Industry (Harbour, Landing and Light Dues) Scheme (Northern Ireland) 2009

The Minister of Agriculture and Rural Development (Ms Gildernew): I beg to move

That the Sea Fish Industry (Harbour, Landing and Light Dues) Scheme (Northern Ireland) 2009 be approved.

The sea-fish industry scheme provides much needed assistance for the sea-fishing industry, which suffered exceptionally high operating costs throughout 2008, mainly because of a steep rise in the price of marine diesel, which constitutes between 30% and 40% of the running costs of a fishing vessel. On top of that, the end of 2008 saw the effects of the global economic downturn start to bite, with a fall in demand for prawns, the mainstay of our fleet.

The scheme assists vessels with berthing charges and fish-landing dues, as well as fees for the use of navigational aids provided by lighthouse authorities. The assistance is only for costs incurred in 2008, and is a one-off measure until longer-term assistance, involving fleet adaption and restructuring, becomes available later this year through the European Fisheries Fund. The assistance is being provided under fisheries de minimis state-aid rules, which means that aid does not have to be notified to the European Commission, provided that no undertaking is paid that totals more than €30,000 over three years.

Any other de minimis payments that are made in three years would count towards the ceiling level. The Department will record the amount of aid that is paid now and in future to beneficiaries to ensure that de minimis ceilings are not exceeded.

I estimate that total funding paid under the scheme will amount to around £600,000. I am grateful to my Executive colleagues for approving funding for the scheme, which is part of the overall package of measures that the Minister of Finance and Personnel announced in December 2008 to assist our economy through the downturn. I am pleased to advise the House that, by the closing date of 12 June 2009, 174 claims were lodged. I expect the first 50 claims to be paid by 30 June and the rest to be paid during July 2009.

This assistance is important in building confidence in our fishing industry, and it will encourage the sector to embrace the change that is needed to meet the challenges ahead.

Mr Shannon: I thank the Minister for her statement. I have lobbied long and hard for help for the fishing industry, and it is good to hear about a good news story that is worth £566,000. The fishing industry needs that sort of news.

The Minister said that the scheme will qualify under what is referred to as the de minimis regulation. Have Scotland, Wales and England received similar funding? Can the Minister tell us whether there is any indication of how many licensed fishing vessels will qualify? I know that an equality impact assessment and a regulatory assessment have been done, and it seems that all fishing industries that are licensed in Northern Ireland that faced operating charges in 2008 will qualify. Does that mean all the fishing vessels in Northern Ireland? Is there an indication of the average amount of money that each boat will receive? I can see the Minister shaking her head that there is no such indication, but I asked the question anyway.

The approval of the scheme is good news. For many years, the fishing industry has, with respect, been the poor partner in the Department of Agriculture and Rural Development (DARD). The fact that the fishing industry is to get some financial recompense and help is an indication that, at long last, it is getting the help that it should. Many adverse comments have been made about the fishing industry, including those that were made as a result of the film that was on TV recently. Those comments are completely wrong and tell the wrong story about the fishing industry. Today, we have heard good news; let us highlight that news.

Mr W Clarke: Go raibh maith agat, a LeasCheann Comhairle. As the previous Member who spoke said, the investment in the local industry is welcome. I thank the Minister for the efforts that she has made for the fishing industry, and I thank her Executive colleagues for backing her proposal.

The hardship package will help with paying harbour dues, landing fees and light dues. That will benefit a number of fishermen, particularly in my constituency of South Down. When the proposal was being worked up, the fishing industry, particularly the prawn sector, was under extreme pressure because of the price of fuel. We must focus on the sustainability of the fishing industry, and we must prepare the fleet to be more fuel efficient. Grant funding from the EU fisheries fund can help to work towards modernising vessels to meet health and safety requirements and to improve working conditions while at sea.

The European Commissioner for Maritime Affairs and Fisheries, Joe Borg, announced recently a Green Paper on reform of the common fisheries policy. A period of consultation on that Green Paper will last until 31 December 2009 and is open to every EU citizen. The Green Paper covers every aspect of current policy, so I encourage everyone to get involved in the process, to make their views known, and to consult widely.

Irish fishermen felt very aggrieved at the share of the fish stocks that they received when the first

common fisheries policy (CFP) was put in place. Ireland, North and South, has been given a raw deal by the common fisheries policies. Many say that the South had its begging bowl out and was looking for Europe to fill it. In my opinion, it was the other way round. Irish waters have been exploited by many European nations at the expense of Irish fishermen, North and South.

I reiterate that we need to work on the Green Paper consultation. We need as many responses as we can get. I know that Members opposite will work towards that, as will colleagues to my left whose constituencies are affected by fishing cuts on a regular basis. It is up to Members. This is a big opportunity for us to put forward our views and effect real change. We must look at how other groups of countries, for example, the Scandinavian countries, manage their fish stocks. Obviously, conservation must be taken into consideration, but measures must be sensible, and all countries must be involved. There is a unique opportunity to achieve progress and to move forward, working together. I hope that we will make a real difference.

Mr McCallister: I support the adoption of the Sea Fish Industry (Harbour, Landing and Light Dues) Scheme (Northern Ireland) 2009. As has been said, the fishing industry has been under tremendous pressure over a number of years. I agree with Jim Shannon's point that fishing seems at times to play second fiddle to agriculture and rural development in the Department. I welcome this measure, and it is widely welcomed in the fishing industry.

As well as the long-term recession, which has affected fishing, there is the flawed common fisheries policy, the quota scheme and the travesty of dumping excess catch, all of which have made life extremely difficult for our fishermen. The scheme is designed to alleviate some of the current financial pressures and, therefore, it is very welcome. I urge all fishermen to claim for all the harbour, landing and light dues to which they are entitled. The scheme will reduce some of their outgoings.

What steps will the Minister take in the future? Other member states have availed of such schemes in the past. Will legislation be required here or at Westminster to ensure that our fishing industry will not be disadvantaged in the future? What negotiations are ongoing in Europe on the common fisheries policy? The Minister may not yet have had an opportunity to make plans, but will she meet with our newly elected MEPs to discuss how better to represent our fishing industry in Europe? How will the Minister push the fishing agenda higher up DARD's list of priorities?

Mr P J Bradley: I thank the Minister for moving the motion, which, like the three Members who spoke previously, I welcome. The scheme will mean survival

for some, although perhaps it has come too late for others who have left the industry. We are trying to keep the industry alive. After fairly lengthy negotiations, the Minister has finally got us to this point, and we welcome and appreciate that.

I have two minor concerns. Doubtless, the Minister would say that I would not be me if I did not have some minor concerns. First, the Minister's explanatory leaflet shows that not everyone was consulted during the process owing to time limitations. Has she any short-term or long-term concerns that a full and all-inclusive consultation process was not adopted before this stage?

Secondly, it is stated in rule 10 that the Department has the right to charge interest on unpaid recovery money. It will charge interest at the rate of 1% above the LIBOR (London interbank offered rate). Will the Minister adopt the same principle across farming? For example, when farmers are due money from the Department, will they receive interest? The Department is entitled to charge interest on money that is due to it.

6.15 pm

The Minister of Agriculture and Rural

Development: I am pleased that the scheme has gained broad support in the Assembly. I thank the Chairperson and members of the Committee for Agriculture and Rural Development for their valuable contributions. I also want to thank Members, even those who are not members of the Committee, for their comments in the House today.

