

Official Report (Hansard)

Monday 23 February 2015
Volume 102, No 3

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Northern Ireland Assembly

Monday 23 February 2015

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

Members observed two minutes' silence.

Assembly Business

Mr Speaker: There seems to be some interference. I ask Members to check whether their phones are not on silent or whatever.

Mr Ford (The Minister of Justice): On a point of order, Mr Speaker. You will recall that I answered questions for oral answer last Tuesday and, in particular, one question from Mr Agnew on the issue of the abortion consultation. In the course of that answer and in the context of discussing the diagnosis of fatal foetal abnormality, I said:

"Mr Agnew's question was brought about by a comment from Dr McDonnell that 'doctors always get it wrong' — [Official Report, Vol 102, No 2, p36, col 1]

Dr McDonnell challenged that on a point of order, and I apologised if it was an inaccurate quotation. I have since reviewed the radio programme in question, and Dr McDonnell actually said:

"The predictions in these circumstances are never accurate".

In that sense, my purported quotation was inaccurate, and I apologise to you, Dr McDonnell, and the House. I leave it to the House to judge whether it was an accurate paraphrase.

Mr Speaker: Rather than raising a point of order, you have taken the opportunity to put that on the record. Thank you very much.

Public Petition: Mental Health and Well-being Education in the School Curriculum

Mr Speaker: Mr Roy Beggs has sought leave to present a public petition in accordance with Standing Order 22. The Member will have up to three minutes to speak.

Mr Beggs: I wish to present the petition on behalf of Sara Patterson, who is a year-14 pupil at Carrickfergus Grammar School and is seeking to make mental health and well-being a compulsory and more significant part of the Northern Ireland school curriculum. With the support of her friends, Sara has collected signatures by going door to door. She has also organised an online petition using the change.org website. Some 605 signatures have been collected, and I wish to put on record my admiration for Sara's vision and efforts to increase the awareness of mental health issues and to make students at our schools more knowledgeable about how to improve their mental health and well-being.

Whilst there is a topic of emotional well-being in the curriculum, it is not compulsory, and I understand that many schools choose not to teach it. In a recent NUS-Rethink Northern Ireland study, it was found that some 27% of college and university students in Northern Ireland suffer from mental health difficulties. The Open Your Mind campaign was launched recently to raise awareness of that significant figure.

It is important to empower our young people and to increase their awareness of mental health and the importance of well-being when at school and in later life.

The pressures on our young people today are different from those of previous generations. There is increased pressure on achieving academic results; fewer young people are active in sport; less time is being spent in the outdoor and natural environment; the Internet, computer gaming, social media etc can create

problems with isolation; Internet bullying can lead to a loss of self-esteem and poor mental health; and, of course, the smartphone has brought the intensity of social media pressures to a new level.

In a survey, the Mental Health Foundation found that helping others can reduce stress, improve emotional well-being, bring a sense of belonging, reduce isolation and get rid of negative feelings.

Sara is proposing that the emotional well-being module becomes compulsory for every young person at school. That would be helpful in reducing the current stigma attached to mental health issues, and it may encourage those who are suffering to seek help. That would be particularly useful during the pressures of adolescence. How many of our young people are aware of the importance of regular exercise, the outdoor green environment and volunteering in improving physical and mental health? Furthermore, how many of them know where they can go to get help when it is needed?

I am pleased to present to you the petition, which seeks to increase the awareness of the importance of mental health and well-being as part of the school curriculum, on behalf of my constituent Sara Patterson.

Mr Beggs moved forward and laid the petition on the Table.

Mr Speaker: Thank you very much, Mr Beggs. I will forward this petition to the Minister of Education and a copy to the Committee for Education.

Executive Committee Business

Budget Bill: Further Consideration Stage

Mr Speaker: I call the Minister of Finance and Personnel, Mr Simon Hamilton, to move the Further Consideration Stage of the Budget Bill.

Moved. — [Mr Hamilton (The Minister of Finance and Personnel).]

Mr Speaker: As no amendments have been tabled, there is no opportunity to discuss the Budget Bill today. Members will, of course, be able to have a full debate at Final Stage. The Further Consideration Stage of the Bill is, therefore, concluded, and the Bill stands referred to the Speaker.

Public Service (Civil Servants and Others) Pensions (Consequential Provisions) Regulations (Northern Ireland) 2015

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

That the draft Public Service (Civil Servants and Others) Pensions (Consequential Provisions) Regulations (Northern Ireland) 2015 be approved.

