



Northern Ireland
Assembly

**COMMITTEE
FOR THE OFFICE OF THE
FIRST MINISTER AND DEPUTY
FIRST MINISTER**

**OFFICIAL REPORT
(Hansard)**

**Briefing from the First Minister and
deputy First Minister**

22 September 2010

NORTHERN IRELAND ASSEMBLY

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DEPUTY FIRST MINISTER**

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Members present for all or part of the proceedings:

Mr Danny Kennedy (Chairperson)
Ms Martina Anderson
Mr Allan Bresland
Mr Trevor Clarke
Mr Tom Elliott
Mrs Dolores Kelly
Mr Barry McElduff
Mr Francie Molloy
Mr George Robinson
Mr Jimmy Spratt

Witnesses:

Mr Peter Robinson)	The First Minister
Mr Martin McGuinness)	The deputy First Minister
Mr Robin Newton)	Junior Minister, Office of the First
Mr Gerry Kelly)	Minister and deputy First Minister

The Chairperson (Mr Kennedy):

Good afternoon. You are very welcome, and thank you for your attendance. We welcome the First Minister and deputy First Minister and the junior Ministers, officials from the Office of the First Minister and deputy First Minister (OFMDFM) and special advisers. At the start of the

political season in the Assembly, you are here to brief us on a range of issues concerning forthcoming departmental business. Today's evidence session will be recorded by Hansard. You may wish to begin by make an opening statement, after which you should leave yourselves open for questions.

The First Minister (Mr P Robinson):

Thank you very much. From what I know, this will be your most important meeting today.

The Chairperson:

It will be one of them. It is a historic day, Mr Robinson.

The First Minister:

Thank you for your welcome. Our real difficulty was in reducing the amount of what we felt we needed to say. Although our introductory remarks may seem long, members can take comfort from the fact that they are half the length that they were when first drafted.

I will open with an update on the work carried out on the Hillsborough Castle Agreement, the economy and the promotion of investment opportunities. I will then hand over to the deputy First Minister, who will report on the regeneration of sites, poverty, social exclusion and good relations.

Without doubt, one of the major achievements of the past year was the devolution of policing and justice responsibilities. That required the intense involvement of not only Executive Ministers but OFMDFM officials in collaboration with colleagues in the Northern Ireland Office (NIO), the Prison Service, the Courts and Tribunals Service and the PSNI. We also acknowledge the extensive contribution of the Assembly, not just through the Assembly and Executive Review Committee, but through this Committee's involvement in the passage of the Department of Justice Bill.

In autumn 2009, we held extensive discussions with Gordon Brown to identify and secure the additional resources that would be needed by a justice Department to meet the challenges of devolution. The outcome was the then Prime Minister's financial package of October 2009, which also secured the backing of David Cameron. That package ensured that policing and justice functions could be adequately resourced at devolution.

The Hillsborough Castle Agreement included several separate work streams on parading, the operation of the Executive and the St Andrews Agreement. Although those issues do not come under the direct remit of the Committee, we thought it would be useful to let members know what progress has been made.

We established a co-chaired working group on parading. The remit of the group was to bring forward agreed outcomes capable of achieving cross-community support for a new and improved framework. That led to the development of draft legislation based on the working group's report, and a public consultation on the detail of the draft Bill closed in July 2010. We subsequently made a number of amendments to the Bill as a result of that consultation, including the removal of all public meetings from the remit of the legislation. That reflects concerns raised by a number of individuals and organisations. Additionally, a consultation exercise on a draft code of conduct has just concluded, and the responses are being analysed and evaluated. The deputy First Minister and I will consider the outcome of the consultation in the next few weeks.

The working group on outstanding Executive business has met on 12 occasions and has made considerable progress in resolving issues and enabling papers to proceed for Executive agreement. We are currently considering the response to the report from the working group on improving Executive delivery and functions, and we will seek Executive agreement on the way forward in the very near future. The St Andrews Agreement working group met yesterday, I believe, and progress is still being made there.

The Executive's Programme for Government (PFG) provides the framework for the Department's work, and the programme identified the need for a monitoring and reporting mechanism to provide an assessment of progress in implementing key goals and targets. To that end, the Committee will recall that, in June, we brought to the Assembly the Programme for Government delivery reports up until 20 September 2009. We are currently considering the third delivery report, which reflects the position as of 31 March 2010, and we hope to present it to Executive colleagues for their consideration and approval shortly.

I will outline our performance towards achieving public service agreement (PSA) targets for which our Department is responsible. As of 30 June 2010, we had completed, or were on track to complete, 71% of the 35 targets of PSA 7, which is entitled Making People's Lives Better; 71%

of the 17 targets in PSA 11, which is entitled Driving Investment and Sustainable Development; and 94% of the 17 targets in PSA 21, which is entitled Enabling Efficient Government. Actions are being taken to address those areas where we are currently behind schedule and where there is scope to change. We will continue to monitor and scrutinise those areas for the remainder of the comprehensive spending review (CSR) period.