It is a good day and must be seen as such. Around £600,000 will go into the fishing industry. A number of Members, including John McCallister and Jim Shannon, commented that the industry is beleaguered and plays second fiddle to agriculture. To be honest, when compared with the agriculture sector, the fishing industry is much smaller. However, it is very important, and we have made the point consistently in Europe that, from a social, economic and cultural point of view, vulnerable coastal communities must be protected and enhanced at all costs. That is why we take our strong argument to Brussels every December to discuss quotas; to try to get the best deal for the fishing industry. However, the Assembly must not lose sight of the fact that there will still be challenges for the fishing industry during the coming period; it is not immune to the economic downturn.

Although we do not necessarily have a ballpark figure, the amount that each vessel receives will depend on its size and the amount of fish that it lands. For example, a 16-metre prawn trawler would receive around £2,600 through the scheme.

I was asked whether I will offer support in the way that other countries do. I am now looking to the European fisheries fund, which will open on 30 June

2009. The Department has had good discussions with the catching and processing sectors of the industry and with environmentalists about how to help the industry adapt and restructure so that it will be able to resist short-term difficulties and plan for the future. Ultimately, the Department's role is to help the industry prepare for, and be part of, the future. All vessels in the fishing fleet will be included in the scheme. There is no size limit, and there has been much interest in the scheme.

I hope to meet the three MEPs soon to discuss some of the points that Members have raised: a meeting is being organised as I speak. I agree with Members that the Department must work closely with the MEPs to get the best deal for fishing communities. Tomorrow, I will meet officials from Brussels, and I will take part in a video conference to discuss the future. Work is, therefore, ongoing. Although what happens in Brussels in December gets the headlines, our work for fishing communities carries on for 12 months, 52 weeks, of the year. We never take our eyes off the ball.

As regards PJ Bradley's question about charges; this debate is about the Sea Fish Industry (Harbour, Landing and Light Dues) Scheme. Therefore, I am not in a position to answer his question. Certainly, the scheme is evidence of how a local devolved Administration, the Executive, can deliver for communities that need help most. I am pleased that we are in a position to do that.

I hope that I have addressed Members' concerns. I will look at the Hansard report to see whether I have missed anything. If so, I will be happy to respond in writing. In conclusion, I hope that we are demonstrating, through the scheme, our belief in the fishing industry's future. I believe that confidence will be built as we work together with the industry to reposition it to become sustainable and profitable in the long term and, therefore, better able to deal with the challenges that we know will come. Go raibh mile maith agat, a LeasCheann Comhairle.

Question put and agreed to.

Resolved:

That the Sea Fish Industry (Harbour, Landing and Light Dues) Scheme (Northern Ireland) 2009 be approved.

Occupational Pension Schemes (Contracting-out) (Amendment) Regulations (Northern Ireland) 2009

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

That the Occupational Pension Schemes (Contracting-out) (Amendment) Regulations (Northern Ireland) 2009 be approved.

Between 1978 and 1997, if a defined benefit occupational pension scheme wanted to contract out of the state additional pension, the employer had to agree that the scheme would pay at least a statutory minimum level of benefits. It was known as the guaranteed minimum pension (GMP). However, GMPs ceased to accrue in 1997 and for service beyond 1997, a new standard, the reference scheme test, applies.

It is widely acknowledged that the rules relating to GMPs are complex and add to the administrative burdens faced by pension schemes. The Pensions Act (Northern Ireland) 2008, which completed its passage through the Assembly in December 2007, sought to address that issue. It allows pension schemes the option of converting GMP rights into ordinary scheme benefits, provided that the overall actuarial value is maintained. Before a scheme can take advantage of that option, a number of conditions must be met.

Those conditions are set out in primary legislation. One such condition is the requirement that post-conversion benefits be at least actuarially equivalent to pre-conversion benefits, another is the requirement relating to survivors' benefits. The primary legislation also provides for regulations to prescribe how actuarial equivalence is to be determined and the circumstances and periods in which the converted schemes must provide survivors' benefits. That is the purpose of the regulations.

The regulations provide that the scheme trustees be responsible for determining actuarial equivalence. In doing so, the trustees must seek advice from the actuary about what assumptions are to be used for conversion. To ensure that actuarial equivalence has been achieved, the trustees must arrange for the actuary to calculate the actuarial values of the pre- and post-conversion benefits. If the actuary is satisfied that actuarial equivalence has been met, the actuary must provide the trustees with a certificate to that effect within three months of the completion of the calculations.

The regulations also prescribe the circumstances in which and the period for which survivors' benefits are payable from the new scheme benefits. That is after the conversion of the GMP. To protect the position of a survivor, such as a widow, a widower or a surviving civil partner, the circumstances under which a survivor's benefit is payable remain the same as those

that apply before conversion, as does the period for which it is payable.

The rules for survivors' benefits are, as Members can probably imagine, complex and technical. In broad terms, the regulations provide that a survivor's benefit may be withdrawn if the survivor is not in receipt of a relevant benefit, such as bereavement allowance, widowed mother's allowance or widow's pension. If the survivor is aged over 45 when entitlement to a relevant benefit ceases, a survivor's benefit is payable so long as the survivor does not remarry, form a civil partnership or live with someone as though he or she were that person's spouse or civil partner.

In summary, the regulations ensure that post-conversion benefits are actuarially at least equivalent to the pre-conversion benefits and that the current rules, which specify when and for what period a survivor's benefit is payable, are retained post-conversion. The regulations enable contracted-out defined benefit occupational pension schemes to simplify their benefit structures by moving to one set of scheme rules.

Finally, I make it clear that the facility to convert GMPs is purely an optional one that has been made available to schemes and that the requirements of those regulations become mandatory only at the point at which a scheme decides that it wishes to convert its GMPs.

The Deputy Chairperson of the Committee for Social Development (Mr Hilditch): I am not sure how to follow that.

The Committee for Social Development considered the Occupational Pension Schemes (Contracting-out) (Amendment) Regulations (Northern Ireland) 2009 at its meetings of 5 March 2009 and 23 April 2009.

The regulations contain several technical amendments to pension rules that outline the basis under which benefits from occupational pension schemes can voluntarily be converted to actuarially equivalent scheme benefits. The conversion facility allows schemes to fix future liabilities and simplify benefit structures to make administrative savings.

As the Minister highlighted, pension matters are often complex but always important. The regulations add further elements to the pensions framework that will allow occupational schemes to make, among other things, administrative savings. The Committee welcomes a strong, targeted regulatory structure for pensions and therefore recommends that the Assembly confirm the Occupational Pension Schemes (Contracting-out) (Amendment) Regulations (Northern Ireland) 2009.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. I thought that I understood the regulations when the Committee examined them, but I now realise

that I did not. On this occasion, I will accept that the Minister knows what she is talking about and leave it at that.

The Minister for Social Development: That was quick. I am pleased with the consensus in support of the regulations. I am unsure whether their complexity has baffled everybody or whether we all firmly support a sound regulatory structure for pensions. I believe that it is the latter. The Deputy Chairperson affirmed the Committee for Social Development's view, and I hope that the Assembly confirms the regulations. I accept Mr Brady's support.

In summary, the regulations facilitate the conversion of guaranteed minimum pension to enable pension schemes to simplify their benefit structures and ensure that benefits maintain their actuarial value after conversion. Although the amendments are largely fairly complex technical amendments, it is important to have a sound regulatory structure for pensions to ensure that people feel that their pension payments are protected. I commend the motion to the House and thank Members for their support.

Question put and agreed to.

Resolved:

That the Occupational Pension Schemes (Contracting-out) (Amendment) Regulations (Northern Ireland) 2009 be approved.

PRIVATE MEMBERS' BUSINESS

Increased Income for Ex-Service Pensioners

Mr Deputy Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer will have 10 minutes in which to propose and 10 minutes in which to make a winding-up speech. All other Members who wish to speak will have five minutes.

