

# Official Report (Hansard)

Monday 19 January 2015  
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# Northern Ireland Assembly

Monday 19 January 2015

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

*Members observed two minutes' silence.*

## Assembly Business

### Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Bill: Royal Assent

**Mr Deputy Speaker (Mr Dallat):** Order. Before we proceed to today's business, I wish to inform the House that the Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Bill received Royal Assent on Tuesday 13 January. It will be known as the Human Trafficking and Exploitation (Criminal Justice and Support for Victims) Act (Northern Ireland) 2015.

Members may also be aware that the Business Committee met earlier today and agreed to some changes to today's plenary business. A revised Order Paper and indicative timings have been issued. In short, the election to fill the vacant position of Deputy Speaker and the subsequent election of Principal Deputy Speaker are now scheduled for tomorrow, and a motion to suspend Standing Order 21 has also been scheduled for tomorrow to facilitate that business. I hope that is all clear.

### Public Petition: Dromore Central Primary School

**Mr Deputy Speaker (Mr Dallat):** Mrs Brenda Hale has sought leave to present a public petition in accordance with Standing Order 22. The Member will have up to three minutes to speak.

**Mrs Hale:** Thank you, Mr Deputy Speaker. I present this petition on behalf of all at Dromore Central Primary School. I thank the parents, the children and, indeed, the local community of Dromore for helping to support this petition. The sheer numbers of local people who have shown their support during this campaign powerfully indicates that the residents of Dromore and the surrounding areas will not settle for second best when it comes to the education of their children and grandchildren.

Dromore Central Primary School, as well as some of the other schools I will mention, lies on the A1 Belfast to Dublin corridor, which has been host to some of the biggest housing and economic development projects in the last 10 years. That growth is best reflected in the need for local primary-school places. Brontë Primary School was opened in 2000. By 2007, the school had to add an additional two classrooms. Fair Hill Primary School in Kinallen was opened in 1997. In 2006, it was extended by two classrooms, with an additional mobile, and, in 2014, a further two classrooms were added. Donacloney Primary School also had to be extended considerably in 2014. The Minister of Education stated that that extension was consistent with the increasing demand for primary-school places in the area. When we consider the schools in the Southern Education and Library Board region, specifically those within the five-mile radius of Dromore, it becomes apparent that all the schools have reached their full capacity for admission intake.

Indeed, such schools as Ballydown, the Bronte and Dromore have had to turn pupils away over recent years. Unfortunately, that begs me to question the decision-making capabilities of the Southern Board when it comes to making sound economic and financial assessments in relation to projected growth, creating the capacity to meet that growth and giving due consideration to the needs of the local and surrounding communities.

It is clear that there would be no financial risk to the Southern Board, the Department or to any other education board if we planned new schools and developments with a 10% spare capacity, similar to that in England. Extra capacity is not a financial risk if planned correctly.

On 16 May 2014, and again on 27 June, the interim chief executive, Mr Gavin Boyd, expressed his support for the 28-base class school when he was presented with evidence to show that an additional 341 houses were agreed for the development area. In the case

of Dromore Central Primary School, the major financial risk is that the Southern Board and the Department will have to pay over the odds to extend the school at a later stage, as has already been seen from similar case studies in the area. I call on the Minister of Education to reflect on the decisions taken to date, to consider the wider economic reasons for extending at this time and to ask the South Eastern Education and Library Board why no development proposal was ever presented with a firm financial risk assessment. I ask that the Minister give an assurance that the curb on enrolment is not a clear intention to ensure that the school is no longer viable to meet future demand.

*Mrs Hale moved forward and laid the petition on the Table.*

**Mr Deputy Speaker (Mr Dallat):** I will forward the petition to the Minister of Education and also a copy to the Committee. Thank you.

**Mr Dickson:** On a point of order, Mr Deputy Speaker. Over the weekend, a Member of the Assembly, Mr Sammy Wilson, tweeted what I consider to be an offensive remark about the Assembly's Commissioner for Standards and also made a further offensive remark with regard to an international campaign, in that he described the Commissioner for Standards as a "jihadist" and he described himself as forming a campaign for "Je suis Sammy". I wish to report the matter to the Office of the Speaker for investigation and also to inform the Speaker that I have written to the Speaker in another place about this matter.

**Mr Deputy Speaker (Mr Dallat):** The Member knows well that that is not a matter for the Speaker. He is long enough here to know how, if he has a complaint, he should go about making it.

**Lord Morrow:** Further to that point of order. Does a matter that is raised on the Floor of the Assembly but which transpires not to be a point of order go on the record?

**Mr Deputy Speaker (Mr Dallat):** Of course, like every other democracy in the world, Hansard is here and the matter is on the record. Although it is not for me to presume why somebody should do something, I imagine that the Member wanted it on the record.

## Ministerial Statement

### Public Expenditure: 2014-15 January Monitoring and Budget 2015-16

**Mr Hamilton (The Minister of Finance and Personnel):** Mr Deputy Speaker, I am pleased to be able to present to the House the Executive's agreed Budget for 2015-16 and the result of the 2014-15 January monitoring round.

On 23 December 2014, the Stormont House Agreement was published, paving a new way forward for the Executive and a fresh start for politics in Northern Ireland. Its success or failure will depend on the faithful implementation of what was agreed by the parties across a range of issues.

Last Thursday, the Executive passed their first big test of this new era. This Budget, and the agreement reached on welfare reform, puts the Executive's finances back on a long-term and sustainable basis; it also paves the way for allowing Northern Ireland to set its own rate of corporation tax. I trust that the willingness to compromise and the determination to succeed and to meet deadlines that have made the Budget possible will set the tone when other aspects of the Stormont House Agreement come to be implemented.

The challenging financial circumstances that the Executive had to contend with this year and next are well documented. Our overall spending power has fallen by over £1 billion since 2010. Next year's resource budget has been reduced by 1.6% in real terms, meaning that our ability to pay for the day-to-day running of public services like schools and hospitals has been curtailed when demand for those and other services remains high. The years ahead look equally challenging, with Office for Budget Responsibility (OBR) projections suggesting that Northern Ireland could see its resource departmental expenditure limit (DEL) fall by a further 13% in real terms by the end of the decade.

Such circumstances would challenge the ability of any Government to agree a Budget. Never before has Northern Ireland had to contend with budgetary pressures of this magnitude. That we have been able to agree a Budget for next year, and have done so well in advance of the end of January, is an achievement many thought beyond our reach.

Our draft Budget illustrated the difficulty of our task. Over £200 million in reductions were required across Departments to meet many of the pressures facing the Executive. Members will recall that the draft Budget contained no surplus funding to be distributed at the final Budget stage, aside from the £30 million change fund. However, a number of factors, large and small, have combined to result in a much-improved budgetary position. The Chancellor's autumn statement resulted in the Executive receiving £67 million more in resource DEL, £5.7 million in capital DEL and £1.3 million of financial transactions capital for next year.

The Stormont House Agreement provides the Executive with additional funding and flexibilities in 2015-16. Those include up to £50 million additional capital DEL for new shared and integrated education projects; flexibility to use £200 million of reinvestment and reform initiative (RRI) borrowing for a voluntary exit scheme; an additional £100 million of borrowing for capital projects; and up to £30 million of resource DEL for the funding of bodies to deal with the past.

Her Majesty's Government are still intent on enforcing the payment of £114 million for the non-implementation of welfare reform. That amount will be deducted from our Budget at the beginning of the new financial year. If the implementation of welfare reform is completed, as expected, during 2015-16, the relevant portion of the £114 million reduction will be returned to the Executive in-year.

The draft Budget set aside £70 million to fund a package of measures to mitigate the worst impacts of welfare reform. An assessment of the requirements for next year has been made, and, based on the assumption that welfare reform will be implemented halfway through 2015-16, it is anticipated that £26.9 million will be required. That funding will be transferred to DSD in June monitoring to be held in a ring-fenced manner for the various welfare reform initiatives. The revised costing of welfare reform measures therefore provides £43.1 million of additional funding for allocation in the final Budget.

Flexibility was provided to fund the £114 million from the capital budget. As Departments will have already commenced planning on the basis of the draft Budget capital position, the Executive have agreed not to alter that fundamentally in order to repay the full £114 million from capital. However, a £57 million capital to resource switch has been granted as part of the final Budget on the assumption that

welfare reform will be introduced halfway through next year. That position may be further refined in-year. The Stormont House Agreement also confirmed that the £100 million reserve claim in 2014-15 may be repaid from capital receipts. That reflects the draft Budget position.

The ring-fenced funding included in the Stormont House Agreement for bodies dealing with the past and for shared and integrated education projects is being held centrally, as proposed expenditure will require the agreement of the Executive and the UK Government. Allocations will then be made through the in-year monitoring process. Further additional funding is available to the Executive due to revised assumptions and updated forecasts. That includes an increase of £1.3 million in regional rates income and a £5.9 million reduction in RRI interest repayments. In the draft Budget, the Executive set aside £133.2 million to cover increased costs arising from the revaluation of public-sector pension schemes. Those costs have been finalised after work between my Department and the Government Actuary's Department (GAD), resulting in a reduction in the pressure of £10.7 million.

Some capital reduced requirements were identified during the consultation period, and those have been factored into the final Budget position. They include some £5.7 million of increased capital receipts, £27.5 million of financial transactions capital from DETI and £46 million of capital DEL from DCAL for the regional stadia. In view of the circumstances in which the stadia funding was surrendered, I can confirm that I will support any in-year emerging capital infrastructure pressures relating to stadia emanating from DCAL in the 2015-16 monitoring round process.

In the draft Budget, £10.7 million of resource DEL and £8 million of capital DEL was held centrally for match funding for the EU Peace programme and INTERREG. The majority of that funding has been allocated to the relevant Departments. There has been some delay on the final agreement for some projects. Therefore, a residual amount has been held centrally to allocate as part of the in-year monitoring process.

Finally, DSD has requested the reclassification of £2.7 million of expenditure from resource DEL to capital DEL as a consequence of expenditure being incorrectly classified in its resource DEL baseline.

**12.15 pm**

As a result of all the adjustments I have just detailed, the funding available for allocation at final Budget stage amounts to £73.7 million resource DEL and £28.8 million ring-fenced financial transactions capital. There is a small overcommitment of £2.3 million in conventional capital DEL to be managed in-year.

The draft Budget also set aside £30 million for an Executive change fund. The aim of the fund was to encourage Departments to bid for projects that were reform-orientated and innovative, focused on early intervention and prevention or involved cross-departmental collaboration. The fund was oversubscribed by five times its value, illustrating its value and the commitment of Ministers to the principles of reform. Bids were assessed and scored, and the 19 successful ones are outlined in the attached tables.

Before moving to the further allocations agreed by the Executive, I want to say something about the Assembly Ombudsman, the Northern Ireland Audit Office and the Northern Ireland Assembly, all of which were protected from reductions at draft Budget stage. At that time it was made clear that, in times when the broad public sector was under such pressure, there would be a clear expectation from the Executive and the general public that these institutions would also provide some degree of savings.

Unfortunately, with the exception of the ombudsman, who at least tried to identify some savings, that has not been the case, and I and Executive colleagues have been dismayed by the attitude taken by these bodies. I do not believe that these institutions are run so efficiently that they cannot play some part in keeping budgets to a minimal level. Therefore, the Executive have agreed to reduce the Northern Ireland Audit Office, Assembly Ombudsman and the Northern Ireland Assembly Commission's budgets by 5%.

In the interests of fairness, it is only right that minor Departments that had faced significant reductions in the draft Budget should have their reductions limited to a similar level. Therefore, the funding released by applying a relatively small reduction to the previously protected bodies has been returned to the NI Utility Regulator, the Food Standards Agency and the Public Prosecution Service. As a result, the adjustments made to the non-ministerial Departments will have no impact on the levels of funding available to other Departments. It will, however, ensure that all minor bodies are making a contribution to reducing public expenditure.

The central pillars in constructing this Budget for 2015-16 were the protection of key front-line health and education services, investments that underpin economic growth in Northern Ireland and putting in place the foundations for the reform and restructuring of our public sector. These important priorities are reflected in the various allocations agreed by the Executive. The Programme for Government commits us to:

*"Delivering high quality and efficient public services".*

In spite of the dual pressures of less public spending than we would like and the growing demands of our people, we ought to be proud of the many achievements Departments have made. Those achievements can only be maintained and built on if the Executive prioritises key services in their Budget allocations. That, Mr Deputy Speaker, is what we have done.

No clearer can that be seen than in our commitment to health and education. I can confirm the £200 million increase in spending for the Department of Health, Social Services and Public Safety originally outlined in the draft Budget. Health will also receive a further £4 million from the change fund for five projects, including the all-island congenital cardiac service model. This additional £204 million reflects the Executive's determination to protect front-line services in the health sector and sees a final Budget outcome for health that is some 3-4% higher than last year.

The Executive are also committed to assessing the performance of DHSSPS in the short and longer term. As an initial step, my Department will provide an assessment of the performance of DHSSPS as part of its monitoring round scrutiny over 2015-16 to ensure that its plans for remaining within budget are robust and attainable. In the longer term, the intention is to progress the health sector review through a case study to be undertaken as part of the ongoing OECD review of public-sector reform in Northern Ireland. The flexibilities previously granted to DHSSPS in monitoring rounds will continue for 2015-16, subject to the outcome of the assessments undertaken.

The Department of Education receives £63 million — as well as a change fund allocation of £1.6 million for nurture units — in extra funding on top of that already allocated in the draft Budget.

This reflects not only the Executive's commitment to a high-quality education system that contributes to the success of our economy

and society, but is a recognition of responses to our public consultation. I trust that this sizeable, additional allocation will permit much of the pressures facing classrooms across Northern Ireland to be alleviated. The Departments of Health and Education will account for 65% of all resource expenditure in Northern Ireland next year.

One other significant allocation that I wish to highlight relates to the Department of Justice. During my bilaterals with Departments, I discussed with the Chief Constable the pressures facing the Police Service of Northern Ireland. I am pleased to say that the Executive have agreed to a further £20 million going to the Department of Justice, which is especially to meet pressures on the PSNI. This will assist the Chief Constable in taking forward recruitment plans next year and ensure that the impact of reductions on policing and public safety is lessened.

The Executive's number one priority remains growing a sustainable economy. That requires us to devote resources, insofar as we can within the constraints we face, to investment in economic infrastructure, skills development and job creation.

The Executive's economic strategy is working: the economy as a whole is growing; unemployment is falling; and confidence is creeping back. It is critical, therefore, that the Executive continue to concentrate investments on areas of expenditure that assist and support our economy as it recovers.

I indicated in the draft Budget that close to £20 million of support to small businesses would be provided through the continuation of the small business rate relief scheme. Members will recall that, in my draft Budget statement, I announced my intention to create a Northern Ireland investment fund. This fund would be primed with financial transactions capital and would seek to work with the European Investment Bank to leverage in additional finance that could be targeted towards much-needed investment in infrastructure, such as energy efficiency, renewables and social housing.

I am pleased that the Executive have endorsed the allocation of a further £28.8 million of financial transactions capital to the Northern Ireland investment fund, meaning that £40.9 million will be in the fund next year.

The Department of Enterprise, Trade and Investment was one of only two Departments to experience an increase in the draft Budget for

2015-16. After discussions with my colleague the economy Minister, I am convinced of the need for a further uplift in expenditure in her Department so that the impressive work that she and Invest Northern Ireland have done to attract so much investment to Northern Ireland can continue. DETI receives £3 million, which goes to Invest NI, as well as £7.4 million in change fund allocations, including one for collaborative skills development that the Department will undertake alongside the Department for Employment and Learning.

I made it clear in the House that the departmental allocation in the draft Budget that satisfied me least was that to the Department for Employment and Learning. The final Budget sees DEL receiving £33.2 million in additional funding. This is made up of £20 million in recognition of the work our universities and colleges do in building a skilled workforce, and £13.2 million of successful change fund bids, including joint work with the Department of Education to provide maths and English essential skills for 14- to 16-year-olds, the aforementioned collaborative skills development with DETI, the United Youth programme pilot, apprenticeships and youth training.

As public spending remains under pressure for the foreseeable future, it will be important that the Executive pursue and seek to realise innovative funding solutions that help to meet our objectives. The House will know of my long-standing support for the third sector in Northern Ireland. Many of our charities, community organisations and social enterprises play a crucial role in working with government to deliver key services, particularly to the most marginalised and hard to reach in our society.

I am sure we are all in agreement in wanting to see the third sector increase its activity. To that end, it is my intention to bring forward to the Executive a paper proposing the creation of a social innovation fund that will allow social enterprises, charities, faith-based organisations and community groups to access loan financing that will enable them to expand the good work that they do. It is my hope that this fund will be able to utilise £5 million of funding from dormant accounts and, much like the investment fund, be constructed in such a way that it will be able to draw in additional finance that could see a total of £10 million in the fund.

Other allocations have been made to Departments to meet a range of pressures. These include £2 million to the Department of Agriculture and Rural Development for its Going for Growth strategy and its HQ relocation; £2

million to the Department of Culture, Arts and Leisure to deal with pressures relating to NI Screen, Cinemagic, the Public Record Office of Northern Ireland (PRONI) and the production of the outline business case for the subregional stadia; £5 million for the Department for Regional Development for Translink town bus services and road repair programmes; £1.9 million to the Department of the Environment for the local government derating grant; £3.1 million for the Department for Social Development to reinstate reductions applied to the social fund and to fund the National Citizen Service; and £1.5 million to OFMDFM for victims' services.

I want to particularly highlight the allocation of £10 million for Together: Building a United Community. That funding will be held centrally and will be allocated as part of the June monitoring round to projects that will help the Executive to deliver on their commitment to improving community relations and building a united and shared society.

Whilst it is undoubtedly the case that our Budget is in better shape because of the financial package associated with the Stormont House Agreement, agreement between the Executive parties on welfare reform, and Barnett consequentials flowing from the Chancellor's autumn statement, that does not mean that the challenges facing public spending in Northern Ireland have evaporated. At the time of the draft Budget, I warned that pressure on public expenditure would inevitably result in a change to the shape and nature of our public sector. That remains true. Despite our ability as an Executive to allocate, in this final Budget, an additional £150 million of funding over and above the allocations in the draft Budget, with a resultant drop in resource spending of only £60 million next year, it would be a misjudgement to believe that we can take our foot off the pedal of reform. Having a better Budget than we might have dared to imagine six months ago does not mean that difficult decisions can be avoided. Reform and restructuring remain as relevant now as they did before.

As indicated at the draft Budget stage, the Executive will shortly adopt a comprehensive programme of public sector reform and restructuring, which will encompass a wide range of strategies. The Executive continue to consider the detail of that reform and restructuring plan, but it builds upon the five Executive parties' submission to Her Majesty's Government during the recent Stormont House negotiations, which outlined our agreement to reduce the public sector workforce in Northern

Ireland by 20,000 posts over the next four years through a combination of measures, such as a voluntary exit scheme and recruitment freezes. The flexibilities agreed in the Stormont House Agreement to utilise up to £200 million of RRI borrowing to pay for a voluntary exit scheme in 2015-16 will greatly assist the Executive in their aims and, by 2018-19, will yield an estimated £500 million annual saving to our Budget after the available £700 million has been invested.

The Executive have also agreed the January monitoring round for 2014-15. The Assembly knows only too well how demanding this year has been for our Budget. In-year resource DEL reductions of 4.4% for all Departments except Health and Education were needed, along with a call on the reserve of £100 million, for us to try to live within our means. We exited the October monitoring round with a £24.7 million resource DEL and a £12.8 million capital DEL overcommitment, which meant that the risk of us breaching our Budget was still very real.

A number of adjustments have impacted upon our financial position. A Budget exchange scheme adjustment in 2014-15, based on the recently determined 2013-14 final out-turn position, showed an additional underspend in 2013-14 of £4.1 million resource DEL, thereby providing additional funding in 2014-15. On capital DEL, the underspend was £0.1 million less, creating a small pressure.

The Chancellor's autumn statement provided Barnett consequentials for 2014-15 of £0.8 million of resource DEL and £0.8 million of capital DEL. I have also recently been notified that the Executive will receive a Barnett consequential that amounts to £10.9 million as a result of the Chancellor of the Exchequer's announcement of a freeze to council tax in England in 2014-15. The latest regional rate forecast indicated that income this year is expected to be £0.5 million less than was anticipated at the October monitoring round, creating a pressure to be addressed in this round.

There have also been a number of small easements in respect of RRI borrowing interest payments, EU match funding, statutory salaries and cash management charges, amounting to £5.1 million resource DEL and £2.4 million capital DEL. The impact of those changes was to reduce the starting overcommitment for the January monitoring round to £4.4 million of resource DEL and £9.7 million of capital DEL. Departments declared reduced requirements in this monitoring round of £30.5 million resource DEL and £40.4 million capital DEL. Full details are included in the tables provided.

## 12.30 pm

This monitoring round also provides the last opportunity for adjustments to the schools and further education end-year flexibility (EYF) schemes. On the schools EYF scheme, I confirm that the Department of Education has not declared any adjustment to the £5 million resource DEL drawn down under the terms of this scheme back in the June monitoring round. As a consequence, the schools EYF stock that is carried into 2015-16 will be £41.7 million. There has been no drawdown in 2014-15 under the restricted end-year flexibility scheme for further education (FE) colleges. In addition, the Department for Employment and Learning has advised that, as part of the current monitoring round, it plans to add £8.3 million to that stock. As a consequence, the FE college EYF stock carried forward into 2015-16 will be £14.3 million.

A number of internal reallocations agreed by the Executive in this monitoring round are included for information in the tables accompanying this statement. The Executive also agreed a number of reclassifications between the resource and capital categories in this round. There were reclassifications between the ring-fenced and non-ring-fenced resource DEL categories. Those reclassifications are also shown in the tables.

All the above issues impacted on the amount of resources available to the Executive in this monitoring round. Taking into account the starting position, the reduced requirements and reclassifications resulted in £28.1 million of resource DEL and £23.2 million capital DEL being available to the Executive. Against the available resources, the Departments submitted bids amounting to £62.4 million for resource DEL and £48.3 million for capital DEL. Those bids are also detailed in the tables.

Before coming to the allocations agreed, I will also update Members on the position on ring-fenced financial transactions capital (FTC) funding. Members will recall that that funding can be used only for the purpose of providing loans to, or equity investment in, the private sector. Following the October monitoring round, some £35.2 million of financial transactions capital remained unallocated. However, due to delay in the implementation of the GP and dentist loan scheme, the Department of Health has surrendered £5 million in this round. In addition, slippage in the Northern Ireland Science Park development has resulted in DETI declaring a reduced requirement of £0.4 million. That now leaves £40.6 million available for allocation.

My officials have been working closely with Departments to identify schemes that could use that type of funding. As a result of that work, I am pleased to announce that the Executive agreed to provide £38.5 million of financial transactions capital funding to the University of Ulster to assist in financing its greater Belfast development scheme. That is in addition to the £35 million previously provided. It is a strategically significant project for the city of Belfast and, indeed, the whole of Northern Ireland. I believe that it is important that the Executive have demonstrated their continued support through provision of that additional financing. The Executive have also agreed to allocate £2.1 million of ring-fenced financial transactions capital to DETI to support its growth loan fund. Following those allocations, all the financial transactions capital funding available to the Executive this year has now been allocated.

The Executive agreed allocations totalling £14.2 million of resource DEL and £27.2 million of capital DEL. Those allocations are detailed in the tables, and I will highlight only a few of the main ones. On the resource DEL side, there is £0.6 million to DCAL for sporting events and to help save the Ulster Orchestra. DETI will receive £2.2 million to meet pressures in Invest NI and the Northern Ireland Tourist Board. DRD will receive £5.2 million for street lighting and roads maintenance, and OFMDFM will receive £4.5 million to support the Delivering Social Change programme and the Victims and Survivors Service.

Capital DEL allocations include DSD receiving £7 million for investment in the social housing stock. The Department of Education will receive £5.4 million towards the purchase of a school site and to provide for updating of schools IT equipment under the C2k programme. DFP will get £6.4 million to advance our asset management strategy, DRD will receive £3 million for roads structural maintenance, and DHSSPS will receive £3.3 million for investment in medical equipment, ICT and health and safety.

Members will have noted that the Executive have agreed a £3.2 million resource DEL allocation in this round for the Delivering Social Change programme. That has been supplemented by £2.1 million of funding identified by OFMDFM, which has confirmed the following allocations under the Delivering Social Change programme to be processed in this monitoring round.

There is £0.8 million to DHSSPS for the family support and parenting support programmes;

£2.6 million to the Department of Education for the literacy and numeracy programme; £1.9 million to DSD for nurture units and the social enterprise programme; and £0.02 million to DOE for the play and leisure programme. Those transactions totalling £5.3 million will be handled as technical transfers rather than allocations. Following those transactions, no centrally held funding relating to the social investment fund, the Delivering Social Change programme or the childcare strategy remains unallocated in this year.

The Executive now exit the January monitoring round with £13.9 million of resource expenditure unallocated, whilst, on capital investment, there is an overcommitment of £4 million. I believe that that level of capital investment overcommitment is perfectly manageable, given historic patterns of underspend. I very much hope that the £13.9 million resource expenditure that is unallocated can be carried forward under the budget exchange scheme to help to address pressures in 2015-16.

However, Members should note that the Minister for Regional Development has indicated that his Department is likely to overspend on resource DEL in the current year, with the latest estimate of the pressure amounting to £13 million. The potential overspend is a consequence of the Minister's failure to address in full the £20 million gap in his budget as a consequence of value not being released from Belfast port as planned at the time of the last Budget. The Minister for Regional Development has been aware of that pressure for some time, and he should have taken the actions necessary to address it at the start of the financial year. It is absolutely unacceptable for Ministers to manage their budgets in the expectation of additional funding being secured through the Executive's in-year monitoring process. To offset the risk that an overspend by DRD will cause the Northern Ireland Executive to exceed their HM Treasury control total on resource DEL, the Executive have agreed not to allocate £13.9 million resource expenditure in this round.

I intend to monitor closely the financial position across Departments over the remaining months of this financial year to ensure that carry-forward of funding under the budget exchange scheme is maximised and that no funding is lost to Northern Ireland. Executive colleagues have agreed to cooperate fully in that task. Given the significant challenges that have faced the Executive's resource DEL in 2014-15, I am pleased to report that the Executive are now on

course to live within Her Majesty's Treasury control totals this year.

There is no such thing as the perfect Budget, but, in the challenging circumstances in which the Executive found themselves, this represents a good deal for the people of Northern Ireland. US Treasury Secretary Jack Lew once said:

*"The budget is not just a collection of numbers, but an expression of our values and aspirations."*

This Budget aims to mirror the values and aspirations of the people of Northern Ireland. It is a Budget that deals with many of our pressures, reflects our priorities and prepares for the future. It is a Budget that underpins the economic growth that Northern Ireland has been experiencing and prepares us for the devolution of corporation tax with sizeable investments in job creation and skills development.

It is a Budget that prioritises our key public services, with over £200 million more for health and a significant uplift for education compared to the draft Budget position. It is a Budget that puts us on the path to reforming and restructuring our public sector in readiness for what will be tough times ahead. Above all, it is a Budget and a January monitoring round for the people of Northern Ireland. It is keeping rates down, maintaining household taxes at the lowest levels in the whole of the United Kingdom, retaining supports like concessionary fares for the elderly and still investing in necessary, everyday public services like health, schools and street lighting.

Over the past year or more, budgetary, financial and welfare reform issues have been the cause of much disharmony and division in the Assembly. There were times when I thought that the Executive might breach their Budget or that agreement on a Budget for next year would prove impossible. A budget is the cornerstone upon which any government programme is built; without an agreed budget, no administration can function. With some imagination, some innovation, some compromise and, above all, a lot of effort and endeavour, we have found a way through our immediate problems. This Budget is agreeing a way forward for next year with a focus on key front-line public services, aiding economic growth and pointing the way towards reform and restructuring; it represents an opportunity, at the beginning of a new year, for a fresh start for the Assembly and the Executive.

Let no one be in any doubt that, whilst the Budget that I present today is infinitely better for our public services and our economy than we could have hoped for, tough times lie ahead. In many respects, the most difficult decisions on public spending have yet to come. No one wants cuts, but, in agreeing this Budget, we have done the right thing. We have accepted the realities that we face and have done what we can to protect and support what is important to our people.

"Tough choices and difficult decisions" was how I characterised the Budget, and it would seem that they were too tough and too difficult for some. Opposition is easy, and saying no when you know that you do not need to say yes is hardly tough or difficult. However, those who failed to find the courage to back the Budget, those who took a narrow departmental or party political view, those who called for compromise only to vote against it because they did not get their way and those who want to adopt the cynical position of claiming clean hands on cuts while all the time remaining in the Executive have exposed their inability to lead in challenging times. Anyone can vote for more money when times are good. It takes real leadership to say yes when the decisions are difficult.

Those who say no to the Budget are well within their rights to do so. However, the people of Northern Ireland need to know that, when challenged to come forward with alternative proposals to the Budget presented to them, those Ministers who voted no said nothing. They were happy to criticise, Mr Deputy Speaker, but not so keen to produce credible alternatives.

Sometimes, I think that we forget the degree of progress that we have made. Today, we enjoy a degree of peace and political stability that was denied to several previous generations. Contrary to the criticism from some quarters, this Executive have achieved much. Devolution has allowed us to transform Northern Ireland into a magnet for international investment, and we are increasingly a venue for world-renowned events. Locally elected politicians in this place have also been able to pursue policies that are in the interests of our people, such as keeping household taxes low, prioritising health and education, and securing the power to lower the rate of corporation tax.