The Department is now actively engaged in the Budget 2010 process for the four financial years from 2011 to 2015. We understand that officials have briefed the Committee on our Budget 2010 spending proposals. The savings target set for OFMDFM, which increased from 5% in 2011-12 to 18% in 2014-15, presents a particular challenge for OFMDFM. The Committee is already aware that we have had to develop a robust plan to address administration cost pressures through a reduction in the Department's headcount. Following significant organisational change, 51 posts were removed from the Department, requiring 40 staff to be redeployed to other Departments. We are continually identifying ways in which services can be provided more effectively and provide better value for money.

Over the past year, we have continued our efforts to mitigate the worst effects of the economic downturn. The package of measures that we announced in December 2008 was designed to protect local people and businesses from the worst effects of the downturn. All 76 credit crunch actions and sub-actions have now been actioned, with three quarters completed and the rest classed as longer-term and to be taken forward within capital programmes and the investment strategy or mainstreamed into departmental work programmes. The completion and subsequent findings of the post-programme evaluation of the December package were approved at the Executive meeting on 9 September, and the findings were published last week on the OFMDFM website. We have continued our discussions with stakeholders this year through the cross-sector advisory forum and its subgroups. The work of the forum subgroups concluded with them submitting their respective recommendations to us at the end of the year.

As part of our focus on growing the economy, we continue to use every available opportunity to promote investment, to encourage trade and to help the tourism industry on the international stage. In particular, we continue to be active in securing investment from the United States, and we have used our visits there to engage with President Obama, Secretary of State Hillary Clinton and senior executives from corporate America. We have worked closely with Declan Kelly, the US economic envoy, on a number of projects, and we are pleased that the Obama Administration

are organising an economic conference in October that is specifically aimed at promoting further US investment here. The Obama Administration have invited us to join the US economic envoy and Secretary Clinton at that event, and we will be addressing a select but very senior audience of decision-makers to outline why Northern Ireland is an excellent business opportunity.

We should not underestimate the significance of Northern Ireland having its own economic envoy. We are unique in this area, and it sends a clear message to corporate America that the Obama Administration are serious about helping us to improve our economy. We may be a small European region, but we enjoy an unprecedented level of access in Washington DC, on Wall Street and in the major movie production studios on the west coast. In March 2009, we met senior executives from Universal Studios and HBO to encourage them to use the production facilities in the Paint Hall at Titanic Quarter. We are, of course, pleased that our intervention has been successful in both cases.

In New York, we gave our personal support to a New York Stock Exchange project, which will eventually lead to the creation of 400 high-tech jobs here. In Chicago, we had the opportunity to meet several potential investors from blue-chip companies. We were accompanied by the US economic envoy and were received at the highest level.

If our economy is to grow and prosper, it is vital that we, as First Minister and deputy First Minister, contribute fully to the inward investment effort by taking forward every opportunity that we have to promote Northern Ireland on the international stage. Our visits overseas are always focused on the economy, and we are confident that our involvement in the October conference will help to secure much needed new investment here.

Positive engagement in Europe continues to be vital to our interests and will be another important element of our economic recovery. We must position ourselves in such a way as to exert the maximum influence on European policy and derive the maximum benefit from European funding. Our Department's European division co-ordinates European policy across Departments, liaising directly with European institutions in Brussels, and it continues to be vital in that regard. Our Department invested in new and improved premises in Brussels, which offer Executive Ministers, their Departments and public bodies generally an excellent base to promote our interests in Europe. That proximity to key European institutions is critical if we are to maintain and develop our positive relationship with Europe and convert it into real benefits for

the region.

During the past 12 months, we have enjoyed effective working relationships with the other devolved Administrations. We reported to the Assembly on the two British-Irish Council (BIC) summit meetings and two North/South Ministerial Council (NSMC) plenary meetings that we attended. We understand that the Committee is scheduling a visit to the North/South Ministerial Council secretariat accommodation in Armagh to receive informal briefings on the work of the BIC and NSMC. We hope that the Committee will find those briefings useful.

Before I hand over to the deputy First Minister, I would like to say that OFMDFM is unquestionably the most difficult Department to operate. The problems that every other Minister has with other Ministers' proposals and actions end up with us. Other Ministers can consider what they might do with each issue that confronts them and then ask officials to take action. In our Department, we must reach agreement before officials can act. For that reason, decision-making can be slower than either of us would like. However, I can say without spin or embellishment that, in spite of those restraints, OFMDFM continues to improve its performance. More decisions have been taken by us than have been taken in any preceding Administration. We see continual improvement as our duty, and we will both spare no effort in facing and seeking to overcome difficulties, where they present themselves.

The deputy First Minister (Mr M McGuinness):

I, too, would like to thank the Chairperson and the Committee for this opportunity to brief members. I want to touch on some of the work that is being done across the Department under PSA 11, which is entitled Driving Investment and Sustainable Development.

The Strategic Investment Board has supported Departments in delivering a record £1.7 billion of infrastructure investment in 2009-2010 and an unprecedented £5 billion over the current three-year Budget period. Work is ongoing on the drafting of the third investment strategy, which will provide the Executive with options for future investment and a range of Budget scenarios. We are determined to ensure that we have an investment strategy that meets the challenges of the current economic climate.