Mr Shannon: I beg to move

That this Assembly supports the campaign by the Royal British Legion and Age Concern to increase the income of ex-service pensioners who are living on an income below the minimum required for healthy living; and calls on the Minister for Veterans to implement the reforms proposed in the campaign.

I seek the Assembly's support for an increased income for ex-service pensioners. It is an important issue. In my constituency, I am well known for my support for the troops by word and deed, and through practicalities, too. I offer heartfelt thanks to everyone who supported the Soldiers, Sailors, Airmen and Families Association's (SSAFA) "Big Brew Up" morning. That organisation supports soldiers, airmen, naval personnel and their families. Last year, we raised more than £1,000 for servicemen and their families, and we intend to do the same this year. I may be engaging in a PR exercise by telling people that we want to raise more than £1,000 in October 2009.

My support for the troops is ongoing, and it has always been in my heart. I pray for our troops daily, and when I read what has been done wrong on or could be done better off the battlefield, I seek ways to help, and that is why I tabled the motion. For that reason, I have lobbied for them many times, wearing my other hat as a local councillor. I, along with others, have lobbied successfully for the amount of compensation that troops receive for serious injury. We have been successful with that.

6.30 pm

I ask Members for their support for retired servicemen and servicewomen. That support is vital for those who have sacrificed much and who should not be forgotten.

The campaign was launched at the Dig for Victory exhibit in St James's Park London. It was a stark reminder of just how deep down millions of British folk suffered because of the Second World War.

The Director General of the British Legion, Chris Simpkins said:

"We always thought rationing was history. But we were wrong. Even the Chancellor says we're facing the worst economic time in 60 years and this has a crushing impact on the elderly. The Government must give them the help they deserve — making it easier for them to access their entitlements and giving them a level of income to ensure their basic needs are met."

dacint incum tae be shair that aw ther real needs er met, tae keep budi an sul tha tither."

A campaign was launched at the Dig for Victory exhibit at St James's Park in London. It was a poignant reminder of the deprivation that was suffered by millions of British people during the Second World War. The Director General of the Royal British Legion, Chris Simpkins, said:

"We all thought rationing was history. But we were wrong. Even the Chancellor says we're facing the worst economic time in 60 years and this has a crushing impact on the elderly. The Government must give them the help they deserve — making it easier for them to access their entitlements and giving them a level of income to ensure their basic needs are met."

The facts are that five million members of the ex-service community are aged over 65, and they make up half of the UK's 10-million strong retired population. In 2005, the Royal British Legion conducted substantial research into the welfare needs of its beneficiary group. It was found that a high number of people over 65 years of age reported being on no or very low income. More than 384,000 ex-service adults reported living on an income of less than £10,000 a year. It was also shown that many of our older beneficiaries live on very low and inadequate incomes.

In June 2008, a MORI poll conducted via a telephone survey of older members of the ex-service community on behalf of the legion found that more than one third of respondents find it either difficult or very difficult to manage on their current income. Some 38% are living on an income below what the Government have deemed to be the minimum necessary to meet the basic social, nutritional and medical needs for a healthy lifestyle, which is £7,072 for a single person and £11,200 for a couple. One in 10 respondents said that they had to go without sufficient food, and we all know people to whom that has happened. Some 17% said that they had to go without full central heating, and such stories multiplied throughout the winter and into the spring.

The legion and Age Concern believe, and I fully agree, that to assist older members of the ex-service community who are struggling on a low income, the Government should, through the veterans agency and Minister Derek Twigg, develop an automated payment system for rates benefit for older people; rebrand rates benefit to reflect its true nature as a rebate; remove the £16,000 capital limit for rates benefit for those over retirement age; make the statutory disregard of war pension income 100% when means-testing for rates benefit and housing benefit; work with the energy industry to provide a £50 fuel voucher to all pension credit recipients who are aged over 70; and exempt recipients of war pensions from means-testing for disabled facilities grants that are required as a result of service-related injury and disablement, a very simple measure that should be taken. Finally, the personal

expenses allowance for residents of care homes should be doubled, which is a topical issue.

Although the list of needs seems to be lengthy, in reality they are mostly common sense and are not big demands. For that reason, the Assembly should offer its support to the campaign to ensure that our retired servicemen and servicewomen do not have to return to rationing.

As the economic crisis continues, it is the vulnerable who suffer most. As Assembly Members, we have a duty and role to protect and aid those who fought for us and who cannot now fight for themselves. We must now fight for them; how much more so for those who have stood and fought for our protection and aid when we could not have done it for ourselves?

I do not mean to grandstand, Mr Deputy Speaker, but the facts are that those people, along with our police and Fire Service, do jobs that you and I could not begin to understand or even imagine. What they have seen and done are things that we never want to see or do. For those people to have survived what they have only to be all but abandoned when they come home and retire is nothing short of scandalous. Something must be done.

Recently, the Ministry of Defence conceded that the complexity of the forms put many veterans off claiming their entitlements, and those who have filled in such forms for veterans will be aware of the issues. Many people are averse to claiming any benefits and are uncertain about their eligibility. Although there is a benefit culture, those people feel embarrassed to ask about benefits. I believe that they should be encouraged to do so.

In response, the Ministry of Defence has reduced red tape and has linked disability and carers' allowances and pension credit so that claimants will be told what other benefits they can apply for. Furthermore, pension credit application forms can be used for Ministry of Defence claims. The Social Security Agency will pass pertinent information to the Ministry of Defence so that veterans who make a claim will not have to think more about that matter. We are fortunate to have pension advisers in the Department for Social Development. I have consulted them in the past, and I am sure that many other Members have done so. They have been very helpful in indicating the benefits that are available to me and which ones I should apply for. Even if people are not sure about which benefit to apply for, pension advisers can give advice on benefits they might qualify for.

Among other things, thought has been given to the upper savings limit, although nothing has been confirmed. I believe that more can be done about that discrepancy. The Royal British Legion has fought for many years to ensure that veterans get what they have

earned. The new policy is a major step towards achieving that goal. I am glad to hear that there will be less red tape and a lot more common sense. We all wish that that were the case every time we raise an issue with a Department. However, that is enough.

The Ministry of Defence has not answered the list of needs that I mentioned. Today, the Assembly has an opportunity to stress that those needs must be met and that structures should be put in place before the onset of another winter, when more problems will arise. We are all aware that pensioners — in this case, ex-service veteran pensioners — find it difficult to manage through the winter. The proposal in the motion is intended to help those people.

The Royal British Legion and Age Concern do tremendous work in improving the lives of elderly ex-service people, but those organisations can only do so much. The rest must be done collectively by Members of the Assembly, our Members of Parliament at Westminster, and Members of the Scottish Parliament and the Welsh Assembly so that we can make a positive difference to the lives of the people we are here to help.

We are fortunate to have the opportunity to represent our people at the highest level and to the best of our ability. I ask Members to support the motion, and I call on the Minister for Veterans to step up to the mark and implement the proposed changes as a matter of urgency. He must ensure that those men and women do not have to fight to survive a wartime winter, having fought and won their war a long time ago.

Mr Brady: Go raibh maith agat, a LeasCheann Comhairle. I will preface my remarks by saying that I have a huge history of British Army involvement on my maternal side in the Boer War, the First World War, Second World War and the Korean War. My father-in-law, who lives with me, my wife and my family, spent 10 years in the RAF. I am not anti-veteran in that sense, and what I am going to say applies to all pensioners. I hope that Members will take the right meaning out of what I have to say.

The motion calls for an increase in:

“the income of ex-service pensioners who are living on an income below the minimum required for healthy living;”.