The regulations that are before us make consequential modifications to the Pension Schemes (Northern Ireland) Act 1993 and the Finance Act 2004 to ensure the 2015 alpha pension scheme, which was created under the Public Service Pensions Act (Northern Ireland) 2014, operates as intended.

The proposed regulations make minor technical modifications to the law governing the new 2015 alpha pension scheme. I remind Members that the Public Service Pensions Act (Northern Ireland) 2014 provides framework-enabling legislation for the reform of public-service pensions in Northern Ireland. The Act gives effect to the recommendations from the Independent Public Service Pensions Commission led by Lord Hutton. That review considered what reforms should be introduced in order to have sustainable public-service pensions, given the increases in longevity and the associated costs. Those reforms were much needed to balance the legitimate concerns of taxpayers about the cost of public-service pensions with the need to ensure decent levels of retirement income for millions of people who have devoted their working lives to the service of the public. I am pleased to say that those reforms received the support of the Assembly during the legislative passage of the Act.

The reforms will apply to all public-service schemes in Northern Ireland, including the new 2015 alpha pension scheme. The design of the new 2015 alpha pension scheme has been settled, and the scheme will come into operation on 1 April 2015. The regulations before us today are simply the means to ensure that the scheme design for the alpha pension scheme, which was widely consulted upon with members and unions, works properly within the wider framework of pensions and tax law. It will make sure that members of the alpha pension scheme get the pensions that they expect and do not lose out as a result of any tension between scheme design and the wider law.

First, these regulations, which will modify the Pension Schemes (Northern Ireland) Act 1993, will ensure that transitional members will not be treated as deferred members.

The effect of this is that members moving from their existing scheme to the new scheme also remain non-accruing members of the old scheme. Therefore, their old scheme service will only terminate when they leave the new scheme. That will ensure the following three things: that the benefits that they have accrued in their existing scheme are not revaluated as if they were deferred members; that their right to a cash equivalent transfer value or refund of contributions or to a cash transfer sum applies only when they leave the new scheme; and anti-franking provisions do not apply as if they were deferred members on 1 April 2015.

The proposed modifications mean that for those purposes, such members do not cease to be active members of their existing scheme until they also leave their new scheme. In addition, modifications to the regulations that govern contracting out, specifically those that dictate the process a scheme must follow to be contracted out, are also contained in the regulations. For the new alpha pension scheme, the process has been simplified, ensuring that the new scheme and, therefore, its members continue to be contracted out of the additional state pension until the end of contracting out in April 2016. These regulations also include provisions to stop transitional members who take ill-health retirement being assessed twice against their annual allowance and lifetime allowance limits.

Secondly, the regulations will modify the provisions within the Finance Act 2014 to ensure that members with service in a new and existing pension scheme who retire with an ill-health pension do not face unintended tax consequences. Specifically, they ensure that parts of the ill-health pensions available to members who fall ill are not measured twice for annual allowance and lifetime allowance limits simply because of the transitional mechanics for payment of ill-health benefits. Put simply, the modifications ensure that the tax regime will apply in the way intended by government to those members who move into the new scheme and then retire because of illness.

In conclusion, these are very technical modifications to wider pensions legislation that will seek to ensure that alpha scheme members can get the pensions that they expect without any unexpected effects as a result of tensions with the wider law. Therefore, I commend these modifications to the House.

Mr McKay (The Chairperson of the Committee for Finance and Personnel): Go raibh maith agat, a Cheann Comhairle. As the Minister has outlined, the Public Service (Civil Servants and Others) Pensions (Consequential Provisions) Regulations (NI) 2015 make consequential provision in relation to the new Civil Service pension scheme under the Public Service Pensions Act (NI) 2014. This regulation supersedes the Public Service (Civil Servants and Others) Pensions (Consequential and Amendment) Regulations (NI) 2015 — that is a mouthful — that was made incorrectly. The regulations modify the effect of other statutory provisions in their application to the Civil Service pension scheme. These amendments are necessary to ensure that the new alpha pension scheme operates as intended within the wider framework of pensions and tax legislation.

The Committee noted, in particular, that there are two changes required, which will be made by draft affirmative resolution: transitional provisions to stop transitional members being treated as deferred members of their pre-2015 scheme; and consequential modifications to the tax regime in respect of ill-health benefits. Transitional members who take ill-health retirement will be protected from being assessed against tax twice as a consequence of their having non-accruing membership of the old scheme in addition to membership in the 2015 scheme.