PSA 11 also commits us to the regeneration of strategic sites in a manner that promotes social and economic growth. The development corporation that will drive forward the regeneration of

the Maze/Long Kesh site should be fully operational, with the board and staff in place, by 4 April next year. In the interim, the programme delivery unit continues to prepare the site for future development to ensure that no momentum is lost. An EU Peace III funding application to build the peace-building and conflict resolution centre on the site should be submitted early in 2011. Key work with the Royal Ulster Agricultural Society is progressing, and I am sure that we will all be delighted if the Balmoral Show transfers to the site in 2012. Maze/Long Kesh will be a key economic driver, and we wish to thank the Committee for its work and support in bringing the Order to establish the corporation to the Assembly.

The new draft regeneration plan for Derry — or, as Peter would call it, Londonderry — One City, One Plan, One Voice, which was compiled by Ilex, was launched for consultation last week. The plan represents a real opportunity to create a new and better future for the city and region. It is critical for the future transformation of the city, both in economic and social terms.

The Crumlin Road jail has shown its potential as an economic driver in north Belfast with the public opening of the jail last year as a stage for a number of very successful events. In addition, the guided public tours in 2009 were very popular, with over 27,000 people taking the opportunity to visit the jail.

Under the Hillsborough agreement, it was agreed to transfer four additional military sites in Omagh, Ballykelly and Ballymena from the Ministry of Defence to the Department. Work is ongoing to address a number of important issues, mainly relating to decontamination and remediation costs, prior to any handover.

The ‘Strategy for Victims and Survivors 2009-2019’ was published in December 2009 and articulates our commitment to victims and survivors over the next 10 years. We are adopting a victim- and survivor-centred approach that is built around the Commission for Victims and Survivors, a victims and survivors’ forum and a new victims and survivors’ service.

The establishment of a victims and survivors’ service has been a focus for OFMDFM. It is envisaged that the service will replace all current arrangements under which OFMDFM provides funding to the sector. In April, we announced a two-year funding programme for groups working with victims and survivors during the transitional period leading up to the establishment of the new victims and survivors’ service. More money than ever before is being made available to

address the needs of victims and survivors.

May 2010 saw the publication of this Executive's first sustainable development strategy, which takes into account the priorities and objectives of this Administration. We have emphasised the importance of having a strong implementation plan to support the new strategy, and we have established a steering group comprising senior representatives from across the social, economic and environmental sectors and chaired by junior Ministers. We hope to bring a final version of the implementation plan to the Executive by the end of the year, and we look forward to the Committee's input into that work.

This week, we have been hosting a major conference in Belfast, with speakers and attendees from across Europe, to discuss and explore opportunities associated with realising the potential of the sustainability agenda. That forms part of our larger commitment as the Department leading on the Barossa task force to increase our engagement with our European counterparts and promote and share knowledge and expertise across regions.

The Committee has already expressed its interest in recent developments concerning the future of the Sustainable Development Commission and the decision by the Department for Environment, Food and Rural Affairs (DEFRA) to cease its funding of the commission. We, too, are concerned about the future implications for the delivery of key commitments, and we are examining options for the future. We are keen to reach a decision on that as soon as possible.

We launched a public consultation on the programme for cohesion, sharing and integration, with the aim of capturing as broad a range of views as possible. The consultation programme consists of public and sectoral meetings, a number of which have already taken place. When the consultation period ends on 29 October, we will have held 11 public meetings at various locations in both urban and rural areas.

Tackling poverty and social exclusion and promoting equality are key elements of meeting the commitments in the PFG to improve people's lives, particularly the lives of those who are most vulnerable. The Committee is already familiar with the progress that has been made on the Commissioner for Older People Bill. We understand that the Committee has almost completed its deliberations on that important legislation, and we appreciate the work that the Committee has undertaken on it. In addition, work has been ongoing on the development of a new strategy for

older people. The Committee will have an opportunity to comment on the strategy in due course.

We are aware that child poverty is a matter of great interest to the Committee, and our junior Ministers play a key role in liaising between the Department and the Committee on the issue. Full account is being taken of the recommendation from the Committee's inquiry as we develop the child poverty strategy that we are required to provide under the Child Poverty Act 2010. In advance of the formal consultation period on the strategy, which we hope will commence in October, officials issued a draft outline discussion paper entitled 'Starting the Discussion' to key stakeholders and Departments for their consideration. The draft consultation document will be made available to the Committee in the coming weeks.

The Good Friday Agreement and the St Andrews Agreement make clear that there is a commitment to bring forward an anti-poverty and social inclusion strategy. In November 2008, the Executive agreed to formally adopt the broad principles of Lifetime Opportunities as a basis of our strategy to tackle poverty and social exclusion, and a draft Lifetime Opportunities monitoring framework was forwarded to the Committee in May. We have also been seeking to develop programmes to address poverty in communities. Those programmes are being worked on and are included in the recent Budget proposals: they are the removing barriers to community prosperity — community renewal programme and the earnings disregard pilot study.

The aim of the removing barriers to community prosperity — community renewal programme is to develop a range of sustainable interventions in areas of the highest disadvantage to encourage economic activity, employment and sustainable communities. It is apparent that disadvantage, poor relations and issues around interfaces feed off each other and mutually contribute to a continuation of the problems that remain stubbornly difficult to resolve. Jobs, confidence and positive environments help to create economic equality, build strong interdependent relations and promote sharing of services. The programme will be additional and complementary to existing programmes and will be delivered in consultation with other relevant Departments.