Those words stood out on first reading. Surely that wording applies to the vast majority of pensioners, whatever their background or previous occupation. Why concentrate on one specific group of pensioners? As Sinn Féin's spokesperson for older people I advocate on behalf of all older people and make no exceptions, and I will continue to do so. As I have said on numerous occasions, the fact is that in the North and in Britain we have the meanest pension scheme in the entire developed world. That situation must be addressed on behalf of all pensioners.

Many issues impact adversely on older people. Fuel poverty is a scourge on our society. It affects many older people and can have a serious impact on their health, which directly affects healthcare provision. The rising costs of oil, gas and electricity leave many older people at risk.

Mr Shannon: I just want to clarify an issue. Age Concern — I know that Mickey is involved with it — has also supported the campaign, and the Minister for Veterans has accepted the specific campaign for veterans that has been identified by the Royal British Legion. We are not trying to exclude anybody, but a certain category of people has been identified as being under more threat and being in more danger of losing income. I feel that that has to be said.

Mr Deputy Speaker: The Member has an extra minute in which to speak.

Mr Brady: I thank the Member for his intervention. I absolutely accept what he is saying, and I was going to address some of the issues that the British Legion and Age Concern raised later in my speech.

Approximately 200 older people die of cold-related illnesses each year, and I am sure that that figure includes ex-service veterans. That is an appalling statistic in any civilised society. Households headed by older people are much more likely to be in fuel poverty. Statistics show that 39% of those aged between 60 and 74 and 42% of those aged 75 and over are more likely to suffer from fuel poverty. Older people are more likely to live in older houses, which are less likely to be energy-efficient. Many older people live in accommodation that is in an unfit state of repair or below the decent homes standard. Surely, that needs to be urgently and effectively addressed.

A British Legion news bulletin dated 17 May 2009 stated that many older veterans are too proud to claim benefits. The legion found that one third of the ex-service community over the age of 65 have an income that is inadequate to maintain a healthy lifestyle. Again, I argue that that applies to the vast majority of pensioners who are living below the poverty line.

The British Legion and Age Concern are campaigning to increase the incomes of older people who are living in poverty. They say that the situation needs to be addressed by increasing the incomes of older people, and I agree absolutely. Suggestions include the exemption of war pension recipients from means testing for disabled facilities and grants and the doubling of personal expense allowance for residents of care homes. Those positive recommendations should be introduced for all pensioners.

A survey conducted by Age Concern and the British Legion in 2005 showed that a large number of people over the age of 65 reported being on a low or very low income. Some 75% of those aged over 75 were on a

net household income of less than £10,000 a year, and Mr Shannon referred to that.

Age Concern and the British Legion have said that war pensions should not be taken into account for the purposes of means-tested benefits. That approach could also be applied to other benefits, such as carer's allowances. Mr McNarry introduced a Carer's Allowance Bill in the Assembly, which would have allowed pensioners to collect both a carer's allowance and their pension. The Bill was put on hold, as far as I am aware, because a review of carers' benefits was being carried out, and it has just been completed.

Realistic benefit and pension rates need to be introduced to enable our older people to enjoy an acceptable standard of living. Over £1 million in pension credit remains unclaimed in the North each week. That has been referred to by the British Legion and Age Concern.

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

Mr Brady: In my experience, many older people do not claim such benefits because of a fear of the complexity of the system and because of a lack of information. Initiatives to improve take-up of benefits must continue.

Our older people should not be left feeling marginalised and isolated, as many of them do at present. We owe them all a debt of gratitude for helping to shape the society in which we live. We should never underestimate their contribution.

Mr Elliott: I congratulate the Members who tabled the motion. It is a very important debate.

Ex-service pensioners should be held in the highest esteem by Northern Ireland society and everyone in the Chamber. A number of the people about whom we are speaking today fought in the Second World War and were prepared to pay the ultimate price so that we could experience the democratic freedoms and rights that so many take for granted in the Province.

6.45 pm

My party and I fully support the campaign by the Royal British Legion and Age Concern, because it seeks to raise awareness of the difficulties faced by many ex-service personnel and their families. The debate also highlights the predicament of many pensioners across Northern Ireland who, as Mr Brady said, struggle to stay above the poverty line.

Like much of Europe, the United Kingdom has an ageing population; as people live longer, the amount of money that they have to save to live comfortably into their retirement grows. However, countless pensions across the United Kingdom and Northern Ireland have diminished significantly over the last number of years.

Many private pension schemes have closed, and the national pension scheme is widely regarded as inadequate, leaving large numbers of older people facing very uncertain futures in the immediate and longer term.

The rising costs of food and fuel, coupled with the recession and the credit crunch, have hit the least well off the hardest. In Northern Ireland, the proportion of elderly people with no savings is twice that in Great Britain. That leaves many pensioners and ex-service personnel in Northern Ireland living in poverty, which is totally unacceptable. Therefore, it is crucial that Her Majesty's Government and the Executive give older people all the help that they need to access the benefits and rights to which they are entitled so that they have a level of income that, at the very least, ensures that their basic needs are met.

In the main, the British Legion's campaign focuses on veterans of the Second World War and national service, their spouses, widows and widowers. Over five million people from the ex-service community are thought to be of pensionable age, and a further 1.3 million people are nearing it. A survey conducted by MORI found that 38% of veterans exist on an income lower than what is considered necessary for a healthy lifestyle — £7,072 per annum, or £136 a week, for a single person and £11,200 for a couple. Research also found that 15% of people go without full central heating, and 10% do not have enough money to buy food that is considered necessary for a healthy lifestyle. No pensioners, especially ex-service personnel, deserve to live in poverty, and it is no way for our society to treat people who bravely defended the nation and gave us the rights that we have today.

I seek clarification from the Members who tabled the motion about the council tax benefit and how a rebate would convert to the rebranding of rates relief for pensioners in Northern Ireland. What discussions have those Members had with the Minister of Finance and Personnel about that? Some discussion on that issue may need to take place.

I strongly welcome making war pensions exempt from the means testing of disabled facilities grants. The means testing of disabled facilities grants suggests that the sacrifice of some people is worth less than that of others, which is clearly wrong. I also welcome the doubling of the personal expenses allowance for residents of care homes, which will go a long way to increasing comfort and dignity for many older people in care. I note and welcome the Minister of Health, Social Services and Public Safety's ongoing pursuance of free personal care for the elderly.

Although I agree with removing the £16,000 capital limit for council tax, the compatibility of that with Northern Ireland needs further examination, as the

Minister of Finance and Personnel recently increased exempt capital savings on rates relief from £6,000 to £10,000. We must also do more to increase pensioners' uptake of benefits to which they are entitled. I support the motion.

Mrs M Bradley: I support the motion. However, while I am delighted that Age Concern has given its support to something like this, I believe that the campaign could and should be extended and made a blanket issue to cover older people in general.

The debate today will open a discussion which applies not only to ex-servicemen and women but to the older community in general. Many older people are paid meagre occupational pensions which just about push their incomes above the thresholds that would normally entitle them to additional benefits. Hence they find themselves in severe financial crises.

Almost 50% of the UK's older people are ex-servicemen and women, and most live in care homes. When preparing for today's debate, I was struck by the similarities to and resonance with other debates that have taken place in the Chamber that were based around older people and their standard of living or lack of it. The information on the British Legion's website pertaining to today's debate is strikingly similar, with almost 70% of those entitled to help with council tax, or in our case rate relief, not applying for it.

Approximately £21 per week is a common amount on which those pensioners have to live, and that is disgraceful to say the least. Some older people will ask organisations to help them check their entitlement to benefits, but many others will not share their information with anybody and will continue to struggle on regardless, sometimes not knowing that they are entitled to other benefits.