The policy proposals contained in the rule were formally considered by the Finance and Personnel Committee on 21 January. After consideration, the Committee confirmed that it had no comment to make on the policy proposals at that stage. Members also noted that DFP conducted a four-week consultation exercise on the draft regulations, and that ended on 19 December. The Department advised that the shortened four-week consultation process with trades unions only was because the regulations and the Act were already subject to a full public consultation. Moreover, members were advised that trade union side did not have any objections and had indicated that it would not be submitting a formal response.

The Committee formally considered the statutory rule before the Assembly today at its meeting on 4 February, together with the accompanying report from the Assembly's Examiner of Statutory Rules. The rule was laid before the Assembly on Friday 23 January subject to draft affirmative resolution procedure.

While the Examiner raised no issues by way of technical scrutiny in relation to the rule before us, he had previously advised the Department on Monday 26 January that, as an earlier version of the rule purported to have been made subject to affirmative resolution, it would have no effect since it should have been laid in draft before making. The Department subsequently replaced the rule accordingly with the one being considered today.

That was noted by the Committee as part of its scrutiny, and the Committee therefore agreed to recommend that the Public Service (Civil Servants and Others) Pensions (Consequential Provisions) Regulations (NI) 2015 be affirmed by the Assembly. Therefore, on behalf of the Finance and Personnel Committee, I support the motion.

12.15 pm

Mr Hamilton: I welcome the support of the Chair of the Committee and the explanation of the process that the Committee went through. I do not hesitate, therefore, to commend the motion to the House.

Question put and agreed to.

Resolved:

That the draft Public Service (Civil Servants and Others) Pensions (Consequential Provisions) Regulations (Northern Ireland) 2015 be approved.

Private Members' Business

Block Grant: Reductions

Mr Speaker: The Business Committee has agreed to allow up to one hour and 30 minutes for the debate. As two amendments have been selected and published on the Marshalled List, an additional 15 minutes has been added to the total time. The proposer of the motion will have 10 minutes in which to propose and 10 minutes to make a winding-up speech. The proposer of each amendment will have 10 minutes in which to propose and five minutes to make a winding-up speech. All other Members who are called to speak will have five minutes.

Before we begin, the House should note that the amendments are mutually exclusive so that, if amendment No 1 is made, the Question will not be put on amendment No 2.

Mr McKay: I beg to move

That this Assembly recognises that the persistent reductions to the block grant create significant challenges for the Executive in the delivery of front-line services; welcomes agreement on the Budget 2015-16; further recognises that the Executive have additional revenue-generating powers, which have not been explored fully as part of the Budget process; and calls on the Executive to collectively identify progressive options to raise local revenue and increase the local Budget.

Go raibh maith agat, a Cheann Comhairle. As Members are aware, the Executive have come through a period of budgetary challenge and that challenge looks set to continue in the time ahead. To have no control over our economic destiny ensures that we are seemingly reliant on getting scraps from the table of Westminster again and again. We are blind to our economic statistics and, to some extent, to our own economic outputs as well. Fiscal balance reports are accepted without question, and there is no total economic vision of how we could do things differently or better by ourselves. We need to see greater economic growth. Economic rule from Westminster has stymied, not enhanced, economic growth, and it is in that context that we need to ensure that we get the best deal — a fair deal — on corporation tax. Tax effects that should benefit our public finances being siphoned off to Westminster is not a fair situation, especially given the recent developments in Scotland relating to the Smith commission. We should benefit from all changes in local policy.

We need fiscal levers to improve our tourism sector, manufacturing and inward investment. We also have to raise revenues, consider progressive taxation and be innovative in how we do that, if it helps to change people's behaviour in public health and well-being. We are all aware of the massive challenges ahead of us in health and health expenditure.

The carrier bag levy helped to reduce bag usage by over 200 million in its first year — 2013-14 — and generated net proceeds of over £4 million, which have been invested in community and environmental projects through the challenge fund. The levy demonstrates how a levy or taxation, whatever way you want to describe it, can be used not only to deliver a sea change in public behaviour and but to deliver real financial support to community groups and others working on the ground to educate, maintain and improve health and well-being.