The purpose of the earnings disregard pilot study is to explore whether allowing families on benefits to retain a little more of their earned income will help to reduce poverty and encourage people into the labour market. Officials are looking at three possible ways to proceed. One would involve changing legislation; another would involve piggybacking on existing legislation

but with some co-operation needed from HMRC; and another option would involve commissioning a third party to make the payments. We need to investigate those options and consult the relevant Ministers before going forward.

With increasing inward migration and greater diversity of nationalities and backgrounds here, the Racial Equality Forum provides an important focus on supporting that element of our equality remit. Support to promote social inclusion for minority ethnic communities has continued through the minority ethnic development fund, with £940,000 having been allocated to 22 organisations for development funding and £160,000 having been allocated for project funding.

Work continues on the implementation of the gender equality strategy. Preparations are under way for a mid-term review of the strategy in 2011 to ensure that it meets legal requirements and provides a relevant framework for the delivery of policy. The Committee previously expressed an interest in, and sought information on, the gender pay gap. In support of work to address that matter, OFMDFM has published a number of research papers, which we hope have provided you with an overview of the work that the Department has carried out over the past year.

I hope that the Committee has found our reports useful, and we are happy to take questions from members.

The Chairperson:

I thank you both for what proved to be a comprehensive tour of issues. For your information, the Committee has completed its clause-by-clause scrutiny of the Commissioner for Older People Bill, and we hope to agree the report at next week's meeting, so that is progress.

I have a couple of general questions. DFP guidance advises us that the draft Budget will be published alongside the draft PFG and draft investment strategy in October 2010. When do you hope to consult the Committee on those? What is the timetable for the Department's efficiency savings plans, and when can we in the Committee expect to be consulted on them?

The First Minister:

All of those things are work in progress. Officials are working at a strategic level on a Programme for Government. However, there is a conundrum; many aspects of the Programme for Government will be long term, and we have an Assembly election coming up, so a new

Assembly and Executive will either want to take ownership of the PFG as we bring it forward or update or upgrade it as they might see it. Nonetheless, work is going forward on that. Obviously, that is subject to Executive approval and then the approval of the Assembly. We want to let the Committee see it at the earliest opportunity.

As far as ISNI is concerned, because so much of the intention of the Chancellor is to look towards cuts on the capital side, that will, necessarily, have a major impact on our investment strategy. It has to be part of the Budget proposal. I suppose that we have to wait until the third week in October before we know the mind of the Government, and the Executive will then have to start bringing their plans together.

In the meantime, the deputy First Minister and I intend to meet the Chancellor and, if necessary — we hope — the Prime Minister, to make sure that they are aware of the special circumstances and needs in Northern Ireland, and we will seek to have those taken into account when the Government come forward with their proposals. Although a lot of their proposals may be formula-based, the fact that the Barnett formula gives us the consequentials for our Department of Justice when our policing circumstances are completely different to those elsewhere is something that we have to take up with the Chancellor and, if necessary, the Prime Minister. When you consider the admission by the present Government that there is a need to stimulate our private sector, you can see that, again, there is a special case to be argued. When you consider the levels of poverty and deprivation in Northern Ireland, you can see that there is a special case to be argued. We will not be slow in doing any of those things, and we will start those discussions with the Chancellor next week.

The deputy First Minister:

Chairman, you asked about savings. The savings plan is under active consideration. We are aware that savings will have to be made, but we need to put in place the right structures. I want to add to what Peter said. Around the time that the coalition Government were formed, the Secretary of State, Owen Paterson, spoke about the economy on a number of occasions, mostly in response to a BBC interview in which David Cameron, the Prime Minister, indicated that the strength of the public sector and the weakness of the private sector here in the North would have to be tackled. That caused a bit of a flurry.

The Chairperson:

That was during the general election campaign.

The deputy First Minister:

Yes, but even after the general election campaign, Owen Paterson was on record as saying on a number of occasions that he did not envisage the issue being tackled over a four- or five-year period; he envisaged that it would take a 20- to 25-year period to get the balance right. Both Peter and I met Owen Paterson, and we reminded him of that. It is well worth all of us reminding those whom we meet who are associated with the coalition Government of the commitment by Owen Paterson, who is now Secretary of State, that balance would be found over a 25-year period and not a five-year period. I also told him about a 'New York Times' editorial from a number of weeks ago that was very critical of the coalition Government's plans, describing the proposed cuts as being "too deep and too fast".

The Treasury and British Government need to think very carefully about what Peter and I have been saying. That is why, in our meetings with Owen Paterson and in the upcoming meeting with George Osborne, which will, hopefully, happen within days, those issues will be considered. We are also on record as having requested a meeting with the British Prime Minister. People in England are talking about the need to avoid a double-dip recession. In our view, we are not yet out of recession here, and we do not want to be plunged into an even deeper recession. There is a real risk of that happening under the strategy being proposed by the coalition Government, considering the scale of the cutbacks being threatened by London.

The Chairperson:

I want to turn, on my behalf, to the draft public assemblies, parades and protests Bill. There has been slippage: the Second Stage was scheduled for 20 September. When do you hope to introduce the Bill to the Assembly? When is the Committee Stage likely to begin, and will you seek accelerated passage?