Agreeing the Budget was as big a test as any that our Administration have passed since the restoration of devolution. No Budget would have meant no Stormont. It may not be ideal or to everyone's satisfaction, but agreeing it in the

context of severe pressures on public spending represents a sign of growing maturity. It should act as a stimulus as we step into a future that is full of challenge.

Let us use this agreed Budget, with its focus on public services, the economy and reform, to renew and redouble our efforts to make progress and keep Northern Ireland moving forward. I commend the Executive's agreed Budget for 2015-16 to the House.

**Some Members:** Hear, hear.

**Mr Deputy Speaker (Mr Dallat):** Before we move to the first question, I wish to inform the House that the Speaker has agreed to a request from the Minister of Agriculture and Rural Development to reschedule the ministerial statement on the outcome of the December 2014 meeting of the Fisheries Council until Tuesday 20 January. Revised indicative timings will be issued accordingly.

Before I call the first questioner, I inform the House that a very large number of Members have put their names down to ask questions. I am sure that Members agree with me that as many Members as possible should be allowed to do that. For that reason, I ask Members to ensure that their question — I emphasise "question" — is brief and relates to the ministerial statement.

**Mr McKay (The Chairperson of the Committee for Finance and Personnel):** Go raibh maith agat, a LeasCheann Comhairle. I welcome the statement. It is clearly good news for our schools, our universities and health. I also welcome the fact that this place is taking a cut, because the public feel that we and the Assembly should feel some pain in the Budget for the year ahead.

Minister, the Minister for Regional Development has often alleged that you are threatening to knock his lights out, so I welcome the £2 million that will go towards street lighting. Do you agree that it is not sustainable for opposition Ministers to want to have their cake and eat it every time that they mismanage their budget? Do you also agree that it is not MLAs who need training courses, and that perhaps it is some of the Ministers who act like cuckoos within the Executive who need some training?

**12.45 pm**

**Mr Hamilton:** I thank the Chairman for his welcome for the Budget. I look forward to working with him and the Committee over the

next number of weeks. The agreement of a Budget and the announcement of it in the House is only the start of a process that will take us through most of February. I look forward to working with the Committee in respect of that.

A particular problem has arisen in the Department for Regional Development. It would seem that whatever the problem, the Minister for Regional Development wants to make it everybody else's problem, instead of getting on with doing his job, which is looking after his budget and taking the difficult decisions, which we all have to take, within his budget. He entered this year knowing that there was a £20 million pressure. There is a whole history as to why that pressure is there, and I could argue, as I am sure colleagues could argue, that the Minister and the Department did not act vigorously enough in trying to pursue value from the port. That, of course, has not materialised, resulting in a pressure. However, no Minister should behave at the start of the year as if they have more money in the budget than they actually have. As a Minister, you should not be spending to a budget line that is inflated, in his case by £20 million, and then come to the Executive in-year and expect that pressure to be met.

If we go back to the October monitoring round, we exited that, as I highlighted in my statement, with an overcommitment on the resource side of nearly £25 million, and there was a very real risk that the Executive, as a whole, could breach their Budget, and that would have been an unacceptable and untenable position to be in. The bid made by the Minister for Regional Development could not, at that time, be made. However, whether it could or could not be made is immaterial. As guardian of the public finances, I could not go to the Executive and ask for the Executive's agreement to support Ministers who have behaved irresponsibly in the management of their budget; that is simply not acceptable. If I were to do that, I would have to be careful that it was not setting a dangerous precedent, so I was not prepared to go down that road.

The Minister has known for a long time that he has had pressures in his Department and has failed to take decisive action early enough. You only have to look at the situation where he has £20 million worth of a reported pressure, and he was bidding for £18 million to address that in the January monitoring round, knowing way back at the start of the year that he had that pressure and that he was only taking out costs, supposedly, of £2 million. In my view, that does not show decisive or quick enough action on

the part of the roads Minister to deal with the problem that he had right from the start of the financial year.

**Mr Deputy Speaker (Mr Dallat):** Members, I have allowed some latitude to the Chairman of the Committee. That does not apply to anyone else. While I would not, in any way, curtail the Minister's responses, it would be helpful, too, if they could be brief.

**Mr Weir:** I congratulate the Minister on his statement. In the interests of brevity, does the Minister believe that the £30 million that has been set aside for the change fund will be successful?

**Mr Hamilton:** In the interests of brevity, Mr Deputy Speaker, I am tempted just to say yes. However, I think that it has. The change fund, which had been set aside in the draft Budget to encourage bids by Ministers for reform-orientated, innovative projects, cross-departmental collaborative projects, and early intervention and prevention work, has been vindicated by the fact that there was over five times subscription for the funds. Obviously, we have to run that through a process. I think that you will see from the tables that are attached to the statement that virtually every Department has succeeded in one way or another.

Now, we will have to examine whether there is utility for that moving forward. My argument is that in times when money is less and pressure is increasing, that is exactly the time when you want to devote more, or as much as you possibly can, of your resources to being innovative and reform orientated, to work across Departments to deal with very difficult problems and to focus on early intervention and prevention. It is certainly something that was worthwhile, and Members will see from the bids that were met that some very good bids were agreed to. It might be worthwhile for the Executive to look at that for the future as well.

**Mr D Bradley:** Go raibh míle maith agat, a LeasCheann Comhairle. What I welcome about the Minister's statement is his Damascus-like conversion.

He previously told us there was no more money available; there was no point talking to the British Government. Well, he has spoken to them — all the parties have spoken to them — and apparently there is. I am glad he has taken his lead from the SDLP.

My question to the Minister is in relation to the additional money for education. Will the money

go to front-line services to ensure that services, especially for children with special educational needs and with literacy and numeracy difficulties, are maintained, and that pupil:teacher ratios remain at their current level?

**Mr Hamilton:** If I had listened to the SDLP for financial advice, I would probably have been arrested for trying to sell the City of Derry Airport, which does not belong to the Northern Ireland Executive, so I will not listen to the advice of his party.

No one ever said that there was never going to be more money. What I and colleagues made clear was that there would be no more money for welfare reform, and that is the case. Barnett consequentials flowing from decisions taken by the Chancellor and Government in Westminster always come through. There is always additional money: sometimes the amount is small; sometimes it is medium or large. In this case, it has been incredibly beneficial to the Executive by easing a lot of the pressures, not least in education, which the Member outlined. Given the serious and significant campaign that was levied over the last number of weeks, the Executive expects the Minister of Education to use the sizeable allocation of £63 million that he has received. Of course, the Member's own Minister in the Executive voted against it. So, the Member welcomes it here today, and sent his colleague into the Executive last week to vote against an allocation of £63 million in additional funding for education. The Executive, like the community, expects the Minister to use that sizeable allocation, which is over a third of all available additional funding, to ease those pressures in the classroom, which so many of us hear about through principals and boards of governors in our constituencies.

**Mr Cree:** I thank the Minister for outlining his many figures, although I would like to have had them earlier than this morning. I ask you to answer three points very quickly. They refer to novel switches, for example, resource to DEL, resource to capital, the Northern Ireland investment fund, including the transactions capital funding. Have these all now been approved by Treasury and can they therefore be used going forward?

**Mr Hamilton:** The Member may be a little confused about where switches are taking place between capital and resource and resource and capital. We received agreement as part of the Stormont House Agreement to switch capital into resource to pay off the £100 million claim on the reserve this year so that we

could live within our means. We also have the flexibility now to use capital to pay off the £114 million welfare penalty, which, unfortunately, is still there for next year. Work continues in respect of the Northern Ireland investment fund. We are just about to appoint a consultancy to work up various business plans and operating plans and so forth; that has received approval from Treasury. Before we commit to any FTC scheme, we go to Treasury to ensure that it is within their rules, and this one is. I am very pleased that we have been able to increase the allocation to the investment fund to some £40 million, all of which will not be spent in the next financial year, but will be invested over several years as we leverage in as much as an estimated £1 billion funding for infrastructure projects in the energy, housing and other sectors.

**Mrs Cochrane:** The Budget is balanced on a 100% cuts basis, and most other governments would never consider that approach. Indeed, the OECD recommends a 70:30 split between spending cuts and revenue raising. Does the Minister agree with the OECD recommendations and also with me that the current approach is unsustainable and that the Executive needs to consider fair and progressive revenue raising so as to prevent deeper cuts to our public services, which ultimately will affect our most vulnerable?

**Mr Hamilton:** I commend the bravery of the Alliance Party in continuing to be a party that wants to see household taxes increase in Northern Ireland. I am very proud of the fact that, since the restoration of devolution in 2007, the Executive have maintained our record of having the lowest household taxes in the UK. I think that it is right, with the pressures that people, householders and businesses in Northern Ireland are facing, that we continue, insofar as we can, to maintain that policy. I am very pleased by the fact that, even though it has been a very challenging and difficult Budget, we have been able to do that.

The Alliance Party is probably a lone voice in some respects in wanting to see revenue raising increased in Northern Ireland. Terms like "revenue raising" are used almost euphemistically; it means tax increases. That is what the Alliance Party is proposing at a time of real pressure on households and businesses. The Alliance Party, here in this House and its Ministers last week in the Executive, called for the introduction of water charges, significant increases in the regional rate and the elimination of schemes such as concessionary fares for the elderly.

I encourage the Alliance Party, over the next number of months in particular, to tell the people of Northern Ireland that it is in favour of water charges, an increase in the regional rate and, as its Ministers outlined last week, looking at eliminating schemes like concessionary fares. If the Alliance Party does not remind the people of Northern Ireland that those are its policies, we sure as hell will.

**Mr Campbell:** I thank the Minister for his statement. Given what he has said, it appears that there will still be significant challenges across a range of Departments. Specifically, in relation to Agriculture and Rural Development, will the Finance Minister confirm that the procedure for the relocation of the DARD headquarters will be able to proceed on schedule, which, up until a few weeks ago, you, Deputy Speaker, and others were fully in support of?

**Mr Hamilton:** I would never deny that difficult decisions will still have to be made by all Ministers — even those Ministers who, as shown in the table in the statement, will see their departmental allocation increase in percentage terms next year. Those Departments will still face a degree of pressure and will have to cut back on some of the things that they deliver.

In a Budget that has reductions for most Departments, DARD, with a reduction of 4%, is not doing as badly as others. I met the Agriculture Minister a couple of weeks ago and talked through a range of issues that her Department was facing. It was a very productive meeting. I am pleased that we are able to make a further allocation of about £1 million for the Department's relocation to Ballykelly. While there are obviously serious personnel issues that have to be worked through in terms of staff in Dundonald House — that has to be treated with the greatest of sensitivity — I am happy to support the relocation to Ballykelly in the way that we have.

I have heard some parties represented in the House and on the Executive claim that ending the relocation to Ballykelly would somehow be the panacea that would solve all our budgetary problems. As the Member will know, and as the House should know, the significant cost at the outset is a capital cost. We could always do with more capital money, but capital is not where the real pressure will be next year; it will be on the resource side of the Budget.

The cost to move to Ballykelly is around £27 million. The cost to refurbish Dundonald House, which is a building that is on its last legs

and needs to be refitted, would be around £22 million or £23 million, so the saving, such as it is, on capital would be less than £5 million. We are dealing with a Budget problem that is not a capital problem per se but a resource one, and £4 million of capital will not solve all our Budget problems. I am happy to support the policy, which will be welcomed widely across the Member's constituency and neighbouring constituencies.

**Ms Maeve McLaughlin:** I thank the Minister for his statement today. I welcome the £204 million allocation to Health and, particularly, the additional focus on the all-Ireland children's heart services model.

### 1.00 pm

I note that the Minister said that he is committed to assessing performance in Health and, in particular, to progressing a health sector review. Given your comments, Minister, about the mismanagement of the Health budget, maybe you could clarify to the House where that mismanagement lies. Also, where the unallocated money in the January monitoring round is concerned, can I ask the Minister to indicate his commitment to the expansion of the university at Magee?

**Mr Hamilton:** That is an eclectic bunch of questions, Mr Deputy Speaker. I am very pleased to be able to increase the allocation to the Department of Health by £204 million next year. That represents roughly a 3-5% increase in its allocation compared with this year. The Health Minister, if he were here, would be the first to say that he would have taken much more in allocations than £204 million, and, in different circumstances, I would have liked to be able to give more money to Health. It is important that, with such a significant allocation, which is close to 50% of our total resource expenditure next year, going to the Department of Health alone, that money goes where it needs to. It is also important that the Department spends within its plans, because, even though it got that 3-5% increase, there will be pressures. It is important, therefore, that it lives within its means, as, indeed, all Departments should live within their means. I am confident that the work that the Department and the Minister undertook subsequent to last year has ensured that there is greater control at the centre over the trusts and what they are spending on a day-to-day basis.

My Department, at the outset, will monitor its plans to ensure that they are robust and deliverable, but, in the longer term, as the

House will know, we have engaged the OECD to carry out a wider review of the public sector in Northern Ireland. One of the case studies that we have now identified for it to look at is health in Northern Ireland. It will take a longer-term view of what we are doing and benchmark that against other OECD member states. With the OECD's history and record of working with Northern Ireland on education and some projects taken forward by OFMDFM, I think that that is a useful opportunity to use that expertise and that international benchmarking to judge where we are and where need to go.

**Mr Deputy Speaker (Mr Dallat):** I need to remind Members, please, that they should ask one brief question.

**Miss M McIlveen:** I welcome the Minister's statement, and I am delighted that he has listened to the education sector's concerns. I also seek assurance that the £63 million allocation to the Department of Education will actually go to the aggregated schools budget. Could I also ask the Minister what alternatives those voting against the Budget had to ease —

**Mr Deputy Speaker (Mr Dallat):** Could I ask Members to ask one question?

**Miss M McIlveen:** — the pressures on education? That was only one question.

**Mr Hamilton:** I think it was; I counted only one there. The answer to the second subpart of the Member's question is simple: no alternatives were put forward. I followed the debate that the Member brought to the House last week on education budgets and trying to get as much of the budget as possible into the front line, which we would all define as the classroom. I agree with that. I listened to all parties in the House call for that to be the case and for increases in expenditure on education.

When we got to the Executive last week, a paper was put for a £63 million allocation. Again, like all Ministers, the Minister sitting opposite would have taken more if it had been available, but I am sure that, in the circumstances, he will accept that this is a generous and significant increase compared with his draft Budget position. I heard all parties call for more money, which is what we provided, but the three smaller parties on the Executive all proceeded to vote against it without putting forward a single alternative suggestion on how we might find more money or where we might take money from to get more to Education or to Health or whatever it might be.

This morning, I received correspondence from the Education Minister that confirms that an additional £80 million will be allocated to the aggregated schools budget next year. Preschool provision will see its funding restored to ensure that the Programme for Government (PFG) commitment can be delivered and that an additional £2 million over the draft Budget figure will be allocated to the education and library boards' youth services. So, it is obviously worth the Member in her Committee capacity taking that forward with the Minister to discuss where he will be prioritising from within his own budget.

I think that we can see from the £63 million allocation and the decisions that the Education Minister himself has taken that the aggregated schools budget and, therefore, the schools' front line of education, which is the classroom, is being protected as best we can in very difficult circumstances.

**Ms McCorley:** Go raibh maith agat, a LeasCheann Comhairle. Cuirim fáilte roimh ráiteas an Aire seo inniu. I welcome the Minister's statement.

The Minister has stated that funding for regional stadia has been returned. Will he confirm whether funds for Casement Park's redevelopment will be available in the future?

**Mr Hamilton:** I made it clear in my statement and to the Executive last week that we understand the circumstances in which the regional stadia project — the Casement Park project in particular — cannot proceed at this time. It remains an Executive commitment to invest in Casement Park, just as we have invested in Windsor Park and Ravenhill. What I have committed to, the Executive have agreed and I have outlined again today is that, should it be required — if a successful planning application proceeds — I will favourably look upon and meet any in-year capital bids for Casement Park and, indeed, other stadia projects.

There is also money allocated to the Culture Minister to allow her to proceed with outline business cases for the subregional stadia, so, while there is not the allocation there, which will disappoint many, the commitment is there to fulfil the other commitment that the Executive have made to take that project forward.

**Mr Ramsey:** I thank the Minister for presenting his paper today. The Minister made the very broad statement that unemployment is falling: I am sure that he will agree with me that many in

the north-west, including in your constituency, Deputy Speaker, will resent and be angered by that. In light of the Executive decision to set up a small Executive group to look at regional balance, particularly in the north-west, will the Minister outline to the House the importance of ensuring that that is resourced effectively to make a difference?

**Mr Hamilton:** I am getting a sense of déjà vu. Our economy is improving across Northern Ireland as a whole, and unemployment is falling. I accept that, whilst the economy is doing better, there are areas that could do even better, and I accept that the north-west has a legacy of particular issues that we are still working through, that will prove difficult to resolve and that will require effort on the part of all of us, not just the Executive but the private sector and others. Resenting the fact that unemployment as a whole across Northern Ireland is falling is something that the Member and his party may wish to reflect on. Unemployment across Northern Ireland is falling; there are more people getting into work. The Member shakes his head. It is a verifiable fact, produced independently by NISRA, that unemployment in Northern Ireland is going down. That is a good thing. We as an Executive and a society now need to ensure as best we can that the benefits of economic growth are felt far and wide across Northern Ireland.

There has been an undoubted commitment by the Executive to Londonderry and the north-west, whether it is in relation to the City of Culture or in trying to attract investors. We cannot force investors to invest anywhere, but we have tried to encourage, as best we can, people to go to the north-west. That has been manifested in significant FDI projects and, indeed, the expansion of indigenous companies in that area. The first enterprise zone in Northern Ireland is located in the north-west as well. There are many things that the Executive have pursued to assist and support that area.

The Member asks for more money, knowing the Budget that we have, when his party votes against that Budget and does not come forward with a single alternative that would help me or Executive colleagues to find more money or to reprioritise existing budgets. If I may say so, it is a part of Northern Ireland that has seen a lot of attention — I would not deny that it deserves that attention and requires continued attention — but there are other parts of Northern Ireland that have suffered in different ways down through the years and continue to have particular problems that would love a fraction of

the attention that the Executive have given to the north-west of Northern Ireland.

**Mr Kinahan:** I thank the Minister for his statement, particularly for the moneys going to education. I am glad that they are going to the front line. My question is in regard to the DOE capital budget. Will the Minister explain why there is £50 million of FTC funding allocated for the Arc21 project, if it commences, when his party, especially locally, seems to be against it? What exactly is his party's position on Arc21?

**Mr Hamilton:** My position on Arc21 is simple: I am happy for councils in the east of Northern Ireland to come together to work on waste-management issues. That is quite easy to give an opinion on. On the particular allocation of FTC to Arc21, I can say that the project has not been taken forward by me or my Department. The Member will know that there is an allocation of roughly £160 million of FTC in the next financial year. Given our experience this year, where we struggled to spend a £60 million allocation — I am happy to admit that — we are looking for a lot of larger projects to soak up the cash next year.

The allocation comes on the back of work that was done between the Department of the Environment and the Strategic Investment Board to develop the project or to have input to it. It was their assessment that it could be supported by financial transactions capital. In some senses, it is an indicative allocation, because, as the Member will know, no planning permission has been granted for the scheme yet. Therefore, there is a degree of risk in making the allocation that the project does not go forward for whatever reason. I made it clear to the Environment Minister at negotiations around the draft Budget that, irrespective of the allocation that he received and however that came, if there were a reason that the project could not proceed, I would not expect him to find a project on which to spend the money that has been allocated to his Department.

Like all projects, it depends very much on planning permission and other legalities, but it has been taken forward — I reiterate this point — at the behest of the Environment Minister and the Strategic Investment Board, which developed the input to it.

**Mr Girvan:** I thank the Minister for his statement and appreciate that it is up to each Minister to decide how they break up and prioritise the budget in their Department. In the light of the comments made, is it necessary to proceed with the voluntary exit scheme, given

the proximity of the spend between this year and last year? There is very little difference.

**Mr Hamilton:** We can continue to talk about the need to reform and restructure our public sector in lots of different ways, with the main aspect of that being a fairly large voluntary exit scheme that we now have the flexibility to fund to the tune of £200 million next year. The Executive have agreed to do that. When you look at the numbers, which are, more or less, in cash terms the same for next year as they were for this year, you might think that the pressure to do that has lifted. It has not, both in the short term and in the long term.

The Executive and the Assembly need to remain focused on reform and restructuring, because, next year, some Departments are doing better than others. Perhaps the pressure has eased for them somewhat, but some Departments, including my own, still face reductions of close to 10%. Those Departments will still have to make savings by reducing their headcount. Therefore, a voluntary exit scheme that will realise some savings next year but make more savings in future years is absolutely essential for those Departments.

None of us knows what the future holds for the Budget, but the Office for Budget Responsibility projections are that times will get tougher and tighter. Therefore, even the Departments that may think that they are doing better now will still probably need to access a voluntary exit scheme this year to plan for future years. It is very much about looking to the future. We know that we have difficulties coming down the track that we need to concentrate on in continuing to reform and restructure our public sector.

**Mr I McCrea:** I, too, welcome the Minister's statement. In the blue Budget booklet that the Minister has released, he refers to £53.3 million of funding being allocated to the community safety college at Desertcreat. Can he tell us what stage that process is at and what future funding is required to take it forward? Does he not feel that it is rank hypocrisy for those who did not support the Budget to call for finances to be made available for it?

**Mr Hamilton:** Lots of hypocritical positions have been taken on the Budget. By the way, Mr Deputy Speaker, I think that this document is teal rather than blue, but we will not argue over that.

I know that the community safety college is a project dear to the Member's heart.

**Mr Campbell:** That is pedantry.

**Mr Hamilton:** I am being accused of pedantry by Mr Campbell, and he is probably right.

I know that the Desertcreat Community Safety College project has frustrated the Member, because we have spoken about it several times. Its non-movement has frustrated him, as it has frustrated other elected representatives and, indeed, the wider community in Mid Ulster. It is still allocated in the Department of Justice capital budget for next year, but he and I know that there is work required in terms of the size and scale of any project that might be taken forward on that site.

**1.15 pm**

The Executive remain committed to locating a Community Safety College in that area, but obviously work has to be done across Departments — Health and Justice primary amongst them — to make sure that that continues, in whatever guise or shape. It does still require flexibility to be given by the Treasury as regards accessing the funding that has been sitting there on a flexible basis for the last number of years, so that it can be spent on that project if indeed it goes forward in the next financial year.

**Mr Dickson:** The Minister has told the House today that other Ministers were not so keen to provide credible alternatives. Will he not simply agree with me that his Budget could have been substantially braver when it came to revenue raising? We are not just talking about water charges; we are talking about constituents who tell me that they are willing, in the circumstances, to pay prescription charges.

**Mr Deputy Speaker (Mr Dallat):** Can we have a question, please?

**Mr Dickson:** They are willing to forgo their bus passes. The reality is that this Minister is stripping jobs from DARD and from east Belfast.

**Mr Deputy Speaker (Mr Dallat):** I plead with Members to ask brief questions and not to make statements.

**Mr Hamilton:** I do not think there was a question there, Deputy Speaker. As I said to the Member's colleague, I am very content for

the Alliance Party, if it wishes, to continue to characterise itself as a high-tax party, because that is what it is. That is what it is coming forward with, and that is what it is suggesting. It wants water charges, at a cost of probably £400 or £500, to hit every household in Northern Ireland. It wants to see rate bills increase significantly. It wants to see things such as the concessionary fares scheme disappear. To be fair, I have been critical of other parties for not coming forward with alternatives. Of the three Executive parties who voted against, at least the Alliance Party came forward with an alternative. I have said over recent days that the Budget is not perfect — it is certainly not the Budget that I would have brought forward had it been up to me — but at least we know that, if it had been just up to the Alliance Party, it would have been a Budget built on water charges, higher rates and the end of such schemes as concessionary fares.

**Mr Ross:** The Minister has announced a £20 million allocation for the Department of Justice, to be used for policing budgets. Is that money to be specifically used for policing, and, if so, what pressures on the policing budget can be lifted because of it?

**Mr Hamilton:** It is specifically an allocation of a further £20 million for the PSNI budget, as opposed to the whole of the Department of Justice. It is deliberately so, because there are other significant pressures, as the Member will know in his capacity as Chair of the Justice Committee, particularly around legal aid. It is not that I do not recognise that the Minister of Justice has a pressure in respect of legal aid. Whether we like the idea of spending more on legal aid than the rest of the United Kingdom or not, it is still a monetary pressure that his Department faces, and it needs to be dealt with. I have offered my support to the Minister in bringing forward means and measures that would deal with at least some of the pressures in respect of legal aid, and I am sure the Committee will hear that in due course.

The allocation to the police comes from the Minister himself highlighting particular problems in the policing budget and the Chief Constable, whom I met, outlining the pressures that his service — our service, I suppose — would face next year if it did not get additional support. I am happy to be able to allocate £20 million. It is not all that the Chief Constable was looking for — I think he was looking for closer to £27 million or £28 million — but he has assured me that it will allow him to continue with his plans for police recruitment next year and to ensure that some of the worst effects of reductions on the policing budget and how it affects people

and public safety will certainly be lessened considerably.

**Mr McKinney:** I welcome the broad focus on protecting key public services. When it comes to health, the Minister said that there was an Executive:

*"determination to protect front-line services".*

Does the Minister accept that that remains very ill defined? There is no better illustration than the arm's-length body the NIFRS. The Northern Ireland Fire and Rescue Service is excluded, when it clearly performs a critical front-line role.

**Mr Hamilton:** The Member's point is not unreasonable. His party has an amendment for debate later in the week on this matter. Defining the front line has been a difficult problem and will remain so. We all understand, in our own heads, what the front line and core services are. There can be difficulties in decoupling that completely, with the need to have some degree of management and administration to make what happens on the front line — in the classroom, the hospital or wherever — actually happen. I think it is difficult to define. This Budget shows that there is a commitment on the part of the Executive to those key services that every single one of us, and most of our constituents, would judge as being key services, which are health, with an additional £204 million, and a boost of over £60 million for the education budget compared with its draft Budget position.

Of course, we would like to have seen more going into key services. We would like to see more going to the front line, however that is defined, but our position was not helped. In the face of very difficult circumstances, I think I have made a good fist of it.

**Mrs Dobson:** I also note the Minister's optimism as regards the allocation for health. Let us face reality: the health trusts have been ordered to make an additional £130 million cash-releasing efficiencies and productivity gains next year. Can the Minister give a commitment that the scenes of earlier this year, when each of our trusts had to make stringent in-year cuts to make emergency funding available, will not be repeated next year?

**Mr Hamilton:** The Health Minister would be the first to say that he would like to have had more money coming out of this Budget, but I think he understands, appreciates and is mature enough to realise that that is not possible. Indeed, he welcomed the extra £204 million he has

received, whilst acknowledging that he could have used more.

It is not wrong for us to expect our trusts to continue to make efficiencies and savings on an ongoing basis. I admire the fact that the current Minister and, indeed, his predecessor, have been able to release, over the last four years, close to half a billion pounds back into the front line of health due to eroding inefficiencies in the system.

It ill behoves the Member and, indeed, her party to come forward — as undoubtedly they will today and in future times — and demand more for health, and that more money be given to health, and not come forward in the Executive, where it matters, with a single solitary alternative as to how we might finance health or find more money for health, education or whatever it might be. When the Member is criticising what we are giving to health in this Budget, she needs to bear in mind that her party and her Minister did not come forward with an alternative proposal on where more money might be found for health.

**Mr Clarke:** I thank the Finance Minister for his allocations towards town bus services, street lighting and road repairs. Is he content that the allocations he has made today, which bizarrely have not been supported by the Minister for potholes and broken street lights, will bring about jobs, give security to the vulnerable and help the isolated in our rural towns?

**Mr Hamilton:** I thank the Member for his question. I commend him for his work as Chair of the Regional Development Committee in the job he has been doing along with the other Committee members in exposing some of the waste and inefficiency in the Department for Regional Development. We have been told by the Minister that there are untold pressures being faced; so severe that the lights cannot be kept on.

I agree with the Member. We should never forget, as far as the investments made in our roads infrastructure are concerned, the sizeable investments not just next year but this year. In the last four years, we have spent over £400 million on our road maintenance programmes, which included, in the year before last, a record investment for one year. Not only does that support our economy, through being able to get goods to market more quickly, but it helps people in local areas to get about more easily and provides a boost for our economy through the employment it brings to local firms that are doing that work. I hope that some of the allocations made in the January monitoring

round and the allocations made for next year can continue to allow that to happen.

**Mr Buchanan:** I welcome the Minister's announcement that no financial transactions capital will be lost this year due to a substantial allocation to the University of Ulster. Is the Minister satisfied that all Departments are doing their best to ensure that this source of capital is utilised?

**Mr Hamilton:** I join the Member in welcoming the allocation to the Ulster University of additional financial transactions capital. In some ways, whilst I welcome it, it is worrying at the same time — not worrying in and of itself, because I think that it is a very good, fantastic project that will breathe renewed life into that part of North Belfast and will reap benefits for the whole of Belfast and Northern Ireland, but worrying because, with FTC allocations of around £100 million over the past number of years, the Ulster University — I need to get used to calling it that now — will have accounted for close to three quarters of our total FTC allocations. Clearly, it will not, on a continual basis, require FTC to soak up this new source of capital that we have. That is why we created the investment fund; not just because it is absolutely a good thing to do in the longer term but because it is a vehicle by which we can spend FTC on an ongoing basis if it becomes available in-year.