Elsewhere, there is the Scottish health levy and the community infrastructure levy in England and Wales. I am not endorsing them but flagging them up as examples of some of the range of options that other Administrations have in taxation. Collectively, we need to consider what new levies we can administer that will enhance our local budgets and be built on the premise that those who can pay should pay. The onus is on us, within the context of our local budgetary restraints, to ensure that no one is asked to pay more than they can legitimately afford. Raising the maximum capital rates value, for example, would ensure that some of the more well off gave a greater contribution to society. We wish the upper limit on domestic rates to be removed so that a person with a £400,000 house, a £500,000 house or a £600,000 house will pay according to the value of that property. This will raise close to £7 million and address the inequality in the system. It is only fair that occupiers pay according to the value of their home, especially those who live in a humble abode valued at £0.5 million or £1 million. That inequality needs addressed.

If we had full economic power, we would, in the context of an economic setback or continued economic decline, arrange a compensating public expenditure stimulus to buoy up the economy. In fact, the stability of the North's public services has been key to protecting the Northern economy from further slippage. In the absence of economic power, we need to consider other options. One is to ensure that the North can fully benefit from the European Investment Bank. We believe that the Executive should establish an outside body to

draw down loans from the European Investment Bank to fund major infrastructure projects.

In Scotland, the Scottish Futures Trust (SFT) has led on a diverse portfolio of projects across the country, which helps to attract more than £4 billion of additional investment over and above traditional capital budgets. We need to maximise all the funding avenues that we can to try to bring forward projects that would otherwise remain in the pipeline for years to come. Over five years, from 2009-2010 to 2013-14, the SFT in Scotland has brought cumulative savings and benefits of over £640 million. That is a proposal worth exploring at Executive level. I think that the Finance Minister should look at it in how we can move the economy forward and how we can generate more support for infrastructure projects over and above the traditional approach to such matters.

Our levels of poverty, as they stand, will not lead to economic growth, but eradicating low pay will lift people out of poverty and help us to build a more sustainable economy. People want to work, people want to participate in society, and people are better able to participate in the economy from a base of individual security. This is crucial, and it is crucial that our people are paid a living wage. Paying the living wage to workers is not just an aspirational goal, as some would say. We believe that, at the formation of the next Executive, the Programme for Government should include a commitment to delivering the living wage in the public sector. We believe that we should have the power to decide the same for the private sector. At the moment, the living wage is £7.65 an hour. Remember that this is the rate to ensure that workers have a basic — a basic — standard of living. It is not too much to ask.

In the North, about 170,000 workers, such as sales assistants, care assistants, hairdressers, bar staff etc, earn less than £7.65 an hour. More than 80% of our 18-to 21-year-olds earn less than the living wage, so there is a huge disparity between young and old. I believe that our young people are worth much, much more than that and should be treated fairly. Paying workers a better wage, a basic living wage, will increase productivity, which is better for their employer and better for them. It would also boost spending in the economy by some £124 million a year, according to Oxford Economics, and give the Exchequer a net gain of £83 million through increased tax receipts and reduced benefit payments. Belfast City Council has already ensured that all of its employees receive the living wage, and we should follow its

example. Derry and Strabane District Council has followed suit. A living wage is not just aspirational.

Of course, we have been here before. There was the debate many years ago about a minimum wage, and it was said that it was too much to ask for. When it was introduced, the economy, the private sector and the public sector soon adjusted because it was the bare minimum. Now, we need to ensure that people have a basic income to ensure a basic standard of living, and, by introducing the living wage, we would introduce more money into the economy.

It would boost spending as well, and that is something that we need to do.

To conclude, we brought the motion to the Chamber today not only to put forward some of our ideas and proposals for moving the economy forward but to kick-start debate. We need to have more constructive debate on the economy and fiscal levers. We will have different views on issues such as corporation tax and air passenger duty — issues that we may have flogged to death on the Finance Committee — but I believe that, since the previous mandate, we have moved on to some interesting ground. At the moment, the Finance Committee is considering the effects of the Barnett formula and its future. The Assembly and the Executive need to push forward economic proposals and be innovative. I gave one example, which was that of the carrier bag levy. We can do much more than that. There is a train coming down the track, and that is the projected costs of the health service for the Executive. We need to meet that head-on, and we need to introduce innovative proposals, not only to raise revenue but to try to change people's behaviours when it comes to obesity and diabetes.

I hope that we can have a worthwhile debate. I look forward to the amendments being proposed by the Alliance Party and the DUP, and I look forward to the debate.

Mrs Cochrane: I beg to move amendment No 1:

Leave out all after "front-line services;" and insert:

"further recognises that the Executive have additional revenue-generating powers that have not been explored fully as part of the Budget process; recognises that there has not been a consistent approach to reducing waste and pursuing public-sector reform to ensure that

additional resources are available for front-line services; and calls on the Executive to identify, collectively, progressive options to raise local revenue, tackle waste and pursue public-service reform to effectively increase the local Budget."