The junior Minister (Office of the First Minister and deputy First Minister) (Mr G Kelly):

As you know, that has been a very touchy subject. We intend to introduce the Bill quite soon. It is far advanced. The schedule from the Hillsborough talks was that the Bill would complete all stages by the end of the year, because that is the natural lifespan of the present Parades

Commission. We believe that we are still on schedule to do that. I cannot give you a date, but it will certainly be very soon.

The Chairperson:

It has been suggested that the legislation will not proceed unless the Loyal Orders indicate that they are content with it.

The junior Minister (Mr G Kelly):

We set ourselves the task of producing a Bill that will get the support of all people. We think that we have produced that. Amendments were made to the Bill after the consultation period. We think that that will be helpful to all stakeholders, which, of course, includes the Loyal Orders. That is the basis on which we move forward. However, I cannot speak for the Orange Order.

The First Minister:

The purpose of looking at the parades issue was to ensure that we had a more inclusive approach to dealing with what has been a very difficult and intractable issue in Northern Ireland. It is unfortunate that there has been some party political point-scoring on the issue. People have attempted to use the issue for political purposes, instead of recognising that it gave us an opportunity to find a new way forward. It is, of course, in our interests to ensure that we get the widest possible support, and, in all of that, it is critical to ensure that we have with us those who are most intimately involved, whether that is the marching organisations or local residents who recognise the benefit of moving forward on that basis. That is what the consultation was about. We have a code of conduct, which has gone through a consultation process. We are about to look at the responses, and we will then decide how we will move forward.

The Chairperson:

Do you have a view yet on the issue of accelerated passage?

The junior Minister (Mr G Kelly):

There is no view on that yet.

Ms M Anderson:

Thank you both for meeting the Committee so soon after our request, which was issued only a few weeks ago. I also acknowledge what the First Minister said about the draft parades Bill,

particularly with respect to the removal of the clause dealing with public meetings, which was causing some concern.

Going back to a previous question, a few weeks ago, the Committee received papers from your office about a CSR bid to remove barriers to community prosperity. In those papers, attention was given to the fact that that bid would target those communities most in need, particularly the most disadvantaged communities to which the First Minister referred. Our understanding is that the bid probably emerged from the Executive meeting that was held on the awayday. You probably expect me to mention the fact that Derry has 11 of the most deprived wards in the North. I know that there are other deprived areas, such as the Shankill, but, given the levels of deprivation that people across my constituency experience, I was quite surprised by the slightly bizarre comments by one of your Executive colleagues, Minister Attwood, concerning a secret fund that is, supposedly, being carved up among yourselves. Given that the CSR bid is being targeted at the most deprived areas, will the deputy First Minister confirm that the so-called secret fund is, in fact, from neighbourhood renewal? Furthermore, once a neighbourhood renewal Bill is developed, when will it become operational?

The deputy First Minister:

We were also surprised to hear about the suggested existence of anything remotely approaching a secret fund. When our political opponents — I am talking specifically about Sinn Fein; I am not entering into the unionist situation at all — raise such issues, there is always an organ that is quite willing to propagate the rubbish that is put forward. How could it be described as a secret fund when this Committee had been informed about the approach that we are adopting?

The removing barriers to community prosperity programme is intended to redress poverty, which is one of OFMDFM's responsibilities, through promoting economic activity, employment and sustainable communities. It will be targeted at areas of greatest disadvantage, and any intervention will be in response to common themes that emerge from strategies developed by communities. Therefore, where necessary, communities will be facilitated in developing strategies. Intervention — this is a key point — must be additional and complementary to existing programmes. In other words, it must not duplicate the actions of other organisations and Departments or replace existing funding.

Positive engagement and encouragement of communities to progress and change mindsets will

require tangible evidence that the process is working. Measurements to be developed will include seeking support and investment from other funders; seeking private investment for areas; increasing the number of people who are in jobs; increasing the number of people in the social economy and local start-up businesses; regenerating redundant and unused buildings and land; increasing residents' mobility to enable them to access jobs and other services; reducing levels of interface violence and antisocial behaviour; developing agreed strategic plans for areas; increasing the number of joint community projects in areas of disadvantage; and involving communities in addressing issues around physical and cultural interfaces that impact on development.

We anticipate that the programme will be operational in conjunction with conclusions on the CSR. We argue that there is a serious need for such an approach. Given that we have outlined our approach to the upcoming situation vis-à-vis the announcement that will come from the Treasury towards the end of October, we want to continue to ensure that we put the economy, which is front and centre of the Programme for Government, front and centre of our approach, as that is the best way to keep people in work and to move forward. We also want to protect front line services and ensure that people who are most at risk from the difficult economic situation that lies ahead are protected as much as possible. We believe that our approach goes a long way to doing that.

The First Minister:

The words that were used by Martina Anderson probably best sum up my reaction when I read that article about the fund. I thought that it was absolutely bizarre. For any newspaper to attempt to scaremonger on an issue that is of such importance and significance to a section of the community that needs support is shameful. As was indicated, the issue got additional steam through the Executive awayday at Greenmount College.

