

# Official Report (Hansard)

Monday 11 February 2013  
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# Northern Ireland Assembly

Monday 11 February 2013

*The Assembly met at 12.00 noon (Mr Deputy Speaker [Mr Dallat] in the Chair).*

*Members observed two minutes' silence.*

## Matter of the Day

### Constable Philippa Reynolds

**Mr Deputy Speaker:** Mr Gregory Campbell has been given leave to make a statement on the death of police officer Philippa Reynolds in Londonderry, which fulfils the criteria set out in Standing Order 24. If other Members wish to be called, they should indicate that by rising in their places and continuing to do so. All Members who are called will have up to three minutes to speak on the subject.

I remind Members that, as the investigation is ongoing, they should be careful not to say anything that might impact on any cases that may come before the courts.

**Mr Campbell:** Like many people in Northern Ireland, I awoke on Saturday morning to the terrible news of the death of Constable Philippa Reynolds. None will have been more affected by that news than the family and close friends of that young woman. As you said, Deputy Speaker, I do not wish to allude in any way to the circumstances that are before the courts. I merely want to ensure that the entire community, as represented in the Northern Ireland Assembly, shares in the grief of the family and friends of that young woman.

As has been outlined in far better terms than I can, her commanding officer, Chief Superintendent Stephen Cargin, indicated the sense of loss the police family has felt and continues to feel. He said that she loved to do her job and that she was:

*"serving the community to the best of her ability".*

He also said that she was:

*"enthusiastic, bubbly and had a beautiful personality."*

Unfortunately, only two years into the job as a serving police officer, her life ended in the early hours of Saturday morning. Previous to that, she had been a teacher, and had exhibited all the characteristics that I just mentioned. As a society, we are, sadly, the losers, as a young woman has passed on as the result of this accident.

I think that today we need to stand united with the police family and with the wider community, which the police serve and have served over the past 40 years, and assure them of our thoughts and prayers at this very difficult time.

**Mr Ford (The Minister of Justice):** As Mr Campbell said, the House will be well aware that, at around 3.40 am on Saturday, as a result of a road traffic collision, police Constable Philippa Reynolds was killed. She was a rear seat passenger in a police vehicle on duty in the Ebrington area of Derry city and was killed in a collision with a stolen vehicle. Two of her colleagues were injured, though, fortunately, not seriously. We send our sympathy to them today as well.

I know, as Mr Campbell has said, that all Members of the House — indeed, of this entire community — will be united in paying tribute to the work of Constable Reynolds and in expressing sympathy to her parents, Mervyn and Dorothy, her sisters, her family circle and all her PSNI colleagues. As you have said, since two men have been charged in connection with the incident, it would not be appropriate to say anything more on that. However, it is absolutely clear that Philippa Reynolds died doing the job that she was enthusiastic about and to which she was dedicated — working on behalf of everyone in this community.

Over the weekend, I spoke to the Chief Constable, the Deputy Chief Constable and other officers in Belfast and Strand Road. It was absolutely clear that this tragic death has affected the PSNI deeply. Yet, in the conversation that I had early on Saturday morning with an officer in Strand Road, it was

clear that there was also the resilience and the determination to do the job in general and to ensure that those who perpetrated the act were caught. There is a resilience and a strong determination among officers in the PSNI to continue to do their duty and to make Northern Ireland safer for us all.

As has been said, Philippa passed out as a constable only in early 2011. She had barely two years' service, yet it was clear that she was already a dedicated officer and an extremely valued colleague. She qualified and worked as a teacher but gave up that profession to serve the community as a police officer, and she spent her entire career based in Strand Road. Although she was a dedicated police officer, let us remember that she was also rather more than that. She was a keen hockey player with the Owls club and was connected with the Girls' Brigade.

Mr Campbell referred to the quote on Saturday from the district commander, Chief Superintendent Stephen Cargin, but it bears repetition: she had just a "really bubbly personality". That has been echoed by others, including those who knew her well and, indeed, by the picture that her family released over the weekend. Many a girl with the heel of her shoe caught in a grating would have been sitting sobbing; she was just laughing, because that was the pleasant personality that she had.

On Saturday, the Secretary of State, Theresa Villiers, and the Minister for Justice and Equality, Alan Shatter, asked me to pass on their condolences, which I was able to do. It is clear that her tragic death has affected not just her friends and colleagues but many throughout these islands, particularly in south Antrim. On behalf of my colleagues and the entire justice family, I assure her family that they are in our thoughts and prayers at this time.

**Mr Clarke:** I join my colleagues in expressing sympathy to Philippa's family and the wider family circle on her tragic death at the weekend. Although I did not know Philippa Reynolds personally, I appreciate that she was from south Antrim and, at the end of the day, she was a young lady cut down in the prime of her life while doing her chosen job. She was someone who had changed her career path from education and chosen the Police Service. Her loss is tragic to her family and, at this time, our thoughts and prayers should be with them.

**Mr Mitchel McLaughlin:** Go raibh maith agat, a LeasCheann Comhairle. On behalf of Sinn Féin, I offer our sincere condolences to the family and many friends of Philippa Reynolds,

the young PSNI constable who was tragically killed on Saturday morning. This tragic accident highlights the dangers that police officers operate under daily. However, as has been said, an investigation is under way and court proceedings have begun, so I will be careful not to comment further or impinge on that process.

On Saturday afternoon, the Mayor of Derry, Kevin Campbell, and some of his Sinn Féin councillor colleagues called at PSNI headquarters in Derry to express condolences to the PSNI and to Constable Reynolds's family and friends. He also wished her injured colleagues a swift and speedy recovery, as all in the House will support.

I never met Philippa Reynolds, but I was talking to Kevin yesterday, who told me that her death has had a profound effect at a local level on her PSNI colleagues, those who worked with her on a day and daily basis. They recognised and appreciated the genuine grief and sadness in Derry over her death in such circumstances.

As I hear and read accolades from her PSNI colleagues, her former teaching associates and her hockey teammates, it is clear that Philippa Reynolds was a remarkable young woman. The PSNI and we as a community have lost a bright young talent who would have made a distinctive contribution to our community.

I offer sincere condolences to her family. When young people die in such tragic circumstances, it has an effect beyond the family, but we can only imagine the tremendous impact, and our thoughts are with them today. Déanaim comhbhrón leis an teaghlach, agus go ndéana Dia trócaire ar a hanam uasal.

**Mr Hussey:** On behalf of the Ulster Unionist Party, I express our sincere sympathy to Philippa's mother, father, sisters and boyfriend on this tragic loss. We also express our sympathies to the Police Service in general, and we also think of the two officers who were injured at the same time.

As you know, I had the honour to serve in the Royal Ulster Constabulary and the Police Service of Northern Ireland, and I know of the camaraderie when officers are on duty. I know the fun that people can have in a job like policing. I know the characters whom they meet during their life as police officers. The friends whom you make while you are on patrol will be with you for the rest of your days.

I know what it is like to be in a police car that is hit by another car, because I was in a police car

that was rammed on one occasion, and I am paying for it yet. For a young woman of 27 years of age to lose her life in such tragic circumstances is something that we cannot comprehend, but our thoughts and prayers must be with her family because they are the people who have had the biggest loss. Society has lost a police officer who by all accounts would have gone far in the Police Service of Northern Ireland. Our thoughts must be with the PSNI in Londonderry, because this will be with them for many days to come.

**Mr Durkan:** It is with great sadness that I rise to express the shock and sorrow of my city and this region at the death while on duty of a police officer in the early hours of Saturday. Our thoughts and prayers go out to the family, friends and colleagues of Philippa Reynolds at this very difficult time. Clearly, she was a young lady who was highly regarded, respected and loved by all who knew her and whose life was dedicated to public service. This incident highlights the risks and dangers faced by the police and, indeed, by all our emergency services on a daily and nightly basis, and why we must give them all the support they need to serve and protect our community.

**Mr Craig:** In the early hours of Saturday morning, the news was passed on to me, as it was to many others, about the death of Constable Philippa Reynolds. It came as a deep shock not only to her family but to the wider policing family. I spoke to a few officers after that, and there was a sense of deep loss about this young individual who had joined the force less than two years earlier. It is a very good testimony to Philippa that her fellow officers felt the loss so deeply and that in her two years in the service, she was so highly thought of by the force. Society as a whole is the big loser from the loss of Philippa Reynolds.

**12.15 pm**

She was an individual who took part in almost everything in her local community. Mention was made of her participation in hockey, the GB and other societies. She entered into everything that she did as an individual with all her heart, and the same was true of her commitment to the PSNI. It is a very sad loss indeed.

Although our hands are tied in speaking about how her loss has come about, it is deeply regrettable that such an event has occurred. It is not the first time that such an event has occurred, and, unfortunately, it will not be the last.

I send my sympathy and that of our party, and, indeed, the prayers of my family and many others, to the Reynolds family at this time.

**Mr McDevitt:** I rise as a member of the Policing Board and chairman of its human rights and professional standards committee. It is very sad that we have to stand here to note, regret and condemn the violation of a police officer's most fundamental human right, which is the right to life.

I join with colleagues in expressing our heartfelt sympathies to her parents, her sisters, her boyfriend and her colleagues. She seemed to embody everything that you would want in a modern police officer in Northern Ireland — someone who was rooted in her community, who was dedicated to volunteering and volunteerism and who had life experience beyond policing, which she seemed very determined to bring to her job as a constable.

It is worth noting that the families of Garda Gary McLoughlin and Garda Robbie McCallion, who were killed in the north-west in similar circumstances in recent years, will know better than any family the pain, anguish and sense of not understanding that will be going through the Reynolds family today.

I look forward to the speedy progress of justice, and I stand in solidarity with the rest of the House in expressing our heartfelt sympathies, our best wishes and our love to her family and friends.

**Mr Allister:** I wish to associate myself with the tributes and condolences that have been expressed to the Reynolds family.

When someone dies in a road traffic accident, it always brings great shock and a great sense of tragedy, but when that person is someone as young and as vibrant as Philippa Reynolds, it is even more poignant. For many, when we think of her age and of our own children who are at or about the same age, the poignancy of it comes home to us.

I know that these are dark days for the Reynolds family and that there will be dark days ahead. However, I trust that the sense of community empathy will be some small comfort to them, as will the acknowledgement of the contribution that their daughter was making to society.

In mourning this loss, it would be remiss of the House if we did not also remember that another family is suffering bereavement at this time because of a road traffic accident. I refer to the

loss just a few hours previously of the life of John Hillis in an accident that occurred between Tandragee and Poyntzpass. He was known to some of us in the House because of his previous service as a councillor in the community. I would like to join, as I am sure would others, in conveying condolences to the Hillis family and to his wife and son and daughters on his sad passing.

Philippa Reynolds was taking part in a routine patrol to keep the community safe. I want to finish by saying that we are also grateful to another police patrol at the weekend, which, through its alertness and quick action, ensured that we were not meeting here today to note a tragic outcome to the arson and terrorist attack on the home of William Frazer. We are grateful to the police for the swift action that they took.

## Assembly Business

### Committee Membership

**Mr Deputy Speaker:** The next item on the Order Paper is a motion on Committee membership. As with similar motions, it will be treated as a business motion, and, therefore, there will be no debate.

*Resolved:*

*That Mr Sydney Anderson replace Mr Sammy Douglas as a member of the Committee for Social Development; and that Mr Sammy Douglas replace Mr Sydney Anderson as a member of the Committee for Employment and Learning and as a member of the Public Accounts Committee. — [Mr Weir.]*



# Ministerial Statement

## Apprenticeships and Youth Training

**Dr Farry (The Minister for Employment and Learning):** With your permission, Mr Deputy Speaker, I wish to make a statement about my intention to undertake a major review of my Department's policy on apprenticeships and youth training. Such opportunities are important for our economy in matching skills to the needs of employers, and for our young people in providing opportunities and giving them a stake in society, while investing in their own skill levels.

I strongly endorse the concept of apprenticeships. They constitute a form of training that is warmly embraced by the business community. In essence, an apprentice is someone who is trained while being employed. I believe that, in our evolving economy, there are now new types of employment and levels of training for which the apprenticeship concept would be of value. At the same time, not every training opportunity or area of employment requires the rigour of a formal apprenticeship. So, in turn, we also have a duty to support and facilitate other forms of training for young people.

As our economy is going through a considerable transformation in both the types of goods and services that are produced or provided by business and the nature of employment and job opportunities, I have decided to launch a major review of apprenticeships and youth training. I want to ensure that they support the growth and rebalancing of the local economy and meet the specific needs of business for a highly skilled workforce. I also want to ensure that young people are provided with opportunities to develop the skills and experience required to be attractive to employers and to provide consistently high-quality training leading to qualifications that can support them throughout their working lives.

My aim is to build on and enhance existing strong provision, ensuring that Northern Ireland has a system of apprenticeship and youth training that is the gold standard — a system that makes our European partners look to us for good practice. Skills are the main driver of the transformation of the Northern Ireland economy. We have a clear requirement to increase skill levels across a broad front. My Department's skills strategy sets out what is required in attainment at levels 2, 3, 4 and above if Northern Ireland is to be internationally

competitive by 2020. We also need a stronger focus on STEM skills, namely science, technology, engineering and mathematics.

The jobs of tomorrow will require higher-level skills across a wide range of occupations. We need to address skills shortages and skills mismatches wherever they occur. In turn, we must match skills to the specific needs of employers. Our excellent local universities already provide strong, clear pathways to higher-level skills. Northern Ireland has a strong footprint in higher education, including the highest participation rates in the UK. That is now supported by Northern Ireland's first higher education strategy, with a strong emphasis on the local economy and a significant increase in both undergraduate and postgraduate places.

We also have a strong and flexible further education sector, with six excellent colleges providing skills and qualifications at a range of levels. Indeed, alongside other skills providers, they support on-the-job training. However, we also need to ensure that we are offering plausible alternative non-academic pathways to address our skills requirements, including higher level qualifications — pathways that are just as rigorous and just as valid.

In conducting the review of apprenticeships and youth training, we will be investing in a full spectrum of interventions to support our skills agenda.

The concept of an apprentice is not a new one. It goes back to the Middle Ages, when young people sought to be an apprentice under a master. In return for their labour, they were provided with a job, instruction and lodgings. Apprenticeships have been fundamental to the industrial heritage of Northern Ireland and, in the 19th and 20th centuries, helped the region prosper and gain a worldwide reputation for quality and innovation in manufacturing, some of which we retain today. At that time, the apprenticeship route into a career was much sought after by young people and was highly valued by the businesses that employed them and by wider society. Some of the top leaders in industry, academia and the public sector today started their career as apprentices.

Much has changed in the nature of business and the nature of employment since the origins of apprenticeships. Today we are a predominantly service- and knowledge-based economy, with growth in business services such as ICT and finance, in tourism, in advanced engineering, and in food and drink manufacturing. I want the review to ensure that

apprenticeship training is more closely matched to the economy's growth sectors and to the needs of businesses in those sectors.

We have only to look at the Titanic Quarter to see how dramatic the changes have been. Harland and Wolff, once the largest shipbuilder in the world, has transformed itself into a manufacturer for the renewable energy sector. The Titanic building welcomes tourists from all over the world to the very slipways where the White Star Line vessels were built. The Northern Ireland Science Park, which houses multiple start-up companies that are making commercial use of research and development work from the universities, sits beside the last remaining naval ship from the battle of Jutland. The multinational Citigroup employs over 1,200 people, who have undertaken jobs that were once located in New York or London, on what was once a brownfield industrial development site. In amongst those organisations is the new campus of Belfast Metropolitan College.

Into the 21st century, we have rightly retained the concept of young people taking up a job and accepting a wage in return for the opportunity to learn the skills from their employer, and, nowadays, from training experts in colleges or with other training providers, to become proficient in the job and to enter sustainable employment. Over the past decade, government and business have invested heavily in apprenticeships and other training for thousands of young people.

ApprenticeshipsNI is currently the main apprenticeship programme. It offers training across a wide range of occupational areas to employees. Those employees earn a wage while working with experienced staff to learn and develop their skills. An apprentice also receives off-the-job training to work towards achieving a competence-based qualification, a knowledge-based qualification and essential skills. Records show that 10,900 apprentices are in training. Our current programme applies only to levels 2 and 3.

Recently, on the back of the ICT action plan, which was published in June 2012, my Department worked with IT Assist, which is the provider of IT services to the Northern Ireland Civil Service, and local ICT employers to develop a public-private ICT apprenticeship pilot. That aims to address the skills shortages being experienced by the local ICT sector and encourages the sector to explore new recruitment models to employ individuals rather than rely on the traditional method of recruiting graduates from university.

The employer engagement plan, which I published last March, outlines a commitment to introduce higher-level apprenticeship pilots in the ICT and engineering sectors. Higher-level apprenticeships respond to employers' higher-level skill needs, support business growth, meet the career aspirations of individuals and enhance opportunities for social mobility. The Department has worked with a number of leading companies, training organisations and sector skills councils (SSCs) to put the pilots in place. The ICT pilot was launched in November 2012 at South West College. Discussions are continuing on the establishment of an engineering pilot, and it is hoped that agreement on the terms of the pilot will be reached in the very near future.

Although those measures are welcome additions to the apprenticeship offering, it is clear to me that apprenticeships have lost some of their earlier-held status, and there are several reasons for that. There is still a perception that they were only for manual jobs in the craft, construction and engineering sectors. Often, other pathways of education are held in greater esteem.

A false hierarchy has been created between academic education and vocational or technical training and education. That can lead to some rigidity in the pathways to progression.

### **12.30 pm**

I want the review to examine how the apprenticeship pathway to a career can be seen as equal to, or even better than, the academic route and enjoy high levels of esteem, returning it to the prestige it once enjoyed, valued by employers, society and the apprentice. I want the review to explore whether and how young people can embark on an apprenticeship, but also progress into higher education should they wish to, not just on a full-time basis and not necessarily directly after work.

I want to see how an apprenticeship can be a stepping stone to higher-level skills, not just an end in itself. I want the review to take into account the successes of our education system, whereby more young people are leaving school with better qualifications, and recognise that the jobs of tomorrow will require higher levels of competence than in the past, as identified in the skills strategy. We currently have many apprentices at level 2, but I am convinced that businesses will increasingly require higher-level apprentices progressing to levels 4 and 5 — the equivalent of a foundation

degree and a bachelor's degree — or even further.

Apprenticeships are not the only form of vocational training. We must consider traineeships that offer pathways to apprenticeships themselves, and, indeed, other routes that offer progression into education or employment. Not all our young people will be ready to take on an apprenticeship. Some will need a small amount of additional training to prepare for the challenges of future apprenticeships; others will require an extended package of training and work experience.

There are also young people who are much further removed from the labour market, and whose journey towards employment will be much longer. As for other training opportunities for young people, my Department already offers a de facto training guarantee, with a place for all unemployed 16- to 17-year-old school leavers. The guarantee is extended for young people with a disability or from an in-care background, up to the ages of 22 and 24 respectively.

Training for Success is designed to enable participants to progress to higher-level training, further education or employment by providing training to address personal and social development needs, develop occupational and employability skills, and, where necessary, essential skills training. There are three strands of Training for Success: skills for your life; skills for work; and programme-led apprenticeships.

The programme-led apprenticeships strand is an intervention measure introduced in September 2009. It aims to ensure that those who have been assessed as being capable of achieving an apprenticeship qualification at level 2, but who have not yet secured employment, are prepared for future progression to employment as an apprentice. Participants follow the same apprenticeship framework as those following the ApprenticeshipsNI provision, spending time in directed training and work-based learning placements with an industry-appropriate employer. Currently, around 2,300 young people are participating in strands one and two of Training for Success, and 5,100 young people are participating in programme-led apprenticeships.

I want to ensure that flexible and appropriate provision is available for all our young people, regardless of their starting point. The review of youth training will ensure that the new training offer for young people is sufficiently broad and flexible to enable them to progress to an

apprenticeship or into employment. The review will explore how we can engage more with employers on the training curriculum and improve young people's employability skills through measures like work placements. I intend that the youth training review will consider the vocational pathways that are available to young people post-16, and how those link with further education provision in our colleges and higher education provision in our universities. It is important that we have in place a holistic approach to training that facilitates transitions between full-time education and training and continued learning within the workplace.

The review will consider the different factors pertaining to apprenticeships and post-school youth training. On apprenticeships, it will consider the role of the employer and training provider in shaping, supporting and managing apprenticeship programmes; the role of government in shaping and supporting apprenticeship programmes; contingency planning around how to make use of any tax incentives that may become available from the UK Government; which occupational areas would benefit from government-funded apprenticeships, and at what levels, in order to grow and rebalance the economy; whether the current range of subjects or frameworks is sufficient to meet the needs of employers and the economy; the framework for training, including the qualifications to ensure that they are recognised and valued by employers and apprentices; how apprenticeships can provide support for pathways, both academically and vocationally; the components of an apprenticeship programme, including its duration, employment, the contents of the training programme, an examination of appropriate requirements for numeracy, literacy and ICT, and the development of enterprise and employability skills; how to have parity of esteem between apprenticeships and other further and higher education pathways; the role that higher-level apprenticeships should play and how best to develop and facilitate them; how apprenticeships can be expanded into the professions; how SMEs can be encouraged to engage with apprenticeships; how apprenticeships can have a better gender balance and be attractive to all; how the system and processes can be simplified, where possible; and how best practice in other jurisdictions can be incorporated into the framework for apprenticeships in Northern Ireland.

With youth training, the review will consider how to best ensure that, in practice, every young person, post-16, has the opportunity to

participate in a training programme; the essential components for one or more effective programmes, which provides a plausible non-academic pathway to prepare young people for progression to an apprenticeship or into sustainable employment; other elements of flexible content that may be required in addition to the core offer of employability and essential skills; how to improve young people's employability skills, including the importance of work experience and how it can be integrated into any offer; how to clarify the offer to enable young people to make the correct choices on entry routes and progression opportunities; the age range and duration of future programmes; how to engage employers in the content of the training programmes and the employers' support in providing work experience opportunities; and the delivery arrangements to enable a flexible and personalised offer appropriate to the young person's needs.

In carrying out the review, I want to ensure that it will complement and link with the Executive's key priorities, the Northern Ireland Executive's economic strategy and the Northern Ireland skills strategy and so help to rebalance and rebuild the economy over the short, medium and longer term. The terms of reference will be published on my Department's website today. The review will be conducted by the Department, and I intend to make it a personal priority over the coming months.

I want the whole review process to be inclusive and to engage with all the relevant stakeholders, be they employers, trade unions, training suppliers, further education colleges and, indeed, young people themselves. I want it to be a thorough review of our policies, but I do not want it to be an exhausting academic exercise. It needs to be evidence-based and pragmatic but also visionary and imaginative. We will also want to learn from the best experiences from the rest of the UK, the rest of Europe and beyond.

I plan to announce the membership of an expert advisory group that will provide advice to the review within the next few weeks. There will also shortly be a call for submissions. I will host a forum for all stakeholders to attend in late spring, at which we will present some of our early thinking and take their views to guide and shape our thinking. I will also keep members of this Assembly and the Committee for Employment and Learning advised of our progress through regular communications.

The review will conclude in the autumn of this year. It is likely that we would then proceed to formal public consultation on the provisional

conclusions of the review. Once my officials and I have considered the responses, we will formalise new policy and programmes and seek to implement changes as soon as possible. My ambition is to have a system of apprenticeships and youth training that is regarded as a gold standard across Europe.

**Mr B McCrea (The Chairperson of the Committee for Employment and Learning):** I thank the Minister for his statement, and I appreciate the briefing that he gave me this morning. Without doubt, this is a timely intervention, and the Committee will welcome the fact that we will look at apprenticeships from a general point of view.

It is quite a substantive document from the Minister, and I will just make a few points. I realise that we are at the initial stages of this activity and, therefore, there is nothing specific to ask questions about. So, I will confine myself to raising a few points that the Minister may wish to expand on.

At the top of page 4, he says:

*"it is clear to me that apprenticeships have lost some of their earlier status."*

I would welcome the Minister clarifying how he might address that, particularly with reference to the German/Swiss model.

The issue of programme-led apprenticeships is mentioned on page 5. Those were a useful intervention in September 2009, but there is now perhaps some conflict between those and industry-led apprenticeships. Finally, in ICT, we need to upskill to level 4 and level 5 and above.

In concluding, I draw to the Minister's attention a statement from the Confederation of British Industry (CBI) to the Committee to show some of the difficulties that he has. NIE had 4,000 applicants for 50 apprenticeships in two years. Of the 2,000 who applied, 300 did not bother to turn up. Of the 1,700 who sat basic skills tests in literacy, numeracy and mechanics, only 600 came through. Of the 600 who came through and did practical tests, only 200 made it through. Of the 200 who were interviewed, only 45 were taken on. Minister, this shows that the issue of apprenticeships cannot be taken in isolation. We need a total solution. I wish you well in your inquiry, and I am sure that the Committee will wish to participate.

**Dr Farry:** I thank the Chair of the Committee for his comments. First, I stress that this is a very substantive piece of work and something that I

believe is of fundamental importance to the economy in Northern Ireland. This is very much the opening salvo, and it was appropriate to come to the Assembly and make the statement. I give an undertaking to come back to report on our interim conclusions in due course and, indeed, on the final conclusions when we reach those. Indeed, we look forward to an ongoing engagement with the Committee.

