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# Northern Ireland Assembly

Monday 13 June 2011

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

*Members observed two minutes' silence.*

## Matters of the Day

### Mr Brian Lenihan

**Mr Speaker:** Mr Patsy McGlone has sought leave to make a statement on the death of Brian Lenihan, a matter that fulfils the criteria set out in Standing Order 24. I will call Mr McGlone to speak for up to three minutes on the subject. I will then call a representative from each of the other parties, as agreed with the Whips. Those Members will also have up to three minutes in which to speak on the matter. There will be no opportunity for interventions, questions or a vote. I will not take any points of order until the item of business is concluded. If that is clear, we shall proceed.

**Mr McGlone:** Go raibh maith agat, a Cheann Comhairle. Agus mé i mo sheasamh anseo, tá mé iontach brónach as ucht bhás Brian Lenihan. Ar son an SDLP agus go pearsanta, ba mhaith liom mo chomhbhrón a dhéanamh lena bhean Pádraigín agus leis an teaghlach uilig. Ba mhaith liom mo chomhbhrón a dhéanamh fosta lena pháirtí, Fianna Fáil, agus leis na cairde a rinne sé trasna na bpáirtithe agus taobh amuigh den pholaitíocht. Sárlaoch agus duine uasal a bhí ann.

On behalf of the SDLP and at a personal level, I extend sincerest sympathies to Brian Lenihan's wife, Patricia, on the sad and untimely death of a person who had yet so much to offer. Our sympathies also go to his entire family circle and his party, Fianna Fáil, to which he dedicated so much and gave so much of his time. I sympathise too with his many friends from across the party spectrum and from outside politics: a true politician and a gentleman. Ar láimh dheis Dé go raibh sé.

**Mr Wilson:** On behalf of the Democratic Unionist Party, I express condolences to the family of Brian Lenihan. I did not meet Brian Lenihan until

I was appointed Finance Minister, and I am not sure that his first impression of me was all that good, because I committed the unpardonable sin of stealing his seat. I went into the room first and took his seat. When he came in, he stood and looked at me for a moment or two and then graciously went and sat in another seat. I did not even realise that I had taken his seat.

Over the years, we had a very good working relationship. I found him to be a very genuine individual, someone who warmed to the job that he did and genuinely wanted to work with politicians from Northern Ireland to ensure that we had the best arrangements between the two countries on this island. He bore a great burden during the last couple of years, both in respect of the work he had to do because of the state of the economy in the Irish Republic and because of the ill health that he suffered. Yet, in all the dealings I had with him, he always had a bouncy optimism, both in regard to his own health — he said that things were getting better and he was recovering — and in what could be done for the economy in the Irish Republic.

During that time, I appreciated the informality that he brought to the job. On many occasions, it was a case of him saying, "I think you and I should talk this over. We don't need officials present. Let's get things sorted out". This was his attitude: "You have a problem, we have a problem. So let us sort it out". That was refreshing in the relationships between Northern Ireland and the Republic. He was a very warm individual and a great conversationalist. It was sometimes hard to get a word in edgeways when sitting at a meal with him. *[Interruption.]* I think he won on most occasions, which is saying something. That is an indication of the warmth of the individual. He always wanted to visit Stormont, but, because of ill health and other circumstances, he had been unable to do so. So I was very pleased that, on the last occasion we met, it was in this Building. We had a good

time, even with the crisis going on that day in the Republic.

On behalf of the Democratic Unionist Party, I express our sympathy and condolences to his family. He will be a great loss to politics because he died at such a young age, and he had great intellect and ability. He will be a loss to politics in the Irish Republic. I trust that, at this difficult time, his family will know that our thoughts are with them.

**Mr M McGuinness:** Go raibh maith agat, a Cheann Comhairle. On behalf of Sinn Féin, I extend our deepest sympathy to Brian Lenihan's family: his wife Patricia, his son Tom, his daughter Claire, his brother Conor and his aunt Mary.

It was with deep sadness that the First Minister and I learned, at the meeting of the North/South Ministerial Council on Friday, that Brian Lenihan had lost his very courageous battle against illness. He was a huge figure in Irish politics. He followed his father into politics, became a Government Minister and was part of an Administration who were responsible — along with ourselves and others — for changing the political landscape and history of this country and bringing about agreements that were eminently in the interests of all the people we represent. He found himself in the position of Finance Minister at a very difficult time but always showed himself to be prepared to face huge challenges. He matched his battle against illness with a battle against the dire economic circumstances that people in the South faced as a result of a world economic recession and other matters that impacted on the economy of the South.

It was always very clear that he had a great *grá*, a great love, for the North of Ireland. He recognised that our economic fortunes were interlinked. He worked hard and diligently with our Finance Minister, particularly in relation to the potential effect of National Asset Management Agency (NAMA) on our economy if there was a fire sale, but he constantly reassured us that he would not allow that to happen.

He will be a huge loss. Apart from being a first-class politician, he was a very decent human being. He was very affable, good-natured and kind-hearted and was always willing to listen to the debates and discussions that were taking place. He will be sorely missed, and all of us who worked with him will remember him as

someone who made a positive contribution to life on this island. My heart goes out to his wife and children, to his mother, Ann, and to the entire family circle at this very sad time.

**Mr Cree:** On behalf of the Ulster Unionist Party, I shall say a few words on the untimely death of Brian Lenihan. Regardless of our political allegiance, there is no doubt that Brian Lenihan has left an enormous political and personal legacy. He sought to save the Republic of Ireland from fiscal collapse by entering into a long-term agreement, which exists today. As the Republic's Finance Minister during the deepening economic crisis of late last year, he sheepishly had to go to the International Monetary Fund (IMF) and the European Union for the €85 billion rescue package that has since kept the Republic afloat. Pumping billions of Irish taxpayers' euro into a banking system that most Irish people had blamed for bringing the country to the brink was, no doubt, a deeply contentious move. Although the bailout effectively prevented the banks from collapsing, we all know the impact that it has had on the fortunes of his party. Nevertheless, he was still able to buck the trend and was successfully re-elected, the only Fianna Fáil representative in Dublin.

When he first made public his illness, in late 2009, he won admirers from all shades in the Dáil. He also showed great bravery in the face of intense media, public and political pressure while battling a personal struggle for survival. On behalf of the Ulster Unionist Party, I convey my sympathies to his wife and children and to the wider family circle.

**Mr Ford:** On behalf of my colleagues, I add our condolences to Brian Lenihan's wife, children and family circle. He was one of those politicians who came from a lengthy family dynasty, with his grandfather, his father, his aunt and his brother also all Members of the Dáil. In many cases, that can be viewed in a fairly negative way, yet what we saw of Brian Lenihan was someone who was recognised for commitment to public service, good humour and a willingness to shoulder the most difficult job in the Irish Government a couple of years ago, despite all that he was suffering with his own illness. It speaks volumes for the man that he was not there merely because it was the family thing to do; he was there to do the best conceivable job for his constituents, his party and the people of Ireland. Indeed, as others

have said, he also recognised the responsibility that he bore in North/South contacts.

He will be sadly missed, because political life could do with many more people like Brian Lenihan to carry that sense of obligation and commitment alongside that sense of good humour, partnership and willingness to relate to other people. On behalf of my colleagues, I express our condolences to the entire Lenihan family circle and Fianna Fáil on their loss.

**Mr Agnew:** I express my condolences and those of the Green Party to Brian Lenihan's family. Cancer has taken from us a talented politician but, perhaps more importantly, at the young age of 52 a son, a husband and a father. Cancer will affect most of us at some stage of our life, whether directly or indirectly. As some Members may know, I recently lost a very dear friend to cancer. I know the devastating effect that it can have on those who suffer the illness and on their friends and family. It is important to mention that this week is Men's Health Week, and Action Cancer is highlighting the need for men to "Get a Grip" and be proactive about taking care of our health needs. Our thoughts today should be not only with the family of Brian Lenihan but with all families whose lives have been devastated by cancer.

**12.15 pm**

### **HRH The Duke of Edinburgh: Ninetieth Birthday**

**Mr Speaker:** Mr Jim Allister has sought leave to make a statement on the ninetieth birthday of His Royal Highness the Duke of Edinburgh, a matter that fulfils the criteria set out in Standing Order 24. I will call Mr Allister to speak for up to three minutes on the subject. I will then call representatives from the other political parties, as agreed with the Whips. Those Members will also have up to three minutes to speak on the matter. Members know the convention: there will be no opportunity for interventions, questions or a vote, and I will certainly not take any points of order until the matter is dealt with. If that is clear, we shall proceed.

**Mr Allister:** As we move from marking one life cut short to celebrating a long and continuing life, I take this opportunity to convey personal condolences to the Lenihan family on the loss of a father and husband.

Last Friday, His Royal Highness the Duke of Edinburgh celebrated his ninetieth birthday. The achievement of that milestone for anyone is a significant event, but when it is achieved by someone of such singular relevance and importance in the life of a nation and is completed as part of long-standing and continuing service — indeed, on the very day of his ninetieth birthday, he completed three public engagements — it indicates the unique character and commitment of the man, the Duke of Edinburgh. Therefore, as his life has been celebrated and this achievement has been marked across the nation, it is right that this devolved Assembly of this United Kingdom should, likewise, mark that important event.

In his own right, the Duke of Edinburgh is a man of great achievement. He had a very distinguished naval career. Of course, most of his life has been devoted to being the steadfast consort of Her Majesty The Queen. However, through his public work, he also has created many very worthwhile causes. The Duke of Edinburgh's Award scheme is one that stands out in particular. As an abiding tribute to his practical interest in young people, he created a scheme that is quite marvellous in its concept and very attractive in how it works. It has given many young people a direction and a sense of achievement and has instilled in them values,

ethics and life skills, and many look back on it as a very worthwhile endeavour.

Of course, he has a common bond with many thousands of families in Northern Ireland, because, like so many in the Province, he suffered the loss through IRA terrorism of a very close relative when his aged uncle Lord Mountbatten was murdered, a dastardly act that was justified at the time by those who carried it out and is still defended by their acolytes. What a contrast with the dignity and forbearance with which the Royal Family —

**Mr Speaker:** I ask the Member to come to a close.

**Mr Allister:** What a contrast with the dignity and forbearance with which the Royal Family bore that tragedy.

When speaking about the Duke of Edinburgh, I cannot sit down without commenting on the unique style that he brought to public life.

**Mr Speaker:** The Member's time is up.

**Mr Allister:** I, for one, have a lot of time for someone who is prepared to speak his mind and kick against the traces of political correctness. Many a time, he brought a smile to our faces.

**Mr Speaker:** Order. I must insist. I have given the Member quite a bit of latitude, perhaps too much.

**Mrs Foster:** I also rise to mark and celebrate the outstanding service of His Royal Highness the Duke of Edinburgh to the United Kingdom and, indeed, his support to Her Majesty The Queen. He is, of course, the longest-serving consort in history.

By all accounts, he had quite a tough childhood, and he went to that character-building school at Gordonstoun. As has been mentioned, he then moved into the Royal Navy and had a very good career there. Indeed, he was mentioned in dispatches in the latter stages of World War II.

The love story of Prince Philip and the then Princess Elizabeth captured the nation back in the 1940s. Since then, he has been a constant support to Her Majesty The Queen, particularly since their marriage and her ascension to the throne in 1952. The career that he has chosen in support of Her Majesty The Queen has not been without sacrifice. He gave up his career in the Royal Navy, and that is why it was most

fitting that Her Majesty The Queen should award him the accolade of Lord High Admiral of the Royal Navy as a token for his ninetieth birthday. Always one step behind Her Majesty, as protocol dictates, he has always been on hand as a sounding board for her. Indeed, she has indicated that that has been invaluable to her in her long reign.

Of course, Prince Philip has a very witty sense of humour. I remember, some time after devolution, when most of the unionist Ministers were at a garden party, he was going along the line, shaking hands with all the Ministers. My husband happened to be behind me. "And what do you do?", the prince asked. My husband said, "I am just her husband", to which the prince replied, "Don't rub it in". I thought that that was a witty response.

In 2012, we will celebrate 60 years of Her Majesty The Queen's reign. As we look forward to those celebrations, we should also reflect on the role that His Royal Highness has played in her marvellous reign. I hope that we will continue to enjoy seeing him in his supportive role for very many years to come.

**Mr Kinahan:** On behalf of the Ulster Unionist Party, I would like to take up the honour of speaking on this happy occasion. May I remind Members that the monarchy is there for those on the left, the right, the far left, the far right and, indeed, even anti-monarchists. The monarchy is vital to our government systems. That family remains totally non-political.

Today, we are here to cheer one of the rocks behind the monarchy, one of its backbones. We have much to be grateful for. We are grateful to those who, 89 years ago, put Prince Philip in an orange box and got him out of Greece when there was a republican coup. We are grateful to him for his service and for his exceptional fighting during the last world war, which was mentioned in dispatches. We are grateful to him for the six decades during which he has supported the Queen. He has made 600 visits to 140 countries. He is still going strong in support of our monarch and making us all extremely proud. We are also grateful to him for all his work in the charity world; for example, the Duke of Edinburgh's Award, which has been mentioned, the World Wildlife Fund and some 300 other organisations. He is a tireless patron of some 800 organisations.

We are grateful to him for his humour. If I may, I would like to borrow a story from Ed Miliband. The Prince commented to the matron of a hospital that he visited in the Caribbean, "You have mosquitoes; I have the press". There are many stories. He has seen out 12 Prime Ministers. The Ulster Unionist Party would like to wish the Duke of Edinburgh a late ninetieth birthday and the very best health for the future, keeping in mind that it is only 10 years until he should get a telegram from his wife.

**Mr Lunn:** On behalf of the Alliance Party, I also wish His Royal Highness a belated happy birthday and every good wish for the future. It is a sobering thought for some of us of a particular age that the Duke and Her Majesty The Queen were married at around the time that I was born. That will give you a clue as to my age. It is remarkable. As other Members have said, during that time, he has been totally supportive in his role as consort to the Queen. He continues to fulfil that role. On Saturday 11 June, he attended the trooping of the colour. He has said that he is not so much retiring from public life as cutting back. For a 90-year-old man to admit that it is time to cut back but not retire is totally remarkable. I wish him every success. I have absolutely no doubt that, in 10 years' time, some of you will be standing here and congratulating the man on his 100th birthday, because he is undefeatable.

Others have commented about his sense of humour, and I will join in. He came to Lisburn City Council a couple of times. On one occasion, he was going round the guests, and he came to Edwin Poots's father, Charles Poots. He asked Mr Poots what he did for a living, and Charlie said that he was a poor farmer, at which point the duke said, "What instrument do you play?". Work it out. We will never know whether he misheard or whether it was a quip; we just do not know. It was very funny, and he was well known for it. We in the Alliance Party wish him well and join in the congratulations with everybody else.

## Assembly Business

**Mr Campbell:** On a point of order, Mr Speaker. I seek your guidance on Matters of the Day or a motion regarding an issue that I wish to raise. Over the past few days, we have noticed the commemoration of the thirty-eighth anniversary of the bomb in Coleraine, where six people were murdered, and, at the same time, the appointment by Sinn Féin of a Sinn Féin councillor to the post of Mayor of Limavady. That person, of course, was convicted for his part in that bombing. That is a particularly insensitive and inappropriate appointment. Will you give us some guidance on what would be the most appropriate way to raise the revulsion of the wider community at those events?

**Mr Speaker:** I was asked one time in the House what a Matter of the Day was. I told Members of all sides that, when I hear a Matter of the Day, I will tell them. I advise the Member that the Business Office will steer and direct Members who may have a difficulty in where they might be going.

Before we move to the next item of business, I wish to advise Members that the Minister of Finance and Personnel has written to me this morning to say that he will be attending the funeral of the former Republic of Ireland Finance Minister Brian Lenihan and will be unable to be in the House tomorrow to move the Second Stage of the Budget (No. 2) Bill or attend Question Time. Minister Foster will respond on behalf of Minister Wilson at Question Time tomorrow, and the Bill stage will be rescheduled for next Monday, 20 June.



## Executive Committee Business

### Supply Resolution for the Northern Ireland Main Estimates 2011-12 and Supply Resolution for the 2009-2010 Excess Votes

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

The Business Committee has agreed to allow up to four hours and 30 minutes for the debate. The Minister will have up to 60 minutes to allocate as he wishes between proposing and his winding-up speech. All other Members who wish to speak will have 10 minutes in which to do so.

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

*That this Assembly approves that a sum, not exceeding £8,141,695,000, be granted out of the Consolidated Fund, for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and the Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office, the Northern Ireland Authority for Utility Regulation and the Public Prosecution Service for Northern Ireland for the year ending 31 March 2012 and that resources, not exceeding £8,656,468,000, be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and the Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office, the Northern Ireland Authority for Utility Regulation and the Public Prosecution Service for Northern Ireland for the year ending 31 March 2012 as summarised for each Department or other public body in columns 3 (b) and 3 (a) of table 1.3 in the volume of the Northern Ireland Estimates 2011-12 that was laid before the Assembly on 6 June 2011.*

The following motion stood in the Order Paper:

*That this Assembly approves that a sum, not exceeding £23,278,781.13, be granted out of*

*the Consolidated Fund, for or towards defraying the charges for the Department of Agriculture and Rural Development for the year ending 31 March 2010 and that resources, not exceeding £17,836,994.70, be authorised for use by the Department of Agriculture and Rural Development and the Department of Education teachers' superannuation, for the year ending 31 March 2010, as summarised for each Department in Part II of the 2009-2010 Statement of Excesses that was laid before the Assembly on 6 June 2011. — [Mr Wilson (The Minister of Finance and Personnel).]*

### 12.30 pm

In my opening remarks, I will address the two Supply resolutions before the House today. The first resolution seeks the Assembly's approval for the 2011-12 spending plans of Departments and other public bodies, as set out in the Main Estimates, while the second resolution seeks the Assembly's approval of Excess Votes for two Departments for 2009-2010, as detailed in the Statement of Excesses for that year. The Main Estimates and the Statement of Excess were laid in the Assembly on Monday 6 June 2011.

The first resolution relates to the supply of cash and resources for the remainder of the current year, 2011-12, as detailed in the Main Estimates. A Vote on Account was passed by the previous Assembly on 1 March, and that provided initial allocations for 2011-12 to ensure the continuation of services until a Budget was agreed and those Main Estimates were presented to the Assembly for approval. That first resolution and the business of the Budget Bill, which I will introduce later today, now require a balance to complete the total cash and resource requirements of Departments and other public bodies for 2011-12. The balance to complete amounts to over £8 billion of cash and £8 billion of resources. Those requirements reflect the first year of the Executive's Budget for 2011-15, which was approved by the Assembly on 9 March 2011, as well as the demand-led annually managed expenditure (AME).

I now turn to the second resolution, which seeks the Assembly's approval for Excess Votes for two Departments for 2009-2010. The Department of Agriculture and Rural Development (DARD) exceeded the cash and resources approved by the previous Assembly for 2009-2010 by over £23 million and £14 million respectively, while the Department of

Education's teachers' superannuation scheme exceeded its resource limit by almost £3.7 million. I draw Members' attention to the explanations given in part two of the Statement of Excess for each Department. Those excesses were reported to the Comptroller and Auditor General. The Public Accounts Committee (PAC) considered the reasons and recommended that the necessary sums now be provided by Excess Votes in the Assembly. On behalf of the Executive, I request and recommend the levels of Supply set out in those two resolutions under section 63 of the Northern Ireland Act 1998.

I now turn to the Budget for 2011-15. As the new Assembly takes up its mandate, I am glad that we commence with the stability of an agreed Budget, which is now in place for four years. Today's debate is about the first year of that Budget. We are all well aware of the difficult fiscal climate in which the Budget was agreed and of the challenges that lie ahead. However, I want to remind the House and new Members of some of those challenges that we will have to tackle during the lifetime of the expenditure plans before us today.

First and foremost in all our minds is Northern Ireland's economic recovery from the current recession. That continues to confront us as we enter a new mandate and must be at the forefront of the new Executive's agenda. We need to rebalance the Northern Ireland economy towards higher value-added private sector activity. We have always recognised that the private sector is too small. We must drive export-led economic growth. Encouraging exports and supporting firms and their local supply chains in doing business outside Northern Ireland will provide access to larger markets with greater trade opportunities. Exploiting such opportunities during 2011-12 will enable the private sector to grow, increase wealth and employment in Northern Ireland and empower economic recovery.

On that note of rebalancing the economy, I want to take a moment to touch on the subject of corporation tax. I very much welcome the consultation document 'Rebalancing the Northern Ireland economy', and I encourage all sectors of the community to respond. However, although a reduction in corporation tax has suddenly become the panacea for all economic ills in Northern Ireland, we must not lose sight of the fact that there are other factors that influence investment and other economic levers

available. We must explore all options and tackle economic recovery from every angle to help us to grow and rebalance our economy. I signal to the House that the proposed reduction in the rate of corporation tax in Northern Ireland would have implications for our block allocation and, hence, service delivery. It is vital that we protect already hard-pressed public services in Northern Ireland. There is much to discuss and negotiate with the Treasury during the financial year before we will be in a position to make any decision on this matter.

Still in the vein of helping our economy, during 2011-12 I will continue to liaise with the banking sector with a view to encouraging improved lending facilities for small and medium-sized businesses. In light of the heavy exposure to developments in the banking sector in the Republic of Ireland, I will continue to keep a watchful eye on any restructuring plans within the Irish banking sector to ensure that those do not adversely impact upon the Northern Ireland operations of Irish-owned banks, a condition that we requested be attached to the UK's bilateral loan to the Republic, and one that was granted. At the same time, I will continue to liaise with the National Asset Management Agency (NAMA)'s Northern Ireland advisory committee on loans located in Northern Ireland, especially in light of further acquisitions as part of the conditions of the recent EU/IMF loan packages. As recently as last week, I met the Republic's new Finance Minister to discuss North/South banking and a range of wider economic issues, including NAMA.

I turn now to the welfare reform programme and the impact that that will have on annually managed expenditure. As we progress through 2011-12 and the remainder of the Budget period in this mandate, the UK coalition Government will be tackling the fiscal deficit. Although we have already experienced pain in our block allocation through Barnett consequentials resulting from the spending review, I must warn that further pain lies ahead. As the coalition Government progress the welfare reform programme, that will have a significant impact on our hitherto demanded funding — that is, on annually managed expenditure. In the past, we have tended to take funding from Westminster for granted while focusing most of our attention on the assigned departmental expenditure limits. Plans announced in the UK spending review for welfare reform, including reducing welfare spending in

real terms over the next four years, will impact on the annually managed expenditure part of our block allocation. The coalition Government confirmed in their March Budget that they are considering options for strengthening control of AME by increasing the amount of spending that is managed within fixed budgets. Of course, social security spending is our most significant component of AME that would fall within that increased control. In particular, the planned abolition of the social fund and of council tax benefit in GB to be replaced by localised schemes in April 2013 may have significant repercussions for Northern Ireland.

Difficult negotiations and decisions lie ahead in this area over the next four years; negotiations and decisions that will require maturity, skill, wisdom, decisiveness and a corporate approach by this Administration on behalf of those who we have the honour to represent.

We also have a number of issues that we wish to progress with Her Majesty's Treasury. The challenges in relation to the impact of welfare reform, which I have touched upon, are only some of the challenges that confront this Assembly. As we move into 2011-12, there are many key financial issues to address on several fronts. Those are issues that must be tackled head-on and upon which decisions must be made by the Executive to aid the turnaround of our economy and the continued delivery of effective, efficient public services to our people.

Among those are various issues that must be progressed with the Chief Secretary to the Treasury on behalf of the Executive. As well as the important issues already mentioned — corporation tax, banking issues and the impact of welfare reform — we must urgently pursue a better outcome on the successor to the end-year flexibility (EYF) system, known as the Budget exchange system. In my view, the proposed scheme undermines the concept of devolution and does nothing to aid sound financial management. Any new scheme must encourage sound management of public expenditure and provide for some discretion in carrying forward end-of-year underspends at block level.

In conclusion, Mr Speaker, I thank you for your indulgence, as I appreciate —

**Mr Allister:** So that my understanding is clear, is it correct that the Supply resolution today will, among other things, authorise the public salary,

pension and other entitlements of the convicted murderer Mary McArdle as a special adviser in the Department of Culture, Arts and Leisure (DCAL)? Is that the sort of expenditure that we are being invited to vote through today in the Supply resolution? If so, does the Minister accept that any MLA who is genuinely offended by the obscenity of employing such a convicted murderer will have good cause not to vote for that motion?

**Mr Wilson:** I have listened to the intervention, and I share the view that my party has already expressed on the appointment of the adviser to the Minister of Culture, Arts and Leisure. That is a decision that the Minister made, and she will decide how the part of the Budget that she has been allocated will be distributed. Indeed, I am undertaking a review to seek to ensure that issues like that are addressed in the future.

The Member knows very well the implications of what he is saying. Is he saying that, in order to make the point that he has made in this Assembly, he would prefer to see the Supply resolution not being voted through so that — let me make it quite clear — there will be no spending on salaries, on grants, on service delivery, on capital projects or on the whole range of things that this Executive and Assembly are responsible for? Is he saying that he wants to vote, and wants the Assembly to vote, in that way so that Northern Ireland grinds to a halt? I suspect that he does not want that to happen. I suspect that he wants to stand Pontius Pilate-like, wash his hands and say that he will not vote for this motion but that he hopes that all the rest of us will vote for it because he does not want Northern Ireland to grind to a halt.