The plight of the ex-servicemen and women runs even deeper. Many require additional physical assistance like the installation of chairlifts or the reorganisation of a bathroom and toilet to make it accessible, because of an injury sustained during their service. Although they often must make a huge financial contribution to that work, they do not have enough money to live on, buy regular healthy food or run a safe and warm home environment.

As I said at the outset, today's debate could be applied to each and every household in Northern Ireland where an older person lives. The bottom line is that they do not have enough to live on and maintain a healthy lifestyle. The only option open to them is to sit in the one room that they can afford to heat and stay as warm as they can. Furthermore, some older people cook and eat products that are out of date and no longer safe to eat.

Surely, it is time that we, as an Assembly, banged on the door of the Prime Minister and the veterans

Minister to ensure an increase in the benefits for all older people, ensuring that those benefits are earnings-related and reflect the real monetary terms and requirements of today's society. That is an honest requirement, not a request for luxury or free money.

Ms Lo: I support the motion. In general, our state pension has not kept up with inflation over the years, and therefore, many pensioners now struggle to pay their bills. Indeed, not all that long ago we saw the protests by older people at Stormont with their slogan of "Eat or Heat." Surely, there is something that we can do; they cannot do without either of those things.

I attended a recent Stormont seminar where groups of older people came to ask MLAs questions. A repeated theme of the discussions was how complicated it is to access welfare benefits. Those benefits are money that pensioners are entitled to, over and above their pensions. Many of those benefits are means-tested, meaning that if pensioners hold savings they do not qualify. Many of the pensioners see that as being unfair, as they have saved for their retirements, yet they are penalised for state benefits which they have contributed to through National Insurance contributions during their working lives.

The Royal British Legion and Age Concern campaign is very worthwhile and deserves the support of the Assembly. Currently 38% of ex-service pensioners report an income below the minimum required for healthy living, and that is totally unacceptable. Those ex-servicemen and women fought for freedom for us all during the Second World War and endured severe hardship during and in the aftermath of that war. We must show them our gratitude for what they have done for their country. They deserve our respect and a decent income to afford them their dignity without having to endure poverty.

The campaign calls on the Government to address the issue by taking a few measures, none of which would appear to be particularly demanding or which would stretch Government finances. It is reasonable to request that an automated payment of council tax benefits to older people be developed and that council tax benefit be rebranded as a rebate to encourage older people to take up their entitlement. The requests that other Members made are common-sense approaches to help pensioners out of poverty.

When it comes to encouraging people to claim benefits, older people are one of the hardest groups to reach. They do not want to be seen as sponging off the system, and they often find the benefit forms too cumbersome to complete. Therefore, anything that helps them to claim their entitlements should be welcomed.

Lord Browne: I support the motion, and I welcome the fact that the Royal British Legion has joined forces with the national charity Age Concern to

launch a nationwide campaign that has the objective of increasing the incomes of older people who live in poverty.

The campaign, which was launched in September 2008, has received enormous support throughout the United Kingdom. Earlier this year, a petition with more than 25,000 signatures was presented to Her Majesty's Government by Lieutenant General Sir John Kiszely, national president of the Royal British Legion. Although the campaign's aim is to increase the income of older people who live in poverty, it has the specific objective of increasing the income of ex-service pensioners who live on an income that is below the minimum that is required for healthy living.

Indeed, 38% of ex-service pensioners are reported to have an income that is below that required level. I am sure that Members agree that that is completely unacceptable and is an indictment of how our nation treats those who have served our country unselfishly. It is also extremely disturbing to learn that many ex-service pensioners have, as a result of poverty, been forced to ration everyday essentials. That is similar to their experiences during and after the Second World War. Therefore, it is only right that the Royal British Legion and Age Concern are campaigning to increase the income of older ex-service members who live in poverty.

We have heard that research has shown that a significant number of older members of the ex-service community live on low or very low incomes. We heard from Members that the minimum income for healthy living is just over £7,000 per annum for a single person and £11,200 for a couple. Again, it is disturbing to learn that a recent MORI survey found that 38% of veterans and their spouses and/or widows or widowers reported having an income that is well below those levels.

The people to whom we are referring have made great sacrifices, and they deserve and, indeed, are entitled to have greater help. The current situation is unacceptable, and it is disgraceful that those who fought for Queen and country and to whom we are indebted find themselves in this position.

Although we, along with the Royal British Legion, welcome the Government's decision not to reclaim overpaid pensions, we call on the Government to offer the necessary relief to veterans and widows who will lose out as a result of overpayments to the armed forces' pension scheme. Those veterans and widows will now not benefit from the normal increase in their pensions. As the director of welfare of the Royal British Legion said:

"The overpayment relates to the Guaranteed Minimum Payment under the Armed Forces Pension Scheme. This means that those on the lowest pensions will be most affected by the Government's error. This comes at a very difficult time for veterans living on low fixed incomes. The current financial climate means veterans are

living on less and are unable to realise the capital in their assets. These are issues that have been raised by the Legion since the launch of our Return to Rationing? campaign in September and the Government now needs to address the ever reducing incomes of older veterans and widows."

7.00 pm

In 2005, the Royal British Legion reported that a high number of over-65s were living on low or very low incomes and more than 384,000 ex-service adults were living on an income of under £10,000 a year. For a number of years, I have had the privilege of regularly attending meetings of the Burma Star Association and have, therefore, seen at first hand some of the difficulties that face many ex-service personnel. Part of the problem is a lack of communication and it is, therefore, vital that the Government establish and maintain a database to enable all ex-service personnel to be kept informed of the available help and benefits. I support the motion.

Mr G Robinson: Over the last few weeks, none of us could have been oblivious to the 65th anniversary of the D-day landings. The veterans' stories are moving, and memories of that day remain vivid to the people who were there. By multiplying those experiences by many thousand, one can start to comprehend the scale of service that service personnel give to the United Kingdom. For that reason, we must ensure that our veterans are looked after.

Many ex-servicemen and ex-servicewomen continue to defend the freedoms that we take for granted and to bring those freedoms to other countries. They do not question the political reasons for their deployment; they just do their job. Is it unreasonable for us to give something back to the people who helped to defend us? Clearly, it is not. The Royal British Legion has made some practical recommendations in conjunction with Age Concern. The recommendations that are most relevant to the debate include the 100% disregard of war pensions for housing benefit and the 100% exemption of war pensions for disabled facility grants. Those measures target the ex-service personnel who are in greatest need of assistance.

Everyone in the Assembly has reason to thank those who served in two world wars and in many other conflicts. Many of us can trace our ancestry to those who defended the freedoms that we enjoy. Is it fair for us to expect those people to pay for disabled facilities simply because they have a war pension? I do not believe that it is. It is time that our ex-service personnel were shown that we all appreciate the service that they gave to their country.

Regrettably, the realities of war are being brought home to today's young people as the repatriation of coffins is shown on the news. People such as Major Phil Packer remind us of the horrific price that some people pay for doing their job. However, such people

also provide inspiration as they overcome the injuries that they sustained while serving their country. Our service personnel do an extraordinary job; therefore, the support that we give them should be extraordinary. The motion seeks to guarantee that ex-service personnel of today, and those of the future, will be given a little back by the country that they served.

I concur with the sentiments of the Members who said that all pensioners need our support. I congratulate the Members who secured the debate, and I sincerely hope that the motion will be passed unanimously. I remind all Members that our ex-service personnel come from all sections of the community. Those people deserve the respect and support of all Assembly Members. I fully support the motion.