The Chair mentioned a number of points, and I will try to take each of those in turn. First of all, there is the issue of the status of apprenticeships. We have good programmes at present, and they are making a difference, but it is fair to say that we have a hierarchy in this society that values certain pathways over others. It is important that we recognise that we need to look at all of those pathways and ensure that we have the appropriate balance and treat all as being of equal worth. Obviously, people will have different ambitions and attributes and will lend themselves more readily to different pathways, but we have a duty to ensure that we have the full spectrum in place and, more importantly, that we are directly engaging with employers and ensuring that they are getting precisely what they need with the people coming through.

He mentioned the German and Swiss model, where they clearly do have that parity of esteem, if I can use that term, between the different pathways. We are very keen to learn what we can from that model and to see what lessons can be applied to Northern Ireland. I should caution, of course, that there are much wider cultural factors in a lot of the continental European societies that lend themselves to a different model on the economy. They have, for example, much stronger social partnership relations. Nevertheless, where we can draw lessons, we will endeavour to do so.

He mentioned programme-led apprenticeships. Those were introduced as a direct response to the recession and the difficulties that young people were having in finding opportunities. Again, I stress that we need employers to be partners in all of this, because employers need to create the apprenticeship opportunities in the first place, and government, in turn, will do what it can to support them in that regard. We will be looking at programme-led apprenticeships as part of this review.

He also mentioned the important ICT sector in Northern Ireland and the opportunities there for higher-level apprenticeships. I fully concur with the thrust of the remarks that he has been making. ICT is a growth industry in Northern Ireland and requires people coming through

from a range of different pathways, whether that is university or whether it is through the apprenticeship route. Obviously, apprenticeships offer that on-the-job training, which may be suitable for some aspects of the ICT sector, particularly the more technical aspects.

We are developing a pilot for level 4 ICT, and that was launched in November last year at the South West College, but we need to press on and consider whether we can do even more in that regard, and also whether we can broaden out higher-level apprenticeships to other areas, both in the range of subjects and the levels. We should not just stop at level 4 but consider level 5 and potentially level 6.

#### 12.45 pm

The Member made reference to the need for a holistic approach. Clearly, what we are doing with this review is looking at apprenticeships and youth training, but nothing in this society ever happens in isolation. Work on other avenues is under way. That could be through Department of Education around improving attainment levels in schools. There is also work on the entitlement framework, and on the prospect of having a 14-19 strategy in place. We need to ensure that we are encouraging people coming through. I think that, in due course, careers has a role to play in advising young people about the different pathways in place.

Let me stress that I have spoken directly to NIE. I am fully aware of its particular issues, and we are happy to engage with it to see if there is anything we can do to improve the situation that it has experienced.

**Mr Deputy Speaker:** I remind Members that, though the Chairperson of the Committee enjoys a level of extension to his questions, that does not pertain to other Members. I ask you to be concise in your questions, and I am sure that the Minister will be equally concise in his answers. I see that Mr Buchanan is smiling.

**Mr Buchanan:** I thank the Minister for his statement. As stated on page 1, the Minister's aims and aspirations are:

*"to build upon and enhance existing strong provision, ensuring that Northern Ireland has a system of apprenticeship and youth training that is the 'gold standard'".*

It was stated that other European countries should be able to look on and get some value

from it, which would be valued by employers and will be a stepping stone to higher-level skills. What consideration has or will be given to the German model, which seems to have different pathways and, indeed, it has to be said, is leading the way, so far as youth employment is concerned?

**Dr Farry:** I thank the Member for his questions. With regard to aspirations, it is important that we are ambitious for this society. Clearly, in decades past, Northern Ireland was a world leader in the global economy. Through many of our products, we were the world leader. We need seek to recapture that position but, in doing so, we need to recognise that the nature of the economy is changing, and that the areas in which Northern Ireland is strong today, and will be strong in the future, are evolving. It is important that our apprenticeship frameworks and youth training are flexible and meet the shifting demands of the economy and employers, including through higher-level skills.

The Member's remarks on the German economy reflect the comments that the Chair of the Committee made. We will look very closely at what is happening in Germany. The Member is right to say that there are very clear alternative pathways that have been established over many generations, particularly in the Germanic countries of Europe. We will not be able just to lift that and drop it into our society, given that we have a number of different local features that are not reflected elsewhere in Europe, but which we hold in common with the rest of these islands. However, there will be lessons that we can derive from that, including how we can better link in with industry, build up the esteem of an apprenticeship and communicate to young people that going into an apprenticeship is as worthy as going to college directly for a dedicated course or going to university. In turn, it is for the rest of society to recognise that people make choices that are all of value to the economy and, indeed, that people can rise to be successful.

It is also important that we use mentors and good case studies of people who have risen to dizzy heights. For example, one that is very close to home is the example of Alastair Hamilton, the chief executive of Invest Northern Ireland, who started out as an apprentice and is now heading our economic development organisation. That just shows that there are different pathways and that people can be successful no matter which way they start off.

**Ms McGahan:** Go raibh maith agat. I thank the Minister for his statement. Given that a large

number of the engineering manufacturing sector's firms are located in the Tyrone and mid-Ulster area, will the Minister elaborate on the engineering pilot scheme that he referred to in his statement?

**Dr Farry:** I thank the Member for her question. On the general point about engineering skills, we are running an engineering skills working group, which is working closely with the business community to address some of the very particular skill needs that it identified. We hope to launch the engineering apprentice pilot at level 4 in the very near future, and we are in discussions with Semta, which is the sector skills council for that part of the economy. We hope to conclude that soon. We identified that in our employer engagement plan as an area that we want to expand into. Hopefully, that is only the tip of the iceberg for higher level apprenticeships for engineering and other subjects.

**Mrs Overend:** I thank the Minister for his statement. Indeed, I raised the issue of apprenticeships with the Minister and his officials some months ago in reference to local employers in mid-Ulster finding young people with employability skills and the delivery of appropriate engineering apprenticeship schemes. The Minister announced a comprehensive policy review, including an expert advisory group and a forum for all stakeholders. Given that it will be the autumn at the earliest before a consultation is launched, when can we expect new policies on the ground that will benefit our young people?

**Dr Farry:** I thank the Member for her question. Hopefully, she has sparked some thoughts in our minds with the questions that she raised earlier. I want this to be a short, sharp, focussed process. However, given the nature of how we develop policy in Northern Ireland, it is important that we take a little time to engage with all the relevant stakeholders to ensure that we get this right. The last thing that we should have is a situation where we are, essentially, writing policy in closed offices without that engagement.

We will be looking to announce the advisory group in the next few weeks and, thereafter, the stakeholder forum, which will be a much larger meeting where we can test out some of the emerging thinking. I will want to bring this phase of the review to a conclusion as quickly as possible. The target date is early autumn this year, which is only seven or eight months away. It is not a long process.

Depending on precisely what the review says, it is likely that we will need to go out to public consultation, given that we will be making recommendations on formal policy. However, at that stage, very clear recommendations will be in place, which we will market-test through that consultation. Once the consultation closes, we will, within a matter of weeks or a couple of months, reach the final conclusions. We will then need to look at precisely what point we are at in the cycle of apprenticeships to determine when we can commence implementation. Depending on the particular aspect, we may be able to implement some aspects straight away, others in September 2014 and others in September 2015.

**Mr P Ramsey:** I welcome the Minister's very substantive statement. I agree with the Chair: there is so much in it that we can only but welcome it. Does the Minister acknowledge the high levels of youth unemployment and the increasing number of young people who are NEET — over 40,000? Will he give a commitment to the House today that the engagement with young people that he refers to will be done in a meaningful way, that they will be part of the substantive discussions and that they will have a role, so that we will have a creative, purpose-built plan for Northern Ireland and not something that is taken off a shelf elsewhere?

**Dr Farry:** I thank Mr Ramsey for his comments. The review is happening under devolution, and we wish to shape it to fit in with the needs of our local economy and our young people. I concur with him that we need to engage directly with young people so that we can find out what they require. Although we stress that, in part, this is about ensuring that we address the needs of the economy and employers, it is also about addressing the needs of young people and their aspirations for their own life and career.

The Member quite rightly identifies problems that we have with youth unemployment and NEETs. He will be aware of the youth employment scheme that we launched and the wider NEETs strategy, which are already beginning to have an effect in providing young people with greater opportunities.

It is important to recognise that at present we have, in effect, a youth guarantee in that Training for Success is open to any 16- and 17-year-olds who find themselves out of school with no job available, but it is not compulsory, and not every young person will be part of that. We also want to encourage young people to think about an apprenticeship, but a lot of them may not be in a position to begin to think about

that. So we need to ensure that we have proper pathways in place that can link a young person leaving school with an apprenticeship in due course or provide them with training to obtain a job or to enter into full-time education again. A core aspect of what we are taking forward is not just about reviewing apprenticeships; it is about reviewing youth training and ensuring that we have a full spectrum of interventions.

**Mr McCarthy:** I welcome the Minister's statement, and I commend him and his staff for their dedication to duty despite the many pressures that the Department has to endure. On a couple of occasions, the Minister referred to gold standard aims for Northern Ireland. Will he tell us what emphasis he places on higher level apprenticeships in Northern Ireland?

**Dr Farry:** I thank the Member for his question and for his nice remarks about the Department, surprisingly enough.

The issue of higher level apprenticeships is critical. We have a skills strategy, which clearly identifies that we need to move people up the skills ladder at levels 2 and 3, and particularly at level 4 and above. We know where we need to be if Northern Ireland is to be competitive internationally by 2020, and we know that proportionately more of the jobs to be created will require higher level skills. We need to ensure that we are progressing our young people to those levels of attainment, but, in doing so, it is important to stress that we are not talking about everyone having to go through a formal academic route and getting a foundation degree or a bachelor's degree, although young people may progress to those through apprenticeships.

The apprenticeship model and higher level apprenticeships are an alternative way to take young people who may have different backgrounds, skills and attributes and delivering them to higher level skills because employers often need higher level skills. It is important that we consider the range of levels at which we will make interventions and the subjects that will be available for higher level apprenticeships.

**Mr Ross:** Like others, I welcome anything that aligns training and learning closer with the needs of the economy, and work placements can help to do that. As we know, traditionally, it has been difficult for some people to find work placements. What incentives does the Minister envisage government offering businesses that,

up to this point, have been unwilling to engage in apprenticeships?

**Dr Farry:** I thank the Member for his question. He makes a critical point. Apprenticeships will work only with the participation of employers. Government can provide a lot of support and can facilitate, but, ultimately, we need employers to create jobs and apprenticeships.

We have to acknowledge that the profile of the Northern Ireland economy is different from other parts of the UK and these islands. We have a much higher profile of small and medium-sized enterprises (SMEs). Historically, they have been more reluctant to take on apprenticeships, which they have seen as some sort of risk. Given that this is happening under devolution, it now allows us to tailor our support to address the needs of SMEs more directly than a more general UK-wide approach would have achieved. In doing so, we need to see whether there is a means by which we can manage some of the risk.

Some models have been applied in other jurisdictions, and it may be that SMEs will not be asked directly to employ an apprentice but that a pooling arrangement will be created that will allow the risk to be managed on a collective basis. We will certainly have a look at that.

We are also mindful that there has been a lot of talk from a number of parties at UK national level about a tax incentive around training. Obviously, any tax incentive is not devolved to the Assembly but would apply on a UK-wide basis. In turn, we need to think through the nature of our policy response to that, and it is important to plan ahead.

So, in the event that the current or a future Government move ahead, we can in turn rapidly put in place additional types of policy to capture the available tax incentives.

**1.00 pm**

**Mr Flanagan:** Go raibh maith agat, a LeasCheann Comhairle. Cuirim fáilte roimh ráiteas an Aire agus roimh an obair atá déanta aige go dtí seo ar ráta na ndaoine óga atá difhostaithe anseo a ísliú.

I thank the Minister for his statement, which was lengthy and had an awful lot of good content. I also thank him for the work that he has done so far on youth unemployment. How does the Minister plan to ensure that the expert advisory group has sufficient representation from the likes of the community and voluntary

sector, which does an awful lot of good work in providing apprenticeship opportunities for people from disadvantaged communities, particularly rural communities? I am keen to hear from the Minister about that.

**Dr Farry:** I thank the Member for his comments, and I am more than happy to take his points in considering the advisory group's composition. Given that we are taking forward a Northern Ireland solution, we have to take the nature of the Northern Ireland economy into account.

I recognise that there is a rural dimension to this. We also have to take the profile of our economy into account. It is not just about SMEs versus larger businesses; it is also very heavily weighted to the public sector, and we have a smaller private sector than elsewhere. However, we also have a vibrant third sector in community and voluntary organisations, which have the potential to offer not just work placements but apprenticeships. We will seek to ensure that we take on board that feature of our economy, as well as the Member's suggestions.

**Mr Newton:** I also welcome the review. However, I am disappointed that the Minister described it as a short, sharp focus, because I do not believe that that is what is necessary. We need a fundamental review.

Like the Chairman of the Committee, I draw the Minister's attention to the programme-led apprenticeships. It is disappointing that, over three years, only 22% have achieved a level 2 qualification and have difficulty getting the necessary work experience. That indicates that employers are not buying into the programme-led apprenticeships. That stands in stark contrast to the employer-led focus of Apprenticeships Northern Ireland, where 80% to 90% of young people get full-time employment in their skilled area. How does the Minister envisage addressing the gap between the two types of apprenticeship programme?

**Dr Farry:** I thank Mr Newton for his comments. Let me assure him that this is a fundamental review of apprenticeships and youth training. In essence, everything is on the table and open for discussion and reconsideration. However, I stress that we will not sit back and take years to do this. We have a fast-moving economy, and it is important that we seek to deliver within an ambitious timescale.

This will be a dedicated piece of work in my Department, and a number of civil servants



have been earmarked to work almost exclusively on it over the coming months. I and my special adviser will also be deeply involved in this work over the coming months. So, it is something that we will be intensively involved with.

The Member shared some interesting statistics on the differences between ApprenticeshipsNI and programme-led apprenticeships. Those differences reflect the level of employer engagement. There are clearly issues around the programme-led apprenticeships that we need to consider seriously, including how that level of intervention can be better packaged and how we can better engage with employers. To an extent, those low figures reflect that there are people who will, potentially, not be progressing to employment. They also reflect in part the situation in our economy, where opportunities have been more limited.

Another piece of work that we need to look at, which will touch on this review but probably lies more broadly, is the forthcoming review of the careers strategy, which cuts across my Department and the Department of Education. John O'Dowd and I are scheduled to launch that in 2014, but I am open to bringing it forward, if that can be agreed between the two Departments. I am conscious that, at present, there are many demands for employers to engage on work placements and work experience on a range of levels. We need to work out a means of better co-ordinating that and avoiding duplication in the system. That may be a key feature of the review when we get to it.

**Mr Elliott:** I note that the Minister mentioned the employer engagement plan in his statement. Will he outline how the Department is performing against the targets set out in the plan?

**Dr Farry:** The Member is right to highlight that as a key document. It is one of the key implementation documents arising out of the skills strategy. I am happy to share with him a full update on the strands within it. There are, if my memory serves me correctly, 20 different programmes, and I am confident that we are on schedule with the vast majority of those. We will seek to make sure that we deliver all of them by the conclusion of the first phase, later this year. I will come back to the House, probably in early autumn, to announce the second phase of the employer engagement plan, which is a strand of the skills strategy.

**Mr F McCann:** Go raibh míle maith agat, a LeasCheann Comhairle. I thank the Minister for his answers. This is a wide-ranging report, and, given the presentations that we have had in Committee on the subject, it is timely. At the end of the process, will the Minister consider the possibility of a one-stop shop, with an information-sharing aspect and an enhanced website, which would allow people to tap directly into information?

**Dr Farry:** I thank Mr McCann for his comments. I agree with him that this is highly relevant to Northern Ireland at present for a range of reasons. I am certainly happy to take on board his suggestions about communication, information and a website and, beyond that, the use of social media etc for all this. We want to ensure that that is a key aspect of the review.

**Mr Hilditch:** I have been closely involved in apprenticeship schemes while wearing another hat and have shared the bitter disappointment experienced by many. Can the Minister assure us of the robustness and scope of the review, particularly on the role of the employer?

**Dr Farry:** I thank Mr Hilditch for his question. I am certainly happy to give him that assurance. Employers are the critical linchpin in all this, and the discussions that we want to have with them will perhaps be the most critical. I think that it is fair to say that employers are eager for this type of review to occur. They know that what we have at present is good, but we know that we can do even better and need to evolve rapidly and reflect the changes in the Northern Ireland economy.

**Mr Lyttle:** I welcome today's statement and support the Minister's work to offer apprenticeships and job opportunities to our young people. How big a change is needed in relation to the esteem in which apprenticeships are held in our society, particularly in the education system?

**Dr Farry:** I thank my colleague for his question. That really reflects a theme that we have tried to get across today. It is important to present apprenticeships as a perfectly legitimate way of training and entering the workforce. They should be at least on a par with other pathways such as further and higher education. As we develop apprenticeships into higher-level skill areas, I think that parity of esteem will become even more obvious to people. Given that apprenticeships are much more linked to employers' job requirements, we can see a situation developing where they provide a more productive and successful route for young

people to enter into sustainable and, indeed, highly-paid employment. That may, in turn, reinforce the message that we are trying to get out about parity of esteem. Careers advice can also play a role in that, as can addressing some of the cultural norms in our society, such as valuing, wrongly, one strand as more important than others.

**Mr Allister:** The challenge for the Minister is to turn his seven pages of aspiration into something that works and delivers. I am not suggesting that we can drop the German model into Northern Ireland, but it is hard to ignore the German experience — the most successful economy in Europe and youth unemployment of 8% — and then ask whether there is a correlation with the fact that 60% of their school leavers go into apprenticeships through their dual system and 30% are directed unashamedly down an academic route through their grammar schools. Does the Minister think that there is the maturity in the Executive to set aside the ideological blind spot about proper routes for those who are academically focused and proper routes through apprenticeships for those who are not?

**Dr Farry:** I thank Mr Allister for his question and comments. Let me be clear: the German model is a very good one, and it is one that we wish to learn from. I am encouraged that a number of voices across the House are keen to take us in that direction. It is something that we have identified as being perhaps the key case study in the European context that we all want to look to. It is important that we set our ambitions to learn from and adapt to that as much as possible from that at this early stage. However, I caution the House that there are wider factors to do with our history and culture that may lead to us not being able to replicate all of that model as readily as some people may want. Let us go as far as we can.

Again, I stress that I want to see the development of alternative pathways in society. What we do with apprenticeships is not done in a bubble. Other things can be done elsewhere by way of public policy that may set things up better for people to take on apprenticeships in due course. Those discussions are taking place, and there are moves to address some of that in the education reform. Members will have their own views on exactly what direction we should go in and whether we should be more ambitious. However, I get a sense that others appreciate that this is something in which other interventions, right from early years, can make a difference by turning around different aspects of society.

## Executive Committee Business

### Suspension of Standing Orders

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

*That Standing Orders 10(2) to 10(4) be suspended for 11 February 2013.*

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

*Question put and agreed to.*

*Resolved (with cross-community support):*

*That Standing Orders 10(2) to 10(4) be suspended for 11 February 2013.*

**Mr Deputy Speaker:** There are Ayes from all sides of the House and no dissenting voices, so I am satisfied that cross-community support has been demonstrated. Today's sitting may go beyond 7:00 pm, if required.

## Spring Supplementary Estimates 2012-13

**Mr Deputy Speaker:** The next two motions relate to the Supply resolutions. As usual, I propose to conduct a single debate on both motions. I shall call the Minister to move the first motion, and the debate on both motions will then begin. When all who wish to speak have done so, I shall put the Question on the first motion. The second motion will then be read into the record, and I will call the Minister to move it. The Question will then be put on the second motion.

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 at his discretion between proposing and making a winding-up speech. All other Members who are called to speak will have 10 minutes. If that is clear, we shall proceed.

1.15 pm

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

*That this Assembly approves that a total sum not exceeding £15,459,758,000 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 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 2013 and that total resources not exceeding £16,572,965,000 be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and 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 2013 as summarised for each Department or other public body in columns 3(c) and 2(c) of table 1 in the volume of the Northern Ireland spring Supplementary Estimates 2012-13 that was laid before the Assembly on 4 February 2013.*

*The following motion stood in the Order Paper:*

*That this Assembly approves that a sum not exceeding £7,136,563,000 be granted out of the Consolidated Fund on account for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and 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 2014 and that resources not exceeding £7,641,877,000 be authorised, on account, for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and 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 2014 as summarised for each Department or other public body in columns 4 and 6 of table 1 in the Vote on Account 2013-14 document that was laid before the Assembly on 4 February 2013. — [Mr Wilson (The Minister of Finance and Personnel).]*

After the rather insipid cross-community support for the suspension of Standing Orders, I hope that this will be a fairly short debate. The level of interest did not seem to be huge.

Today's debate is an important step in the legislative process that controls our finance. The debate covers the final spending plans for 2012-13, which is the second year of the Executive's Budget for the period 2011-15. In the first Supply motion before the House today, I seek the Assembly's approval for the Executive's final spending plans for 2012-13 as detailed in the spring Supplementary Estimates (SSEs) that were laid before the House on 4 February. Through the second motion, I request interim resources and funding for the first few months of 2013-14 in the form of a Vote on Account. I request the levels of Supply set out in the motions under section 63 of the Northern Ireland Act 1998, which provides for the Minister of Finance and Personnel to make recommendations to the Assembly leading to cash appropriations from the Northern Ireland Consolidated Fund.

The amounts that I ask the House to vote in Supply for 2012-13 are significant: over £15 billion of cash, over £16 billion of resources and over £2 billion of accruing resources to spend and use by Departments and other public bodies in Northern Ireland. The first Supply

motion sums up the spring Supplementary Estimates that are before us today for approval. I suspect that this reminder will be in vain, but I remind Members that the SSEs reflect all in-year changes made since the Main Estimates were approved by the Assembly last June. They reflect the departmental expenditure limit (DEL) changes agreed in the June, October and January monitoring rounds as well as the annually managed expenditure (AME) funding agreed by the Treasury since the approval of the 2012-13 Main Estimates last year. The debate today is about what we have spent, not, although I expect it anyway, a plea for what we should spend. I make that point before moving on. I can already see looks of scepticism around the House. People are tearing up speeches that they were going to make. If only.

Before I go into some of the detail of the spending plans for 2012-13, there are some important points I will make now. The SSE process that surrounds the resolution gives legal form to the financial decisions made by the Executive in the three monitoring rounds in this financial year. The Main Estimate process in June 2012 gave legal authority to the plans in place at that time. However, as we all know, things change. Unforeseen issues arise, delays occur and policy changes happen, and it has been necessary throughout the year to make changes to departmental budgets. It is a necessary thing. Indeed, it reflects good financial management that we are able to make budgetary adjustments to respond as the financial environment changes.

This necessary and important process means that the legislative authority that we put in place in June last year is somewhat out of date. We need to put in place new legislation in the form of a Budget Bill and SSE to reflect the 2012-13 financial year as we currently see it. Over the next few weeks, there will be a number of important stages relating to the Supply resolutions and the Budget Bill. Those are important pieces of legislation. It is equally important that Members appreciate that the legislative process that we begin today and will finalise over the next few weeks simply gives form to the 2012-13 Budget as amended by the Executive in the monitoring rounds this year. So, I once again make a clarion call for Members to use the debate to focus on the financial position for the current year. We have an opportunity to debate the changes that have happened and the allocations that have been made during this financial year, and, to facilitate that, I will outline some of those allocations in a moment.

As I have already said, I suspect that my call will fall on deaf ears and that there will be some in the Chamber who, as soon as they hear the word "Budget", will immediately think that the debate is a forum in which to plead for more money for this town or that town, this project or another project or to decry the lack of funding in future years for their area. I am sure that, once they start doing so, Mr Deputy Speaker, you will call them into line, the debate will be considerably shortened, and the suspension of Standing Orders that we moved earlier will not be necessary. People may get home in time for their tea, too. Although it is important that Members are given the opportunity to raise such issues, the resolutions before us today and the legislation that we will pass in the House relate primarily to this financial year, and I ask Members to bear that in mind.

I will now turn to 2012-13. This financial year has again been a difficult one for the local economy. However, there are indications — it is important to remind the House of this — that the economic climate is improving, even if somewhat slowly. The recently published Northern Ireland composite economic index shows a 0·7% quarterly improvement in the third quarter of 2012. A key driver of that performance was the local private sector, which recorded a 1% quarterly improvement, whereas activity in the public sector decreased marginally by 0·1% over the same quarter. The performance of the local public sector is not surprising given the tight public expenditure constraints imposed by the UK coalition Government.

Although the context is undoubtedly challenging, there have been great opportunities in 2012. One of the things that the Assembly must do, while not ignoring the difficult reality that we face at the minute, is to celebrate some of the landmarks and successes that we have had and the ways in which we have faced and overcome challenges in the past year. Our celebrations of the Titanic centenary were a resounding success. The Titanic visitor centre continues to attract hundreds of thousands of visitors and is a focal point for Titanic tourism. The Irish Open golf championship in July attracted many tourists from beyond our shores and was a great advert for the north coast. Recent news of increasing employment levels is to be welcomed, and Invest Northern Ireland continues to work with businesses here to realise maximum potential in our economy.