**Mr Allister:** Will the Minister give way?

**Mr Wilson:** No, I will not give way. He has made the point, and I have answered it. That is the kind of politics that we get from the Member, who is quite happy to engage in posturing and climbing on his soapbox but who hopes to goodness that nobody else responds. It was the same before the election when he said that he wanted to bring the Assembly down and get back to direct rule, but, at the same time, he was hoping that that would not happen. He has the ability to make all these —

**Mr Allister:** Will the Minister give way?

**Mr Wilson:** No, I will not. The Member will have 10 minutes later.



**Mr Speaker:** Order. The Member should not persist, as the Minister obviously has no intention of giving way on the issue. I say that to all sides of the House. Members should not persist if other Members or Ministers do not want to give way.

### 12.45 pm

**Mr Wilson:** He may now wish that he had not raised the point. Nevertheless, he has, and I will give him the answer, which is: the alternatives are to allow the Member to do his soapbox posturing while all the rest of us get on with the business of making Northern Ireland work, or we all follow, lemming-like, his type of politics and wreck Northern Ireland. The fact that people do not want those wrecking tactics is the reason he has only a single Member in here today and why his own vote was so reduced in North Antrim.

He could have picked out lots of other things, things that I do not particularly like in the Assembly's spending programme. Nevertheless, as a coalition, we had to come to compromises on how money would be spent. As I said, I am seeking —

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

**Mr Wilson:** I will in a moment or two. There has been a request for my Department to review how special advisers are appointed in future, and I am seeking ways of avoiding the situation that he described.

**Mr A Maginness:** Thank you. The Minister raised the issue of end-year flexibility. Will he enlarge on his comments on that? It is particularly important for us as a devolved institution to have certainty in relation to that. It seems a bit of a cheat for Westminster to take away moneys that should rightfully be spent here and, indeed, in other devolved institutions. Will the Minister enlarge on that position?

**Mr Wilson:** As the Member will know, Westminster has already taken away £315 million that we had accumulated in end-year flexibility. By the way, we were encouraged to build up such an accumulation. Rather than simply spend money recklessly at the end of financial years, if some money was left it was to be carried over and we were to apply to spend it in a much more constructive way in the following year. That money simply disappeared at the stroke of the Chancellor's pen.

The new scheme will require us to declare in September or October what our likely underspend was going to be before the end of the year. At that stage of the year, you cannot possibly do that. Because you do not know until February what the unplanned underspend is going to be, we are likely to find that either the money will be returned to the Treasury, from which, do not forget, it was allocated in the first place because it deemed that we needed and were entitled to it, or it will have to be spent recklessly, which is not good and prudent financial management. I hope to have discussions with the Minister to put forward some constructive suggestions from Northern Ireland as to how we can ensure that that money is used in a much more responsible way. However, as it stands, we do not have an end-year flexibility scheme that we believe is workable. Indeed, the Administrations in Scotland and Wales also agree that that is the case, so there is work to be done and it is important if we want to manage the resources available to us.

Therefore, I look forward to a lively debate on the issue. We have —

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

**Mr Wilson:** Yes. I am going to go round everybody giving way in a minute or two.

**Mr B McCrea:** I am grateful to the Minister for giving way. I have a fairly pointed question to follow up on his statement and to seek a little bit of clarification. There are profound implications to the decision to include AME in what will, essentially, become managed expenditure. I am not sure, Minister, if it was quite clear to people the impact that that will have on our ability to manage resources, because AME is down to expenditure that you have to incur. I think that the Minister is suggesting that, if there is pressure on us that goes beyond budget, it may have an impact on departmental expenditure limits — and that, of course, makes it difficult to manage. Am I correct?

**Mr Wilson:** That is absolutely right. With demand-led expenditure — for example, benefits — we are not exactly sure what elements of welfare spending etc are going to be included in the Government's proposal to try to put annually managed expenditure into a fixed sum.

The Government are not clear on that yet, and it is one of the things that we want to talk to them about. If, for example, they were to include unemployment benefit and jobseeker's allowance as part of a fixed amount of money allocated at the beginning of the year, a sudden rise in unemployment towards the end of the year could wreak havoc with the planned Budget. That is the kind of problem that we face. Until we are clear what elements will be included in that fixed sum and what allowance there might be if there are sudden changes, we will not know what the impact will be. However, we know that where there is demanded expenditure and you try to corral that into a regime that has a fixed amount of money, you have difficulties. To a certain extent, we already see that with, for example, student finance and school finance, where increased demand at stages can lead to budgets having to be revised. If you put that into the wider scale of the thousands of millions of pounds that are currently annually managed, you can see the problems that we are likely to have.

I request Members' support for the first motion in order to approve further supply for the 2011-12 financial year to enable vital public services to continue beyond the current provision in the Vote on Account. I also ask for Members' support for the second motion in order to regularise the excess expenditure of cash and resources in 2009-2010 by DARD and the Department of Education teachers' superannuation scheme.

**Mr Murphy (The Chairperson of the Committee for Finance and Personnel):** On 1 June 2011, senior officials from the Department of Finance and Personnel (DFP) briefed my Committee on the Main Estimates for 2011-12, the Excess Votes and the associated Budget (No. 2) Bill, which gives legislative approval to the Estimates and is to be introduced in the Assembly following this debate. Advance copies of the Main Estimates for 2011-12 and the Statement of Excess for the year ending March 2010 were made available to Committee members prior to the briefing.

The Main Estimates and the associated Budget (No. 2) Bill are based on the first year of the previous Executive's Budget 2011-15, which was agreed on 9 March 2011 during the previous Assembly mandate. The previous Finance and Personnel Committee published its comprehensive report on the Executive's

draft Budget in February. In order to inform its recommendations, the previous Committee undertook a considerable evidence-gathering exercise, which included canvassing views from the other Assembly scrutiny Committees, as well as a range of leading economists, academics and representatives from the business and voluntary sectors and the trade unions.

The report was a critical but constructive response to the Executive's draft Budget proposals and included 45 key findings and recommendations at strategic and departmental level, as well as numerous supplementary observations and proposals. Many of those applied to the medium to longer term, and the new Committee has agreed to continue with its predecessor's work in that regard. I have, therefore, written to the Minister to ask that he champion the strategic and cross-cutting recommendations with the wider Executive. Additionally, the Committee expects that the recommendations will be taken into account in the important work of the Budget review group. The Committee has requested that it be kept informed of progress and the implementation of recommendations, and looks forward to working closely with DFP on that.

It is clear that robust financial management in Departments will be essential. In addition to the £4 billion real-terms reduction in the block grant over the next four years, Members will be aware that, as part of the 2010 spending review, the Westminster Government unilaterally decided to remove the end-year flexibility system. That was an important mechanism that enabled the devolved Administrations to carry forward unspent resources for use in future years, and its removal has resulted in the loss of over £300 million of EYF stock accumulated by the Executive. I have heard the Minister express his views on that in his contribution and in his response to a question. It will take a robust response from the Finance Department, perhaps in conjunction with the Finance Departments of the other devolved Administrations, to the Treasury to deal with the issue.

The Committee has asked for more details on the replacement mechanism for EYF, the Budget exchange scheme. However, from the brief details given, Departments will have to flag up their projected underspends as early as October, which is far from ideal. The Minister indicated that he has made some representations to the Treasury on how the scheme might be improved

and has undertaken to keep the Committee informed on any relevant discussions. Regardless of those practicalities, Departments must do all that they can to keep underspends to a minimum.

I will now speak to the second motion, which is on the Supply resolution for the 2009-2010 Excess Votes. Departmental officials advised the Committee of a Statement of Excess in 2009-2010 for the Department of Agriculture and Rural Development and the Department of Education. Members were told that the matter had been reported to the Public Accounts Committee by the Comptroller and Auditor General and that, having considered the issue, the PAC recommended that the necessary sums be provided by Excess Votes in the Assembly. The Committee subsequently wrote to the relevant Statutory Committees to draw the matter to their attention. Both noted the PAC recommendation and indicated that they will liaise with the PAC to ensure that any financial management concerns around the Excess Votes are addressed by the respective Departments.

There may be some concern that the risk of overspending will increase in view of the current constraints on public expenditure and that the Assembly will be required to give retrospective approval to more of these Excess Votes. I believe that DFP can play a vital role in monitoring spending in that regard and in leading the drive for improved financial management across Departments to minimise the risk of overspends and significant underspends. That is reflected in the Department's business plan, which states that DFP will:

*“secure, plan, manage and monitor public expenditure in line with the Executive's priorities”.*

It is also reflected more generally in the Department's overarching function of supporting the Executive in the effective strategic management of public expenditure. Committees, too, will play an important role in scrutinising the financial management performance of their respective Departments, and the provision of timely and accurate information by all Departments will be essential in enabling that scrutiny.

The Committee supports the motions, and I have no doubt that other colleagues, particularly from my party, will make their own commentary.

**Mr Frew (The Chairperson of the Committee for Agriculture and Rural Development):** I speak, if I may, as Chairperson of the Agriculture and

Rural Development Committee. The difficult economic climate in which we find ourselves cannot be denied. Although the four-year Budget that the Executive managed to agree in the second week of March was rightly regarded as a significant political achievement, I do not think that any of the Ministers managed to get the resources that they wished for. That means that there will be challenges over the Budget period, and there will be immediate effects for those who live and work in rural areas. That is already apparent in the funding available for 2011-12.

Prior to, during and immediately following the election, there was much speculation about which parties would choose which portfolios, and the media made much of what might be read into that. I do not know whether it was a coincidence, but the First Minister and the deputy First Minister both spoke around that time at separate engagements at one of Northern Ireland's premier events, the Balmoral show: the former at the Assembly and Business Trust breakfast on the Wednesday of that week, and the latter at the Ulster Farmers' Union breakfast on the Thursday. Both stressed the relative importance to Northern Ireland's economy of agriculture generally and the agrifood sector specifically. That was reflected in the fact that the agriculture and rural development portfolio was selected as one of the early choices in the formation of this Executive and the appointment of Ministers. The portfolio was fifth pick, which is a contrast with previous mandates, when DARD was the final pick. That gives the farming community hope that it is climbing the ladder of priorities.

The Agriculture and Rural Development Committee will not be shy in reminding the First Minister and the deputy First Minister, if needs be, that the agrifood sector is critical to the Northern Ireland economy. I am sure that the Committee will also want me to ask the Finance Minister to remember that, especially when it comes to handing out finances. However, it will also be important for it to be remembered when the Executive sit down to agree a Programme for Government so that the agrifood sector can play its part in our economic recovery.

The Committee has had an opportunity to meet only twice in the new mandate, but it is no surprise that one of the early briefings that it sought was on the implications of the Budget settlement. The Committee was told that the Department has to find around £40 million

of cash savings to help fund pressures. That is a challenge, but I welcome the fact that, during the Budget process, the former Minister was able to recognise the validity of calls to continue to support local agricultural shows and that, subject to the submission of a suitable business proposal, grant aid would be renewed for the Young Farmers' Clubs of Ulster.

The Committee has been advised by officials that the Department will be able to spend more than £240 million net in capital and current expenditure, in addition to the £250 million that it will provide to farmers and rural dwellers in single farm payments.

I hope that that is consistent with the figures provided by the Minister of Finance and Personnel in the Main Estimates and that it allows for the complications of departmental expenditure limits and AME. I do not mind if he has given more, but I would certainly have a problem if it is less. The Minister of Agriculture and Rural Development and the Department have a wide range of programmes to fund.

#### **1.00 pm**

On the plus side, an opportunity exists for the agrifood sector to play its part in Northern Ireland's economic recovery, and that should be nurtured and supported. The Northern Ireland Food and Drink Association's 'Manifesto 2011' contains some interesting facts and statistics. According to that manifesto, the agrifood sector is the largest contributor to the sales, external sales and employment of the Northern Ireland manufacturing sector. Some £3.2 billion worth of local produce was sold last year, 67% of it externally, and 92,000 people are employed in agrifood-related jobs. On the down side, the rising costs of cereals and fuel will have an impact not only on the farming community, but on the entire community in Northern Ireland, as they will, for example, create higher food prices.

The Committee for Agriculture and Rural Development is concerned that fines imposed by the European Union could have a detrimental effect on the Northern Ireland block in general and on the budget for agriculture and rural development in particular. The Committee is pleased that it will have the opportunity at its meeting tomorrow to explore with the Minister her priorities and intentions and how those can be funded to best effect.

I know that the Minister of Finance and Personnel is a strong advocate of introducing efficiencies and ensuring that funding goes to front line services. I can assure the Finance Minister that the Committee for Agriculture and Rural Development will continuously explore how that can best be achieved and urge the Department to take suitable action. However, I must stress that I regard efficiencies as standard and routine good practice, whereas I view savings as a different matter with different implications.

The Department indicated that it expects to achieve some efficiencies and savings through the greater use of technology. There was also a suggestion of scope for making further savings somehow through those staff members who worked on the four pieces of primary legislation enacted in the previous parliamentary session. However, I am somewhat sceptical about savings coming from either area. Departmental officials told the Committee that 87% of applications for the rural development programme were made online. Quite how improving that figure to 100% will produce significant savings is beyond me. However, perhaps there is scope for improving similar figures in other programmes. I am also puzzled about the staffing point. Surely, at least some of those staff members are permanent employees of the Department and will continue to count against its wage bill. However, it is early days, and I expect the Committee to get into the detail in the weeks and months ahead.

As I said in my opening remarks, no Minister got everything that she or he wished for in the Budget settlement. Such is life, and sometimes we must just be thankful for what we have. I congratulate the former Minister of Agriculture and Rural Development and the Minister of Finance and Personnel on their efforts to provide the Department with a budget for 2011-12. The Committee will do all that it can to ensure that it is spent wisely.

I now wish to say something in my capacity as the agriculture spokesman for the DUP. As a Member for North Antrim, agriculture will always be high on my list of priorities. My party has displayed that time and time again. Previously, two former North Antrim MLAs, Ian Paisley and Ian Paisley Jnr, took up the role of Chairperson of the Committee for Agriculture and Rural Development. We know the strengths and weakness of the industry and what it means to Northern Ireland. In this critical period, it is vital



that farming and all its associated industries are supported 100%.

The Minister has her work cut out for her in evolving the Department into something much leaner, but, I hope, not much meaner. When it comes to getting the best deal possible for farmers and fishermen, she will need all the help that the Executive, the Committee, the Assembly and the industry can give her. It is critical that we get such a deal on single farm payments during the forthcoming negotiations on CAP and the common fisheries policy (CFP) reforms, as that will have a major impact on the economy and could have major ramifications for future debates like this. In the short time that I have had responsibility for agriculture and rural development in my party, it has become clear to me that the Minister must get her own house in order before we go to Europe or the Department for Environment, Food and Rural Affairs (DEFRA) to represent our industries. The Minister must also act swiftly and decisively, because she does not have much time.

At my first opportunity to address the House, I give the following commitment to the Minister: if she moves fast in the correct direction to make the Department fit for purpose in this ultra-modern age, listens to the farming community and understands what it is saying, why it is saying it and acts on it, and truly fights for their rights at a national level with DEFRA, at a European level in Brussels and globally, my party and I will support her, and I will say so in the House and in the media.

I give her that commitment. Why? Because the farming community demands it. They want Northern Ireland plc to work together, and as long as Northern Ireland is moving forward, and as long as we are moving the agrifood sector, the farming industry and everything around it forward, we should all welcome that. However, I also plant this warning —

**Mr Allister:** In his capacity as Chairman of the Agriculture Committee, will the Member give the House the benefit of his opinion on the wisdom of the Department's policy of prioritising a new headquarters for itself over other spend? Is he also satisfied that the gaping hole left in the budget by virtue of the EU penalties that have been imposed can be met through mere efficiencies?

**Mr Frew:** I thank the Member for his comments. Yes, he is quite right when he talks about

the HQ and, of course, the gaping hole. The Committee will be looking at that over the weeks and months ahead. I take his point about that. Funding for the HQ is in the fourth year of the budget, so there is time for the Committee to influence the Minister's decisions on that. We have to make sure that we fill any gaping hole, or any hole at all, in the budget. We should not be looking at efficiencies only in times of austerity but on a year-to-year basis, and as Chair of the Committee I hope to do that.

However, I plant this warning to the Minister —

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

**Mr Frew:** I am not good at planting anything, because nothing ever grows when I plant it, but she must move fast and listen to the people who know best. That is what the farming community and this party are doing —

**Mr Speaker:** The Member's time is up.

**Mr Frew:** — and I will represent them to the best of my ability.

**Mr Cree:** I welcome the opportunity to speak as a member of the Finance and Personnel Committee and to thank the Minister for his detailed opening remarks. Although this is an important debate in that it is a necessary precursor to the Budget (No. 2) Bill, which will be brought by the Minister later today, it mainly provides the legal authority for Departments to draw from the Consolidated Fund and do what is set out in the Estimates.

Having studied the process, I find the system cumbersome, convoluted and repetitive. It is good to know that the Executive, in their wisdom, have agreed to change it. The new strategic objectives are to align the Budget Estimates and accounts as far as practicable, to improve transparency and to synchronise the presentation of the Budget, the Estimates, departmental expenditure plans, the Budget Bills, rates legislation and the accounts to create a single, co-ordinated public revenue and expenditure process. However, that may take the whole of the current mandate to complete.

The Budget for 2011-12 was passed by the House earlier this year. The Ulster Unionist Party was unable to support the Budget for several reasons. It did not set out the rationale and principles behind the proposed departmental allocations and how they had been applied to

Departments, and not enough resources were provided for the Health Service. The draft Budget should have been accompanied by a draft Programme for Government and an updated investment strategy. There was also little information on the realisation of capital assets.

We still have concerns, but to reject this motion puts at risk the ability of Departments to draw money from the Consolidated Fund, and we will not do that. I will leave it to other Members from my party to detail, in what was going to be tomorrow's but will now be next week's debate, some of the specific concerns that we have about Departments.

I want to discuss the second motion: the Supply resolution for 2009-2010 Excess Votes. Departments must make sure that expenditure does not exceed the limits and restrictions set by the Assembly. Any expenditure outside those limits results in an Excess Vote.

I see that two Departments are subject to such an Excess Vote this year. First, the Department of Agriculture and Rural Development has an excess resource expenditure of £14,140,142.57 arising from certain liabilities for EU financial corrections. The financial penalties from the EU are undoubtedly something that DARD, under the scrutiny of the Committee, needs to work to reduce. However, perhaps more worrying is the fact that DARD also has an excess net cash requirement of £23,278,781.13. That was seemingly down to a clerical error, due to an increase of £45 million being recorded in relation to creditors, instead of a decrease of £45 million. That is a serious issue that needs to be tackled.

I see three main questions arising from that information. Why did the clerical error occur in the first place? Why was £45 million owed to creditors by the Department? How was the figure of almost £23.3 million excess cash requirement arrived at? I certainly hope that those questions may be answered during the debate, either by the Minister or by the Chair of the Committee for that Department, because we can ill afford to replicate such expensive mistakes at a time of fiscal constraint.

Secondly, the Department of Education had an excess resource expenditure of £3,696,852.13, due to its failure:

*"to operate adequate internal controls to manage effectively the alignment of the budgeting and Estimates process."*

The wording of the motion states that that excess relates to teachers' superannuation. That inefficiency within the Education Department must be stamped out and the internal controls mentioned in the '2009-10 Statement of Excess' must be put in place. That excess expenditure within the Education Department also puts into perspective the praise that the former Education Minister received from some quarters for her budgetary discipline.

I will finish by reiterating that the Ulster Unionist Party will be supporting the two motions, as we recognise their legal importance in the budgetary process, but we also recognise the debate that needs to be had around these issues.

**Mr D Bradley:** Go raibh míle maith agat, a LeasCheann Comhairle. Caithfidh mé a rá go bhfuil an-áthas orm páirt a ghlacadh sa díospóireacht thábhachtach ar an rún soláthair agus ar na vótaí ar bhreisceachteachas. I am grateful for the opportunity to participate in the debate on the Supply resolution and the Excess Votes. I think that everybody agrees that the budgetary settlement is the most difficult ever. The loss of £4 billion from the block grant certainly puts huge pressures on all Departments. The situation has been worsened by the unilateral withdrawal of the end-year flexibility stock of over £300 million.

As well as that, the situation on the capital side is dire, and it serves to underline the need for the Executive to continue to push the Westminster Government not to renege on the amounts owed to Northern Ireland in capital funding, which remain to be paid in the final two years of the investment strategy up to 2017, in line with the previous Government's commitments. I invite the Minister to update the House on that issue when summing up.

Other contributors have referred to the replacement of the end-year flexibility scheme by what is known as the budget exchange scheme. That reduces the number of in-year monitoring rounds to three, and requires Departments to make surrenders on possible underspends in October. That will require much more exact financial monitoring and planning than is the case at the moment and it will be a huge challenge for individual Departments if money is not to be

lost. I suggest to the Minister that there is room for further negotiation on that issue.

### 1.15 pm

The exactitude in financial matters demanded by this change contrasts sharply with the two Excess Votes that are before us today. One of those is to the tune of over £37 million, combining liabilities for EU financial corrections and an accounting error in the 2009-2010 spring Supplementary Estimates on behalf of the Department of Agriculture and Rural Development. The other is in excess of £3.5 million, and, as Mr Cree pointed out, is the result of the Department of Education's failure to operate adequate internal controls to manage effectively the alignment of the budgeting and estimate process.

In combination, those errors have taken £40 million out of an already depleted pot and are of such a scale that we can ill afford them presently or at any time in the future. The Finance Department needs to ensure that such errors do not recur, and I ask the Minister to reassure the House on that account.

The SDLP has fully engaged with the budgetary process to try to ensure that we take every possible step to ensure that the effects of the cuts are mitigated and that our citizens, especially the most vulnerable, and front line services are protected to the fullest possible extent from the severity of austerity measures. We have passed our proposals to the Minister for his consideration. The Minister will remember that we have engaged robustly with him, and I hope that he continues to give our proposals due consideration. The Minister has said that the Budget is not set in stone, and I take him at his word. If that is so, it behoves all of us to continue to mould and shape this Budget to ensure that it best fits the needs of our people.

We continue to hold our view, expressed in the previous mandate, that the Budget should have been based on a revised Programme for Government for 2011-15 and an updated investment strategy. That would demonstrate how strategic policies are driving financial allocation and not the other way around, with financial considerations driving policy directions.

The Minister told us in December that this Budget was the best possible Christmas present for Northern Ireland. However, I think that we all realise that it is difficult to be joyous about

it now that it is unpacked. The £1.6 billion of revenue-raising measures have not been realised. The Minister has said that he has included in the Budget only those revenue-raising measures that he is sure can be realised. Those amount to £862 million and are very welcome. However, I would be interested to hear from the Minister what progress has been made in relation to the realisation of the remaining £738 million in possible revenue. If the Minister has any news for us on that front, I would welcome hearing it today.

We have all placed much faith in the Budget review group to deliver further revenue. It is important that that group continues to work to deliver further revenue-raising measures. As I said, of the £1.6 billion predicted, £738 million has still not been realised. I hope that that group will continue to work on the possibility of realising that potential. We cannot afford to sit back and view this Budget as something that is done and dusted for four years. We must continue to enhance it at every possible opportunity to ensure that we maximise every possibility to mitigate the effects of the cuts through further revenue-raising options: capital asset realisation, alternative sources of finance and preventative spending.

When the SDLP met an Taoiseach and an Tánaiste last week, we underlined the need for the National Asset Management Agency — NAMA, as it is known — to be mindful of the possible effects of any fire sale of its assets in Northern Ireland.

I know that the Minister of Finance and Personnel had taken the opportunity to raise the matter with the former Minister for Finance in the South, the late Brian Lenihan. I join colleagues here in expressing my sympathy to Mr Lenihan's family. I am sure — I hope — that the Minister has raised the issue with the present Minister for Finance in the South at last Friday's North/South Ministerial Council meeting. If he did so, I hope that he will update us.

Much has been said about a reduction in corporation tax, and it has been headlined recently in the news. It is a lever that the SDLP believes, along with others, can be an important tool in our economic kit. Although we recognise that a reduced rate of corporation tax is not a silver bullet, we believe that it could, if introduced through a phased approach, act as an important incentive to foreign direct investment and help to stimulate indigenous industries. It could,

along with other measures, be an important element in the process of rebalancing the Northern Ireland economy. However, I understand that the House will have the opportunity to debate the issue of devolving responsibility for corporation tax later this month, so I will reserve further remarks until that time.

I am grateful to you, Mr Speaker, for affording me the opportunity to contribute to the debate. I look forward to the contributions of my party colleagues on individual Departments.

**Ms Lo (The Chairperson of the Committee for the Environment):** I will speak first as Chairperson of the Committee for the Environment, and then, with your indulgence, Mr Speaker, I will add a few of my views as an Alliance Party MLA.

The Committee received a departmental briefing on the Budget for 2011-15 at its meeting on 9 June. Members heard that the Department of the Environment, like all others, is facing many pressures on its budget, with the actual current expenditure pressure for this year, 2011-12, amounting to £11.7 million. That is a significant amount for a Department with a relatively small budget. Income from planning receipts has dropped dramatically, with a 45% decrease in the past three years. The Department now finds itself in a situation in which it has to cut costs across a range of functions, and I will touch on those now.