I do think that other Departments need to come forward with more projects. A lot of the projects that have been taken forward have been because of the impetus and drive that is coming from my Department. There are some exceptions. For example, DETI has been very good in bringing forward various small FTC-ready projects. Other Departments need to step up to the plate. The private sector itself — the very people for whom FTC was designed — also needs to come forward with more projects. I have seen a few coming through the system that have been small in nature. We need to see some of those bigger projects, particularly regeneration projects, coming forward and seeking FTC as an option to finance them.

**Mr McGlone:** Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Aire as a ráiteas agus as a chuid freagraí. I thank the Minister for his statement. I heard his comments earlier about the extra allocations to education. To come back to that point, will the Minister therefore guarantee that pupil:teacher ratios in schools will now be protected in light of that investment?

**Mr Hamilton:** I have enough to do doing my own job. I will not take on responsibility for the Education Minister or indeed for any other Minister. The £63 million allocation, which I was happy to propose and which the Member's party voted against in the Executive last week, will go a long way to relieving a range of pressures, not least those pressures on the classroom. As I outlined in my response to Miss McIlveen's question, the Education Minister has written to me today to outline how he will move the Education budget from draft budget to final budget position. He will put a further £80 million into the aggregated schools budget, which, as I understand it from the figures that have been handed to me, will do a lot to relieve the pressures that various principals and boards of governors across Northern Ireland and in all constituencies were coming forward and talking about. That is sufficient enough investment to ensure that the worst of what was being talked about for the next academic year will not now arise.

**Mr Spratt:** I thank the Minister for his statement. Will the allocation to the Ulster Orchestra in the January monitoring round be enough to save the orchestra in the long run?

**Mr Hamilton:** I am glad that the Member has raised this issue because it allows me perhaps to expand more than I was able to in the statement. There is only one allocation, which is the January monitoring allocation, to the Ulster Orchestra. I understand that it should be sufficient to get it through its current financial problems, which have been well publicised. It does not deal with the longer term. I can assure the Member and those across Northern Ireland who are interested, not least the orchestra itself, that we will continue to work with DCAL. DCAL is in the lead on this in bringing forward a longer-term sustainable plan. There are many ways in which I think we can do that. We are looking at some options that have arisen, even in the last few days, that would allow the orchestra to move forward on a more sustainable footing. Whilst it is maybe not viewed by many as the most important thing that we fund as an Executive, it is obviously important as part of our overall tapestry of the arts and culture. It is something that we are able to have and say that we have here in Northern Ireland and it supports the economy in a broad sense. That is something that I am very pleased to be able to announce today. We will continue to work to ensure that there is a longer-term strategy to save the orchestra.

1.30 pm

**Mr Lunn:** I welcome the £63 million. It will obviously be a big relief to hard-pressed principals everywhere throughout the education system. However, in the Minister's own words, it is a good example of finding:

*"a way through our immediate problems."*

Does he agree with me that since, in his own words, Health and Education account for 65% of the total resource payments and the:

*"Executive is ... committed to assessing the performance of DHSSPS",*

it would be a good idea also to assess the performance of the Department of Education, which is in sore need of a root-and-branch reform?

**Mr Hamilton:** You will not get much disagreement on this side of the House for the need to conduct such an assessment, as we would in any Department. I hope that Ministers, irrespective of what party they belong to, want to ensure that the money the Executive allocate to them through the Budget process is spent as efficiently as possible. The Minister of Education is obviously in the middle of reforming, in the sense that he is reducing to one the number of education boards in Northern Ireland. I hope that that yields savings and greater efficiencies as we move forward. I think that there are a lot of areas in which work can be done. I discussed with Mr McKinney what the front line in education is. Whilst playing an important role in the overall system, clearly, savings can be made in school meals and in some aspects of school transportation. I encourage the Minister of Education, as I encourage all Ministers, to continue to do that type of work on an ongoing basis.

The Department of Education had a piece of work on standards done by the OECD, which is obviously carrying out its review of the whole of the public sector in Northern Ireland. In a situation where 65% of our Budget goes on health and education alone, the OECD would not be conducting a very good review if it did not, as well as concentrate on health, also do some work with education. I am keen to encourage that. The Minister sits on my Executive subcommittee on improving public services, which is taking forward the OECD work, as well as other reform measures.

**Mrs D Kelly:** I wonder, Minister, whether you can give us any indication of when the penalty for welfare reform will have to be paid and whether there is any further information that you

can give us on the mitigating factors and flexibilities obtained.

**Mr Hamilton:** I did not include in the statement that there will be a slight change to how the Treasury will handle that. In the current year, the Treasury will take the penalty out mid-year, but this year it is taking it out at the start of the financial year, so we are losing £114 million from our starting position. That adjusted our draft Budget position and had to be dealt with. Obviously, we are able to deal with the entirety of that through capital budget. The Executive have agreed to deal with half of it through a capital-to-revenue switch, and the other half we have dealt with as an overcommitment. We believe that, now that there is agreement across the House — including by the Member's party — to take forward the welfare reform legislation with adaptations to suit Northern Ireland, legislation will be in place halfway through the year. We will therefore receive back half that penalty and will be able to use it in year. So, we have made that overcommitment, which I think is prudent. That does not, unfortunately, bring back the £100 million that has been lost to date because of the SDLP and Sinn Féin's inability to move forward earlier on welfare reform legislation. I will leave the detail of what is in the package of measures to the Social Development Minister who, I hope, will bring welfare legislation to the House in the next couple of weeks.

**Mr Allister:** Although the Minister does not mention it in his statement, can he confirm that, under this Budget, the level of public debt in Northern Ireland will rise to an all-time high that in 2015-16 will be £1.8 billion? That puts Northern Ireland in the unenviable position of carrying the heaviest debt per head of population of any of the devolved regions, and that is money that has to be paid back.

**Mr Hamilton:** This is probably not the place to get into too much of the detail on that. I am happy to correspond with the Member in more precise detail about it. I can say that the Member is not far off in the total figure of debt that the Executive have. The Executive have a facility to borrow up to £3 billion through the RRI scheme.

To date, we have borrowed about £1.7 billion, and the Member is right: that will go up to north of £1.8 billion. In the past, I have expressed concerns about continuing to borrow for infrastructure investment and the amount of revenue payments that have to be made, not just for our RRI payments but for PFI and PPP projects. The total that we are paying out of our

resource budget, which is the part of our Budget that is under pressure, is about £60-odd million a year. Obviously, we would rather not have to pay that back, but that money is paying for improvements to our infrastructure. That is what the investments have done in the past. Significantly, and this changes the scenario somewhat, now that we have the flexibility to spend £700 million of our RRI to capitalise the cost of a voluntary exit scheme, that will reduce our pay bill by about £0.5 billion every year from 2018-19, when the money has been spent. Savings will start to be realised from next year.

So, in terms of spending it, and with the very small interest repayments on it, it is a good investment, as it will allow us to get our public finances back on to a sustainable and long-term footing. It will also help us to deal with the need that will arise where you have less money being spent on public services and where you do not need as many people to deliver those services. It is a flexibility that was hard fought and hard won during negotiations, and having it in place will allow us to do things in the reforming and restructuring of our public sector that, otherwise, we would not be able to do. If we had not had access to that flexibility, we would still have the cost of a voluntary exit scheme but not the source of fairly cheap finance to allow us to do that in an affordable way.

**Mr Agnew:** Minister, the Northern Ireland Council for Voluntary Action estimated that welfare cuts in Northern Ireland would amount to £250 million if we implemented reforms; the Minister for Social Development estimates it to be £120 million. You budgeted on the basis of £70 million a year to mitigate the worst impacts of welfare reform. Given the gaps in those figures, does the Minister concede that Sinn Féin has agreed to a Budget that implements welfare cuts?

**Mr Hamilton:** I do not think that it is a concession on my part to accede to the point that this is a Budget that is built upon moving forward with welfare reform. Unfortunately, we still have to contend with the penalties, which are the price of unnecessary obstinacy over the past number of years and which have cost the Executive £100 million when we can least afford it. We are, at last, agreed, as Executive parties, on a way forward on welfare reform. As I said to Mrs Kelly, the detail of the basis on which we are moving forward on the package of measures will become clear over the next number of weeks.

Whilst I accept that welfare reform will not be a good thing for everybody in Northern Ireland — I do not want to get into the arguments about

how welfare reform can actually be good for some people in Northern Ireland because it will encourage them back into work and simplify our system of benefits, which can be complex and complicated for a lot of people, including Members — the Executive did not have the means to fill that hole, whatever the cost, and a lot of work and various ranging estimates were done on what the cost would be. The Executive simply could not have filled that hole and, at the same time, have to develop an IT infrastructure to pay benefits in Northern Ireland. That was simply not affordable.

However, we could do our best, within what we could afford, to mitigate some of the worst effects of welfare reform in Northern Ireland, and that is where agreement was reached across the parties. Would we have liked to do more? I am sure that we all would have. However, in the circumstances, the agreement that was reached, which will be outlined in more detail by the Minister for Social Development in due course, will show that we have been able to achieve something in Northern Ireland that builds upon the GB system but which far surpasses what has happened in England. It is the envy of my counterparts and Ministers in Scotland and Wales; they would be very pleased to have the flexibilities that we have, and the package of measures that we are able to implement, through the use of some of our own Budget.

**Mr McCallister:** Does the Minister agree that delaying on public-sector reform for so many years will cost us even more? Mr Allister made the point about debt. Does he also accept that one of the biggest obstacles that he faces as Minister is, in the words of the First Minister, the "dysfunctionality" of the Executive? Does he accept that those parties in the Executive that cannot bring themselves to vote for the Budget ought to think about whether they should remain in position?

**Mr Hamilton:** I certainly have a view on it, but it is probably not my place today to start lecturing those parties that are in the Executive — I have probably lectured them enough already — but that continue to adopt what could be characterised as a cynical position, where they vote against the Budget, knowing that it contains difficult decisions and tough choices. They are in the luxurious position of being able to vote against it, in that they know full well that their vote is not required to carry it. Then, Pontius Pilate-like, those parties can wash their hands of its worst effects. If something that people do not like happens next year as a result of the pressures that Departments are facing, they can say that it is nothing to do with them.

All the while, however, as the Member regularly points out, they remain in the Executive. It is for them to explain why they continue to do so when they cannot back a Budget, which, on balance, in the circumstances that we are in, is a good Budget and represents a good deal for the people of Northern Ireland.

On the pace of reform, we should have in the past more quickly embraced the need to reform. Having run as a Conservative in the last general election, the Member will remember how we were promised that the economy was going to turn around, the deficit would be slashed and everything would be hunky-dory from about this time on, but that, of course, has not been the case. If that had been the case, we probably would not have needed to reform just as aggressively as we are going to now, but I am glad that, however we have got there, the Executive have now agreed and are at the same place across all the parties on the need to reform and restructure, whether that be through a voluntary exit scheme, the greater use of shared services, the OECD review or the use of my Department's public-sector reform division. All Departments are now moving in the right direction on that, and there is unanimity across Executive parties that this is what we should be doing and need to be doing in the next number of years.

**Mr Frew:** I will be very brief. I welcome the Minister's statement. What does the Budget mean specifically for the devolution of corporation tax powers?

**Mr Hamilton:** The Budget does not do anything specific on corporation tax. It will affect our Budgets most directly in future years, when, as a result of the Azores ruling, we have to ensure that we are not receiving any benefit for it and have to pay whatever the cost of devolving the powers is. My best estimate is that that will not hit until after their devolution, which I very much welcome. I have not had a chance in the House to welcome the fact that the Government have published the legislation to allow the power to be devolved to the Assembly. It will be at least 2017-18 before we will see the Budget hit with a reduction in public expenditure to pay for lowering the rate of corporation tax.

What the Budget does do for corporation tax is that it starts to prepare the way for it. It is important that, even in a time when we are facing Budget reductions, we still continue to focus on that long-term objective of lowering corporation tax. That is why you will see a 10% increase in the DETI budget. That is to allow it to continue to do its work, a lot of which is about working now to ensure that investments are

secured in future years. Additional money has been allocated specifically to skills development, while money has been given back to universities and colleges so that they can continue to create that pipeline of skilled workers that our economy needs now and will need in future, after the devolution and lowering of the corporation tax rate.

**Mr Deputy Speaker (Mr Dallat):** I call the final contributor, Mr Sammy Douglas. You will have to be very brief.

**Mr Douglas:** I thank the Minister for his statement. He mentioned the social innovation fund, which will be a great boost for the third sector, including social enterprises, charities, community and voluntary groups, and faith-based organisations. When will the scheme be up and running?

**Mr Hamilton:** If I can get Executive agreement, which I have yet to secure, that is a fund that I want to take forward using the dormant accounts money that has been sitting unallocated over the past number of years. There is about £5 million unallocated to which I hope that we can, in the same way as with the investment fund, leverage in another £5 million to take it up to a fund of £10 million. That will go, I hope, as loans to organisations in the third sector, whether they be faith-based organisations, community groups, charities or social enterprises, to allow them to continue to invest in the work that they do to help us in government deliver services, particularly to those who are hard to reach in our society.

**Mr Deputy Speaker (Mr Dallat):** That concludes questions on the statement. I thank Members who cooperated. We got through an extraordinarily high number of Members, and that can only be good for democracy.

1.45 pm

## Private Members' Business

### Protecting Core Public Services

**Mr Deputy Speaker (Mr Dallat):** The next item on the Order Paper is a motion on protecting core public services. The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer will have 10 minutes to propose the motion and 10 minutes in which to make a winding-up speech. One amendment has been selected and is published on the Marshalled List. The proposer will have 10 minutes to propose the amendment

and five minutes in which to make a winding-up speech. All other Members who are called to speak will have five minutes.

**Ms J McCann:** I beg to move

*That this Assembly commends the Executive parties on presenting a unified approach in highlighting the drastic reduction in the block grant and the consequent effect that this has on the Executive's ability to defend public services; calls on the British Government to recognise the unique challenges that we face as a society emerging from conflict, with higher levels of socio-economic deprivation; and further calls on the Executive to maintain their protection of core public services, in particular health, welfare and education.*

Go raibh maith agat, a LeasCheann Comhairle. The motion illustrates the great difficulties that the Executive and Assembly face in how we deliver and protect public services, especially health, education and welfare. That is in the face of year-on-year cuts to the block grant. We have seen the direct impact of that on our services and on families and communities that we represent.

Tory cuts to welfare and other essential services have already forced millions in Britain deeper into poverty, so much so that many depend every day on food banks and charities for the basic day-to-day necessities. I am certain that I am not the only MLA to see the growing numbers of families coming into our constituency offices who are finding it more and more difficult just to get by financially each day.

That is why it is more important than ever that we have a welfare system that protects the most vulnerable. That includes families on low incomes, the sick and the disabled. We have seen over recent years with the economic downturn thousands losing their jobs and then their homes. Now, we see an assault on welfare and the privatisation of public services and how low-income families, the sick and disabled are being impacted on once again.

As a party, when we entered into the recent talks, we set out to secure a comprehensive agreement. It was no secret to anyone inside or outside this House that the very stability of the political institutions here was under threat and that we needed a collective approach by all parties to try to find a solution and way forward.

That is why, in financial terms, we sought the support of all the other parties in the Executive to go to the British Government in a unified way

to secure an improved financial package, to defend public services and, more importantly, to protect the most vulnerable from the ongoing cuts to the welfare system.

We also sought for the parties and two Governments to build on the Haass proposals on dealing with the past and the complex issues of identity and parades and that outstanding commitments that both Governments had agreed to previously would be implemented. That included the inquiry into the killing of human rights solicitor Pat Finucane and that an Irish language Act and bill of rights should be brought forward.

We all know that those issues were not dealt with. Our party is on the record as stating that it is important that the continuation of working towards the implementation of those agreements in full is brought forward.

It is clear that we in the North of Ireland have higher levels of poverty, more families on low incomes and a high percentage of people with disabilities and mental health issues. We need policies and services that recognise our unique circumstances as a society emerging from conflict and that reflect the consequences of years of division and underinvestment here.

The agreement now known as the Stormont House Agreement was not the comprehensive agreement that we set out to achieve, but we believe — and I heard it mentioned during the previous debate on the Budget — that it represented progress.

The Budget that we have, which was just discussed, is not the Budget that many of us wanted to see being taken forward. However, we came at both to try to do the best that we could under the circumstances and the limited resources that we have to try to protect our core public services and, as I said, protect those who need those services the most.

Decisive and positive leadership is what we now need from all political parties to ensure that we approach the way forward in a unified way. We saw how a unified approach got us into negotiations with the British Government to get a better financial package, and we need to go forward when we are implementing this agreement and are doing what we want to do to protect our public services. The unity of purpose that we had needs to be maintained if we are to deliver the improvements that people in our communities need, that families need and that individuals need. We need to oppose and mitigate the worst effects of the assault on public services and the Tory welfare cuts.

In conclusion, this is not the time for politicking or petty party political point scoring; we need to put that behind us. There is still much to be done. There is a clear responsibility on all parties in this House and on all parties in the Executive to make power sharing and partnership government work and go forward in a way that protects and maintains our core public services, which everyone, especially the most vulnerable in our society, needs. I would like to see the motion passed and, from that, a commitment being made to go forward in a unified way to protect the core public services that we set out in the motion.

**Mr Deputy Speaker (Mr Dallat):** Order. The next item of business on the Order Paper is Question Time. I therefore propose, by leave of the Assembly, to suspend the sitting until 2.00 pm. The next Member to speak after Question Time will be Fearghal McKinney.

*The debate stood suspended.*

*The sitting was suspended at 1.52 pm.*

**2.00 pm**

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

## **Oral Answers to Questions**

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

#### **Commissioner for Victims and Survivors**

1. **Mr Byrne** asked the First Minister and deputy First Minister for an update on the appointment of a Commissioner for Victims and Survivors. (AQO 7333/11-15)

**Mr P Robinson (The First Minister):**

Considering the importance that we place on ensuring that all victims and survivors have an appropriate representative voice through the commissioner, we want to ensure that we have the right person for the job. The current process produced a disappointingly small pool of appointable candidates. We have therefore agreed to try to widen the pool through a new competition. In the interim, the commission is continuing to deliver its work plan this year and is working with the victims' forum to ensure that victims and survivors' interests remain at the forefront of our actions.

**Mr Byrne:** I thank the First Minister for his answer. It is disappointing that a Victims' Commissioner has not yet been appointed. Can the First Minister confirm when, he hopes, an appointment will be made and what relationship there will be with the victims' forum, as agreed in the Stormont House proposals?

**Mr P Robinson:** I agree with the Member that it is disappointing, but it is important that we get the right person for the job and ensure that those involved have the best possible representation through someone whom they can work with and who can easily work with them. Over the next number of days we will look to see whether there is a need for a further advertisement — one that is maybe more widely advertised than previously — and whether there is a case for reconsidering the level of remuneration. As I understand it, the Children's Commissioner is remunerated at a higher level than was offered for the Victims' Commissioner. We can maybe look at relocation costs and those kinds of issues to see whether that brings in a larger pool of candidates.

**Mr D McIlveen:** I thank the First Minister for his answers so far. First Minister, touching a little on what you said, I ask you to elaborate on what could be done to make the post more attractive, given that there was a relatively low number of candidates for quite a high-profile position.

**Mr P Robinson:** Those are some of the things that can be done. We need to remember that victims have been given a very high priority since devolution. We have increased by a multiple of four the funding that has gone to victims since direct rule, and, indeed, the Budget that my friend announced to the House today will give the highest-ever annual level for victims' funding. That is important. It indicates the importance that the Executive give to it, and it is right that we ensure that we get the very best person for the job. Perhaps we need to significantly increase the advertising involved to attract a wider range of people for the job.

**Mr Hazzard:** Go raibh maith agat, a LeasCheann Comhairle. I thank the Minister for his answers thus far. On the importance of appointing a commissioner, I want to push the Minister on a time frame in which he thinks that the appointment can be made.

**Mr P Robinson:** Officials are looking to reshape the conditions around the job, and I suspect that that will take a number of days. We will go out to advertisement after that, and

then you are into the business of carrying out the interviews and making the appointment. Although the deputy First Minister and I would take it very much as a second-best option, we have the option of putting in an interim commissioner if that was felt to be helpful, but that will depend largely on what officials tell us is the time frame for having a commissioner in place.

## **Equality Commission/Community Relations Council: Merger**

2. **Mr Dallat** asked the First Minister and deputy First Minister whether they plan to introduce legislation before May 2016 in relation to the proposed merger of the Equality Commission and the Community Relations Council. (AQO 7334/11-15)

**Mr P Robinson:** Mr Deputy Speaker, with your permission, 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):** Together: Building a United Community (T:BUC) includes a commitment to establish an Equality and Good Relations Commission that will act as an independent, statutorily based organisation to provide policy advice and a challenge to government. The establishment of the commission will not constitute a merger of the Equality Commission and the Community Relations Council. Instead, the primary legislation will add specified statutory duties in relation to good relations to the powers of the existing Equality Commission and will create a new Equality and Good Relations Commission. The new powers are outlined in the Together: Building a United Community strategy. Some of the duties currently reside with the Community Relations Council but without a statutory basis.

The draft Bill is under active consideration in the Department. Once it has been agreed, we intend to initiate a 12-week public consultation on it and on the associated documentation. In advance of the enactment of the legislation, departmental officials are working with the Equality Commission and the Community Relations Council to consider the extent to which the aims and objectives of the Together: Building a United Community strategy can be delivered by those organisations within their existing vires and remits.

**Mr Dallat:** I am sure that many outside the House will listen carefully to the Minister's response, as they believe that these are core

principles of the very foundations of the Assembly. What assurances can the Minister give us that the work of the Equality Commission will be ring-fenced and protected in the future and that the work of the Community Relations Council will not be diminished?

**Mr Bell:** The assurances are the assurances that we have already given. Both bodies have their own powers, remit, vire and authority.

As I said, the establishment of the new commission will not constitute a merger of the Equality Commission and the Community Relations Council. It is proposed that the Equality Commission will take on the additional good relations responsibility, and I hope that that reassures the Member. As some of those responsibilities relate to work that is currently under the remit of the Community Relations Council, we have the transition board, which draws its membership from both organisations. As the new commission will take on some of the functions that are currently undertaken by the Community Relations Council, the council will continue to have responsibility for funding. Therefore, it will not cease to exist as an independent organisation as a result of the legislation. In addition, the Community Relations Council is classified as a non-departmental public body, but it is also an independent company and a registered charity. Therefore, any decisions regarding its future will be made by its board.

**Mrs Hale:** Have additional resources been allocated or obtained for next year to support the actions under the T:BUC strategy?

**Mr Bell:** I am grateful for the excellent work of the Finance Minister and for what he announced this morning. That additional resource will allow us to take forward much of the work that is ongoing and in the pipeline across the seven headline actions.

I am particularly encouraged when I see some of that work. It is not necessarily just the work on urban villages and the summer programmes but particularly the work with our young people, which brings them together and allows them to learn new skills. The additional resources that were given to the Department for Employment and Learning will underline bringing together young people who are not in education, employment or training. What better way is there for young people to come together than to learn new skills that will give them prospects of jobs and hope? From listening to the Youth Service and to other voluntary agencies when

they talk about young people, we know that, when we give a young person an opportunity of obtaining skills that will lead them into a proper job, their relationships improve, their family relationships improve and any previous dependency on chemicals, alcohol or drugs decreases. The additional resources, particularly those for DEL, give us a real sense of hope that we can bring people together who have not been together before and shape an entirely new future but one that is prosperous for everyone.

**Mr Lyttle:** Another key aim of the Building a United Community strategy is to increase the extent to which our children and young people are educated together. How concerned is the Minister by news that the Department of Education surrendered around £5 million allocated for that strategy aim?

**Mr Bell:** Under the Stormont House Agreement — I had the privilege of taking part in some of those pieces of work and seeing the agreement of your party, right up until it appeared to vote on it, when it appeared to vote against it — the additional resources to education that were put through earlier today, against the votes of your party, will bring more young people together than would have been the case otherwise. It will bring them together in a way that will allow them to share, learn and experience, which they could not do previously. The additional money that came into the budget earlier today will, in addition to making sure that those classroom assistant and teaching posts remain, ensure that more children get educated together and more children share together. I am a governor of a school that was looking at potentially up to 10 teacher redundancies in Newtownards. The additional money for education, which you voted against — I emphasise that — will ensure all that. It is not my difficulty if it is on your conscience that that additional funding to secure teaching jobs and bring children together was voted against by your party.

**Ms McGahan:** Minister, do you agree that equality must be paramount in any proposed legislation?

**Mr Bell:** Yes. We have been consistent in our approach to that, and there is no reason to deviate from that approach. We have looked at the legislation and have agreed it here, and it is over to your party and others to bring back your agreement on that legislation.

## **Clerical Abuse Victims: Financial Redress**

3. **Mr Eastwood** asked the First Minister and deputy First Minister to outline any plans to undertake, in advance of the conclusion of the Hart inquiry, a scoping study of options for, and to develop proposals on, financial redress for victims of clerical abuse. (AQO 7335/11-15)

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

**Mr Bell:** The issue of clerical abuse is no less important and no less emotive than that of institutional abuse. We are mindful of the equally destructive impact that it has had on those individuals. In the latter part of last year, we tasked our officials with developing an options paper relating to the clerical abuse that falls outside the scope of the inquiry into historical institutional abuse. We are now in receipt of that options paper. As part of the consideration of options, we are giving considerable thought to the likely needs of the victims of clerical abuse, particularly around emotional and other support.

Ultimately, it will be for the Executive to consider how to deal with clerical abuse that does not fall within the inquiry's terms of reference. We cannot speculate about the need or desirability for redress in advance of the Executive looking at the situation. However, anyone whose experiences of abuse fall outside the scope of the current inquiry is encouraged to report that directly to the Police Service of Northern Ireland and social services for investigation. Where appropriate, the alleged perpetrators can be brought before the courts, and that is the primary means by which victims and survivors can seek justice for what happened to them.

**Mr Eastwood:** I thank the Minister for his answers thus far. The Hart inquiry has been extended, and a number of victims have come forward to say that they would like to see the issue of redress in the Hart inquiry accelerated. Has the Minister any view on whether, at the very least, a scoping exercise should be commenced to look at the issue of redress, so that people get what they are entitled to before it is too late?

**2.15 pm**

**Mr Bell:** The Member has raised two issues, one in relation to the one-year extension, as the Member correctly notes, for which the inquiry chairperson made a persuasive and compelling case following the first module of the inquiry's public hearings. To be accurate, section 1(3) of

the Inquiry into Historical Institutional Abuse Act (Northern Ireland) 2013, allows the First and deputy First Minister acting jointly to:

*"at any time amend the terms of reference of the inquiry by order after consulting the chairperson if a draft of the order has been laid before, and approved by resolution of, the Assembly."*

We hope that the draft order will be debated in the next number of weeks.

On the issue of redress, I quote from the distinguished judge who is chairing the inquiry — fortunately for us, as we wanted someone with that level of expertise for victims and survivors. He said, and I quote him directly:

*"until the inquiry completes its work it is not likely to be in a position to make any recommendations, because that would be arriving at a decision before we had heard all the relevant evidence ... I would not like to commit myself even to saying that we would look at producing interim recommendations because they would be subject to the same inhibition."*

Those are the words of Justice Hart, who chairs the inquiry, and we would do well to follow them.

**Mr Nesbitt:** The Minister will be aware of the ruling by Justice Treacy on the judicial review of the non-provision of legal representation. In the application form for the grant of legal representation at public expense, point 34 says:

*" Please explain the nature of the public interest that will be served by an award being made from public funds (see Rule 21(2)(b) of the Inquiry Rules)."*

Does the Minister accept that this rule is something of a catch-22 situation, because a vulnerable victim would need legal advice in the first place to answer such a complex question?

**Mr Bell:** I was very disappointed by Justice Treacy's decision. We went north, south, east and west and listened to victims and survivors. Many of them asked us that the legislation be set up, as it was, to minimise excessive legal costs. It is important to emphasise that that was done largely at the request of victims and survivors. The legislation gives the chairman discretion to listen to cases asking for independent legal advice, and we are content with that.

The decision that the Member refers to may make the inquiry very legalistic, and costs could get significantly out of control. This may even jeopardise the entire inquiry by potentially quadrupling the costs. The chair is appealing the judgement. I do not want to comment further in light of the chairman's appeal, but, given the seriousness of what I have said, I want also to make it clear that I am very supportive of the chair's appeal.

## **Victims: Representation**

4. **Mr Irwin** asked the First Minister and deputy First Minister how they ensure that innocent victims are properly represented when dealing with the past. (AQO 7336/11-15)

**Mr P Robinson:** Mr Deputy Speaker, with your permission, I will ask junior Minister Jonathan Bell to answer this question.

**Mr Bell:** The needs of victims and survivors are important. Through the work of the Commission for Victims and Survivors, we continue to ensure that they have proper representation and a collective voice. In going forward, acknowledging and addressing the suffering of victims as part of the transition to long-term peace and stability is one of the key issues that is considered in the current political architecture. The commission regularly liaises with victims and survivors through the Victims and Survivors Forum to discuss the shared experiences of dealing with and acknowledging the past. As a result of those discussions, the commission has submitted an advice paper on dealing with the past.

**Mr Irwin:** I thank the junior Minister for his reply. Will he confirm what budget has been secured for victims for next year?