We must admit that, for around a year, we talked about the fact that a section of the community was being left behind by devolution and that there was a section experiencing high levels of deprivation — people who, in many ways, felt left behind. We decided that we needed to start to look at what we could do to make their lives better so that there would be a marked difference in how they would see the benefits of having local power in Northern Ireland.

As yet, we have not set criteria. We found ourselves in the unfortunate position of having to

make bids before we had completed the documentation. There was no secret. Had the Minister come to his ministerial colleagues and talked about it instead of going to 'The Irish News', we would have been very happy to discuss the issue with him.

The Chairperson:

OK. Thank you.

Ms M Anderson:

Can I ask a quick question?

The Chairperson:

I need to check the Ministers' time availability. Each member has indicated that he or she wishes to ask a question. The Ministers may well have other commitments. I just want to check that they have time so that I can decide whether to allow supplementary questions or to move on to the next substantive question.

The deputy First Minister:

We are OK till 3.00 pm.

Mrs D Kelly:

Well, it is 2.45 pm now.

The Chairperson:

I will try to come back to members to allow them to ask supplementary questions. However, I want to give everyone a chance to speak.

Mr McElduff:

The Executive's priority is to build the economy. Claims are being made about the scale of cuts that are coming down the line. Is there still a lot to play for with regard to minimising what might be ahead? What steps are being taken by the First Minister and deputy First Minister, as the leaders of the Executive, to negotiate a better deal than that for which the Finance Minister is conditioning us?

The First Minister:

You need to know how our budgets are determined. The block grant that we receive is the product of the Barnett formula. You cannot negotiate with the Barnett formula. It simply happens. However, if, outside of the formula, there are special circumstances, you seek to make Government aware of them and attempt to get some redress. I outlined several areas in which I felt there were special circumstances. For example, in Northern Ireland, levels of poverty and deprivation are much higher than they are elsewhere. We are all agreed that the economy has to be the main plank as we move forward towards recovery, and the private sector needs to be strengthened. Corporation tax and matters that can stimulate activity in the private sector are important to us.

As regards justice, the fact that some lunatics outside are going around shooting and bombing puts additional pressure on the budget of the PSNI and, indeed, the work of the courts. One cannot simply hypothecate on the amount of money that should be available here on the basis of what is happening elsewhere in the UK. We have special circumstances and special needs.

The deputy First Minister:

Peter and I are in absolute agreement that, as we go forward, the meetings with the Treasury and the requested meeting with the British Prime Minister will be very important. The meeting with the Treasury in the first instance, on foot of the meeting that we have just had with Owen Paterson, is key.

The First Minister:

To pick up on the second point; those meetings deal with the amount of money that we get in, but hard decisions will then have to be taken by the whole Executive. The point needs to be made that any Minister who does not roll up his or her sleeves and attempt to get a collective approach to how we move forward is being derelict in his or her duty. There is a massive need for people to work together for Northern Ireland, especially under these difficult economic constraints.

Mr Spratt:

I thank both Ministers for coming along to see the Committee at such an early stage.

Peter, you mentioned the policing and justice budget and the additional resources that were outlined in the Prime Minister's letter. Some of that finance was based on the sale of military

establishments, and, obviously, the market is not there now to sell those sites. I think that some sort of loan scheme was in place from the Government to allow the promises that were made in the Prime Minister's letter to be kept. Given the serious dissident threat of which we are all very aware, will you both continue to press the Government to ensure that resources are available for all of that?

You mentioned that Universal Studios are filming at the Titanic Quarter. Some people pooh-pooh that as not being of great importance to the Northern Ireland economy, but it has brought tremendous benefits to the economy. Having spoken to the chief executive of the Titanic Quarter the other night, my understanding is that the possibility of getting some additional space at the Titanic Quarter is being looked at. Obviously, the spin-off from that for the Northern Ireland economy is great, contrary to what some people try to say.

The First Minister:

That is bringing in tens of millions of pounds to our local economy. The deputy First Minister may want to say a bit more about that because he has found an actor in his family and is taking the full benefit of it. I do not know who he would be taking after, mind you.

The Chairperson:

I will not make any comment at all on that.

The First Minister:

On the issue of the policing and justice budget, I have expressed the view that it is perhaps difficult to assess what the needs will be for the police and the courts as we move forward. There will be officials in the Department of Justice who will say that the Department can deal with a 5% cut to its budget, and, of course, it can. However, one problem that many of us face is that simply cutting a slice off the policing and justice budget will affect the service that is provided. There are issues, particularly in that area of activity, about which we need to be very careful if we make any incision at all. The policing and justice budget needs to be protected because it is in the interests of the whole community that we remain protected.

The deputy First Minister:

The sale of sites is to cover the equal pay claim, which was set out in Gordon Brown's letter. Let us be under no illusions about the challenges that policing faces. As I said during the summer, we

all understand that those so-called unrepresentative groupings have about four key objectives, and we have seen some of their activities with the near death of a number of children in the Lurgan area in County Armagh. The attack on the police station in the Strand Road in Derry could have resulted in five or six people being killed.

The key objective of these people is to destroy the peace process. It is to try to split Peter and me, Sinn Féin and the DUP, the Ulster Unionists and the SDLP. It is an attempt to turn back the clock for policing. I suppose it is also an attempt to embarrass Sinn Féin as much as they possibly can; that may be their primary objective. One thing is absolutely certain; they are not going to succeed. The reason that they will not succeed is that the overwhelming majority of people on this island support the peace process; there is very strong support for it.