The Committee is particularly concerned with the funding cuts to the voluntary and community sector and to non-governmental organisations (NGO). It is well recognised that those sectors perform vital roles at a fraction of the cost and that they represent value for money. In fact, they often use their grant money to lever in considerably more money than government could ever do, and what might look like a £100 cut on paper could in reality be a £300 cut. Those sectors are easy targets for Departments. I urge not just the Department of the Environment (DOE) but all Departments to try to limit the funding cuts as best they can, as it may cost more to bring some of the services that they provide back into the Departments. My Committee has asked for a list of all groups funded and their levels of funding, and it feels that, if there are to be cuts, the groups involved need to know as soon as possible to allow them time to prepare and seek other funding sources.

Another area of concern was the cut in the road safety funding. At a time when, thankfully, the

number of deaths and serious injuries on our roads is decreasing, it is a bit disappointing to see cuts, albeit relatively small ones, in the road safety advertising and research budget. The new road safety strategy for 2010-2020 is only beginning to be rolled out, and we hope that the cuts do not affect its potential effectiveness.

Earlier, I mentioned the fall in planning receipts and the effect that that has had on the Department's budget. We heard from officials that they have taken measures to redeploy more than 200 planning staff. The Committee also heard that consultants are now working on a workforce model, something that the Committee has long called for. Although I would welcome the completion of a workforce model, which would hopefully improve efficiency in planning, I am concerned that consultants are being used to develop it. In an era of austerity, is it really necessary to spend funds on consultants? Does the Department not have the skills and experience within its staff to complete the work? In the coming months, the Committee will keep a very keen eye on that area.

The review of public administration (RPA) and local government reform is a major area of work that still needs to be completed. Members are aware of the potential savings with the review of public administration, and they are keen that the process is progressed as soon as possible, but we need assurances that funding and resources will be provided to enable it to come to fruition.

Undoubtedly, DOE budget cuts will lead to a reduction in the services that it is able to provide, and we heard from officials that the impact of cuts will be felt across the board, with less money being available to maintain country parks and for the Environment Agency to conduct its enforcement activities. Members have always been vocal about issues such as fly-tipping and illegal waste, and the worry is that less funding to tackle those serious environmental issues will see problems escalate and cause untold damage to the environment.

The plastic bag levy is the final issue that I wish to mention. At the 9 June meeting, departmental officials confirmed to members that HM Revenue and Customs has refused to collect the levy. That is a big concern, because it will inevitably lead to delays as the Department has to find a way to collect the levy. It would seem that there is still a lot of work to be done on the issue, and the anticipated £4 million that is due



to be removed from the Department's budget from 2012 does not give officials much time to fully implement the collection of the levy. The Committee has requested further information on work with the European Commission to establish whether the plastic bag levy will be considered as a tax or an incentive to change behaviour. The Committee will continue to scrutinise the issue very closely.

I now wish to say a few words as an MLA for South Belfast. As I said, NGOs play a significant role in society, and the voluntary sector is a very important stakeholder in delivering the DOE's remit. I would like to place on record some of the comments that I have been sent. In addition to some of the aforementioned observations from the Committee, Friends of the Earth is concerned about the Department's reduced programmes on climate change; adaptations to climate change; joint nature conservation; the waste resources action plan; and the slowdown in the rate of declaring areas of special scientific interest (ASSIs).

I also heard from the Royal Society for the Protection of Birds (RSPB), which is worried that river restoration and marine resource programmes will be suspended or postponed and that their delivery will depend on money from the plastic bag levy. The DOE's draft budget suggests that a severe lack of funds has been allocated to implementing the water framework directive. RSPB pointed out that that may risk infraction proceedings from the European Commission.

The RSPB is also concerned at the £1 million reduction in natural heritage grants and the maintenance programme budget, and the potential impact of that on nature reserves, outdoor education work and the designation and management of the ASSI network. The decision to slow down the rate of declaration of ASSIs is of great concern. As a result, some of the best sites for wildlife will remain undesignated.

Finally, the Department needs to take account of the very real risks in cutting front line environmental services. It could be disastrous for Northern Ireland's wildlife.

**1.30 pm**

**Mr Spratt (The Chairperson of the Committee for Regional Development):** I welcome the opportunity to speak to today's motions as the Chairperson of the Committee for Regional

Development. My Committee has received a very strategic overview of the departmental budget in the short time in which it has been constituted in this new mandate. In that period, however, the Committee has suggested inputs to the debate, and I will gladly relay those to the House today. At this stage, I relay our thanks to the previous Committee members for their in-depth scrutiny of the Budget process in the previous mandate.

At the outset, it is important to link the departmental request for resources descriptor, or the objectives, with the amount of moneys that is to be allocated to the Department for Regional Development (DRD). There are two objectives, the first of which is:

*"Supporting the economy by planning, developing and maintaining safe and sustainable transportation networks; promoting airport and harbour services; addressing regional imbalance in infrastructure; and shaping the long-term future of the region".*

The total net resource that is required to implement that objective is approximately £804 million, or a cash requirement of £974 million, whenever that figure is adjusted for working capital and depreciation. That is just under £1 billion, which is a very significant amount. "Supporting the economy", "maintaining safe ... networks" and "shaping the long-term future" are very aspirational objectives. It is unfortunate, therefore, that we begin the new comprehensive spending review (CSR) period with the knowledge that we plan to fail on that objective. We are continuing the habit of stacking up problems that, without very significant investment, will achieve the opposite of the stated objectives: it will stifle the economy and will continue to put people's lives at risk. In the long term, it will ensure that Northern Ireland will have a second-rate transportation network.

I make those claims on the basis of the briefings that the Committee has received in this new mandate. I fully accept that that is not a significant period. I also fully acknowledge that major resources have been allocated to new capital projects that are planned for this mandate, principally the A5 and A8 proposals, which I will not debate today owing to the fact that they are currently the subject of public inquiries.

I base my assertions on the June monitoring round paper that was received from the Department and discussed in Committee on 1 June 2011.

The paper detailed a request for two high-priority bids for structural maintenance to our road network, totalling £53 million. That was to bring the total budget up to the minimum level of £116 million that was independently assessed as necessary to maintain our roads each year. It did not, nor does the allocation contained in the Estimates today, address the backlog that has accrued in the roads structural maintenance programme. It is estimated that, in the event that the bid made to top up that budget is not granted, the backlog will rise to an astonishing £826 million. That is some £26 million more than the total net resource identified for the Department in the Estimates.

How can allowing an escalation of the problem contribute to an economy that relies on its road network for transporting people into and around our economic hubs, for transporting import and export freight throughout Northern Ireland and for supporting the tourism industry that has been steadily built up over the past number of years? How can it be safer, for example, in our rural communities, where unlit roads, coupled with the policy of patching up potholes, have unfortunately seen an increased risk of injuries and fatalities for car users and pedestrians alike?

Professor Austin Smyth and Stephen Wood's submission on the draft budget to the Committee stated:

*"On the basis of this review the Department's proposals do not represent best use of taxpayers' money ... The large capital spend on new road infrastructure at the expense of maintenance of the existing deteriorating roads will require further additional reconstructive expenditure in due course."*

I am not commenting on any proposed new roads. I merely wish to point out a further independent assessment of the condition of our roads, a further suggestion that moneys are not necessarily being spent in the most appropriate manner and a further indictment of the escalating deterioration of our roads.

Although significant investment has been made in our railway network stock, and some additional £145 million is planned in this CSR period, infrastructural improvements have not been as significant as wished for. For example, the Enterprise service between Belfast and Dublin has seen real investment in the quality of the stock, with trains having the potential to travel at 90 mph. However, the track is such that the average speed for the journey is around 50

mph, so a journey by train from Belfast to Dublin takes over two hours. A similar journey by car takes around one hour and 40 minutes.

Highways, roads and railways are an indispensable part of our lives. They link one end of Northern Ireland to the other, and we use them each and every day for every conceivable purpose. The days in which the departmental budget could be cut at the beginning of the budgetary period and topped up at the end to soak up moneys surrendered by other Departments are over. Budgets are tight. However, at a time when we hear that the Programme for Government will focus on rebuilding the economy, let us not forget that investment in the economy is not just restricted to new companies being enticed into Northern Ireland or the resetting of corporation tax, important as that is.

Writer Catherine Helen Spence states:

*"I had learned what wealth was, and ... of the value of machinery, of roads and bridges, and of ports for transport and export."*

Roads and rail, harbours and ports, with the proper investment, will contribute to the wealth of our economy. The key is to ensure that proper investment is available and is injected into our arterial routes.

I will briefly address the second objective in the Estimates:

*"Contributing to the health and well being of the community and the protection of the environment by maintaining and developing the policy and regulatory environment which facilitates the provision of sustainable, high quality water and sewerage services."*

I will be brief because the Committee is due to have its first briefing from Northern Ireland Water only at its meeting on Wednesday. I am also conscious of the fact that colleagues from the Public Accounts Committee are in the process of completing an inquiry on matters associated with Northern Ireland Water.

The total net resource required for 2011-12 is just under £231 million, which is not an insignificant amount. We are aware of the problems that have been experienced over the past year or so. Again, I do not wish to discuss those, due in part to the fact that some matters are sub judice. I will advise the House that the Committee will keep a close eye on the proposed investment to ensure that appropriate

governance controls are in place to meet the stated objectives.

**Ms Ruane:** Go raibh maith agat, a Cheann Comhairle. Tá cónaí orainn in amanna eacnamaíochta atá an-deacair. Tá imní ar dhaoine ar fud na hÉireann faoi conas a íocfaidh siad a mbillí, conas a dtéifidh siad a dtithe, conas a gcuirfidh siad bia ar an mbord agus cad iad na poist a bheas ar fáil lena chinntiú go mbeidh seans ag a gcuid daoine óga cónaí agus obair in Éirinn. Caithfidh an Coiste Feidhmiúcháin seo gach a dhéanamh lena chinntiú go gcosnaíonn sé agus go gcruthaíonn sé poist agus ag an am chéanna tacaíocht a thabhairt dár seirbhísí luachmhara tús líne.

We are living in very difficult economic times. People right across Ireland are worried about how they will pay their bills, heat their houses and put food on the table and about what jobs will be available to ensure that their young people have the opportunity to live and work in Ireland. The Executive and the Assembly must do everything to ensure that they protect jobs and create new jobs while supporting our valuable front line public services.

We have an agreed Budget, which was signed off during these difficult times. Despite Tory cuts, the Assembly and Executive managed to secure extra resources and ensure that areas such as health and education did not suffer in the way that they could have done. Collectively, we identified the potential to raise further significant resources. I look forward to an early progress report from the Budget review group, which is tasked with suggesting efficiencies for arm's-length bodies. From my time as Minister of Education, I know only too well the negative effects of having nine organisations administering education. That is a waste of the resources that could be used in the classroom, and that is repeated right across the North — one of the many ill effects of direct rule.

The Budget review group continues to meet and has the important job of identifying new resources that will mean that we can build new schools, new health centres, new housing projects and new infrastructure projects. We all know the difficult situation concerning the capital budget, and that is only one effect of the Tories' renegeing on international agreements that were signed by their predecessors. It is essential that, collectively, we continue to identify further resources so that we can build

the schools and support our essential Health Service and protect the vulnerable.

Tá mé ag dréim le tuairisc luath maidir leis na heagrais fad láimhe agus leis an ngrúpa athbhreithnithe ar an mbuiséad.

I look forward to an early report on the Budget review groups' three key areas: new revenue, efficiencies and arm's-length bodies.

Caithfidh gach Roinn gach a dhéanamh lena chinntiú go gcosnaítear seirbhísí tús líne, go ndírítear ár gcuid acmhainní ar bhonn riachtanais oibiachtúil agus go bhfuil níos mó cothromas ann ar fud ár sochaí.

It is essential that all Departments do everything that they can to ensure that front line services are protected, that we have a developing and fair economy, that the resources that we have are targeted on the basis of objective need and that there is far greater equality across society.

**Mr Easton:** I congratulate the Finance Minister on his reappointment to the position, and I wish him every success in meeting the challenges ahead, of which there are many. He is the one person in whom I have great confidence to deal with that. If anyone needs to be reminded of the serious situation that the United Kingdom is in, they need only look across the water at the Southern Cross care home company, where more than 3,000 staff are to be axed. In Northern Ireland, 26 homes could be affected, which would be 10% of the available provision. The Department of Health, Social Services and Public Safety (DHSSPS) is monitoring that closely.

I will deal solely with the issue of health and address the challenges that we are faced with. I am pleased that my party took the Health Department under d'Hondt, and it was a position that no other party seemed to want.

Edwin Poots, as the new Health Minister, will be proactive and hands-on when it comes to dealing with the difficult issues that the Health Department faces, as all Departments do. We are the party that is prepared to face up to the funding challenges, which we must remember were forced on us by the Tory-Lib Dem coalition Government in London.

#### 1.45 pm

Last October, in the comprehensive spending review, we were faced with deep cuts when our block grant was cut by £4 billion. We also faced

a 40% cut to our capital budget over the next four years, which will put hospitals, never mind schools and roads, under significant pressures. The Department of Health, Social Services and Public Safety will be responsible for delivering 16% of the overall capital investment, which will total £851 million over the next four years.

The following key capital projects are planned for progression or completion over this Budget term: the new south-west hospital in Enniskillen; the new Altnagelvin radiotherapy unit, for which the new Health Minister, Minister Poots, has given the go-ahead; the continued redevelopment of Altnagelvin, the Royal Victoria Hospital and the Ulster Hospital; a new-look hospital complex at Omagh; new health and care centres in Ballymena and Banbridge; continued investment in community-based facilities for mental health, disability, elderly people and children's care across Northern Ireland; investment in information technology to improve productivity; and continued investment in the Northern Ireland Fire and Rescue Service and the Northern Ireland Ambulance Service.

Under the DUP, the Health Department has never been better off, with spending increasing since 2007 at a rate at which it never has before. That was reflected once again in the Assembly Budget published last December, in which the Executive granted the Health Department an 8.3% increase in its budget over four years. It was one of only three Departments to get a real increase. The Department is responsible for 42% of the overall budget granted to Northern Ireland. No one, however, can deny that, over the next four years, the Department faces significant shortfalls due to rising demand for services.

There is a plan to deal with that; one that is no different to that of a company in the private sector that faces rising costs but has less money to allocate to combat them. Indeed, the same applies to the family home in hard times. The House and the people of Northern Ireland have an assurance that front line services will be protected, and that guarantee remains. Savings will be generated from efficiency measures, including the universal introduction of generic prescribing, which could generate an extra £30 million to £60 million. That is one measure that was not fully implemented by the previous Minister. The Department of Health, Social Services and Public Safety will also look at the performance and efficiency delivery unit's

recommendations, which will go a long way to ensuring that we get best value for money and protect front line services.

Although there are challenges ahead, I have no doubt that the House can face and resolve them in a mature fashion. The House can be assured that the new Health Minister will not play politics with this important portfolio. The Health Service in Northern Ireland will not grind to a halt, as, prior to the Assembly election, some liked to protest would happen. I am sure that, with the support of the Finance Minister, we will meet the challenges ahead in the health budget and meet the demands and needs of the people of Northern Ireland.

**Mr Elliott:** First, I add my condolences to the family of Brian Lenihan after his illness. Our thoughts are with them.

I am not speaking on behalf of the Committee for the Office of the First Minister and deputy First Minister, but I will refer to a number of issues in that Department, the first of which is the regeneration of sites. Most of those sites are former military bases, and some of the discussions have been going on for some time. In Londonderry, the site at Ebrington, as you will be well aware, is progressing significantly. It is behind schedule to some degree, but we look forward to more progress there. We want that to progress along with Londonderry's being the UK City of Culture, which will be of huge benefit to the north-west.

In the previous round of funding, the Office of the First Minister and deputy First Minister (OFMDFM) noted that an extra £1.27 million was bid for Crumlin Road jail. I assume that the requirement for additional funding for the regeneration of sites will come up quite often.

I will move on to discussion about the Maze/Long Kesh. The Ulster Unionist Party has been hugely concerned at the lack of progress on the Maze/Long Kesh site. In 2007, I visited the site. Last week, I visited it again with the Committee. I must say that the progress that there has been within a four-year period is extremely limited. If things are happening, we would like to see more evidence of that on the ground.

I have a concern about the listed buildings on the site. I have asked that some of those listed buildings be delisted. I do not see any architectural reason for keeping some of those specific buildings listed; in particular,



an H-block and the prison hospital. I look forward to progress on whether the Royal Ulster Agricultural Society (RUAS) can establish the base that it seeks at the site. I hope that that can be developed within a short period. Last week, I noted that there was talk about a rural centre of excellence. I am not sure exactly what that entails. I do not know whether the new Agriculture Minister has any thoughts about building a new headquarters at the site. There is money in the Agriculture budget for a new DARD headquarters. I look forward to hearing what progress has been made. As I emphasised last week with regard to the rural centre of excellence, I do not want to see services being displaced from other parts of the Province. I do not want to see services come out of Fermanagh, Loughry or Greenmount to be placed at the Maze/Long Kesh site. If there is to be a rural centre of excellence, new services need to be established there that do not do away with other services that already exist.

Obviously, I am concerned that we may end up with a terrorist shrine being built at the Maze/Long Kesh. I note that a funding application has been made for European Union Peace III funding for that project. I have not been able to get sight of that funding application. I have asked for a copy of it, but I have been told that I cannot get it. I would like to find out somewhat more about that proposed project in order to establish whether it actually fits in with the broad political strategy in Northern Ireland or whether the public can make best use of it. I also note that, if the funding comes forward, there will be a requirement for match funding from the Northern Ireland Executive. We need to know from which Department that funding will come. Will it all come from OFMDFM or from other Departments? Will new funding be required? I am also concerned that there has been no formal consultation process to establish the basis of the shrine or conflict resolution centre. A number of different names have been suggested for it. Whatever it is called, I am concerned that there will be some sort of terrorist shrine.

Other issues in OFMDFM include the social investment fund that is coming forward. Obviously, we are looking forward to that money being spent and developed proactively and positively so that it is not simply a carve-up that is utilised by the two main parties in the House, the Chamber and Northern Ireland to fan out towards their specific projects. We hope that

it will be much more broadly based and wide-ranging than that.

I will move on to victims' issues. Obviously, for some time, we have talked about establishing new processes and new bodies in the victims' sector. I must say that it has been a very slow process. When funding of £36 million was announced back in 2008, we hoped that a victims' service would have been established within a short timescale. However, that has not been progressed. We continue to stream funding mainly through the Community Relations Council (CRC). I hope that we can come to a reasonable conclusion on that in the near future. However, I have concerns about how some victims' groups have been treated in the run-up to that. An audit has been carried out on some of those victims' groups, although, I must say, not all of them. I think that it has been termed a risk-based audit. I would like to establish the criteria that were used to determine why some of those groups were picked for audit and others were not. Again, I have not been able to establish why that was the case. Some of the groups seem to have become immune to that, whereas others seem to be subjected to very strenuous audit processes.

**Mr Allister:** In that regard, is there also room for very deep concern about the potential for political influence from the office of the joint First Ministers in respect of CRC, which has been conducting those audits? The start of the process seemed to be a political e-mail from the Office of the First Minister and deputy First Minister, way back in February of last year, which has given rise to a snowball of audits apparently motivated by political purposes.

**Mr Elliott:** There is, obviously, a lot of concern that some of the audits are politically motivated. I hope that that is not the case. We need to have some upfront answers to some of those questions. Otherwise, there will be suspicion throughout that sector. There are concerns among some of the people involved as to why they were picked out.

I am also concerned that we continue to allocate funding within Departments, whatever Department that might be, without the establishment of a proper Programme for Government. At the end of the previous mandate, we asked about the Programme for Government on a number of occasions. At one stage, I was told that there was a draft Programme for Government, of some

description, in the Office of the First Minister and deputy First Minister, but, even though it is a number of weeks since the election, we have not seen any draft Programme for Government. If we are going to match funding to the ways that we are going to develop in the next number of years, we need to see that Programme for Government. Otherwise, we will be quite a way through this funding year and the overall four-year funding period before we see it. It is important that we can bring forward that Programme for Government in the very near future so that we, as Members, can have a say on how it is developed and can try to pinpoint what is required. Otherwise, the overall Budget may have to be reallocated in various sectors.

The First Minister and deputy First Minister also explained to us that they are hoping to increase the funding from the European Union by 20% over the next number of years. We need more explanation on where it is hoped that that funding will come from, and, more importantly, on where the match funding, if it is needed from the Northern Ireland Executive, will come from.

**Mr McLaughlin:** I support the motions before us. The Assembly had a significant and substantial discussion about those financial resources and the impacts of the CSR last year. We have an agreed position through to 2015, but we will always seek to improve or to add value to the agreed spending profiles at departmental level. We will do that through a range of agreed mechanisms. I suppose that the obvious one is the monitoring round process, which is designed to ensure that any variations in projected or planned expenditure will not result in the loss or surrender of resources to the Treasury.

In his opening remarks, the Minister directly addressed the issue of the Budget review scheme, which is to replace the EYF. It will not substitute or restore the £315 million lost in last year's smash-and-grab raid, but we should be attentive to the detail of the Budget review scheme. It is already having impacts due to that lack of precise agreement on the detail, because Departments are, some might think wisely, making contingency plans in case there is no agreed position and we see a drift back to the days of the splurge at the end of the financial year.

I very much hope that that consequence can be avoided by having, if not a totally satisfactory arrangement, at least a workable arrangement

that allows for the maintenance of what I think is a very good standard for financial projection and management that was set in the previous term and I am anxious to see continued.

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

## 2.00 pm

The Minister and a number of Members addressed the issue of corporation tax. The point has been made over and over again that simply having the power to vary corporation tax is not a silver bullet, given the extent of our economic and financial difficulties. Wider fiscal powers may need to be considered to ensure that we rebalance the economy and there is strategic and sustainable growth going forward. Perhaps the Minister will indicate whether he has considered advancing the argument and developing the case for picking up on the recommendations about the Barnett formula that emerged from the review that was concluded last year.

My understanding is that the House of Lords Committee, which actually visited here, came out in support of the introduction of a needs-based element. That in itself would ensure a fairer settlement and would go some way towards mitigating the impact of the powers being devolved, meeting EU concerns about state aid and ensuring that we actually got the best opportunity in every way to succeed in rebuilding and rebalancing the economy and, in so doing over a period of time, reducing the current dependency on subvention. All of that involves win-wins.

We are not simply an economy that exists to service the Treasury's needs; we have our own Programme for Government. All the parties have particular priorities and expectations. Many of us are faced with the reality that the Budget does not stretch that far. If we seek to invest in recovery and to create the mechanisms to rebalance the economy, we need to equip ourselves with the tools to do so. They do not exist at present. We may not be the Treasury's highest priority — it has its own challenges, and I suppose that we should acknowledge that, in fairness — but arbitrary decisions taken at Westminster are not always the best that we can do for the economy here.

We should be looking at all the possibilities. I, therefore, ask the Minister to consider — he may not be in a position to comment today —

whether we can put forward a stronger argument at Westminster for introducing a needs-based element into the Barnett formula. That would at least give us an intrinsically fairer settlement than the one we have at present. Go raibh míle maith agat

**Mr McDevitt:** I start off by adding my personal tribute to the former Minister for Finance, Brian Lenihan, who was lost to this world in the past few days. As a young political activist, I had the great privilege of sharing a constituency with Brian Lenihan. In fact, I had the misfortune of directing another party's election campaign when he came to the Oireachtas in 1996. As was the case with his father before him, you would have to travel a very long way to meet a more genuine and honest man, a bigger gentler or a person with a more keen intellect, which — I know that Minister Wilson will acknowledge this — he brought to his job. He was just a naturally curious individual who sought the truth in facts and was never afraid of a good debate or argument. Of course, we are blessed to have a similar type of Minister in our region. He is maybe a little too keen on the argumentative side of debate. Nonetheless, we obviously hope that you will not be lost to us for a very long time.

I want to make a couple of general observations and then talk a bit about education. I share Mr Elliott's concerns that we are again discussing an important budgetary motion without a new Programme for Government. In all honesty, we are committing ourselves to another block of expenditure that will take us to the end of this financial year in March 2012, but we still have no firm view of the Executive's collective vision for expenditure and public policy priority in the next four years or, indeed, four months. That is hardly the way to do business at any time, but it is a particularly unfortunate approach to budgetary planning at a time when we are all, whether in government or in a scrutiny role, facing unpleasant choices about the need to prioritise expenditure in our region as our coffers become increasingly bare.

You would think that the next Programme for Government would put the creation of sustainable jobs and the stimulation of our economy at its heart. However, in the absence of that, we can only fall back on the existing Programme for Government, which, of course, IREP — the independent review of economic policy, chaired by Professor Richard Barnett

— found very flawed in its ability to deliver a joined-up or strategic economic programme for our region.

With regard to the education budget, it is a matter of some concern that an Excess Vote motion is to follow the Supply resolution today, part of which deals with some pensions obligations in the education sphere. The Committee for Education has had no opportunity to scrutinise properly the extra millions that will probably be approved through the Excess Vote. One feels very unsettled by the idea that that mechanism is being used in this interregnum between an old and new Executive and an old and new Assembly and that this matter is not subject to full scrutiny through the departmental Committees. I trust that the use of the Excess Vote will become the exception rather than the norm in the mandate ahead. Perhaps the Minister might want to reflect on that in his response.

Education faces some big choices in the months ahead. In fact, if you scrutinise the education settlement under the current comprehensive spending review, you will find that most of the pain is to be experienced in the first two years. Major cuts are envisaged to the education transport budget, cuts that will, undoubtedly, impact particularly hard on rural children, affect the viability of many school routes and force some unpleasant choices on education and library boards in the next six to nine months.