I also want to give Members some of the salient points in relation to the 2012-13 financial year. We began the year with an overcommitment.

An additional £30 million current and £30 million capital had been allocated to Departments with the expectation that, during the year, through monitoring rounds, the Executive would be able to recoup this through reduced requirements. I can confirm that this approach not only allowed additional funding to be appropriately planned for but it has also been effectively managed through the three monitoring rounds. In addition to eliminating the planned overcommitment, the Executive were able to allocate further funding throughout the year to high priorities and emerging issues.

In current expenditure, Departments surrendered £66·7 million non-ring-fenced resource DEL for redistribution in the three monitoring rounds. This compares with the equivalent reduced requirements of £65·7 million, £54·9 million and £80·9 million for the preceding three years. Northern Ireland also received £33 million resource as a result of Barnett consequentials from Her Majesty's Treasury. Taking into account central funds and funding to manage the overcommitment and ring-fenced resources, the Executive were able to allocate some £112·9 million to emerging issues in 2012-13.

On the capital side, Departments gave back £51·4 million for redistribution during in-year monitoring, which compares with £48·2 million last year. Again taking into account the management of the overcommitment and additional allocations from Her Majesty's Treasury, the Executive were able to meet capital pressures of some £115·3 million in 2012-13.

It is worth reminding ourselves of how some of those allocations were used to address issues that were raised by Members on a number of occasions. In 2012-13, the Executive allocated some 30% of available current expenditure funding to the Department of Health, including £4 million as a response to the pseudomonas outbreak, proving that the Executive can respond swiftly to significant emerging issues. Once again, our road network received a significant boost, with an injection of £7·8 million resource and a further £5 million for street lighting improvements. DARD received £6·7 million for animal disease compensation. The Department for Employment and Learning received £13·8 million for employment initiatives, and the Minister for Employment and Learning has just talked to the Assembly about some of those. The Department of the Environment received £1·5 million for emergency financial assistance for those whose properties were affected by flooding, and the

Department of Justice received £10 million for the Prison Service staff exit scheme.

On the capital side, the Executive allocated £5 million to the Department of Education to address minor capital works in schools and £1·3 million to carry out repairs on the Arvalee special school after the fire there. The Department of Health received £15·5 million for a range of projects, including funding to address infrastructure risks, the expansion of the car park at the Ulster Hospital and capital investment as a result of the pseudomonas recommendations. DRD received £40 million for structural improvements to our road network on top of the £7·8 million of resource that I mentioned. DRD received a further £12·5 million for the replacement of buses for our transport network, which, as I have said on previous occasions — he never comes in to hear the good news — would bring joy to the heart of the Green Party representative who sits in the corner.

**Mr Hamilton:** He is in the electric car.

**Mr Wilson:** Right. OK. DSD received £19·8 million for — *[Interruption.]* Mind you, an electric chair might be more suitable on occasions. *[Laughter.]* DSD received £19·8 million for co-ownership and other housing initiatives, including £11·8 million under the Get Britain Building loan and equity initiative, which, of course, helps first-time home buyers who want to get on to the property ladder. DSD also received £4 million for thermal improvements to Housing Executive homes, which has allowed those on a low income to save on fuel and electricity bills.

Those are some of the notable public expenditure allocations made in monitoring rounds, but, as I have said in the past, Members must not forget that, in addition, provision was made in the annually managed expenditure exercises and SSEs in 2012-13 for, among other things, £2·9 billion of non-contributory and income-related social security benefits to the most vulnerable. This funding goes some way to protect the most vulnerable and provides mainly for expenditure on disability benefits, income support, pension credit, jobseeker's allowance and housing benefits. Members will be aware that, under welfare reform, that will be part of our DEL funding from next year.

My officials, working with Department for Social Development (DSD) colleagues, are in ongoing contact with HM Treasury on the wider welfare reform position. The House will be aware that

we have secured a number of important regional concessions, and discussions will continue over further weeks to ensure that welfare reform will be implemented as beneficially as possible for those affected.

### 1.30 pm

Before leaving the detail of the SSEs, I inform the House that some additional headroom has been built into the SSEs over above the January monitoring position. This has been done for dental services and health and social care trust spend in the Health Department, and for the staff exit scheme for prison officers in the Department of Justice to ensure that we maximise our spend at year end. That is necessary to ensure that no resources are lost to Northern Ireland under the Budget exchange scheme. The Finance Committee is aware of this position and has endorsed the approach being taken. It is critically important to emphasise to the House that such headroom has been included on the condition that if — I emphasise "if" — the resources become available, they must be used only for the agreed purpose, effectively ring-fencing the areas that I outlined.

I am sure that Members will endorse the actions taken; actions that will ensure that we maximise the funding available to Northern Ireland and utilise that funding for areas that the Executive have endorsed by providing allocations in this financial year.

I turn now to the Vote on Account for the 2013-14 financial year. The second motion before the Assembly seeks approval for a cash and resource Vote on Account to ensure the continuation of services into the next financial year. The amount of cash and resources proposed are an advance of around 45% of the final 2012-13 provision. I emphasise that it has no direct correlation to the budget allocations for 2013-14. Many Members have expressed confusion over this advance, and with your indulgence, Mr Deputy Speaker, I will try to outline the necessity for this Vote on Account to help aid its transparency to Members.

The legislation in relation to the 2012-13 financial year gives legal authority for Departments to incur expenditure and to spend money up to a limit. Those limits are directly related to the budget of each Department and can be reconciled to the Budget. Indeed, this is done for each Department within the weighty tome — the Estimates document — that I see some Members have on their desk. This legislation is voted by this House twice every year, in June and again in February, to update

the June legislation. However, the period between April and June every year is not, initially, covered by the detailed legislation, and legal cover is therefore required to allow Departments to incur expenditure. That is where the Vote on Account or the advance comes in. It is necessary to vote this now to enable services to continue into 2014, until the Main Estimates, which will reflect the detail of the 2013-14 financial plans, are prepared and presented to the Assembly for approval. I am not sure if that helps or hinders Members' understanding, but I will remain optimistic and assume the former.

In conclusion, I commend to Members the 2012-13 spring Supplementary Estimates, the 2013-14 Vote on Account and the Supply resolution as tabled. At the end of today's debate on the spring Supplementary Estimates and the Vote on Account, I will endeavour to deal with any issues raised on them.

**Mr McKay (The Chairperson of the Committee for Finance and Personnel):** Go raibh maith agat, a LeasCheann Comhairle. The Committee for Finance and Personnel took evidence from DFP officials on the spring Supplementary Estimates and the Vote on Account for 2013-14. These are routine, though, by necessity, complex matters. I take this opportunity to thank the departmental officials for their assistance to the Committee in that regard.

The Committee has approved accelerated passage for the Budget Bill, which will be introduced by the Minister later today. That decision was on the basis that there has been appropriate consultation with the Committee as provided for by Standing Order 42(2), and I have written to the Speaker to provide confirmation of that.

As has been pointed out, the SSEs reflect the changes that have been made to the opening Budget position as a result of the monitoring rounds in June, October and January. Additionally, the Department has explained to the Committee that some headroom has been built in to give the Executive ability to spend any last-minute underspends.

During the evidence session on 30 January, the Committee examined the reconciliation between the departmental expenditure limit figures in the Main Estimates, which were agreed last June, and the SSEs before us today. That was an informative exercise, during which the Committee received helpful clarification from officials on the in-year technical changes to the resource and capital

allocations for 2012-13 for a number of Departments. In some instances, the figures involved were substantial. For instance, the Department for Employment and Learning received £189 million under resource. That includes additional funding from the Treasury for student loans, which is ring-fenced for that purpose.

The majority of the Department of Health, Social Services and Public Safety (DHSSPS) £28.5 million resource figure is made up of a £19 million transfer under the invest-to-save initiative that relates to Transforming Your Care. A further £6.6 million transfer to the Department of Health from DSD for programmes under welfare reform and the Supporting People programme makes up the majority of the £28.5 million.

The Department of Justice figure of £71 million is made up of reserve claims for policing, such as hearing loss at £24 million, and also £24 million resource and some capital for additional security. There is also a legal aid reclassification of £10 million from resource to capital.

The Department for Regional Development's (DRD) technical capital reduction of £23 million reflects some additions for public realm works, for which it would get additional capital from DSD, as well as reflecting the £30 million reduction for the A5, which relates to the reinvestment and reform initiative.

The scale of those technical changes, combined with the cumulative changes resulting from the normal reallocations through monitoring rounds, will, in some cases, have resulted in significant differences between the opening and closing resource and capital allocations of Departments. In that regard, it will be important that all Statutory Committees have satisfied themselves as to the reasons for and timing of any significant levels of easements or returns of moneys during the in-year monitoring process, and that the necessary assurances have been received on any concerns raised with Departments in terms of minimising year-end underspend.

As regards its own expenditure, the Department of Finance and Personnel (DFP) had easements totalling £7.5 million in resource and £2.5 million in capital, which is significant in terms of DFP's relatively small budget. During oral evidence, the Committee queried why the Department's business plan classified the risk of not meeting the 1.5% underspend target as amber, and the Departmental officials assured members that, while it was difficult to predict

with any certainty, indications at that point were that the Department was on target to meet its year-end underspend targets.

A sizeable proportion of the Department's in-year surrender of moneys related to Land and Property Services (LPS). The Committee has, on several occasions, raised concerns about the amounts of money being returned to the centre due to a reduction in the salaries budget. Members pressed officials and, indeed, the Minister about the effect that that will have on front line services. Robust assurances were received that LPS had used its budget as best as possible and that neither rate nor debt collection would be affected by that reduction.

While we should welcome the prudent and timely surrender of money by Departments during the monitoring process, it will be important that Committees and members continue to scrutinise that area closely. In that regard, I believe that DFP should be leading by example, and perhaps the Minister will wish to pick up on that point when closing today's debate.

As regards the headroom that I mentioned earlier, the Committee has previously considered the inclusion of headroom in the SSEs and understands that, while the Estimates need to be firm and realistic, that is a necessary measure in the event that significant sums of unanticipated reduced requirements may emerge in the final weeks of the financial year.

The Committee for Finance and Personnel was advised that headroom had been created for the Health Department and the Department of Justice. For the former, £15 million of headroom has been allocated for the health Estimates, £2 million of which was for dental services and £13 million for front line health and care services. The Department of Justice was permitted just over £21 million, allowing further resources to be allocated to the early retirement package for prison officers. The Departments in question will then have the Assembly's approval to spend up to that limit if, and only if, any additional funding is allocated to it. The departmental officials stressed that DFP's supply division will monitor the allocations to ensure that they are used only for the agreed purposes.

The Committee for Finance and Personnel has undertaken an active role in scrutinising the quarterly monitoring rounds throughout the 2012-13 financial year and has received timely briefings on the Department's position prior to each monitoring round.

I turn now to the motion relating to the Vote on Account for 2013-14. This is a practical measure that provides interim resources at approximately 45% of the 2012-13 provision. This enables Departments, as the Minister said, to ensure that public services continue during the early part of the financial year until the Main Estimates for 2013-14 and the associated Budget Bill are debated before the summer.

Speaking from a party perspective, I note that both motions refer to the Consolidated Fund. We need to debate how we can increase funding for Departments. The Committee for Finance and Personnel discussed that issue last week and looked at research that it had commissioned on Wales and Scotland in particular and how further powers and moneys are allocated to the Consolidated Fund. Those jurisdictions are having those debates, and we need to do that as well.

Wales, for example, has focused on the limitations of the Barnett formula and is looking at the devolution of setting income tax. Of course, Scotland has already achieved that to a great degree. We need to have that debate here because it will ultimately benefit local taxpayers and ratepayers. I hope that I have kept those comments within the remit of the motion.

On behalf of the Committee for Finance and Personnel, I support both motions.

**Mr Storey (The Chairperson of the Committee for Education):** There is no guarantee that I will stay within the remit of the motion. However, I have endeavoured to listen to the Minister of Finance and Personnel's caution and his explanation of the process, which is much appreciated.

The Committee for Education reviewed the monitoring round information and questioned the Department of Education on its spending throughout the financial year. The Committee endeavoured to track the changes in spending that have manifested themselves in the spring Supplementary Estimates. I have to say, however, that that is far from an easy task because it is always the case that Departments are good at ensuring that they give you plenty of information but not the specific answers that you are requesting. I will come back to that issue in a few moments.

The Estimates are difficult to navigate, and the format of the document sometimes makes it hard to identify the key changes in budgets and spending. That is why it is useful that the Minister set out some of the changes in some

detail at the start of the debate. I will refer to them in a few moments.

As other Members and Committee Chairs may say today, the scrutiny of budgets and spending is one of the most important elements of the work that is carried out in the House. To do that effectively, we must have a clear line of sight between policies, budgets and Estimates.

The Committee for Finance and Personnel has lobbied for change in the financial processes of government, and there is an understandable tension between departmental spending discretion and the provision of fuller transparency. Again, I will comment on that in a few moments.

#### 1.45 pm

The Estimates for the Department of Education indicate that, in 2012-13, the resource requirement for education increased by some £65 million. Of that, £57 million was in the education and library boards and the voluntary grammar and grant maintained integrated sectors spent £15 million. Much of that extra expenditure was associated with the payment of voluntary severance packages to teachers, which had been agreed in the previous year.

I think that it is right to remind the House that, in a period of over 18 months, our education system has lost something like 1,500 members of staff. Members, that is the reason why we are all hearing the teaching fraternity express concerns in our schools and boards of governors and in the correspondence that comes to our constituency offices. However, that is as it is as regards the process that has been undertaken to date.

The increases can be contrasted with the substantial decrease of some £4 million in the funding for the Middletown Centre for Autism. We, as a Committee, have expressed concern about the policy objective, and the way in which that centre was operated in the past raises a concern about the £4 million reduction. The Department has advised that the decrease was reallocated within the education budget and was brought about by the absence of match funding from the Department of Education and Skills in the Republic of Ireland. The Education Committee will be keen to progress that matter in the next few days and to ask further questions of the Department of Education.

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

**Mr Storey:** I will give way; yes.



**Mr A Maginness:** This relates not so much to your latter point but to your former point about the loss of 1,500 teachers. Does the Member accept that this is a very short-sighted approach to education in so far as the loss of those teachers means greater pressure on school staff locally? That causes more stress and sickness and a stretching of resources in schools, and, ultimately, it diminishes the quality of education. Our teachers are very hard-pressed, and I say that with some knowledge.

**Mr Storey:** I thank the Member for the intervention. I agree with the thrust of what he says. Teachers are the key drivers and the key element of the delivery of our education service, and I think that we need to be cognisant of that. The Department's rationale is to have larger schools. The Department's area plans, policy statements and comments are replete with references to larger schools. I think that, if you have larger schools, you will invariably have a smaller cohort of teaching staff, which creates its own difficulty. So, I think that that is an issue, and it is one about which the Education Committee has expressed concern in the past.

Returning to the issue that is before us in this debate, it is also appropriate that we record that, in the financial year, the Executive provided additional funds of some £6 million for minor works and to deal with the fire damage at Arvalee school. I think that we all welcome that that money was made available as a result of the process and changes in-year. The Committee visited Arvalee in October and was very pleased to learn of the extra allocation in support of the important provision for a special school in the area.

The Executive also provided very welcome additional in-year support for school maintenance of £6 million and promised a further £10 million next year. However, that is little in the overall backlog in our school estate, which is something in excess £260 million. So, there is a long way to go in addressing the maintenance issues in our schools.

As the House is aware, the spring Supplementary Estimates are, of course, also the basis of the Vote on Account for 2013-14. The Estimates reference the education and library boards, the Staff Commission, the Council for Catholic Maintained Schools (CCMS) and the Youth Council for Northern Ireland. As Members are aware, the Education Bill, which is at Committee Stage, includes plans to dissolve those organisations and roll up most of their responsibilities in those of the new Education and Skills Authority (ESA).

That change represents a significant realignment in expenditure terms, and it is estimated that ESA will have a budget of well over £1.75 billion. Of course, a great deal of that money will be passed on to schools for salaries and other services. Nonetheless, concern has been expressed during the Committee Stage of the Bill at the creation of such a large arm's-length body as the one envisaged in ESA. If ever there was a time when we need clear understanding and scrutiny of the Budget process, it is when we have the creation of an organisation of the size and scale of ESA, as currently proposed.

The Committee has also sought access to the latest business case for ESA. However, that information has been relatively slow in coming from the Department. That information will inform us on the issues that I have raised. Members were told at Committee last week that much of the savings associated with ESA had already been made through the suppression of vacancies. It should also be remembered that, in 2006, the Department of Education brought into operation a vacancy control policy, which has never been amended. That is another reason why we are facing pressures in the system. Given the significant spending power proposed for ESA and the pressure on budgets generally, the Committee will be expecting more efficiencies from the new organisation, which, hopefully, will register in the Department's budget for 2014-15 and beyond.

There are a number of issues that I wanted to raise as a Member, including the issue of savings delivery plans. The Executive and the Finance Minister have set out a plan, policy and procedure for Departments to align their budgets with the savings delivery plans, and it is incumbent on each Department to endeavour to fulfil that requirement. It is with grave disappointment and concern that I register that the one Department that has been failing on that issue is the Department of Education. The savings delivery plans and the way in which the budgets have been aligned are issues that will not be going away. The Committee and I, as a member of that Committee, will endeavour to ensure that the appropriate information is laid before the House.

**Mr Cree:** I welcome the opportunity to speak on the two Supply resolutions, which, as you have indicated, Mr Deputy Speaker, will be debated together. I also thank the Finance Minister for outlining some of the detail involved and the work that Departments have undoubtedly put into producing all these statistics. In particular, the spring Supplementary Estimates contain a lot of figures, and I am sure that it was no easy

task to collate that information. However, that said, this time last year we were enthusiastically hoping that it would be the last year of having to deal with the current form of statistics.

The review of the financial process in Northern Ireland, which has been talked about for many years, would provide better read-across between published financial documents, enhanced transparency and improved Assembly scrutiny. The Committee for Finance and Personnel produced a report to improve the situation, which was welcomed by the Minister and approved by the House. Regrettably, that is still languishing in the Executive.

Budgets are spending plans for years and do not convey cash or resources to Departments, nor do they give authority to spend cash or use resources. That is done annually through the Estimates and the relevant Budget Bill. There are different figures in the Budget, the Estimates and the accounts. The Budget covers the wider public sector, including non-departmental public bodies (NDPBs), etc. Estimates and accounts relate to departmental levels. The Committee for Finance and Personnel took evidence from DFP officials on 30 January 2013. We would have liked more time and had not the opportunity to study the full Estimates, which were laid last week.

I now turn to the two motions before us. The Supply motion seeks the Assembly's approval of the Executive's final spending plans for 2012-13, as detailed in the SSEs that were laid before the Assembly on 4 February. The second motion requests interim resources and funding for the first few months of 2013-14, in the form of a Vote on Account. The spring Supplementary Estimates are mainly technical and tidy up the loose ends that have been dealt with in the various monitoring rounds.

I will now highlight a few concerns that I have with the monitoring rounds. The main difficulty is the amount of resources surrendered by Departments, particularly towards the year's end. That can be only as a result of bad budgeting in the beginning, failure to phase budgets properly or the handling of efficiency savings.

Let me give you some examples, Mr Deputy Speaker. The Department of Enterprise, Trade and Investment (DETI) had a decrease in net resource requirement of over £20 million and a decrease in net cash requirement of over £38 million. The Department of Education requested an additional £5 million in-year yet returned that the following quarter. What kind of strategic planning does that represent?

The Minister's own Department is carrying £1.227 million as a non-Budget item for the Special EU Programmes Body. I ask the Minister whether that is likely to be spent in-year or whether it is, indeed, outside the Budget exchange scheme. Provision of £30 million remains for the settlement of the equal pay claim. I know that there are current legal challenges, but can that sum be carried over into next year without penalty in the absence of some sort of settlement this financial year?

The January monitoring round provided reduced requirements of some £30 million resource expenditure and £12 million capital investment. That makes the Minister's job — to ensure that resources are used in the most advantageous and value-for-money manner — very difficult. Departments need to take more care in the planning and managing of their budget.

I turn now to the Vote on Account, which is needed to ensure that the flow of resources continues to Departments. The Minister has said that that is usually around 45% of the Budget. That is not an ideal situation, as we do not have the necessary detail to scrutinise it effectively. Let us hope that this is the last year in which that unsatisfactory procedure obtains and that, next year, we will have a clear, transparent and, dare I say, logical Budget exercise.

I will support both motions today.

**Mr D Bradley:** Go raibh míle maith agat, a LeasCheann Comhairle. Tá an-áthas orm páirt a ghlacadh sa díospóireacht seo. I am pleased to participate in the debate on the spring Supplementary Estimates, which, as has been stated already, reflect the changes that have occurred in departmental expenditure against the amounts originally set out in the approved Budget. The motion seeks the Assembly's approval of those changes, which reflect sums redistributed as a result of the in-year monitoring rounds. Once approved by the Assembly, the SSEs are given legislative authority by the Budget Bill.

Mr Cree mentioned the need for a review of the financial process to ensure a greater degree of transparency. The Vote on Account makes provision for a proportion of next year's proposed Budget — around 45% — to be allocated so that Departments do not run out of money.

There are a lot of figures in the Estimates, and it is difficult to drill down to the detail. Rather than oppose the motions, I think that a more

constructive course of action might be to ask some questions about the figures. One aspect of the figures that I am interested in is the amount of money that comes in from capital asset realisation.

I have asked a number of questions about that and about the revenue-raising options that are open to the Executive, and I believe that there are three main areas: the regional rate, the RRI borrowing and capital receipts. The Budget for 2011-15 includes around £900 million of additional spend over the four-year period generated through those revenue-raising measures. That includes an additional spend of around £200 million from the regional rate increase, but there is also more than £440 million of capital receipts identified by Departments and an additional £100 million of capital receipts identified by the central asset management unit.

## 2.00 pm

Is the Minister in a position to outline where we are with those two aims? How much of the £440 million of capital receipts have we achieved to date, and how much of the £100 million of capital receipts identified by the central assets management unit? I have asked some Assembly questions on that.

At one stage, we were told that quite an amount was coming from DRD capital assets. I asked a question about that, and I think that the Minister referred at one stage to four revenue-generating assets that were sold by DRD. In response to my question, DRD said that it has, in fact, only sold one revenue-generating asset, which was a car park at Kent Street in Belfast. That sale realised £300,000, and the car park was actually sold to the Department for Social Development. One begins to wonder whether that is additional money coming into government or money that is in government and keeps moving around. Perhaps the Minister will explain and elucidate that area of the financial situation.

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

I raised with the Minister during the January monitoring exercise in the House the issue of the £18 million that DETI had included in the Titanic signature project and which was refused by the EU. Is the Minister confident that that EU money is still available? Is he happy with the way in which DETI handled that whole debacle or is he inclined to investigate it? Will

he send PEDU in to examine exactly what happened in that case?

Other revenue-raising options were apparently open to us. Belfast port was asked to contribute some £40 million. Has it contributed that £40 million? Will it contribute the £40 million? If not, why not? There was to be an £80 million contribution in respect of housing associations. I am reading that from a written answer that the Minister sent to me, and the words "there was to be" suggests to me that it did not actually happen. So, I have a question for the Minister specifically about the £80 million contribution from housing associations — have we received that, will we receive it or what exactly is the situation?

As well as that, there was to be a £12 million income from the new plastic bag levy. We are two years into the budgetary period and have not received anything from the new plastic bag levy. How much will we receive from that over the budget period? If these revenue-raising options do not produce the money that they were originally intended to produce, what will the shortfall be? I remember that, at the beginning of the budgetary period, the possibility was for £1.5 billion to come from revenue-raising options. The Minister then revised that to £786 million. That has now been increased to £900 million. That figure seems to fluctuate, and we need to know exactly what the situation is. If we are not to achieve the stated aim of raising £900 million over the four-year period, what will we achieve? If there is a shortfall, how will that impact on the numbers in the budget?

There are a number of other items that I would like to deal with, and time will probably not allow me to cover them all. I echo the point that Mr Storey made. My estimate is that the shortfall in the schools' maintenance budget is around £300 million, and that has been the case for quite a while. The Minister mentioned that some extra money will be forthcoming to the Department of Education to address some of those difficulties, but it seems to me that that is nothing more than a drop in the ocean of £300 million.

Mr Storey mentioned the fact that some Departments are not providing savings delivery plans. Minister, what is the position overall with regard to —

**Mr Principal Deputy Speaker:** Bring your remarks to a close.

**Mr D Bradley:** — efficiency savings? I see that the clock has beaten me to it, Mr Principal

Deputy Speaker. I am grateful for the time to contribute. Go raibh céad maith agat.

**Ms Lo (The Chairperson of the Committee for the Environment):** First, Mr Principal Deputy Speaker, I wish you and Members a happy Chinese new year: Kung Hay Fat Choy.

I welcome the opportunity to outline the Environment Committee's views on this motion. DOE's budget is not large in comparison with those of some other Departments, but this does not make it any less important, and it actually means that even small reductions can have a major impact. The Committee gave its support to DOE's proposed budget at the start of the year and welcomed the general direction of expenditure and priorities. Members accepted that constraints and prioritisation were unavoidable due to the required cuts, and they recognised that the ongoing decline in receipts from planning application fees was adding to the pressures being faced by DOE.