Mr Hamilton: Although we are talking about veterans' worryingly low incomes, it is a privilege to talk in the Assembly about their valiant service. I am glad to honour our veterans for the duty that they have performed over the years on behalf of this nation and other nations in defence of democracy and freedom.

As many Members have said, the motion's reference to ex-service pensioners could be substituted for a reference to pensioners in general.

As Lord Browne mentioned, it is worth noting that while the campaign focuses particularly on veterans, it mentions the plight of pensioners in general. Therefore, by supporting the campaign, we are also supporting the cause for raising pensioners' incomes in general.

The reference to ex-service pensioners could be taken out of the discussion, and we could still be talking about something that is equally relevant to all pensioners. Ex-servicemen and women experience low incomes due to the complexity of form-filling, which is something that we all see in our constituency work. The forms are complex for many people, irrespective of age group and of whether they are veterans. However, they are particularly complex for elderly people. They find the forms very complicated and intrusive at times, because they contain a lot of personal information that, sometimes, they do not like to give because of generational concerns. They were brought up in a different way and do not want to give that information out.

There is a great pride, which comes through in a lot of the research. People of a certain age are very proud of that information, and they do not want to give it out. Equally, some elderly people do not want to be seen to be claiming anything at all. In many ways, that pride is probably deeper among ex-servicemen and women, because they have done their duty and they do not want to be putting a hand out, even though they are more entitled than they believe that they are.

Someone asked why, when the problems are applicable to all pensioners, we are specifically

targeting veterans, but, I suppose, why not? Why should we not take a group of men and women who have served this nation and other nations valiantly down through the years and target their particular plight? If there was a motion before the House picking any other group of pensioners and highlighting their low incomes, it would have support from me and from everyone in the House. Indeed, I encourage Members to do that where they see particular problems, as we have done in the motion.

The particular problem was highlighted by the Royal British Legion and Age Concern campaign. Some 40% of veterans earn below the Age Concern figure for the minimum requirement for healthy living, which is £7,000 for an individual and £11,000 for a couple. Even that income is paltry, but to find a survey that shows that 40% of veterans earn less than that is frightening. We should target that group of pensioners in particular because of the service that they have given through the years.

We have all seen in recent times the great affection that is shown throughout the country for our veterans. I am thinking particularly of the recent Gurkha campaign, which was headed by Joanna Lumley. Those veterans were some of the bravest fighting men anywhere in the world, and they were being treated abysmally and shabbily by our Government. There was a public outcry against that, and Government policy was changed. Therefore, there is great affection for our ex-servicemen. The same vigour that was shown in the campaign to give the Gurkhas who served in the British Army the right to live in the United Kingdom should be shown in the campaign to increase the incomes of our ex-servicemen.

There is a particular onus on us to highlight the plight of veterans than there might otherwise be for others, because our Government sent them to serve their country around the world. Unfortunately, in many of the theatres in which they engaged in combat, some veterans suffered great injuries, which have made it more difficult for them to get through life and, particularly, through old age. Therefore, there is a duty on us to fight for all, but there is perhaps an additional duty to fight for the veterans because of the suffering that they went through.

Some Members, including George Robinson and Tom Elliott, hinted that when we talk about veterans and pensioners, we think of the greatest generation, as they are sometimes referred to, who fought in the Second World War. As I was growing up, veterans were, to my mind, those who had served in the fight against Nazi Germany and fascism around the world. However, there is now a new generation of future veterans who will become pensioners. Even in my lifetime, people served in the Falklands to free the islanders from Argentinean occupation, in the first

Gulf war to rid Kuwait of Iraqi invaders and in places such as Sierra Leone, where servicemen from here fought valiantly to restore a democratically elected Government.

More recent examples include the theatres of Iraq and Afghanistan, where the battles are ongoing. Dare I say that another example is Northern Ireland, where the many local people who have served will become pensioners, at which stage they will have particular needs arising from the service that they gave.

We must be mindful that any changes made are not only for the benefit of the generation that automatically comes to mind when we think about veterans, such as those involved in the D-Day landings, as mentioned by George Robinson. We must also consider the future generation of ex-servicemen and ex-servicewomen who will be pensioners. It is a question, therefore, of correcting the system not only for those who are in the system now but for those who may be subject to it in the future.

Mr Elliott rightly mentioned some of the implications of the campaign for Northern Ireland. It is easy to say that the Westminster Government make changes without considering those implications. If the Assembly supports the campaign at a national level, the Executive have a duty to examine ways in which veterans can be helped at a local level through, for example, the rates system.

I encourage the Minister with responsibility for social security to consider ways to help. She may not easily be able to break parity on some benefits. However, if the Assembly fully endorses the campaign, perhaps she can raise the issue in meetings of various formats with her counterparts across the water and demonstrate to the Department for Work and Pensions at Westminster that the Assembly is supportive. Although the motion refers to specific benefits, there may be scope for changes to be made to others.

In the past couple of years since devolution was restored, the Assembly has done a good job in ameliorating some of the problems that pensioners face. The Assembly could always go further and, with infinite resources, massively so. However, the lone pensioner allowance that the Assembly introduced will be available to many ex-servicemen and ex-servicewomen. The savings threshold for some rebates and benefits in the rating system has also been changed to make those slightly easier to access.

I am happy to sum up the debate, and I am most encouraged by the generosity that has been shown throughout the Chamber not only to the veterans, although that is important, but to pensioners in general. I welcome the opportunity to speak on behalf of those who are on low incomes, particularly that group of veterans who also suffer. I presume that the Assembly

will give its unanimous support to the motion and to the campaign that will highlight all the issues that face veterans and the wider community of pensioners.

Question put and agreed to.

Resolved:

That this Assembly supports the campaign by the Royal British Legion and Age Concern to increase the income of ex-service pensioners who are living on an income below the minimum required for healthy living; and calls on the Minister for Veterans to implement the reforms proposed in the campaign.

Motion made:

That the Assembly do now adjourn. — [*Mr Deputy Speaker.*]

ADJOURNMENT

Shellfish Regulations for Recreational Fishermen in East Antrim

Mr Deputy Speaker: I remind Members that the proposer of the topic for debate will have 15 minutes in which to speak. All other Members who wish to speak will have approximately 10 minutes.

Mr Hilditch: This evening, I am grateful for the opportunity to highlight in the House some issues associated with shellfish regulations. I thank the Minister of Agriculture and Rural Development for giving her time and taking an interest in the subject, particularly at such a late hour.

It is a difficult subject because, although the aims of the regulations are understandable, they may penalise certain people. It appears that the new legislation introduced in May 2008 on unlicensed fishing for crabs and lobsters is causing some concern and highlighting several issues being faced by local fishermen in east Antrim, particularly at the mouth of Belfast Lough between the south of Bangor and the north of Carrickfergus.

7.15 pm

At the outset, I pay tribute to local hobby and recreational fishermen who play an integral role in providing a vibrancy and social atmosphere of well-being around the historic harbour at Carrickfergus, creating an activity for tourists and locals alike. In the summer months, they are a unique attraction in the harbour area.

Meetings have taken place and there has been lobbying over the past year, as many of the fishermen involved have more than 20 years' experience of the lough; they are passionate and have the lough's interest at heart. Over the past few years, local fishermen have noticed a significant increase in the amount of commercial boats fishing for crab and lobster, and they are extremely worried that commercial interests will soon empty the lough of shellfish. However, it is the hobby or recreational fishermen's interests that I intend to look at.

The regulations that were introduced in May 2008 apply only to recreational fishermen and limit them to landing up to five crabs and one lobster a day. They must not lift more than five pots and may no longer collect pots on behalf of one another using the same boat. Perhaps prohibiting fishermen from keeping

stock pots will encourage them to sell their stock for profit, which is not the aim.