That those cuts are necessary is a bad thing, but that they are necessary when there is such duplication in publicly funded transport in our region is even worse. In many towns and streets across the North, education and library board buses, post office transport, health board transport and Ulsterbus and Metro buses are going down the same roads at different times of the day and being paid for and funded from different budgets. However, still no one is ready to start talking about the need to join those up. I am disappointed that we face a headline cut in the education transport budget, but I am particularly upset that we face it when there is an opportunity for much greater co-operation and yet still, apparently, no great ability in the Executive to force that co-operation.

Another education budget that is taking a significant hit is information and communication technology (ICT). That, too, will unsettle many inside and outside the House. The promotion of computer and technology skills has been at

the heart of our new curriculum and is identified as a major strategic priority in the Programme for Government, the skills strategy, the MATRIX report in the Department of Enterprise, Trade and Investment (DETI) and nearly every Department of Education document that one would care to read. Yet we are talking about a fundamental reorganisation of ICT provision in schools — £90 million worth of reorganisation. That is a mean reorganisation, and it suggests either that the provision is exceptionally unfit for purpose, as has been the case to date — there have been significant issues with the management and expenditure of the ICT budget — or that it is no longer a priority. Either way, we are all rightly concerned, and, during this incoming year, I am sure that we will want to return to the issue.

We all accept that we have more schools than we need in this region. We also accept that we have a complicated education system that is a product of our history and a reflection of our cultural, political and religious identities. It has grown up to meet the difference in our society but, at the same time, to provide the very best for every child in our society.

I do not wish to reopen a much bigger conversation about the future of education in our region during a Budget debate, but there is so much that we should and must do together. That is why it is appropriate, even on a Supply resolution motion, to say that the time for an Education and Skills Authority (ESA) has come and must not be allowed to pass. It is a damning indictment on us all that we are missing the opportunity to achieve the necessary efficiencies through shared services, better administration and improved culture across the education estate. We must resolve to address it in the early months of this new mandate. We may not be able to answer all the big questions in the next year or the year after, but we can surely deal with most of the management issues and practical issues around getting a single authority in place, which will allow us to achieve the efficiencies that we all know are necessary in the system.

In the next year, teachers will lose their job, and there is not a huge amount that a lot of us will be able to do about that. However, we need a major assurance that, if teachers leave the system, they do so because they are surplus to requirements, not because the system cannot afford to pay the teachers who are needed.

Some of the stuff that we have had to debate in public over the past couple of days has left that question a little too open in my mind. Again, whether it is through an ESA or another vehicle, we need some certainty in this House that, when tough decisions are being asked of us all and when we are being asked to behave maturely and responsibly as legislators and custodians of a very large pot of money, we are being asked to do so in a way that upholds the fundamental right of every child to the standard of education to which they are entitled in statute.

**Mrs D Kelly:** I thank the Member for giving way. On the issue of efficiency savings, schools and good education, does he agree that, given that there are 50,000 empty school places right across the North, tough decisions have to be made but we need to ensure that the teacher: class-size ratio is at the optimum level recommended by educators?

**Mr McDevitt:** Mrs Kelly has probably ended in the way that I would have wished to. It is about upholding the child's right to education and ensuring that there is a positive balance between a teacher and his or her pupils.

**Miss M McIlveen (The Chairperson of the Committee for Culture, Arts and Leisure):** I welcome the opportunity to address the House for the first time as Chair of the Committee for Culture, Arts and Leisure, particularly on such an important matter.

As Members will be aware, it is an inescapable fact that, proportionately, DCAL has the smallest budget. That means that even small changes to the baseline can have a disproportionate effect, not just on major capital projects but on smaller projects designed to create initiatives right across the spectrum of culture, arts, libraries and sport. Given that situation, it is extremely important that scrutiny of the Budget by the Committee for Culture, Arts and Leisure was regarded as a top priority. Therefore, it is not surprising that the Committee chose to request a briefing on the Budget at the first available opportunity. On 2 June, the Committee was briefed by officials on the final allocations of the Budget 2011-15 and June monitoring.

## 2.15 pm

The final allocations for DCAL resulted in an additional £4.8 million resource and £4.2 million in capital. DCAL officials explained that an extra £2.8 million of resource was allocated to the



Arts Council in direct reaction to the number of responses to the consultation calling for a fairer deal for the arts. I welcome the fact that the consultation made an impact in this instance. It put paid to cynics who say the budget is a fait accompli when a consultation process begins. In that regard, I acknowledge the work of the previous CAL Committee, which consistently highlighted the case for promoting the arts and for cuts to be fair and proportionate. However, we have to recognise that we are in difficult financial times and that, despite the additional funding, the DCAL budget is very tight. That is particularly evident in capital funding. The Committee wants to closely monitor large capital projects to ensure that targets are met and slippage avoided. The Committee has made a start in that regard, and it will hear from DCAL and the governing bodies of football, rugby and Gaelic games on progress towards regional stadia development, which amounts to a substantial investment of £110 million.

I draw particular attention to the issue of arm's-length bodies, which manage 80% of DCAL's budget. That presents challenges in driving forward much-needed efficiencies. That will be further compounded if the Treasury rules on monitoring rounds come to fruition, reducing the number of monitoring rounds to three, as is expected by the Minister. DCAL officials warned the Committee that that would create difficulties for all Departments but particularly for DCAL, given that it relies on arm's-length bodies to deliver so many of its programmes. In view of that, I stress the need for DCAL's review of arm's-length bodies to progress without delay to stage 2. The Committee has written to the new Minister, requesting that it should be kept informed of that review, which members will want to monitor closely.

It is clear that the year ahead will present significant challenges. The Committee was told by DCAL officials that slippage is under pressure. Unlike other years, the Department has advised the Committee that it cannot assume that it will be given a percentage of slippage. In previous years, DCAL would have anticipated a 15% slippage in its capital programme, but, because the capital programme is so small and limited against the projects, it is much more difficult to manage.

To illustrate the present tightness of the budget, I should say that DCAL has no scope to manage two in-year pressures, one of which is the Live

Site screen for Londonderry. Two Live Sites are planned for Belfast and Londonderry to show the Olympics live from London. It is intended that the sites will provide a focal point for Olympic-related activity during the games, yet, as it stands, DCAL will have to wait until September monitoring to find the funding for one of the sites.

The Committee has noted another significant area where there is no funding or business case in place, and it relates to the UK City of Culture, which was awarded to Londonderry in July 2010. Although there is no doubt that the award presents an opportunity to showcase the cultural offering and local creative talent, the funding shortfall is of great concern to the Committee. We have, therefore, written to the CAL Minister to enquire when a business case by the Culture Company will be submitted and to get her assessment of the situation.

The Committee has raised other areas of concern that present particular challenges in year 1 of the current CSR process. Those include the reduction in W5's budget and questions on how that shortfall will be met. Also, although the additional £2 million of resource for libraries and £2.5 million of capital was provided in direct response to a large number of responses to the consultation on the budget, the CAL Committee is anxious to know how that will impact on the proposals to close 10 rural libraries.

On a final note, I expect the CAL Committee to take an active scrutiny role throughout the 2011-15 CSR period. The Committee has started that process by considering some of the budget issues that relate to year 1 of the Budget. The Committee will want to ensure that the contribution that sport, culture, arts and heritage make to all sectors of society, including health, the economy and tourism — to name but a few — is not undervalued during this mandate. On behalf of the Committee, I support the motion.

**Mr Deputy Speaker:** Order. Before we move to Question Time, I wish to advise Members that the First Minister and deputy First Minister have written to the Speaker to say that, due to the funeral of the former Republic of Ireland Finance Minister, Brian Lenihan, the proposed statement on the North/South Ministerial Council (NSMC) meeting in plenary format will not now be made tomorrow. That statement is to be rescheduled for next Tuesday, 21 June.

As Question Time is due to begin at 2.30 pm, I ask the House to take its ease until then.

*The debate stood suspended.*

2.30 pm

## Oral Answers to Questions

### Employment and Learning

**Mr Deputy Speaker:** I advise Members that question 6 has been withdrawn and requires a written answer. Question 15 has also been withdrawn.

#### Further Education: Inspections

1. **Mr Craig** asked the Minister for Employment and Learning whether further education colleges are subject to the same quality inspection checks as schools offering GCSEs and A levels.  
(AQO 61/11-15)

**Dr Farry (The Minister for Employment and Learning):** I thank Mr Craig for his question. Further education colleges are subject to the same inspection framework as the Education and Training Inspectorate use, and that is applied in schools that offer GCSEs and A levels. I should add that the primary focus of further education colleges in Northern Ireland is to offer a wide range of economically focused professional and technical qualifications tailored to meet local needs. As a result, colleges, in the main, do not focus on providing GCSEs or A levels. However, a significant number of young people from schools attend colleges in the evenings to top up the provision in A-level teaching.

**Mr Craig:** I thank the Minister for his answer, and he will realise that there was a reason for my asking that question. I have received complaints that, in some instances, there has been a lack of backup staff to cover holidays, etc, taken by those teaching A-level courses. Will the Minister assure me that further education colleges have the same level of backup and support for teaching A levels as secondary schools?

**Dr Farry:** I thank Mr Craig for his supplementary question. It is worth stressing that regular inspections of the colleges are carried out. If GCSEs or A levels are offered by the colleges, that provision is covered by those inspections. Two further education colleges are inspected annually by the Education and Training Inspectorate.

Matters of internal governance and staffing are for the individual colleges. However, the Department has a keen interest in ensuring that standards are met and observed.

**Mr Hussey:** In recent years, there has been a significant increase in the amount of higher education courses being delivered in further education colleges. Will the Minister outline his thoughts on their future development?

**Dr Farry:** I thank Mr Hussey for his question, which, to some extent, dovetails with question 3 on the higher education strategy. The Department is keen for that strategy to develop. We are reviewing its outcome, with a view to bringing our conclusions to the Executive and the Assembly in the near future. I have no doubt that that the teaching of such courses will feature heavily.

**Ms S Ramsey:** Go raibh maith agat, a LeasCheann Comhairle. I welcome the Minister to his first Question Time and wish him well in his new job.

We are in the middle of a debate on the Budget. Is the Minister aware of any further education colleges still having money in their reserves?

**Dr Farry:** A financial memorandum between the Department and the further education colleges permits the latter to hold uncommitted reserves of 10% of their income. As a sector, and as of 31 July 2010, income and expenditure reserves and cash reserves were both set at 15% of income. Colleges holding more than a 10% of the threshold are required to demonstrate their plans for utilising those reserves to the Department. It is expected that the sector's reserves will decrease further, with levels falling to below the 10% threshold in the next two to three years.

#### Pathways to Success

2. **Mr Byrne** asked the Minister for Employment and Learning whether he has had any discussions with his ministerial colleagues about forward planning for implementation of the Pathways to Success strategy.  
(AQO 62/11-15)

**Dr Farry:** I thank Mr Byrne for his question. My Department has taken the lead on behalf of the Executive in developing a draft cross-departmental strategy to tackle the issues facing those young people who are not in education, employment or training. Pathways to Success is out for consultation, the closing

date for which is 30 June. During the previous mandate, that draft strategy was discussed by the Executive, and it was the subject of a major cross-party review by the previous Committee for Employment and Learning. The development of the strategy involved seven Departments in addition to mine. Responses to the consultation will help to inform the development of a final strategy, including a cross-departmental delivery mechanism.

Following further engagement with the Committee for Employment and Learning, I intend to bring the strategy to the Executive at the earliest opportunity. At that stage, I expect further engagement with Executive colleagues about forward planning for its implementation, and I will report back on the outcomes of the consultation.

It is through that process that I expect Departments to commit to playing a full role in tackling this important issue. The issue will not be resolved overnight, but I am committed to moving this important work forward in and across the Executive.

**Mr Byrne:** I thank the Minister for his answer. Does the Minister agree that we have thousands of young people in that category in Northern Ireland and it is vital that we have direct intervention to make sure that we give some meaning to their lives? Is it intended to use the Youth Service in some way? We have excellent youth clubs that have great experience in dealing with such people.

**Dr Farry:** Mr Byrne talks about using the Youth Service. That falls under the Department of Education, which is a matter for my colleague John O'Dowd. This, again, highlights the importance of cross-departmental co-operation on this issue. Although my Department is happy to lead on this, it is something that all Departments that have something to bring to the table engage on. Clearly, the Department of Education is a major stakeholder in this regard.

It is critical to ensure that young people have the opportunity to fulfil their potential, both for them as individuals and for the economy. If people are denied the opportunity to develop their talents to the full, it is not just the people themselves who suffer; we all do. We talk about employment being at about 7.2%, which may finally be below the UK average. At the same time, we should be conscious that in the 18- to

24-year-old cohort, unemployment is around 20%, which should be very troubling for all of us.

**Lord Morrow:** I listened intently to what the Minister said. He referred to the Minister of Education. The Minister is only a short time in his post, and I wish him well in it, but he has already given a strong hint that there are problems in relation to the fragmentation of our education system. Does he not accept that it is now time that we looked at having a single education system, and will he work strenuously to that end and ensure that our children and adults in further education do not suffer as a result of the fragmentation of the education system in Northern Ireland?

**Dr Farry:** I thank Lord Morrow for his question and good wishes. We have a system across Government where issues cut across the departmental divides or, indeed, sometimes fall through the cracks. Until we reform the departmental structure, it is important that Ministers work together closely. Under this new mandate, I have been impressed by the increased willingness of Ministers to work collaboratively around issues, including myself and John O'Dowd on educational matters. I am not sure whether I can pronounce too much on a single education system; that is probably outside my direct departmental responsibilities, but clearly there is a wider debate on that in society.

**Mr Lynch:** Go raibh míle maith agat, a LeasCheann Comhairle. Will the Minister give an undertaking to work closely with the Enterprise Minister and the Rural Development Minister to address the rural broadband deficit, which is a major obstacle for many students or potential students in relation to employment, education or training? Does the Minister accept that poor rural transport infrastructure acts as another barrier for rural people wishing to access those opportunities?

**Dr Farry:** I thank Mr Lynch for his question. Strictly speaking, matters relating to broadband would be for the Enterprise Minister, and transport a matter for the Department for Regional Development (DRD). Clearly, again, the point highlights the importance of joined-up working between Departments and Ministers. From the training and employment perspective, I am happy to make representations if those issues are becoming barriers to people accessing their training requirements, whether that is going

to college or remote access from home to supplement what they are doing.

**Mr Deputy Speaker:** I remind Members that supplementaries should contain only one question.

### Higher Education Strategy

3. **Mrs Overend** asked the Minister for Employment and Learning what consideration he has given to developing a single higher education strategy. (AQO 63/11-15)

**Dr Farry:** I thank Sandra Overend for her question. Clearly, it would make sense to produce a single higher education strategy for Northern Ireland that would encompass the strategic direction for the sector as well as widening participation. Ideally, that would be set against a stable funding framework. However, it would have to take account of the difficult collective decisions that need to be taken on tuition fees, the consultation on which ended on 10 June.

**Mrs Overend:** I thank the Minister for his answer. The Minister's predecessors, Lord Empey and Danny Kennedy, played a significant role in increasing participation in higher education among those from disadvantaged backgrounds. What importance does the Minister attach to the further growth of those participation rates as part of a single higher education strategy?

**Dr Farry:** I thank Mrs Overend for that supplementary question. We had a consultation on widening participation, which closed on 3 June. There may have been an argument for bringing those consultations together in one single consultation. As you know, there is a consultation on a higher education strategy as well as one on tuition fees, which has just closed. It is important to stress that we have a good story to tell about overall participation levels in higher education in Northern Ireland, which are approaching 50%. I believe that that is the highest participation level of any region in the UK. However, within the profile of that, certain sections of the community are under-represented. I can certainly give my full support to addressing those gaps, and both the University of Ulster and Queen's University run programmes to try to address under-representation in the profile of their student cohorts.

**Mr Campbell:** When the Minister looks at furthering and widening participation levels, particularly in further and higher education, will

he ensure that, in those areas where there is significant under-representation and lack of take-up, the mentoring process that is being undertaken, particularly in the northern area, will be replicated across Northern Ireland to try to bring people from working-class Protestant areas into higher education?

**Dr Farry:** I thank Mr Campbell for his supplementary question. We have had a debate on that topic; it was one of the first motions debated in this Assembly mandate, and higher education was part of that. It is worth stressing that all of our higher education institutions are free and open to the entire community and that there are no barriers to participation coming from them. Clearly, however, there are problems with the balance and profile of representation across Northern Ireland, and any schemes that seek to address that will certainly have my support.

**Mr Brady:** Will the Minister outline the level and type of co-operation that exists between the nine universities in Ireland? As part of an evolving higher education strategy, how much information is being given to students in the North who might be considering taking up places in universities elsewhere in Ireland?

**Dr Farry:** I thank Mr Brady for his supplementary question. It gives me an opportunity to make a number of points. There is already some very good practice in research co-operation between the nine universities on the island of Ireland, and that was referred to at the North/South Ministerial Council meeting on Friday. There is scope to develop that further.

There is also an issue of student flows, both from Northern Ireland to the Republic and vice versa. It is important that, when we look at decisions on tuition fees in both jurisdictions over the coming months, we understand the consequences of whatever decisions might be taken in either jurisdiction and the impact that they will have. It is certainly important that information is given to all students about the choices that exist on either side of the border for their own development.

**Mr P Ramsey:** Have the Minister's Department and the Department of Education had any discussions about support for students in the transition from school to higher education?

**Dr Farry:** We have not had the opportunity to have that discussion just yet, but I am more



than happy to take that forward, and I am sure Mr O'Dowd will be equally happy to have a similar conversation.

## Tuition Fees

4. **Mrs D Kelly** asked the Minister for Employment and Learning, in light of the completion of the consultation on tuition fees, to outline a timescale for a final decision. (AQO 64/11-15)

**Dr Farry:** I thank Mrs Kelly for her question. The public consultation on tuition fees and student finance arrangements in Northern Ireland closed last Friday, 10 June. My officials have started collating and analysing the responses. I hope, subject to the volume and complexity of responses, to provide a high-level summary to the Employment and Learning Committee before the summer recess. I am aware that we need decisions soon, and my target is no later than September 2011 if there are to be any changes for the academic year 2012-13. It is important, too, that we give early clarity and certainty to future students and their families, the higher education institutions and all other stakeholders.

However, as I am sure you will appreciate, it is also essential that we take sufficient time to consider fully all of the consultation responses before reaching a conclusion on the proposed way forward.

### 2.45 pm

Ultimately, the Executive and the Assembly face an important decision on tuition fees. There is a collective responsibility on us all to reach agreement as the decision will impact not only on student finance arrangements but on university funding. It is crucial that we get this decision right if we are to continue our proud record of having the best higher education participation rates in the UK for those from socially disadvantaged backgrounds, allow our higher education institutions to remain internationally competitive and ensure that the share of funding to the public purse remains affordable.

**Mrs D Kelly:** I thank the Minister for his answer and wish him well with his portfolio. Is it not the case that the Student Loans Company needs a decision by the middle of July? I believe that that is what the previous Committee was informed. In taking forward the consultation responses, will you take account of the maximum

student number (MaSN) cap and consider lifting it in some of the universities?

**Dr Farry:** I am reliably informed that September is the date to which we should be working. That may well mean the Executive taking a decision before they go into recess towards the end of July. My officials will prepare a paper to go to the Executive towards the end of June or the beginning of July for that purpose.

The MaSN cap was a feature of the consultation regarding the higher education strategy, and it also impacts on tuition fees. I will no doubt reflect on it over the coming weeks. Of course, any increase in the MaSN cap will place a financial pressure on the Department that is not factored into the current budgetary allocations. The Executive and the Assembly will need to reflect on that.

**Mr B McCrea:** Will the Minister outline the difficulties that the universities will face if there is no increase in tuition fees and what he plans to do about that?

**Dr Farry:** At present, the two universities in Northern Ireland have to find savings of £28 million over the next two years, which amounts to a 12% cut in the public support that we give them. That comes at a time when investment in universities in the rest of the UK is increasing. We have a very strong record of having two world-class facilities in Northern Ireland. It is important that we maintain that and do not fall behind what is happening in the rest of the UK.

If the £40 million gap in the Budget that would arise in the absence of fees has to be passed on to the universities, it would have catastrophic consequences for them and entail a reduction in the number of students and, indeed, the closure of a number of university departments. It would be very difficult for us to sustain an argument that we have world-class facilities. This comes at a time when we are trying to give out a message that Northern Ireland is open for business, that we can grow our own local companies and attract companies from overseas. Those companies will be looking for a guarantee that we will have a highly skilled workforce. That includes highly skilled graduates coming out of our two local universities.

**Mr Givan:** Does the Minister not agree that the onus should be on the universities and colleges to ensure that they operate a streamlined and efficient management structure? Before he

would even consider going to the Executive, the Department for Employment and Learning (DEL) should be operating efficiently. The shortfall in funding should be met internally by the colleges and universities themselves.

**Dr Farry:** I agree with the thrust of what the Member said. Efficiencies are important. I am wholly committed to finding efficiencies in my Department. Both the universities are equally committed to finding efficiencies. It is important to put down a marker that universities are not there simply to act as companies trying to drive out cost to the lowest common denominator. Universities are there to make an investment in the future of society as a whole.

There is a notion out there that both universities are sitting on some pile of reserves that we can tap into to address the shortfall. I have asked my officials to drill down and test those arguments fully. I have spoken to both vice chancellors, and they are prepared to co-operate fully with my Department's examination of those arguments. Both universities have reserves. However, those reserves are committed to capital investment, a lot of which is also contractually committed already.

Furthermore, it is important that Members are aware that, when we talk about the use of reserves to plug a gap, that £40 million will be a recurring cost every year. However, we can dip into reserves only once, after which they are exhausted, and the same problem exists. Even if we had reserves, which we do not, it is not the solution to the overall problem of ensuring a proper funding stream for the universities.

**Mr Agnew:** Does the Minister agree that, given his Department's current allocation, his choice is between putting up fees and cutting services in higher education? Does he also agree that what is ultimately required is extra money from the Finance Minister to ensure that we continue to have a high-class university education system?

**Dr Farry:** The paper that I will present to my Executive colleagues will go through a number of different options and consequences. One of those options is the introduction of fees, because the budget is currently premised around that. That is the current default assumption behind my Department's figures. A situation in which the Department is asked to fund internally the shortfall that would arise in the absence of fees would have very serious consequences for other aspects of my Department's budget. The

employment service is already overstretched; it is currently configured to deal with a jobseeker's allowance headcount of 35,000, but there are 60,000 people presently on the books, with another 20,000 to come across as a result of the migration from incapacity benefit under the welfare reforms.

Equally, we have responsibility for further education, essential skills and apprenticeships, all of which are helping vulnerable people, and I would be loath to see cutbacks in those areas. I stress that university funding is an investment for our economy. It should not be borne solely by my Department; it is something that the system as a whole needs to recognise in the collective interest of Northern Ireland.

## EU Engagement

5. **Mr McLaughlin** asked the Minister for Employment and Learning what are his Department's priority actions for EU engagement. (AQO 65/11-15)

**Dr Farry:** It is my intention to further enhance contact between the European Commission directorates and the Northern Ireland Administration through meetings and visits to Brussels during my time in office. I have been looking at that specifically since taking up office. It is clearly important for my Department to maximise the benefits of EU engagement.

As priority actions, I want the Department and its stakeholder organisations, including further education colleges and universities, to continue to build on the very positive foundation created through President Barroso's Northern Ireland task force. I want them to take forward a range of specific activities to maintain and enhance our relationship with the EU in the context of the EU 2020 strategy for jobs and growth. Those will include: participating fully and leading appropriately in the work flowing from the recent visit of the Barroso task force Commission officials last March, especially in relation to the proposed competitiveness and employment, innovation and technology, and social cohesion strands; continuing to identify and benefit from EU engagement opportunities and potential European funding streams such as the framework programme FP7 in order to contribute towards the achievement of the target of increasing drawdown of competitive EU funds by 20% between 2011 and 2015; and, in particular, establishing a dedicated

fund to encourage increased participation by the universities in the European framework programme.

We are committed to maintaining and developing a high level of participation in the European lifelong learning programmes such as Leonardo and Grundtvig. We continue to engage proactively in the implementation of the European qualifications framework and with the UK EU co-ordination group for vocational education and training. We are promoting participation in the Erasmus programme in our local higher education institutions, thereby ensuring that Northern Ireland benefits from its initiatives and activities, and we are managing the Northern Ireland European social fund 2007-2013.

**Mr McLaughlin:** I thank the Minister for that very comprehensive answer. I congratulate him on his appointment and welcome him to the podium. He outlined, in a substantive way, how he intended to approach the issue. I want to ask him specifically about an issue where, perhaps, this region does not punch its weight compared with other regions. Will he raise with his Executive colleagues the issue of substantially increasing the complement of personnel that we have in the bureau? Compared with other regions, our complement represents a minimal interface, which creates a quite significant disadvantage.

**Dr Farry:** It is my understanding that a paper looking at European engagement and how to maximise Northern Ireland's return from available European Union funds will come to the Executive in the near future. I have outlined some of the ongoing work, and no doubt the level of representation in Brussels can be explored. Equally, Members will be aware that, outside the context of Executive representation, the Assembly is interested, for similar reasons, in its representation in Brussels.

**Mrs Dobson:** What plans does the Minister have to promote collaboration between local universities and those in the EU during his term of office?