Staffing difficulties in DOE's planning division continue to concern the Committee. When income from planning application fees drops, as it continues to do, the impact falls directly on staff. The uncertainty that that generates among planners is being exacerbated further by the as yet unknown impact of the proposals to devolve planning functions to local authorities. This makes it a very difficult time for those affected, and the Committee is mindful of that, but also aware that DOE needs to ensure that robust and effective planning functions continue.

The Committee, therefore, welcomed the introduction of a voluntary redundancy scheme for planners under the Executive's invest-to-save scheme. The Committee supported DOE's bid to secure funds for it, and I hope that the scheme is managed effectively to address current planning function needs, with an eye on future changes. The scheme must not be short-changed, even if other priorities come to the fore.

The Committee is also very supportive of DOE's scheme of emergency financial assistance to district councils. The one-off payment to households that suffered exceptional inconvenience proved a lifeline for many during the several flooding events last year. However, on learning that significant flooding events have occurred every year, except one, since 2007, the Committee stressed the urgent need to address the underlying causes of flooding, where it happens repeatedly and regularly, rather than continuing to treat each occasion as a one-off emergency. No doubt, the money is a

godsend to those receiving it at the time, but handing out funding in that way, year after year, is not a smart or sustainable way to address the problem. Those in receipt of the money would much prefer that their homes did not flood at all. Small, piecemeal funding is a very short-sighted approach to a long-term problem.

The Committee is also concerned about the use of revenue raised by the single-use bag levy. The scheme will come into force in a couple of months' time, and we must ensure that it delivers for the environment by changing people's behaviour. If the introduction of the levy leads to less money for DOE, that will be a sign of its success. It must not mean that DOE's obligations to the environment, such as river basin management, can no longer be properly funded.

I must also mention the Committee's concerns about the ongoing need for proper enforcement, whether it is enforcing the proper management of waste; ensuring the implementation of measures introduced to improve the road safety of goods vehicles; checking that taxi drivers are properly licensed for the safety of their passengers; or even just ensuring that planning happens where and how it should. Legislation is only as good as the measures that are put in place and properly funded to enforce it, and DOE must have the necessary resources to make sure that this happens.

Less clear-cut to the Committee is what DOE is doing to finance the local government reform process. Through the Northern Ireland Local Government Association (NILGA), councils have made it very clear to the Committee that they feel that central government should carry some of the burden of the reorganisation. The Committee is aware that DOE has now made several bids in subsequent monitoring rounds to fund reform. All were unsuccessful. I am sure that everyone in the Committee is, like me, keen that the reform process progresses, but until we see the detail of the resources requested and why and when they are needed, it is difficult for the Committee to lend its support to these bids. The Committee wants clarification of the amount needed from central government and the rationale for the figures being suggested.

The Committee has been largely supportive of DOE's bids during the past year and, in considering the Vote on Account, stresses the importance of making sure that the necessary funds continue to be made available to the Department so that it can continue to deliver its programmes and conduct its functions effectively.

On behalf of the Environment Committee, I support the motion.

**2.15 pm**

**Mr Girvan:** I speak in favour of the Supply resolution for the 2012-13 Supplementary Estimates and the Vote on Account, and the DUP supports both.

I appreciate that we are making a spend of £15.45 billion for cash and around £16.572 billion for resource. I, too, think that we have an issue with regard to the financial process review and the implementation of that review, and Leslie Cree referred to that earlier. I appreciate that it takes an Executive decision to give us the transparency that we require when we look across the lines. That might not be available for next year, but let us hope that that is a work in progress and that we can get that transparency. When you look at the large block of spend of over £4 billion for the Department of Health, Social Services and Public Safety with very little detail included, it is extremely difficult to read across and see where it goes. We have also had some difficulty in receiving information on spend from the Department of Education. We have heard about problems: the programme maintenance budget has not necessarily got the money that it requires for next time. We need to have more information on the accounts, rather than block headings that hide a multitude of other things. Too much has been given away to the Department to spend without it having to give a detailed breakdown of where that spend is going.

The Minister mentioned the exact mechanism that will allow us to make the spend. We approve the Budget, hopefully in June this year. I understand that there is a certain amount of overlap. The 45% equates to £7.136 billion cash and £7.64 billion resource. Information on the monitoring rounds has been coming through better than in previous years. Those Departments that identify shortfalls and release funds early allow the Minister to make adjustments and identify where that spend can be made.

Some people mentioned issues around Barnett. We welcomed an additional £30 million that we received from Barnett. Some people might be more encouraged by the fact that the Chair of the Committee mentioned other aspects, such as tax-raising powers. Some of us have severe reservations about going down that route in some areas, so I will reserve judgement on that matter.

There are areas where funds are being brought back to the centre through monitoring rounds and are not being allocated. Historically, I know that money has had to be given back to Treasury because some Departments did not volunteer it back early enough so that spend could be made. I am happy to say that that did not happen last year. I am hopeful that we will not have the same issue this year and that we can make the spend. A number of projects do not necessarily make the running. For example, there has been a delay on the A5 project and, as a consequence, that money has had to be reallocated during the year.

**Mr Mitchel McLaughlin:** Go raibh maith agat, a Cheann Comhairle. I also support both resolutions before us today. I thank the Minister for outlining the context and purpose of the resolutions and the importance of providing to Departments the certainty so that they can proceed to continue to roll out the Programme for Government commitments.

The Minister, in setting out the constraints and advising people against adventurism in respect of setting out their wish list, reflects that if we were to be perfectly honest, the discussion that we can have is very limited. Members have recognised that although the process that we have devised within the constraints on the budgeting process can always be improved, it effectively works. The monitoring round process allows the Departments to work in a sensible and mature way, and over the past number of mandates, you can see that improving. Reference was made to developing better financial forecasting and projections. To give credit where it is due, I think that that has also improved quite significantly.

There is a debate around the efficiency delivery programme about whether we are talking about cuts in front line services or genuine efficiencies. I know that there has been an attempt by the Minister, and I am certain that that has been replicated across the Departments, to ensure that we are getting more services, or the same services that we had, and that it is not a case of getting fewer services for less money. If people are delivering on efficiencies, we should proclaim that, but we have to recognise that the ability to address the issues in a strategic way would mean a budget process that reflects what that term means, as opposed to what an Administration might do with a fixed sum of money. I would like some assurance from the Minister today that he is taking some interest in the discussions that are ongoing in the Administrations in Scotland and Wales. They are beginning to explore the potential, and there

is probably considerable benefit in the respective Finance Ministers exchanging notes and experience on that.

Having said all that, I think that the officials have satisfied the Committee's concerns. I am not speaking on behalf of the Committee but as a member of the Committee. They took on all our questions and responded, and, when necessary, they provided further information to the extent that I believe that, within the limits that I have mentioned — I am not going to stray beyond the boundaries of this discussion — our approach is correct. There have been one or two references to the Department of Education and the Department of Health, Social Services and Public Safety. Fair enough, if those wrinkles are there, they should be resolved. I hope that our Committee might be of some assistance if the particular difficulties can be explained to us. As the Minister has previously acknowledged, it was the Finance Committee that developed the discussion and a proposition which, in fairness, he responded to.

If we look at some of the key strategic reforms that we have undertaken, such as the RPA and the Education and Skills Authority (ESA), we know that they take too long. We have made those decisions, and if that can be translated into efficiency savings or investment to save, you would include everything from planning processes across the board. The recent controversy over John Lewis indicates that there is work to be done there as well, and perhaps at some stage somebody will start to analyse the opportunity cost to our economy here.

However, I think that there should be no difficulty in people supporting these propositions that allow the Departments to get on with their work. The Budget Bill will provide the necessary authority. People may think about the next Budget round and how we would approach it differently, with a more proactive approach to how we can control our finances and amend the type of spending policies that we develop. On that basis, I support both resolutions.

**Mr Principal Deputy Speaker:** As Question Time begins at 2.30 pm, I suggest that the House takes its ease until that time. The debate will continue after Question Time, when the next Member to speak will be Mr Adrian McQuillan.

*The debate stood suspended.*

2.30 pm

## Oral Answers to Questions

### Office of the First Minister and deputy First Minister

**Mr Principal Deputy Speaker:** Questions 2 and 4 have been withdrawn and require written answers.

### Public Appointments

1. **Mr Elliott** asked the First Minister and deputy First Minister what action they intend to take to review the process of public appointments. (AQO 3343/11-15)

**Mr P Robinson (The First Minister):** The deputy First Minister and I have responsibility for public appointment policy and for making appointments to the boards of public bodies sponsored by our Department. Individual Ministers are responsible for making appointments to the public bodies sponsored by their respective Departments. An exception to this rule is the Police Ombudsman, whose appointment rests with the deputy First Minister and me but whose office is sponsored by the Department of Justice.

As part of our policy remit, the deputy First Minister and I appoint the independent Commissioner for Public Appointments, who has a statutory responsibility to publish a code of practice for public appointments and to audit departmental policies and practices to establish whether that code of practice is being observed. The commissioner publishes his findings in the form of audit reports. He has an important role to play in enhancing and sustaining public confidence in the appointments process by holding Ministers and their Departments to account.

Public appointments policy and the commissioner's code of practice are governed by the overarching principle of selection on merit. Ministerial public appointments are, therefore, made in accordance with relevant legislation, public appointments policy and, where applicable, the code of practice published by the independent Commissioner for Public Appointments.

Following the findings of the Fair Employment Tribunal in the case of Lennon v the Department for Regional Development and criticism from the commissioner that some

departmental appointment processes had failed to fully comply with his code of practice, a cross-departmental working group of officials is looking at how compliance with the code can be improved and public confidence further enhanced.

**Mr Elliott:** I thank the First Minister for that background information. Have there been any detailed discussions with the Commissioner for Public Appointments about how that process may be taken forward to see whether Ministers abide by the code and principles that are already in place? Have the First Minister and deputy First Minister recommended any review of either the appointment process or, indeed, the appointment of those who are already in place?

**Mr P Robinson:** First of all, the deputy First Minister and I are absolutely determined that the process should fully take account of the recommendations and proposals that come from the independent commissioner. It was on foot of his recommendations that the cross-departmental working group was set up. We will look closely at the recommendations that come forward from that group and ensure that Ministers uphold them. This is a matter of public confidence. The public have to be satisfied that people are appointed to public bodies on the basis of expertise, experience and, indeed, the merit that their application holds. At the same time, there are some public bodies where there is a further requirement, which is that, as far as it is practicable, the board as a whole or the commissioners as a whole, whichever the case may be, are representative of the community.

**Mr Dunne:** I understand that two areas of inequality in appointments are in the Equality Commission and the Human Rights Commission. What can be done to address those imbalances?

**Mr P Robinson:** In those two cases, strangely enough, there is an unusual situation in that, although responsibility for pay and rations and, indeed, public policy on those matters rests with the devolved Administration, the appointment of the chief commissioner and commissioners falls to the Secretary of State in the Northern Ireland Office. The deputy First Minister and I recognise that anomaly, and I believe that we have both asked the Secretary of State to look at that issue and to pass the handling of those appointments to the devolved Administration. She could, of course, do that as part of the legislation that she intends to introduce this year.

**Ms McGahan:** Go raibh maith agat. Given that many of the existing quangos were established in the period of direct rule, will the First Minister outline the number of such quangos, the number of appointees currently in post and any time frame for a fundamental review of all the quangos?

**Mr P Robinson:** Taking those in reverse, I can tell her that there is a review at present. We have an ad hoc group that is looking at whether we can reduce the number of quangos, whether some of the functions of those quangos can be taken into Departments or, indeed, whether some of the quangos, as she refers to them, can be merged. That work is ongoing, and it is something that we and each Minister will look at.

Most of the quangos will have representation that has changed over a period, so very few of them will have their original representation. I think that something like 300 or 350 positions in public appointments are changed each year. To be accurate, I believe that 1,634 public appointments are held, or at least there were in the last figures that I saw. That changes on a fairly regular basis, but I doubt very much whether there are any appointees from direct rule who have not been replaced. Of course, it is possible that appointees from direct rule have been reappointed by devolved Ministers.

**Mr Eastwood:** Can the First Minister give an update on the long overdue appointment process for the vacant Ilex board positions and the chief executive position?

**Mr P Robinson:** We went out to public advertising for those posts and received a number of applications. After officials had carried out the sifting process, it was the general view that there was not sufficient choice for the deputy First Minister and I to move forward. Therefore, we are going to advertise again, if we have not already. I hope that there will be public interest and that people will put their name forward for the important positions of chair and board members of Ilex. It is a work in progress.

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

## Executive Ministers

3. **Mr Allister** asked the First Minister and deputy First Minister whether they have considered asking Ministers in the Executive to reveal the truth about their involvement with the past. (AQO 3345/11-15)

**Mr P Robinson:** Our statutory role as co-chairs of the Executive Committee confers no authority on us to require the disclosure of such information from any Minister. However, we expect all Ministers to act in conformity with the ministerial code, the Pledge of Office and the seven principles of public life.

**Mr Allister:** The First Minister can do better than that, surely. Does he recognise that a major problem attached to dealing with the past is the prevalent belief that the IRA will never tell the truth about the past? Therefore, does he agree that it would be a significant confidence-building measure if the terrorists whom he sustains in government were to publicly tell the truth about their past, instead of, for example, the deputy First Minister trying to pretend to us all that he mysteriously left the IRA in the 1970s?

**Mr P Robinson:** Of course we want everybody, whether a Member of the Assembly or a Minister in the Executive, to tell the truth. If he feels the way that he does, I am left wondering why he put forward a preference for a voluntary coalition with Sinn Féin when he did, rather than going forward with a mandatory coalition, as we do. However, anybody who has information about people's involvement in the past should give it to the PSNI. We firmly believe that everyone should be equal under the law and equally subject to it, no matter what their role in society may be.

**Mr Campbell:** The First Minister is a Minister without a terrorist past, but can he confirm that, if and when he is in the capital of the Irish Republic at a formal event — promoting jobs in Northern Ireland, for example — and there is a toast to the president of that country, he would stay and toast the president, unlike what happened at a recent event in London when the deputy First Minister did not?

**Mr Principal Deputy Speaker:** Remember, the supplementary question has to be about the question.

**Mr P Robinson:** There should be nothing in anyone's past that should put them in a position where they fail to respect, tolerate and understand the protocols that are involved. Certainly, when in the Irish Republic, I have to recognise and respect its head of state. Indeed, I went to the inauguration of the new head of state of the Irish Republic.

**Mr McDevitt:** Given that reconciliation is a devolved matter and that truth and reconciliation are two sides of the same coin,

will the First Minister today join me in calling on the two Governments and all parties in the House to sit down soon to develop an ethical basis on which to deal with our past?

**Mr P Robinson:** We have had discussions about how we handle the past. There is a recognition that, if we had had to agree on the past or our goals for the future before we set up this Administration, it is unlikely that this Administration would have been set up. This Administration was set up very much because we want to have a peaceful future for the people of Northern Ireland with a stable political administration.

It is vital that we deal with issues of the past. We do that through the considerable funding that we give to victims' organisations, and we have done it by recommending that it would be appropriate for us to build into the new peace and conflict resolution centre at the Maze some storytelling facility so that victims, without the harassment of cross-examination by lawyers, can tell their story and indicate the hurt that it has caused them and the effect that it has had on their life. I am not sure — I have certainly not had any indication — that there is agreement around the Chamber, never mind outside — not even in the victims' sector — on any one way of dealing with the past. In the absence of that overall agreement, we have to get the highest possible level of agreement. That is one of the issues that is outstanding for the cohesion, sharing and integration (CSI) strategy. I hope that the parties will look at the level of agreement that it is possible for us to get now, no matter what their aspirations might be for future agreements.

**Mr Mitchel McLaughlin:** I thank the Minister for his answers so far and the manner in which he is approaching this very difficult issue. He described the impasse. Does he agree, especially given the upcoming 15th anniversary of the Good Friday Agreement, that we need to make sure that dealing with the past is done not only in a sensitive and inclusive manner —

**Mr Principal Deputy Speaker:** Question.

**Mr Mitchel McLaughlin:** — but in a way that recognises that all suffering and grief has equal validity?

**Mr P Robinson:** One has only to talk to some of the victims' groups and some people who clearly are victims but have not associated themselves with any of the groups to see the impact that the very long period of the Troubles has had on their life and the lives of their



families. It is up to us, as an Assembly and Executive, to do whatever we can to reduce, as far as is possible, the difficulties that they face in their daily life as a result. Nothing, of course, can replace loved ones or make up for the very considerable injuries that have been caused. We live in a very small and closed community. Over 3,000 people have been murdered and over 30,000 people have been maimed and mutilated. That indicates that victims are throughout our society and that very few people have not been in close contact with those who have been hurt, injured or killed. In that kind of society, we need not only to look after the victims but give them hope for the future. I hope that the Executive can do that by showing that there is a better way than violence and that having a shared future is the future for Northern Ireland.

**Mr Principal Deputy Speaker:** Question 4 has been withdrawn.

## Sexual Orientation Strategy

5. **Mr Dickson** asked the First Minister and deputy First Minister when the sexual orientation strategy will be published. (AQO 3347/11-15)

**Mr P Robinson:** With your permission, Mr Principal Deputy Speaker, I will ask my colleague junior Minister Jonathan Bell to answer the question.

**Mr Bell (Junior Minister, Office of the First Minister and deputy First Minister):** We remain committed to publishing a sexual orientation strategy. Work is ongoing in the Department to publish a consultation document. The sexual orientation strategy will be published once the consultation process has been completed.

2.45 pm

**Mr Dickson:** You have to accept, junior Minister, that it is now six years since you published the original strategy and that, in fact, you or your predecessor promised the House that we would have the strategy delivered to the House by the end of December 2012. This is now February 2013.

**Mr Bell:** As I said, the Office of the First Minister and deputy First Minister remains committed to publishing a sexual orientation strategy. Junior Minister McCann and I, along with officials from the Department, continue to engage with many from the LGBT sector in

regular meetings, and I will bring that consultation document and strategy to the House as soon as I can.

**Mr Nesbitt:** I remind the junior Minister of his words to the House on 17 September last:

*"confirmation to have that draft ready and out for consultation by the end of 2012." — [Official Report, Vol 77, No 3, p28, col 1].*

Can he explain what has led to this slippage?

**Mr Bell:** We remain committed to publishing the strategy. The nature of the office is that we need to seek agreement. We continue to work with many people in the sector and continue, with our officials, to work through. We have to gain that agreement to bring the strategy to the House, and, when we can, we will do so.

**Mr I McCrea:** Can the junior Minister confirm that, following last week's vote in the House of Commons, there are no plans to change the definition of marriage in Northern Ireland?

**Mr Bell:** Yes, I can: there are no plans to legislate to change the definition of marriage in Northern Ireland. I have said in the House before that I believe that marriage is between a man and a woman. I say, equally, that I am against all forms of homophobia. I recognise the innate dignity and worth of every human being, whatever their sexual orientation, and I will continue to act and the office will continue to act against any form of homophobic bullying that exists in society. It is wrong and should not occur.

As far as your specific question is concerned, you will be aware that the House had a motion before it about marriage between people of the same sex. That motion was defeated by the Assembly on 1 October 2012. It is not an issue that is under active consideration, and we will not bring forward any proposals to redefine marriage in legislation.

**Mr Hazzard:** Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire. Will the Minister comment on reports from the LGBT sector that his party — the DUP — has been dragging its feet in relation to the publication of a credible sexual orientation strategy for a number of years and is hostile to the sector's receiving equality of treatment?

**Mr Bell:** As I said, my party and I neither hate nor fear anybody of an L, G, B or T orientation.

Therefore, by that definition, we cannot be homophobic, and we are not hostile to anybody.

## Cohesion, Sharing and Integration Strategy

6. **Ms Brown** asked the First Minister and deputy First Minister to outline the time frame for the publication of the cohesion, sharing and integration strategy. (AQO 3348/11-15)

**Mr P Robinson:** We remain committed to building a united and shared community by continuing to improve good relations across our society. Since devolution in 2007, we have significantly increased the funding available for good relations. This supports valuable work on the ground across hundreds of projects, building relationships and tackling sectarianism. Bringing forward a robust good relations strategy with a clear framework for action is a critical part of achieving our vision of a better future for everyone in supporting this work. We recognise the importance of translating the Executive's commitment into clear, meaningful action. Work on developing the strategy is at an advanced stage and will continue in the context of recent events, with a view to providing the most credible basis for the publication of CSI. The working group has concluded its current work, and the resultant draft document, along with a small number of key issues requiring further consideration, has been sent to us for discussion with party leaders.

**Ms Brown:** I thank the First Minister for his answer. What was his reaction when he heard the Alliance Party's proposal that he should establish an all-party working group to deal with these issues?

**Mr P Robinson:** That is tempting. I suppose that, if you want it in one word, it would be "incredulity". It is hard to fathom how the Alliance Party could walk away from and boycott an all-party group that was set up to deal with these matters and to get consensus among the political parties and, having done that, propose that we set up a group to try to reach consensus on these matters. It is an inconsistent position, and it is particularly inconsistent coming from a party that was set up on the basis of wanting to have consensus politics.

Any political party in the Chamber could walk away and come up with its version of what a cohesion, sharing and integration strategy might look like; it would be very easy for us to do that from our own positions. The real

difficulty is in getting consensus across the community and all the political parties on how we might move forward. I am glad that some parties still want to carry out that work and have not walked away from the difficult task of reaching consensus.

**Mr Lyttle:** Is the First Minister willing to reflect on his party members' involvement in the distribution of thousands of leaflets that incorrectly referred to the Union flag being ripped down?

**Mr Principal Deputy Speaker:** The question must relate to the original.

**Mr Lyttle:** I am coming to the point. What impact has that had on cohesion, sharing and integration in this society?

**Mr P Robinson:** There will be people right across Northern Ireland who will find it difficult to understand why the Alliance Party would put its hand to changing a settled status quo in Belfast City Council with the resultant difficulties we have all had to face. They then try to tell us that it is somehow a compromise to fly a flag on one building in the city council area for 18 days a year and not at all on two other buildings. How is that a compromise from all three buildings flying a flag 365 days a year?

I hope that the Member and his colleagues will reflect on the issue and perhaps recognise the damage they have caused by aligning themselves with Sinn Féin and the SDLP. The next time a vote of a similar character comes to any council, I trust that they will think of the consequences of their actions, rather than simply try to cosy up to Sinn Féin and the SDLP.

**Mr Principal Deputy Speaker:** I remind Members that all supplementary questions must relate to the original question, which was on the CSI strategy.

**Mr Hussey:** An important element of any CSI document should be the issues of parades and protests. Will the First Minister advise what work is being undertaken by his Department in advance of this year's marching season to ensure a safe and peaceful summer?

**Mr P Robinson:** The deputy First Minister and I have had a series of conversations on the subject with each other, other Ministers, the Secretary of State and the police. We have also talked to party leaders and have indicated that we want to bring them together. We had hoped to do that last week, but there was a

difficulty with one party leader's schedule. It is our hope that we can look at the outstanding issues, which, I think, everybody now knows are flags, parades and the past.

**Mr Dallat:** Although many will wish to wash their hands of guilt for what has happened in the recent past, does the Minister agree with me that the events on the streets have sent a loud and clear message that a strategy for cohesion, sharing and integration is absolutely critical and the time for dilly-dallying is over?

**Mr P Robinson:** Yes, and I hope that we will get co-operation from the SDLP as we seek to bring it forward. It is essential that we have as wide a buy-in as possible from the political parties in the Chamber. When the leaders meet to deal with the issue, I hope that we will have a co-operative spirit from all the political parties there.

The strategy has an important role to play. However, I do not overstate the case, because there are literally hundreds, if not thousands, of projects on the ground where good relations work is ongoing. It is always easy for the press to pick up on where there is discontent or disorder, but it pays little attention to the thousands, indeed tens of thousands, of people who, every day, as part of their life, attempt to encourage good relations at every level of our society. So I trust that that was an indication from the SDLP that it will play a full part in getting an agreed cohesion, sharing and integration strategy.

## Peace IV

7. **Mr Hamilton** asked the First Minister and deputy First Minister for an update on a possible Peace IV fund, following their recent visit to Brussels. (AQO 3349/11-15)

**Mr P Robinson:** The deputy First Minister and I travelled to Brussels as negotiations to conclude an agreement on the EU Budget for 2014-2020 entered a critical stage. We used the opportunity to raise issues important to Northern Ireland at the highest levels in the European Union. At the European Council on 7 and 8 February, European heads of state agreed the multiannual financial framework of approximately €900 billion. This Budget sets out headline funding for many areas of significant importance to our economy, such as the common agricultural policy; research and development funding; and structural funds, including the Peace programme.

One of the issues that required our presence in Brussels was to make a final push to ensure inclusion of financial provisions for a possible Peace IV fund. We raised the issue at a number of high-level meetings, including with the president of the Parliament and the president of the Council. Our request received a positive response and built on the considerable efforts already made on the issue. I am pleased, therefore, to be able to indicate that the current position is that provision has been included for €150 million for a Peace IV programme in the draft that is before the European Parliament, which must give its approval. It is a significant step forward, and we will continue to work with the European Parliament to secure a final agreement.

**Mr Hamilton:** I thank the First Minister for his positive news on a Peace IV programme. Was the important issue of Northern Ireland's regional aid status raised during his visit?