**Mr Bell:** As the First Minister alluded to earlier, the excellent work of the Finance Minister has managed to secure for the victims' service in the region of £13 million. Look at where we were in 2007 and under the previous arrangements. I was always very proud to say up to this point that we had tripled for victims and survivors the amount of funding that they received for essential and key services provided to them. I have had the privilege of visiting many of the groups and seeing, from physiotherapy right through to individual and group support, many of the needs that victims and survivors have. They and their needs must never be forgotten. I was always pleased to say that, from the position that we inherited, we tripled that funding. As the First Minister said earlier, that has been almost quadrupled. That

shows the level of commitment that we have to victims and survivors. We acknowledge that more people are coming forward. We have sought more people to come forward; we do not want people suffering in isolation. We have quadrupled the amount of money in one of the tightest sets of financial circumstances that anyone in the House has had to deal with. That shows that victims and survivors remain a priority. Addressing their needs will always be to the forefront of our considerations.

**Mr Allister:** Does the junior Minister agree that key to satisfying innocent victims is addressing and reversing the obnoxious definition that equates them with victim-makers? Will he tell the House whether it is correct that no progress was made on that matter in the Stormont House Agreement?

**Mr Bell:** Many victims have raised that issue with us. As the House knows, it is a position that we support. Many on these Benches have brought forward in this Chamber and potentially in other Chambers the need to look at and address the definition of a victim. As the Member equally knows, in the current circumstances that we have inherited, we have to gain agreement on that. We will seek to work hard with victims and survivors' groups. I have been in the west of the Province and, more recently, in the south of the Province, and it was raised with me. I shared with them what we intended and would like to do in relation to that and how we were trying to seek the necessary agreement and consensus to take that forward.

**Mr Attwood:** As the junior Minister said, victims and survivors have to be a priority. In that regard, are you in a position to share with the House any fresh thinking that might be developing in relation to the management of inquests, particularly in dealing with the issues of disclosure, the backlog and the resourcing of inquests in order to ensure that victims and survivors who seek out truth are given that opportunity?

**Mr Bell:** As the Member will know, because I have been in discussions with him for the Stormont House Agreement and in previous iterations going back to Haass, we have sought, on each of those matters, to progress them in the best way that we can. It is my understanding that the leaders of all the parties will meet later today to see where they can seek to get consensus to advance those matters specifically.

## Public Spending: Analysis and Scrutiny

5. **Mr Elliott** asked the First Minister and deputy First Minister what discussions they have held with the Department of Finance and Personnel on the establishment of an equivalent of the Office for Budget Responsibility to provide extended analysis and scrutiny of public spending. (AQO 7337/11-15)

**Mr P Robinson:** Discussions in relation to the creation of a body equivalent to the OBR took place during the talks that led to the Stormont House Agreement but did not form part of a final agreement. While the matter remains under consideration, given the more limited financial responsibilities of Stormont compared with Westminster, a clear case has not yet been made for the establishment of such a body. The difficulties faced in managing finances have been created not by a lack of information about the consequences of decisions but by the challenges of reaching political agreement. We believe that the Budget agreed by the Executive last Thursday and the implementation of the Stormont House Agreement will put our finances on a stable, long-term footing.

**Mr Elliott:** I thank the First Minister for his response. Obviously, I am keen to assess the opinion of the Office of the First Minister and deputy First Minister on the position. Does he believe that it would be helpful, especially in Departments where there is suggestion that the management of the finances may not be appropriate?

**Mr P Robinson:** It is brave of the Member to make those comments given that the only finger that was being pointed by the Finance Minister earlier was against the Minister from his party for the mismanagement of his departmental finances. We need to remember that the OBR is set in a national context, dealing with tax regimes, welfare payments and those kinds of issues and looking at the performance of government in relation to the wider economy. We do not exactly fit in that category. It is not as if we are short of advice on financial matters. In many ways, putting a body such as the OBR in place in Northern Ireland would indicate to me that Members did not have much confidence in their role. It is the role of this House to look at the finances and to challenge the Minister where necessary, and it is the role of the Committees set up by the House to do precisely that. Those who are looking for that kind of institution to be placed in Northern Ireland seem to be saying that they are not capable of doing their own job.

**Mr Weir:** Will the First Minister agree that, rather than further analysis or additional new bodies, what is really required is for parties to take difficult decisions rather than playing party politics and providing no credible alternatives?

**Mr P Robinson:** Yes. The only occasion when we have been knocked off course in our financial management has related to issues around welfare reform. It was the penalties and the costs in relation to that that knocked us off course and caused the difficulty that we had in the previous months. We have now resolved those issues. There is a five-party agreement on welfare reform, and, therefore, I do not look to seeing any problem with that in the future. Yes, what is required is some political courage from parties that, in one place, appear before the Secretary of State indicating how they will work to resolve all these financial issues but, when the first hurdle appears before them of passing a Budget and taking difficult decisions, run away and go into the no camp.

**Mr D Bradley:** Go raibh maith agat, a LeasCheann Comhairle. Will the First Minister agree that a Westminster-style Public Accounts Committee would add considerably to the scrutiny of public expenditure here?

2.30 pm

**Mr P Robinson:** The Member would need to tell me in what way he feels our Public Accounts Committee is deficient in carrying out its duties, given the prominent role of some members of his party in it.

**Mr Deputy Speaker (Mr Beggs):** That is the end of the time that we have allocated for listed questions. We will now turn to topical questions.

## Budget: Failure to Support

T1. **Mr Spratt** asked the First Minister and deputy First Minister whether the failure of three of the Executive parties to support the Budget amounts to a rejection by them of the Stormont House Agreement. (AQT 1941/11-15)

**Mr P Robinson:** I have to say to my colleague that I hope that it does not. Indeed, we had a meeting on Monday last week, if I recall, when all five Executive party leaders confirmed that they wanted to work towards implementing that agreement. Meetings are now set up to work towards its implementation.

Of course, I think that it is worth pointing out that there were, in effect, two agreements, although only one has been published. There is a second agreement — the Stormont Castle Agreement — in which all five party leaders and their teams agreed to a financial package that included welfare reform, the reform of the public services and a range of budgetary issues. The five party leaders went to the Secretary of State to show that we were prepared to take those hard decisions that were necessary to get our finances on a stable, sustainable and long-term basis.

It is sad to say that not all the parties that were on that delegation were able to give the degree of support that was necessary when the first issue came before them — namely, the passing of a Budget. However, I hope that they will get themselves into order and will recognise the obligation that they have to implement those elements of the agreement. That is because, as I sat at Stormont House, I did not hear anybody around the table say that they rejected the agreement. I recognise that there are some who would choose to use it as an à la carte menu by picking the bits that they like and leaving the hard decisions for the two larger parties. That is not giving leadership, and it is certainly not very responsible.

**Mr Spratt:** I thank the First Minister for that answer. Is he content with the new arrangements for welfare reform? Do they avoid the costs of computerisation that were assessed to be hundreds of millions of pounds each year on top of the annual penalties that DWP was insisting would be paid and that, according to the last estimate I heard, would have grown to some £350 million?

**Mr P Robinson:** I indicated that there was a five-party agreement on a range of financial matters, one of which included the changes to the welfare system that would be necessary, and because all five parties signed up to the detailed proposals in that document, I am confident that we will be able to move forward on the welfare changes on a united basis. Therefore, as that is based on using the DWP computer systems, there will be no additional cost to have our own IT system. There will be some added cost for the enhancements in our system, which will require some refinement of IT programmes, but that is very small compared with the major change in cost that there would have been if we had to have our own system.

My understanding is that the penalties will cease as soon as the House has passed the legislation and regulations, so there will be no further cost once we have passed that mark.

**Mr Deputy Speaker (Mr Beggs):** I call Sammy Wilson.

**Mr Wilson:** Merci beaucoup, Monsieur Deputy Speaker. That is the extent of my French, by the way.

## **Stormont House Agreement: Trade Union Opposition**

T2. **Mr Wilson** asked the First Minister and deputy First Minister whether they agree that, now that the trade unions are leading an unprincipled, emotional and inaccurate campaign against the Stormont House Agreement, it is they that are not showing leadership and are following a narrow agenda that is not good for the economy of Northern Ireland, given that, in the days and weeks before the Stormont House Agreement, civic leaders and trade unionists lectured politicians in this Chamber about the need to show courage. (AQT 1942/11-15)

**Mr P Robinson:** I am sure that many of the party leaders in the House will have received representation in the run-up to and during the Stormont House Agreement from church and civic leaders, including representatives of the trade unions, telling us that it was our responsibility to be prepared to compromise and to make accommodation for others. I have to say that I agree with the principles behind the Make it Work campaign, but it is sad to see that, although it went to such lengths in launching its campaign, as soon as the parties reach agreement in talks, one of its member organisations comes out with the most outrageous statements about the agreement. That is not leadership, which was what the campaign was saying people needed to show in order to reach agreement in Northern Ireland. The advertisement shows a very poor knowledge of economic principles and facts.

**Mr Wilson:** Four years ago, when the current Budget was introduced, the same trade unions were predicting that 50,000 public-sector workers would be thrown out onto the dole. That did not happen. Will the First Minister confirm that any redundancies that will take place as a result of the Stormont House Agreement will be purely on a voluntary basis and not, as the trades unions have suggested, throwing workers out of work when they wish to stay in work?

**Mr P Robinson:** If one was to read the advertisement, one would not see that it is a

voluntary exit scheme that is being proposed. Here is a sentence from it:

*"thousands of sacked public servants will face the UK's lowest wages".*

Sacked civil servants? It is a downright lie from the pit. There is no sacking of civil servants under this proposal; it is a voluntary exit scheme, "voluntary" being the key word in it. I suspect that it will be the unions' members who will be volunteering to be part of that exit scheme. They go on in their advertisement to say:

*"no-one voted for our elected politicians to do a deal like this."*

Well, let me tell them that, as far as I am concerned, I did get a mandate to seek powers for corporation tax to be given to Northern Ireland, I did get a mandate to reform public services, I did get a mandate to rebalance the economy in Northern Ireland and I got a mandate to deal with welfare reform. How dare the trade unions tell me what my manifesto and my policy documents were. We sought a mandate; we got a mandate; we implemented that mandate.

### **Organ Donation: Soft Opt-out System**

T3. **Mrs Dobson** asked the First Minister and deputy First Minister whether they have, since their meeting about organ donation last March, met with the new Health Minister to relay their support for a move to a soft opt-out system, given their support for organ donation and specifically a move to such a system. (AQT 1943/11-15)

**Mr P Robinson:** We have not met the new Health Minister on that subject, but as the new Health Minister is a very intelligent and well-read individual, he will know of our support for that proposal. As I understand it, the Member has a Bill that is working its way through the House, and I have made clear my intention to support it when it comes to the Chamber.

**Mrs Dobson:** I thank the First Minister for his response. Given their joint public support for a soft opt-out system, which he has outlined again today, and the earlier Budget announcement on health, have the First Minister and the deputy First Minister pressed for any additional resources to enable the Health Minister to introduce the new system?

**Mr P Robinson:** The allocations in the Budget give an additional £204 million to the health service. However, it is for the Health Minister, who is in day-to-day contact with the pressures and priorities that he has to meet, to determine how that should be allocated.

### **Departments: Reduction in Number**

T5. **Mr Moutray** asked the First Minister and deputy First Minister, in light of the recent commitment in the Stormont House Agreement, whether work to reduce the number of Departments has commenced, when it will be completed and what the public can expect to see from it. (AQT 1945/11-15)

**Mr P Robinson:** Yes, it has more than commenced. Indeed, the deputy First Minister and I had asked the head of the Civil Service, who is also the permanent secretary of our Department, to work up some options, which he had done even before the Stormont House Agreement. He has produced a paper, which the deputy First Minister and I shared with Executive colleagues at the last Executive meeting and which gives a favoured option, although there are some issues in it to be clarified. Executive colleagues were asked to come back — I think by tomorrow — with any proposals that they might have for amendments to the document. If we can make sufficient progress, I hope that we might even get it on to the agenda of a special Executive meeting this week. If not, it will be on the agenda for next week's meeting.

**Mr Moutray:** I thank the First Minister for his response. Will he inform the House why we have to wait until 2021 to see a reduction in the size of the Assembly?

**Mr P Robinson:** I suppose that the answer to that question is that we do not have to wait until 2021. The Stormont House Agreement, carefully worded as it was, indicated that any change in the numbers to 90 should take place in time for the 2021 election. That does not mean that it could not take place in time for the 2016 election. Doing it for 2016 would mean that it would be done in time for the 2021 election as well. All that it requires is agreement.

I know that the Alliance Party and the Democratic Unionist Party support going straight to 90 seats in 2016. Indeed, my party believed that there should be 72 seats. We already have between two and three times the number of elected representatives in Northern Ireland per head of population as Scotland

does. Therefore, I think that there is good cause to see a reduction. However, there was not agreement from the other parties, although I trust, in the days, weeks and months ahead, that people will consider the pressure on public finances and look at this as being one mechanism whereby we can show that we are prepared to take pain as well.

## **Age Discrimination Legislation: Goods, Facilities and Services**

T7. **Ms Sugden** asked the First Minister and deputy First Minister why the Programme for Government commitment to extend age discrimination legislation to the provision of goods, facilities and services has yet to be delivered or even realistically talked about. (AQT 1947/11-15)

**Mr P Robinson:** I will ask my colleague Jonathan Bell to answer that question.

**Mr Bell:** The commitment was given at that particular time, and we continue to be committed to it. My most recent meeting was with many members of the age sector, as we continue to try to put in place a system that has agreement to achieve what we set out to achieve, which is no discrimination in the provision of goods, facilities and services.

It is absolutely wrong for people, just because they have crossed a certain age, even though they are in good physical health, to have, for example, their travel insurance tripled. I have been speaking to many of our elderly citizens, and the cost of their travel insurance has meant that they cannot get a holiday. In fact, the cost of travel insurance in some cases is almost equal to the cost of the holiday. I think that we are all agreed on the issue in the House, and we are all working extremely hard. Junior Minister McCann and I, and our advisers, in our last meeting at the very end of the last year were working with the age sector in particular to see how we might get legislation through in this mandate.

2.45 pm

## **Employment and Learning**

### **St Mary's University College**

1. **Mr Ó Muilleoir** asked the Minister for Employment and Learning for an update on the future of St Mary's University College. (AQO 7346/11-15)

2. **Dr McDonnell** asked the Minister for Employment and Learning to outline his vision for the future of St Mary's University College. (AQO 7347/11-15)

**Dr Farry (The Minister for Employment and Learning):** Mr Deputy Speaker, with your permission, I wish to group questions 1 and 2, and I request an additional minute for the answer.

Members are aware from my statement of 1 July 2014 that the international panel completed its review and delivered its report 'Aspiring to Excellence' on initial teacher education infrastructure in Northern Ireland.

The report proposed four options for future structures which could move us towards a world-class standard of teacher education. They are: a collaborative partnership; a two-centre model with a Belfast institute of education and the second centre based in the north-west; a Northern Ireland teacher education federation; and a Northern Ireland institute of education.

As a first step towards engagement with the sector, during September, I met the four providers, Queen's University, Stranmillis University College, St Mary's University College and the Ulster University, to hear each institution's views and discuss how best to find a way forward. The meetings were constructive. Engagement will continue as we consider how best to align the views put forward by the institutions with those of the international panel. I would, however, remind Members that both reviews of initial teacher education confirm that the status quo is not an option for the future delivery of initial teacher education.

The issue of the financial sustainability of the current structure has become more pressing now that, as a result of the Budget, my Department faces budget cuts which will necessitate difficult decisions on a range of functions and services across the Department and its arm's-length bodies. It is in this context that I have advised St Mary's and Stranmillis that I plan to remove the small and specialist institution premium funding from the beginning of the 2015-16 academic year.

The 'Aspiring to Excellence' report provides alternatives to the current infrastructure; alternatives which could enable initial teacher education to be delivered in a more cost-effective way and to a world-class standard. In my view, the options that best achieve these criteria would seem to be options B, a two-

university approach, or D, a single institution. I have written to the initial teacher education providers, requesting that they develop proposals to structure teacher education along these lines. I plan to meet with each of the providers this month to discuss their views.

I also firmly reiterate that my main aim in this process continues to be how we can best structure a system that can deliver world-class standards of teacher education; one that is financially sustainable, promotes greater sharing and integration and is in the best interests of our young people.

**Mr Ó Muilleoir:** Go raibh maith agat, a LeasCheann Comhairle. The Minister was very frank in his answer. I wonder whether he accepts that the removal of the premium will lead to the closure of St Mary's University College. Does he accept that if St Mary's closes, it will be the biggest body blow in a generation to the area of highest unemployment in Belfast? Would he —

**Mr Deputy Speaker (Mr Beggs):** I think the Member has asked his question.

**Mr Ó Muilleoir:** — let me know what economic impact assessments he has carried out?

**Dr Farry:** I recognise that the impact would be significant for St Mary's and that this is a serious issue for the college, although I would not assume that it means the closure of St Mary's. This is happening in the context where we already know that the teacher infrastructure in Northern Ireland is very fragmented. It is much more costly than comparative systems elsewhere in the world. We are not actually reaching our full potential with regard to standards and linkages, particularly with research.

There is a real prize here from reform. I believe that, through a process of engagement that includes St Mary's, we can find agreement on a way forward that looks to issues such as the future provision of higher education in west Belfast and also takes into account the different needs of the education sector in Northern Ireland. I stress that that type of point and perspective can be accommodated through a range of different institutional formats.

I think that there is the opportunity for discussions amongst all the providers to find consensus on a better way forward, not just for institutions but primarily for the future teachers of Northern Ireland and, as a consequence, the

future students who will go through the school system.

**Dr McDonnell:** I thank the Minister for his answer. I remind him that St Mary's has produced a very high standard of education for generations. Many of us believe that St Mary's and Stranmillis, or an institution of that sort, can provide a significant contribution. We do not have enough university —

**Mr Deputy Speaker (Mr Beggs):** Can the Member come to his question, please?

**Dr McDonnell:** — or third-level education places. There is much to be achieved. Shutting it down is not a sensible option in my view.

**Mr Deputy Speaker (Mr Beggs):** Would the Member please ask his question?

**Dr McDonnell:** Has the Minister moved in any way to facilitate talks or promote a better or stronger partnership or working relationship between St Mary's and Stranmillis?

**Dr Farry:** There were quite a few things in that series of questions. Let me start from the back. Yes, we are engaged in discussions and we are promoting discussions between the different providers on a way forward, but I am disappointed with the questions that have come forward on this in that we are taking this issue from the perspective of institutions rather than from that of the welfare and future interests of the teaching profession and students in Northern Ireland. While, of course, Stranmillis and St Mary's have been successful in their own right, we can aspire to do so much better. That is the main argument that is contained within the 'Aspiring to Excellence' report. I encourage Dr McDonnell and others to read that report and see where the capacity exists in Northern Ireland for a much-improved situation.

Let me also be very clear in relation to the issue around the premia. It is not my intention to use this to force through some agenda. We want to have discussions with the providers on the way forward. The context for the discussions on the premia lie in the fact that we have a very challenging budget situation and we continue to have that, notwithstanding the additional allocations announced by the Finance Minister earlier today. On a fixed budget, I have a very stark choice to make. It is between the protection of front-line places, which means places in our universities and colleges across Northern Ireland, and preserving subsidies that I do not believe are warranted. So, when

people make the case for the premia that go to those teacher education colleges, they also make the case that I withdraw money from the front line, which means that some of our students in Northern Ireland will not have the opportunity to attend a university or college and pursue a career here, which will damage our economy and undermine their life opportunities. So, it is a very stark choice that lies ahead of us, and people should be very mindful of it when they make the arguments that they are making today.

**Mr Swann:** The Minister said that he is not using this opportunity to push through his agenda with regard to St Mary's and Stranmillis. Does he not agree that the Grant Thornton report into the financial future of both teacher training colleges showed that the small-college premia was crucial for their existence post-2015? Does he also agree that anybody who supports the budget as proposed, in which he removes the small premia, is sounding the death knell for St Mary's and Stranmillis?

**Dr Farry:** People should not be talking about the death knell of any institution at this stage. That is not what this process is about. It is a process of trying to find an agreed way forward for the institutions. The issue about the premia being a subsidy has been very clear in the eyes of the Assembly and, indeed, others since the Grant Thornton report was published. We could have proceeded at any stage to withdraw the premia if we were intent on using it as a lever. The fact is that we have to make choices now in the context of the budget, and that is the basis on which we approach this issue. However, due to the fact that we have the Grant Thornton and 'Aspiring to Excellence' reports, we now have a very clear basis to formulate an alternative, whereby we can mitigate the effect of the budget and provide a means by which we can address the interests of the education sectors in Northern Ireland and our requirements for the future training of teachers. We have that opportunity, and I urge all the institutions and, indeed, wider stakeholders to seize it.

**Ms Lo:** Given what the Minister said about the financial constraints and the interests of everybody, what is his vision for teacher training in Northern Ireland?

**Dr Farry:** It is important to bear in mind that the 'Aspiring to Excellence' report is not something that is founded around the issue of resources or a means to find a more efficient way of delivering teacher training. That is something that is very clearly out there due to the financial

situation that we find ourselves in. However, there are other drivers of change, and the primary one is driving up standards; taking on board international best practice in the institutional format of teacher education and recognising that most modern teacher education systems are very clearly linked to university-based research. That is perhaps a linkage that we are not fully developing in Northern Ireland. It will provide a much more rounded product in our future teachers, which, in turn, will benefit our future students going through schools.

### **South Eastern Regional College: Budget**

3. **Mr Easton** asked the Minister for Employment and Learning to outline the effect of any potential budget cuts on the South Eastern Regional College. (AQO 7348/11-15)

**Dr Farry:** Even with the allocations to my Department in the final Budget, DEL is facing an unprecedented level of cuts. They will have an impact across the areas of work of my Department, including further education. At this stage, I am unable to provide the definitive position on the impact of the revised Budget on the further education sector, but the impact of the cuts proposed in the draft Budget was set out in my Department's draft savings delivery plan. However, it is inevitable that front-line services will be detrimentally affected, by way of staff losses and a significant reduction in student places. Such cuts in further education provision would be perverse at a critical time when Northern Ireland needs to expand, rather than reduce, the supply of skilled workers to employers in preparation for a possible introduction of a lower level of corporation tax.

Once the further education budgets are finalised, my officials will communicate that information to the colleges to enable them to plan for the 2015-16 academic year and beyond. Undoubtedly, difficult choices will have to be made in the weeks ahead.

**Mr Easton:** I thank the Minister for his answer. I am not sure whether he will be able to answer this question: can the Minister outline how the newly agreed Budget will enable him to deliver programmes for apprenticeships in north Down?

**Dr Farry:** With respect to apprenticeships and the system of youth training, the Department was successful in a bid to the change fund to the tune of £7.5 million. I put on record my gratitude to the Finance Minister and the

Executive for agreeing that allocation. That is a major and strategic investment in the future of this economy, as well as in the future of our young people. Obviously, our further education colleges will be key delivery partners in that regard, so there will be some assistance to them. On top of that, of course, some element of the £20 million of additional resources or reallocation of resources — depending on your perspective — will be used to offset the current proposed impact of the cuts on further education, but, in the coming weeks, we will have to bottom out precisely what that means in practice. It is my intention to try to have that finalised in the budget for the next financial year, probably within about two weeks of now.

**Mr McCallister:** In his earlier reply, the Minister talked about the difficulties between maximising any benefits from corporation tax and, of course, funding it. How will he secure the future of colleges, such as the South Eastern Regional College and campuses like Downpatrick, while implementing that and implementing cuts and not raising money from any other point? Is it not time for him to join us in opposition before his Department is abolished?

**Dr Farry:** I am not sure who Mr McCallister means by "us"; I thought he was a lone voice these days as an independent. I am not sure whether he has formed another party in the past couple of minutes and we have missed that. Let me say this very clearly: I believe that I best understand the interests of my Department and the arm's-length bodies. I am best placed to make the case for additional resources and I am best placed to manage the resources that are available to get the greatest impact. That is my current intention.

The Member mentioned corporation tax. Let me be very clear: there is not a simple choice to be made between funding a lower level of corporation tax and taking money out of the skills budget. The two have to go hand in hand. While we have some degree of mitigation of the budget for the current year, simply having a standstill situation around places is not good enough. We have to intensify our investment in places in our universities, colleges and apprenticeships if we are to truly maximise the benefits of corporation tax. A lower level of corporation tax has the potential for increased demand within our economy from local companies growing and more inward investment. However, unless we can keep pace with that demand through the supply chain by way of talented young people, we are not going to take full advantage of a lower level of corporation tax. I am confident that, as we

move towards that lower level of corporation tax, the case for further investment in the skills budget will become even more clear-cut. I will certainly continue to make that case and will do so over the coming months and years.

**Mr Kinahan:** Given that 16,000 student places are being cut, what is the Minister putting in place? What are his options to make sure that those young people do not fall into the NEET category?

**Dr Farry:** We do not have a plan B for when there is a situation where there are cuts in further education places.

Rather than divert resources into funding a plan B, the wiser course of action would be to do more in plan A.

### 3.00 pm

There are real dangers that people will miss out on further education places and will have nowhere to go. Ultimately, that will become a cost burden on social security and welfare, so we need to be mindful of the consequences of that. That said, the figure of 16,000 was a projection based on a 10-8% cut to my Department that was passed on, on a pro rata basis, to the colleges. We are now in something of a different position today, with a lower reduction to my Department's budget. We have to bottom out exactly what that means for the FE sector over the coming days.

I am working on a number of options that, hopefully, will try to avoid there being too much of an impact on the front line in further education. At this stage, however, it will be difficult to avoid any cut in the number of places available. That will be the first time, certainly in my experience, if not longer, that we have seen a reversal in the provision of further education, as previously it was always open to anyone in Northern Ireland to access courses. This will be the first time that, potentially, we will ration access to courses, and we need to take that very seriously.

### Careers Review Report

4. **Mr Irwin** asked the Minister for Employment and Learning for his assessment of the careers review report, including the envisaged timescale for the implementation of its targets. (AQO 7349/11-15)

**Dr Farry:** Members will recall that, in March last year, I announced that the Minister of Education

and I had commissioned a formal employer-led review of careers by an independent panel of experts building on the work of the Employment and Learning Committee and the CBI. The expert panel has now reported. Sound careers education and guidance, informed by the needs of the current and future labour market, is critical to fully maximise our potential and the opportunity for economic growth. It is now more important than ever that our young people are equipped with the skills and qualifications they need to take advantage of the opportunities that the new corporation tax environment, for example, could afford.

I welcomed the findings of the review, and there is broad agreement on the way forward. My Department will shortly publish a joint strategic framework outlining the key actions and timelines for implementation. The new framework will also take account of the recommendations made in the Employment and Learning Committee's report following its extensive inquiry into careers, as well as other recent publications from the CBI. Work has already started to improve support for careers using the Web, with a new home page and updated online self-help support launched at the end of last year.

In addition, through the Northern Ireland Centre for Economic Policy, work commissioned by my Department has begun to produce a skills barometer to provide reliable and easier to understand labour market information and to highlight labour market opportunities and trends. Part of the development of careers will involve discussions with key stakeholders, including parents and employers. That is to ensure that the new system supports young people and adults to fulfil their potential to contribute positively to their community and the Northern Ireland economy and meets employers' needs.

**Mr Irwin:** I thank the Minister for his response. The report states that work experience will be provided from P7. Will the Minister explain how he sees that recommendation working in practice, given the age issues and potential concerns of employers and others in the workplace?

**Dr Farry:** Exactly what that means in practice is one of the issues that we will work through as part of the implementation plan. Obviously, the Department of Education, which has responsibility for children and young people at that age, will have a major say in exactly how that is taken forward. I am sure that Members are mindful that we have a lot of work experience people in the Building this week and

next week, as this is often the time that schools across Northern Ireland ask for such opportunities to be taken up. I am taking a number of students this week and next week.

We are conscious, however, that work experience is a very limited snapshot of the world of work. Schools will often offer only that five-day window, usually in the lower sixth year, but that is often too late to inform young people of the range of choices that is out there for them. Sometimes young people would maybe benefit from a wider range of experiences so that they can sample different areas of the world of work and decide what is most suitable for them.

Those are some of the ideas that lie behind that recommendation in the review. We now need to look to see how we can put that into practical action.

## Disability Special Advisers

**5. Mr McGlone** asked the Minister for Employment and Learning how many disability specialist advisers are employed by his Department across Northern Ireland. (AQO 7350/11-15)

**Dr Farry:** My Department employs 60 members of staff who have been specially trained or are professionally qualified to support people with disabilities. This includes the employment service, which has 42 staff who are employed in this specialist role across the 35 public offices. In addition to the specialist disability training, those staff are supported by three regional disability employment managers and a team of six occupational psychologists. The disability employment managers have many years of experience working with disabled people and supporting employers who wish to recruit or retain employees who have a disability.

The Department's team of dedicated and professional occupational psychologists provides an employment assessment service to individual disabled clients who are seeking work or to those who are having difficulties retaining work as a result of a disability. The psychologists also work with employers to provide assessments and recommendations for adjustments to support their disabled employees. As part of the disability team, nine advisers deliver the Access to Work programme, which supports 650 people with disabilities in employment.

In addition to the 60 staff, the Department provides specialist help and support to people

with all types of disability who are in further or higher education, undertaking skills training or availing themselves of careers guidance. These specialist disability services are delivered in partnership with or on behalf of my Department by organisations from the local disability sector.