We need to continue to support the police and the gardaí in the South. The people in the South, who are hugely supportive of this process, have a duty and responsibility to assist the gardaí if they know of people who are hell-bent on destroying the hopes and aspirations of all of the people on this island. Similarly, if people in nationalist and republican areas and in other areas of the North know of others who are involved in activities that could take the lives of our children or of businesspeople, whether in Derry or Belfast, the Shankill Road or the Falls Road, they have a bounden duty and a responsibility to help the police. That is what we have to do. The police have had huge successes over recent times, and they will be all the more successful if people are prepared to help them. We have to keep our nerve.

I am concerned at some of the reportage of the activities of these groups. I wonder about the agenda of a tiny minority of journalists who I think are most unhelpful in how they report these people's activities. I am not arguing that the activities of these people should not be reported, but sometimes they are reported in a very clever way — I am talking about only a minority of journalists — that, on occasions, gives these people heart and encouragement. I think that that is a big mistake.

The Chairperson:

Thank you. We have an enormous number of questions —

The First Minister:

You have a meeting to go to, I understand.

The Chairperson:

Yes; our meeting is at 7.30pm. *[Laughter.]*

Mr G Robinson:

I welcome the four Ministers. I would like an update on the position on the Presbyterian Mutual Society (PMS). I believe that there was a meeting yesterday.

The Chairperson:

I declare an interest; a modest interest.

The First Minister:

I remember your modest interest.

The issue has been pressed consistently by the deputy First Minister and me. As you are aware, we had a proposal, and the previous Prime Minister had indicated to us in writing that he was happy to pursue it. That indicated that a loan could be made to the Northern Ireland Executive, which, in turn, could lend it to the administrator responsible for PMS. That would have allowed for immediate payments to those who had invested sums of £20,000 and more with the PMS; people who are described as larger savers. They would have had the first call according to the judgement of the court.

There was also a willingness on the Prime Minister's part to contribute to, and to see set up, a fund that would have given immediate support to those who were in the under £20,000 savings bracket. However, the election happened in between. There were state aid issues that had to be resolved, the Treasury had to be brought to a stage where it agreed to the loan and we needed the support of the Northern Ireland Executive. The Executive agreed in principle. As we understand it, officials are dealing with European officials in order to address state aid issues, and the new Administration have indicated that they wish to try to resolve the matter. We have looked at a whole series of proposals, and we are to have a meeting tomorrow, I think.

The deputy First Minister:

Today.

The First Minister:

That is why we probably need to be out of here fairly soon. You now have a vested interest in letting us away, Mr Chairman. *[Laughter.]*

The Chairperson:

I have a modest vested interest.

The First Minister:

We will have a meeting on that, and we hope that we are getting very close to the stage where we can give a report to the Prime Minister on the options that are open to us. We are at the tail end of the process, and there is a determination on the part of the Government that they will have the matter at a stage at which they can take it into account in the October Budget statement.

The deputy First Minister:

Just to add to what Peter said, the important thing is that people have not yet given up on the prospect of a financial institution taking over the PMS. However, whatever happens, our approach is to ensure that we do this at no cost to the Executive.

Mrs D Kelly:

I am sure that Minister Attwood will be more than able to reply to the comments that were made about him.

The Chairperson:

I have no doubt that they will get back to him.

Mrs D Kelly:

Given that the session is being recorded by Hansard, I imagine that they will. It is interesting that the deputy First Minister thinks that we are his main opponents.

I have a number of points to make.

The Chairperson:

Are any of them questions?

Mrs D Kelly:

I have listened very patiently to others.

The Chairperson:

I know that. Let us proceed.

Mrs D Kelly:

As a Committee, we are not being shown the proper respect of getting papers in a timely manner. We did not get the papers on the September monitoring round in time to have a good look at them, which is something that we have raised time and time again with the Office of the First Minister and deputy First Minister. I would like both Ministers to take that on board in the future.

In relation to dealing with sectarianism, I welcome the consultation on cohesion, sharing and integration. How will the consultation responses be taken forward, and what is the timeline for that? Already, there is a lot of concern in the community that the strategy does not include review mechanisms or targets.

Comments were made about the dismay across the wider community at the failure of the First and deputy First Ministers to accept the invitation by The Queen to attend the state visit of Pope Benedict. I would like to know why that happened. Could there not have been a rescheduling of meetings so that that appointment could be kept and leadership shown?

I also want to ask —

The Chairperson:

Finally, please.

Mrs D Kelly:

Who has been consulted on the removing barriers to community prosperity programme? How are other organisations going to be consulted? Will that be aimed at only certain pockets of Belfast, or will it be aimed across the North? There is a wider perception — I do not know if it will come as a shock to Ministers to hear this — that, in some aspects, it is a pension plan for former paramilitaries.

The Chairperson:

We seem to have moved fairly transparently from the PMS to the Pope. *[Laughter.]*

The deputy First Minister:

On the day that Margaret Ritchie was elected leader of the SDLP, I listened to her first interview on RTÉ, during which she described Sinn Féin as her principal political opponents.