I welcome the opportunity to speak on the issue today and to have moved the Alliance Party amendment. First, we should be clear that Northern Ireland is not the only region being adversely affected by cuts. The reality is that the pressure on public finances will increase in coming years. We therefore need to have a sound strategy in place to ensure that we can continue to deliver our front-line services.

It is widely recognised that fiscal contractions are best addressed using a ratio of spending cuts:revenue-raising. However, the 2015-16 Budget was predicated on a cuts-only basis. The substantive motion today essentially acknowledges what the Alliance Party has said previously, in that there is a need for some revenue-raising. It also reiterates a key recommendation from the Committee for Finance and Personnel's report on the draft Budget; namely, calling on the Executive:

"to prepare and publish a consultation paper on the options across all departments for raising additional revenue",

setting out all the benefits, risks and impacts on the economy, consumers and the most vulnerable.

The Alliance Party, however, does not believe that that should be done in isolation. Fair revenue-raising structures must go hand in hand with other reforms. That is why we seek to amend the motion. If we are going to take additional money off people, they have a right to know that that money is being well spent. With no real attempt being made to address the cost of division or to make our public services more efficient, that would be unfair on those whose money we are seeking. Furthermore, the overall amounts of money raised through most revenue-raising options would be trivial, so we must also review expenditure and be open to new ways of delivering our services to tackle waste.

The current scale of expenditure on education and health is so great that we need urgent strategies to manage the costs. I have already asked OFMDFM whether it will consider reallocating the resources associated with the junior ministerial posts in its Department to posts in, for example, the Department of Health, which would allow a much greater focus to be

given to that Department's important task, but the idea has been rejected. The fact remains that, although there is a case for some degree of protection for the health and education budgets, there is significant scope for reform. There needs to be greater transparency so that the Assembly can determine whether a consistent approach to prioritising service delivery is being taken across every Department. We need to be careful not to continue simply to allocate resources to a sector that is under pressure without expecting it to pursue its efficiency agenda properly.

We do not need to start from scratch, as some useful work has already been undertaken. For example, in health, the McKinsey and Appleby reports and the Compton review have set out areas for improvement, but serious political commitment is required if we are to take those forward.

Likewise, the Alliance Party believes that a serious commitment to promoting integration in the education system would produce significant financial savings. That commitment would include addressing the cost of maintaining 70,000 empty school places and enabling funding to be directed to pupils rather than to sustaining a divided estate.

12.30 pm

The challenge of reform, of course, is not limited to the Health Department and the Department of Education. It is very clear that the deteriorating resource DEL position will necessitate proactive measures across all Departments to reduce the size of the public-sector pay bill. Figures over previous years have shown that the pay bill has continued to increase over and above inflation, despite the so-called pay freeze, and, if the system can absorb £30 million of sick pay without a noticeable reduction in output, there are clearly efficiencies to be made. Every Department should be constantly challenging how things are done to ensure that services are being delivered in the most cost-effective manner.

The proposed voluntary exit scheme is designed to reduce the number of civil servants, but if we are admitting that we have more staff than we need, we also need to consider an approach that will remove the least effective workers rather than simply the oldest. On the other hand, if many of the jobs are critical, other options will need to be explored, such as, for example, four-day weeks, pay cuts for the top earners, removing incremental rises for no extra work output etc. Those may be controversial

but, to deliver front-line services on a more sustainable footing, they need to be considered.

Alliance has long advocated that the Executive must tackle division and sectarianism in Northern Ireland, not just because of our strong support for promoting integration and a shared future but because we know that a divided society costs more to run. That was recognised in the 'Together: Building a United Community' document, and the recent Stormont House Agreement stated that there should be an:

"audit of departmental spending to identify how divisions in society impact on the delivery of ... services, and to then consider how best to reconfigure service delivery in a manner consistent with a shared future."

That commitment must be progressed. We simply cannot ask people to contribute additional revenue to the Executive if it is being allocated to public services that are sustaining a divided society or are not operating efficiently. It is a major challenge, but it is one that the people of Northern Ireland expect our Executive to deliver on.