**Mr P Robinson:** Yes. During the visit, the deputy First Minister and I met not only the two presidents, as outlined in my original answer, but also three European commissioners. During all those meetings, we raised the issue of regional aid, which is very important from a Northern Ireland point of view. Regional aid provides us with the opportunity to take away some of the detriment caused by the differential in rates of corporation tax in Northern Ireland and the Irish Republic. If they take away our ability to apply regional aid to encourage investors to come into Northern Ireland, we would be at a distinct disadvantage. My understanding at the meetings that we held was that the commissioners were sympathetic to that point of view. Ultimately, of course, it will be for the final negotiations to determine whether we are entered as a footnote in the documentation that comes forward, which would allow us to have regional aid right across Northern Ireland.

**Mr McKay:** Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Will the First Minister confirm whether both the Irish and the British Governments lobbied on our behalf for the new Peace funds, given David Cameron's opposition in the EU Budget discussions to increased spending?

**Mr P Robinson:** Several levels of negotiation take place. It is fair to say that the United Kingdom Government found themselves in a difficult position — one might say, "Hoist by their own petard" — in that they were asking for a reduction in the Budget and therefore found it difficult to ask for an increase by applying for

Peace IV funds. The Irish Government consistently argued the case for a fourth tranche of Peace funding, but Her Majesty's Government made it fairly clear at each level that they would not resist any such proposal. Although the draft that was passed has provision for €150 million, the new protocols require the proposal to go to the European Parliament, and it will be for it to decide how that vote is to be taken. There has been some indication that the vote may even be taken by way of a secret vote. I would be less confident that it would be passed in those circumstances than if there were an open vote in the Parliament. Certainly, however, when we talked to the president, he was reasonably confident that, if it was agreed by the Commission, it would be passed at the next step — the Parliament — perhaps with some minor adjustments.

3.00 pm

## Social Development

**Mr Principal Deputy Speaker:** Question 9 has been withdrawn and requires a written answer.

### Social Housing: Rent and Arrears

1. **Mr Allister** asked the Minister for Social Development what are the implications for rent levels and existing arrears when housing associations take over Housing Executive properties. (AQO 3358/11-15)

**Mr McCausland (The Minister for Social Development):** This is the beginning of a process of discussion and deliberation on the reform of social housing, and it is too early to speculate on the implications. We have a situation in which £1 billion worth of urgent work needs to be done on Housing Executive properties, and we do not have that sort of money at the moment. I believe that, with a new system, we will have the flexibility and the resources to deliver good value housing of a high standard for the people of Northern Ireland.

Annual rent increases have been a feature of social housing over many years, and are necessary to maintain standards. It is expected that future rent levels will be better aligned to planned investment and funding requirements. There should be a closer convergence between Housing Executive and housing association rent levels over a period of time. However, I also want to ensure that tenants are protected from any excessive or unaffordable rent

increases. That is why I am proposing that an independent social housing rent panel is established, which will agree annual rent levels based around a fiscal rental policy that will be subject to Assembly scrutiny.

I will work with my officials to define the policy and framework within which the new rent advisory panel will work to achieve that. This is the start of a process to reform social housing and develop a sustainable financial model. It is too early in the process to discuss details of existing arrears with the Housing Executive and potential transfer of arrears to a bespoke housing association.

**Mr Allister:** My constituents and, indeed, the Minister's constituents who are Housing Executive tenants know that rent levels under housing associations tend to be higher. Therefore, there is a natural fear, given the direction of travel that the Minister is indicating, that the direction of travel for their rent is going to be upwards. I do not think he has said anything today that will disabuse anyone of that view. Is the fact that there are large Housing Executive arrears going to impact? Indeed, what is the present scale of Housing Executive arrears, and what is going to happen to them?

**Mr McCausland:** If you compare many Housing Executive properties with housing association properties, you will see that many of the Housing Executive properties — certainly in the case of my own constituency, and I assume it may be the case in the Member's constituency — are of an older type of housing. They are houses that go back to maybe the 1950s or 1960s, and which may well have a lower rent at the present time. However, when you compare those houses with the more modern houses built by the housing associations, look at the energy efficiency of the newer housing. Look at the savings in those houses around energy costs. It seems to me that, often, when you work it out — I have spoken to a number of constituents about this — you find that the amount that they would be spending on any additional rental costs would be more than compensated for by the reduction in the cost of heating the home.

I have been looking at some particular estates recently where the quality of the older housing is such because there has been so little done in maintenance, even in the houses that were built back in the 1950s and 1960s, particularly the 1950s and early 1960s, which were built post-war. They were built quickly to get housing built at a time of need, but they were built in a style and of a standard that is very poor and very energy inefficient. The people in those houses

would benefit significantly from having a more modern house.

Bear in mind that the Rinmore estate in Londonderry was the first example of transfer to a housing association. Yes; in that case, tenants were subjected to increased rent, but they virtually got a brand new house, which is much easier to heat. They are therefore making significant savings on their fuel costs, which is practically offsetting the rent increase. That is the evidence from the first example that was brought forward.

The situation as regards transfer of stock to housing associations —

**Mr Principal Deputy Speaker:** Time is up.

**Mr McCausland:** — is something that we still have to work through at the moment. We are starting a process.

**Mr McQuillan:** What are the current proposals for the Housing Executive's stock transfer programme?

**Mr McCausland:** The current programme of stock transfer started off with the Rinmore scheme in Londonderry. In conjunction with the Northern Ireland Housing Executive, my officials are currently finalising a stock transfer programme that will see almost 2,500 Housing Executive properties transferring to the housing association movement. The programme will take place in a number of tranches, with the first tranche of 675 properties in 19 locations commencing in 2013-14. A second tranche of 922 properties in 19 locations and a third tranche of 798 properties in 22 locations will follow on from that.

**Mr F McCann:** Go raibh maith agat, a Phríomh-LeasCheann Comhairle. I remind the Minister that there are houses in his constituency that were built in the 60s, 70s and 80s and are lying derelict, which people could move into.

The Minister is aware that there is no agreement at all as to what structures may replace the Housing Executive, and I am concerned about his position on rent alignment. Will he assure us that future rent increases will be dealt with within a public policy framework?

**Mr McCausland:** I have stated categorically that tenants should be protected from any excessive or unaffordable rent increases. That is the reason behind setting up an independent social housing rent panel, while the overall

approach to rental policy would be subject to Assembly scrutiny.

## Welfare Reform Bill: Underoccupancy

2. **Mr Boylan** asked the Minister for Social Development for his assessment of the underoccupancy proposals in the Welfare Reform Bill in relation to possible evictions. (AQO 3359/11-15)

**Mr McCausland:** In recognising that the underoccupation restriction, commonly known as the bedroom tax, is a serious issue for Northern Ireland, it must be remembered that the coalition Government at Westminster have brought forward these proposals and, in keeping with the principle of parity, we are largely compelled to do the same. However, in order to help those people who are affected through the transition, I intend to put in place housing services that will provide support and assistance to those who are impacted. I have tasked the Housing Executive and the housing association movement with bringing forward an action plan, which I expect to receive shortly, that will provide a range of support measures to mitigate and support those households that are affected.

My priority remains to do all that I can to prevent evictions and tenants being declared homeless. I have asked social landlords to ensure that, as far as possible, all options are explored to prevent social tenants from being evicted from their homes. In addition, further support for the various groups of people who may be affected, such as those with children who have grown up and moved on, may be available, for example, by way of discretionary housing payments.

The housing benefit reform changes have identified the potential for stock mismatch and the need for tenant mobility. That has been recognised, and it is proposed that, from 2013-14, a target for smaller units will be delivered through the social housing development programme. Social landlords are asked to consider whether there are opportunities to bring forward smaller-sized accommodation, through newbuild schemes or reconfiguration, which will increase their stock of smaller accommodation or one-bedroom units in those designated areas of particular need.

I should also point out that, at the start of the current year, when the social housing development programme was brought forward, I challenged the Housing Executive on that issue and on the fact that account had not been

taken of welfare reform and the need for smaller properties.

**Mr Principal Deputy Speaker:** The Minister's time is up.

**Mr McCausland:** That issue has been with us for a long time, but we are resolving it.

**Mr Boylan:** Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Gabhaim buíochas leis an Aire. I thank the Minister for his answer, but given the historical circumstances in the North and the lack of housing stock, when will the proposals be introduced? Does he seriously think that they can be implemented?

**Mr McCausland:** The Member speaks about the historical situation. Unfortunately, in the past, the social housing development programme did not take account of the situation, even though people knew for a while that changes were coming. Indeed, a better range of accommodation should have been provided in the social housing development programme over quite a number of years.

We are looking at measures that will be brought forward fairly soon. I believe that those measures will go a long way towards addressing the issue. However, it is a problem not of our making. This has been introduced by the Conservative-Lib Dem coalition Government so is effectively being foisted on us. We cannot shake our heads and hope that it will go away. We cannot just pretend that it will go away. It faces us and confronts us directly. We must look at what is possible, which is what I am trying to do at the moment.

**Mr McGlone:** Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Gabhaim buíochas leis an Aire as a chuid freagraí. I listened very carefully to the Minister's suggestion about the need for smaller accommodation to ensure that people do not fall into the pitfalls associated with the worst excesses of welfare reform. Will he provide us with some detail of his discussions with the housing association movement? What stipulations is his Department imposing to ensure that that type of accommodation is provided in areas where the worst excesses of welfare reform will kick in?

**Mr McCausland:** I have said that action should have been taken on this over a number of years. It should not simply have been left until this stage when welfare reform is directly upon us. We have known for a while that it is coming, which is why, at the start of the financial year, I directly challenged the Housing

Executive, which brings forward the social housing development programme. I pointed out that it was a failure and shortcoming on its part that it did not build into its social housing development programme appropriate accommodation in the light of welfare reform.

When I simply asked officials whether they had taken account of it and the answer was no, I was obviously very much concerned. Housing Executive officials should have taken account of that. I subsequently called in the housing associations and the Housing Executive and spoke to them about trying to beef up and strengthen the amount of work that is being done on newbuilds and also about making sure that special account is taken of the need for smaller units.

The issue is very much on my mind, and I have been talking to the Housing Executive about it. The Housing Executive is in a better place than it was a number of months ago. We have a new chair, a new vice-chair and a good chief executive. We are in a much better place than we were previously.

**Ms Brown:** Will the Minister outline what measures are being considered to mitigate the impacts of underoccupancy legislation?

**Mr McCausland:** As I said, I am committed to tackling the bedroom tax through building more homes and providing help, advice and support to those seeking to downsize. A telephone contact centre and housing advice service will be put in place to raise tenant awareness and to contact the social tenants affected to help them to consider their housing options. We also look across the water to see what is being done in the rest of the United Kingdom.

Measures will include promoting and assisting tenant mobility; helping tenants to move to more appropriately sized housing; where possible, supporting tenants in paying their rent; examining options that can be put to tenants who need to move to a smaller home; facilitating home swaps; and advising on how to take in lodgers or joint tenants. Other initiatives under way include increasing the provision of additional one-bedroom stock. My Department has also asked all social landlords to review their rent arrears policies.

It needs to be emphasised again that this is being imposed directly by the coalition Government. It is being foisted on us, and, therefore, we have to do what we can. I believe that the measures that I am taking will help.

**Mr Agnew:** The Minister mentioned discretionary housing payments as a measure that could help to mitigate the effects of the bedroom tax. Will he outline the criteria for those and whether he has any plans to widen the criteria or increase the budget?

**Mr McCausland:** I am sure that the Member will be aware that I announced an increase in the budget. I see the Member nodding, so he is conscious of that. The amount has been trebled, so it is clear that we have made a substantial increase. If there is a need to do more, we will certainly look at that. At the moment, however, it seems that the amount that has been set aside in discretionary housing benefit is adequate. The trebling of the amount in recent years has gone a long way, and that will continue. There will be a higher level for a number of years.

The key word is "discretionary", and we will certainly keep a close watch on how it is implemented. It is being done to address particular real and genuine need, which is the right sort of approach.

3.15 pm

## Belfast City Centre: Regeneration

3. **Mr Ó hOisín** asked the Minister for Social Development what proposals and time frame are in place to address dereliction in Belfast city centre and help regeneration. (AQO 3360/11-15)

**Mr McCausland:** My Department has a strong track record in the regeneration of Belfast city centre. During the past decade, the Department for Social Development (DSD) began the process of reversing 30 years of underinvestment with developments such as the £400 million of private sector investment at Victoria Square and the £28 million public investment in the renewal of 14 of the main shopping streets.

I have set my Department a challenging agenda for further significant regeneration measures over the coming years. Those will include the Royal Exchange scheme in the north-east quarter of Belfast city centre, which has the potential to bring 3,000 jobs and private investment of over £360 million to help to remove dereliction and bring Belfast to its proper place as a modern, competitive and attractive city. The Bank Square renewal scheme will commence on site by June this year, with an investment of £4.4 million by the

Executive to deliver more high-quality public space.

I will shortly be announcing the commencement of a design commission for the third phase of the Belfast Streets Ahead public realm renewal programme, focusing on Royal Avenue and York Street and going out to the proposed new University of Ulster campus on York Street. Later this month, I will also announce proposals for bringing forward development sites in the north side of the city centre that aim to attract private investment to complement the investment that the University of Ulster is making.

Those are some of the main items of work that my Department will be bringing forward over the short to medium term, together with our ongoing focus on the promotion of the city centre and my commitment to tackling disadvantage and housing-led regeneration across Northern Ireland. I fully expect the support of the House when I make the case for resources at the next spending review.

**Mr Ó hOisín:** Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Gabhaim buíochas leis an Aire as ucht an fhreagra sin. I thank the Minister for his answers so far. Will he give an update on the redevelopment work in the Castle Street area?

**Mr McCausland:** I think that the Member is referring to the West Side master plan. The Bank Square regeneration project represents the first step towards the implementation of the regeneration plans for the west side/greater Castle Street area of the city centre. My Department will also be publishing a development brief for a site on Bank Street, which was highlighted as a key development opportunity in the West Side master plan, before 31 March. Further opportunities are dependent on securing private developers to invest in the renewal of that area and obtaining statutory planning approval for individual schemes that are outlined in the plan. My Department will carefully consider the timing of bringing the proposals in the master plan to the market, given the downturn in funding for the property development sector.

**Mr Cree:** The Minister referred to the York Street scheme. Has he had discussions about the delay in processing that major redevelopment with his colleague the Minister of the Environment?

**Mr McCausland:** Quite a number of representations have been made to the Minister

of the Environment about the planning application for the University of Ulster campus. Given that it will be one of the major changes in the north side of the city centre, I noticed that Belfast City Council has appointed an all-party delegation to urge the case for the development going forward. It will transform that whole area.

I have not pressed the Minister directly on that point. However, I take the opportunity this afternoon to urge him to move forward on it, expedite it and get it completed. The university is keen to move ahead. If it is delayed much longer, it will lose an entire year of intake, and it would be disappointing if the whole scheme were put back, effectively by one year, because of a delay that possibly could well have been prevented.

**Mr Hilditch:** I thank the Minister for his answers so far. When does he envisage that the proposed Royal Exchange scheme will move forward?

**Mr McCausland:** I announced on 18 June 2012 that I intended to make a decision later this year on whether to move forward with a statutory development scheme for the north-east quarter of Belfast city centre, where the proposed Royal Exchange project is located. My Department has, therefore, commissioned an urban regeneration potential study for Belfast city centre to examine the close interplay between retail, leisure and commercial office investment in the continuing regeneration of Belfast.

The study will aim to establish the current and forecasted economic and social development across those sectors to guide appropriate public sector support for new development to maximise private and public investment in the city centre. That study will inform my decision on the promotion of a statutory development scheme for the north-east quarter.

**Mr McDevitt:** I thank the Minister for his generous acknowledgement of the contribution that his SDLP predecessor Ministers made to the development of Belfast and for his continued dedication and commitment to the development of the city centre. Does he agree with the Minister of the Environment's decision to protect Belfast city centre by preventing development outwith planning policy at the Sprucefield site?

**Mr McCausland:** I am glad that the Member highlighted what he perceives to be the strong commitment of previous Ministers to the regeneration of the city centre. I am sure, therefore, that the Minister of the Environment

will, as I previously indicated, want to move as quickly as possible in taking forward the issue of the University of Ulster. It is important that that is taken forward as a matter of urgency.

As for the question he asked, that is a matter of planning policy and is outside the remit of my Department, as the Member well knows. As Minister for the lead Department on the regeneration of Northern Ireland's towns and cities, I would naturally like to see clear, unambiguous planning policy that is in line with the regional development strategy.

## Welfare Reform: Free Advice

4. **Mrs McKeivitt** asked the Minister for Social Development what action his Department is taking to increase access to free advice to deal with the proposed changes in the Welfare Reform Bill. (AQO 3361/11-15)

**Mr McCausland:** My Department already commits significant financial support for the provision of front line advice services in Northern Ireland. During the 2012-13 financial year, a total of £3.5 million was made available to fund front line advice provision — £1.6 million from my Department, and the rest from local councils. A further £3.5 million has been committed, from 1 October 2012 to 31 March 2015, to the Northern Ireland Advice Services Alliance Consortium, which is made up of Advice NI, Citizens Advice NI and the Law Centre NI, to provide regional support to the advice sector.

I am well aware of the potential impact that the proposed changes may have on claimants. My officials are currently engaging with the Northern Ireland Advice Services Alliance Consortium to agree how we can work together to best support claimants in dealing with the changes proposed in the Welfare Reform Bill. That engagement will continue throughout implementation.

**Mrs McKeivitt:** Has the Minister considered including a clause in the Welfare Reform Bill to allow claimants access to independent advice?

**Mr McCausland:** At the moment, the Bill is in Committee, and work is ongoing. There are discussions around that, as the Member is, I am sure, aware, and I do not want to pre-empt what the outcome of those discussions will be. However, whether there are clauses here, there or somewhere else is not what matters. What matters most is making sure that we have the infrastructure on the ground to provide the services that people require.



I have clearly said that we have significantly contributed towards the sector, to the extent that I have already outlined. We are engaging with the sector and we will continue to do so. That is, by far, the best approach. As for the details of the Bill itself, that is a matter that will be taken up in the future, I am sure, on the Floor of the Assembly.

**Mr Beggs:** When constituents are unaware of their benefit entitlement, fuel poverty is particularly problematic. That is most likely to occur during a change in the benefit system. Does the Minister appreciate that investment in the advice sector will help to minimise the damage that could occur in extreme cases of fuel poverty, adversely affecting an individual's health and placing additional costs on our health system?

**Mr McCausland:** I am sure the Member is well aware that, since coming into the Department, I have placed a particular focus on that issue and highlighted the point that one of the major contributors to fuel poverty is level of income. Although there are some things we cannot do, one thing we can do to increase income is to increase benefit uptake.

There has been a very substantial increase in the level of benefit uptake in Northern Ireland in the past few years, particularly in the past year. We trebled the amount of benefit uptake because of new, effective and innovative ways of targeting those who are in the greatest need but perhaps have not been claiming benefit. Therefore, it has been effective and continues to be effective. We can do even better, but we are doing much better than some years ago and will continue to improve the standard.

## Licensing

5. **Mr Flanagan** asked the Minister for Social Development for an update on the review of licensing laws. (AQO 3362/11-15)

**Mr McCausland:** A public consultation on proposed changes to the law regulating the sale and supply of alcohol in Northern Ireland ended on 12 November 2012. The consultation document contained a wide range of proposals, including further restrictions on mixed trading in supermarkets, where most alcohol is now sold. I have sought the views on greater flexibility for pubs, clubs and hotels. The consultation attracted wide interest in the community, with over 2,500 responses received. The vast majority were from members of the public, with 140 responses received from organisations,

including drinks industry groups, retailers, health bodies, local alcohol advice services, councils, political parties, charities and faith groups.

I welcome the level of interest in my plans to make further changes to licensing legislation, and it is important that officials carefully consider the various views expressed. Given the large volume of responses received, drafting the report on the outcome of the consultation is taking longer than usual. I have asked for a draft report to be with me by the end of February, and it will be discussed with the Social Development Committee before deciding the way forward.

**Mr Flanagan:** Go raibh maith agat, a Phríomh-LeasCheann Comhairle. I thank the Minister for his answer. I declare an interest as a Member who infrequently frequents a licensed premises. Can the Minister further develop that answer and please provide us with information on whether he is opposed to further extending licensing hours or whether he is still in the process of considering it?

**Mr McCausland:** If the Member had listened carefully to what I said, he will know that I said that we are waiting on the outcome of the consultation. It would be totally improper to pre-empt the outcome of that consideration and say what we will do until we have given careful consideration to the consultation responses. It would be an act of gross discourtesy to the people who replied if I were to say, "You have written in, but it does not really matter as I have made up my mind already." We are looking very carefully at what they have said.

**Mr I McCrea:** Can the Minister outline what he is doing to tackle the issue of cheaper alcohol that is available in supermarkets?

**Mr McCausland:** There is strong evidence of the link between alcohol consumption and related harm, and the evidence is clear that affordability is one of the drivers of increased consumption. Therefore, the price at which supermarkets sell alcohol, which is sometimes cheaper than bottled water and soft drinks, is damaging to our communities. That is why Health Minister Poots and I are in the process of commissioning research to model the likely impact of minimum unit pricing in Northern Ireland. That will help inform our future discussions and decisions in that area and allow us to bring forward proposals that have a proportionate and positive impact on mental and physical health and well-being and the criminal justice system in Northern Ireland. Of

course, similar consideration is being given to that matter elsewhere in the British Isles.

**Mr Elliott:** To get back to the issue of the ongoing review and consultation that the Minister talked about, has he looked at the experience of any other countries, particularly in the European Union, to see whether any good practice could be adopted in Northern Ireland?

**Mr McCausland:** I will not go into the details, because that would pre-empt the results of the consultation. However, yes, we have looked at practices elsewhere, and there is no point in going forward with that sort of work unless you look at good practice elsewhere to see what lessons can be learned, not just from the United Kingdom or the Republic of Ireland but other places.

## Executive Committee Business

### Spring Supplementary Estimates 2012-13

*Debate resumed on motion:*

*That this Assembly approves that a total sum not exceeding £15,459,758,000 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 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 2013 and that total resources not exceeding £16,572,965,000 be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and 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 2013 as summarised for each Department or other public body in columns 3(c) and 2(c) of table 1 in the volume of the Northern Ireland spring Supplementary Estimates 2012-13 that was laid before the Assembly on 4 February 2013. — [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 £7,136,563,000 be granted out of the Consolidated Fund on account for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and 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 2014 and that resources not exceeding £7,641,877,000 be authorised, on account, for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and 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 2014 as summarised for each Department or other public body in columns 4 and 6 of table 1 in the Vote on Account 2013-14 document that was laid before the Assembly on 4 February 2013. — [Mr Wilson (The Minister of Finance and Personnel).]*

**Mr McQuillan:** I welcome the motions before the House today, as they are a necessary part of the financial process. I will be brief, because when you speak at this stage of the debate nearly everything that can be said has been said. I will take on board that the Minister said earlier that he is looking home for his tea tonight, so I will keep my remarks fairly brief.

### 3.30 pm

There is no doubt that we will continue to face challenges with the economy and that the economy is not as strong as we would like it to be. Nevertheless, we need to do the best job that we can with the resources available. There has also been good news in the past year. The Minister mentioned some of the tourism successes over the past year, and as a Member for East Londonderry, I was especially pleased to see Portrush host the Irish Open. I hope that this will bring a boost to the economy on the north coast.

The Minister raised a number of points in his opening speech that are to be welcomed. First, despite an overcommitment of £30 million at the start of the year, the Minister was able to reallocate almost £113 million of resource departmental expenditure limit (DEL) and £115 million of capital spend through the monitoring rounds and an additional allocation from the Treasury, rather than giving this back to the Treasury. This money was used so that the Assembly was able to respond to various needs that arose, such as the challenges that we face in the health service.

Extra capital resource has been made available for schools, roads and Housing Executive homes, and this has to be welcomed. Despite what some Members think, I believe that this proves that the procedure of monitoring rounds works. In particular, I commend the Minister for the way in which he has reallocated the resources to those most in need, and I welcome the Executive's commitment to the health service.

I will take this opportunity to highlight the important work that has been done by the Executive, particularly by the Minister of Finance and the Minister of Enterprise, Trade and Investment in the run-up to the autumn statement. Exemption from the carbon floor price will help to save consumers and businesses from significant increases in their energy bills, as well as protecting jobs that would otherwise have been put under threat. These resolutions are necessary for the work of the Departments to continue, so it is essential that they are approved. It is necessary so that they can do their jobs and carry out their functions, which many people in Northern Ireland depend on. I support the motions.

**Mr Wells:** My speech is somewhere outside. Mr Principal Deputy Speaker, thank you for calling me, albeit unexpectedly early. I know that the Minister is keen to get home for his tea, and I only have a couple of thoughts in my mind as to what I want to say.

First, as the Deputy Chair of the Health Committee, I want to speak briefly on the finances of the trusts. The trusts are to be congratulated for the way in which, under very challenging circumstances, they have come in largely on budget. Indeed, I understand that the total expenditure of the Department was £12 million under budget. That sounds like a lot of money, but that is, of course, in the context of a total budget of £4.65 billion.