**Dr Farry:** There is already a strong record of work on that, and the seventh framework programme is the umbrella under which a lot of that work can be taken forward. The framework programme can be bureaucratic and complex, and one often needs a breadth of partners, so perhaps the process is overly cumbersome. Indeed, that matter is something on which we

can make representations ahead of the eighth framework programme, which will be announced in the very near future. Nonetheless, I am committed to research and innovation, in which our local universities have a critical role to play. As research projects get more complicated and challenging, it is important that universities co-operate on them, and that is something in which I am extremely interested.

**Mr Allister:** The Minister's first answer was very interesting. However, does anyone in the Northern Ireland Executive's Brussels office have expertise or a background in the Department that he represents, or is that a gap in our present representation?

**Dr Farry:** We have full confidence in our team in Brussels. Clearly, there is an argument about whether we need more representation, and Mr McLaughlin outlined some of those arguments. Obviously, the representation in Brussels covers a range of issues, and the interface between what happens in the European Union and in a devolved region cuts across a broad swathe of public policy, so it is important that people there have access to a broad range of skills and knowledge.

**Mr Deputy Speaker:** Question 6 has been withdrawn.

## Education Maintenance Allowance

7. **Mr P Maskey** asked the Minister for Employment and Learning what action he has taken to ensure the retention of the education maintenance allowance. (AQO 67/11-15)

**Dr Farry:** I thank Mr Maskey for his question, and I pass on my personal congratulations for his recent election as the Member of Parliament for West Belfast. I hope that we will not miss him too much.

First, I should stress that there are no plans to abolish education maintenance allowance (EMA) in Northern Ireland, and the current scheme will operate as usual in the forthcoming academic year, 2011-12.

In December 2010, ministerial predecessors in the Department for Employment and Learning and the Department of Education received the findings of the jointly commissioned review of the education maintenance allowance scheme in Northern Ireland. Officials from both Departments are assessing the findings of the

report, and, therefore, no decisions have been made on the future of the scheme.

The review found that, in the majority of cases, the provision of an allowance makes no difference to young people's decisions to remain in education or training. However, in some cases, it makes a real difference. I am determined that young people from lower income families, for whom the allowance makes a real difference, continue to be assisted to stay in education and training. Furthermore, I can advise that the review report was shared with the previous Employment and Learning Committee, which has, itself, recommended that the allowance could be better targeted.

Any proposals to change the current provision of the EMA scheme in Northern Ireland are subject to public consultation and appropriate equality considerations. They must also take account of the very difficult budgetary position facing my Department.

**Mr P Maskey:** Go raibh maith agat arís eile.

Given the number of young people who are not in employment, education or training, does the Minister accept that any changes to EMA must not further alienate or discourage young people from socially deprived backgrounds?

**Dr Farry:** EMA clearly plays a critical role in enabling some people to remain in education or training, and it is important that we do not lose sight of that. On the other hand, I have to be conscious that there is considerable deadweight in the current scheme. Something like 64% of those who receive it report that it makes no difference to their decision on whether to remain in education and training.

In some respects, therefore, that is dead money that could be better deployed. We need to focus our discussions on how to make the system work better rather than on whether to remove it.

**3.00 pm**

## Enterprise, Trade and Investment

**Mr Deputy Speaker:** I advise Members that Questions 10, 11 and 12 have been withdrawn and require written answers.

### Employment: Socially Disadvantaged Areas

1. **Mr A Maskey** asked the Minister of Enterprise, Trade and Investment what plans her Department has to increase job promotion and creation within socially disadvantaged areas. (AQO 76/11-15)

**Mrs Foster (The Minister of Enterprise, Trade and Investment):** I am acutely aware of the need to provide support to the most vulnerable, and I am contributing fully, along with my Executive colleagues, to the development of policies and strategies in the next Programme for Government to help alleviate poverty and economic deprivation in our society. That having been said, my Department, through Invest Northern Ireland, will continue where it can to support programmes that are most likely to assist the most vulnerable to enter the workplace. Included in the short-term employment scheme are a number of specific measures that are designed to support job creation in socially disadvantaged areas. Those include a £1,000 business start grant for people resident in one of Northern Ireland's 36 neighbourhood renewal areas who successfully complete the Go For It programme; a £1,500 business start grant for disadvantaged young people not in education, employment or training who successfully complete the Go For It programme; and a range of initiatives that are designed to further develop employment opportunities in the social economy sector.

**Mr A Maskey:** Go raibh maith agat. I thank the Minister for that response. I very much appreciate the information that was contained in it. Has there been any discussion between her Department and the Office of the First Minister and deputy First Minister (OFMDFM) about the social investment fund and how that may be used as an additional stimulus for job creation in such areas?

**Mrs Foster:** I thank the Member for that very well-made point. I have been arguing for some time that the matter goes across Departments. Certainly, the social investment fund will be very useful in helping young unemployed people in particular to get back into work. One of the points that I made at the genesis of the social investment fund was that it could be a great help in trying to deal with the difficulties in some areas that lead young people to be unemployed. The social investment fund, along with work that we are doing in our Department



and work in conjunction with the Minister for Employment and Learning, will, we hope, make a difference for those who find themselves unemployed at present.

**Mr Swann:** Given the Minister's commitment to the promotion of job creation in socially disadvantaged areas and with the upcoming proposed transfer of credit union control to the Financial Services Authority (FSA), will she outline what discussions she has had with the Department for Work and Pensions about credit unions in Northern Ireland accessing the current modernisation funds and how that could increase job promotion and creation in Northern Ireland?

**Mrs Foster:** On the credit unions, the Member is right: it is a recommendation of the Committee for Enterprise, Trade and Investment and something that I endorse that regulation and registration for credit unions should be transferred to the Financial Services Authority in the United Kingdom, so that we would be able to access funds that we are unable to access at present through our credit unions. When the transfer happens, I recognise that some of our credit unions will be ready to deal with those matters and others will need help. I am very cognisant of that fact. We will have to work with the credit union movement to identify where those gaps are, and we will try to allow them to take full advantage of the range of services that they will be able to tap in to. I have not had any discussions with the Department for Work and Pensions in relation to that matter; all our discussions thus far have been with Her Majesty's Treasury.

**Mr G Robinson:** Will the Minister take into consideration areas such as Limavady in my East Londonderry constituency, where so many jobs have been lost in the past few years, for any future job creation?

**Mrs Foster:** Of course, I will now listen to a lot of Members who want job creation in their area. I know that the Member beside me would very much welcome the fact that we do some work in Limavady. On a serious point, under the new short-term employment scheme, there are definitely opportunities for areas like Limavady to apply to that scheme to help current employers in the area, whether that is through the short-term assistance scheme (STAS), which we launched some time ago, or the short-term employment scheme. Those 36 neighbourhood renewal areas mean that people can go into the

Go For It programme and be assured that they will have that money to help them to start up and allow them to develop their business with Invest Northern Ireland's new support across the business base. At present, Invest Northern Ireland is going through a Transform programme through which it will no longer have client firms but will instead work across the business base, which will help all areas in Northern Ireland.

**Mrs Cochrane:** Although it is important to increase jobs within areas, there are also issues about mobility. What plans does the Minister have to assist those in disadvantaged areas to access jobs outside their area?

**Mrs Foster:** As I have said on many occasions, Northern Ireland is a relatively small place. South Belfast is often held up as an example of a place that gets more attention for jobs coming into Northern Ireland because people travel to that area from nearly every ward in Northern Ireland. If the Member is asking me what I can do to help with the public transport system, I have to say that that, unfortunately, is not a matter for me; it is a matter for the Minister for Regional Development. I will, however, want to speak to him about his regional development strategy so that hubs across Northern Ireland have the connectivity that they so deserve.

## Employment

2. **Ms J McCann** asked the Minister of Enterprise, Trade and Investment what measures her Department intends to take to increase job creation. (AQO 77/11-15)

**Mrs Foster:** Over the next four years, Invest Northern Ireland (INI) will support the promotion of more than 21,000 new jobs. Those will include 5,000 jobs as a result of supporting foreign direct investment and a further 5,000 jobs through helping companies in the local business base to grow and expand. In addition, more than 6,000 new jobs are expected to be promoted through encouraging new business starts across Northern Ireland. I have also announced the short-term employment scheme, to which I referred in my previous answer. It has a total budget of £18.8 million and will promote a further 5,000 new jobs by March 2015. All those measures will be implemented in conjunction with a range of other support from Invest Northern Ireland.

**Ms J McCann:** Constituencies such as West Belfast still have high levels of underinvestment and a lack of job opportunities. Will the Minister give a commitment that her Department and Invest NI will work positively with political, community and business leaders in that constituency to ensure investment and job creation?

**Mrs Foster:** I thank the Member for her question. However, it presupposes that we have not been working with political representatives and business leaders in West Belfast, which we have. Before the election, I had a useful meeting with Delta Print and Packaging. After the election, I visited Ortus in West Belfast, which is doing a lot of excellent work on the interface of the Falls and Shankill roads. We will continue to work in the most progressive way possible to bring jobs to wherever in Northern Ireland because that is what it is about: bringing more jobs and better jobs. That is what I am tasked with and am striving to do.

**Mr Humphrey:** What is the current state of foreign direct investment, and what impact is it likely to have on Invest Northern Ireland's ability to win new projects for Northern Ireland?

**Mrs Foster:** I thank the Member for his question. As he will already know, during the last Programme for Government period, Invest Northern Ireland was hugely successful, despite the difficult times in the global marketplace. It set a target of 6,500 jobs promoted, and we hit 7,538. There was a target of 90 job projects, and we brought in 131. Those figures speak for themselves.

The current market remains quite volatile, but there is a good pipeline of new projects, particularly in the financial services, information and communication technology (ICT) and software sectors. Invest Northern Ireland tells me that it is encouraged by the level of interest in Northern Ireland, which we will continue to work on.

**Mr Durkan:** Go raibh maith agat, a LeasCheann Comhairle. Taking on board the Minister's answer, one has to appreciate that Invest NI exceeded its targets last year. However, will the Minister or INI give any consideration to the creation of special enterprise zones in areas of particular social need, such as the north-west?

**Mrs Foster:** I understand that the previous time that we had specific enterprise zones was in the 1980s, although I stand to be corrected on that. The designation of an economic zone is

a matter for Westminster because it is a fiscal matter for which the Treasury is responsible. Therefore, it is not a matter for Invest Northern Ireland or me. On a number of occasions, the Secretary of State has talked about the need to turn the entirety of Northern Ireland into an economic enterprise zone. Unfortunately, we have not yet been able to get clarity on what that actually means in practice, but part of that will be the lowering of corporation tax, and we will continue to work on that. Along with the First Minister and deputy First Minister, the Finance Minister and, indeed, the whole Executive, I believe that the benefits of lowering corporation tax outweigh the costs associated with that. Therefore, we believe that it is a good thing to argue for, and we will want the Treasury to look at the consultation, which closes on 24 June, and to come back to us with a positive message.

### Broadband Fund

3. **Mr McLaughlin** asked the Minister of Enterprise, Trade and Investment for an update on the progress of telecommunications projects funded through the broadband fund. (AQO 78/11-15)

**Mrs Foster:** All seven projects that have been funded to date through the broadband fund are now completed. Access to fixed wireless broadband services has been delivered widely across the rural west, Foyle basin, north Sperrins, the north Antrim coast and County Fermanagh. Access to fibre-based services has been delivered in Enniskillen and at 23 cabinet locations in rural areas across counties Antrim, Armagh, Down and Tyrone.

**Mr McLaughlin:** I thank the Minister for her answer, and I applaud the fact that she has given priority to that vital area of our economic infrastructure, especially to disadvantaged and rural communities, as her answer acknowledged. From her experience as Enterprise Minister, can she give the Assembly an indication of the significance that inward investors attach to the existence of such cutting edge technology?

**Mrs Foster:** I thank the Member for his question. In a previous question, I was asked about the infrastructure to connect people physically, and cyberconnectivity is hugely important. That is why Project Kelvin, which links us to North America, was such a key investment for us. In fact, we now have quicker connectivity between New York and Northern Ireland than New York

has with San Francisco. We should be incredibly proud of that.

Aligned with that, when we get people to connect into Northern Ireland, we must have the connectivity within Northern Ireland, and I think that is what the Member was referring to. Undoubtedly, a huge amount of work has been carried out by the industry, and government has invested heavily; £19.5 million has been put into the next generation broadband strategy. We will continue to monitor that. As you know, telecoms is a privatised entity and, therefore, we can act only when there is a market failure and where European regulations allow us to do so. We must continue to monitor what is going on. Members have approached me about difficulties with particular constituents, and I am happy to look into those difficulties. It is only when I hear of those issues that I am able to address them.

**Mr Frew:** Given the importance of broadband to the rural community, particularly the farming industry, what more can the Minister do to eradicate the black holes and gaps that exist in broadband provision in Ulster? What input does the Department of Agriculture and Rural Development (DARD) have into that?

### 3.15 pm

**Mrs Foster:** As I indicated, £19 million of government funding has been invested in next generation broadband. Of that, £16.5 million was contributed by my Department under the EU sustainable competitiveness programme, and the remaining £2.5 million was contributed by DARD through a mixture of funding from the EU rural development programme and from its core budgets.

Although my primary role is to make sure that businesses are connected, it is important that we realise that a lot of farmers now provide information through the Internet and, indeed, draw down a lot of their forms from it. Therefore, it is hugely important that rural areas and rural businesses — be they farm businesses or a wide range of other businesses — have that connectivity. That area causes the most difficulty. Although there are 420,000 broadband users in Northern Ireland, fewer than 1,000 of them — I think that it is 944 — are connected by satellite. I know the difficulties that some people have with satellite broadband, and there may be a need to look at more mobile applications to deal with those black spots. However, to do that, we need coverage from

the mobile phone companies. We do not have that yet because, at present, there are national targets for coverage and we need regional targets. That is set by Ofcom in the UK, and we have been lobbying very hard to say to it that we need regional targets to get more coverage for our 3G and 4G networks. We need to press on with that.

**Mr D Bradley:** Go raibh míle maith agat, a LeasCheann Comhairle. The Minister's answer has covered several of the points that I wanted to raise. However, I draw her attention to the fact that broadband reception in some rural areas is very poor and needs to be improved. Are there any further actions that she can take or intends to take to deal with the problem?

**Mrs Foster:** I thank the Member for his question. Indeed, his constituency is one of the areas where there are so-called "not spots". That probably has something to do with the Mourne mountains. Having said that, I accept that many people in the area have severe difficulties getting connected. First, with the mobile application, we need to keep pressurising Ofcom to give us regional targets. Secondly, we believe that we have some money available to support a further call through the broadband fund, and we anticipate that we will make a sixth call for projects in early summer. We will certainly look at the areas that have been experiencing difficulties with their broadband connections, and Members should let us know of particular areas.

**Mrs Overend:** Can the Minister detail what tangible benefits to the local economy have resulted to date from Project Kelvin?

**Mrs Foster:** The most obvious benefit is to the New York Stock Exchange. I often find that people who work there are better advocates of Project Kelvin than a lot of others who live in Northern Ireland. It allows that company, which has an office in Belfast, to send its technology through Project Kelvin right back to its base in New York so that it can use that technology in a quick time. That is the primary benefit. Project Kelvin also gives us a very good lever when we go to companies in North America to say that we have that connectivity and they will be able to deal very quickly with their offices in North America if they base themselves in Northern Ireland, either for research and development, back office work or whatever they decide to do.

## Short-term Employment Scheme

4. **Mr Buchanan** asked the Minister of Enterprise, Trade and Investment what steps her Department is taking to ensure the creation of jobs under the £19 million short-term employment measure recently announced by her Department.

(AQO 79/11-15)

**Mrs Foster:** The core focus of the short-term employment scheme is to promote 5,000 jobs between 2011 and 2015, with 4,000 to be created by March 2014. Invest Northern Ireland is already actively engaging with a broad range of key stakeholders across industry and in other Departments to promote the short-term employment scheme. I intend to discuss the initiative with the Minister for Employment and Learning in the very near future. All of that will encourage widespread uptake across Northern Ireland and ensure that the measure delivers those new jobs as quickly as possible. I am encouraged by the progress that has been achieved to date and can report that Invest Northern Ireland is already at an advanced stage of negotiations with a number of businesses on new investment projects that will lead directly to significant new job creation this year.

**Mr Buchanan:** I thank the Minister for her response. The first few questions all seemed to focus on the same issue. What steps will Invest Northern Ireland take to promote west Tyrone as the location for new business development?

**Mrs Foster:** I thank the Member for his question. Indeed, during the past three years, Invest Northern Ireland has offered assistance totalling £6.5 million to businesses in west Tyrone, which contributed towards planned investment of almost £39 million in the region. That support aimed to create nearly 250 new jobs in the area while safeguarding 56 existing jobs. During that period, significant announced projects of which the Member will be aware included Euro Auctions, Grosvenor Shirts and Waste Systems Limited. In addition, 577 businesses have been assisted indirectly through our Start a Business programme. We will, therefore, continue with those elements. However, as I indicated in my earlier answer, we will also look at neighbourhood renewal areas to deal with Go for It participants, who can then avail themselves of available grants. As I said, we are looking for opportunities in the agrifood sector, the social economy sector and call centres that we may not ordinarily support. Therefore, there

are opportunities for every area across Northern Ireland to take advantage of the short-term employment scheme. I very much hope that west Tyrone will be one of those areas.

**Mr Flanagan:** Go raibh maith agat, a LeasCheann Comhairle. I wish Mrs Foster well in her new term as Enterprise Minister. There will be a wee bit more parochialism with my question. We are all aware and would probably all argue that a proposed reduction in corporation tax will not be the major benefit to growing the economy, which is very reliant on small indigenous businesses. What safeguards will be put in place in the Department to ensure that the benefits of the short-term employment measure will be widespread across the North and will not be focused on a few geographical locations?

**Mrs Foster:** I thank the Member for his question. Indeed, the whole point of the short-term employment scheme is that it is spread right across Northern Ireland. That is why we will take into account neighbourhood renewal areas. It is why we believe that working with the social economy sector is a key part of what we do. Indeed, as regards corporation tax, the Member will know that the argument is that not only will big companies benefit from the lowering of corporation tax, but all the smaller companies that are in the supply chain to the bigger companies will benefit because more work will be available to them. I must say that one of the best social enterprise schemes, which the Member will know well, is in Irvinestown. Last week, I was absolutely delighted to welcome the Prime Minister to Irvinestown to visit the ITEC Centre and the Arc Healthy Living Centre. They are great examples of how social enterprise can make a difference to one town and, indeed, one area. I hope to see more of that type of social investment being pulled right across Northern Ireland.

**Mr A Maginness:** The Minister referred to the short-term employment measure as spreading jobs around. In my constituency of North Belfast, there is an apparently intractable problem of long-term unemployment and, indeed, short-term unemployment. Does the Minister agree that concentration is needed on areas such as north Belfast, where there clearly is a jobs black spot?

**Mrs Foster:** Unfortunately, I am at a loss as to whether there are any neighbourhood renewal areas in north Belfast. I am sure that there are. We will concentrate on neighbourhood



renewal areas because we realise that there are difficulties in those areas. It is important to say that we are working with DEL on the short-term employment scheme. It has an employer subsidy scheme to provide additional support to workers. My Department believes that it can augment that support with the short-term employment scheme and thereby keep people in jobs that, perhaps, they would otherwise have lost. Therefore, the scheme is about working with other Departments to ensure that we get the maximum out of government money and do not displace each other but, in fact, augment each other.

### **Northern Ireland Tourist Board: Event Funding Programme**

5. **Mr Brady** asked the Minister of Enterprise, Trade and Investment for her assessment of the success of the Northern Ireland Tourist Board's event funding programme. (AQO 80/11-15)

**Mrs Foster:** The Northern Ireland Tourist Board's (NITB) events programme for 2011-12 received 112 applications requesting £5.2 million from a total of £1 million available to the events industry. After a thorough assessment process in which events had to demonstrate by example how they met 10 key criteria, NITB funded 57% of all eligible events that were seeking funding. Events tourism contributes £98 million to the local economy, and the funding provided by NITB will increase visitor numbers and spend to the Northern Ireland economy and support the objectives in the draft tourism strategy for Northern Ireland 2020.

**Mr Brady:** I thank the Minister for her answer. Will she be reviewing the decision by NITB to cut funding for the Foyle Cup and the Milk Cup?

**Mrs Foster:** As the Member knows, an application was put in for the Milk Cup and the Foyle Cup, and, unfortunately, NITB decided not to fund them this year because they did not score highly enough. The appeal process has taken place, and that is still the position. The Foyle Cup was offered a feedback session to explain why its application for funding was not successful, and, unfortunately, to date the Foyle Cup organisers have not taken up that offer. I understand that the Tourist Board has met representatives from the Milk Cup to explain why its application was not successful and to provide advice on how future applications for funding support could be developed.

**Mr D McIlveen:** Is the Minister involved in any plans to support the World Police and Fire Games, which are coming to Northern Ireland in 2013, given that that event is larger than the Commonwealth Games? Will the Minister give an update on how NITB is working on that?

**Mrs Foster:** We are very much looking forward to the 2013 games. The Member is right: they are bigger than the Commonwealth Games. We need to be ready for the influx of visitors who will come — not only the competitors but their friends and families. We had discussions with the Department of Culture, Arts and Leisure (DCAL) during the previous mandate about how we can move this issue forward. I am very much looking forward to having further discussions so that we are ready to promote Northern Ireland in a positive way when the games come.

**Mr Allister:** Minister, I have to express disappointment that you have no good news for the Northern Ireland Milk Cup. Do you, as Minister with oversight of the Tourist Board, agree with its decision? It seems to beggar belief that the Northern Ireland Milk Cup could score only half the marks available on branding as a Northern Ireland venture. If you do not agree, what steps will you take to make sure that the great wrong done against the Northern Ireland Milk Cup is made right?

**Mrs Foster:** I thank the Member for his question. One key factor in why the Milk Cup and Foyle Cup did not score highly is that they are, primarily, sporting events, notwithstanding the fact that they bring a number of tourists to Northern Ireland and the greater north-west. Because of that and because my good friend and colleague Gregory Campbell has been lobbying me on the issue, I have asked my officials to discuss alternative funding arrangements with the Department of Culture, Arts and Leisure and Sport Northern Ireland. However, the long-term sustainability of both events has to be considered. That is the key point in all of this. Certainly, we will look to be positive and to find a solution in relation to this year, but, in the long term, public funds cannot be permanently guaranteed for specific events. Therefore, we need to plan for the medium to longer term, but I have asked officials to have a look at the matter for this year.

## Construction

6. **Mr I McCrea** asked the Minister of Enterprise, Trade and Investment what steps she has taken to address the impact of the economic downturn on the construction industry. (AQO 81/11-15)

**Mrs Foster:** The construction industry has seen the largest decline of any sector of the economy. It has declined by 28.8% since its peak in 2006. Support for the sector has been based on meet-the-buyer events, focused around major construction events or sectors where there is still spend anticipated. That includes events associated with the London 2012 Olympics and supply chain events with local companies that have secured significant projects in external markets. My Department has also proposed short-term employment measures aimed at boosting employment, and, as I have already said, those measures will result in the promotion of over 5,000 new jobs by March 2015.

3.30 pm

## Executive Committee Business

### Supply Resolution for the Northern Ireland Main Estimates 2011-12 and Supply Resolution for the 2009-2010 Excess Votes

*Debate resumed on motion:*

*That this Assembly approves that a sum, not exceeding £8,141,695,000, be granted out of the Consolidated Fund, for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and the Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office, the Northern Ireland Authority for Utility Regulation and the Public Prosecution Service for Northern Ireland for the year ending 31 March 2012 and that resources, not exceeding £8,656,468,000, be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and the Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office, the Northern Ireland Authority for Utility Regulation and the Public Prosecution Service for Northern Ireland for the year ending 31 March 2012 as summarised for each Department or other public body in columns 3 (b) and 3 (a) of table 1.3 in the volume of the Northern Ireland Estimates 2011-12 that was laid before the Assembly on 6 June 2011. — [Mr Wilson (The Minister of Finance and Personnel).]*

*The following motion stood in the Order Paper:*

*That this Assembly approves that a sum, not exceeding £23,278,781.13, be granted out of the Consolidated Fund, for or towards defraying the charges for the Department of Agriculture and Rural Development for the year ending 31 March 2010 and that resources, not exceeding £17,836,994.70, be authorised for use by the Department of Agriculture and Rural Development and the Department of Education teachers' superannuation, for the year ending 31 March 2010, as summarised for each Department in Part II of the 2009-2010 Statement of Excesses that was laid before the Assembly on 6 June 2011. — [Mr Wilson (The Minister of Finance and Personnel).]*

**Ms Gildernew (The Chairperson of the Committee for Health, Social Services and Public Safety):** Go raibh míle maith agat, a LeasCheann Comhairle. The Health Committee met the Minister of Health, Social Services and Public Safety for the first time on 8 June. At that meeting, we explored with the Minister some of the challenges facing the Health Department with the 2011-12 Budget. The Minister told the Committee that he is facing a shortfall of about £177 million this year, and that is after cutting back on previously planned spend for the year to ensure that spending will focus on inescapable pressures and the requirement to meet statutory obligations.

The Health Minister clearly has a tough job ahead of him if he is to balance his books by the end of the year. However, the Committee was pleased to hear the positive and proactive way in which the Minister intends to go about tackling the issue of his budget. For example, he intends to cut his Department's prescribing bill by further reliance on generic drugs; a common sense measure that is to be welcomed. The Minister recognised that such measures alone will not bridge the gap to allow him to live within his current budget and that further efficiencies will have to be identified. To that end, the performance and efficiency delivery unit (PEDU) has been brought in to the Department and will report in September. The Committee welcomes that news and is hopeful that a fresh eye will, indeed, help the Department to find the additional savings required.