What are the Alliance proposals for revenue raising? It is not the first time that I have spoken on these matters in the Chamber, and I am sure that it will not be the last time that the Minister will seek to misrepresent what I say. First, to date, there has been no attempt to reduce spending on subsidies that disproportionately affect wealthier people. We believe that those inappropriate subsidies should not be a priority for public expenditure and that they divert resources away from public services that assist the vulnerable. The subsidies that we believe can be redirected into other services are, for example, free prescriptions for those who can afford it. We need to return to a system where prescription charges are levied from people who can afford it, though with a wide range of exemptions, and we have already seen the DUP make a move to our way of thinking on that.

The removal of the rates subsidy on houses worth more than £400,000 could raise about £4 million a year, and Sinn Féin is now following our lead on that as well. Taking such decisions would be a first step in demonstrating that the Executive are serious about tackling such subsidies for the wealthy to protect services that benefit the less wealthy.

Alliance also believes that, in the longer term, some further forms of fair revenue raising are likely to be necessary. That may be through domestic charges, either rates or water, but the

key point is that any such measures should be fair, with adequate planning to ensure that they are implemented in a gradual manner. In the case of water charging, for example, there would be a reduction in rates in the first year so that people are not paying twice for a service.

Mr Weir: I thank the Member for giving way. Before you get too much into water rates, you mentioned inappropriate subsidies and gave two examples. Where does Alliance stand on free transport for the elderly?

Mrs Cochrane: We have firmly said that we are supportive of free public transport for the elderly. However, the current situation is that, as soon as you are 60, you get a free bus pass. Do you agree that — through the Speaker — people who are earning maybe £50,000 or £60,000 a year should have a free bus pass to get themselves to work? Is that what we should be protecting?

I will carry on. Our view is that revenue that is raised from those who can afford it should be spent on public services and job creation.

Finally, I will comment on the amendment proposed by the DUP. The Alliance Party has always been a supporter of greater fiscal devolution because it has the potential to increase the efficiency and responsiveness of the Government. Our motive for greater fiscal devolution is to ensure that we have the tools to deliver our policy aims. Our priority should be to seek the devolution of any powers where there is expected to be a clear benefit for the people of Northern Ireland. For example, we supported the devolution of air passenger duty (APD) on direct long-haul flights as a means of lowering the tax for flights into Northern Ireland, but we take a slightly different approach to short-haul APD powers, as the cost could be in the region of £60 million to £90 million per annum.

While there is nothing essentially wrong with the proposed amendment from the DUP, it really only summarises ongoing work. I therefore urge Members to support the Alliance amendment instead, which seeks to ensure that the Executive, collectively, live up to the challenges of the Stormont House Agreement and guarantee that all Departments, not just one or two, reduce wasteful spending by reconfiguring service delivery in a manner consistent with the shared future.

At the end of the day, the Executive's Budget, unlike those of other Governments, remains largely unrelated to the success of our economic policy, and we face no financial

penalty for failing to create a shared future and stimulate our economy fully. We may not be held to account each year through our tax take, but we are accountable for tax waste, and we owe it to the people of Northern Ireland to address that and feed those savings into better public services for all.

Mr Girvan: I beg to move Amendment No 2:

Leave out all after "2015-16;" and insert:

"notes the success of the Executive in securing the devolution of corporation tax and air passenger duty for long-haul flights; further notes the work being conducted by the Department of Finance and Personnel on the potential for devolving specific additional fiscal powers; and calls on the Minister of Finance and Personnel to bring forward recommendations on further fiscal devolution to the Executive."

Our amendment deals with reductions in the block grant, and, as we have heard from the Sinn Féin proposer of the motion and the Alliance proposer of the amendment, any increase in revenue from the devolution of tax-raising powers would cause a reduction in our block grant from Westminster. As Northern Ireland is a net beneficiary from the Barnett formula and the associated process, it would indicate that, no matter what we do, we will just be reducing and tinkering around the edges.

We are in favour of fiscal responsibility, but only where it benefits our community, as is evident from what has been put forward in relation to corporation tax and APD, both of which were intended to act as economic levers to grow our private sector as well as keep our links with other areas. Long-haul APD was vital because we would have lost one of our only connecting flights to north America.

As things stand, we need to focus on a number of areas. We need an indication as to when the devolution of corporation tax is going to be implemented because that will help those who want to invest in Northern Ireland plan and schedule for locating or increasing their workforce here. It is important that we give that comfort to those who want to come and invest in Northern Ireland. They need to know the date and rate at which it will be set. Those are vital debates that need to be had.

However, we are in the dark in a number of areas because, as so much of the revenue generated in Northern Ireland goes directly back to Whitehall and is dealt with there, we do

not have a handle on exactly how much is generated here. We ran into some difficulties when Treasury told us how much corporation tax was going to cost the Northern Ireland economy.