Some of the trusts, particularly the Southern Trust, have performed extremely well in what has to be one of the most challenging years that they have ever faced. They have managed to overcome some of the difficulties. There has been a remarkable improvement in the number of A&E waits of over four hours and 12 hours, for instance, in the Belfast Trust. The issue has more or less been put to bed as far as the Southern Trust and the Western Trust are concerned, and we are still now left with the hard core issues of what to do with Antrim Area Hospital and the Ulster Hospital.

That having been said, it is quite clear that the health service in Northern Ireland is treating more people in more hospitals and more quickly than ever before at a time when demand for health service resources is increasing by between 6% and 7% and while income in real terms is increasing only by 1.9%. That is commendable.

The incoming year is going to be even more challenging. I have been speaking to some of the chief executives of the trusts, and some of them tell me that, although they were able to

deliver in year 1 and year 2 of the current comprehensive spending review (CSR) period, year 3 is going to be desperately difficult. Therefore, we will be relying upon the Minister acting as the fairy godmother, as it were, and doling out some money in the monitoring rounds to ease the situation.

I want to raise one specific and particular issue. In the incoming financial year, we have a remarkable opportunity to deal with the awful condition known as meningitis B. As a result of a vaccination programme that has been rolled out by the Department in recent years, we have effectively eliminated meningitis A and meningitis C from Northern Ireland. That is tremendous news, because I speak as someone with definite and very certain personal experience of meningitis.

We in the south Down community had a dreadful situation 10 years ago when a young lad aged three in Rathfriland died very suddenly from meningitis. I will never forget standing at the door of the church for that funeral and seeing the eyes of the parents of that young fellow and thinking about what they had gone through.

Within 24 hours, he had gone from being a totally fit, normal and healthy young boy to dying.

At that time, there was no vaccine for meningitis. Now, we have just heard it announced, in February, that a vaccine could well be available in June of this year, for the final strain of meningitis: meningitis B. If that is possible, the Joint Committee on Vaccination and Immunisation (JVCI) recommends its introduction in Northern Ireland. I think it is absolutely essential that we find the finance to vaccinate all children in Northern Ireland against that condition, because that holds out the hope that, from now on, any parent who sees his child developing flu-like symptoms will not be panicking and fearful of the awful condition of meningitis; it will be something more normal and less threatening.

This event has come about very suddenly, and, indeed, the Department was probably not even aware of the existence of that vaccine when it was preparing its financial forecasts for the incoming year. However, I hope and pray that we can find, either through the monitoring round or some additional resources, that we can vaccinate all children in Northern Ireland against that condition and that, in a few years' time, the various charities that have been established to campaign for and support the treatment of those who have had this condition will be able to wind up and close down,

because the condition will have been removed from society.

The sad fact is that one in every 10 children who contract meningitis die from the condition, and many more are left horribly deformed. Therefore, it is very seldom that one comes across what we could call the golden bullet, the ultimate treatment for a very serious condition. However, it looks as though we are almost there — almost. Even though we are in a terribly difficult financial position, I hope that we can find the resources to deal with that.

There are many other issues that I could dwell upon. The capital budget of the health service is still under enormous stress. That having been said, despite very difficult and dark economic times, we have been able to introduce proposals for a new local hospital for Omagh, and the extension of the cancer unit at Altnagelvin is cast in stone, it is definitely going ahead and is very much welcomed by the communities of the north-west.

We all attended the pre-opening tour of the new South West Acute Hospital in Enniskillen, and it is the most wonderful provision. Indeed, when it was opened, it was the most modern hospital in Europe. I said at the time that it was very much a case of "'Star Trek' meets A&E". It really is futuristic in the extreme. So, we have that wonderful new facility for the people of Fermanagh and Tyrone, open, fully equipped, and performing operations and many other forms of care for the people of that community. Therefore, I suspect that the people of the Western Trust area cannot say at the moment that they are being badly treated, as far as financial provision for health is concerned.

However, many of our other hospitals have seen better days. My own local hospital, Daisy Hill, in Newry, is a typical 1960s structure and has all the defects of that type of building. In an ideal world — and I know it will not happen for many years — we would demolish Daisy Hill and build on a greenfield site at the edge of Newry, perhaps near the motorway, and provide a fit-for-purpose, modern facility for the people of the southern part of Northern Ireland. I realise that, at the moment, that is not an option, and I accept that. However, certainly in the long term and for many years to come, we have to consider what we are going to do with that hospital.

Craigavon Area Hospital has its problems, and some of the other hospitals are past their sell-by date. I welcome the extension to the Antrim Area Hospital, as it will ease some of the pressures that I referred to earlier, where we

are having real problems with four-hour and 12-hour waits at that hospital.

All I can say is that the health service — the chief executives and their teams — have done exceptionally well, given the economic circumstances that we are in. I am confident that we have a good strong team which will continue that work, but there will be storm clouds ahead in the year to come, and we depend on the Minister, at monitoring-round stage, to dole out extra resources for this hard-pressed service.

**Mr Nesbitt (The Chairperson of the Committee for the Office of the First Minister and deputy First Minister):** I support both the spring Supplementary Estimates and the Vote on Account. I am mindful of the expectations and ambitions of the Minister with regard to how the next 10 minutes may go, and I do not guarantee not to disappoint.

I will make a few comments in my capacity as Chairperson of the Committee of the Office of the First Minister and deputy First Minister (OFMDFM), and, after that, I will give some personal views on the two motions.

In-year, the Committee was briefed by the Department on its monitoring round returns and proposals, and I am pleased to say that it was broadly satisfied with the Department's approach. Following the Department's qualification of its resource accounts for 2010-11, the Committee has kept a watching eye on the Department's financial processes. Indeed, the Committee has since received regular briefings on governance issues in the Department and heard about progress on measures that have been put in place to address issues. At briefings, the Committee was assured by the departmental accounting officer that appropriate action had been taken to remedy the concerns and that processes had been put in place to prevent those issues happening in the future.

The Committee has taken a particular interest in the Department's capital projects and understands the importance of maintaining momentum in the regeneration of these sites to attract investment and provide jobs for local areas. The Committee visited a number of the sites to look at the progress made and hear further about plans for this CSR period. In January this year, the Committee visited the Maze/Long Kesh site to see how work was progressing. During the visit, members were briefed by the chair of the corporation board on plans for the site. The Committee will keep a watching brief on progress at the Maze/Long

Kesh site as the €20 million peace-building and conflict resolution centre is progressed and, indeed, as the Royal Ulster Agricultural Society moves to the site.

Mr Principal Deputy Speaker, if I may, I will make comments on behalf of my party. I begin by acknowledging that the Ulster Unionist Party and, I believe, the SDLP, did not lend support to the 2011-15 Budget at the time, but we do not intend to jeopardise the ability of Departments to draw down resources by opposing the process at this stage. I agree with my colleague Mr Cree and with Mr Girvan, who spoke previously about the need for further transparency, to which I add the desire for a better read-across between the Budget lines and the targets in the Programme for Government. That is, I concede, a very difficult trick to turn, but it is one that I am sure that the Minister would like to see addressed as we go forward.

I have just seen a response to a question for written answer about an Executive visit to China. I was wondering how many officials accompanied the Ministers, who were they, where they stayed, what class of travel was undertaken and, generally, what was the cost of the trip. I regret to say that the Department is unable — or feels unable — to answer any of those questions. So when it comes to general transparency and openness, we have some way to go as an institution.

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

**Mr Nesbitt:** I will certainly give way.

**Mr Wells:** Does the honourable Member not agree that it is a bit churlish to condemn the Department for not revealing that information? China is the second largest market in the world, it is growing rapidly, we have to be there, and it is essential that we are there at the highest level. Therefore, how could anyone be critical of a mission to China when, undoubtedly, we will gain enormously through trade for Northern Ireland as a result?

**Mr Nesbitt:** I thank Mr Wells for his intervention. I was not being critical of the trip, Mr Wells. I was being critical of the Department's unwillingness to detail the costs, the numbers, the class of travel and the type of hotels stayed in. They were all legitimate questions for a Member to ask and are in no way to be taken as a criticism of the undertaking of the trip.

I have half a dozen issues to draw to the Minister's attention, and perhaps he will give some clarity on them. The first relates to the Historical Institutional Abuse Inquiry. I believe that all Members were very pleased that the legislation was passed last year. We were also pleased by the level of co-operation between the Department and the Committee, which scrutinised and advised on aspects of the Bill.

We were particularly pleased that the scope was extended so that the start date is not 1945 but 1922. This may affect only a few victims, but, for them, it is everything to be included in the scope of the inquiry. However, we lack full clarity on the full costs of the inquiry. There are no Budget lines to cover the work that Sir Anthony Hart and his team will undertake, not just the establishment costs and running of the inquiry but what moneys may be deemed to be required to address the issue of redress. As the Minister will know, many victims will define redress as financial compensation, and I am interested to know what his thoughts are on that.

### 3.45 pm

A final thought on the abuse Bill: we know that it is investigating institutional abuse rather than the broader issue of clerical abuse. Will the Minister set aside a budget at least to scope out whether a further inquiry can be undertaken to bring in those who were abused outwith institutions?

Secondly, Members will be aware that £12 million was set aside for the delivery of a childcare strategy over the four-year budgetary period. However, only a minimal amount has been allocated to date. I am reminded of criticism from the likes of Siobhan Fitzpatrick, the chief executive officer of Early Years, who believes that we are running somewhat behind in getting a strategy out to consultation and that it is not rocket science.

Thirdly, estimates state that, at present, the social investment fund has a net provision of zero and a new net provision of only £600,000. I wonder if the Minister will agree that that shows the failure of the fund to get off the ground. It was £80 million over four years, which became £80 million over three years, and, now, clearly, it is going to be £80 million over two years. Will the Minister comment on the fact that an equivalent sum to the money intended for the social investment fund for this year has been channelled into six rather hastily arranged signature projects?

The flag dispute has highlighted many underlying issues, not least education, dereliction and deprivation. All those issues could and should be addressed through the social investment fund.

As I mentioned before, the Committee visited the Maze/Long Kesh site. The development corporation has a new net provision of £2.723 million. I would welcome clarification on how that figure has been reached. My party remains opposed to the location of a peace centre at the Maze prison, especially as we are now aware that it will operate at a significant loss. During our briefing at the Maze site a few weeks ago, the Committee was told that even if the projected number of visitors is attained — 110,000 per annum — it will still require a subvention of £650,000 per annum over the first three years. Why should the taxpayer be asked to stump up £2 million over that period for that facility?

Support for government and other services is the single largest expenditure in the spring Supplementary Estimates (SSEs). There is a provision of over £14 million. I am sure that the Minister will agree that the detail is rather vague, and I request that he break it down much further. What does support for government entail, and what are the other services that equate to such a significant sum of money?

With regard to OFMDFM issues, the Minister will be aware that a change in gross provision for victims shows a reduction of £590,000, leaving a net provision of just £79,000. I recognise that that operates alongside the new Victims and Survivors Service, which has a provision of over £2.5 million. However, I would welcome further detail on what has led to that other category having such a small budget?

Finally, to move away from OFMDFM issues, the Minister brought up the Prison Service exit scheme. I wonder if he can inform us about the tax implications for those who opted to take part in the first tranche of that exit scheme. What specific consideration was given to those people, and what were the tax implications for those who were going to engage in the first tranche before the scheme was rolled out by the Department of Justice?

**Mr McGlone (The Chairperson of the Committee for Enterprise, Trade and Investment):** Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Initially, I will speak as Chair of the Committee. A couple of issues came up in the Committee that the Minister may wish to address.

In this year's Department of Enterprise, Trade and Investment (DETI) budget, a total of £10 million has been ring-fenced in the expectation that the issue of the EU nitrates directive and disposal of chicken litter would have been addressed. Indeed, we are all more than consciously aware of the possibilities of infractions that could ensue from that. Most of that allocation was surrendered in the October monitoring round. As the issue is still outstanding, it is important that we hear what provision is being made in the 2013-14 Budget to address the very serious issue of chicken litter disposal. I see the Minister laughing. *[Interruption.]* But for a lot of farmers — and probably for a lot of chickens, too — it is a very important issue.

The Committee for Enterprise, Trade and Investment had the great opportunity recently to secure a debate on the small business research initiative. There is the possibility of dealing with Departments to help us to bring forward good projects because there is a lot of development of technology at the moment.

So, I would be interested to hear the Minister's views in relation to the £10 million that was ring-fenced and how that may dovetail with the efforts of the small business research initiative, with DETI and the Department of Agriculture and Rural Development (DARD), to make sure that this important issue is dealt with and that new technologies are brought to the fore to help to deal with it.

In the December monitoring round, DETI made a bid for £18.2 million resource funding in respect of the Titanic signature project. The Department informed the Committee that the bid was required to safeguard an equal amount of EU funding previously earmarked to be drawn down by the Titanic project. That bid was unsuccessful. Therefore, what are the implications for funding, particularly in light of a rather unusual departmental response to the Committee regarding the £18.2 million? It states:

*"with the action undertaken by DETI, the write down will be offset by the £18.2m which will then be available for drawdown on other projects in future years meaning there is no shortfall or gap in funding under the EU Programme and no loss to the NI Block."*

The response further states:

*"There has been, and will not be, any additional cost or additional government funding to the Titanic project."*

That all seems a bit unclear, so perhaps the Minister will clarify precisely where the £18.2 million, which seems to appear and then disappear, will come from, particularly given that the bid was unsuccessful. The Committee is aware that the requirement arose as a result of difference in legal opinion between the EU and the Department, which, apparently, has yet to be resolved. Is the Minister in a position to shed further light on the matter and whether that provision will be made in 2013-14?

Those are the views of the Committee. With your permission, Mr Principal Deputy Speaker, I will speak in my own capacity as an MLA and chair of the all-party working group on construction. I pay tribute to the Minister for his co-operation with that all-party working group in delivering a number of proposals that are facilitating and helping the construction trade in very difficult times.

With regard to the green new deal, I know that there was an economic evaluation and appraisal carried out by the Department for Social Development (DSD), and it was ruled out. That economic appraisal was more or less throwing out the baby with the bath water; the good and the bad. If there were bad parts to it, good enough, but could the Minister, who is charged with the Budget, look at where we can spend to save? By that I mean that not only are we safeguarding the environment and helping to create jobs for the construction industry by retrofitting homes with insulation schemes and the like, but we are helping to tackle the worst excesses of fuel poverty. Those excesses mean that a lot of people, mainly older people, wind up in hospital at considerable cost to the health service while they are there and afterwards with community care projects and assistance in their homes.

Through proper investment in the economy, environment and home insulation, you can actually invest to make considerable savings in the health budget, aside from the economic, environmental and health benefits that would accrue to many members of the population. That is an issue that I would like the Minister, who has listened in the past, to look at. It has cropped up consistently at the all-party group on construction. I want to hear what the Minister has to say, particularly about how money that is properly invested can lead to savings and help to benefit the wider economy and society as a whole. On that point, I will conclude.

**Mr Lyttle:** I welcome the opportunity to speak to the motions proposed by the Finance

Minister today, and on behalf of the Alliance Party, I support them.

The debate presents us with an opportunity to examine how we use departmental finances to build a shared future, address inequality and foster sustainable economic growth across Northern Ireland. The Alliance Party believes that the best approach to rebalancing the Northern Ireland economy is through encouraging collaboration, whereby Departments work towards cross-cutting goals in a joined-up manner. We would, therefore, like to see much better co-operation between our Departments to make sure that we grow our economy effectively and maximise the efficiency and value of our public services.

On that note, the cross-cutting Executive investment in six signature projects, two of which involve the employment of graduate teachers without permanent employment contracts in one-to-one tutoring of our children, are a welcome development, as are the social enterprise hubs that have been created. There was some concern that they were created because the social investment fund was not on time. Notwithstanding the regret that that is the case, those are welcome projects to be taken forward in areas of key need.

Like the Finance Minister, we welcome the investment by the Health Department in the invest-to-save scheme. That is a positive development, although I would also have liked increased investment in mental health provision.

The financial aid released by the Department of the Environment to councils to deal with flooding and the £1,000 payments made available are welcome. In my constituency of East Belfast, I noticed just how damaging the impact of flooding can be and how vital those £1,000 payments are in helping people, especially the vulnerable, to get back on their feet. As was expressed today, residents would ideally like that investment to be used collectively for our infrastructure and systems to ensure that flooding is not as severe in the first place.

It would be interesting to hear from the Minister on the performance and efficiency delivery unit (PEDU) investigation into the early warning systems, how far we have moved on the flood line issue and whether there is a need for improved civil contingency planning to ensure that the resources we invest are used in an even better manner.

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

The Health Department and the Department for Social Development investment in Supporting People is also particularly welcome. In my constituency of East Belfast, I have seen money from the Supporting People fund used to help to house vulnerable women in times of need, which is an extremely welcome service.

We have had investment from OFMDFM for the inquiry into historical institutional child abuse, which has been most welcome. Concerns remain, however, about the speed at which we are releasing funds for the vital childcare services needed across Northern Ireland, which are often cited as the single biggest barrier to economic activity for many families across Northern Ireland and, in particular, for women.

I share the Chair of the OFMDFM Committee's concerns about the roll down of funding for the social investment fund. That £80 million was meant to be spread over four years, but it now appears that it will be squeezed into two years. As a result, there have been pressures on the social investment zone planning committees. They are being asked to roll that out in an extremely short time frame. I declare an interest as a member of the east Belfast steering group.

We must be willing to take measured risks with the investment of our finances in a way that maximises efficiency and output in the long term. Long-term investment in key growth sectors such as ICT, agrifood, the creative industries and financial services have been welcome and are crucial to the long-term rebalancing of our economy.

Long-term investment in tourism is welcome and vital for increasing visitor figures and spend in our cities. Building on the success of ni2012: Our Time Our Place, we must assure the world that Northern Ireland remains a safe and exciting place to visit.

Titanic Belfast in my constituency of East Belfast has been mentioned, and it is good to see visitor numbers for that centre reaching their targets and then some. Recently, we also had the East Belfast Arts Festival, which I would also like to see increased investment in going forward.

#### **4.00 pm**

Departments such as DCAL should have a focus on gaining the maximum return for our local economy. The Alliance Party's strong preference was for a shared stadium, but, as that could not be agreed, it is important that the



proposed stadia upgrading and investment go ahead within timescale and budget to help to generate much-needed revenue and regeneration in sport and the construction industry, as the Chair of the Enterprise Committee said.

The Alliance Party also feels that the failure to use resources creatively for a green new deal has been a missed opportunity. It offered innovative means of creating sustainable economic growth, job creation and energy efficiency and tackling fuel poverty. The employment opportunities that it could have provided range from high-tech manufacturing jobs to maintenance jobs at wind power plants or in sustaining and growing employment in the agriculture sector through biomass production. Research indicated that the targeted investment and growth of the renewable sector could create up to 30,000 jobs and that the short-term retrofitting of housing stock through the implementation of cost-effective energy-efficient measures would create and sustain jobs in the construction sector. We therefore urge that that be reconsidered and implemented at the earliest opportunity, if possible.

Building a shared society for everyone is the biggest social and economic challenge that faces Northern Ireland. It is simply not acceptable for it to be dismissed as an isolated issue. It is central to Northern Ireland's viability. The Alliance Party believes that we now have an even greater responsibility to tackle the cost of division, which, in the absence of any new Department of Finance or OFMDFM in-depth analysis, was last estimated to be around £1 billion every year. Indeed, the cost of policing the recent violence and unrest is estimated at around £15 million. That is an unjustifiable burden for our society and economy, and the inability of OFMDFM parties since 2005 to develop a new shared future strategy to settle community relations issues is an unacceptable failure of leadership. I welcome the fact that parties are talking the shared future talk, but a generation of young people and those disengaged from society require us to take action and to invest resources in creating a shared and integrated society and economy for the benefit of everyone in this community.

Under Alliance Ministers, the Department for Employment and Learning and the Department of Justice have introduced a shared future proofing policy appraisal system to promote sharing over duplicating budget allocations in their Departments. I call for that system to be brought into Departments as a way of making efficiency savings, avoiding duplication and promoting integration in Northern Ireland. The

system could be used for future public spending in areas such as social housing, the provision of public services and facilities and many other areas. That good governance permitted the Alliance Minister for Employment to invest in vital employment opportunities for our young people that I welcome, such as the youth employment scheme and the work being done to advance the learner access and engagement programme, which accesses the hardest-to-reach learners in our community and gives them a pathway into further education. If Ministers from other parties support a shared future, it is time to see fundamental change in the way that we use our scarce finances. The social and economic future of this region depends on that.

**Mr McDevitt:** I will make a few remarks about the healthcare and social care situation and then a couple of more general remarks.

Without doubt, my party welcomes the much-needed £15.5 million that the Minister has been able to find for investment in health and social care on the capital side. As the Minister well knows, the pressures in health are many, and they are all very genuine. Members have made significant reference to the invest-to-save aspect of the current health budget requirements. Transforming Your Care is at the heart of that invest-to-save requirement. I trust that the Finance Minister will continue to cast a necessary cold and clinical eye on every aspect of Transforming Your Care. For it to work, it is important that investments that are made to save money down the line genuinely achieve those savings and are credible invest-to-save options. Many in the professional side of management, the clinical side, the representative organisations, the patient groups and a significant number of Members still have reservations about some aspects of Transforming Your Care being able to deliver the savings that are being suggested. I trust that the Minister and his Department's long-standing expertise in sifting out the potential from the areas that might not work will continue to be applied.

Other aspects of health and social care policy will present us with real and deep financial challenges, not least the cost of social care, which is the topic of considerable debate across the water today. It would be a great pity, given that we have an integrated health and social care system here in Northern Ireland, if we ended up having to ask people at the very limit of their means to make contributions to the social care of elderly people in particular that were well beyond their ability to afford. Such a scenario would be a breach of the basic

contract at the heart of the NHS, which is to provide health and social care free at the point of delivery. I trust that the Minister will continue to respect and uphold that principle. As we reflect on and begin to face up to the challenges of providing an increasingly ageing population with social care in their third age, we must not do so in a way that cripples working families and provides little more than a shifting of debt from one generation to another.

**Mr McCarthy:** I am grateful to the Member for giving way. Does he agree that, in previous Assemblies, all parties unanimously agreed that, at some time in the future, free personal care would be available to all who need it in Northern Ireland? It would be something similar to what is provided in Scotland.

**Mr McDevitt:** Indeed. I think that Mr McCarthy's long and consistent campaign on the issue is something that many people in the House will acknowledge. It is a policy objective that I am happy to support. However, if we are to credibly put a policy objective like that on the agenda, the Finance Minister will have to secure a very significant amount of money to pay for it. I am happy to join Mr McCarthy in saying that it should be a shared objective of all of us to explore how we would secure such moneys. In doing so, however, the invest-to-save bits of Transforming Your Care will have to work very well.

Another aspect of care on the edges of the health service that is worth debating at this point is dental services. There is considerable pressure on dental services at the moment. It seems to be a pressure that is at odds with or in the opposite direction of travel to the spirit of Transforming Your Care. In other words, it seems to be about taking NHS services out of dentistry or reducing the amount of dentistry that can be done at public expense. That seems to be contrary to where we are going with Transforming Your Care, which is about trying to get as much healthcare as possible into primary care. That also raises the possibility of downstream costs. If you make less of an investment in good general dental services across your population base, some people's dental health will, inevitably, deteriorate, which will cost the health service more money downstream.

Finally, I want to talk about efficiencies and opportunities on an all-island basis. Those are significant in the health and social care sphere, be it through the commissioning of specialist surgical and specialist secondary care services; greater opportunity for co-operation in the border region or along the border necklace, so

to speak, in the primary care sector; the integration of emergency services in the border region; or the specialist and strategic investments that can be made in our very good and very modern hospitals north of the border. I think about the success of the cancer centre in Belfast City Hospital and the opportunity for further cardiac services to be developed in Altnagelvin Hospital. Significant opportunities that need to be exploited have been created by the beautiful new acute hospital in Enniskillen. It is a fantastic building that is open for business, and I, for one, would like to see plenty of business coming through its doors. For it to really work, it will have to be able to sell its services south of the border and into the neighbouring counties of Sligo, Leitrim, Cavan, Monaghan and south Donegal. As the Minister anticipated, that is not exactly a matter for the Supplementary Estimates or the Vote on Account, but they are points worth making regarding the financial opportunities that are out there.

**Mr Givan (The Chairperson of the Committee for Justice):** I am pleased to be able to speak in this debate. As Members will know, the Committee regularly scrutinises the Department of Justice's budget and receives detailed information on the monitoring rounds and savings delivery plans. When considering the budget plans and allocations, the Committee pays particular attention to the main spending areas and the pressures that are likely to impact on the savings plans and the delivery of front line services.

The main pressure faced by the Department of Justice this financial year is once again caused by legal aid expenditure. The information available indicates that this year's legal aid spend could be up to £107 million, compared with an available budget of £85 million. That leaves a shortfall of £22 million. The Department intends to fund that pressure from a range of easements identified in other spending areas and by switching £10 million capital DEL to resource DEL as part of the January monitoring round.