The Committee was also pleased to hear the Minister say that he would consider further North/South co-operation on the provision of services. The Minister acknowledged that co-operation can reap massive rewards by creating the necessary critical mass for specialist services and providing a much-needed revenue stream for the Department. I think that we can all see the potential benefits of the planned radiotherapy unit at Altnagelvin for people living in the border areas, and similar opportunities should be explored. In fact, the Committee had a presentation from Cooperation and Working Together (CAWT) at one of its first meetings. I believe that much can be done to work better together, and that will benefit all of us.

The Committee encourages the Minister to look particularly at areas where savings can be made that will not impact on the provision of front line services. For example, clinical

excellence awards made to consultants in the form of what we know as bonuses are costing the Department around £11 million a year and are paid to consultants on an ongoing basis over and above their salaries. The Committee notes that a review is being conducted and is due to report in July. We hope that, pending the outcome of that review, the Minister will be in a position to take decisive action on the issue.

In this economic climate, hard decisions obviously have to be made about where to invest the resources that we have. However, I make the point that when Bairbre de Brún was Health Minister back in 2002, she had a budget of approximately £2 billion. Since that time, the health budget has doubled to some £4 billion. We really need to ask ourselves whether we are seeing the results, in terms of people's health, that we expect from that level of investment.

The Committee is concerned that the latest figures show that the Department is spending only 1.7% of its budget on the public health agenda. The Committee believes that there has to be a serious rethink about shifting the focus of the Health Service towards wellness rather than sickness. By that I mean that we need to concentrate resources on keeping people well and out of hospital, which means more services being provided at a local level and a greater reliance on primary healthcare facilities.

The direction of the Health Service and spending on health and social care are interlinked. We need to spend the money where we think that it will yield the best outcomes for people. Health needs to be understood in its widest sense, and we want to look at innovative ways of providing services to people, including helping those who care for relatives in the community. Domiciliary care is often unpaid and unrecognised, but it plays an essential role in the health and social care system. When the Minister briefed the Committee last week, he said that we must stop doing what does not work. I endorse that statement and take it further: we have to start doing what will work.

**Mr McCarthy:** I am grateful to the Member for giving way. On that point about what the Minister said, what about the fact that he is not prepared to support Home-Start throughout Northern Ireland? Everyone in the Chamber knows about the excellent work of Home-Start, but the Minister is not prepared to support it. In fact, he has passed the buck to the Department of

Education to try to see whether it can support Home-Start. Does the Member agree that that is not the proper way to ensure that front line services are delivered? The Minister talked about early intervention. Here we have a case of early intervention, and he is not prepared to fund it.

**Ms Gildernew:** I thank the Member for his intervention. I agree with him. We do have to join up; we have to work together and utilise limited resources in a way that benefits families and children. Both Home-Start and Sure Start have played an integral role of all our constituencies through supporting families and children. Every pound spent on a child at the early years stage — that early intervention — is equivalent to £17 spent at the third level education stage. I concur with the Member that, when the proper services are provided for families and children, it really is excellent value for money. We will all need to watch that issue carefully and ensure that the two Departments work together. We spoke to the Health Minister at that first Committee meeting and he said that he was working with the Department of Education. We welcome that and want to see those early interventions taking place.

As I said, we know that investment in early years works. We know that prevention is better than cure. We know that if our people are empowered to exercise regularly, eat a good diet, monitor their own physical and mental health and get help quickly and locally when problems arise, many long term and serious conditions can be avoided. We also know that investment in preventative drugs, such as anti-TNF drugs for debilitating conditions such as arthritis, or clot-busting stroke drugs, can provide a win-win, vastly improving the quality of life of the people receiving them as well as reducing the cost of treating those conditions later on in hospital.

To conclude, the health and social care budget for 2011-12 needs to be spent on front line services that work and, ultimately, provide the best health outcomes for all our people.

**Mr Storey (The Chairperson of the Committee for Education):** At its meeting on 8 June, the Committee for Education noted the correspondence from the Committee for Finance and Personnel regarding the requirement for an Excess Vote on the accounts of the Department of Education teachers' superannuation scheme. The Committee also considered the Public

Accounts Committee (PAC) report on the matter and the Comptroller and Auditor General's position that, if such a situation reoccurred, he would bring the matter to the Public Accounts Committee for further consideration.

Although the Committee received no prior notification from the Department regarding the Excess Vote — an issue I will return to in a moment — it did receive correspondence from the Department of Education providing the Committee with an explanation of the need for an Excess Vote and the action that it took as a result. The Committee concurred with the view of the Public Accounts Committee, which recommended that the Northern Ireland Assembly provide the necessary amounts by means of Excess Vote.

In the autumn, the Committee will be seeking an update from the Comptroller and Auditor General via the Public Accounts Committee that the issues that gave rise to the need for an Excess Vote have been satisfactorily resolved. In the interim, we will be exploring the matter with officials during next week's session on the Department's budget.

I move to a few comments as a private Member on the Budget before us. I want to raise some concerns that I believe need to be placed on record; they have been placed there before, but, in light of the debate that we are having and the current economic climate that we find ourselves in, it is as well to remind ourselves of the challenge that schools face. In particular, I am thinking of boards of governors. I declare an interest as a member of the boards of governors of Ballymoney High School and Ballymoney Model Controlled Integrated Primary School. Boards of governors sitting down to look at the forecast for how they will manage their future finances are finding it extremely challenging and difficult. One need only look at the savings delivery plan that the Department published some time ago. It clearly outlines the aggregate schools budget, which is the budget that pays for front line services: teachers, classroom assistants, caretakers, heat and light.

In 2011, some £26 million will be taken out; in 2012, some £13.85 million; in 2013, £114 million; and, in 2014, £179 million. That gives you some sense of the magnitude of the problem that schools face with the Budget. I have already called on the Minister to reprioritise so that the House and particularly



those who have to deliver the service in education will have some comfort that they will not be left to squander on this issue and that schools will not be financially starved out of existence because they have not had the wherewithal to deliver services.

I also wish to raise a serious matter regarding the capital spend, which Dominic Bradley mentioned earlier. Many schools have been living with a false sense of hope because of the publication some years ago of the investment delivery plan. That plan looked into the promised land and named the schools that met the criteria and were to get newbuilds. However, many of those schools will not get their new facilities. Therefore, I have called on the Minister to give us clarity, which the previous Minister failed abysmally to do, on the process that determines how a school is put on the list and how it sees the delivery of a new school in bricks and mortar. In fact, it was put to me recently that it was not even a case of knowing where a school was on the ladder; it was a case of knowing whether there was a ladder in the first place.

I remind Members that, before the end of the previous mandate, the Minister announced that work would start on 13 schools; we were told that those schools were part of a very detailed process. Remember, there was a review of schools that were compliant, partially compliant and non-compliant. However, would you believe, Mr Deputy Speaker, that seven of those schools were partially non-compliant? Yet they found their way on to a schedule of works and an agreed building programme. I have asked the new Education Minister to look at each of those decisions and to give us an update on where we are on that issue.

I am glad that the Finance Minister is with us, and I hope that he can give further help on end-year flexibility. Members will know that there was a problem and a crisis. We could almost have been in the same place as the banks when it came to the schools concerned that their surpluses were under threat. Thanks to the intervention of the Finance Minister, an agreement and an arrangement was put in place. In the June monitoring round, the Department of Education made a bid regarding that issue, and I would appreciate it if the Finance Minister could give some reassurance today to the House that the process that was announced before the end of the previous

mandate will be put in place so that the schools that need to have information and structure to their finances will get an assurance that helps them to plan for the weeks and months ahead.

### 3.45 pm

I conclude by raising the concern that, in the Budget before us and in the figures that Members have seen over the past months, there are elements which cause grave concern about home-to-school transport, from which it is proposed to take somewhere in the region of £20 million over the next four years. That will have a particularly adverse effect on rural communities — communities that feel isolated and desperately need access to rural transport to get to their schools.

The weeks and months ahead will undoubtedly be very challenging. We have had the fiasco with the Council for the Curriculum, Examinations and Assessment (CCEA), an update on which I have asked for from the Minister and his officials. We have all seen what has been spent by that organisation. I do not think that many teachers in Northern Ireland today have ever had the luxury of travelling in a jet to a conference. That is a serious issue that must be addressed by CCEA and the Department. We are often told that there is not much money around. There must have been a fair amount around when an organisation was able to justify that type of spend. I ask the Finance Minister to ensure that such non-departmental public bodies are looked at with a view to bringing them under tighter financial control.

I also reaffirm the priority of having a budget centred on the needs of the school and its pupils, not around the needs of a plethora of organisations that are there, in some regards and cases, to be self-serving rather than to serve the best needs of our education service.

**Mrs Cochrane:** Back in March, the Alliance Party supported the Budget for 2011-15. It was the right thing to do to bring financial stability to Northern Ireland in the medium term. We in the Alliance Party take our place at the heart of the coalition Government very seriously, and we are committed to making it as collective a body as possible. The striking of a Budget and sticking to it goes right to the heart of what makes any Government coherent. The Supply resolution is the first aspect of the process of turning that Budget into a formal piece of legislation for the 2011-12 financial year.

That having been said, it must still be acknowledged that there are many challenges on the road ahead. A major one is that inflation is now well in excess of the level on which the Budget was premised. In some respects, the challenge passes to the individual Departments to manage their budgets. However, that would be rather short-sighted and would indicate a missed opportunity.

In his Budget statement in March, the Finance Minister talked about the importance of “collaboration” between Departments; the need to focus on “early intervention and prevention”; and, perhaps most welcome of all, the need to address the financial costs of a divided society. To that could also be added the opportunity to pursue shared services on a cross-border or all-island basis.

I will start with the cost of division. Indeed, it was most telling that the Prime Minister, David Cameron, referred to that in his speech to the Assembly last week. When finances are so tight and we are trying to grow our economy, the resources wasted on managing division are a massive millstone round our neck. As for the importance of departmental collaboration, which other Members have mentioned, we need to realise that many of the most pressing challenges faced by Northern Ireland, as well as the opportunities that await us, do not fall into neat departmental silos. Therefore, we need much better co-operation between our Departments to make sure that we can grow our economy most effectively and to maximise efficiencies and the value of public services.

So far, the rhetoric and promise from Ministers in the Executive have been promising, but the Assembly has a right to expect tangible results in the very near future. Indeed, the Alliance Party believes that the Assembly should pass a governance Bill that would mandate better co-operation and collaboration between Departments to better combat the silo mentality. A duty should be placed on all Departments to co-operate and collaborate to meet some general objectives. Those could include promoting community safety and combating crime; promoting public health; working for sustainable development; and promoting a shared future.

With respect to early intervention and prevention, which other Members have also mentioned, a shift in the balance of resources to programmes

that seek to prevent problems from emerging, or seek to intervene at an early stage, can produce savings through avoiding the need to spend greater resources after problems fully develop. However, the funding of the former tends to be optional, while the funding of the latter tends to be statutory. There is a case for shifting the balance of funding, and that means following through with projected savings with back-end funding. That is not a leap of faith, as there is already considerable empirical evidence from other jurisdictions that that approach can be successful. A focus on preventive measures can ensure savings across a range of public spending areas, including health, justice and social care. For example, the cost of keeping a child in the care of the state is approximately £100,000 per annum. Family support programmes such as Home-Start and Sure Start, which have already been mentioned, cost less than £2,000 per intervention.

The Alliance Party is also very keen to promote more shared services on a North/South basis. That need not be about politics but good finance and economics. We welcome that the potential for that is being scoped through the North/South Ministerial Council (NSMC). However, we need to see more tangible evidence of progress beyond the radiotherapy centre at Altnagelvin. We have a responsibility to our constituents, who are worried about their jobs, the services on which they rely, their economic future, etc.

The Executive must be innovative as they prudently manage the resources available in order to meet the challenges ahead. The Alliance Party supports the motion.

**Mr B McCrea (The Chairperson of the Committee for Employment and Learning):** I am sure that the Minister for Finance and Personnel can be forgiven for saying that he has heard nothing but hand wringing and exhortations to do better. All of us must realise that aspirational politics are confronted by the reality of a difficult financial position.

I speak on behalf of the Committee for Employment and Learning, which I chair. I understand the difficulties that the Minister is facing. Should additional funds become available in the year, I make the case that the Department for Employment and Learning (DEL) has a key part to play in any moving forward. I lay claim to some of that.

The particular problem is that Northern Ireland, which has relatively few natural resources save for the talent of its people, needs to invest in its people. That is the only way in which we can move forward. Look at people who do not have any particular skills. How can we expect them to participate in growth if we do not invest in them? We have to give some help to individuals so that they can play their part in the economy. It is to the Department for Employment and Learning that the Employment Service reports. It is under severe pressure. The service is resourced to look after 35,000 registered jobseekers but currently deals with over 60,000. The Minister is aware that there is a bid to try to alleviate some of that pressure. We also have incoming welfare reforms, which will transfer additional pressure to the Employment Service. We have a problem: as things stand, the service that will be offered in Northern Ireland will fail and fall below the standard of that offered in the rest of the United Kingdom. It is important that we do not breach parity with the rest of the United Kingdom.

I also want the Minister to take on board the importance of the assured skills initiative and its contribution to Northern Ireland's ability to attract foreign and direct investment. I am sure that he will acknowledge, because we have talked about it for long enough, that the further education colleges are struggling, even as we speak, to meet the demand that has been placed on them.

The Minister is aware of the debate on tuition fees. It is worth mentioning it at this stage, though I accept that it does not directly relate to this particular year. It is something that the Assembly has to take seriously. It is not enough to say: "Do you know what? We will cap the tuition fees and try to fund everything else out of the reserves of universities and further education establishments." As the Minister for Employment and Learning made clear earlier, there are not sufficient reserves to do that.

However, I draw the Finance Minister's attention to a speech made by the First Minister on 31 March. He said:

*"Devolution also allows us to take a different position on issues such as tuition fees ... That may require expenditure to be diverted from other areas but we believe that it is a price worth paying for future generations."*

In a ministerial statement on 1 November 2010 reporting on a visit to the US economic conference, the First Minister told the Assembly:

*"The one thing that came out of the various meetings that we had in Washington, especially from the US investors who are already here, was that the major selling point for them was the relationship between the universities and companies". — [Official Report, Bound Volume 57, p29, col 1].*

I urge the Minister of Finance and Personnel to take on board the argument that if it is our intention to grow the economy, that is the way that we should do it. We have to find additional resources in that area.

Time does not permit me to go through all of the pressures on the Department for Employment and Learning. However, it is worth highlighting the very real difficulties that our flagship universities face. They leverage a lot of the funding that we provide them with. For example, Queen's University receives £110 million from DEL, £35 million from tuition fees and a staggering £300 million from other funding sources, such as research council funding. I use that only as an example; the other universities and colleges will be similar. The truth of the matter is that we are still not drawing down our full gamut of funding from the research councils. We should be getting more than that, but we cannot do that if we are paring back on our research capabilities. I know that it is a difficult case to make in the current financial situation, but we have to make it to explain to the electorate and you as Assembly colleagues that we must invest for the future.

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

I listened to the Chair of the Education Committee, and I have considerable sympathy for the position that he outlined, because I was on that Committee for a number of years. However, the situation is that we are looking at a disinvestment in higher and further education of some £68 million by 2014-15. That is about 30% to 40% in real terms. It is absolutely draconian, and that is after we have to make the £28 million of efficiencies that we have already insisted on.

We have a problem in this area, and I am not shying away from it and saying that the Minister of Finance and Personnel has to take it on his own. I am sure that he will be the first to

come back and tell us that it is a question for the Executive and all of us here to agree on. However, it is my duty to bring it to people's attention that it is something that needs to be addressed.

Having spoken on behalf of the Committee on issues that are pertinent to it at the moment, I will speak for a moment as an individual MLA on the issue of annually managed expenditure (AME). The Minister was kind enough to answer an interjection from me earlier when he was making his opening statement. People need to understand the significance of a situation where AME becomes part of our budgetary control. AME is demand driven. It happens to particularly affect Departments such as DEL, but it will also affect other places. I am interested to see how we control the issue. If unemployment rises, if the student loan changes, or if the number of people involved changes, that will all feed directly through to the DEL budget, which we will not be able to control. The results will be catastrophic. When we look at AME and end-year flexibility (EYF), we may have to have a creative look at how we manage that particular budget.

I am speaking as an individual on the issue, even though it pertains to employment and learning. There is a question about whether we should be raising or removing altogether the cap on the number of students who come to these lands.

We ought to be able to get further investment because of the quality of our education provision. I understand that there is significant financial working-out to be done, but we should be able to make a business out of it. I am concerned that if we do not do that, and if we freeze our fees at the level reported in the press, we will have a huge influx of people from across the water into our universities and further education colleges, and that could drive out the people whom we really want to help, who are those from our neck of the woods.

#### 4.00 pm

A particular problem for those who come from economically disadvantaged areas, even those who have a good education, is that they fear taking on debt, because they are not assured that the jobs that they will get afterwards will enable them to pay it off. That is a serious issue that we have to deal with. It is a political reality and something that we must confront. We must reassure our young people that we will find a

way of giving them the education that they need and deserve and that we will build an economy that will let them exploit those skills. I am keen to work with the Minister and other colleagues to find a coherent and cohesive way of doing so. That does not mean that there will not be times when we have a contrary view, but we will try to do so with the best interests of all people in Northern Ireland at heart.

**Mr Givan (The Chairperson of the Committee for Justice):** I am pleased to speak as Chairman of the Committee for Justice, and I support the Supply resolution for the Northern Ireland Main Estimates 2011-12.

On 2 June, the Justice Committee received a detailed briefing from officials on the budgetary position and the pressures faced. We will receive in the near future the finalised savings delivery plans, which will outline how savings totalling £162 million will be achieved over the next four years. I will highlight to Members some of the key budget challenges facing the Department of Justice in 2011-12 and beyond.

The Department of Justice budget is ring-fenced for the Budget 2010 period. The effect of that is a reduction of 6.2% — £82 million cash — in its resource departmental expenditure limit baseline. That is a result of the Barnett consequentials arising from changes in funding to the Home Office and Ministry of Justice. Although all areas of the Department and its agencies are expected to deliver efficiencies, the specific level of savings required has been set to ensure that front line policing, other front line services and funding for the voluntary and community sectors are protected as far as possible. It is critical that the Department take the lead in cutting waste. It should robustly challenge its agencies and non-departmental public bodies to cut waste similarly in their budget plans.

Other issues of particular pressure include legal aid, the costs for which are currently running much higher than the available budget. That must be reduced over the next few years. Part of the financial package on devolution included £39 million of HM Treasury reserve funding that was provided for legal aid and other court pressures. Of that, £17 million was accessed in 2009-2010 and £19.2 million in the last financial year. That leaves only £2.8 million available to offset this year's legal aid pressures, and any additional pressures will



have to be met from within the Department's existing budget.

The projection is that there will be an overspend of £22 million in the legal aid budget in the current financial year. It is imperative that that budget be brought into line with what is happening in England and Wales. However, the budget available for legal aid here is more generous than it is there. A revised remuneration scheme for defence costs in High Court cases was recently introduced. That has resulted in a number of solicitors coming off record as well as accusations that the Department is seeking to get some kind of "yellow pack justice".

The reality is that the amount of money spent on funding legal aid must be reduced.

If I may speak as an individual MLA on this issue, I read the following headline in today's 'Belfast Telegraph':

*"Bullying claims as legal row gets nasty".*

I also read allegations that solicitors who have agreed to operate under the new legal aid scheme have been described by others in that profession as "scabs." The Law Society needs to investigate the conduct of some of its members, the circling of the wagons and the pressure being brought to bear on those who have agreed to take on that work. They are being bullied so that they do not take on the work and so that those who have milked the system will be able to continue to do so. However, the budgetary reality dictates that the system must change. Furthermore, the reference to "yellow pack justice" implies that those solicitors who are qualified and meet the required standards to practice are not up to the job. The Law Society must investigate whether anyone registered with it —

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

**Mr Givan:** No, I will not give way. I realise that the Member has particular expertise in the area, that he practised law and understands how the fee system operates. As I have quite a bit to cover, however, I do not have time to give way on this occasion, but I will do so in future.

The Department brought in powers to challenge appeals lodged against the decisions of the taxing master on how much money is allocated for legal aid, and it asked for documentary evidence to be provided for claims. Since those powers were brought in it, the Department has

saved millions of pounds, because those who appealed against the decisions were unable to provide that evidence. The greater the light that can be shone on the shadowy world of how legal aid fees are implemented, the more we will realise how critical it is that the system is changed and the greater the transparency that can be brought to bear on it.

Additional funding of £45 million was provided for the PSNI budget by the Executive. That money, together with the £199.5 million guaranteed by the coalition Government, will be used for police security funding pressures and to tackle the threat from terrorism. That is very welcome. The funding package is for specific purposes, and the PSNI will be required to deliver savings by ensuring that support services and ordinary policing are delivered more efficiently. The budget for the PSNI accounts for more than 60% of the total departmental budget. Given the impact that pressures on the PSNI budget could have on other parts of the Department's budget, the Committee for Justice intends to keep a close eye on it. The Committee will invite the Chief Constable and his senior officials to the Committee to discuss their spending and savings plans in detail.

The Prison Service is one area expected to deliver substantial savings in future years. Given the radical change programme proposed, that will be a difficult challenge. According to the director of the Prison Service, the strategic efficiency and effectiveness programme is due to be published in the near future. The Committee will want to scrutinise the details of that to establish whether the intended savings are deliverable within the timescales envisaged.

Again, I want to speak as an individual MLA on this issue. When I opened the Jobfinder section of the 'Belfast Telegraph' on Friday, I was somewhat surprised that, at a time when the Prison Service is being called on to deliver radical savings, it is seeking to recruit an organisational change manager. The post attracts a salary of up to £70,000 a year for two years, with the possibility of a further one-year extension. The Prison Service is also seeking to recruit an offender policy and regimes directorate project manager, a finance and corporate services directorate project manager and an HR and organisational development directorate project manager, all of which will attract salaries of up to £50,000 for 12 to

15 month contracts. I ask myself why that is necessary, given that, on page 43 of her interim report, Dame Anne Owers says:

*"There are currently many directors, some of whom have no clear role and less heavily weighted jobs than should be expected of such senior staff."*

She continues:

*"It is not clear, for example, in a devolved service running only three prisons, that there is a need for both a Director General and a Director of Operations."*

Clearly, there is work to be done by those who are currently in the Prison Service. Yet, that advertisement has gone out seeking to recruit people from outside the service with those salaries. There is an onus on the Department to look at what the Prison Service has done and establish whether those people whom the interim report has suggested do not have enough work to do — the service is overly managed and top-heavy from a management point of view — should do that work.

I agree that there is a need for a particular change management team to take forward that work, but is it really necessary to go out and seek to recruit people, given the sums of money involved, at a time when the Prison Service is facing major difficulties living with the resources that have been allocated to it?

Finally, there is provision in the capital budget to fund the joint training college at Desertcreat, which is welcome. There will be an additional £27 million from the Executive, which the Department intends to use to develop the prison estate. I support the motion.

**Mr A Maskey (The Chairperson of the Committee for Social Development):** Go raibh maith agat, a LeasCheann Comhairle. I remind the House that one quarter of the £8 billion to be approved today is for the Department for Social Development (DSD). Furthermore, although the Committee has not had the opportunity to speak directly with the Minister — that will occur later this week — it has received a number of briefings from senior departmental officials. In particular, we received a briefing on the DSD budget on 2 June. I will highlight to Members some of the key budget challenges before DSD in 2011, 2012 and beyond.

First, I acknowledge and highlight that there is a real cash reduction for DSD current and capital

funding in 2011-12, compared with 2010-11 levels. That probably equates to a reduction in real terms of somewhere in the region of 12%. Of course, the Department sees that as a significant financial challenge and has highlighted to the Committee a number of what it considers as key financial pressures in five key areas.

Obviously, in housing, there is the challenge of maintaining adequate levels of capital investment for the provision of social housing schemes. Work is ongoing to modernise and make homes appropriate and decent for social housing tenants and for the provision of renovation grants. Similarly, the maintenance of front line urban regeneration and community development services will also be a challenge.

There are a number of challenges for the Social Security Agency. The primary one will be to maintain business as usual. In other words, to make sure that it processes all its work streams. Of course, because of the extensive programme for welfare reform and modernisation, there will be additional work of a transitional nature. That type of work will involve incapacity benefit reassessments, reform of disability living allowance, a social fund and the introduction of the universal credit. As I said, a significant area of work will be maintaining the current workload of the Department whilst bringing in the new processes as part of the transition. There is a new scheme to be introduced for child maintenance, which, again, will ensure additional costs.

Finally, DSD recognises that there will be further pressures from the transfer of appeals functions to the Department of Justice. The Department recognises the work and money involved in that transfer and the importance of ensuring that appropriate reforms happen through the policy and legislative changes that are required.

Again, on behalf of the Committee, I want to make the point that, over the past couple of weeks, the Committee has been taking substantive briefings from the Department. We have not yet had the opportunity to be very proactive and engage directly with the Minister and the Department on how they see the work going forward and how to meet the challenges, notwithstanding the considerable budget restraints. We look forward to working with the Minister and the Department in a robust way to deliver on the mandate for the Department

and the work of the Minister himself, and we will do so in a way that, we believe, will help all of us to deliver particular front line services while making sure that we also deliver the most efficient and effective use of the resources available to DSD. We will continue to report to the House accordingly.