**Mr McGlone:** Go raibh maith agat, a LeasCheann Comhairle. Mo bhuíochas leis an Aire chomh maith. Thanks very much to the Minister as well. There is no doubt about the beneficial effects of those services, but how many people are finding full- or part-time employment as a result of the interventions of the advisers and their staff?

**Dr Farry:** I am happy to write to the Member and give him the precise figures, but we are talking in the considerable numbers of hundreds of people benefiting from the schemes that are available. The Member will also wish to note that we have been working over the past 12 months — indeed, longer — on the development of a new employment and skills strategy for people with disabilities. That is being finalised by my officials, and we hope to commence public consultation on it in the next number of weeks. That is intended to freshen our current offering, which is making a real difference, but there is also potential to do things better. Notably, given the title of the forthcoming strategy, there will be a much greater focus on skills.

It is important that we recognise that people with disabilities have a lot to offer in the workplace. This is not simply about employers showing some sort of corporate responsibility and giving an opportunity to someone with a disability; this is about employers reaching their full potential by fully availing themselves of the talents that disabled people have. Just because someone has a disability that does not mean that they are not able to fully engage with the world of work and to be as productive, if not more so in some contexts, as other work colleagues. It is important that we do all we can to get the message out about what can be done and the supports that are available to make a real difference to people's lives and to the local economy.

**Mr Campbell:** Clearly, the Minister will be in a position very shortly to make his announcement on forthcoming capital projects, including the Northern Regional College. If and when he gets to that point shortly, will he be able to utilise the services of disability specialist advisers on the location, roads infrastructure and accessibility of any new structure?

**Dr Farry:** I take on board any advice that we can get on the siting and design of buildings to make sure that they are as user-friendly as they can be. I think that it was DisabledGo that advised us on our existing footprint, conducting an audit of all our further education estate and identifying valuable lessons. In more recent capital investment, we take every step that we can to ensure that we are fully disability-compliant. Obviously, the Disability Discrimination Act is a backstop to ensure that we follow through with the rules. We also recognise that there is a proactive role and responsibility in ensuring that our buildings are fully disability-compliant so that we can facilitate all our potential customers. In further and higher education, we have a proud record of facilitating access for people with disabilities.

### **Southern Regional College: Craigavon**

6. **Mr Moutray** asked the Minister for Employment and Learning for an update on the newly proposed Southern Regional College campus in central Craigavon. (AQO 7351/11-15)

**Dr Farry:** The Southern Regional College is planning major capital investment projects at Armagh, Banbridge and Craigavon.

The Craigavon project will establish a new state-of-the-art campus to replace the existing Lurgan and Portadown campuses. The work was originally planned to be delivered after the Armagh and Banbridge projects. However, I have been able to secure additional capital funding through Together: Building a United Community and hope to deliver the work on a similar timescale to that for the other projects.

Southern Regional College has begun the process of identifying a design team to take forward all three developments, and the initial part of the exercise will be completed in the next two weeks. The appointment of the design team will be completed by the end of March 2015.

Unlike the Armagh and Banbridge projects, which will be developed on existing sites, a site has yet to be secured for the Craigavon development. However, the college has completed a site options analysis. On the basis of that analysis and following liaison with Craigavon Borough Council, a potentially suitable council-owned location has been identified. A pre-application discussion with Planning Service regarding the site is due to take place this month, and, depending on the

outcome of that meeting, a decision on the next steps will be taken.

Subject to securing an appropriate site, design work is expected to be completed in approximately nine months from April 2015, with the aim of awarding the construction contract during 2016.

**Mr Moutray:** I thank the Minister for his very welcome response. Can he ensure that discussions will take place with local businesses — namely, those from the manufacturing, agrifood and life sciences sectors — so that courses at the new centre are tailored to meet their needs?

**Dr Farry:** Yes, I am happy to give the Member that assurance. Further education has evolved significantly over the past decade and is now very focused on the needs of the economy. It is there to provide a skills solution and a research and innovation solution for local business. The emphasis in the curriculum has also moved much more towards the needs of the local economy. I have already mentioned the importance of new strategies around apprenticeships and the forthcoming strategy on youth training and how further education will be a key delivery partner in that regard. Obviously, employers will be in the driving seat for those strategies. Of course, our capital design has to follow suit and ensure that we deliver what the curriculum requires, not the other way around.

**Mrs Dobson:** I also thank the Minister for his answers so far. Regarding the news on the new campuses, will the Minister assure us that the impact of the recent cuts to his Department's budget will in no way affect the ability of the colleges to staff the new builds once opened and that everything will proceed as planned and staffing levels will be as required?

**Dr Farry:** Probably the biggest challenge financially is the dip in the capital budget, which is causing a degree of concern. Members can take consolation from the fact that I have consistently stated that I regard the Southern Regional College and Northern Regional College areas as being priorities in the further education estate. They have not had the same investment as some other regions over the past number of years, so I am keen to progress the projects as best I can. We will look to see what opportunities are out there for capital funding. Often, doors open for capital owing to unforeseen circumstances elsewhere in budgets.

I remain optimistic that we will proceed with all three capital builds in the SRC jurisdiction. The resourcing will be there to ensure that all three campuses are viable. Although we have pressures on the FE budget and sadly there will be some loss of job roles and job places, the three campuses will require staff to ensure that we deliver the courses that they are designed to facilitate. In that context, I do not see the revenue budgets compromising the projects' go-ahead.

**Mr Deputy Speaker (Mr Beggs):** That ends the period for listed questions. We now turn to topical questions.

### **DEL: Revised Budget Allocation**

T1. **Mr Brady** asked the Minister for Employment and Learning for an update on the revised allocation to his budget for 2015-16. (AQT 1951/11-15)

**Dr Farry:** As the Member will be aware, the Finance Minister earlier announced a further allocation of £20 million to my budget or, depending on your perspective, the reallocation of money that was otherwise going to be cut from the budget and the receipt of another £13.5 million from bids made either on a single departmental basis or on a joint basis with other Departments to the change fund. Let me be very clear: I very much welcome the additional allocations that have been made by the Finance Minister and agreed by the Executive. That said, we still face a very challenging situation in terms of my budget. That will continue to pose real challenges and risks our being unable to provide and invest in the skills pipeline for the future of the Northern Ireland economy. We will have to see over the coming weeks how we can best mitigate the effect of those to protect the front line as best as possible.

### **3.15 pm**

**Mr Brady:** I thank the Minister for his answer. Could he outline what discussions he has had with colleges and universities about protecting student numbers? Go raibh maith agat.

**Dr Farry:** Ultimately, the best route to protecting student numbers lies with the allocation to my Department. Any discussions that we have with the universities and colleges is the fallback position as to how we best mitigate the effect of the allocations that have been made. Over the past weeks, I have had regular meetings with the vice chancellors, the principals, the chairs of the boards of the six FE

colleges and Colleges NI. I will see the two vice chancellors tomorrow to discuss the implications of the Budget. I will also meet the colleges tomorrow evening to discuss the Budget as well as some other issues regarding the future of community planning at a local government level.

Over the coming weeks, we will see exactly how we can agree a Budget. Certainly, it is my intention to protect the front line as best as possible. However, in comments made to some of the Member's colleagues earlier in Question Time, I made it clear that there are choices to be made. Some of what the Member's party suggests I do would mean that money is taken away from the front line and would result in even steeper cuts in places. The Member may wish to reflect on that with his colleagues.

### **Skills Agenda: Budget Impact**

**T2. Mr Dickson** asked the Minister for Employment and Learning what effect and impact the Budget will have on the skills agenda for Northern Ireland. (AQT 1952/11-15)

**Dr Farry:** I thank the Member for his question. Skills are the main driver of the transformation of our economy. We need many more higher-level skills. We also need to bring more and more people into the labour market. If we are to truly compete with other regions, achieve our full potential and close the productivity gap with the rest of the UK and in the context of the European Union, investing in skills is the main way in which we will do that.

We also have the looming issue of the potential lowering of the rate of corporation tax, something that I very much welcome. However, there are major challenges ahead if the Executive are going to be in a position to resource that in a couple of years' time. The notion that we take money out of the skills budget to fund a lower level of corporation tax does not make a lot of sense. If anything, we have to invest further in skills to make the lowering of corporation tax a success. There is a lot to play for over the next number of months around ensuring that we do the right thing for our economy. That means investing in skills to ensure that we reach our full potential.

**Mr Dickson:** Minister, how, therefore, are you going to protect investment in front-line skills?

**Dr Farry:** It will be difficult to achieve that. We now face a slightly better situation than was set out in the draft Budget, but we were potentially

talking about 16,000 places in further education and 1,000 places in universities. I have made it clear that, in my Department's service delivery, it is my intention to protect, as best I can, the economy and those areas that are most relevant to the economy, though virtually everything that my Department does is relevant to the economy, and those who are most vulnerable. I have indicated that I want to protect what we term narrow STEM subjects in our colleges and universities — maths, physics, computer science, engineering and life sciences — and that we want to protect apprenticeships and youth training. We have some protection from the change fund in that regard.

We are looking at and discussing with the colleges and universities what alternatives there are in terms of finding efficiency savings, doing things differently and addressing subsidies and different formats of spend regulation that may free up money that will allow us to preserve a greater share of places on the front line than was otherwise the case. Those discussions have still to be bottomed out fully, and it may be about two weeks before we have a full picture of what the Budget means for the coming year. However, we also have to bear in mind that places are a long-term investment. What happens in this Budget will be of interest to what happens in the next four years as well. The two have to be seen in conjunction with one another.

### **European Social Fund: Applications**

**T4. Mr McKay** asked the Minister for Employment and Learning for an update on the number of applications received for the European social fund, particularly from the community and voluntary sector, and why he has limited the qualifications in this to level 1. (AQT 1954/11-15)

**Dr Farry:** First, from memory, I think that in the region of between 130 and 140 applications were received to the European social fund. The application process closed on 9 January, and we are working through those applications. My officials are doing that as we speak. It is important to bear it in mind that we are in difficult financial times, but we want to make full use of the community and voluntary sector, which is a key delivery partner of government. The European social fund is a useful tool in creating opportunities for them to bring their skills to bear in making a difference to people's lives. It is important that we also look at duplication in the provision of services. We see a natural division of labour, where a greater

focus is placed in the community and voluntary sector around the level 1 qualifications, and our further education sector and others focus around level 2 and beyond. That will not be an absolute distinction, and, in particular, we have made it clear that ESF bids in relation to disability will go beyond level 1. There may well be other situations where that applies, but we are trying to make the best use of the resources available to us financially and take into account the skills in the community and voluntary sector and where they can make the biggest impact.

**Mr McKay:** Go raibh maith agat, a LeasCheann Comhairle. The problem with that approach, Minister, is that a lot of community and voluntary servers find themselves locked out by the way the criteria have been set, and you will be well aware of the concerns outlined by NICVA —

**Mr Deputy Speaker (Mr Beggs):** Could the Member ask a question, please?

**Mr McKay:** — and, indeed, organisations in the community and voluntary sector in Portglenone, which I represent. Can the Minister estimate how many projects could close and how many jobs could be lost in the community and voluntary sector through his approach? Is it more about shuttling money out of the community and voluntary sector and into his Department than anything else?

**Dr Farry:** First, we are not shovelling money out of the community and voluntary sector and into my Department. Some schemes in my Department will have to close because of lack of resources. We cannot renew them as we had planned because of the budget cuts, and they were coming to the end of the first phase in March this year. It is also worth noting that the European social fund itself is a bigger pot of available resource than it was, so there is actually more money on the table from the ESF in this round than there was previously. That is also good news.

I have to be frank with the Member: the biggest threat to the delivery of the ESF programme now lies with match funding. One of the consequences of the delay in approval for DSD's Regeneration Bill has been to knock back the transfer of functions from DSD to local government. A lot of organisations now find themselves very confused about how they will get the match funding to access the ESF. We have a situation where DSD is hanging on to powers for an additional 12 months and councils that were planning to have powers from 1 April are now having to wait a further 12

months, and a lot of bodies now find themselves caught between those two stools and are unsure how to get additional funding. Neither the councils nor DSD are in a position to give a degree of certainty around match funding.

## **Further Education: People with Disabilities**

**T5. Lord Morrow** asked the Minister for Employment and Learning for an update on the provision of further education courses and qualifications for people with disabilities and to state what progress has been made. (AQT 1955/11-15)

**Dr Farry:** The Member has raised that on a number of occasions, and he will be aware that we have conducted an audit of further education provision across the FE sector. That ties in with the previous question about how best the European social fund can be deployed to assist with level 1 FE in a general sense and assist those with disabilities. A partnership approach between the community and voluntary sector and further education is very important in that regard. The issue about learning and disability transitions has been discussed at the Bamford ministerial subgroup of the Executive, and we are looking to do a proper gap analysis to see where Departments can be more proactive in providing services, particularly around the areas where people are falling between gaps that are not of their making but are more a reflection of the way government is structured.

**Lord Morrow:** I thank the Minister for his reply. I understand that the Committee for Employment and Learning has commissioned a report or a report has been commissioned on this. When do you expect to receive that report, or have you received it?

**Dr Farry:** The Committee for Employment and Learning is conducting an inquiry into these issues, and I am happy to assist it in that regard. I certainly recognise its initiative on this important issue. The timescales of that work lie outside my direct control, but work is happening in parallel with that, and I want to assure the Member that we are not sitting back and waiting for that report before any action is taken on these issues. We are pushing behind the scenes at the Executive with ministerial colleagues to see what more can be done on an action plan, and, indeed, a draft has already been commissioned.

The biggest challenge that we face is resources. For far too many Departments and agencies, this type of activity is seen as a soft touch, whereas it should be viewed as part of their core service delivery. We particularly need to see a reconciliation so that, when it is unclear which Department has responsibility, someone steps up and takes responsibility for delivery.

## Youth Unemployment: Rural Areas

T6. **Mr Rogers** asked the Minister for Employment and Learning what his Department is doing with specific programmes or interventions to deal with youth unemployment in rural areas, given that the Department acknowledges that, particularly in rural areas, job opportunities are likely to be fewer and the task of supporting the NEETs population is an even bigger challenge. (AQT 1956/11-15)

**Dr Farry:** It is worth referencing the fact that the Steps 2 Success programme is now operational. We have three contract areas across Northern Ireland with lead contractors and a supply chain. One of the key design aspects of the programme is that no person should be left behind, and providers will not be permitted to pick off those who are easier to help, whether on the basis of their skills, qualifications or geography. We have to ensure that we develop a tailored plan for everyone, and we will pick up people from that rural context to ensure that they can avail themselves of opportunities.

It is also worth noting that, unlike the previous round of applications for the European social fund, this time there is a stronger geographical aspect to ensure that there is proper coverage in the schemes that we want to see rolled out across Northern Ireland. That includes capturing people from rural areas. ESF programmes are often tailored towards addressing youth unemployment and those who fall into the NEET category.

**Mr Rogers:** Thanks for your answer, Minister. How easy is it for councils and local providers to customise the Department's programmes to suit very localised needs?

**Dr Farry:** The Member's question is, in some senses, timely. Tomorrow evening, I will host a dinner with the new chief executives of the 11 district councils and the principals of the six further education colleges. We will talk through some of the skill requirements that exist in different areas and how the FE colleges can be more fully part of local economic plans and the

community planning infrastructure. As we look to design some of our programmes, particularly the new system of youth training, we are very mindful of variations across Northern Ireland. Again, the councils and the FE colleges will be key partners in trying to put in place a different focus in different parts of Northern Ireland. So, there are some opportunities in that regard to achieve what the Member has asked about.

## College Enrolments

T7. **Mr G Robinson** asked the Minister for Employment and Learning to outline whether the Northern Regional College and the North West Regional College have attracted improved enrolment figures for the 2014-15 academic year. (AQT 1957/11-15)

**Dr Farry:** I do not have the figures to hand that show exactly which colleges are up and which are down, but the Member will be aware that we have had a certain fallback in the number of enrolments in the FE sector. That can almost entirely be explained by changing demographics and the numbers of young people. There is also an issue with some of our schools hanging on to young people for longer than they should, as they have an interest in maintaining their enrolment for money. That is not always in the interests of the young person, who may be better suited to an FE college environment. So, there are some issues there that we need to bottom out.

**Mr Deputy Speaker (Mr Beggs):** That is the end of questions to the Minister for Employment and Learning. I ask Members to take their ease for a few moments while we change those at the Table.

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

3.30 pm

## Private Members' Business

### Protecting Core Public Services

**Mr Deputy Speaker (Mr Dallat):** Order. I call Mr Fearghal McKinney to move the amendment. The Member has 10 minutes.

*Debate resumed on motion:*

*That this Assembly commends the Executive parties on presenting a unified approach in highlighting the drastic reduction in the block grant and the consequent effect that this has on*

*the Executive's ability to defend public services; calls on the British Government to recognise the unique challenges that we face as a society emerging from conflict, with higher levels of socio-economic deprivation; and further calls on the Executive to maintain their protection of core public services, in particular health, welfare and education. — [Ms J McCann.]*

**Mr McKinney:** I beg to move the following amendment:

*Delete all after "Executive to":*

*"define its understanding of all core public services as well as protect those services in relation to health, welfare and education."*

I welcome the opportunity to participate in today's debate. At the outset, it is worth pointing out that the unified approach taken towards the end of the year was not adopted earlier by some of the parties that are now praising that approach. I think that we should all regret that. You will recall the DUP going in one door at Downing Street and Sinn Féin going in the other ahead of the summer, giving the Treasury the classic opportunity to divide and conquer. That happened not at its expense but at the expense of the public. Meanwhile, we were reminding people that that was no way to negotiate and that only a unified approach would have the best chance of success for our people. Even then, there has been only partial success, but I am glad to see that the joint approach was finally adopted.

The essence of our amendment is the definition of public services. It is crucial that we actually arrive at a definition before we commit to how we spend vital public funds. I welcomed the Finance Minister's comments about the need for a better definition so that we can ensure that we set strategic objectives that will help with the definition of core public services, meaning that we can fund those accordingly. We also need to ensure that that happens not solely but largely for health, welfare and education.

The Stormont agreement as embraced by Sinn Féin and the DUP is a pivotal moment in the politics of Northern Ireland. The days of the big cheques that are sufficient for our needs may well be over. We have to consider the impact that that will have on our public and private sector, but we also have to make sure that every pound that we spend is spent well. Unfortunately, simply referring to core public services in that regard does not cut it without robustly defining what is a core public service

and how funding it will help towards government targets.

At the start of the Troubles, we were top of the league table in deprivation in a number of key areas like west Belfast, north Belfast, Derry and Strabane and other rural areas in Northern Ireland. Forty years later, that picture remains largely the same for some of those areas, and the intervening years have piled on intergenerational unemployment, mental health issues, poor health and a host of associated health and other issues that it will take years yet to resolve.

A recent study compiled by the poverty and social exclusion project revealed that more than a quarter of adults here are living in multiple deprivation — that is, living without basic necessities. We have the highest rate of benefit claimants in the UK, the highest rate of youth unemployment at 20%, and economic growth is still lagging behind that of the rest of the UK. We should have been dealing with those issues. The facts speak for themselves, and it is in that context that I would like to address what is a core public service. My worry is that the approach that we are taking is really a sticking plaster and not a strategy. There is a vague sense that core public services are the front line — doctors and nurses, for example. Certainly, they represent a constituent part of it. However, in our view, it is much broader than that and may well impact on every Department. Where health is concerned, we all recognise that there are a number of demands on the system. They include a growing older population, but huge demand arises from the health issues emerging from the long-term unemployment and deprivation that I just referred to. It is a no-brainer, and until we start to tackle the pressure that that puts on our system, we will continue to administer sticking plasters and not strategy.

What has the Budget done and what does the motion in front of you encourage? They merely recognise the issues at the crisis end and do not focus on the demand side. For us, a core public service must focus on addressing that demand and get to the heart of dealing with long-term unemployment and deprivation. The change plan at the heart of the health service has been talked about time and again in the Chamber. It recognises that there needs to be a greater provision for the community side, home being the hub, to help to alleviate the pressure on the expensive hospital side of our health service. Do the Budget and the motion address that? I suggest that they do not.

TYC will continue to be funded out of a monitoring round system that itself will have little money, and it will also mean that, because there is a growing financial pressure, other elements of health service spend will take priority over the change plan. I noticed this morning that, in the January monitoring round, TYC got no money at all. Let us remember that the health service believes that the growing numbers of elderly people are an increasing demand on the expensive hospital side of provision. Let us look at how the system is treating those older people and how it is thinking about keeping them out of hospital. I will illustrate this with one example that demonstrates just how flawed the thinking on these issues is and which highlights the need for a different approach to how we define and order core public services. The South Eastern Trust is, I understand, tendering for a meals service. At the moment, most of those services focus on the daily delivery of a chilled meal that is later heated and eaten. However, because of cutbacks, the South Eastern Trust, in its wisdom, will deliver this service, not once a day, not once a week, but once a fortnight in the form of 14 frozen meals. This from a trust whose job it is, as part of an integrated care system, to deliver health and social care.

**Mr McCarthy:** I am grateful to the Member for giving way. Does the Member agree that the delivery of meals on wheels until now provided not only good nutritional food but an important social contact with the people driving the vans? In many cases, it was the only face that they saw or voice that they heard all day. That is now to be denied, and deliveries will take place only once a fortnight or even once a month.

**Mr McKinney:** I thank the Member for his helpful intervention; I will get to that very point in just a moment.

I point to a study done in recent years that shows that, out of nearly 10,000 people screened on admission to hospital, 34% were found to be at risk malnutrition and 21% were found to be at high risk. Seventy-one per cent were admitted to hospital from their own homes — in other words, the malnutrition originated in the community. The community, which should be receiving funding and provision, is not. It has been put at risk and may ultimately cost us at the expense of the hospital side. The focus of TYC was on provision in the community and keeping people out of hospital. We have a TYC plan that wants older people at home and to reduce the need for hospital, and a trust whose actions may put them into hospital and in a weakened state. The meals service is a vital

core public service that should be receiving funding but is not.

Moreover, those who provide the daily meal service — this is the point made by my colleague — act, as American researchers have found, and, indeed, we have found anecdotally and I found when I recently accompanied a meals on wheels service provider to a number of homes in Belfast, as eyes and ears, or a safety check, if you like, reporting on the changing health or needs of housebound older adults. That is the view of many who provide the services. It is clear, they say, that the social care value is being ignored and that people with lower-level needs are not receiving support to remain nourished, healthy and independent in their own homes. This is despite the fact that it is the ambition of the underfunded change plan at the heart of the health service. Running alongside this is a domiciliary care approach that favours 15-minute visits to homes, burning carers out with the maximum visits/minimal time approach to care delivery.

Missing from this Budget is a comprehensive strategy that fundamentally recognises, as did the Stormont House Agreement, that we have legacy issues that need to be resolved, the crux of which are social deprivation and long-term unemployment. What this Budget does not do is strategically tackle those issues head on, and if it does not, it will only put further pressure on the expensive side of the system. What we need is a strategy, not a sticking plaster. There is a need to develop and maintain a long-term focus on helping those communities facing or threatened with poverty, even when we have witnessed the savage nature of consequential austerity measures and the further squeezing of our block grant. We need to tackle deprivation on all fronts, and the way to do that is through proper joined-up government. If there is one truism about the health service as delivered here, it is that it can only attempt to deal with the demand as it comes and can do little to alter it. This amounts to an appeal for real, joined-up government, where training, job creation, education — specifically early-years programmes — are prioritised in those areas at most need to effect the greatest change and help to reduce the demand on health and welfare.

We need ring-fencing and a definition of "core public services", and we need to agree what those core public services are. Otherwise, it is sticking plaster not strategy.

**Mr Moutray:** I am broadly in support of the motion, but it has been ill thought out and

hastily put together as a token measure by those across the Chamber, who believe that they have to pay lip service to the protection of services.

The DUP has been and remains committed to the protection of core public services. In fact, we were the party that recently called for the Stormont House talks. We are the party that has gone the extra mile to negotiate with the Chancellor and the Prime Minister. Frankly, our public services, be they for health, education, roads or justice, were in dire straits. Front-line services were going to be severely affected, which, in turn, would have gone right to the heart of our society and caused another dip in our financial recovery as a country. Services utterly essential for the economic growth and prosperity of any country were going to be wiped out. Services such as bus routes would have been cut. Teachers would have been redundant. There would have been a slash in further education places and a loss in front-line policing, causing the potential for an increase in crime and dissident activity.

I will say it again: this country was facing further financial crisis until our party demonstrated clear leadership by ensuring that welfare reform was sorted and that those whose position was diametrically opposed were brought to a point of realisation on the matter. It was our party that, against the odds, negotiated and formulated a Budget that would see additional spend go to every Department. Today, I say shame on the Executive members who voted against it. Shame on them for ultimately denying their Department financial help. Shame on them if they step out today following the statement on the Budget and claim that they have ensured that bus services are not cut and that front-line policing is getting additional spend to help curtail crime and stamp down on the dissident threat. Shame on the Alliance Party if it takes credit for any additional spend in its Departments. We have witnessed its usual head-in-the-sand approach. It voted against the Budget, yet its two ministerial portfolios are set to benefit from one third of the additional spend.

We will continue to lobby for additional financial assistance from the British Government. Having emerged from very difficult, dark days, there is no doubt that the country is in a unique position. Therefore, additional assistance should be sought at times when it is required. However, there needs to be a realisation that Northern Ireland must continue to make strides to make it viable. The way in which to do that is to grow the private sector. I have no doubt that

the recent commitment on corporation tax will go some way to assisting with that.

**Mr Kinahan:** There are times when it is right and proper for all the parties in the Assembly to stick together and to fight to try to get the best deal for the people of Northern Ireland. The recent talks at Stormont House were one such occasion. However, there is a distinct difference between standing together for the common good and adopting a begging-bowl approach to our monetary situation. Some in the Assembly are shamelessly adopting the latter approach.

Of course, we should all seek to protect key public services, although, as the SDLP suggests in its amendment, we should be more careful and explicit in defining what core public services are. I note that, perhaps unsurprisingly, Sinn Féin does not include policing as one of its three identifiable core services. I suggest that that tells you all that you need to know about its priorities. Yes, we need to maintain a social security safety net, but, for most reasonable people, and certainly for the Ulster Unionist Party, when we talk about core public services, we mean health, education, jobs and the economy, security policing and public safety in general. Surely one of the prime functions of government is to keep people safe.

The Executive, and certainly the Finance Minister, knew that cuts to our block grant were coming. The Executive were informed of their allocations for 2015-16 as part of the 2013 UK spending round in June 2013. The point is that they knew that, when it came to our block grant from Westminster, the cupboard was bare, yet no plan was devised for facing up to the problem, hence the financial crisis of the past eight months. Of course, core public services need protecting, but there was precious little sign of that imperative in the draft Budget published in December.

### 3.45 pm

In last week's debate about the draft education budget, we made the point that core services, front-line teaching in the classroom, had to be prioritised. I have to say that the Sinn Féin Minister was less than sympathetic. Mind you, a week is a long time in politics. In the December draft Budget, core services in the Education budget were directly targeted, with a swingeing cut to the aggregated schools budget and the prospect of mass teacher redundancies. Of course, we welcome the additional allocation for Education in the revised

Budget. Today, the Finance Minister has found £150 million of extra spending, £63 million has been allocated to Education and the Minister of Education has now announced that his revised budget has found £80 million more for the aggregated schools budget. This, no doubt, will go a long way to mitigating some of the worst impacts, but we now wait to see how in detail the Minister will spend it. That is the key issue. In December, the Ulster Unionist Party, in a submission to the consultation on the draft Budget said:

*"We are concerned that the Department and Minister are playing a political game of brinkmanship in frontloading cuts on schools as a ploy to obtain further funding from the Executive."*

I will leave it to the general public to decide whether this analysis has turned out to be accurate, but it looks like it to me.

Let us be honest about the reality of public spending in the United Kingdom. Northern Ireland is, in relative terms, geographically isolated and economically disadvantaged, but we benefit from regional redistribution of public spending from elsewhere in the United Kingdom. That is as it should be, and we should continue to argue for our block grant to be maximised. However, it is more interesting to note the statistics in the Treasury's Public Expenditure Statistical Analyses tables, published last summer. The figures for public spending on services by UK region for 2012-13 show that the expenditure per person was £8,529 in England, £9,709 in Wales, £10,152 in Scotland and £10,876 in Northern Ireland. That is 24% above the UK average. However, when you drill down into the figures, you find that Northern Ireland has the lowest health spending per person and the highest education spending per person of any region of the UK. That all vindicates the stance that the former Health Minister Michael McGimpsey took over his budget, a stance that the DUP Health Ministers must admit was right and principled and certainly not obscene. However, I say that, as a member of the Education Committee, questions must be asked about how successive Sinn Féin Education Ministers have spent their budgets over recent years.

**Mr McCarthy:** The motion is a timely reminder of the need for every politician and public representative to recognise the importance of our key public services. For us in Alliance, that means protecting front-line services and targeting funding on deprivation where appropriate. A sense of agreement amongst the parties before Christmas, at the eleventh

hour, certainly helped to contribute to a better financial deal in the Stormont House Agreement. We welcome the fact that we have been able to secure an extra £2 billion of spending power from the British Government. It is now, however, important that we monitor exactly how well this money is spent, so that we can ensure that we get the very best deal out of all of this for our constituents and, indeed, for the years ahead.