The cost of legal aid continues to far exceed the budget available for it, and it is clear that that is totally unacceptable. Despite the additional £39 million provided for legal aid and other court pressures as part of the devolution financial package, the funding required to cover the cost of legal aid now has to be found from other areas of the Department's budget. The Committee has supported changes to criminal legal aid fees, and that has resulted in reducing fees and costs in that area. However, there are a number of large, one-off, very high-cost case

bills left in the system that will be paid this year, amounting to £10 million. Those have caused some of the pressure.

More worryingly, the other cause is a large increase in the number of complex, higher-cost, civil legal aid cases. In 2011-12, there were 32 cases, costing £2.6 million, compared with this year, when there are likely to be over 100 cases, at a cost of £8 million. For Members' benefit, the cost of civil legal aid has trebled over the past year. The Committee has asked for more detailed scrutiny of why that has come about. Criminal legal aid fees have reduced significantly, but there is now a spike in civil legal aid. We need to know why and whether there is a correlation between the reduction in the fees being paid in criminal legal aid and the pot of money for people to access now seeming to be in civil legal aid. We have asked for more detailed scrutiny of how that has come about.

When you operate a system in which there is little justification or rationale for the submission of fees, that leaves it open to exploitation, as criminal legal aid was exploited repeatedly by those in the legal profession. That is why I welcome and the Committee has called for changes to be made to civil legal aid. The Committee will look forward to scrutinising the reforms that the Minister intends to make in the area of legal aid expenditure. We will look at that in close detail and will be careful to ensure that access to justice is protected while value for money is achieved. It is imperative that the cost of legal aid is brought within budget as soon as possible, otherwise the impact on other spending areas in the Department of Justice will be unsustainable.

#### 4.15 pm

In relation to the overall Department of Justice budget, in-year savings of £27 million had been delivered by 30 September 2012, which represents 59% of the total in-year target of £46 million for this financial year. The Department is on course to achieve this year's target and the total Budget 2010 savings target of £114 million by March 2015. There are, however, indications that, in a number of areas, such as the Probation Board, the Office of the Police Ombudsman and the Police Rehabilitation and Retraining Trust, there has been an impact on front line services. The Department has provided some additional funding and intends to use the in-year monitoring rounds to assess pressures and, where possible and necessary, provide extra funding. The Committee will continue to scrutinise the impact of the planned savings on front line services during the 2013-14 financial year.

The Committee also welcomes the additional £10 million that was provided to the Department in the January monitoring round to fund the prison officers' exit scheme. That will enable more of the officers who have opted to leave the service to do so. In that area, it is important that Department and the Prison Service move more quickly. There are still hundreds of prison officers who have been put into category 3, which is the category that says their application to leave the service is still under consideration. For a lot of individuals, there is uncertainty around this, and people need to have that certainty so that they can plan for what they do when they are able to leave the service. Until we get to that point, that creates a problem in how the prison service is managed. It is an area the Committee will return to.

The Committee notes, however, that, as a result of this additional funding, the Department is committed to surrendering at least £10 million of capital funding in the 2014-15 financial year. We will wish to keep a close eye on the capital expenditure position. In particular, the Committee will no doubt wish to scrutinise progress with regard to the key capital project, the Desertcreat training college. The procurement phase is ongoing, and we will wish to monitor progress on a regular basis to scrutinise the time frame in which it will be delivered and whether it will be delivered within budget.

The police budget takes up almost 65% of the Department's budget, and £48 million of additional security funding from HM Treasury's reserves has been accessed this year as part of the spring Supplementary Estimates process. The mounting cost of policing recent unrest is of considerable concern, with the Chief Constable indicating that the cost so far has exceeded £15 million. Members will be aware that, given the current challenges and pressures, including the dissident terrorist threat and concerns over the long-term resilience of the force, a business case for increased resources to fund additional officers to meet operational requirements is being prepared. There is no capacity in the Department of Justice budget to fund additional police requirements, particularly on this scale, and we will wish the bid for additional resources from the Treasury to receive strong support from the Minister and the Executive. I support the Supply resolution for 2012-13.

**Mr Allister:** If I am being called, the Minister is obviously going to get his way with a short debate and we are not going to get anywhere close to 7.00 pm. It always concerns me a little when a Minister says, "There is nothing here. Let us move on". I sometimes wonder what the

Minister may be trying to hide. Of course, in these 400 pages there may well be opportunities for exactly that.

I want to begin by exploring this question, and maybe the Minister, when he comes to answer, will shed some light on it. We pass through the financial year with a series of monitoring rounds. Indeed, it is but 10 days or two weeks since we had the announcement of the January monitoring round. We then come to this final Estimate, within which the Minister tells us that he has retained "headroom"; that is to say, more money that he is unlikely to need in the normal course of events and will have available for special projects or spending. I suppose that the first question I have is this: why is that money simply not allocated in the January monitoring round, which is so close in time to where we are at this point? What is the logic of retaining what is called headroom? How much is that headroom? The Minister told us that he had retained some headroom. I do not think that he told us how much it was. I would like to hear that. He indicated that it could go to such eventualities as dental services, some of the health trusts and the prison staff exit scheme. Yet, if I remember the figures approximately correctly, in the January monitoring round, the Minister had bid for, I think, some £30 million. I think that he got only £10 million. Yet, here we are, 10 or 14 days later, with the Minister telling us that, within the headroom, he has got more money for the prison staff exit scheme. I suppose that my question is: why do it that way? Why was that simply not allocated as part of the January monitoring? That is the sort of issue about which I would like to hear a little explanation.

On the matter of that headroom — I do not know how big it is — we have this stand-off or difficulty with the Titanic funding. Does the Minister anticipate utilising some of that? Or is there a logjam there because Sinn Féin is exercising a veto on that matter if the funding has to flow and be authorised through OFMDFM? Will he tell us whether that conundrum over the Titanic — I think that it is £18 million — is likely to be aided or affected at all by the headroom money, however much it may be?

On the general financial management issue, if I understand the figures correctly, they indicate to us, at page 7 of the Estimates, that, whereas the present net provision was £15.8 billion, the new net provision will be £16.5 billion. Now, that would seem to indicate an extra need or increase of somewhere between 4% and 5%. There may be two questions out of that. First, in the general national context, we have

become so used to hearing of times of austerity and cuts, but where are the cuts that we have been threatened with — I am not inviting them — if we are able to manage matters so that there is, in fact, an uplift of something approaching 5% in the new net provision? Secondly, will all that money be spent, or will some of it not be drawn down? Is this an academic figure, or is it a practical, actual figure of the money that we are likely to spend? Perhaps the Minister will expound on that.

I turn to some figures that I always feel drawn to examine in these Estimates; I am afraid that old habits die hard. I have been looking again at the spend on the cross-border bodies. Not for the first time, I find that they generally need more, not less, and that the hand is always out for more money. Page 33 shows that the language body needs an extra injection of money. Something like a 15% increase is needed for Waterways Ireland's departmental overheads, and, on some other unspecified category, Waterways Ireland needs another £75,000. If we go to Tourism Ireland, on page 103, we find that it too needs more money, as does InterTradelreland. InterTradelreland then seems to be giving back £58,000. I do not understand that, but I suppose that InterTradelreland may not have a lot to do sometimes, given that only 9% of exports from our manufacturing goes in that direction. I am just making the observation that, in the main, these bodies are costing us more than we anticipated this time last year and more than we set for them in the Budget.

The one that perhaps has not cost us much — there is very little surprise in this — is the Food Safety Promotion Board, which is generously surrendering £373,000. Considering that there is not a single job in Northern Ireland with the Food Safety Promotion Board — there is no one at all employed here — and one wonders what it is doing, that is something to be welcomed, but, overall, those bodies collectively are soaking up more this year than before. The one that I cannot find proper delineation of is the much-loved SEUPB. Strangely, it does not appear in the summary of DFP expenditure in the way that the other cross-border bodies appear in the summary for their Department. The only reference to the SEUPB is tucked away in non-Budget expenditure. Will the Minister tell us how the expenditure of SEUPB has been going, why it is not on the face of the figures and why it is that, yet again, in these times of apparent austerity, it seems that we are putting more money than ever before into North/South bodies?

I was not here for Mr Storey's contribution, but I think that he raised issues about ESA. ESA, like SEUPB, although we know that it is costing money, does not appear anywhere in the Estimates that I can see. One would like some explanation of that.

I am always tempted to look at the expenditure of OFMDFM, and I note that it, as is its wont, seems to be lavishing money on projects that it had not budgeted for. I see that the Maze/Long Kesh Development Corporation now requires an increase of £2.7 million in its gross provision. Shrines are getting very dear, it seems. Then there is a figure that is suddenly included for strategic sites. Some £5.5 million, which was not required hitherto, is now required. What is the explanation for the spend on strategic sites? Why was that cost not anticipated, but now suddenly has to be met?

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

**Mr Allister:** Is it the case that the donation of some sites to the Executive has turned out to be a very expensive luxury indeed because of the cost of their upkeep? Sadly —

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

**Mr Allister:** I have indeed run out of time.

**Mr Wilson:** I thank Members for their participation in the debate. I will make it clear at the start that I did not wish this debate to be cut short so that I could get home for my tea. Unfortunately, after all of this is over, I have other duties to perform, including a function tonight. I was simply concerned about the health and well-being of Members and hoped that they would be able to get home for their tea. *[Laughter.]* I note that some have already gone, including some who participated in the debate.

I thank Members for their contributions. By and large, they listened to the points that I made and they tried to keep their speeches as relevant as possible.

**4.30 pm**

I will turn now to the contributions that were made by Members in the debate. I will try to comment on some of them and get through them as quickly as possible.

The Chairman of the Committee for Finance and Personnel raised a number of issues, the

first of which was the importance of Assembly Committee scrutiny. Indeed, a number of Members made the point about the scrutiny of the allocations that were made by Departments and their savings delivery plans. The point was made about the accounts and the importance of the ability to scrutinise them, which, of course, meant that the accounts had to be presented in as transparent a way as possible.

I agree with all that, but I direct this comment mostly to Sinn Féin Members, because a number of them made the point about the importance of transparency, the simplicity of the accounts and the way in which we dealt with them and the ability of Committees to be satisfied that Ministers were using their budgets in the most effective way possible.

Unfortunately, whether it is about the review of the financial processes or savings delivery plans, it has been difficult to get Sinn Féin's cooperation on those issues. On a number of occasions in this Assembly, I have aired my frustrations that we have not been able to get the review of financial processes through the Executive. I have met those who have had difficulty with it and I have explained it to them. I thought that I had agreement, but that has not happened.

I appreciate the point that Mr McLaughlin made in his speech. I will be more than happy if the Committee for Finance and Personnel can help to deal with that logjam. I do not really care who gets credit for breaking the logjam, but I want to see the review of financial processes, into which the Committee for Finance and Personnel had a very important input, come to fruition in the Assembly, because it will help the scrutiny of the Budget.

As a Sinn Féin Member and not as Chairman of the Committee for Finance and Personnel, Mr McKay also raised the issue of the Executive's need to find other ways to raise revenue. He suggested that we should be looking at the greater devolution of tax powers. Now, I have made it clear on many occasions that I am not a great supporter of increased devolution of tax powers unless there are specific reasons for that. I find it difficult to understand the argument that we wish to see the devolution of tax powers so that the Executive would have greater availability of additional revenue.

If we look back at all the times when we asked for the devolution of tax powers, whether in the form of air passenger duty or corporation tax, we see that it has been done in order not to raise more revenue but to reduce the amount of taxation that we undertake. I am quite happy

with that because I believe in low taxation, but if the devolution of tax powers is to give this Assembly the greater ability to raise money, let us be honest with people. I note that the Chairman of the Committee said that it would benefit the local economy and local taxpayers. Well, the only way in which local taxpayers will benefit is to have the devolution of tax powers with the purpose of reducing taxation. That would not be a way of raising increased revenue.

Of course, the more tax powers that are devolved to Northern Ireland, the more that we have to take responsibility for those. I have not heard anyone who supports the proposition for a referendum on the future of Northern Ireland mention the deficit in the revenue raised here. The more that you devolve, the greater the gap will be. We have to accept our dependence on the Exchequer at Westminster.

Mr McKay raised the issue of DFP underspend. I accept that there has been an underspend in the past. We are making every effort to meet the target. However, DFP manages a whole range of expenditure on behalf of other Departments, not least the office estate. To a certain extent, we are in the hands of the decisions and co-operation of other Departments when it comes to meeting those targets and trying to keep expenditure in line.

Mr Storey raised the issue of the 1,500 staff reduction in the Department of Education over the last year and talked about the importance of the savings delivery plans. I want to make clear that the only Minister who is not co-operating is the Education Minister. He has written to me indicating that he does not have any intention of co-operating with the examination of savings delivery plans.

Let us just remind ourselves of the purpose of savings delivery plans. It is to make sure that, if savings are being made within a Department in line with the targets set in the Budget, those savings are not acquired and brought about by simply cutting front line services as the first port of call. There must be a real search for efficiencies in the Department to safeguard front line delivery of services. If savings delivery plans are not open to scrutiny and the information is not made available to the Assembly, we do not know whether Ministers are simply taking the easy route and cutting front line services rather than looking for real efficiencies within their Departments. I do not know —

**Mr D Bradley:** Will the Minister give way?

**Mr Wilson:** I will give way; yes.

**Mr D Bradley:** The Northern Ireland Audit Office has produced a report on the Budget in the last Assembly term and the way in which efficiency savings were achieved. It pointed out that, in many cases, the so-called savings were, in fact, charges laid on to services and did not meet the criteria that define efficiency savings. Has the Minister acted on that report to ensure that there is no repetition of that practice in this term of the Assembly?

**Mr Wilson:** I cannot say how every Department has abided by that observation of the Public Accounts Committee. But that is why savings delivery plans should be available to Committees for their examination to see whether Ministers are delivering real savings. That is part of the Committees' job of scrutinising Departments. As I was going to say before the Member intervened, I do not know whether we could have avoided some of the 1,500 reduction in staff in the Department of Education through other efficiency savings, since there is not a transparency in the savings delivery plans of the Department.

Mr Cree raised the issue of the financial process. I think that I have dealt with that point. He also raised the issue of the amount of money surrendered in monitoring rounds. That is not always due to bad budgeting, and I do not think that I have ever made the point that it is. There are sometimes genuine reasons. The only plea that I make to Ministers is that, if you are going to identify that you are not going to spend money, do it as early as possible so that the money can be allocated.

He made the point about whether or not budgets were adequate. One of the reasons why we had the review of budgets and have moved some money about is because, given the pattern of reduced requirements during the monitoring rounds, the original budget allocations did not reflect the real needs of Departments in some cases. Therefore, changes for the final two years have been made.

Mr Bradley raised a number of issues. He talked about financial processes, which I have dealt with. He also talked about capital assets, a theme to which he has returned on many occasions, and whether we delivered on those in the past year. I will explain things to him again. During 2011-12, the planned capital receipts in the Budget amounted to £142 million. The total achieved was £171 million, so we exceeded the planned amounts by £29 million. In 2011-12, the asset management unit

assisted Departments in delivering £2·8 million, which again exceeded the target of £2·5 million. So in 2011-12, we more than met the targets.

The target for this financial year is £22·5 million, and we will continue to work with the asset management unit and Departments to deliver that. We are slightly short of the target. We have identified £32 million, but some of that money will take time to deliver due to legalities etc, so we are slightly short of the target and are working to ensure that we meet it by the end of the year.

A number of Members referred to the Titanic bid, where the £18·2 million rests at present and whether that money is likely to be lost. I will explain it again to the Members who raised the issue. The Titanic signature project came in at cost. We did not overspend, and we were on time, but £18·2 million of the finance was to come from Europe. All the advice was taken on what we would have to comply with to draw down that money. We acted on the advice we were given, but at a late stage, Europe said that it did not accept that the way in which the procurement was undertaken was correct and that we were therefore not eligible for grant aid from Europe.

The Department of Enterprise, Trade and Investment could do one of two things. It could fight the decision, which would probably take until almost the end of this Budget period. It is fairly sure that it would win, but you cannot be absolutely sure in any of these cases. So rather than risk losing the £18 million, it was suggested — this was good proactive management of budgets — that money be taken from other government spending to pay for the Titanic signature project and have other Departments bid for the EU money. The Departments will have two years to spend that money, which makes good sense. The issue has not been resolved.

Mr Allister asked why it has not been resolved: it has not been resolved because there has been a dispute, which meant that it could not come to the Executive for approval. That is why it is built into the accounts of DETI, which, as the programme managing authority, will make the funds available, and they will be drawn down by other Northern Ireland projects. That is the sensible way forward. The drawdown of that £18·2 million of funding on other planned expenditure should mean that there is no impact on the Northern Ireland Budget. The money is simply being moved around: money comes from one Department to DETI, and the European expenditure goes to

another Department. That is how the issue should be dealt with.

#### 4.45 pm

Mr Bradley raised the issue of the Belfast port, and he asked what was happening with that money. I think that I indicated that there have been difficulties with it. That is one reason why I made it clear during the Budget process that we really should be doing those things robustly. It is unlikely that we will avail ourselves of that money in the next two years of the Budget. However, Belfast port has indicated that it could meet some of that by building some office accommodation, which would, of course, be ready-made office accommodation for DETI to put potential clients in. So, that would save money in the DETI budget, but it would not save the full £40 million, which is a pressure that will have to be dealt with.

He also raised the issue of the housing associations, which the SDLP claimed as one of its policies. Therefore, I find it rather strange that its Members do not quite understand the way that it works. It is not a case of us getting money from housing associations; it is simply a case of making less money available to housing associations through housing grants. Housing associations will then have to use their reserves or borrow to fill that gap. Therefore, we will get the same number of houses built but with less contribution from the Executive. That means that we would have the money to spend otherwise. So, we have not received any money from the housing associations, and if Mr Bradley had understood his own party's proposal on this, he would not have expected us to get any money from the housing associations in the first place.

Mr McLaughlin raised a number of issues about the monitoring rounds working. I cannot understand his party's resistance to the financial processes. If we went down the route that Sinn Féin wants us to, which would simply give us very broad lines of expenditure that meant that Ministers had the latitude to move money across without having to make reduced requirements, we would not have the ability to have money returned for monitoring rounds to deal with the kinds of issues that arise during the year. That is one reason why the whole financial process is important.

**Mr Mitchel McLaughlin:** Will the Minister give way?

**Mr Wilson:** I will.

**Mr Mitchel McLaughlin:** Thank you for addressing the point. I have sought to understand both the reason for the impasse and what could be done. I think that the balance is between protecting Ministers' sense of autonomy through control over their budgets and delivery of Programme for Government commitments and greater transparency and read-across in the Budget. What perplexes me is why it has not been possible to find a formulation that would resolve that issue, rather than to have a stand-off.

**Mr Wilson:** I appreciate the Member's view on that. His is the same as mine, in that I cannot understand why the stand-off has continued. What is proposed does not remove Ministers' ability to move money within their own budgets. There is still a de minimis level of £1 million where they can move money and still make proactive management decisions that enable them to move larger amounts of money, albeit with Executive approval. There are other ways in which Ministers can still have freedom to move money about. However, we have to have some lines of expenditure whereby once we vote money to Ministers, they keep the spending within what has been voted so that the Assembly at least knows what money is going to Departments for.

Mr Bradley and Mr McLaughlin raised the issue of departmental efficiencies. Those are monitored on a regular basis. To date, £445 million will be delivered in savings in 2012-13. That is £9 million more than the target set. Of course, that excludes the Department of Education, because it has refused to participate in the exercise. So, we really do not know what the level of savings is there.

Mr Bradley also raised the issue of schools maintenance. Again, that is an issue that the Education Minister has to deal with as a priority. I note that, during the year, the Education Minister was able to find £70 million to allocate from reallocations that he made in his own budget. He obviously did not put maintenance at a high priority in his spending. I would point out that we have made, and will make over the next two years, an additional £90 million available for education as a result of decisions that the Executive have made.

I turn to Mr McQuillan, who raised the issue of the carbon price floor and the exemption for generators in Northern Ireland, which is a significant concession from the Chief Secretary to the Treasury at Westminster. It will, first, save generation capacity in Northern Ireland and, more importantly, should keep electricity bills from going up by about 15% and make us

less dependent. The problem was that if we did not have that exemption, we would have been almost totally dependent on generators in the Irish Republic for security of supply. That was a good out-turn.

Ms Lo, who is not in her place, raised the issue of local government funding. I am sorry that the Minister of the Environment has not kept his Committee informed about his bid. Apparently, he shared it with the Northern Ireland Local Government Association (NILGA) and the councils but chose not to share it with his Committee. Maybe the Committee ought to take that up with the Minister. We had a discussion at the Executive last week, and I am sure that the Minister will inform the Committee of the outcome of that in due course. I am sure that the Committee will push him for answers and information about that.

**Mr McCarthy:** I thank the Minister for giving way. I cannot let the point go. Last week, when you were on the Floor, you said quite adamantly that there would be no funding for local councils. As an existing member of Ards Borough Council, I am very concerned about what is happening. Are you telling us today that there is a glimmer of hope that councils will be recompensed for a situation that is not of their making?

**Mr Wilson:** I do not think that I was quite as adamant as the Member suggested. Given that the Executive can change their mind, and have been known to change their mind on a number of issues, I do not think that I could have been as categorical as the Member suggested. I said that I believed that there are two elements of the funding: the convergence element and the transition element. I said that we would have to find some funding for convergence. I am sure that this will eventually be made known to the Committee by the Minister, but, as a result of discussions in the Executive, funding will be made available even for some aspects of transition.

Let me be clear: that money will not magically appear, but will be the result of money not being spent on other services. Whether or not funding the review of public administration (RPA) is regarded as a priority as opposed to some of the other things that Members have mentioned today, such as health and education, is a question that had to be decided. However, some additional funding has been made available, and the detail will be made known in due course.



Mr Storey and a number of Members raised the issue of Arvalee Special School. We have allocated £1.3 million to that.

Mr Nesbitt raised the issue of the childcare strategy. The consultation on that will finish on 5 March. A total of £1.182 million has already been allocated to a number of projects. I see him smiling, and I am sure that, if he were to intervene, he would ask why it has taken so long. Things sometimes take longer to process through the arrangements that we have — his party put those in place under the Belfast Agreement — than we would like. Nevertheless, we have ring-fenced money for the strategy, and the outcome of the consultation will properly inform us as to how it can be best spent.

**Mr Nesbitt:** I very much appreciate the Minister giving way. Does he not feel that, if he did not like the arrangements of the Belfast Agreement, he should have changed them at St Andrews?

**Mr Wilson:** Let me be up front because I never hide behind this: some of the changes that were made at St Andrews to try to make sure that Ministers could not run rampant in their Departments are part of the reason why the process has slowed down. Of course the more checks and balances that you put into a system, the slower that that system will be. It is one of the things that we have to live with, and at least I am being up front with the Member in saying that the processes are slow. However, we have to expect that, if we want checks and balances, we will sometimes not get quick decisions made. It is frustrating, and it allows things to be held back at times, but that is one of the prices that you pay once you start putting in those checks and balances. It is not just in Northern Ireland that we find that. The American President is finding it with all the checks and balances in the American system. There is a price to be paid if you want to have those.

It is the same with the social investment fund. The area-planning process is now well advanced. Eight to 10 projects from the steering groups should be available by the end of January, and those will be submitted to the Department on 28 February. We will then start to see the projects delivered on the ground.

Mr Nesbitt also raised the issue of victims and survivors' services, and the change in money that he referred to should be welcomed by him. It is a movement from back-office, administrative funding to actual services for victims, and I hope that he will welcome that movement of funding.

He raised a very important issue about the future cost of the historical abuse inquiry and what has been budgeted for that. There is no presumption about the outcome of the inquiry and over whether its chairman will recommend that there be financial redress. If that becomes apparent, it is a pressure that we will have to deal with, and a bid will have to be made by OFMDFM. It is not presumed at present, because it is impossible to do so. We do not know the numbers, we do not know the outcome of the inquiry and we do not know what will be recommended by the chairman, so it is impossible to build anything into budgets for that.

I loved Mr McGlone's cheek. He started off by asking what we are going to do with chicken waste. He did not even smile as he raised the issue. There was no sense of irony at all. Perhaps he should have been asking not me that question but his party colleague, because there was a perfectly good solution for dealing with chicken waste, but the Minister from his party decided not to adopt that.

The Member quite rightly pointed out that it is creating a difficulty for the agriculture and food processing industries for the future, and, as a result, the money that DETI had available for dealing with chicken waste will not be able to be spent. The planning decision was made by the Minister from Mr McGlone's party. I just wish that he had lobbied the Environment Minister before that disastrous and short-sighted decision was made. I hope that we do not live to regret that decision for an industry that is growing by around 40% and is a big source of employment in Northern Ireland.

He and a couple of other Members spoke about the warm homes scheme and the green new deal. In 2011-12, we spent £15 million on fitting houses and improving their heating standards under the warm homes scheme. That is similar to many of the things that people are asking for in the green new deal. It is not called the green new deal, yet it does a lot of the things that people are asking to be done in the green new deal. The scheme creates a lot of construction jobs. In 2012-13, we will have spent £15.9 million, and, on top of that, there is the boiler replacement scheme, which was part of the green new deal. In 2012-13, £4 million will have been spent on that.

Mr Givan raised the issue of legal aid pressures. The insatiable fiscal appetite of the legal profession in Northern Ireland never ceases to amaze me. The Chairperson is quite right to say that there is a funding pressure of

£22 million, and, in the monitoring round, £10 million was made available for that. That pressure will have to be dealt with by the Department of Justice.