#### 4.15 pm

**Mrs D Kelly:** It is regrettable that we are again discussing the Budget yet still have no Programme for Government to set the Budget against when it comes to looking at how the Administration will continue.

We heard earlier from the Minister for Employment and Learning about decisions on tuition fees by September, which will be much too late. The Committee for Employment and Learning in the previous mandate heard that a decision needed to be made by mid-July at the very latest for universities in the North to be able to plan their courses and publish their prospectuses and to cost them in time for students filling out their UCAS forms this autumn. It is regrettable that the two universities in the North are the only universities, plus the Open University, on these islands that do not know what their future holds.

The leader of the DUP said during the recent election campaign that the money required to offset tuition fees ought to be found in the Executive. I am sure that the Finance Minister will be able to tell us from where that additional funding is coming. It is no use trying to pull the wool over our eyes again by saying that some £51 million was handed out in the past few months, because that £51 million was already earmarked. There was very little latitude, and a large part of that money was for inescapable pressures.

There will also be a huge challenge in agriculture over the next four years, as the Minister well knows, with the CAP reform and the consequences that that may have for farmers in the North. We already know that the rural development programme is struggling to deliver because of the difficulties faced by project promoters in finding match funding. Therefore, I hope that we hear from the Minister how we will offset those challenges in the round and whether we will have some collaborative decision-making.

It is no secret that the Finance Minister will have a very difficult job, as will all Ministers, in managing his budget over the next four years.

However, the public are not fully informed about the difficulties that will occur. We had the Office of the First Minister and deputy First Minister (OFMDFM) publishing at the very last minute the child poverty strategy, which it was legally mandated to do by the Westminster Government by the end of March this year. Unfortunately, that has not yet been debated in the House. However, Save the Children said that it was the worst strategy produced by the four nations on these islands.

There are huge challenges with the welfare reform cuts that are coming down the pipeline and with how the Executive, other than with the social protection fund, which my party colleague Alex Attwood produced a report on for the Executive in this budgetary round, will offset some of those challenges. However, it is still a huge task, and many people will struggle.

Anyone who does the weekly shop, as I do, can already see food bills rising every week. Fuel bills are also rising. We are already having inclement weather this summer, and some people who had hoped to save on fuel costs are having to heat their homes. There are huge challenges in this four-year term, so there is a need for certainty in the decisions that have to be made, and made well and made soon. Decisions also need to be taken on the Programme for Government.

There are also challenges in relation to how, with a very limited budget, we can get the construction industry back to work. Some 22,000 people have already lost their jobs in that sector, never mind the service industry that works to and supplies the construction industry. We have seen how the night-time economy across our high streets and side streets is struggling, particularly in rural areas, where many rural pubs and others are struggling. Those are all huge employers. If big companies were closing down at the rate at which some of those small businesses are closing and struggling, there would be a huge outcry and a lot of attention paid.

In my constituency, in the town of Lurgan, in three streets — North Street, Edward Street and William Street — upwards of 500 people are employed in the small shops, which obviously have some concerns around rates increases. Minister, I know that in the last mandate you went some way towards allaying the concerns of some businesses, but I will give you an example. I appreciate that there has to be a

cut-off point in eligibility at times, but a small hairdressing salon is just a few feet smaller than the area that qualifies for the offset of some rates, and it too is struggling. We should not underestimate the need to protect what jobs we have and try to grow the economy.

The agrifood industry is one industry that has the potential, alongside the green and renewable energy industries, to grow and help get us out of recession, but there is too little within the Budget to meet its needs, particularly the recyclable and new technologies, which are somewhat reliant on an “if”, a “what” and a “maybe”, rather than some certainty around their funding. I hope that the Budget, difficult as it is, will start to be much more tailor-made, right across the Departments, to meet the real needs and that those tough decisions that are to be made in the public sector can and will be made with a degree of sensitivity and real efficiency measures.

We often hear the cliché about learning to work smarter and not harder. That is something that we certainly have to do in this House and right across all Departments, including staff who are directly employed and this legislative Assembly as a decision-maker.

**Mr Buchanan (The Deputy Chairperson of the Committee for Employment and Learning):** I

welcome the opportunity to speak in the debate in my role as Vice-Chairman of the Committee for Employment and Learning. I have no doubt I will overlap on some of the issues raised by the Chair as he outlined the various pressures facing the Department at this time.

For many years the higher education institutions in Northern Ireland have made a significant contribution to the entire economy. With the Programme for Government putting the economy centre stage, it is essential that our world-class higher education system — recognised across the globe, yet currently under threat due to the tight financial constraints in this tough economic climate — is protected.

With Northern Ireland having no natural resources of its own, only the skills of our people will deliver economic growth and personal prosperity. Therefore, the Department for Employment and Learning has a key role to play in the economic strategy and the rebalancing of our economy, not only in attracting jobs but in the retraining and reskilling of those outside the labour market to help them realise their full potential, and in

ensuring that an adequate and relevant skills base exists in the economy to meet the employers' needs and demands, especially in the private sector.

However, to achieve that, DEL must be properly resourced, yet, as we examine the allocation to the Department on a like-for-like basis, while demands are continuing to increase, it has less resources available than previously, with savings of £150 million required by 2014-15 in order to balance the books. There is concern among the higher education institutions about the impact that the £28 million cut over the next two years will have on jobs, student services and course provision.

Although they are sharing the pain by taking measures to implement those cuts in the first two years, the real fear is that, when the £28 million cut is applied, there will remain a shortfall in the Budget of some £40 million a year by 2014-15. If that is not addressed by the Executive and made up, it will have devastating consequences for the entire higher education sector in Northern Ireland. It could result in thousands of job losses across the higher education sector and uncompetitive higher education institutions with restricted courses. Worst of all, it could result in a brain drain and reduce support for economic development in Northern Ireland, thus stripping Northern Ireland of the world-class higher education for which it is renowned and impacting seriously on economic growth and our students' educational opportunity.

The Chair mentioned it earlier, but it bears repetition that, at the US economic conference in October 2010, American investors already investing in Northern Ireland made it clear that the major selling point for them was the relationship between the universities and companies and the back-up support that they received from Invest Northern Ireland. Therefore, it is incumbent on the House that that relationship is maintained.

The direct and indirect contributions that our higher education institutions make to the Northern Ireland economy are significant. There is a direct contribution of £1.5 billion to the economy and 12,000 jobs and an indirect contribution of highly skilled graduates, drivers of innovation and attracting inward investment. Although our higher education institutions have been successful in leveraging public grants based on core government funding, reducing that core



funding will significantly reduce the capability of the universities in their leveraging power.

We all know that the Executive and the Assembly have some tough decisions to make. The rebalancing of our economy is our stated priority. To achieve that, we must invest in the future economic well-being of our region. It is our universities that provide the talented graduates, researchers and drivers of innovation to make that happen. Given the challenging economic environment in which we find ourselves, there has never been a more important time to invest in our higher education system.

I note that the Chairman suggested looking at the possibility of removing the cap on students from other places coming into Northern Ireland to study. I raised that in the Committee last week, and we should look at it as a possible way forward. I ask the Minister to look at it.

I know that the Finance Minister will no doubt take all these issues on board. I support the motion.

**Mr Kinahan (The Chairperson of the Audit Committee):** I welcome this chance to speak, especially in my new role as the Chairperson of the Assembly's Audit Committee. The Audit Committee has yet to meet, so I will not presume to offer any opinions on certain matters.  
*[Interruption.]* Now, now.

However, it is important that the role of the Audit Committee is acknowledged during the debate on Main Estimates. Further to section 66 of the Northern Ireland Act 1998, it is for the Audit Committee, in place of the Department of Finance and Personnel (DFP), to agree the annual Estimate of the use of resources by the Northern Ireland Audit Office and lay that Estimate before the Assembly. That is because the core purpose of the work of the Northern Ireland Audit Office is to ensure that the Assembly is provided with an effective and truly independent audit assurance in relation to the use of public funds. Removing the Northern Ireland Audit Office (NIAO) from DFP and the Executive's remit underlines and strengthens the Northern Ireland Audit Office's independence in holding Departments, Executive agencies and other public bodies to account for their use of public money.

#### 4.30 pm

On 1 March 2011, the Audit Committee from the previous mandate met and agreed the 2011-12

Estimates for the NIAO. The Committee agreed a total resource provision of just over £8.5 million. That represented an 11% reduction in real terms from the previous year's Estimates. In doing so, the Committee had satisfied itself that the proposed savings could be achieved while still allowing the NIAO to maintain the same quality and extent of service to the Assembly that had been offered in recent years. Those Estimates were laid before the Assembly and sent to DFP. I can confirm that the figures set out for the NIAO in the Main Estimates today are consistent with those already laid before the Assembly by the Audit Committee. I look forward to the NIAO realising those savings while continuing its valuable work. In my role with the Audit Committee, I also look forward to learning a little bit more about the excess that we seem to be voting for today.

From a personal point of view, I want to raise one or two matters of concern with the Estimates as they are at the moment that have already been raised by my colleagues and other Members today. Among those concerns are the £45 million in the wrong column, and, as many have said today, the fact that there is no Programme for Government. How can we budget when we do not have a Programme for Government? I am glad that what is there was at least discussed for a bit before everyone took up their ministerial appointments.

Today, I have heard Members blaming Tory cuts or Labour cuts, as they often do. We can blame anyone we like, but we have to open our eyes. We must take the cuts on board and work together to plan how to lessen the pain. We have to accept it; we know what is coming. I call for proper visibility of all the detail of all the budgets, and, as Mrs Kelly said, to have them tailor-made.

I am the Ulster Unionist environment spokesman, so I will touch on that subject. I am concerned that we still do not know exactly where we are going with the Budget on that issue. We will have the review of public administration (RPA) coming in the next two years, but we do not seem to have it resourced. Many new pieces of legislation will land in front of the councils, including the Clean Neighbourhoods and Environment Act (Northern Ireland) 2011, the High Hedges Act (Northern Ireland) 2011 and, of course, that small Bill with 242 clauses that passed through the previous Assembly and became the Planning Act (Northern Ireland)

2011. With that, we got 18 or more sets of guidance, all of which have to go to the councils. We need to know where the resources are coming from.

From my brief time on the Committee for the Office of the First Minister and deputy First Minister, I learned that we do not really know what is coming from Europe. We do not have good enough representation there, and, although we have some excellent people, we need more. We need to know what is coming from Europe. We also need to know how we will pay for it.

One or two Members touched on the carrier bags levy. There is a £4 million hole, and we are waiting to see exactly how we will pay for the items that we were relying on the carrier bag levy to fund over the next two years.

I am calling for more thorough visibility. We know that we are in hard times and that things are difficult. Let us look at the example of the green new deal. We all want to see that happening, but we know that the money for the part of the green new deal that is concerned with improving heating in houses and everything that goes with that will be put in up front. However, we do not know for sure whether we will get that money back. We hope that we will, but there are very many things on which we need more clarification. That is what concerns us today. I am calling for total openness and for us to sit down together and hammer out the finer issues. Let us hope that there is nothing else hidden, whether from St Andrews or Hillsborough or, perhaps, from behind closed doors.

In my brief time in business, I was always concerned about salami slicing, which, when it happened, cut chunks off every Department's funding. We at least have a chance to sit down face to face and go through all the issues. I hope that the review group will do that and that everyone will get the chance to work on these matters properly together.

**Mr McGlone:** Go raibh maith agat, a LeasCheann Comhairle. My party opposed the Budget when it was presented to the previous Assembly in March. Today, we voice the same concerns about the allocation of funds for the spending proposals in that Budget. Those concerns are about the lack of detail on how Departments plan to use the resources available to them.

We opposed the Budget because of a lack of clarity on the impact of cuts. The public are beginning to see the impact of those cuts. The Education Minister has been forced to admit that over 300 teachers will be made redundant this summer, which is an increase of over 50% on the number made redundant in 2010. In addition, over 160 classroom assistants are to go. Others in the public sector fear for their job, as they may be next. We heard reports on the radio this morning about the Health Minister talking about the impact on acute medical services — possibly even closures — in some Belfast hospitals. No wonder there was a lack of detail before the election.

As the Department of Enterprise, Trade and Investment (DETI) independent economic advisory group (EAG) said:

*"This Budget process provides the opportunity, albeit in difficult circumstances, for the Northern Ireland Executive to set the tone for the progression of the local economy over the next four year period and beyond."*

The Executive's four-year Budget is not based on an agreed Programme for Government for the next four years. There is no rationale behind the distribution of funds across Departments, and there is a lack of strategy in that distribution. There is no robust strategy for job creation. In the North, unemployment is at a 13-year high and is growing. The very modest 1% short-term economic growth forecast for the North is lower than that forecast for England, Scotland and Wales, and medium- and long-term predictions have our economy falling behind growth levels in the rest of this island. We need to see more investment projects starting. The green new deal must be pursued to create low-carbon buildings and to stimulate the local economy, because that is where some of the stimulus will come from. Those of us who get out and around our constituency to liaise with, consult and work on behalf of small businesses know that real economic growth is firmly grounded in those small, local, indigenous, medium-sized businesses. Indigenous, locally based enterprises need our encouragement, support and, with the limited budgets that we have, investment.

The construction industry, which is particularly well represented in my constituency of Mid Ulster, has been badly hit by what happened to the world economy and, consequentially, our local economy. In recent years, thousands of

jobs have been lost in the sector, and thousands more are at risk, with the consequential human effect of people being on the dole and their families, in the circumstances in which they find themselves, getting it really tough, in many cases, through no fault of their own.

The Assembly has already spent time debating the worth of a major capital investment in infrastructure: the A5 dualling project, which has secured some £400 million of investment from the Irish Government, despite the dire financial situation in which they find themselves. That project will lead to a significant increase in jobs in the area and sustain existing jobs in the construction and supplies sector. The A5 project will redress the regional imbalance in the roads and transport infrastructure in the North, leaving the legacy of a greatly improved roads infrastructure that will benefit the wider economy across the island. The Irish Government recognise the value of investing in the project, yet some Members question it. Their priorities are wrong. As well as delivering a long-term legacy, the investment in construction will deliver a very real economic return.

The chief economist for PricewaterhouseCoopers in Belfast, Esmond Birnie, who will be familiar to several Members, has warned of the almost complete absence of economic and social targets and outcomes underpinning the Budget and departmental plans for the period up to 2014-15. We are told that the economy is the priority. It is, but, if the public and private sectors are to be rebalanced — a matter about which there seems to be much debate but little action — there needs to be considerable growth in the private sector.

The green new deal, to which Mr Kinahan just referred, has been highlighted as an ambitious programme that will leverage significant private sector investment. However, DETI's independent economic advisory group's review found that the Budget allocated insufficient funds to implement the green new deal effectively. It also stated that the Budget will prove a significant impediment to the successful implementation of the new economic strategy for Northern Ireland, the pillars of which have been agreed by the Executive subcommittee on the economy. The EAG also warned that:

*"The Executive cannot realistically hope to stem the continued rise in unemployment".*

In addition, it pointed out that no details are provided to show the current level of total borrowing and how much of the £200 million that was borrowed under the reinvestment and reform initiative has been utilised to promote and develop the local economy. Instead of the funds borrowed from that facility being directed towards providing an economic benefit to enable repayment in the longer term, which the EAG considers essential, those funds are being used to reimburse out-of-pocket investors in the Presbyterian Mutual Society (PMS).

The Executive's Budget is not a plan for the difficult economic circumstances that we are in. It is not an attempt to steer a course to a better economic future. It was a last-minute outline sketch that was designed to con the public ahead of the May elections. They were sold a pig in a poke. Ernst and Young's 'Economic Eye' recently warned that its worrying economic forecast stands,

*"unless there is a significant change in Northern Ireland's corporation tax rate and a more proactive approach to rebalance the economy which sees actual policy change, as distinct to strategy documents and statements of intent with no actual material change in policy".*

Despite frequent media reports on the issue, there is no provision in the four-year Budget for the impact of a reduction in corporation tax, nor for the estimated £200 million to £300 million a year that it could cost. There has been no actual material change in policy.

The DUP and Sinn Féin have sufficient numbers in the Chamber to carry the vote today. That is taken as read. They do not need unanimity, but they want silence from those who disagree with the Budget. They do so because they know that, when the public feels the impact of the cuts, those parties will be looked to as a political mudguard. The Alliance Party can play that role if it wishes, but the SDLP stands here today on behalf of communities and stands up for the rights of those who will face the brutal savagery of those cuts.

**Mr A Maginness (The Chairperson of the Committee for Enterprise, Trade and Investment):** The Executive rightly consider the economy to be the top priority in the Programme for Government. At least, that was the case in the last Programme for Government. We await the new one, but I assume that it will contain the same objective. The overall aim of the

Department of Enterprise, Trade and Investment is to promote the development of a globally competitive economy. In pursuing that aim, the objective is to encourage the development of a high-value-added, innovative, enterprising and competitive economy, leading to greater wealth creation and job opportunities for all. Those are worthy objectives, which all of us in the House can rally around and support.

In growing the Northern Ireland economy, the focus will be on the delivery of the Executive's overall strategic aim of an economy that increases wealth and employment opportunities for all. A new Northern Ireland economic strategy will be central to that and will put at its heart the twin priorities of rebuilding and rebalancing the Northern Ireland economy in the aftermath of a sustained global economic downturn, from which the world is yet to recover and from which we have not started to recover. It is in that context that one has to view the Budget allocations in relation to the Department of Enterprise, Trade and Investment. As one can see in the figures, there are great challenges for the Department in dealing with the Budget allocation. I will not go through the individual figures, but the current expenditure in 2014-15 will reduce in real terms by 6.1% when compared with the 2010-11 position. However, capital investment will be reduced by 63.9%. The figures are there for all to see.

#### 4.45 pm

Our main weapon in trying to regenerate and to rebuild our economy, to attract business and to develop industry is Invest Northern Ireland. Historically, Invest Northern Ireland consumes 63% of the DETI budget, and it will face a number of challenges. There is not only the huge reduction in capital but the financial commitments for unclaimed grant expenditure that will require to be funded prior to the budget being made available for new activity. In other words, because of Invest Northern Ireland's commitments, there will be little slack for it to make future investments. That is a serious problem for Invest Northern Ireland, which is at the cutting edge of reviving our economy.

At the end of 2009-2010, commitments amounted to £272 million, which reflected an increase of £78 million on the 2008-09 level. The proposed budget reduction and the need to fund a significantly higher brought-forward commitment than has generally been the norm

over recent years will create a challenge for the Department, which will lead to an increased need to prioritise its resources to maximise economic impact. An inevitable consequence is that, in some cases, good projects will not be supported unless additional funding is made available to the Department. That is the nub of the problem, which will be difficult for the Department to resolve on its own.

There seems to be a disconnect between DETI's operational budget and the Executive and Department's strategic vision for the economy. Invest Northern Ireland currently has, quite properly, a number of project offers out, which, as I stated, are very substantial. Invest Northern Ireland's budget will decrease by 28% over the next four years. There are two issues with the budget. First, there are long-term strategic issues about whether the budget will be sufficient to deliver economic strategy/development over the next number of years, which is absolutely crucial for us. Secondly, there are short-term operational pressures, particularly in the first two years. Will we be able to manage that? Will the Department be able to manage that? That is a serious problem for the Department. Nineteen million pounds has been ring-fenced for short-term job growth, but those are low-value jobs. That is good, and I am not criticising it, but it is a stopgap measure. However, there is real concern that we are moving back from a strategy of creating high-value jobs to increase productivity here as against productivity in the UK and that that strategy is being put at risk with the short-term goal of creating employment. Therefore, there is an obvious tension that must be addressed not only by the Finance Minister and the Enterprise Minister but by the whole Executive and, indeed, the whole Assembly. Invest Northern Ireland cannot address that by itself.

Of course, there are positives in the Budget. It is good that money is available for venture capital, and that needs to be developed further. It is good that money is available for short-term goals for employment and that money is available for development stages. However, I hope that the Finance Minister takes on board the real need for end-year flexibility. That has to be applied to the Department and to Invest Northern Ireland, and I would welcome the Minister's comment on that during his winding-up speech. The question for all of us is: is there enough money in the Budget to get venture capitalism involved? I think that there are sufficient



funds to do that. If end-year flexibility were available, short-term gaps could be addressed.

Finally, I turn to the future and the lowering of corporation tax. We have to start to prepare the ground for that now. We do not have sufficient time and space to delay on that project. I hope that the Department of Finance and Personnel and the Minister will embrace that challenge.

**Mr Allister:** At the start of the debate, something that I said in an anodyne intervention seemed to cause the Minister to lose the run of himself, and I cannot promise that that will not happen again. I want to return to the fact that, among many things, the Supply resolution includes funding for special advisers. There has been a sharp public focus on the appointment of Mary McArdle, and, for very good reason, the public reaction has been hostile. The Minister sought to berate me on the basis that, therefore, I wanted to see everything voted down. The Minister denied me the opportunity to respond, and, if he had permitted me to speak, I would have said that, given that he has told us that he is undertaking what he tells us is a review of special advisers, I wanted him to take away the motion and return with it next week when he has proposals on his review. Then, instead of it being a mere window-dressing review that, I suspect, has no intent, power or capacity to change anything, we would put to the test whether he was going to make any changes. Then, he could have dealt with the issues that have given rise to such discord in the community.

On the issue of special advisers, will the Minister's review now embrace the new circumstance that each Minister has, effectively, a parliamentary private secretary? They have the benefit of the knowledge and expertise of someone sitting beside them. There have been stages during today's debate when, without Mr Hamilton, the Minister would have been as lonely as I am in the House. There have not been too many Members around him on his Benches. However, he now has the help of the ever clever Simon Hamilton. Of course, Mr Hamilton was not quite as clever as his constituency colleague Jonathan Bell, who had the foresight to employ the First Minister's family and, therefore, gets to sit beside the First Minister rather than the Finance Minister.

**Mr Deputy Speaker:** Order. I ask the Member and all Members to return to the debate on the Supply resolution.

**Mr Allister:** I want to draw the Minister's attention to a number of issues, particularly in relation to justice. During the supercharged salesmanship of the devolution of policing and justice, we had a great deal of talk and focus and spin about a magical £800 million. However, I have heard little talk of it since. I have scoured these accounts as best I can and am not much the wiser. Can the Minister set out for us where in the Budget we can identify the entirety of the £800 million, so that we can see that it actually exists? Can he set it out in tabular form, so that we can see exactly where it came from, where it is and where it is going? To my knowledge, those questions have never been answered, despite all the spin and propaganda. Let us see it. How much of that £800 million is in the 2011-12 spending plans? How much of it is new money, or is it all smoke and mirrors? Are there any unvarnished, plain figures that the Minister can give?

What about the four bases that were transferred and about which an announcement was made in, I think, April of this year? Where are they reflected in the Budget? At what value and on whose valuation were they transferred? Where in the resource is the money to maintain those bases? How much is it? How much will it cost? Where are the ramifications of the bases in the Budget? What is their value? Who valued them? How does that work through in the budgetary arrangements? How much will it cost to maintain them?

Is the Minister satisfied that there has been full and faithful delivery of the Prime Minister's letter of October 2009? Has what was promised been delivered, or have the people of Northern Ireland had their eye wiped about the £800 million? That, to me, is an important issue financially in itself, but it also cuts to the veracity of government and to the authenticity of what is said by those in government. Therefore it is very important that we get, whether today or in response to today, definitive, unvarnished, plain figures and answers to those questions.

In my last couple of minutes, I want to say a word about corporation tax. I welcome the comments yesterday by Lady Sylvia Hermon. They were very much on the money.

It is utter folly to chase a moonbeam without knowing what the benefit will be but knowing with certainty that it will cost perhaps up to £385 million per annum out of the block grant. I

ask the Minister what the consequences will be for jobs and services of losing £385 million out of the block grant. Only when that question is answered should anyone raise a hand in favour of a proposition that will deliver that degree of hurt.

### 5.00 pm

I am not quite sure where the Minister stands on the issue. One of the beauties of the Executive in the eyes of some people is that Ministers can stand anywhere on any issue and still be part the Executive. Where the Minister of Finance and Personnel stands as opposed to the First Minister, the Minister of Enterprise, Trade and Investment or any other Minister is all just a big, grey blur. We are, however, coming to the point at which the Minister will have to declare himself. It seems that he has perhaps been retreating from the clarity of thought and expression that he had in the early days. Perhaps he will recover his position before it is all over.

Finally, in the last minute that is available to me, I want to say that the Minister talks a great deal about austerity, the need to be prudent, and efficiencies. It causes me to ask him a couple of quick questions on that need. If it exists, why is there a 125% increase from the 2010-11 provision in the 2011-12 allocation for cultural policy? Why is that thought to be necessary? In OFMDFM, why is there a 25% increase in the resource allocation for the North/South Ministerial Council? Is it such a sacred cow that it is exempt from all cuts?

**Mr Deputy Speaker:** The Member must bring his remarks to a close.

**Mr Allister:** Why is there a 25% increase in the resource budget of the Attorney General? Those are just some issues.

**Mr Deputy Speaker:** Time.

**Mr Allister:** There are many more on which it would be good to have answers.

**Mr Wilson (The Minister of Finance and Personnel):** I thank all Members who have taken part in the debate for the points that they raised. The debate has perhaps been a bit different in tone, apart from the contributions of one or two Members, which were probably fairly predictable from some of the Assembly's debates on the Budget towards the end of the previous mandate. I am more than happy to address many of points that were raised.