This means that we allocate this funding on the basis of need. It must also mean that it is not allocated on the basis of a carve-up between the two larger parties. If that were to be the case, we would not be doing the best that we could to protect core services in such difficult financial times. However, that attitude must go further. It is not only when dealing with the British Government that we should seek to protect core public services. We should prioritise them with a united front in our own dealings here at home in Northern Ireland.

That is why it is important that we seek to push the Department of Education's protection on to the schools rather than absorbing it in bureaucracy. It is also why we should ensure that DARD, for instance, spends its money on promoting agriculture and supporting farmers rather than spending millions of pounds moving the headquarters from Dundonald to Ballykelly in the current financial circumstances. We do support the spreading of Civil Service jobs to other regions. The question is about the timing. A better definition of core public services could be useful in that regard, as it would allow us to differentiate between front-line services and other areas of spend.

Finally, it is worth remembering the political cost of obstructionism. We only need to look at the recent welfare reform proposals and the fines that the Northern Ireland Executive were forced to surrender to the Treasury. Over this financial year and the likely time needed to implement welfare reform, I understand that the Executive will have surrendered over £150 million that could have been spent on protecting core public services. Unfortunately, that money is now lost. Perhaps those who tabled the motion might wish to reflect on their earlier actions.

However, we will support the motion and the amendment, but it is an ethos that must run through all our public services and apply to the Minister here, not just to the British Government.

**Mr Girvan:** In relation to the motion as it is presented to the House today about protecting our core public services, the party that put the

motion forward and the party that proposed the amendment have probably created a problem within our public service because they have cost us £114 million that we have to pay back to the Exchequer because of their delay in implementing welfare reform. I do not think there are big changes between what was presented and has been agreed in the Stormont House Agreement and what was presented some six or seven months ago.

The idea of core services varies depending on who you talk. I appreciate that, at the moment, A&E units seem to be a core service and everybody says that we are neglecting our A&E units. Maybe that is because there are pressures elsewhere within the system that add to the problem that we have in A&E.

I just want to give a few statistics. Some months ago, I asked the Minister what the difference was in employment of nursing staff and doctors within the health system between March 2011 and March 2014. We have had an increase of 780 nurses since 2011, which is a 6% increase. We have 201 additional consultants, which is a 15% increase. We have had an increase of 82 middle-grade doctors. What are deemed to be allied health professionals might vary from person to person. We have 377 more allied health professionals than in March 2013.

I think that we are looking at a very different matter. If we were ruled directly from Westminster — I think there may be those who feel that that might be an easier way out — what has been negotiated as a way forward and a Budget would probably not have been as deliverable, as we would not have had the opportunity to do that as a local devolved Assembly. I think it has been of some help.

It is interesting to find that those parties that voted against it will still take advantage of the benefits of the agreed Budget, including the money that has been passed through from the January monitoring round and how that is being divvied up. They will still take advantage of that.

I appreciate and take on board the comments made by my colleague from South Antrim. I see policing as a key function and a core responsibility, to give security to our constituents and to our Province. However, in doing so it is vital to note that what we are really dealing with is how individual Ministers decide to divvy up their own budgets, what they deem to be their priorities and what is most important to them. We have seen political games being played in relation to areas that they have to

protect, and ensuring that we cannot spend money outside that area. I feel that it is something that we waste a lot of public money on: what I deem to be probably either grandiose ideas of schemes that they want to bring forward themselves, or the protection of certain sectors that they have a vested interest in. We have to ensure that that does not happen.

Some people are great at shouting about equality, and ensuring that there is equality. I believe in equality, but it has to be fair. It is not just equality for some but equality for all. Unfortunately, some people do not see it like that. I believe that we could have used the £114 million to direct towards protecting some more of our additional functions.

**Mr Deputy Speaker (Mr Dallat):** The Member's time is almost up.

**Mr Girvan:** I support the motion and oppose the amendment.

**Mr McKay:** Go raibh maith agat, a LeasCheann Comhairle. I support the motion, and I note some rank hypocrisy from some sides of the Chamber. The Ulster Unionist Member for South Antrim complained about the begging bowl and the lack of finances: was it not he and his party colleagues who tied their boat to the Tories at the last Westminster election? Was it not he who stood on a manifesto that is actually delivering the austerity that we see today? He can talk about the public, and the public will analyse all of what we are doing up here, but the public will always remember that the Ulster Unionists did their utmost to get the Tories in power in the first place. You do not hear many members of the Ulster Unionist Party referring to that any more.

As regards the comments about the begging bowl, we got £500 million extra capital for education, for example, in the recent Stormont House Agreement. You do not look a gift horse in the mouth. If there is extra money there, we need to take it and put it towards front-line services. Other Members are correct about some of these so-called opposition parties: where are their alternatives? Where are the proposals that they brought forward at the negotiations? We want to hear them in detail because we have not heard them in detail to date. What we have here before us, potentially, is the greatest cut in public spending since the 1930s. If the Tories continue for another four years, we will return to a Great Depression in public spending. That is the challenge to public services that lies before us.

This question has to be asked about the motion: what are core public services? One good example is the Fire Service. I often refer to it as the forgotten service, because often, as the Fire Service is within the Department of Health, it is left to the last in being allocated appropriate resources and funding. The fact of the matter is that 83% of the Fire Service budget goes towards firefighters and resource. If there is a cut, as has been mooted, it will affect response times. It will also affect the non-traditional jobs that firefighters do in dealing with issues like flooding and car accidents. Departments are very quick to come up — in particular, the Department of Health — with where to make cuts, they never think through what the consequences are. Indeed, they assess the consequences after they have made the decision.

Also, I think that we should discuss and debate where the Fire Service sits. We are reducing the number of Departments in the Executive. Is the Department of Health the best place for the Fire Service? That is something we need to discuss, because the Fire Service, wherever it is located, needs to have appropriate funding.

Of course, the Fire Service has lost not a day to industrial action in the last 10 years. So, in finalising the health budget for 2015-16, the Minister needs to be careful to ensure that the front-line provision that is the Fire Service is not undermined or cut into double figures, upsetting what is a very good record in relations between the Department and the Fire Service.

#### 4.00 pm

Budgets for the NIFRS and education are very resource-intensive and take up a lot of staff. In health, we need to look at what are not front-line services, such as administration and the level of management in some of the trusts. Senior managers, who make a lot of the decisions, will not look to themselves. That is a quandary that the Minister needs to deal with. We cannot continue to have overbureaucratic Departments and overbureaucratic trusts while front-line services continue to suffer.

As far as the Budget is concerned, it is welcome that we have received another £80 million for education. I met principals in my constituency about that last week. Whilst the Budget is not perfect, which everybody knows, given that we do not have the money that we should, the fact is that Health, Education and universities have received an uplift that most parties should find a lot of difficulty disagreeing with. In terms of budgetary decisions —

**Mr Deputy Speaker (Mr Dallat):** The Member's time is almost up.

**Mr McKay:** I support the motion, a LeasCheann Comhairle.

**Mr Rogers:** I support the SDLP amendment. I note the motion's praise of Executive parties, but I also commend the members of the public who have expressed their concerns about public services, whether it be the dilution of our health services or, most recently, education. These are the people who deal with the practical and sometimes devastating implications of cuts, and their experience and insights are invaluable.

The Executive's lack of definition of core public services leads to situations like the one we faced with the draft Budget, with Ministers claiming they wanted to protect front-line services while protecting their own departmental administration budgets. Defining what is understood as core public services makes the Executive more accountable, more transparent and, I hope, more effective.

When I was thinking about core public services, I asked, "What is our core purpose? Why are we here anyway? Why do we work, or why do we like to work?". I suppose that, even if we won the lotto, many of us would still continue working, because it is about personal fulfilment, providing for our families and having a decent standard of living. "Jobs" and "the economy" are words that are on everybody's lips. However, to have that, the jobs must be here. Most importantly, our young people must have the right skills. It is a major concern that almost one third of our young people at 16 still have not got the basic level of numeracy and literacy. As we all know, you cannot fix that at 16; there needs to be help and support from when a child begins its learning journey. It is not good enough that it takes six or nine months or even longer to diagnose a child with special educational needs. We need our core public services of health and education working more closely together.

Northern Ireland's unique legacy has left us with rates of socio-economic deprivation that are higher than those of our counterparts across the water or in the South. We know that education is one of the chief routes out of poverty. As my parents would have said many times, "A little bit of education is easily carried". Education provides the foundation stones for an individual's life, as well as those for the society and economy in which we live. Without it, the poverty cycle is perpetuated.

Like other people in the Chamber today, I welcome the extra £80 million for the aggregated schools budget and the increases for early years and the Youth Service. However, let us not forget about the entitlement framework funding. The educational attainment gap between our children and young people and their global counterparts will widen without significant investment in the classroom. The new Education Authority is an ideal opportunity to overhaul inertia and flawed assumptions. The Minister must endeavour to eradicate duplication and significantly reduce wastage with the amalgamation of the five education and library boards. Extra funds must not be idled away. Devolving budgetary autonomy to school principals with a proven record of sound financial management will enhance schools' abilities to achieve the best possible education outcomes through financial and time-saving methods while boosting the local economy.

I think that some people did not understand what I was talking about last week. Let me explain it with one simple example. Let us take a morning like this morning. The principal arrives to a burst pipe. Currently, he has to go through the education and library board's procurement services. It is unlikely that they would have that repaired on the same day. He would have to send the children home and a day's learning would be lost, whereas, if he were able to procure the services of a local plumber, the problem would be fixed in a couple of hours at a fraction of the cost, and learning would go on as usual. I urge Members to check with their schools: they will be shocked at what it costs to carry out school maintenance through the boards' procurement services.

Finally, creative and strategic investment in education is investment in children, society and the wider economy.

**Mrs Dobson:** My contribution will focus on the health service and the pressures that it faces.

There can be no doubt that, as the motion states, Northern Ireland faces challenges, many of which are unique to our shores. Mental health, for instance, remains a major issue and one that can be linked to our past experiences, an issue that we on these Benches have repeatedly raised. It is a sad fact that Northern Ireland is in the top quarter of the global league table for suicide rates. In Banbridge, as in many other areas in mine and other constituencies, high suicide rates have torn families apart and left behind a long legacy of hurt and pain. According to a report prepared by the Commission for Victims and Survivors, 40% of adults have had one or more traumatic

experiences linked to the Troubles. Is it any wonder that a world mental health survey covering 30 countries, including Israel and Lebanon, concluded that Northern Ireland has the world's highest 12-month and lifetime post-traumatic stress disorder levels?

Alongside the real hurt and pain comes the financial cost, with the total cost of mental illness in Northern Ireland estimated to be in the region of £3 billion annually. Beneficial though the Barnett formula is for Northern Ireland, unfortunately, it still has its drawbacks. By not recognising individual need, it means that we have to spread what we have further than at first appears. That takes us to where we are today, with a health service that is buckling under immense and growing pressure, crippled by the legacy of a flawed and destabilising four-year budget; staff stretched to and beyond the limit; and patients left waiting longer, suffering physical pain and continued agony as a result — the human costs of when budgets fail. Yet, unfortunately, we continue to be led by parties whose economics are based on a Wonga loan rather than on doing what is right for Northern Ireland.

While some may still have believed that the numbers were balanced for this year, in reality, it was achieved only after one serious pummelling of public services and by stretching healthcare staff beyond what should be reasonably expected of them. Yes, the Health Department was protected in the reductions in 2014-15, but, in reality, that did not filter down to local services. You have only to look at what is happening in each of the trusts. Recent attempts to generate savings, such as reducing beds and closing units, have been so entirely piecemeal that the decisions to cut key services in order to provide short-term savings will inevitably carry through with devastating consequences for next year. The fact that a number of trusts' key decisions have been overturned or abandoned, such as closing the minor injuries unit in Bangor, the admittance of patients to Dalriada and the reduction of the domiciliary service in Belfast, demonstrates that even the trusts have had little or no confidence in their own decisions.

In its spending and saving plans for next year, the Department believes that it has identified further savings of £164 million. Of that, the vast majority — £113 million — will come in the form of cash-releasing efficiencies and productivity gains in trusts. Quite simply, I do not believe that those £113 million savings will be achieved. This year should prove that. Although I welcome the additional allocation to health, in reality, it is offset by the £220 million

of pressures being carried forward from this year.

Looking ahead to next year and following another back-room Budget, I welcome the fact that the Department has at least identified the provision of high-quality front-line care and the implementation of Transforming Your Care as its top two strategic priorities. The Department is absolutely correct to focus on high-quality front-line care, but it is unacceptable that, even now, after the production of the spending plan, the Department still has no definition of "front-line services". I urge the Department and the Health and Social Care Board to get that sorted out.

I could go on, Mr Deputy Speaker —

**Mr Deputy Speaker (Mr Dallat):** The Member's time is almost up.

**Mrs Dobson:** I have run out of time, but there is so much more that I could say on the issue.

**Mr Allister:** The smugness that Sinn Féin obviously feels about an aspect of this matter is pretty evident in the first two or three lines of the motion. Well might they feel smug, because it is quite clear that they drew other parties very much on to their ground on this matter. It is not so long ago, in the weeks running up to Christmas, that the DUP, for example, was vehement in saying, "There is no more money. We have to live within our means. We are part of a nation state in which we have to carry part of the burden". Then, suddenly, the Ulster nationalist tendency in that party took over, and its members found themselves willingly singing off the Sinn Féin hymn sheet, saying, "Give us more. Fill our huge begging bowl. We do not need to worry about the national interest. We just need more". Of course, the real driving force was the fact that the edifices of this place were crumbling and going to fall. That was the factor that drove the DUP on to the Sinn Féin ground on the issue. And there they seemingly remain.

We then move to a Budget. I struggle to think of another example — I do not think that there is one — of anywhere in the world where a party can be in government, vote against the Budget and stay in government. I have to say to the SDLP, the Alliance Party and the Ulster Unionists that I am sure that you were right to vote against this Budget, but there is a certain compelling, indisputable logic of that position, and it is that your place is outside not inside government. I only wish that those parties, if they had the conviction to vote against the

Budget, had the courage of that conviction to carry it through to its logical conclusion. Sadly, that does not yet seem to be the position. I say this to them: you are but doormats of the DUP/Sinn Féin quango that runs this Government. You are just there to make up the numbers, and they wipe their feet on you every time. When, oh when, will you rediscover self-respect and dignity and stand up for yourselves in the only place that you can stand up for yourselves: outside that miserable Executive?

This will not trouble Sinn Féin because it is quite happy to bankrupt Northern Ireland; the quicker the better, as far as the fulfilment of its political mantra about failed political entities is concerned. This is a Budget that is burying Northern Ireland in debt. I invite any Member to look at paragraph 3.61 of the Budget document and to discover that, in 2015-16, our projected level of indebtedness is £1.8 billion. For this tiny, little place — Northern Ireland — we are hanging round the necks of our people that millstone of £1.8 billion of debt that has to be paid back with interest. That paragraph points out that that amount equates to £1,002 for every man, woman and child in Northern Ireland. That paragraph also makes a rather disingenuous comparison with Scotland —

4.15 pm

**Mr Deputy Speaker (Mr Dallat):** The Member's time is almost up.

**Mr Allister:** — where it gives Scotland's borrowing limit and states that the debt there is only £415 per head of population.

**Mr Deputy Speaker (Mr Dallat):** The Member's time is now definitely up.

**Mr Allister:** The real comparison is this: in comparison with Scotland's actual debt, what is —

**Mr Deputy Speaker (Mr Dallat):** Order, please.

**Mr Allister:** — its indebtedness?

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

**Mr Allister:** So, this is a Budget of failure —

**Mr Deputy Speaker (Mr Dallat):** I call Mrs Dolores Kelly.

**Mr Allister:** — by failure.

**Mrs D Kelly:** I am making the winding-up speech on behalf of my party. When we initially saw the motion, we saw that it was calling on the Assembly to commend the Executive parties on presenting a united front in highlighting the drastic reduction in the block grant. We only wish that they had shown a united front much earlier last year, when we knew the difficulties that were trundling down the track. I have listened carefully to a number of the contributors to the debate this afternoon. I note with regret that few, if any, mentioned the cost of a divided society in the North of Ireland. Mr Allister mentioned the £1.8 billion of debt that there will be over the coming years. It is interesting to compare that with the findings of an OFMDFM-commissioned report from a number of years ago, which calculated the cost of division at approximately £1.5 billion.

I know that this Budget is looking at education. A number of impassioned pleas were made for education and putting the money into such front-line services as the classroom, but the Budget also sets conditions for integrated and shared education. I think that we need to hear a lot more from the Ministers on how they are going to approach that challenge that has been set by the British Government.

In our amendment, we sought to have a clearer definition of public services. As many of the contributors talked about different issues, it was clear that there is no common understanding of what core public services are. I think it was Mrs Dobson, amongst others, who made remarks about how some Departments' administration budgets and bureaucracy had got out of control. We all know about people creating kingdoms for themselves and their sphere of work. A weary electorate is very much on the same page as politicians and, I am sure, today's debate in looking at the protection of education, health and welfare. Nonetheless, if you were to talk to a number of the front-line workers, Mr Deputy Speaker, they could tell you where there is a lot of waste in the system. That is a challenge for each of the Ministers. They must start by looking at what front-line core services their Departments provide, the public's expectations and how they can manage some of those expectations.

My colleague Mr McKinney talked about cuts in domiciliary care. He made the point that the cost of not providing that care puts additional costs further upstream, when the person has a breakdown, whether through poor nutrition or isolation, as Mr McCarthy referred to. We all know that the human contact of the person who provides the meals on wheels service is essential to the quality of life of older people

who, very often, live in isolated areas, or those who live a life of isolation in populated areas.

Mr Moutray and others also referred to costs, but they neglected to mention the waste that exists in public order policing. That is something that he and his party have not shown much courage in addressing over the last number of years. It is only today that his party has made the front page of the 'Irish News' in relation to a story from my council area of Craigavon, where £10,000 of ratepayers' money was wasted on an equality impact assessment looking to put a Union flag on a council building that is not going to be there in three months' time. So, we are not going to take lectures from the other side, particularly from Mr Moutray, about wastage of public funds and a lack of courage.

I noticed, too, that in his contribution — I have to mention this — Mr McKay chastised the Ulster Unionist Party about tying its manifesto to the Tories in the last Westminster election. Indeed, his party colleagues trundled across the North with a "no Tory cuts" agenda and yet, in this Budget, we are very much seeing many of the Tory cuts being implemented and administered by his colleagues in the Executive. That is something that we had a number of concerns about.

I very much welcome the contributions of the Members who talked about the cost and legacy of the conflict and the higher deprivation and poverty levels. I am indebted to the Assembly's researchers and the staff from the library who provided statistics that are there for all to read. The British Government were not a spectator in the last 40 years. They stand accused of directing terrorism in some form, with the number of collusion cases that are emerging out of the woodwork in the last number of weeks and months. The British Government can start to put up some of the money to redress the inherent legacy issues and, indeed, the failure to properly fund a number of our infrastructure projects that the people in the North have suffered.

**Mr Deputy Speaker (Mr Dallat):** The Member's time is almost up.

**Mrs D Kelly:** We support the amendment.

**Mr Maskey:** Go raibh maith agat, a LeasCheann Comhairle. Sometimes the mind boggles whenever you listen to a debate in this Chamber, and today is almost one of those days. My party's motion is trying to build on the bit of positivity that came out of the talks at the

end of 2014, two days before Christmas. It was a process of very difficult talks, as other Members, not least Dolores, mentioned. We have put a very difficult year or more behind us.

Whenever David Cameron and the Taoiseach, Enda Kenny, hightailed it out of town on the Friday morning, nobody in these islands and certainly not in and around Belfast or in the North would have predicted that there would be an agreement. In fact, I think everybody was quite certain that the talks were over, it was all a failure and, there you go again, nothing could be rescued from the fire. However, people persevered and my party went into those talks, as did others, with the hope and the demand that we could reach a comprehensive agreement.

We had always made it very clear that we had two major problems: first, that there was not enough finance in the system due to years of Tory cuts from London and the institutions were becoming unsustainable; and secondly, we had a failure of power sharing. In other words, politics was failing as well. There were parallel problems of not enough money and not enough political goodwill in the system to make things work. It was quite a depressing period for everyone, and particularly for the people we represent. The wider general public expect and want to hear that politicians are working together to tackle problems and not simply rehearse them year in, year out.

This motion tries to build on that bit of positivity because, whilst we did not get a comprehensive agreement — we fell well short of that — I do not think anybody can suggest anything other than the fact that we made some considerable progress. It is quite clear what the motion seeks to do. Far from what Mr Allister said, there is nothing smug intended in its words, I can tell you. My party, which represents quite a lot of people in our community, does not like or enjoy having to rehearse the fact that we do not have enough money in the Budget to service the needs of the people we represent. We are dealing with a Budget that has been stripped bare over the last number of years. We take no smugness out of that, I can assure you.

The motion does not, in any way, suggest that we solved all our problems pre-Christmas; far from it. We still have a lot of work to do. The point that I want to make this afternoon is that it is absolutely legitimate and right and proper that Members from the parties here would want to scrutinise every Department's budget to make sure that the right spends are being embarked on and that we are getting value for money and using our money wisely on a

strategic basis. But, we should not do that at the expense of losing sight of our overall predicament. As I said a minute ago, our overall predicament is that we have had the block grant from London stripped bare over the last number of years as a result of Tory ideological cuts by the millionaires who sit around the Cabinet in London. That is the predicament that all the parties have had to listen to.

My opening remark was that sometimes the mind boggles during debates in here. We have had representatives of three parties this afternoon speaking as if they are not part of the Executive. This motion commends and highlights, and it is very important to rehearse this, that we made our best effort when the five parties around the Executive table came together before Christmas. I agree with Dolores Kelly: I would have loved it to happen a year or two years ago, but it did not. It happened the week before Christmas, and it is important that we tell the people out there that we made the best fist of our arguments when we came together.

I wish we had come together a lot sooner, and I said so at one of the round table meetings after David Cameron and Enda Kenny left here. Our best effort was when we stuck together, and it was important that we did that. When we stuck together, we compiled an argument that was cogent, justifiable and legitimate and put directly to David Cameron the demand that he had to shoulder responsibility for his Government's neglect and their ideological Tory cuts being imposed on the people we represent. That was our best chance to make a difference. So, when David Cameron hightailed it out of here, everybody thought that there was no further progress to be made. But, when the parties got together, although it was difficult, we made some progress. No one can say that we did not get additional money into our budget: we did, and that is a simple matter of fact. Did we get enough? Certainly not.

So, our argument, as a party, is that we did well — we certainly did better — when we stuck together. We are saying that we must stick together to do better again on behalf of the people we represent. We can engage in political point-scoring if that is what we want to do. All Members — and I include Jim Allister and independent Members of the House in this — want to be able to go out into their constituencies and assure their constituents that they will get the types of public services that they are entitled to. No Member of this House — Jim Allister, Basil McCrea, John McCallister or Steven Agnew — is against the

principle of providing the best services to our general public.

We have no problem, as a party, with the Executive seeking to define what core public services are. I can tell you one thing: Sinn Féin believes fervently that welfare support is an equally important public service. It would be reprehensible, and we made this argument repeatedly last year against the odds, for any party to pit someone who is in need of welfare against someone else who is in a job, because the person who is in a job may well need welfare at some stage. I saw all the parties in here queuing up to shed tears when people in the DVLA and the tobacco workers were losing their jobs. You could hear all the passion in the speeches in here. Members were saying, "We're sorry for them", and, "We'll do all we can for you". However, that seemed to stop if you needed welfare support, because some of the people who making those fine speeches to those workers were not there when it came to supporting their welfare needs.

The motion is trying to bring us all back to where we were at the end of 2014 when we reached an agreement. It was not comprehensive but it was an important agreement nevertheless. We have dealt with the welfare issue and the money, and all the parties around the Executive table bought into the welfare arguments: they accepted the welfare deal and the Budget deal. So, let nobody imply here today that they did not buy into the financial package or the welfare agreements that were reached because they did. Those are the facts of the matter. We were all told that if we did not get off first base when it came to sorting welfare and sorting the budgets that were coming up in the next number of years, we were going nowhere. That was right, because let us remember one thing: it is right and legitimate to scrutinise all the budgets and make sure that we are delivering core public services, especially when we determine what they are.

#### 4.30 pm

I am interested when I hear Members say that they have talked to public-sector workers who tell them what could be stripped out of Departments. Let them tell us what that is. That presumably means that functions that Departments hold and staff employed by Departments will have to go. Let them get up and tell us what and who they are. There is no point in saying that here. I have heard Members here asking questions, but I do not hear many answers from the same Members. I implore all the parties to believe in ourselves

collectively. We have a strength in working together. All the people we represent out want us to work together and, I believe, demand that we do. We have a lot of challenges on the road ahead, and, working together, we can minimise those challenges and do a better job for the people we collectively represent out there.

I conclude my remarks by saying that there is nothing smug in the motion. It is genuinely intended that all the parties stick together, because we have proven that, by doing so, we can do a better job for the people we represent. When I listened to the restaurateur from Belfast talking about leaving here because she was fed up, I could actually understand that and empathise with that lady. There is a person who came in to our city, has been made every welcome in our city and has made a very successful business in this city, but she is fed up when she hears the negativity and all the obstacles that people put in her way. I appeal to the parties around the Chamber today: let us try to build on the relative success that we had at the end of 2014, two days before Christmas, and let us make 2015 a better, more constructive year for all the people we represent.

*Question, That the amendment be made, put and agreed to.*

*Main Question, as amended, put and agreed to.*

*Resolved:*

*That this Assembly commends the Executive parties on presenting a unified approach in highlighting the drastic reduction in the block grant and the consequent effect that this has on the Executive's ability to defend public services; calls on the British Government to recognise the unique challenges that we face as a society emerging from conflict, with higher levels of socio-economic deprivation; and further calls on the Executive to define their understanding of all core public services as well as protect those services in relation to health, welfare and education.*

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

### **Employment: North-west**

**Mr Deputy Speaker (Mr Beggs):** The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. The proposer of the motion will have 10 minutes to propose and 10 minutes to make a winding-up speech. One amendment has been selected and is published on the Marshalled List. The proposer of the

amendment will have 10 minutes to propose and a further five minutes to make a winding-up speech. All other Members who wish to speak will have five minutes.

**Mr Ramsey:** I beg to move

*That this Assembly notes the alarmingly low levels of employment in the Derry City, Strabane district and Limavady borough council areas; further notes that investment in infrastructure and skills in the north-west has suffered decades of neglect; recognises the importance of university expansion and improved transport links in growing the local economy; and calls on the Executive to work collaboratively to ensure balanced regional growth by resourcing and delivering the One Plan commitments to expand the Magee campus, dual the A5 and A6 and upgrade the Derry/Londonderry to Belfast rail line.*

Before I commence using my speaking notes, I have to mention the apathy in the north-west at the minute and the sense of resistance to that in a response from the Finance Minister earlier today. There seems to be an acceptance among some people in the House and the Executive who do not realise that there is a major issue facing the north-west of Ireland. That is why, leading up to the talks, we, as an SDLP group, were very keen to try to get a bit of confidence back to so many in the north-west.

The Finance Minister made the bland statement earlier today that unemployment levels are reducing. I will say it again: the people of the north-west will resent that and be angered by it because it is painfully obvious that, even over the past 12 months, unemployment in the north-west has unfortunately increased, and nothing at all seems to have been done to stem it. The levels of unemployment in the north-west are simply unacceptable and have been for decades. It is completely unacceptable that, nearly 20 years after devolution, Derry — the second city — remains one of the worse employment black spots on these islands.

I sound a note of caution before we begin: people living in my constituency and in the north-west are sick, sore and tired of plans to tackle the situation. They are sick of hearing us talk about unemployment. Somebody said to me, "Be positive". However, it is difficult to be positive when there is such an air of depression in and around the north-west. It is time for the Executive in particular to deliver for those who have not been given the opportunity to secure decent and sustainable employment. My

colleague the MP Mark Durkan summed it up when he said that there was lack of work in Derry, not a lack of work ethic. That was obvious at a job fair that the Minister, Stephen Farry, was at. He will confirm the many hundreds, if not thousands, of people, particularly young people, standing in queues almost a mile long at the Millennium Forum just last year. I know many cases of people who have never worked and have left Derry to gain employment. When they returned home, it was the same old story — there were simply no jobs and no prospects. Nearly half of the electoral wards that make up Derry, Strabane and Limavady are in the top 20% of the most deprived wards in Northern Ireland. Recently, Invest Northern Ireland granted close to £6 million, and DEL gave £250,000 for 600 jobs in Belfast. Investment cannot begin and end in greater Belfast. Good luck to everyone who is able to secure those jobs.

I was trying to get figures. Over the past six months, Invest Northern Ireland has announced 5,153 jobs for Northern Ireland. The question is this: how many were delivered in the north-west? Of those jobs, 3,151 were in Belfast. I am delighted that Minister Farry is here to respond to the debate, but I ask him this: how many of those jobs were announced for Derry in the last six months? I think that we are talking about fewer than 40.

Tackling unemployment and deprivation demands leadership, and that has not been apparent to date. The First Minister and the deputy First Minister have accepted that we will have to do things better for the north-west. I welcome the fact that recently — only recently — they have set up a subgroup of ministerial colleagues to look at the strategic point of rebalancing the economy to ensure that Derry is not left behind. I sincerely hope, as people outside the House say, that this is not a programme for votes and not a subcommittee that has been set up for votes. That is what cynics outside the House say. The statistics are the result of weak or non-existent infrastructure and chronic historical underinvestment. A major barrier to attracting west the companies that investment heavily east of the Bann is, unfortunately, our detachment from the rest of the island. The One Plan in Derry called for the creation of close to 13,000 jobs. The language adopted by the First Minister and the deputy First Minister was about rebalancing the north-west's economy. Those are the startling figures that are required to ensure that Derry becomes a key driver of regional economic development.