Fishermen are likely to check their pots every day in the summer when they can lift a maximum of seven lobsters a week and 35 crabs. Surely there is a case for reintroducing some sort of regulated stock pot. Realistically, a fisherman might catch a lobster in each of his pots every day, which would mean a haul of 35 a week; however, he is permitted to keep only one fifth of his catch. It seems strange to have a rule that allows him to have and to check those pots, yet he is permitted to keep only one lobster a day of them. That may be another argument for having even a limited type of stock pot facility.

The Department's restriction on fishermen travelling together in one boat to lift one another's lobster pots may introduce an environmental concern and a health and safety issue, as it would encourage more boats onto the lough, burning more fuel. For health and safety reasons, it makes sense for fishermen to travel together, particularly during inclement weather and winter seas. Surely, the Department can be the fisherman's friend on that issue.

Elsewhere, the Scottish Sea Fisheries Council stipulates that no commercial gain can be made from recreational sea fishing, but does not regulate recreational fishing; it places no restrictions on the number of shellfish that may be caught by the hobby or recreational fishermen. They are permitted to keep a stock pot and the checking and landing of others' pots is a matter for the individuals concerned. There are differences in approach just across the lough, in Scotland.

The North Wales Sea Fisheries Committee allows its hobby fishermen to keep two lobsters and eight edible crabs a day; whereas the Kent and Essex Sea Fisheries Committee has no by-laws that restrict the activities of recreational fishermen. There is variation across the board.

At present, the only restriction that applies to commercial fishermen is landing sizes. Therefore, so long as the crab and lobster are within the correct landing size, the commercial boats are within their rights to take as much shellfish from the lough as they like. They record the amount of stock taken, but there is no restriction on the weight that they bring ashore.

Regulations are in place to govern the weight that can be landed by commercial freshwater fishing and commercial sea fishing concerns, yet there are no restrictions on how much a commercial shellfish fisherman can land. It seems unfair to have a limit for commercial freshwater and seawater fishing, but no maximum landing restriction for commercial shellfish fishing.

I welcome the fact that no restrictive licences have been issued since 2004 and that anyone wishing to fish

commercially for crabs must obtain a licence from a fisherman leaving the industry; however, that still leaves Belfast Lough with 180 licensed commercial boats under 10 m and 139 commercial licences for boats more than 10 m. That is more than 300 vessels, which seems excessive. I know that they are not all out at once, but the fact remains that they are all entitled to be on the lough.

My fear is that the area is not being restocked with shellfish at the same rate as it is being fished. In the next few years, we may be left with an emptiness about the lough. That has a knock-on effect on local fish traders, hotels, restaurants and shops, which will have to rely on buying expensive fish from abroad.

A side issue, of which we are all aware, is that adult and child obesity is a major public-health concern in Northern Ireland. Obesity is linked to heart disease. Bearing that in mind, several Departments are, thankfully, developing initiatives to reduce the problem, and eating more fish should be included in the promotion of healthy lifestyles and eating habits to improve the health of everyone in Northern Ireland through good nutrition. In east Antrim, there is a strong tradition of the families and friends of local recreational fishermen partaking in the catch to supplement their diets, and that should be allowed to continue.

I appreciate that some of the matters that I have raised might be considered contrary to conservation, but I believe that we must balance what is right and fair for recreational and hobby fishermen with the interests of big commercial operators. The local fishing culture must be conserved, protected and enhanced, including activities that surround the pastime. One only has to visit any of the small historic harbours along the east Antrim coast to get a sense of the social well-being in the fishing community.

I thank the remaining Members for listening, and I look forward to hearing their comments. Again, I thank the Minister for her interest, and I encourage the Department to consider the core issues of quotas, stock pots and the shared vessels of local recreational fishermen.

Mr K Robinson: I, too, congratulate the Minister on being here at this late hour. As we can see by the crowded Public Gallery and Benches, this is a popular topic. I thank David Hilditch for bringing this matter before the Assembly.

At first glance, the topic seems unimportant; however, to the folk who live along the north Down and east Antrim coasts, recreational fishing goes back many generations. As Mr Hilditch said, it brings colour to small local harbours and quays. In Carrickfergus, there is a little area called Fisherman's Quay, which is very attractive, even though the jet-skiers find it attractive for slightly different reasons.

On the face of it, given the size of lobster and crab catches involved, the local regulations seem restrictive. In such a situation, a balance must be achieved. There is a growing commercial interest in Belfast Lough, Larne Lough and coastal waters. One can understand that interest, and one sees the jobs that it can provide, which are welcome. However, the regulations are restrictive for recreational fishermen.

At this late hour, Members will be delighted to hear that I do not intend to rehearse in detail all the arguments that were put forward by David Hilditch. However, as he was working his way around the British Isles, one thing that struck me was the fact that Scottish fishermen, who fish within sight of the gentlemen on the north Down and east Antrim coasts, are not subject to any restrictions. They fish basically the same coastal waters. Welsh fishermen are subject to some restrictions. The fishing arrangements in the English Channel are surprising. I would have thought that, of all waters, the English Channel would be overfished and under pressure. However, if I have picked up correctly on what David said, there appear to be no restrictions in those waters.

Perhaps we should take a closer look at the restrictions that are imposed on fishermen here in order to determine whether some flexibility could be built into the regulations while allaying environmental concerns, which we all share, about over-fishing and long-term damage to inland and coastal waters. By the same token, we must allow recreational fishermen to fish. I am a member of the Committee for Culture, Arts and Leisure, which is trying to encourage people to go out, be active and use the environment positively. However, in this instance, people seem to be being penalised for doing that.

I thank the Minister again for coming along this evening to listen to the points that David Hilditch made, and I appeal to her to exercise any flexibility that she might have to address the concerns that have been raised.

Mr Ross: It is not often that one speaks when more Assembly staff are in the Chamber than Assembly Members. I congratulate Mr Hilditch for securing the debate and I thank the Minister for her attendance this evening.

I am no expert in the matter, but I am aware of the deep concern that some people have. Ken Robinson talked about how important this issue is to the people who fish out of Belfast Lough; some of them have been fishing recreationally in the area for 20 years. When they came to see me in my office, I noted their concern that there has been a substantial increase in the number of commercial fishermen who fish for crabs and lobsters in the lough. As my colleague said, they

fear that those boats will remove shellfish from the area and that recreational fishermen will lose out.

My colleague David Hilditch spoke about the Unlicensed Fishing for Crabs and Lobster Regulations that were introduced on 31 May 2008. They appear to be impacting most severely on recreational fishermen, including those in east Antrim: people for whom that activity is no more than a hobby. The legislation states that it is illegal for those who are not fishermen to land, bring to land or retain on board on a boat more than five crabs and one lobster per boat per day; use more than five pots; take on board a boat pots on behalf of anyone else; or use a stock cage.

That is where the practicality issue, to which Mr Hilditch referred, comes in. Fishermen appear to be discouraged from sharing a boat or helping one another out. He talked about the environmental impact that that would have and the safety factor; it would be beneficial for fishermen to go out together in inclement weather.

All Members who spoke said that Northern Ireland seems to be quite restrictive. The Scottish sea fisheries do not regulate against recreational fishing and have no restrictions on the number of shellfish that may be caught by hobby fishermen. Likewise, the north Wales sea fisheries allow their hobby fishermen to keep two lobsters a day; in England, the sea fisheries for Kent and Essex have no by-laws that restrict the activities of recreational fishermen. However, as Mr Hilditch said in his opening remarks, the stretch of water that we are talking about has some 319 commercial boat licences. As he said, that could lead to over-fishing of the area and leave the lough with no shellfish. The recreational fishermen feel that the commercial operators can take advantage of the legislation that penalises those who fish for a hobby, as no restrictions apply to commercial fishermen other than in relation to landing size.