First, I want to acknowledge the confirmation from the Chairperson of the Committee for Finance and Personnel, Conor Murphy, that there has been appropriate consultation with the Committee on the public expenditure proposals reflected in the Main Estimates, the Statement of Excess and the related Supply resolutions and Budget (No. 2) Bill. As a result of the Committee's agreement, the Budget (No. 2) Bill, which I plan to introduce shortly, will proceed under accelerated passage. That will exclude the need for a Committee Stage. I appreciate the assistance of the Committee in that matter. The Bill's accelerated passage is vital to ensuring that Royal Assent is received before the end of July.

I want to comment on the Supply resolution. Some Members have already indicated that they intend to vote against it. Of course, they can do so safely in the knowledge that money will be available for the supply of goods and services and public services in Northern Ireland because the main parties will support the resolution. Only the SDLP, perhaps, has adopted the position of wanting to remain outside the door still. You would think that they would have learned something during the election, but they clearly did not. I want to come to some of the negative comments that were made during the debate by some SDLP Members.

First, I come to the comments by the Chairman of the Finance and Personnel Committee. He raised a number of issues. In fact, he raised them in common with a number of other Members. The first thing that he asked about was the Budget review group, which will stay in place over the time of the Budget. We made that clear. We will continue to look for new revenue streams and new savings. When those are identified, that money will become available for Departments to spend. The first meeting of the group will take place on 15 June, and we will take stock there of the commitments that were made in the previous mandate and look at additional revenue streams. We will also complete the review of the arm's-length bodies and other specific projects, which should entail certain savings. There will also be a report on the progress of the central assets management group. We have £900 million of additional revenue over the coming years, and much of that will be delivered by the sale of assets.

The Committee Chairman, Mr Bradley and Mr McLaughlin raised the issue of end-year

flexibility. That is an important issue, and, as I said in response to an intervention during my introductory speech, we believe that the budget exchange mechanism proposed by the Treasury is deficient. It will not give the discretion that devolution and devolved Administrations require, and it will not allow for good accountable spending. I have proposed an alternative scheme. I know that Mr Maginness asked what proposals were going to the Treasury, as did Mr McLaughlin. One of the proposals that we have put to the Treasury is that it should at least allow us to have a carry-over capped at a certain level. We have suggested a cap of £50 million for current spending and £10 million for capital spending. Hopefully, the Treasury will see the value of that in so far as it will not mean that there is an open-ended ability to carry money forward, which is one of the things we were concerned about, while allowing some flexibility and discretion. I have written to the Chief Secretary setting out my concerns and our proposals. Hopefully, they will receive a positive hearing from him.

Mr Cree raised a number of issues in common with Mr Bradley, Mr Elliott and Mr McDevitt. The Programme for Government and the fact that there was none was raised. We got a Budget without a Programme for Government, and we now have the Estimates without a Programme for Government. We have worked on the basis that the Programme for Government, the discussions on it and the proposals from it will come from the Office of the First Minister and deputy First Minister. I understand that discussions on that are going on. However, as I said during the Budget debate, I suspect that, given the issues that we are facing and what Members have said in the Chamber during this debate, the priorities for the new Programme for Government will not be all that different from those in the old Programme for Government. We want to grow and develop the economy. We made it clear in the Budget that we wanted to see the delivery of front-line services, especially in the Health Department. Money has been made available for that.

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

**Mr Wilson:** I will give way in a moment. We want to tackle disadvantage. Again, that has been reflected in the spending proposals. During the debates, Members have given an indication of what they see as important. That is a reflection of what was in the past Programme for Government,

and many of the Budget allocations were predicated on that.

**Mr McDevitt:** I thank the Minister for giving way. I apologise, because I will need to slip out before the end of his contribution. I want to take him back to the Budget debate. I certainly recollect the Minister having considerable sympathy with the points made by the independent review of economic policy about the lack of direct connectivity between the Budget and the Programme for Government. Does that remain the Minister's view? Would he like to see the Programme for Government talks and process speeded up so that there is much closer integration between it and the Budget period that we are now heading into?

**Mr Wilson:** That was not just my view but the view of the Executive. A number of Executive Ministers, including the First Minister, indicated that they wanted to bring forward a Programme for Government for debate in the Assembly early in the new mandate. It is my understanding that that is still the case and that it will be done fairly quickly.

Mr Cree also raised an issue about the whole budgetary process. I agree with him that it is cumbersome, confusing and not all that enlightening sometimes. Indeed, look at the questions that the Member for North Antrim raised: parts of them just reflected his general negativity about life, but maybe some of them were genuine, searching questions that he really wanted answers to. However, I agree — indeed, I have made this clear to the Committee — that, in this process of Budgets, Estimates and resource accounts, the information itself is not always informative and transparent and the budget lines are not always clear. That is why we have undertaken the review.

I had hoped that the review would be well in place so that we could introduce the new system in the next financial year. However, we will commence a consultation process with the Committee and the Audit Office and will fully engage with them over the next few weeks and months. I think that it is important that we do not have endless repetitive debates as we go through this. Perhaps Members do not see exactly where the money has been allocated, and I have absolutely no difficulty with total transparency on these issues.

I know that he is not here, but Mr McGlone talked about the lack of detail. I have to say

that the huge book of Estimates has stacks of detail. However, it is not always clear how to find what you are looking for, and I think that the figures must be presented in a much more transparent way. Hopefully, that is what we are working towards.

Mr Cree also raised the issue of planned capital receipts and asked about the progress that we were making on those. The planned capital receipts, of course, cover a four-year period. We deliberately put many of those receipts towards the end of the Budget period, because the market would not allow us to realise the best value for them at this time. We have not already realised the capital receipts that were in the Budget, but there will be progress over time. One of the things that the Budget review group will look at is the progress being made by Departments. It would be foolish of me — I know that Mr Bradley raised this issue as well — to suggest that all those receipts are coming in the next few months. I do not think that anyone was expecting that anyway. However, it is important that we manage that and address any impediments. I am sure that many Members here have constituents who wish to purchase assets from government and are frustrated at how slow the process can be sometimes. We have to make sure that that is speeded up.

A number of Members raised the issue of the Excess Votes, and an explanation has been given. There is a misconception — Mr Bradley raised this — that the £40 million from Excess Votes somehow impinged on and took resources away from an already depleted Budget for this year. That is not the case. The money that will be used for the Excess Votes is surplus from last year, when there was underspend. That money would have gone to the Treasury, so it has been used for the Excess Votes. From discussions with Departments, I know that they do not easily wander into that, because it leads to the Audit Committee and the Public Accounts Committee looking at what happened. It can also sometimes lead to accounts being qualified, so permanent secretaries and Ministers do not easily wander into that. I think that the reasons for the Excess Votes have been given in the explanation.

### 5.15 pm

**Mr B McCrea:** I will not detain the Minister too long. However, I will make the point that we had Excess Votes in the previous year from, for

example, the Department for Employment and Learning of £15.8 million because, if I recall correctly, that had been misallocated from one day to the next. I want to make the general point that it is hard to have prudent oversight and scrutiny if the numbers move around so much. I hope that we are going to find a better way of doing it.

**Mr Wilson:** I have made it clear and it has been made clear in the explanations that were given about the Excess Votes, that Departments have taken this seriously and have looked at where mistakes were made. Processes have been put in place to make sure that that does not happen because, as the Member is right to say, it makes things hard to follow.

Mr Bradley also raised the issue of the National Asset Management Agency (NAMA). On Friday, I met the Finance Minister in Dublin and discussed NAMA issues with him. I was pleased that I got the same response from him as I did from the previous Minister. Those discussions will be ongoing, and issues will be raised not just with him but directly with those involved in NAMA. If Members become aware of difficulties in their constituency or for people living in their constituency, I am happy to hear from them so that we can learn from that and take those messages to the NAMA board, either through the people we have on the advisory committee or directly through our political contacts.

Ms Lo raised the issue of single-use carrier bags. She will be aware that that is a responsibility of the Department of the Environment. It is unfortunate that HMRC has decided that it will not collect the tax for us. A number of Members raised that point. However, we have taken the £4 million out this year, so there is no consequence for the Department of the Environment from that. We will look at how the money can be raised and collected in the meantime. Ms Lo also raised the issue of the EU consultation and whether there should be incentives not to use plastic bags or taxes imposed on that. That consultation is ongoing.

Ms Lo raised the issue of road safety. The road safety budget has been reduced. Maybe Mr McGlone, who is not in his place, has replaced Mr O'Loan as the economic cloud in the Assembly. He talked about the lack of detail and what the implications of that would be for the Department of the Environment. The truth of the matter is that the previous Minister of



the Environment brought a detailed savings delivery plan to his Committee and was one of the few Ministers to do so. The Committee for the Environment, therefore, has had a chance to look at that.

I was a bit disappointed by Mr Spratt's comments about the money that has been available for roads and transport in Northern Ireland. Over the previous period, there has been £70 million for new trains and £50 million for rail infrastructure. Next year, a record £94 million will be spent on road maintenance. The roads budget will absorb almost half of the capital budget over the next four years. I felt that Mr Spratt — he is not here — was being a bit churlish about the amount of money that has been put into the roads infrastructure, which, we believe, is important for economic growth.

Caitríona Ruane raised the issue of savings through arm's-length bodies. It is great pity that, during her time as Minister, we did not take the opportunity to make some of the administrative savings that were available. There were many reasons for that. I think that, had there been perhaps a bit more flexibility on her part, we could have made at least the administrative savings, even if we could not have got the additional powers that the Education and Skills Authority (ESA) wanted. However, by insisting that all those things be packaged together, we perhaps did lose some time. I hope that the new Minister will progress the matter and do so quickly, because there are savings to be had. I would rather see those savings go on front line services for youngsters and schools than administrative structures or the likes of flying the CCEA to Galway. Some Ministers have been badgering me, saying that, if the CCEA can have private jets, why are they still stuck with Skodas? It just shows what knock-on effects there can be.

Mr Elliott raised a number of issues about the Maze/Long Kesh site, and he talked about the possibility of a terrorist shrine there. He is not here now, but I have to say that I was disappointed by his response. One of the reasons why the building that he is so concerned about remains on the Maze site is that a Member of his party was chairman of the group that had the buildings listed in the first instance. Of course, that has made it difficult to have them removed. However, there is a development, and OFMDFM is taking the lead on making an application for

£18 million of EU funding to build a peace and conflict resolution centre.

Oddly enough, when we were discussing corporation tax in London last week, a representative from the Confederation of British Industry (CBI) or one of the investment analysts said that we ought to look at areas where Northern Ireland has a uniqueness that can attract academic and other interests. He also said that conflict resolution can play a role in attracting people and giving Northern Ireland a niche, and other investment opportunities can develop from that. Sometimes when we think about what is likely to happen at the Maze and OFMDFM's proposal, we look at it with Northern Ireland eyes, whereas other people look at it in terms of potential outside opportunities.

**Mr Givan:** Will the Minister agree that the Long Kesh site provides significant opportunity for development? I was there at the weekend with colleagues from Lagan Valley, and the Ulster Aviation Society had on demonstration the rich military history that is associated with Long Kesh. Members will do it a disservice if they allow republicans to hijack the site because, initially, it was known as Royal Air Force Long Kesh. Indeed, Queen Elizabeth's first flight landed at Long Kesh. President Eisenhower also visited Long Kesh. Therefore, we should be very proud of its history. Members who continue to allow republicans to try to hijack the site do a disservice to the unionist community and to the British military history that is long associated with it.

**Mr Wilson:** I thank the Member for that intervention. OFMDFM is taking forward not just the possibility of what the aviation society can do on the site but what the Royal Ulster Agricultural Society can do on it.

**Mrs D Kelly:** Will the Minister give way?

**Mr Wilson:** In a moment; I want to make some progress on this issue. Mr Elliott also raised the issue of the social investment fund. The proposals are to spend £80 million over the next four years. The proposals will go out for public consultation before the summer, and, in keeping with what the Assembly has said about the recession and the fact that some areas have been hit by the recession more than others, the emphasis will be on dealing with social disadvantage and tackling poverty.

Mr Elliott also raised the issue of EU funding. We benefit from approximately £1 billion of EU funding at present. The two junior Ministers are taking forward the Barroso task force proposals to see where we could get more funding from, and the Minister of Enterprise, Trade and Investment is looking at the money that we could get from joint ventures in research and development. That would be a very important part of DETI's strategy.

Mr Elliott also raised the issue of a victims' group audit. I am surprised that Members of his party have talked about ensuring that public money is not abused, yet he seems to object to the fact that investigations and audits are done to make sure that the money that has been allocated to groups was allocated properly. I would have thought that he would welcome that.

Mr McLaughlin raised the issue of the Barnett formula and moving towards a needs-based formula. Although I have some sympathy with that, the population-based Barnett formula at least gives us some certainty on what money will be available through the block grant. Any move to a needs-based formula makes the process much more subjective. Even the Calman Commission in Scotland flagged up that fact. Nevertheless, if a means of assessing or building needs into the formula could be found, it would be of some benefit to Northern Ireland. However, I am reluctant to open that box until we are sure of the approach that we want to make, because we could be left disadvantaged under any subjective arrangement.

Mr McLaughlin also raised the issues of corporation tax and the rebalancing of the economy. The consultation will finish at the end of June. Many issues are yet to be resolved, including those of cost, benefits, how it will be introduced and so on. A long, hard piece of work has to be done. During the consultation, the issue arose time and time again of what other measures needed to be put in place along with corporation tax to make Northern Ireland attractive to industrial investment.

The rationalisation of the school estate was among issues raised by Mr McDevitt, and he is right. We have 1,200 schools in Northern Ireland and 50,000 additional places. Clearly, the money that we spend on empty schools would be better invested in teachers and special needs education. However, it is easy to talk about that in the abstract here in the

Assembly. I guarantee that the first proposal to close a school in any constituency will result in Members leading delegations to the Minister and standing outside on protests. It is easy to talk about in the abstract but much more difficult when it comes to implementation. However, that it is something that we need to look at.

I will move on quickly to Mervyn Storey's contribution. He raised a number of issues, the first of which was the end-year flexibility guarantee for schools. He said that a bid had been submitted in the June monitoring round. I am sure that he would not expect me to anticipate what the Executive will decide on that. The bid will go to the Executive with a recommendation from the Department of Finance and Personnel. However, let me make it clear that we want to introduce certainty, so that schools will know that, if they save money that they then want to take out the next year, that money will be there for them. They can save with certainty, and they can draw down with certainty. Whatever decision we make on any application from the Department for end-year flexibility funding, the guarantee given last year when I met the Education Minister will stand. If we want to use our money prudently and believe that we need an end-year flexibility scheme for the Assembly, the same provision must be made available to schools. That will be the underlying principle that determines how the decision on applications for end-year flexibility or the savings fund for schools will be decided.

Mervyn Storey also raised the issue of home-to-school transport and the £20 million reduction in its funding. Other Members raised the issues of PEDU and home-to-school transport and PEDU's role in education. PEDU looked at a number of issues in education. After studying about seven issues and making comparisons across boards, it zoned in on two: home-to-school transport and catering. Even allowing for geographical spread, the differences between one board and another are enormous. There are savings to be made there. If there are such savings to be made, it is the right thing to do, and PEDU will work with the Department of Education to look at what savings can be realised in home-to-school transport.

**Mr B McCrea:** Thank you for giving way. I have sympathy with some of the points raised by Mr Storey, but you specifically mentioned openness and transparency in the whole financial process.

When I was preparing with my Committee, one of the things that came to light about making bids to DFP for in-year monitoring is that the amount of detail that is provided to DFP in order to get its support may not be sufficient. I do not mean to criticise; it is just that the officials tend to concertina the information to get it down to a manageable amount. I would be interested to know whether sufficient information comes in to support bids.

### 5.30 pm

I am also interested to know why, when the bid is rejected, for whatever reason, it is not clear why it has been rejected. There may be competing bids elsewhere or some other issues. It might be worth considering how we can feed back to Committees the reasons why what seem to be very important issues cannot be dealt with, whether it is that there are competing issues or whatever. Perhaps you would look at that in the coming years.

**Mr Wilson:** It is up to the Department to supply all the detail as to why a bid is essential. I imagine that, if Departments really want to push a bid, they will give all that detail. Very often decisions are made simply on the basis that no money is declared surplus to requirements. If money is not declared surplus, the bid cannot be met, regardless of how good it is.

Of course, on some occasions, there are political priorities. In the past, the Bombardier CSeries programme came before the Executive as part of in-year monitoring. That was given a very high priority. Although there were many other priority bids at the same time, it was felt that that bid provided high-tech jobs and met all the criteria in the Programme for Government and therefore the decision was pushed through. *[Interruption.]* I want to try to finish this.

Judith Cochrane raised the issue of cross-border co-operation and how there might be savings there. I met my counterpart there last Friday. We discussed greater co-operation and how it could generate savings. That is the kind of North/South co-operation that has no political risk or connotation. It is simply two states looking at how they can best use their resources in tight times. We will continue to do that.

Mr McCrea started off well by talking about aspiration and reality. He then seemed to go into fantasy. In five minutes, he talked about more money for investing in people, welfare

reforms and assured skills, and money for tuition fees, flagship universities and research councils. I am sure that they are all very worthy causes, but the Member gave no indication as to where that money might come from. The bill for that list is enormous. We understand the importance of training to the economy, and that is already reflected in the Budget, with a 3.3% cash increase for DEL, which is one of three Departments that got a cash increase over the four years. If we are to have bids like that, we need to know what the Member would like to see sacrificed in order to make that funding available. The tuition fees issue is out for consultation, and we will see what the result of that is.

**Mr B McCrea:** Perhaps I got it wrong, but I thought that I had tried to be constructive in bringing forward issues raised by the Committee, which is an all-party Committee. Members of the Minister's party have an opportunity in that Committee to bring forward those things. What I was trying to say is that those are the pressures reported to me. I bring them to your attention. Hansard will reflect that I started off by saying that, if there were moneys available in the coming year, it might be something that you might consider. That was the basis of my comment. I stated clearly that I understood the financial constraints that you operate under. It is difficult when people come along and say, "We need to tackle this together as an Assembly and an Executive." *[Interruption.]* Excuse me, Minister Poots. I am talking through the Chair to the Finance Minister. When people ask you to try to be constructive and bring these points up, it is difficult to hear those points being put down. Frankly, I am surprised that the Minister of Finance is taking that attitude, because we could adopt a more robust attitude when we go on to do this, and perhaps that is the right and proper way to do it. I want to know how we can deal together constructively with the financial pressures that I hear are being faced by a number of Departments. Surely, that requires collective responsibility.

**Mr Wilson:** All I can say is that we got a list, but we did not get any indication that if money became available in future, where it should come from or how we get the money to spend for the list.

Mrs Kelly took her cue from that; she felt that she had to outdo Mr McCrea in her demands.

She talked about not pulling the wool over our eyes and said that we needed to ensure that student fees did not increase. She talked about small businesses and mentioned a hairdresser's in her constituency that was only a few feet over the limit and was having to pay big business rates. Of course, in the Budget at the end of the previous mandate, when I proposed that we put money to increase the availability of small business rate relief for the hairdressers that Mrs Kelly goes to and was concerned about, the funny thing was that she voted against it. She was not all that concerned then. All those demands are a variation on a theme: I want this; I want that; I want the other. At least Mr McCrea will vote for the motion. Mrs Kelly is still not prepared to vote for it, yet she still insists that she wants the money.

**Mrs D Kelly:** Will the Minister give way?

**Mr Wilson:** No, I want to finish. Mrs Kelly had plenty of time. She also talked about student fees. Her own manifesto says that the SDLP flatly rejects any proposal to keep a cap on student fees. However, there is no indication from the SDLP, either in its budget proposal or its manifesto, where that money will come from. She need not ask me where I am getting the money when she demands that student fees be kept level but is not prepared to say where the money should come from.

Mr Kinahan talked about the Audit Committee's independence and the fact that the savings were consistent with the estimates put forward. I am happy to hear that. Perhaps we give it far too much money in the first place.

Mr McGlone raised the issue of borrowing and talked about lack of detail. However, I think it was a lack of knowledge. He seemed to think that the money that was borrowed for the Presbyterian Mutual Society will come off investment money for construction and other projects in Northern Ireland. Had he paid attention during the lengthy debates and discussions and the many questions that have been answered in the House, he would have known that the PMS borrowing is on top of the £200 million a year that we can borrow under the reinvestment and reform initiative (RRI).

Mr Maginness talked about the need for high-value jobs, and I agree with him. However, the stopgap measures — the 5,000 short-term jobs — and the money that will produce what he calls lower-value jobs, are essential to

tackle unemployment now, and it is getting that balance. Nevertheless, Invest NI should be able to create 20,000 jobs, including that 5,000, over the four-year period of the Budget.

Finally, I come to the points raised by Mr Allister. I know that he has set his face to be contrary in the Assembly. His philosophy is that if the DUP is for it, he is against it; it really does not matter. First, we had his attack on the package for the police. As a result of the agreement made between the First Minister and the deputy First Minister, the police have a budget that the Justice Minister says he can live with and the police say they can live with. An additional £200 million that was to be looked at on a year-to-year basis has now been secured and guaranteed for the next four years to enable the police to deal with the terrorist threat. That is as a result of the Budget agreement that was made in Downing Street between the First Minister and the deputy First Minister and the Prime Minister. Regardless of how Mr Allister carps about it, those who are spending the money are happy with it. Had we adopted his policy of opting out, there would be nothing.

I will finish on another point that strikes me. The contrary Member of this Assembly has questioned my stance on corporation tax. He thinks it is deplorable and disgusting that we should contemplate a reduction in corporation tax because of the impact on services. However, I will tell Members what he said when he was a Member of the European Parliament. You can be, to use his phrase, anywhere on any issue in this Assembly. Well, Mr Allister is certainly proving that. In the European Parliament on 13 December 2005, he identified corporation tax rates as a key component in any country's fight for inward investment and stressed how important it was that it should remain under national control. It was reported that:

*"In this context, the DUP MEP called for a reduction in Corporation Tax in Northern Ireland, as was recently recommended by an economic task force under Sir George Quigley."*

You can be anywhere on one issue. You can be in one place in 2005 and another place in 2011. Maybe that sums up the contribution that we have had from Mr Allister. Let him find how to be contrary and he will go down that route, because if the DUP is for it, he is against it. I do not think that is good politics. I do not think it is a good way of making up your mind on any issue, and I trust that the House will not follow



the suggestion that he made to vote against these Supply resolutions.

**Mr Deputy Speaker:** Draw your remarks to a close.

**Mr Wilson:** That would result in schools and hospitals closing and construction projects not working.

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

*Question put and agreed to.*

*Resolved (with cross-community support):*

*That this Assembly approves that a sum, not exceeding £8,141,695,000, be granted out of the Consolidated Fund, for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and the Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office, the Northern Ireland Authority for Utility Regulation and the Public Prosecution Service for Northern Ireland for the year ending 31 March 2012 and that resources, not exceeding £8,656,468,000, be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and the Northern Ireland Commissioner for Complaints, the Food Standards Agency, the Northern Ireland Audit Office, the Northern Ireland Authority for Utility Regulation and the Public Prosecution Service for Northern Ireland for the year ending 31 March 2012 as summarised for each Department or other public body in columns 3 (b) and 3 (a) of table 1.3 in the volume of the Northern Ireland Estimates 2011-12 that was laid before the Assembly on 6 June 2011.*

*Resolved (with cross-community support):*

*That this Assembly approves that a sum, not exceeding £23,278,781.13, be granted out of the Consolidated Fund, for or towards defraying the charges for the Department of Agriculture and Rural Development for the year ending 31 March 2010 and that resources, not exceeding £17,836,994.70, be authorised for use by the Department of Agriculture and Rural Development and the Department of Education teachers' superannuation, for the year ending 31 March 2010, as summarised for each Department in Part II of the 2009-2010 Statement of Excesses that was laid before the Assembly on 6 June 2011. — [Mr Wilson (The Minister of Finance and Personnel).]*

## **Budget (No. 2) Bill: First Stage**

**Mr Wilson (The Minister of Finance and Personnel):** I beg to introduce the Budget (No. 2) Bill [NIA 1/11-15], which is a Bill to authorise the issue out of the Consolidated Fund of certain sums for the service of the year ending 31 March 2012; to appropriate those sums for specified purposes; to authorise the Department of Finance and Personnel (DFP) to borrow on the credit of the appropriated sums; to authorise the use for the public service of certain resources (including accruing resources) for the year ending 31 March 2012; to authorise the issue out of the Consolidated Fund of an excess cash sum for the service of the year ending 31 March 2010; to authorise the use for the public service of excess resources for the year ending 31 March 2010; and to repeal certain spent provisions.

*Bill passed First Stage and ordered to be printed.*

**Mr Deputy Speaker:** I inform Members that the Chairperson of the Committee for Finance and Personnel has confirmed that the Committee is satisfied that there has been appropriate consultation with it on the public expenditure proposals contained in the Bill, in accordance with Standing Order 42(2). The Bill can, therefore, proceed under the accelerated passage procedure. As announced at the start of today's sitting, the Bill's Second Stage will be brought before the House on Monday 20 June.

## Committee Business

### **Business Committee: Membership**

*Resolved:*

*That Mrs Karen McKeivitt replace Mr Conall  
McDevitt as a member of the Business Committee.*

*— [Mr Byrne.]*

*Adjourned at 5.50 pm.*