To turn to the question about responses to the consultation on the CSI strategy; all responses will be collated and analysed by an independent team of analysts appointed by OFMDFM. The responses will help to inform the development of the programme for cohesion, sharing and integration. A summary of responses will be made available to the Committee, and it is expected that all responses to the consultation will be made available on the OFMDFM website after the consultation has closed and that a summary report will also be made available. When the consultation closes on 29 October 2010, we will begin the process of considering all the views that we have heard throughout the consultation period. We will consider what changes could be made to strengthen the document in light of those views. We also look forward to hearing the views of the Committee during the development of the final programme.

I have made it clear that the Pope was on a state visit to Britain and that I would be very pleased, indeed honoured, to meet him when he comes to Ireland. I also have some grounds for believing that that could happen as soon as 2012.

The First Minister:

The Member is probably unhappy that the Pope did not want to see her and preferred to see us. *[Laughter.]* The reality is, of course, that, every day, we have to make decisions and choices as to how we spend our time. We had given a very firm commitment to the New York Stock Exchange that we would attend the opening of its new premises in Belfast. That is one of the steps — and there are others — in the lead up to our economic conference. It was important and right that we were there. It was very important that the people of Northern Ireland were represented at such an important investment in Northern Ireland.

I am very unhappy about the language that the Member uses about the programme to remove barriers to community prosperity, the details of which she has still not seen. She attempts to apply motives to the actions that we are about to take. She does a disservice to those who are

living in areas of deprivation and poverty by attempting to put a tag on the purpose of the fund. It is not uncommon for her party to do that. Her present party leader wasted £300,000 of her Department's funds, which could have gone towards improving houses in Northern Ireland, by taking a rush of blood to the head on a similar issue with paramilitaries. Let us keep our feet on the ground and ensure that the money is used for proper purposes to help people who are in greatest need. That is the programme's only remit.

Mrs D Kelly:

Perhaps the questions could be answered, please. The questions have still not been answered.

The Chairperson:

Sorry, I have to move on. It seems to me that the most disappointed lady of all will be The Queen.

Mr Elliott:

I had a number of questions, but I will be brief and ask one because time is moving on.

We received evidence recently from the Northern Ireland Ombudsman in which he indicated strongly that there should be a review of the overall number of non-departmental government bodies and quangos. Have your office or the Executive as a whole given any thought to looking at that and making progress on it?

The First Minister:

At our awayday, we made it clear that there will be no sacred cows and that we are looking at the number of Departments and non-departmental government bodies. It is one of the areas that we must look at. We must ensure that we get value for every pound that we spend, particularly in tight fiscal times.

The deputy First Minister:

We have already done that within our Department. The numbers that service our Department have been much reduced. As we face the very challenging economic times ahead, we must review our position on all of those groups. Over many years, all the parties around the table have raised issues about some of those bodies, the work that they do and whether or not they provide value for money. We have to move forward on the matter in a very careful and considered way

and, in the final analysis, seek the support of the Executive.

The junior Minister (Mr G Kelly):

Excuse me, Chairperson; I really need to go now. May I excuse myself?

The Chairperson:

Yes.

Mr T Clarke:

You mentioned how much more the victims sector receives now than it did in the previous five years. How much is that? That would be a clear demonstration of the commitment to victims.

The deputy First Minister:

We have been very conscious that this has been a major debate in the Assembly on a number of occasions. Somewhere in the region of £36 million has been allocated to the victims and survivors sector during the current CSR period. Of that amount, more than £14 million has been made available in the current financial year. That is a lot of money.

The First Minister:

When I was the Minister of Finance and Personnel, I significantly increased the amount of money available to victims. It is important that we ensure that that money is spent properly and in the public interest.

Mr Molloy:

You mentioned an earnings disregards programme. When will that happen, and will it be given priority? That ties in with our work on the child poverty report. We indicated that income disregards are one of the ways in which people could benefit more from money being put in in that way.

The deputy First Minister:

I dealt with this in response to a question that was asked in the Assembly last week. The current low levels of earnings disregards fail to provide an adequate route to benefits and work and, thus, perpetuate the benefits/poverty trap. As we all know, employment increases self-confidence, skills and development and work experience, all of which enhance future work prospects. We

have 50,000 children who live in homes that are within £50 of the poverty line. That means that we have an opportunity not just to test whether the earnings disregard pilot will work but potentially to map out a route that could take so many families and children out of poverty. Obviously, it is a new approach. We believe that it is worthy of support. Thus far, it has been supported generally.

The First Minister:

In case people get the impression that the pilot is going to happen, I just want to add the caveat that, although, like the deputy First Minister, I have no doubts about the scheme and want to see it move forward — we hope that it does — there are obstacles to overcome; for example, legal obstacles that relate to section 75 and whether it might be seen as discriminatory. There are issues around how we would do it, and there are many steps to be taken. Of course, it has to get past Sammy Wilson as well. So, there are financial implications for our own budget.

The Chairperson:

I would have thought that that would be a fairly formidable prospect.

That pretty much concludes the meeting. Mr Bresland has waived his right to ask a question. Thank you very much indeed for your attendance. It proved, as usual, to be a lively encounter — on some occasions, we dealt with politics and, at other times, with real issues. *[Laughter.]*