I appreciate, from ongoing work, that a 1% rise in the rates in Northern Ireland would equate to only a small increase of £5 million in the overall revenue. The regional rate is really the only tax-raising power that we have currently. I appreciate that a review of the non-domestic rate is being carried out by the Minister and the Department. I think that that will bring forward some recommendations about how that process is working and whether it is working effectively. So, I think that that review will be welcomed.

Where fiscal powers that we can or cannot have are concerned, we are dealing with the 2010 Budget, which Westminster set. That equated to a £1 billion cut in the Northern Ireland block grant, which was worked out over the next number of years. Basically, it has been managed up to now, but, looking to the future, I think that the Office for Budget Responsibility has projected that there will be as much as a 13% cut between now and 2019. I appreciate that, under the Barnett formula, a large percentage of our Budget will be protected under education and health, and that equates to around 65% of our block grant. As a consequence, there is protection, and we would probably be less affected than other regions of the United Kingdom under the current format. So, I think that it is vital that we ensure that that protection is there. Under the current Barnett formula, we have some element of consistency and of knowing where we are for budgeting for the future.

We cannot support the Alliance Party amendment on the basis that it will equate to additional taxation. That will not necessarily be for the delivery of services, because we know that, as soon as you start to raise taxes, it automatically impacts on our block grant. We have some concern about that. We need to take on board that the Alliance Party is proposing to maybe use other avenues, and I appreciate that taxation for water is one such avenue. I cannot be sure that that would be ring-fenced and that we would be allowed to hold on to it. It is vital that what money we have in Northern Ireland is properly spent. That is where efficiencies come forward. It is important that we have those efficiencies and work our way through them.

We need to target sickness absence. This is vital, because we cannot lose 30,000 days a

year from individuals in certain Departments and not feel any —

Mr Lyttle: I thank the Member for giving way. If I am not wrong, he is saying that he will not support the Alliance Party amendment because it states that the Executive should consider fair and progressive revenue-raising measures. That is exactly what the Sinn Féin motion says as well, so will the Member also be opposing the motion?

Mr Girvan: That is an interpretation of what I just said. I do not believe in the implementation of water taxing for households because I do not believe that it is a proper way forward. Where we can show economic benefit, we will support changes, and we are in favour of that when it is affordable and creates social and economic benefits for Northern Ireland. That is one area that we will support.

We support our amendment.

Mr Speaker: Before you conclude, I ask you to confirm that you are moving amendment No 2.

Mr Girvan: I am moving amendment No 2.

Mr Speaker: Thank you.

Mr D Bradley: Go raibh míle maith agat, a Cheann Comhairle. I have not heard anything today from any of the Members who have spoken that convinces me that progressive revenue-raising options are on the table. I heard the maximum capital rates value relief mentioned on two occasions. In fact, I think that one of the parties concerned worked to maintain that. There was agreement that the people to whom it is directed are asset-rich and cash-poor and should be protected. That is my view.

12.45 pm

We have to think very carefully before we consider further taxation at a time of austerity, when many people are already struggling. As I said, some people are asset-rich and cash-poor and will not be able to afford some of the proposals being made, particularly by the Alliance Party.

There seems to be some confusion around the issue. Mr Girvan said that revenue raised in this way is then taken off the block grant; if that is the case, there is not much point in doing it in the first place. Perhaps, in his response, the Minister will explain the situation more clearly.

If we are creative, I believe that there are relatively low-cost ways in which we can boost our economy, ways that will have a long-term multiplier effect. The SDLP laid out those ideas previously in our papers. For example, increasing the social housing build is one such way. Building social housing is a well-known economic multiplier; it is capital investment in housing and infrastructure that underpins economic growth in the long term. Shovel-ready capital programmes boost employment in the construction industry and so stimulate the economy in the short to medium term. Some of the measures proposed today amount to nothing more than tinkering around the edges with relatively small sums of money.

We believe that, working on an all-island basis, the Executive could integrate long-term strategies for economic growth with the Irish Government's plans, particularly those to create the best research, innovation and commercialisation ecosystem in Europe — the innovation island. That would also help to tackle security of supply by encouraging the creation of an effective, long-term energy framework across the island and the development of renewables as Ireland's biggest economic opportunity.

By focusing on leadership in the public service, we can empower Civil Service decision-makers by providing for a portfolio approach in the assessment of success and failure, acknowledging occasional failures to ensure overall success, creativity and innovation and creating a leadership unit with a high degree of independence to identify radical solutions to reform the culture of the Senior Civil Service and to make future decision-making easier and faster.