We know that Magee is fundamental to the future of the region.

There is no longer any point in arguing that Magee is for Derry. The expansion of Magee College, part of the University of Ulster, is for the student population of this island but particularly that in Northern Ireland.

Despite much hard work being carried out on the implementation of the One Plan, the Derry public are still awaiting delivery. We are still waiting to hear something that really matters to those 1,500 unemployed young people in Derry city and for the big investment announcements west of the Bann.

The Assembly and the Executive need to offer more hope to the 8,000 young people with no qualifications in Derry and the north-west region to ensure that they do not fall into the cycle of low-wage work and unemployment. However, instead of us reaffirming our commitment to addressing the skills deficit, youth training projects in Derry are currently fearful for their existence. Perhaps the Minister can answer some questions about that. We are now faced with a situation in which, by March, Derry may not have a youth training project at all. What signal do we send out when we cut funding to projects, such as the YES programme, that meet their targets regularly on behalf of the Department for Employment and Learning and help people get back to work by retraining and reskilling them and giving them confidence?

I warmly welcome the fact that Minister Farry, along with Arlene Foster, hopes to have some money allocated and ring-fenced on a geographical basis for an economic inactivity strategy for the north-west. I have invested a lot of time in that with the council, the North West Regional College and at Altnagelvin with the Western Health and Social Care Trust. Minister, it is important that we have a win with that at an early stage, because the levels of economic inactivity in the north-west of Ireland, like those of unemployment, are the worst on these islands.

It is only by constantly addressing issues and by working to ensure that the second city has the road, rail and information connections, a vibrant and full university and the application of all Departments that we will be able to reduce those clearly embarrassing joblessness figures and consequent deprivation levels. Only by doing that will we be able to say that we have a second city that we are proud of and that young people from across the north-west, from both traditions, have the same opportunities.

Too often, we hear about the awfulness faced by some of our young people, their desperation, high suicide levels, high levels of addiction and high levels of alcohol and drug abuse. They would not have those problems if there was meaningful work to exercise them and act as therapy.

Over the years that I have stood here, I have often heard people from the other side of the House be resentful of people from Derry. They have begrudgingly said that they have a chip on their shoulder or chips on both shoulders.

The evidence is there, and I hope that the Executive's actions are in good faith. I also hope that the evidence from the First Minister and the deputy First Minister will prove that those actions are honourable and objective and that clear and definitive levels of resource will be provided to enable the subcommittee of Executive Ministers to make a difference in Derry and the north-west. There is no point in having another talking shop unless there are clear objectives, goals and targets.

A dozen Invest Northern Ireland officers work in Derry —

**Mr Deputy Speaker (Mr Beggs):** I ask the Member to draw his remarks to a close.

**Mr Ramsey:** — while almost 1,000 work in Belfast. A start could be made by decentralising half of them to Derry. That would mean a targeted resource going there.

**Mr Ó hOisín:** I beg to move the following amendment:

*Insert after "neglect;":*

*"notes the lack of decentralisation of public-sector jobs to the north-west and engagement of Invest NI and other bodies;"*

Go raibh maith agat, a LeasCheann Comhairle. Many of us who come from the north-west often wonder what is the specific definition of "north-west". For some, it is Derry city, and others would, of course, include Strabane. For the purposes of the motion, it includes the area covered by Limavady Borough Council. There is a wider question for the north-west because, as those who come from the hinterland know, Donegal, Coleraine and perhaps even Omagh can all, strictly speaking, be defined as being in the north-west.

I read the motion very carefully, and we have to look at the definition of "unemployment" across

the entire area. In my area, I know that all the unemployment figures for the north-west are incredibly skewed because of the level of emigration from that area. I visited a couple on Saturday evening, and the man is just home from Australia. They have five sons; he and four of the sons are in Australia, so those five people, who are out of the north-west, are not recognised in the unemployment figures for the north-west.

#### 4.45 pm

With that in mind, we brought our amendment, which, as the proposer of the motion said, recognised the lack of decentralisation of public-sector jobs to the north-west and a very discernable differential in Invest NI's treatment of parts of the north-west. Broadly speaking, I welcome the debate, and I do not wish to labour on the decades of neglect. I grew up through those decades and probably was very much adversely affected, like many of my generation. Many of my generation are in America, Western Australia and elsewhere throughout the world, so I know what that has meant, particularly in the north-west.

The issues that we are bringing up, and the issues that are brought up by the motion, are issues of the 60s — the university and the university expansion and infrastructure, such as the A5 and the A6, and the Dungiven bypass, which has been waiting for 50 years, since 1965. The issue of infrastructure is very important because, of the two roads that lead to the north-west — the A5 and the A6 — the A5 takes a third of all the trade that goes to the north-west and the A6 —

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

**Mr Ó hOisín:** Absolutely; go ahead.

**Mr Dallat:** Does the Member accept that, for five years, a Sinn Féin Minister had a golden opportunity to address the issues of a bypass at Dungiven, the ferry service at Magilligan that does not run and the money that was needed for the rail service that was not there? Does the Member agree with me that a golden opportunity was missed to at least begin to address the issues that he speaks so passionately about?

**Mr Ó hOisín:** The Member well knows my passion for the A6 and particularly the Dungiven bypass. I live in it, and I am poisoned in it every single day. The Member will recognise that the Minister to whom he refers advanced the bypass as far as it was physically

possible during his tenure in office. I will touch on the railway line as well. Of course, we now have the nonsense that phase two has doubled in price and an inquiry is ongoing into how that happened.

In terms of the decentralisation of jobs to the north-west, we have a number of Civil Service jobs in the north-west in pensions and pension credit and those are very welcome. Some of the other Civil Service jobs, of course, are tenuous in their existence, including those in DHSSPS and in tax. Last year, of course, we lost the DVA jobs in Coleraine. It was welcome to see that DOE brought 30 jobs to Ebrington. Those all came on the back of the loss of jobs in the private sector.

Last week, I welcomed the launch of Enterprise Week. Unfortunately, I discovered later that it is an Invest NI-proposed event and that it is limited to Derry city. However, I welcomed Friday's announcement of the creation of the ministerial subgroup. I hope that it will create a broad consensus, and I hope that we have cross-party and cross-constituency agreement right across the north-west to bring together OFMDFM, DEL, DETI, DOE and probably DRD as well because I think that we all have to work together to bring about a balanced regional economy.

In the north-west itself, the Minister of Culture, Arts and Leisure and the City of Culture was very much a unifying factor. Indeed, she has put together some legacy issues that go right across the north-west, stretching to Coleraine, Strabane and elsewhere, and that funding has been very welcome.

On Friday morning, along with some party colleagues, I met Invest NI and examined the issues that exist in the north-west. Invest NI's remit in the north-west is to cover six council areas, including Strabane and Derry and those in the Causeway Coast and Glens cluster. There are some startling figures included in that. To date, the assistance in the Limavady borough alone, which is one of the worst served by it, is that, of the 1,600 businesses, historically Invest NI has served only 85 of those, which is just over 5% of the figure.

There is a differential in how councils are treated when it comes to investment. Look at some of the recent economic development projects in the Limavady area. Some £255,000 — that is all that was involved — was put into things like mentoring, social media and online marketing. There was not a single real job. That is exactly what we are up against in the entire north-west.

Decentralisation, particularly of the DARD headquarters, is a positive development and has been broadly accepted. I was rather shocked last week to learn that the Ulster Unionists, in particular, have withdrawn any support that they may have given in the past to the decentralisation —

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

**Mr Ó hOisín:** Yes, go ahead. I will give you a chance.

**Mr Swann:** I am happy to clarify that for the Member. What we are saying is that, when the money is available for the decentralisation to Ballykelly, it should go ahead. Under the current budgets, it does not make financial sense at the moment. That is the statement that was put forward. I just wanted to clarify that.

**Mr Ó hOisín:** Your party leader said last week that you were withdrawing support. Indeed, the deputy party leader, in a radio interview with me the following morning, said that the party never supported it. I do not know what the position is. I am sure that can be clarified some time.

Take the cost of decentralisation to Ballykelly. We are looking currently at £34 million to refurbish Dundonald House and somewhere in the region of just over £40 million to relocate to Ballykelly.

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

**Mr Ó hOisín:** No, in fairness, you have been in once.

There is also the issue of staff surveys. Some 4,026 individuals expressed an interest in moving to the four centres that were being touted; namely, fisheries, forestry, Rivers Agency and, indeed, the headquarters. That figure includes 1,600 who expressed an interest in moving to Ballykelly, and it flies in the face of what some were quoting. The effect of those 800 jobs going to Ballykelly would be huge. It would free up some of the other jobs that exist and would address some of the other decentralisation issues in the north-west, including in Coleraine —

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

**Mr Ó hOisín:** No, I am OK; I want to finish.

It would also address other issues. People from the north-west spend four hours a day in

transit, coming to Belfast. Does that create a life/work balance? No, it does not. I know people who have spent their entire working life making that commute day in, day out. There are convincing arguments for the decentralisation of jobs, particularly to the north-west. We have the skills base there, and, in the case of Ballykelly, we have the property at Shackleton. There is also the possibility of that acting as an anchor tenant. Remember there are 60 to 70 active expressions of interest or soft appraisals for that huge site of 720-odd acres. Imagine the economic benefit that would have in the area. The relocation would also, of course, bring huge spending power to the north-west and create a different dynamic. There are all those convincing arguments —

**Mr Deputy Speaker (Mr Beggs):** Would the Member draw his remarks to a close?

**Mr Ó hOisín:** I am glad to see that, in today's Budget, there is additional money committed to the relocation of the DARD headquarters. I, for one, look forward to it, and I think it will be a seismic moment for employment in the north-west —

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

**Mr Ó hOisín:** — and will address the issue of unemployment.

**Mr Campbell:** This is a timely motion, although some parts of the wording could be improved on. There were references to pedantry earlier, so I will not be so pedantic as to ask what the SDLP meant by "suffered decades of neglect". Let us try to look forward. The amendment from Sinn Féin appears to imply a deliberate lack of decentralisation and engagement by Invest NI, which we do not support. However, in terms of the overall issue of trying to ensure that the infrastructure in the north-west is built up and improved, we are certainly at one.

I speak as somebody who was born and bred and has lived all his life in Londonderry. It appears at times that we, collectively, always like to complain. Pat Ramsey was close to putting his finger on it when he talked about the balanced approach. There is a balanced approach: sometimes, people in the north-west have a chip on each shoulder. That means that they are very balanced. You wonder why people think that. What is presented sometimes as cogent argument actually ends up being a whinge list of what has not been done and is not being done.

The motion usefully refers to the A5 and A6. Of course, had it not been for the legal case against the A5, we would have been some significant way down the road to hundreds of millions of pounds' worth of physical infrastructural investment in the west and north-west of Northern Ireland. Of course, the A6 would be several hundred millions as well. Hopefully, they can be brought forward as quickly as possible.

Other issues have not been mentioned. We should press with DRD that the airport at Londonderry and the port and harbour can be supported as tangible infrastructural elements that can help to bring progress and revive the economy in the north-west. Mr Ramsey alluded to the lack of job announcements. The indications I am getting are that, in the next few days, there will be more job announcements, just as there were in the past couple of months. We all want to work towards seeing massive job announcements.

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

**Mr Campbell:** Yes — do I get an extra minute?

**Mr Dallat:** Yes indeed. I hope that you use it usefully.

Is the Member aware that not a single potential inward investor visited the Limavady region in the last year? Does he accept that that is a failure by the Minister of Enterprise, Trade and Investment to address the serious imbalance in the north-west?

**Mr Deputy Speaker (Mr Beggs):** The Member gave way, and he has an extra minute.

**Mr Campbell:** Thank you, Deputy Speaker. Just over two years ago, I went to the Department of Enterprise, Trade and Investment, and, as a result of my efforts and the efforts of a lot of others, a range of people from Invest NI were brought to the Flowerfield Arts Centre in Portstewart and the City Hotel in Londonderry, where they actively targeted inward investors. I was at both events. I am sure that Mr Dallat was at one or both of them as well. We need to see more of that.

**Mr Ó hOisín:** Will the Member give way?

**Mr Campbell:** Yes. I will get only one extra minute.

**Mr Ó hOisín:** I thank the Member for giving way. I wonder whether he will enlighten me. Of

the 60 or 70 soft appraisals at Ballykelly, how many have been engaged with by Invest NI?

**Mr Campbell:** The short answer is that I do not know, but I am glad that the honourable Member mentioned Ballykelly because I was coming to that. I thought that we had cross-party support for the relocation of DARD jobs to Ballykelly, but I noticed at the weekend that the Ulster Unionist Party had indicated that it wanted to put a halt to that decentralisation process. I hope that the SDLP and the Ulster Unionists will clarify that and say that they are 100% in favour of proceeding to relocate DARD headquarters. Between 500 and 800 much-needed jobs would go to an area that has seen a massive amount of private-sector disinvestment, particularly through Seagate and one or two others. We need to promote the north-west, whether that be Coleraine, Limavady, Londonderry, Strabane or Omagh, on a proactive basis by lobbying Invest NI, rather than lambasting it, and trying to ensure that we bring the progress that is ultimately required to the community in an area of Northern Ireland that constitutes probably 40% of the land base and about 30% of the population.

**5.00 pm**

**Mr Hussey:** The existence of persistently higher levels of unemployment in the north-west, including the Strabane District Council area, which I represent, is an undeniable fact. The latest NISRA stats on claimant count show that Londonderry has the highest rate at 8.6%, Strabane has the second highest at 7.7% and Limavady has the fourth highest at 6.9%. The Northern Ireland average is 5.4%, and almost half the council wards in the three districts are ranked in the top 20% of the most deprived wards in Northern Ireland. If we look at the interactive maps on the NISRA website, we see that it is clear that, over the 30-plus years that the claimant count has been used as a standard measurement of unemployment rates, fluctuations in the north-west have closely mirrored Northern Ireland trends. Limavady had about the Northern Ireland average from 1997 to 2007, the year in which all of Northern Ireland, including the north-west, had the lowest claimant count. Strabane and Londonderry have always been above the average.

If we look back to 1992, we see that the figures were much worse than they are today, despite the worldwide recession. In 1992, average unemployment for Northern Ireland was 10.7%, with 15% in Londonderry, 15.3% in Strabane and 12.7% in the Limavady district. I remind

the House that, in 1992, Northern Ireland as a whole was still subject to a terrorist campaign that included IRA attacks on what it termed "economic targets", which included bombings in cities and town centres. For example, the IRA exploded a large van bomb in the centre of Coleraine on Friday 13 November 1992. That bomb caused extensive damage to the commercial heart of the town. That context always needs to be restated when we talk about the historically high levels of unemployment in parts of Northern Ireland. It is completely proper for MLAs from the north-west to highlight problems and to push hard for improvements in areas such as infrastructure. However, I urge Members to show restraint in the language that they use.

The motion refers specifically to the expansion at Magee. On 16 September last year, I spoke in an Adjournment debate on the expansion of the Magee campus of the Ulster University in Londonderry. In that debate, I quoted my colleague Sandra Overend, who had made the point in a similar debate on 17 September 2013:

*"we need to have clarity on the expansion. We in the House are all aware that budgets are stretched throughout all Departments, and the higher education budget, I am sure, is no different." — [Official Report, Bound Volume 87, p63, col 2].*

In response, the Minister, Dr Farry, who I am pleased to see here today, said:

*"For what we have adopted to date, which has been a policy of incremental growth of university places that adopts a pan-Northern Ireland approach, albeit, I have to confess, with a certain skewing towards the University of Ulster and Magee ... incremental growth can still continue". — [Official Report, Bound Volume 87, p66, col 1].*

I commented in that debate that Members should note this exchange and consider how much more pertinent it is one year on in the context of a Budget that is now more broken than stretched. The Minister stated last year that incremental growth can continue. In December 2011, he stated that an extra 700 undergraduate places would be made available in Northern Ireland by 2015, and, at the same time, the University of Ulster stated that the 322 extra places being awarded to it would all be allocated to the Magee campus. Today, given the mass of potential consequences of the reduction to higher and further education indicated in this draft Budget, it would be useful

in summing up at the end of this debate if the Minister for Employment and Learning brought the House right up to date.

Finally, the Sinn Féin amendment on the decentralisation of jobs is interesting. Coming as I do from Omagh, I know that we have not seen much sign of any decentralisation towards Tyrone into either Omagh or Strabane, which are, of course, the two major towns in my constituency of West Tyrone. I want to see jobs in the west, and I want to see Omagh thrive. I want to see the entire region thrive, but we have a major mountain to climb, and we seem to have a major river to cross. West of the Bann is still a no man's land in job creation, and we need to see support for our constituents in Foyle, West Tyrone and East Londonderry.

There are many surplus buildings in the area. The area plans need to be updated and supported. For example, the master plan for Omagh is being written. Although Omagh is not included in the proposals that are being debated today, the same process is required in all the council areas affected. Let us put our wares on display. Let us show what we have to offer to tempt jobs and, indeed, to decentralise jobs to the relevant district council areas.

**Ms Lo:** The motion draws attention to the low levels of employment in the north-west and rightly points out that investment in infrastructure and skills has been neglected. In his introduction, Mr Ramsey was very passionate in advocating economic growth for the north-west, and urged the Executive to work together to improve transport links and expand the University of Ulster Magee campus. Whilst the Alliance Party will support the motion, there are some issues that we need to look at.

I welcome the formation of the ministerial subgroup to deal with the economic situation in the north-west. I understand from my party colleague Minister Farry that the group met for the first time last week and that all opportunities for growth will be examined.

That is not to say that work is not being done. The employment service has an employer engagement team in place in Derry, Limavady and Strabane, which works with employers to provide opportunities for the unemployed. Programmes such as Bridge to Employment provide active support to help employers to provide unemployed people with the fresh start that they need. DEL is also funding an employment and skills liaison officer post through Ilex, which promotes understanding of skills development, employment opportunities and support available in the north-west.

Between November 2013 and November 2014, there was an 8.1% drop in the number of those claiming benefits in the north-west. I am sure that part of that is down to the jobs fairs and the help available for unemployed people in the north-west, such as job clubs and initiatives such as First Start, the youth employment scheme, Steps to Success and apprenticeships.

I understand that Minister Farry and his officials are looking at the business case for the expansion of the Magee campus.

Decentralising public-sector jobs to the north-west is not the same as creating jobs. We must focus on finding opportunities that will bring more employment to those areas. Since 2009, Invest NI has provided £44.8 million worth of assistance in the Derry and Strabane district council areas. That has contributed towards £208 million of investment. According to Invest NI, since 2011, the jobs fund has promoted 783 jobs in the north-west, and 578 of those had already been created by 30 September 2014.

I will not deny that our roads connectivity is very poor; I struggle to think of any country that does not have a motorway connecting its two major cities. There is a very strong argument for improvement in that area. However, we must assess that practically. I believe that Minister Kennedy was recently lobbied by politicians on both sides of the border to put in place a bespoke investment plan to tackle economic deprivation and unemployment in the north-west. I understand that a particular item on the agenda was the stalled upgrade of the A5 and a commitment to the upgrade of the A6, as well as ongoing issues regarding the rail network between Derry/Londonderry and Belfast. As I said, those concerns are understandable. However, given our current very worrying financial situation, any decisions must be grounded firmly in reality. The A5 dualling, even if you stopped at Ballygawley —

**Mr Deputy Speaker (Mr Beggs):** Will the Member draw her remarks to a close?

**Ms Lo:** — would cost £800 million. Given financial constraints, that will not be easily achieved. Economic inactivity in the north-west has the potential to impact on the rest of Northern Ireland.

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

**Ms Lo:** It is a matter for all of us.

**Mr G Robinson:** I share some of the concern regarding the north-west and its unemployment levels, but I am concerned that the debate could be seen as being negative in tone by potential investors and could be deemed detrimental to employers. In 'The Limavady Chronicle' on New Year's Day, the headline read:

*"Limavady unemployment figures continue to drop".*

It may have been a modest drop, but the reduction is very welcome. Northern Ireland as a whole is even outperforming many other areas of the UK, the increase being 0.4% per head in output. The north-west has many positive points that investors must be made aware of. There is a leaflet produced by Limavady Borough Council that points out that the workforce in the Limavady area is young and how that is projected to continue in the next few years. Employers will have a willing and well-educated workforce, as the North West Regional College offers courses such as HNDs in business administration and diplomas in IT. Those courses are designed to aid people into employment, especially our younger people. That applies across the north-west.

For investors, we have good road, rail and even airport infrastructure. A new dual carriageway has recently been partly constructed between Limavady and Londonderry, and there has been a re-laying of the railway track and new rolling stock for Northern Ireland Railways — all positive points to sell the region. One project that the area needs urgently is the upgrade of the A6. That is very urgent. Eglinton airport has the possibility for additional capacity if required, and there is always the Ballykelly site. I see all those as positives, addressing the neglect that was previously apparent, but I appreciate that there is much more that could be done for infrastructure.

When it comes to the expansion of Magee campus, there is no doubt in my mind that budget pressures are a major problem. I can appreciate the positive impact that expansion of the campus would have, but the question has to be where the money comes from.

As mentioned previously, the area has a former Ministry of Defence (MOD) site, which runs adjacent to the Project Kelvin high-speed Internet connection. I was recently informed by OFMDFM that there have been over 40 expressions of interest in utilising the site from all sectors of business, as well as the future relocation of the DARD headquarters to the Shackleton/Ballykelly site, which will attract

hundreds of jobs. That is why I believe that we must sell our area by being positive.

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

**Mr G Robinson:** Yes.

**Mr Dallat:** Mr Robinson will recall the outpouring of promises to the Driver and Vehicle Agency (DVA) workers in Coleraine when they found themselves beleaguered and alone. Can we assume that future promises will be more tangible than those promises were? The only Department that offered permanent jobs to any of the workers is run by my party.

**Mr Deputy Speaker (Mr Beggs):** The Member has an extra minute.

**Mr G Robinson:** That is not a devolved matter.

The Minister is well aware of how my colleagues and I feel about developing the area. Indeed, she has visited the area to see for herself the many good points, including our great tourist potential. One problem that the Minister has is that she cannot force companies to come to the north-west. If we constantly run the area down, we damage ourselves in the eyes of future investors. Let us highlight the many positive points of the north-west and give the Minister an additional carrot with which to attract new investment for the future.

**Ms Maeve McLaughlin:** I welcome the opportunity to speak in the debate and to highlight the issues relating to the north-west, particularly my city of Derry. I will try to pick up on the scant splattering of positivity that has come from some MLAs in the Chamber today, because I very much welcome the recent announcement by Martin McGuinness of the ministerial task force focusing on the north-west. I join the business and civic leadership of Derry and the wider north-west in welcoming the fact that that is now in place. It establishes and actions a number of interventions aimed at redressing the regional disparities that exist with such stark evidence, as we have heard today.

## 5.15 pm

There is much to be proud of in the north-west and in the city of Derry as regards the civic and political leadership in the region. However, targeting regional disparities needs to be a priority policy area across all Departments. Whilst Derry very much took centre stage in 2013 as a city that can deliver major events, it

remains the case that we have many challenges and there needs to be a focus on skills and jobs.

Over the last number of years, the city came together in identifying the key catalyst programmes that would drive the regeneration of not only our city but the wider north-west region. It remains, as was stated today, that three of the four council areas with the highest unemployment are in the north-west. However, it all too easy to roll out the latest government statistics, point fingers at one another and depress the life of our communities by rehearsing the same old story. You will score high for stating the obvious, but how will that help anybody on the dole or improve our economic fortunes?

The thing is that, once the focus turns away from blaming the world and towards actually finding solutions, the usual naysayers seem to go quiet. We want to find solutions, and we are prepared to put the work into finding them. We recognise that our economic misfortune is not a result of the current economic recession, which some people are now calling the "Great Recession", nor is it the fault of the current Executive: it is the outworking of decades, even centuries, of discrimination and systematic underinvestment. To date — this is an important point — no one in leadership, civic or political, over the last 40 years in our city and region has broken that trend.

We believe that, if we are to change those outcomes, we must try to become a more resilient and self-reliant economy while doing all we can to attract inward investment. Sinn Féin has challenged INI and will continue to do so, and we will argue that it must promote Derry and the north-west in order to address the economic inequalities that exist. It is important to say that this work is paying off. INI has agreed to fund the development of Derry's unique selling point and the integrated economic strategy. That unique selling point will provide us all with a comprehensive tool that we, as a city and region, must use to market the region to foreign investors. I welcome the INI commitment to the ministerial task force.

I want to concentrate my final remarks on the expansion of the university at Magee. I take the opportunity to welcome the appointment of Mr Paddy Nixon as the new vice chancellor, and I look forward to taking forward the Magee expansion plans in partnership with him. Today, I met the DEL Minister regarding progress at Magee, and I appeal to Minister Farry — I appreciate that he is in attendance today — to

clarify to the House the situation around the £11 million teaching block and the wider expansion plans.

**Mr Deputy Speaker (Mr Beggs):** Would the Member draw her remarks to a close?

**Ms Maeve McLaughlin:** The final business case is now with the Employment and Learning Minister. It makes a very strong policy case for the expansion. I appeal to the Minister to back the business case and agree the expansion of Magee as a departmental priority. Go raibh maith agat.

**Mr Devenney:** Just a few weeks ago, I delivered my maiden speech in the House, focusing on the issue of the A6 and the need for improved transport infrastructure in the north-west. The much-needed road network between Northern Ireland's two largest cities is vital to the growth of the north-west. In order to support regional development and further economic growth, action is urgently needed. It is indeed alarming to see such low levels of employment in my home city of Londonderry and across the north-west.

It is only through investment in the infrastructure, increasing the skills base in the north-west and delivering on our commitments in the One Plan that we will reduce the high levels of unemployment and create jobs.

We cannot underestimate the importance of the University of Ulster expansion at Magee. Increased student places, enhanced courses and close partnership with employers would ensure that any skills gaps are filled and constituents are well placed to be in a position to apply for these jobs.

I have been on record with my support for the upgrade of the Londonderry to Belfast rail line and the need for it to be progressed as soon as possible. The A5 is another essential project that will have a catalytic effect on the north-west and will improve opportunities for investors to invest there.

Whilst there are many issues of concern in the north-west, we should remember the positives. Tourism in the Londonderry and Strabane district has seen significant increases, with large increases in associated expenditure. The north-west has lots to offer tourists, investors and developers. We need to send out a message that we are open for business, that we are willing to invest in infrastructure and education facilities and, most importantly, that we have the people and skills to go along with

it. I now urge that we need real action on these issues.

**Ms Boyle:** Go raibh maith agat, a LeasCheann Comhairle. I agree with many of the sentiments that have been expressed here today, but I cannot stress enough how important it is for us to increase job opportunities in the north-west to prevent the brain drain and young people being forced into emigration in search of jobs in other parts of the world.

The issue of regional economic disparities and the impact that past underinvestment continues to have on areas like the north-west needs to be a priority for the entire Executive. We need to place and sell the north-west as a priority on the basis of its need for employment. I welcome, too, the recent establishment of an Executive subgroup for the north-west. I also welcome the announcement by the Finance Minister, Mr Simon Hamilton, that more money will be allocated to DEL in the final Budget. Our economy needs to have a strong university community that produces high-quality graduates and enables the economy to grow. If we are to redress the regional disparities, the Magee campus needs to be expanded. This money is an opportunity for the Minister for Employment and Learning to demonstrate his commitment to that project. Not only will the expansion of Magee benefit Derry, it will benefit students from Strabane, Castlederg, Plumbridge, Aghyaran, Donegal and the entire north-west. The expansion of Magee is a crucial part of the One Plan, which is a Programme for Government commitment. Indeed, Sinn Féin is determined to see this delivered.

In the West Tyrone constituency, Strabane represents over 50% of the unemployment figure. Strabane has suffered economically over the past years, with many well-established family businesses and shops and a number of high street shops recently closing. As recently as last week, in Strabane, we had the announcement of job losses from the closure of Xtra-vision. Recently, I discovered that, since 2007, it is estimated, throughout County Tyrone almost 10,500 people have emigrated, 2,000 of them young people from the Strabane district alone.

The north-west has been particularly hard hit with recession, job losses and emigration. There is a need for investment to tackle disadvantage and enhance the competitiveness of the region. Businesses need support, and our people need jobs. Central to this economic development is the A5 project. I welcome the fact that Danny Kennedy recently reiterated his

commitment to the A5, the A6 and the development of rail in the north-west, and he acknowledged their importance in redressing the infrastructure deficit in the region and, in turn, their importance for economic development and job creation. It is in this context that I view the Minister's signalled intention to publish the new environmental statement and the draft vesting direction orders for the A5 dual carriageway as significant progress. They are key project milestones that should happen in the next few weeks. We are positioned in the north-west corridor and gateway to Donegal. Strabane, my area, is well placed with its neighbours. Infrastructure investment is crucial, and the A5 scheme is important to all of us.

When we met business leaders in the north-west chambers of commerce, we were told that the A5 was perhaps the biggest inhibiting factor to investment in Strabane, Derry and the wider north-west of Ireland. When that project was being worked up, the economic assessment reckoned that it could be worth as much as £1 billion to the local economy through investment, job creation and its construction. That is notwithstanding the fact that it will make our roads safer.