Mr Lyttle talked about the costs of division. I have to say that, had the Alliance Party thought about the causes of division, we might not have had the ugly eight weeks that we have had to go through since it made the decision that it did in Belfast City Council, with all the problems that that has caused Northern Ireland. Rather than lecture us about the costs of division, maybe he and his party should reflect on what they have done to cause unnecessary division in Northern Ireland by their support for Sinn Féin and the SDLP on the issue of the flying of the Union flag. He also raised the issue of flooding incidents. The PEDU response to the flooding incidents, which has been discussed, zoned in on what we can do for warnings, co-operation and resources in order to address that. That is ongoing work.

#### 5.00 pm

I move to Mr McDevitt's speech, which dealt with issues for the future: Transforming Your Care and the cost of adult social care. Both are big issues. Adult social care is one that we will have to deal with and which will cause great problems in the future, as the number of people over 65 increases. By 2025, there will be a 42% increase, and by the same date there will be an 83% increase in the number of people over 85. We talk about what we can do about nursing and residential care and the cost of that, and the Health Minister has a consultation out at the moment. We have to be aware that the cost of that will be enormous and, if we decide to make it a priority, there will be significant costs to other Departments in the form of reduced funding.

Mr McDevitt also raised the issue of Transforming Your Care and the costs of transformation. There is a cost associated with the planning, designing and implementing of those changes, and some £70 million has been allocated to that in the current budget. He raised the issue of dental services, and part of the headroom that has been factored into the remaining time of the Budget is to deal with dental services. If that money becomes available, it should be available to the Department. I emphasise the importance that is attached to that.

Mr McDevitt also raised the issue of cross-border savings. I must say something to the Member that I have said time and again: I have

no difficulty with making better use of our resources, if they can be shared and we can buy in services from the Republic. Take the likes of Daisy Hill Hospital: the Health Minister has already said that, probably, its survival will depend on whether services can be purchased from it by the Republic. However, the record to date has not been good, because, for many of the services that are made available, the costs have not been recovered. We have done a paper on the savings and the costs of cross-border co-operation. The balance at the moment shows that we actually lose £11.2 million on cross-border co-operation as it exists at present. If we are going to have this, there must be a payment for the services, whether it is the sharing of school, university or hospital places or whatever, to make sure that we are not subsidising the Republic rather than making money out of the sharing of services across the border.

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

**Mr Wilson:** I will give way, yes

**Mr McDevitt:** It seems to me that there must be a payment for services procured from anywhere else. If a Department is doing something for another Department around here, they raise a service level agreement and they sort it out in accounting terms. It seems to me only logical that that should apply in all aspects. I ask the Minister just to clarify the figure of £11.2 million: is that across all of government or does it just refer to health?

**Mr Wilson:** I can make the figures available to the Member. It refers to costs across all government Departments.

I come to the points that Mr Allister raised. First, he raised the issue of the increase from the present net provision to the new net provision, an increase from £15.8 billion to £16.5 billion. That is partly the result of a number of things: the Budget exchange scheme that allows us to carry money over; the Barnett consequentials; reserved claims; and changes in the annually managed expenditure, which, of course, is demand-led. Those things will have accounted for that.

Mr Allister also asked about the headroom and why we did not allocate that money in the January monitoring round. The figures for the January monitoring round are probably three months ahead of the end of the financial year by the time we make the January monitoring allocation. There can be and there are likely to be underspends during that period. Under the

Budget exchange scheme, we have a limited ability to carry money over. Historically, we can estimate the likely underspends that will arise between January and March and how we can avoid giving those back. We have made an estimate that the underspend could be somewhere around £37 million. That is judged on a historical basis. It is an estimate. It might be less than that, it might be more than that, and that is why I said, "If the money is available". We have ring-fenced it to those two things, because we know that the money can be spent by DOJ on the Prison Service redundancy scheme and by the Department of Health, Social Services and Public Safety on the things that I mentioned, including dental services. The Treasury requires us to say where it will be spent if it becomes available. It is an underspend that will or could arise in the remaining couple of months of the financial year, and that is why it cannot be allocated in January.

Mr Allister also raised the issue of North/South bodies. It is important to note that all North/South bodies have to deliver a 3% year-on-year efficiency saving, and they have been delivering that. The apparent increases that the Member referred to are given by Her Majesty's Treasury to cover the bodies' reclassification as non-departmental public bodies. He will be aware of the issue, because he has raised it with me about some bodies here in Northern Ireland. Reclassification will require additional expenditure, but it does not represent an increase in real spend by the bodies.

I thank Members for their participation, and I hope that I have dealt with all the issues raised. I recommend the spring Supplementary Estimates and the Vote on Account to the Assembly.

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

*Question put and agreed to.*

*Resolved (with cross-community support):*

*That this Assembly approves that a total sum not exceeding £15,459,758,000 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 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 2013 and that total resources not exceeding £16,572,965,000 be authorised for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and 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 2013 as summarised for each Department or other public body in columns 3(c) and 2(c) of table 1 in the volume of the Northern Ireland spring Supplementary Estimates 2012-13 that was laid before the Assembly on 4 February 2013.*

## Vote on Account 2013-14

**Mr Deputy Speaker:** The motion on the Vote on Account has already been debated. I remind Members that this vote also requires cross-community support.

*Resolved (with cross-community support):*

*That this Assembly approves that a sum not exceeding £7,136,563,000 be granted out of the Consolidated Fund on account for or towards defraying the charges for Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and 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 2014 and that resources not exceeding £7,641,877,000 be authorised, on account, for use by Northern Ireland Departments, the Northern Ireland Assembly Commission, the Assembly Ombudsman for Northern Ireland and 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 2014 as summarised for each Department or other public body in columns 4 and 6 of table 1 in the Vote on Account 2013-14 document that was laid before the Assembly on 4 February 2013. — [Mr Wilson (The Minister of Finance and Personnel).]*

## Budget Bill: First Stage

**Mr Wilson (The Minister of Finance and Personnel):** I beg to introduce the Budget Bill (Northern Ireland) 2013 [NIA 18/11-15], which is a Bill to authorise the issue out of the Consolidated Fund of certain sums for the service of the years ending 31 March 2013 and 2014; to appropriate those sums for specified purposes; to authorise the Department of Finance and Personnel to borrow on the credit of the appropriated sums; to authorise the use for the public service of certain resources for the years ending 31 March 2013 and 2014; and to revise the limits on the use of certain accruing resources in the year ending 31 March 2013.

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

**Mr Deputy Speaker:** I inform Members that confirmation has been received from the Committee of Finance and Personnel, in accordance with Standing Order 42(2), that the Committee is satisfied that there has been appropriate consultation with it on the public expenditure proposals contained in the Bill and that the Bill can, therefore, proceed under the accelerated passage procedure. The Second Stage of the Bill will be brought before the House tomorrow.

## Business Improvement Districts Bill: Final Stage

**Mr McCausland (The Minister for Social Development):** I beg to move

*That the Business Improvement Districts Bill [NIA Bill 9/11-15] do now pass.*

I want to put on record my thanks to the Chair and members of the Social Development Committee for their timely and effective scrutiny of the Bill. Given the continuing downturn in our economy, it is important for us as an Executive and as an Assembly to deliver whatever assistance we can, so I appreciate the efforts of the Committee, particularly during a time when it has a very full programme of scrutiny of other primary legislation.

I thank Members across all parties for their support for the Bill. We know from consultation exercises and discussions across a wide range of interests, including businesses and representative bodies, that there is a great deal of enthusiasm for business improvement districts. The primary purpose of the Bill is to allow for the establishment of statutory BIDs in Northern Ireland. This will bring us into line with the other United Kingdom jurisdictions and the Republic of Ireland, where such legislation is already in place.

As I indicated in previous debates, the Bill will be an important addition to the toolkit of measures available to help hard-pressed traders during the continuing difficult economic situation. This is not a one-size-fits-all approach. The BIDs legislation will simply provide a framework that will allow local traders to work closely with their local council to develop solutions to their unique situation, with the aim of attracting more shoppers and consumers into the BID area to explore what is on offer and spend money in local businesses. I, therefore, commend the BIDs Bill to the House.

**Mr Brady (The Deputy Chairperson of the Committee for Social Development):** Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for bringing the Final Stage of the BIDs Bill to the House. The Bill was referred to the Committee for Social Development, in accordance with Standing Order 33(1), on completion of its Second Stage on 17 September 2012.

The Committee received 16 written submissions and took oral evidence from the NI Retail Consortium, NILGA, the NI Independent

Retail Trade Association and the University of Ulster. Of course, the Committee also heard from the Department on the provisions of, and rationale for, the Bill. The Minister tabled two amendments at Consideration Stage. The Committee welcomed the amendment to clause 6, which means that all non-domestic properties can be included within a proposed BID area, whether or not they have an exemption from paying rates. Therefore, the tenant or owner will have the entitlement to vote on the BIDs proposal. The Committee acknowledged that it will be up to the BID proposer to decide which properties to include in the final proposals for ballot.

The amendment to clause 19 was tabled at the request of the Committee, following advice from the Examiner of Statutory Rules. The amended clause will include two additional clauses, which are now to be subject to draft affirmative resolution. I thank the Minister on behalf of the Committee for bringing forward those amendments.

#### 5.15 pm

I will not rehearse what was said at the previous stages of the Bill. I will, however, speak briefly on the key aspect of the Bill and what it will mean for businesses here. In short, the Bill will provide a statutory basis for the development of business improvement districts. If a vote to establish a BID is successful, everyone who is captured in that BID area will be liable to pay the BID levy, which is used to fund additional services in the area.

From the evidence received from stakeholders, the Committee acknowledges the benefits that the Bill will bring to businesses here. It will bring them together to work collectively on a vision. It is hoped that a BID will increase footfall and promote towns and city centres. It will create a partnership between local businesses and local councils. Most importantly, it will help to generate income.

The Committee recognises that there will be challenges, and raised concerns. As was mentioned, during the Consideration Stage, the Committee raised questions about the compulsory levies on businesses, especially given the financial pressures that businesses are under. We also recognise that exemptions and lower levies can be included within a BID proposal; for example, for charity shops, although that is down to the BID proposers.

The Committee also questioned the value of making BIDs a mandatory arrangement and recognises that, where businesses currently

pool resources to help to develop a common area or project on a voluntary basis, there is a potential for businesses that do not contribute also to benefit. The Committee also recognises that, although there are concerns about the mandatory nature of the BID, the decision to take the BID forward will be made on a democratic basis.

Looking ahead, the Committee would like the Minister to explore a fund similar to that in GB for business improvement districts to help town centres to access loans for their set-up costs. The Committee acknowledges that, although the Bill makes provision for local councils to make contributions to enable the projects identified in the BID to be carried out, it does not see why the Minister for Social Development, perhaps in conjunction with his colleague at the Department of Enterprise, Trade and Investment, cannot establish a similar fund. The Committee looks forward to exploring that with his officials.

I thank the members of the Committee for their contributions to the debate in Committee and in the Assembly. I also thank the witnesses who provided written and oral submissions and the departmental officials who provided responses to members' queries. Finally, I thank the Committee staff, who facilitated the Committee Stage of the Bill. I commend the Bill to the House.

**Ms P Bradley:** I welcome that fact that we are now at the Final Stage of the Business Improvement Districts Bill, which, of course, could be of huge benefit to many small retailers. It is hoped that it will improve the commercial environment in our town centres, and I look forward to its roll-out in our local council areas.

**Mr Durkan:** I thank the Minister for bringing the Final Stage of the BIDs Bill to the Assembly. Like the Deputy Chair, I thank all the staff.

We welcome the passage of this legislation, which has been universally welcomed across the business sector as something that will assist it at this difficult time. I have been convinced that reservations that I expressed at earlier stages of the Bill and in Committee can and will be addressed. However, I re-emphasise my belief that, if the benefit of this legislation is to be maximised, there must be government subvention and investment at the very least in its embryonic stages. That is an opinion shared by the Deputy Chair of the Committee, but we welcome the legislation.

**Mr Lunn:** I am standing in for Judith Cochrane, so I have very little to say about this except that we certainly welcome the Final Stage of the Bill. It is not something that I have been close to, but I had the opportunity some years ago when I was involved with the Lisburn historic quarter partnership to look at the possibility of a voluntary BIDs arrangement. I think it was around the time when the Blair Government were in the early stages of setting up what is now law.

In less stressful economic times, it would certainly be a very good string to the bow of local communities that want to improve their district. There is no fault in it. It may be a bit of a hard sell just at the present time, but time will tell. Other Members mentioned council contributions and, perhaps, a contribution from the Department. To make it attractive, that is probably vital. Who wants to have a levy on the rates if there is not some other contribution as well? This is good legislation. I hope that it works, and we welcome it today.

**Mr McCausland:** I thank Members for their contributions to the debate. I assure them that, as we take this on, there will be full consultation on the regulations in due course.

A number of contributors pointed out that there should be some sort of arrangement to include start-up funding in support of a BID. I previously committed to examining support arrangements in other jurisdictions before making a decision on that. I am considering options at the moment for providing support to businesses and councils in setting up BIDs in Northern Ireland, and I will make an announcement on that in due course.

I am grateful to Members for their constructive input as the Bill has progressed and for the high level of consensus that it has enjoyed. The Bill is a framework that will provide further subordinate legislation to support BIDs and provide the detail. The Assembly will again have the opportunity to consider BIDs when the regulations have been drafted in due course.

I conclude by asking the Assembly to pass the BIDs Bill and allow it to move forward to gain Royal Assent.

*Question put and agreed to.*

*Resolved:*

*That the Business Improvement Districts Bill [NIA Bill 9/11-15] do now pass.*

## Energy Bill: Legislative Consent Motion

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

*That this Assembly endorses the principle of the extension to Northern Ireland of the provisions in Part 1 of the Energy Bill, as introduced in the House of Commons on 29 November 2012, dealing with electricity market reform.*

We are here today to consider the issue of extending primary legislative powers for electricity market reform (EMR) to Northern Ireland. These powers will help to ensure that, in the longer term, low-carbon generation can compete fairly on cost with fossil fuels without financial support and deliver the best deal for the consumer. Electricity market reform works with the market and encourages competition, minimising cost to consumers, to deliver the investment we need. I believe that these measures will ensure that Northern Ireland remains a leading destination for investment in low-carbon electricity, thereby boosting our economy by generating skills and expertise and creating jobs in the sector.

The consent of the Assembly has been sought for provisions relating to matters devolved to Northern Ireland. The provisions under consideration relate to the following: the introduction of a feed-in tariff, with contracts for difference for large-scale renewable electricity generation; the closure of the Northern Ireland renewables obligation (NIRO) to new generation from 1 April 2017; the introduction of an emissions performance standard (EPS) for a new coal fuel-fired plant; and a new UK-wide institutional framework to administer the contracts for difference.

A key factor in the success of the NIRO to date is the fact that it was working within a UK-wide context. Therefore, the costs of administration and incentivising the NIRO are spread across all UK consumers, which offers the best value-for-money solution for Northern Ireland.

Contracts for difference will be available to Northern Ireland generators for projects commissioning from 2016, but, crucially, the costs will continue to be socialised across all UK consumers. Importantly, the Energy Bill retains my right to set a different strike price for Northern Ireland generators where there is clear evidence that that is required.

Although the NIRO closes to new generation from April 2017, projects already supported under the NIRO will continue to receive support.

The emissions performance standard provides a regulatory backstop on the amount of emissions that new coal-fired power stations are allowed to emit. Although this will apply across the UK, the Bill contains a provision giving me the power to suspend the EPS in Northern Ireland where there is a potential risk to security of supply.

The right institutional framework is crucial to ensuring that EMR drives investment in low-carbon generation and security of supply at an affordable cost to consumers. I am proposing that Northern Ireland is part of the UK-wide institutional framework that has a clear split of responsibilities between government, the devolved Administrations and the delivery body.

As Members can see, my Department has worked closely with the Department of Energy and Climate Change to ensure that Northern Ireland's position is recognised and respected. The powers are required now as a signal to investors as they make long-term investment decisions. The Executive are in agreement with that course of action. If this opportunity is missed, there will be a significant implication for the deployment of low-carbon generation in Northern Ireland. I am confident that by supporting electricity market reform, there will be positive opportunities for Northern Ireland to reduce its dependence on imported fossil fuels, to cut carbon emissions, to promote investment and to support job creation. Passing this legislative consent motion is an important step in the process.

**Mr McGlone (The Chairperson of the Committee for Enterprise, Trade and Investment):** Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire chomh maith as an Bhille a thabhairt os ar gcomhair. My thanks to the Minister for bringing Part 1 of the Energy Bill before us today. The Committee has given considerable consideration to the policy proposals, which have resulted in this motion. At its meeting on 24 November 2011, the Committee considered a written briefing from the Department, which included developments with the coalition Government's White Paper on planning our electric future. The written briefing outlined the Department's position on the policy proposals now included in the LCM.

On 16 January 2012, the Minister wrote to inform the Committee that a study had been undertaken on behalf of the Department and

the Utility Regulator's office to analyse the impact of EMR on incentivising renewable electricity in the North. The Committee received oral briefings from economist John Simpson on 9 February 2012 and the Utility Regulator on 12 March 2012 to assist in clarifying some of the technical details and on the impact of the possible future adoption of a FIT with CFD. As a result of the briefing from Mr Simpson, the Committee had a number of questions for the Utility Regulator and the Department. Responses to those questions have been provided to Members, along with the Committee's report.

On 15 May 2012, the Minister wrote to confirm to the Committee that, subject to an LCM, the Westminster Energy Bill would extend to Northern Ireland for the purposes listed in the legislative consent memorandum. The Minister informed the Committee that she would seek the establishment of a single administration system across the UK for the FIT CFD as only 10 to 15 contracts would be expected in Northern Ireland annually. Members subsequently received an oral briefing from the Department on electricity market reform at its meeting on 14 June 2012. At its meeting on 15 November 2012, the Committee received a further oral briefing from the Department as part of the pre-legislative scrutiny of its plans to introduce an Energy Bill to Northern Ireland to cover provisions for, among other things, the development of an energy efficiency obligation, a small-scale FIT CFD and a higher priority to be given to sustainability in the statutory duties of the Department and the Utility Regulator. Members noted that respondents to the consultation had agreed that a small-scale FIT would be an appropriate means of incentivising small-scale renewable installations.

The Committee carefully considered the proposals in the LCM and is of the view that this legislative consent motion, coupled with the forthcoming Northern Ireland Energy Bill, is the most appropriate means of extending to Northern Ireland the statutory framework and enabling powers for the electricity market reform programme to encourage low-carbon electricity generation for ensuring security of supply. The Committee, therefore, supports DETI in seeking the Assembly's endorsement of the legislative consent motion.

**Mr Newton:** By and large, I concur with the remarks of the Chair of the Committee and recognise the importance of this legislation to Northern Ireland. In fact, it is right to say that the Committee recognised that, in order to improve security of supply in the longer term, low-carbon generation needed to compete fairly

on a cost basis and on a level playing field. I welcome the work that has been done by the Minister and her officials at Whitehall and the fact that the costs of contracts for different CFDs will be socialised across the UK, as the Minister pointed out, and as happens with the Northern Ireland renewables obligation. Indeed, an incentive mechanism that is funded only by Northern Ireland consumers would not have allowed us to reach by 2020 our targets that were established under the Programme for Government.

The Committee is aware of the work that has been undertaken by the Department of Energy and Climate Change in London, by the Utility Regulator, as the Chairman mentioned, and by the system operator to ensure that CFDs work for Northern Ireland generation. It is important that we maintain investor confidence in Northern Ireland while keeping the cost to the consumer as low as possible. I welcome the legislative consent motion.

### 5.30 pm

**Mr Flanagan:** Go raibh maith agat, a LeasCheann Comhairle. I concur with the Member who spoke previously, who concurred with the Chair of the Committee. However, I will have to check Hansard to see what kind of adjective Mr McGlone used to describe John Simpson.

The legislative consent motion is, in the round, very welcome. It will greatly incentivise the generation of low-carbon electricity and is aimed at better enabling us to achieve the targets that are outlined in the strategic energy framework. It is also very welcome in the sense that concessions have been secured to ensure that electricity generators that are based in the North will not be negatively impacted in the single electricity market as a result of the proposals' outworkings. That was one of the concerns that many of us had in the early stages of the process, so I congratulate the Minister and all those who were involved in the negotiations behind the scenes to achieve that result. I also thank all those who advised the Committee throughout the process and kept us on what may have been the right track.

All of us well understand the need to move to a low-carbon future. Indeed, a motion that the Alliance Party tabled that sought the development of a long-term energy strategy for our future was discussed in November last year and received unanimous support. I am alarmed at the definition that the British Government use in the Bill to determine low-carbon electricity

generation. According to the Bill, low-carbon electricity generation is electricity generation:

*"which in the opinion of the Secretary of State will contribute to a reduction in emissions of greenhouse gases".*

I have seen that type of wording before. It has been used as a cover for natural gas to generate heat or power and is then put forward as some form of low-carbon technology. Natural gas is not an alternative to fossil fuels. It is not a low-carbon energy source. It is a carbon-intensive fuel, and any efforts to promote it as anything else are utterly pointless. If the objective is to reduce carbon emissions, the solution is not to consume more gas. Compared with coal, gas produces fewer carbon emissions. However, it is still much greater than other forms of electricity. The only solution is to move away from fossil fuels and on to greater renewable forms of energy. That is why the Bill is needed. Presently, the cheapest forms of electricity generation are the most polluting and the main source of our climate change emissions. Without government interventions to ensure the facilitation of more renewables, we will end up with not just higher bills as a result of rising gas and oil prices but ever-rising carbon emissions.

A number of concerned individuals and groups in Britain have raised serious concerns about the implications of the Energy Bill, which was recently passed there. The need for an energy Bill that is tailored to meet our unique circumstances has been outlined. Thankfully, that Bill will follow from this legislative consent motion at a later stage. I welcome the Minister's announcement today that she has secured Executive support to bring forward that energy Bill.

Some renewables companies have said that they would prefer if the existing system of subsidies that supports domestic renewables were made available to large-scale installations such as wind farms. Concerns have also been raised about a potential fall in investment as the subsidy switch-over kicks in, which the Minister referred to. New renewables installations, such as offshore wind farms, will continue to qualify for the current system — the renewables obligation — by which renewables generators receive certificates that they will sell in addition to the power if they come on stream by 2017. Their subsidies under that scheme will continue until 2037. The first new contracts should be ready to come into force by 2017, so, in theory, there should be no gap. Under the reforms, however, generators must apply for contracts for difference before turbines are built. That



can take several years in the case of large offshore wind farms, which means that developers must begin to apply under the new system soon, at the risk that they would have been better off under the current system. I would like to hear from the Minister what action has been taken to address those concerns and how we can expect them to be resolved in the coming period.

I know that I have focused much of my remarks on potential concerns about the Bill, but other Members and the Minister have outlined a clear rationale for the benefits of the proposal and the clear need for it. I am still content to support it.

**Mrs Foster:** I thank everybody who spoke and who supported the motion. I thank my Executive colleagues, the Committee for Enterprise, Trade and Investment and the Business Committee for allowing this matter to be considered in such a timely fashion and for allowing the motion to be debated today.

I want to answer a few points that Members made. Mr Newton referred to the socialisation of the incentive across the UK. That is a critical issue and one that we spent some time on in the Department. If we had been pushed back to an incentive that applied just to Northern Ireland consumers, it would have been very difficult to reach the level that we have been able to attain in this Bill. Therefore, I want to acknowledge the work of my officials with Department of Energy and Climate Change officials in securing that socialisation across the UK. I also want to acknowledge the fact that I have retained the rights in relation to the strike price. That was something that we negotiated as well.

To pick up on Mr Flanagan's point about the definition of "low-carbon generation", it is referred to as renewables, nuclear and gas in the Bill. Natural gas is needed to manage the intermittency of wind, particularly in Northern Ireland, where we do not have nuclear power stations. We need that fast-start gas plant for when the wind does not blow. I ask the Member to acknowledge that, and the fact that his party has supported the gas line to the west. I want to see that developed as quickly as possible, particularly for businesses along that line, including agrifood businesses, and, indeed, Quinn Glass in our constituency of County Fermanagh, which is very much looking forward to having access to natural gas to give it an edge against its competitors. We need to acknowledge that natural gas plays a fundamental role in the energy market in Northern Ireland, and we will discuss that in the

context of the Energy Bill when it comes to the Floor of the House, which I hope will be soon.

I believe that EMR will help to attract private sector investment now and will therefore deliver growth and jobs for the economy. In addition, I believe that providing clarity now on support for low-carbon generation will help to contribute to meeting our target of 40% renewable electricity by 2020.

Secondary legislation will be forthcoming to allow the EMR provisions to come fully into force in Northern Ireland. However, the Assembly must support the need to give developers the confidence and assurance to continue to invest in our growing renewables industry and help protect the Northern Ireland consumer from rising energy prices. I commend the motion to the Assembly, and I thank Members for their support.

*Question put and agreed to.*

*Resolved:*

*That this Assembly endorses the principle of the extension to Northern Ireland of the provisions in Part 1 of the Energy Bill, as introduced in the House of Commons on 29 November 2012, dealing with electricity market reform.*

*Adjourned at 5.39 pm.*







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