I do not intend to speak for too much longer. However, like my colleagues, I appeal to the Minister to see whether there is anything that her Department can do to protect recreational fishermen and allow them to continue to fish in their local waters.

The Minister of Agriculture and Rural Development (Ms Gildernew): Go raibh maith agat, a LeasCheann Comhairle. I thank David Hilditch for securing this debate and I thank the Members who contributed to it; I am glad to take part in it. Despite the late hour, I am glad that I was here to listen to the contributions. I hope to respond to the issues that were raised. I will explain the reasons behind the recently introduced shellfish regulations and provide clarification on the points of concern. I hope to answer all queries; if I do not cover everything, I will come back to Members after the debate.

I will explain the background to last year's Unlicensed Fishing for Crabs and Lobster Regulations.

Pressures on the offshore fishing fleet have led to an expansion in the inshore sector. For some time, fisheries managers have been concerned about the possible over-fishing of crabs and lobsters. In 2004, a restrictive shellfish licensing scheme was introduced in the Six Counties and in England, Scotland and Wales to cap the level of commercial fishing for crabs and lobsters. At that time, licences were given to commercial fishermen who had a track record of fishing for crabs and lobsters. That capped the number of commercial shellfish licences, and it was an important measure that limited fishing efforts that targeted crabs and lobsters. The 300 licences that were mentioned earlier are for the whole of the North, not just for those who fish out of Belfast Lough.

Anybody who now wants to fish commercially for crabs and lobsters can do so only by transferring a licence from a fisherman who is leaving the sector. There are usually enough people leaving the sector to satisfy the demand from those wishing to enter it. However, some people have decided to move into the sector to operate on a commercial basis without a licence because they are not prepared to invest in the fishery in the same way that those operating legitimately have done.

7.30 pm

Selling shellfish without the required licence is illegal, and it poses a threat to the sustainability of the stock because it is unregulated. Illegal fishing activity also undermines the market for crabs and lobsters, and, therefore, the market return of licensed fishermen is less. Under-the-counter trading can have the effect of oversupplying the market and depressing prices.

Those fishing illegally are also more likely to break other fish conservation rules, such as complying with minimum landing sizes and landing lobsters that have been V-notched. Members may be aware that the V-notch scheme, which receives financial support from my Department, involves commercial fishermen marking a proportion of breeding lobsters with a V-notch and returning them to the sea to increase the brood stock, thus ensuring the sustainability of the fishery. Certainly, there has been a great deal of co-operation in that scheme.

The regulations on unlicensed fishing for crabs and lobsters that were introduced in 2008 are not there to deny recreational fishermen the enjoyment of catching a few fish, but are aimed at tackling seriously the problem of illegal, unlicensed, commercial fishing of crabs and lobsters. The regulations do that by setting reasonable limits for recreational fishing, above which a person is deemed to be fishing commercially and must obtain a restrictive shellfish licence. We have tried to be fair and reasonable in setting the limits, which are based on similar limits set by the sea

fisheries committees in England and Wales and on those set in the Isle of Man.

The regulations were subject to a full 12-week consultation, which was advertised in all major national and local newspapers and was also published on the the Department of Agriculture and Rural Development's website. Consultation papers were issued on request to all interested parties and organisations. The response to the consultation was good, with a wide range of views expressed. After due consideration, the final regulations were drafted, passed successfully through the Committee, and came into operation on 30 May 2008.

To summarise, the regulations placed a pot limit, as Members have said already, for recreational fishing of up to five pots per person, and landing limits of one lobster and five crabs per day. In addition, the location of all pots, both recreational and licensed, must be marked in order to identify the owner of the pots. Last summer, the Department launched a campaign to publicise the new regulations that involved the wide distribution of publicity leaflets, the placing of information posters in public places around the coast, and the giving of advice directly to fishermen.

My Department enforces the regulations in the course of regular coastal patrols by its fishery protection vessel. To date, there have been four specific enforcement actions against suspected illegal potting operations in which unidentified pots have been seized. In such cases, my Department stores the pots and those who have had their pots seized may contact it to explain why they have been fishing with unmarked pots.

Just last month, 17 pots were seized and retained near Dunseverick, and 24 lobsters and 30 brown crabs were released from those pots back into the sea. Included in the seizure was one stock box containing 12 lobsters alone. Last month, 36 pots were also seized around Rathlin Island: 24 lobsters and 74 brown crabs were released. That shows clearly that enforcement activity is targeting people who are fishing illegally in commercial quantities. We are not out to get recreational fishermen; that is definitely not the case. The seizing of illegal pots seems to be an effective sanction, as pots cost in the region of £20 to £30 apiece to replace.

Members have argued that the limit of five pots is too restrictive, but that limit, as I have said already, is in common use elsewhere and has also been shown to be compatible with the landing limits of one lobster and five crabs. It is interesting to note that the 87 pots seized by inspectors since last autumn contained 52 lobsters and 116 crabs. That is an average of over one lobster for every two pots and just over one crab per pot. I think that that supports the limits that we have set.

David Hilditch and other Members have asked why there are no restrictions on the number of pots fished by licensed fishermen. I agree that all crab and lobster need to be fished within sustainable limits. Since 2006, we have been collecting data from commercial fishermen to monitor catch rates and to detect changes in the state of the stocks. Although I believe that the current levels of commercial inshore fishing for lobster and crab are sustainable, we are keeping the situation under review. If additional measures are needed to control fishing effort, we will deal with them in consultation with the industry. Furthermore, if we see that stocks are decreasing or that people are landing fewer lobsters and crabs, we will know that there is a problem and will take whatever action is necessary to ensure the sustainability of stocks.

David Hilditch asked about stock boxes. A stock pot is an essential requirement for people who fish commercially and who set a large number of pots to land a marketable quantity of fresh crab and lobster. It is not essential for a recreational fisherman who sets a maximum of five pots and is limited to landing one lobster a day. That prohibition prevents illegal operators from storing commercial quantities of shellfish at sea and landing them at a time when our inspectors are not about, therefore undermining the landing-limit restriction. I accept that that may be a slight inconvenience for the recreational fisherman, but storage on land is permitted and should be adequate for personal use.

I accept the comments that were made about landing limits and about boats going out once a day. However, the significant environmental benefit of deterring illegal fishing that threatens the sustainability of stocks outweighs any slightly negative effects that may be caused by a few small vessels making short, additional trips inshore. If individuals are given the freedom to lift pots for other people, one may find that some people will try to get around the rules by having pots in the names of four, five or 10 family members and lifting those pots. I accept that it may be an inconvenience, and in a perfect world where everyone worked within the rules, we would not have to do it, but we must achieve sustainability.

We are looking closely at how the regulations work out, and we are not trying to ruin anyone's enjoyment. Although I have not participated in the sport, I understand why people want to do it. We are trying to ensure that people who live close to the coast or who holiday there still have the opportunity to fish, and that stocks are available there for them to do so. We want to ensure that if they set five pots, they will get a return in the evening — something to go along with their chips.

I thank the Members who contributed to the debate. I hope that I have addressed all the issues that were raised and reassured Members that the regulations are

fair and reasonable, and make an important contribution to the conservation of crabs and lobsters. We will continue to monitor fish stocks and fishing effort, and, if necessary, we will take further steps to ensure a sustainable fishery so that generations can enjoy the sport for years to come. Go raith míle maith agat.

Adjourned at 7.38 pm.

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