Back in 2013, I wrote to all Assembly Ministers asking them, in the context of the Programme for Government's commitment, to address the regional imbalance. I commend the fact that Minister Michelle O'Neill got back to me to announce her intention to create the DARD Direct office in Strabane. I understand that it should be operational by 2016.

**Mr Deputy Speaker (Mr Beggs):** Will the Member draw her remarks to a close?

**Ms Boyle:** The DARD Direct office will bring together veterinary services and administrative staff, and it will be a welcome boost to Strabane. However, we cannot repair and build our economy and public services without maximising the return for all —

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

**Ms Boyle:** — our citizens and by building sustainable employment opportunities right across the North and the island as a whole.

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

**Ms Boyle:** Go raibh maith agat.

**Mr Byrne:** I support the motion and welcome the opportunity to speak on it. I congratulate my colleague Mr Ramsey for the way in which he opened the debate and set the scene.

The Assembly must reflect on the deterioration of the areas where investment and skills have suffered for many decades. Ultimately, the Assembly must have the foresight, desire and integrity to ensure a more balanced regional development and growth policy by resourcing and delivering on commitments seeking to create prosperity.

The debacle over the A5 road project has been a gross disappointment. People are sceptical about the DRD's handling of environmental issues surrounding the project, not just under this Minister but the previous one as well. The people of the north-west feel aggrieved that the peace dividend project has been long-fingered for too long. Construction workers are deeply frustrated.

The border town of Strabane is a vibrant town waiting to have its full potential unlocked. North/South cooperation should be maximised in order to enable Strabane to grow economically. It is a town that has suffered some of the worst tragedies of the Troubles and one that is eager to move forward along a path to renewed economic prosperity. Unfortunately, Strabane was one of the most bombed towns in Northern Ireland over 30 years. The people of Strabane continue to call out for jobs and opportunities and are left only wanting. It is time for the Assembly to recognise not only the deprivation suffered by those in the Strabane district but the strength and resilience of the people living there. There are some very good employers, such as Allstate, which employs 500-plus workers, and O'Neill's Sportswear, which employs 350-plus workers and is building an extension at the moment to cater for another 90. McColgan's Quality Foods employs about 120; Frylite 120; and Arolco 35. Thankfully, today, there was an announcement of an extra four jobs there through INI support.

The latest figures, however, paint a bleak picture of the gap in employment and ongoing deprivation that those in the north-west continue to suffer. In November 2014, figures revealed that the highest claimant counts belong to Derry and Strabane at 7.9% and 7% respectively. Unfortunately, emigration is the only job option for hundreds of young people who have been reared and educated in the north-west. England, Australia, Canada and the US are their only work opportunity. That is the reality. The real unemployment figures are much higher than the stated ones because

there is that escape valve of emigration. In 2013, those figures were much the same. Claimant counts in that year revealed that unemployment-related claims in Strabane stood at 7.7%, which was topped only by Derry at 8.6%, as other Members have said. We should note that some progress has been made, but we must recognise that such figures can be deceptive.

When we consider that Northern Ireland's average claimant count rate stands at 5.4%, we see that Derry and Strabane are, unfortunately, worse off.

### 5.30 pm

Fears over welfare reform are adding to local anxiety. Food banks are being used more frequently, reflecting increased poverty levels. That is the unfortunate situation that people find themselves in. Emigration and depression are high among our young people and many do not see the point of participating in skills and training, as there are no job opportunities following the training.

I welcome the presence of the Minister for Employment and Learning today. I commend and pay tribute to the Strabane campus of the North West Regional College, which is endeavouring to extend its range of full-time courses and training provision. That is a positive signal.

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

**Mr Byrne:** Yes.

**Mr Dallat:** There was historical imbalance. It does not matter whether it was 50 years or 800 years ago. Does the Member agree that, 16 years into the Good Friday Agreement, there is an urgent need to address that?

**Mr Deputy Speaker (Mr Beggs):** The Member has an extra minute.

**Mr Byrne:** Absolutely. I welcome exactly what Mr Dallat said. The reality is that we cannot keep saying that governments prior to devolution caused all this trouble. The Good Friday Agreement was signed in 1998. The new beginning was supposed to have started and been delivered upon. That is the reason why young people in the north-west are getting very frustrated. There is deep anxiety and a sense of hopelessness for many of them. That is the reason why the Assembly and Executive

must address this difficulty; otherwise, there will be problems ahead.

I welcome the interdepartmental task force that has been set up. It is belated, but the time has come for the political will of the Assembly to advise and instruct INI to carry out the necessary investment and to support the SMEs and the inward investment projects that show interest in the north-west. The reality is that some of the potential investors from the foreign investment community are not brought to the west. Another reality is that the SMEs are not given the support, initial start-ups and grant aid that are so crucial. In the past, we had LEDU, and it started places like Norbrook, the Quinn Group in Derrylin, McColgan's, O'Neill's, Frylite and Arolco.

**Mr Deputy Speaker (Mr Beggs):** Will the Member draw his remarks to a close?

**Mr Byrne:** They are good examples of what local development, led by LEDU, delivered. They went on to become bigger projects that now enjoy support from INI. The time has come to have a mixed approach to foreign direct investment —

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

**Mr Byrne:** — as well as supporting, genuinely, the SME sector.

**Mr Deputy Speaker (Mr Beggs):** I call Robin Swann, who will have a maximum of three minutes.

**Mr Swann:** Thank you very much, Mr Deputy Speaker. I will try to be short. *[Laughter.]* This is a very serious topic. I am glad to hear about the creation of a ministerial subgroup to look especially into the difficulties of the north-west, particularly those around Londonderry. I think that there is a duty on all of us as elected representatives and not just those from the north-west to prove Paul Gosling wrong. On 23 October, he wrote in the 'Belfast Telegraph' that Londonderry and the north-west would be better off economically under direct rule than they are under the Assembly. If that is allowed to come to pass, or if that is the perception, every one of us in here has failed. That applies not just to the representatives of the north-west but to all of us as elected politicians.

Mr Deputy Speaker, I want to concentrate on my role as Chair of the Employment and Learning Committee. The Committee visited the North West Regional College on 13

November. Mr Byrne and a number of Members talked about the young people and their sense of hopelessness. Pat Ramsey and other honourable Members were there when we met the young people of the North West Regional College. They are a group of enthused young people. Some of the college's media students interviewed us, and the challenging questions that they asked us were more challenging than some that are asked by the media commentators here or even at Question Time. It is our responsibility to ensure that they have the opportunity.

We have talked about the expansion of Magee, and we have talked about places in the NWRC. It is especially pertinent that Minister Farry is here, because the draft Budget proposes cuts to higher education and further education numbers that might go ahead. We have not seen the outworkings of what was announced in the Budget this morning. If you are talking about 16,000 young people being taken out of further education, how many of them are going to be students of the North West Regional College? They may well already have a sense of despondency because there is no future employment. Imagine that despondency throughout the area and in the city if they do not even have the prospect of a further education place. It is our responsibility as elected representatives to ensure that there is an opportunity for those young people to get into further and higher education, to challenge Invest NI and the Ministers to ensure that jobs and a future are available for them and, more imperatively, to prove Paul Gosling wrong —

**Mr Deputy Speaker (Mr Beggs):** The Member should draw his remarks to a close.

**Mr Swann:** — that the north-west and Londonderry should be better under the capability and direction of the Assembly rather than direct rule.

**Dr Farry (The Minister for Employment and Learning):** At the outset, I want to acknowledge the scale of the challenges facing the north-west and not downplay them. However, I also want to emphasise the opportunities for transformation if all the levers available to government, combined with the efforts of the business community, the community and voluntary sector and ordinary people, are fully brought to bear. The key issues set out in the motion include investment in skills and employability measures, job creation and improvements to infrastructure. As Minister for Employment and Learning, I can primarily address the employment issues but will also

seek to reference areas of responsibility that lie in other Departments.

In that regard, it is important to stress that the Executive recognise the challenges regarding employment opportunities in the north-west and are actively seeking to address them alongside a host of other relevant issues. That is evidenced by the convening of the ministerial subgroup to examine the economic situation in the north-west and help to foster a strong, united response. The group met for the first time last Thursday, and I am pleased to report that a strong consensus to work together to help the subregion achieve its full potential was clear. There will now be a standing subgroup of the Executive to look at how best to ensure that opportunities and growth in Northern Ireland are available across the region, and there will, of course, be a very clear emphasis on the north-west.

The starting base, in many respects, is challenging. The north-west has some of the highest unemployment figures throughout the United Kingdom and some of the highest levels of economic inactivity as well, alongside one of the poorest skills profiles across these islands. For many decades, Northern Ireland has consistently experienced the highest rate of economic inactivity of the 12 UK regions. That feature of our economy reflects lower regional productivity and employment levels and higher levels of social security support and economic disengagement in the working-age population. Left unaddressed, this major economic problem has the potential to hinder not only economic growth in the north-west but in Northern Ireland as a whole.

Recognising this challenge, the Executive have committed, through the Programme for Government, to develop a cross-cutting government strategy to tackle economic inactivity, led by DETI and my Department. Building on substantial research work, a strategic framework to tackle economic inactivity was developed and subjected to extensive public consultation, including a well-attended event in Derry in March 2014. One of the ideas identified through this process was the need for an area-based approach to tackle inactivity in different geographical areas in line with local need and through tailored localised solutions.

The Executive are acutely aware of the high levels of economic inactivity and unemployment experienced for many years in the north-west, and the final strategy will seek to address those issues. The labour force survey demonstrates that the rate of economic inactivity for the

period between 2008 and 2013 has been significantly above the Northern Ireland average. For the Derry and Strabane areas, the figures show that 38,000 individuals are economically inactive, which equates to 38.5% of the local population. That compares with the Northern Ireland average of 26.8%. The employment rate in Derry and Strabane is 54%, which is lower than the Northern Ireland average of 68.5%.

One of the key interventions under consideration is to identify, develop and test a range of new approaches to tackling economic inactivity based on the local profile of need. I trust that this approach will help to identify innovative and effective solutions to addressing inactivity in areas of particular need such as the north-west.

The draft strategy is being considered by the Minister of Enterprise, Trade and Investment and me prior to being presented to the Executive for consideration and approval. Once Executive agreement is secured, subject to the necessary resources also being identified, the final strategy will be published at the earliest opportunity and implementation will commence immediately. Members may wish to note that there is some funding allocated in the Budget under the change fund to advance a control project on economic inactivity. That may well be focused on the north-west.

The new strategy will complement existing government interventions for tackling long-term unemployment and deprivation in the north-west and more widely across Northern Ireland. However, we should be clear that my Department already has many approaches in place to tackle unemployment in the north-west. The employment service has an employer engagement team in Derry, Limavady and Strabane that works with employers to influence positively attitudes towards providing opportunities for the unemployed. The Department is also funding an employment and skills liaison officer through Ilex to promote understanding among employers and the community of the wide range of skills development and employment opportunities and support available in the north-west.

The numbers claiming benefits in the north-west have fallen from just over 9,200 in November 2013 to just over 8,500 in November 2014, which represents a decrease of 8.1%. Obviously, there is still a long way to go.

Other help for unemployed people in the north-west is available through job clubs, which provide very practical assistance on things such

as job search, CV building and interview skills. Initiatives such as First Start and the youth employment scheme provide particular assistance to young people to help them engage with the world of work. *[Interruption.]* That was very musical.

A major development in the latter half of 2014 was the introduction of the Steps 2 Success programme as the Department's main adult employment programme. Launched on 20 October 2014, it is delivered in the north-west by EOS NI, supported by a number of local organisations. Steps 2 Success differs from previous employment programmes in that it gives contractors greater flexibility to focus on the specific needs of individual participants to help them get a job by overcoming their barriers to employment. Notably, EOS NI has converted the former shirt factory in Patrick Street into an employment training centre, and I encourage everyone to pay it a visit.

The steps that are being taken around employability must be complemented by continued investment in skills. That investment in skills must be at all levels and must be matched more closely to the needs of employers. To that end, I take this opportunity to encourage employers to engage with our new system of apprenticeships and the forthcoming system of youth training. Those approaches will be good for employers, as they will know that they are getting the right skills — the skills that they require — and for young people, who will know that they have the skills relevant to employers and will consequently have better prospects of sustained employment.

North West Regional College will be a key partner in those initiatives and will be a delivery partner across a range of other programmes. In many respects, the college should be regarded as the first point of contact for dealing with the skills requirements and the research and innovation requirements of local employers. The college should also be a key player in the forthcoming community plan for the new councils in the north-west.

On the impact of cuts, I have made it clear that we welcome the additional funds that have been allocated in the Budget agreed by the Executive and announced today. Those funds may go some way to avoiding the level of cuts in places that were identified in the departmental savings plan. However, we still have to bottom out exactly what that means for places. Although we have some areas in which we may be able to mitigate the impact of the reduced cuts to the Department, we still face a

situation in which we will have a challenge to maintain current levels of provision. That is the sober reality of where we find ourselves.

On the university situation, I know the importance that is placed on the expansion of the Magee campus as a means to drive forward the economy and the regeneration of the north-west. However, it has to be about investment in skills and research for Northern Ireland as a whole as well as local benefits, such as increased spending power in the economy and a stronger investment offering. My Department received a full draft business case for the expansion of Magee from Derry City Council on 19 December 2014. That is being appraised by my officials. Should the business case prove that expansion represents good value for money in the context — this is very important — of the restoration of sustainable funding of our existing higher education provision, I will make a bid to the Executive in the next comprehensive spending review with a view to finding the funds to implement it.

#### 5.45 pm

Having said that, I think that it is important that people are very conscious of the hurdles that we have to overcome. I note with interest that people have asked me to identify and direct some of the £20 million granted in the Budget towards the expansion of Magee. Let me be very clear: all that that money does is reverse and reduce what was otherwise going to be an even steeper cut to my Department. As I have said in respect of further education, today we face the reality that we will struggle to preserve the places that we have. That will be a very difficult challenge, and I am not sure that we will achieve that, notwithstanding efforts that are being made to find other ways of balancing the Department's books.

If we are to have an expansion of the university, we have to make the current provision sustainable first of all. It also means looking to ensure that we invest in the quality of places. The funding that we are allocating for university places in Northern Ireland is less than that in Great Britain. I am not prepared to advance the numbers of places through diminishing quality. That is not in the interests of young people, and it is certainly not in the interests of the north-west in terms of having a university as a key driver of investment. That has to be based on the quality of what is offered and not on simple headcounts of those going through the doors. However, if we can overcome those issues in the context of the 2016-2020 Budget period, we will be in a position to look to the expansion of the university. I recognise that we need to look

to expand higher education in Northern Ireland. However, we have to be innovative in the way that we do that and see how we can tie it in better with our apprenticeship strategy, encourage more part-time study and attract more international students to Northern Ireland. There are opportunities out there for us, but we need to be very clear and seized of the financial pressures that are out there ahead of us.

Ulster University is in the process of gaining approval for the construction of a new teaching block at Magee. The cost of that development is £11.2 million. It will improve the teaching facilities at the campus and help cater for the 652 additional places that have so far been made available. It would also provide spare capacity to accommodate a further 350 full-time undergraduates. The university is seeking a grant of £10 million towards this development and has already received planning approval. The business case in this process is now at a very advanced stage. Once formal approval is achieved through my Department and from me, which is expected to happen shortly, it will be forwarded to Department of Finance and Personnel for consideration. Once it is cleared through that process, we will be in a position to make a bid at the earliest opportunity. I give a commitment that I will bid for resources from any pots of capital money that become available. The earliest opportunity is likely to be the June monitoring round; that is the timescale around which we are primarily focused in this regard. Hopefully, with a fair wind, that process can proceed, and the project will become a reality in the very near future.

I should also reference the important contribution that my Department has made to Derry's outstanding achievement as the first city in the UK to achieve WorldHost Destination status. This was supported through funding and brokering a range of practical training courses focused on the vital tourism and hospitality sector. Set against the backdrop of the City of Culture year, in particular, this has been a significant intervention that has made a real difference to visitors' welcome and helped to make the city an increasingly popular tourist destination. It is important that we focus on tourism and hospitality as a huge opportunity for further economic development, and customer care will be a key aspect of that.

We should also make reference, however, to the strong companies that are already present. We have a spectrum. Mr Byrne made reference to some companies in Strabane, where Allstate is a major employer. We should not forget that, in the city of Derry itself, we have First Source and Seagate, which are

major employers and major contributors to the local economy.

Invest NI has made a significant contribution to job creation in the north-west. Since 2009, it has provided £44.5 million of assistance in the Derry and Strabane district council areas. This has contributed towards over £200 million of investment.

It is important that we recognise Invest NI's activity as a glass half-full rather than a glass-half empty situation. It is important to bear in mind that we cannot micromanage how companies invest in Northern Ireland. We do well to get companies to come here without overly dictating to them, but I am certainly convinced that there is a commitment to ensuring that we showcase the north-west alongside other regions. The solution lies not just in terms of what Invest NI can do but what we do in terms of skills and around infrastructure and connectivity. Investment decisions are made through a whole range of variables, not just the support that comes from an economically developed organisation.

**Mr Deputy Speaker (Mr Beggs):** Would the Minister draw his remarks to a close?

**Dr Farry:** The points on the atmosphere, skills and connectivity have been well made, and the Regional Development Minister will no doubt pick those up.

**Mr McCartney:** Go raibh maith agat, a LeasCheann Comhairle. I preface my remarks by welcoming the Minister's statement of intent today around the expansion of Magee and, crucially, his timeline for the teaching block at Magee. It will find welcome support across the north-west and, indeed, I am sure, right across the island of Ireland.

It leads to one of the main points that I was going to make in relation to this debate. We support the motion because, at its heart, it is an attempt to try to address decades of economic underdevelopment and all that results from that. If we have learnt any lesson over the last number of years, it is that, when people speak with a collective and agreed position, the chances of success are greater. For us in Foyle, the One Plan is a very good and obvious example of that inaction. There has been a number of years of work and many contributions right across the city and district and, indeed, from other parts of the North and right across the islands. When you read the document, one of the obvious and striking things about it is that it is not based on

assumption but on hard facts and concrete evidence. No sweeping assumptions are made either, because, too often, perhaps in the heat of the moment or in the heat of debate, too many people make assumptions and we hear statements like, "All our young people are despondent", and, "All our young people have no hope". I do not think that is the case. That is not to say that some young people are not despondent, but it is the responsibility of all of us to ensure that they have a pathway towards ensuring that they have prosperity in their lives. That is what we have to do.

The motion lists a number of key issues. I will not rehearse them, but they include the headline projects of the One Plan, job creation, infrastructures, skills and university expansion, and that encapsulates the mood of the motion going forward. It is in that context that we welcome the idea of the ministerial subgroup. The issues are obvious and they mirror the issues of this motion. We welcome the composition of the group. The relevant Ministers are in place and, this morning, the Finance Minister seemed to be adding his support to it. I know from a press release at the weekend that Mark Durkan has asked that the Regional Development Minister be part of the ongoing conversations. So, I have absolutely no doubt that that subgroup will get the support of all MLAs in the north-west. In my opinion, it should, and we have already seen broad support from political and civic society. It is sometimes wrong to try to frame these things or to dismiss them as programme for votes. If we believe in working collaboratively, this is an example of how we can work cooperatively and take it forward.

I want to concentrate on the decentralisation because I think that decentralisation can play a role. We see it in relation to the DARD office. Many economists have said that there will be an impact. It is not new jobs and no one will say that it is new jobs, but it can have an impact and a multiplier effect in that, if you bring jobs to an area out of Belfast, it first of all sends a very clear signal of intent and, secondly, allows people to see the site and to see it being used for other economic value. We should always be supportive of that.

Last week, there was a bit of disappointment when Joe Byrne seemed to unpick the idea of DARD going to Ballykelly. That was wrong. Whether it is the Forest Service going to Enniskillen, DARD Direct going to Strabane, the fisheries division going to Downpatrick or Mark Durkan's private office and some parts of planning going to Ebrington, anything that puts decentralisation in place sends a very clear

signal. It is a Programme for Government commitment. It is a way of tackling regional disparity and it sends a very clear message. That is why we wanted that to be part of the motion.

We support the issues outlined —

**Mr Deputy Speaker (Mr Beggs):** Will the Member draw his remarks to a close?

**Mr McCartney:** — in the motion. We certainly feel that decentralisation will play a key part in tackling regional disparity.

**Mr Deputy Speaker (Mr Beggs):** The business on the Order Paper is not expected to be completed by 6.00 pm. In accordance with Standing Order 10(3), I will allow business to continue until 7.00 pm or until the business is completed.

**Mr Eastwood:** Thank you, Mr Deputy Speaker. I thought that you were going to call the debate over before I got my chance to respond to it. Some of you would have been happy with that.

I want to thank all the Members who spoke. I think that they were largely supportive of the motion and, I hope, the amendment.

It is interesting that the debate comes just a couple of weeks after the Christmas break. Derry is a great place to live at any time of year, but that is particularly so at Christmas, when so many people come home. I spent an awful lot of time driving to airports and picking people up. It was a great time to see everybody, and, walking down the street, you see people who you have not seen for years. However, it is also particularly sad when you have to leave those people back to the airport, and during the week after, when you see a lot fewer people you know from school and a lot fewer people are in and around the town, as they just do not live in our city any more.

That it is a very stark reminder to all of us of the number of people, young people in particular, who have had to leave our city and our shores to find work and a better life. It is an indictment on all of us that that is still the situation and is still a very stark reality for my generation. We all need to put our shoulder to the wheel to change that reality. We need to ensure that our young people can stay, study in our city and get a job in our city and do not have to join the dole queue or the security queue at Belfast airport or City of Derry Airport to get out of here to find work. We need to ensure that that is a thing of the past.

This is not about being negative, but it has been outlined by other Members who spoke that we find ourselves in a very difficult situation in our city. We have had a fantastic couple of years with festivals and events; the City of Culture and everything else. However, the stark reality remains that we have the highest level of unemployment in any Westminster constituency and we need to begin to do something about it.

I want to recognise and welcome the ministerial subgroup. It is about time that we recognised that there is a problem, and if you recognise that there is problem, you have to do something about it. The meetings should be fairly short, because we all know the answers. We are not up here complaining that we do not have enough jobs in Derry because everybody is out to get us and that it is all everybody else's fault. We understand what the issues are. I know that Mr Campbell said that we like to complain, but it is not about complaining. I would far rather be up here welcoming jobs for our city and for my friends and people who I know well. I would far rather not have to leave people off at airports to travel all round the world to find work.

**Mr Campbell:** I thank the Member for giving way. Does that mean that, when the jobs announcements that I am told are in the pipeline are made in the very near future, he will issue an unequivocal welcome?

**Mr Eastwood:** I can show him any number of press releases in which I have welcomed jobs announcements for our city and I would be glad to do that again. However, I will also release press statements when we see the figures stacking up in Belfast and not in Derry and when there are 5,000 jobs announcements for Belfast and 50 in our city. The Member across the Chamber should be as angry as I am about it.

**Mr Campbell:** Yes.

**Mr Eastwood:** I am glad that he is nodding and has said that he is as angry as I am.

**Mr Campbell:** I do not whinge about it.

**Mr Eastwood:** We have to get angry. It is not about whingeing or complaining; it is about trying to get people to sit up and do something. It is very simple. This is the positive bit: we need to invest in infrastructure and skills. It is that simple.

**6.00 pm**

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

**Mr Eastwood:** Gladly.

**Mr McElduff:** I would like to give the Member an opportunity to put on record his goodwill towards the constituency of West Tyrone and to express some disappointment that the motion did not refer to the Omagh district.

**Mr Eastwood:** I am glad to support the constituency of West Tyrone. It is a bit difficult to include Omagh in the north-west; it depends on how wide we want to go. We did not put Donegal in either, but maybe we should have.

What have the Southern Government done to encourage outside investment? We talked about corporation tax, but they have also developed their motorway network and their universities and skills. The only place on the whole of this island that has not seen that investment has been its north-west corner, including north-east Donegal. North-east Donegal, Derry, Strabane and Limavady do not have the inward investment that is required. Why do we not have it? We do not have the university expansion that is so desperately needed, nor do we have the motorway connection. Derry is probably the only city in Ireland that does not have a motorway entering it from any direction. How can we say that we are committed to developing the economy in the north-west if we do not commit to developing properly and significantly the motorway infrastructure and the university infrastructure?

It is nearly 50 years since the Lockwood report made a sectarian decision to put the University of Ulster at Coleraine. I am not saying that just because it is 50 years ago and it is an old complaint that we are always making. That wrong has never been righted. We still have far too few university students at Magee. Everybody recognises that. Limerick, Galway and Belfast recognise that the only way to develop an economy is to ensure that you have enough students doing the right courses, courses that are market-related and can attract jobs into the city and encourage entrepreneurs to set up and employ people. It is not that complicated.

This is not a whinge, as some people would have it; this is a plea for common sense. The only way that we can deliver on the promises in the Executive's economic strategy that Derry and Belfast would be the two economic drivers for the North is by investing in skills and infrastructure. It is recognised worldwide as a

way of developing and creating jobs in any city or town. It makes perfect sense. If this ministerial subgroup or task force does anything, we will see what the Minister said, which is a commitment to the expansion of Magee to at least 10,000 students within the next CSR period.

The One Plan has been talked about. It was a great example of how people would get together and use all the economic and social data to ensure that we had ideas for change in our city to turn it around. Everybody bought into it. I was there when Peter Robinson and Martin McGuinness came down to launch it, and it was great. However, we did not see any of those things being put into the Programme for Government. That is why we are still not there. We are now saying that we will look at the next CSR period. I think that it is too late, but we do not have too much choice at this stage, so I will gladly give that my support. Let us see the Executive as a whole — we will play our part — come out and support the development of Magee to at least 10,000 students and get moving on the A5 and A6.

I gladly support the Sinn Féin amendment on decentralisation. I will recommit our party, because Mr Campbell asked me to do so, to the decentralisation of the DARD jobs. We give that 100% support. However, the SDLP does not just say things; it actually does them. When the DVA jobs went and all Ministers said they would do their best to put some jobs in Coleraine, the only Department that did so was the Department of the Environment. I am not just saying that because the Minister is sitting beside me. Our Ministers, even if we have only one, have a long track record of bringing jobs to Derry, whether it is this Minister, Alex Attwood, Margaret Ritchie or Mark Durkan.

We have put jobs in Derry; we have decentralised jobs to our city. We recognise that they are not new jobs. However, we also recognise that hundreds of people with no quality of life whatsoever leave our city on the 6.00 am bus to Belfast to take up positions in the Civil Service. If we can get to the point where the DARD jobs go to your constituency, Mr Campbell, it would be fantastic for the people travelling to Belfast at the minute. We need to see more of that; we need to see a commitment by all Departments not only to announcing things but to doing them. The SDLP will continue to decentralise whatever jobs we can to our city and to any city or area that has high economic inactivity. Of course, Derry is at the wrong end of that league table.

*Question put, That the amendment be made.*

*The Assembly divided:*

*Ayes 43; Noes 43.*

**AYES**

*Mr Agnew, Mr Attwood, Mr Boylan, Ms Boyle, Mr D Bradley, Mr Byrne, Mr Dallat, Mr Durkan, Mr Eastwood, Ms Fearon, Mr Hazzard, Mrs D Kelly, Mr G Kelly, Mr Lynch, Mr McAleer, Mr McCallister, Mr F McCann, Ms J McCann, Mr McCartney, Ms McCorley, Dr McDonnell, Mr McElduff, Ms McGahan, Mr McGlone, Mr M McGuinness, Mr McKay, Mrs McKeivitt, Mr McKinney, Ms Maeve McLaughlin, Mr McMullan, Mr A Maginness, Mr Maskey, Mr Milne, Ms Ní Chuilín, Mr Ó hOisín, Mr Ó Muilleoir, Mr O'Dowd, Mrs O'Neill, Mr Ramsey, Mr Rogers, Ms Ruane, Mr Sheehan, Ms Sugden.*

*Tellers for the Ayes: Mr Eastwood and Mr Ó hOisín*

**NOES**

*Mr Allister, Mr Anderson, Mr Buchanan, Mrs Cameron, Mr Campbell, Mr Clarke, Mrs Cochrane, Mr Cree, Mr Devenney, Mr Dickson, Mr Douglas, Mr Dunne, Mr Easton, Mr Elliott, Dr Farry, Mr Frew, Mr Girvan, Mr Givan, Mrs Hale, Mr Hilditch, Mr Humphrey, Mr Hussey, Mr Irwin, Mr Kennedy, Ms Lo, Mr McCausland, Mr I McCrea, Mr D McIlveen, Miss M McIlveen, Lord Morrow, Mr Moutray, Mr Nesbitt, Mr Newton, Mrs Overend, Mr Poots, Mr G Robinson, Mr P Robinson, Mr Ross, Mr Spratt, Mr Storey, Mr Swann, Mr Weir, Mr Wells.*

*Tellers for the Noes: Mr Buchanan and Mr G Robinson*

*Question accordingly negatived.*

*Main Question put and agreed to.*

*Resolved:*

*That this Assembly notes the alarmingly low levels of employment in the Derry City, Strabane district and Limavady borough council areas; further notes that investment in infrastructure and skills in the north-west has suffered decades of neglect; recognises the importance of university expansion and improved transport links in growing the local economy; and calls on the Executive to work collaboratively to ensure balanced regional growth by resourcing and delivering the One Plan commitments to expand the Magee*

*campus, dual the A5 and A6 and upgrade the Derry/Londonderry to Belfast rail line.*

*Adjourned at 6.20 pm.*





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