The SDLP has called for a Calman-style commission to examine the possibilities of further tax-varying powers, and I had a discussion with the Minister across the Chamber on that. Air passenger duty has been mentioned as well, and that is one of the barriers to developing our tourism industry. That is something that we need to look at.

We believe that, through greater use of European funds, the Executive could duplicate the ideas for an ambitious European industrial policy aimed at supporting the social economy —

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

Mr D Bradley: — and small and medium-sized enterprises. I admit that the investment fund

may be a start and a positive approach in that direction. There are many more points that I could make, Mr Speaker, but I thank you for your tolerance.

Mr Cree: It is good to learn from Members across the House that they are all committed to building a society and an economy of opportunity, prosperity and fairness. That was not always the case, and the damage to our economy during the 30-odd years of terrorism was not helpful. It was very much counterproductive and, to some extent, lingers on today.

This Sinn Féin motion:

"calls on the Executive to ... identify progressive options to raise local revenue and increase the local Budget."

It also implies that the Executive have powers that they have not yet considered as part of the Budget process.

Michaela Boyle, in a recent debate, stated that we were at a crossroads and had a choice of remaining wedded to the Westminster austerity experiment or carving out our own economic future. I was, therefore, looking forward to learning today how that could be achieved, even if we wanted to break the marriage with the rest of the United Kingdom.

I am disappointed that no new pearls of wisdom have emerged here today. Instead, we have had a diatribe of taking full financial powers, taking control of our welfare budget and policy, and other powers over our economy. Westminster is blamed for the situation.

There is apparently no understanding that we are emerging from a world economic crisis. We did not have to be bailed out by others. In fact, we were very much fitter than our friends in the Republic of Ireland. We did not need outside assistance to prevent bankruptcy.

It is also worth noting that the United Kingdom was able to assist with funds amounting to £7.5 billion as part the £85 billion bailout for the Irish Republic. We are part of the United Kingdom, which is a major world economy. That is a significant strength for us. Economic governance from Dublin, which the Members opposite advocate, would have been a disaster. Hopefully, we will learn from that experience.

Sinn Féin would also have us believe that austerity measures were just an experiment conducted by the Westminster Government. Why, then, did Portugal, Italy, Spain, Greece

and other countries in the eurozone have the same problems? Were the Tory cuts responsible for those austerity actions? No, the Government at Westminster were taking prudent action to pay our debts following a worldwide recession.

It is not often I quote Sammy Wilson, but he summed it up in December 2010, when he said about the deal at that time:

"it is not a particularly good or bad deal; it is the kind of deal we would have expected to get, given the settlements that have been made for other Departments across the United Kingdom. I and my party have not joined in the siren calls to 'resist the Tory cuts' and to ignore what is a reality."

He was right on that occasion. He is not always right, but he was right on that occasion. The Union with Britain brings us almost £10 billion a year in the form of a top-up, a subvention above and beyond what we as a region of the UK are able to raise ourselves. I trust that the proposers of the motion will be able to elucidate on their economic theories with practical, researched examples of how we could raise the £10 billion alone.

We wait with interest to hear what is the grand economic plan of Sinn Féin to use other financial powers to generate huge sums of money for the Government of Northern Ireland. It is not enough just to generalise about other sources of revenue or taxes. You have to understand how they work and the effect that they may have on the economy as a whole. Scotland, as the Chair of the Committee mentioned, has had tax-varying powers for several years and not used them. They obviously have done their homework.

There are several taxes that could be transferred, but there is a cost to all of them. Therefore, the economic benefit to be derived has to be set against the cost of the delegated tax. The Ulster Unionist Party remains keen to see corporation tax devolved because it can easily demonstrate that there will be positive returns well above the cost, employment benefits to society and further investment, to name but a few. I would imagine that there is no one here who would resist the devolution of further fiscal powers, but any proposed measures must demonstrate the economic and social benefits that make the project viable. That has not happened here this afternoon, and the Ulster Unionist Party will be voting against this theoretical motion.

Mr Speaker: Could the Member bring his remarks to a close, please?

Mr Cree: Certainly. We will support the DUP amendment on this occasion.

Mr I McCrea: I was not expecting to be called as early. Normally, whenever you are further down the list you have less to say. I will stick with the less-to-say option and, hopefully, ensure that this debate is over sooner rather than later.

In this debate, we have to give some serious consideration to the fiscal powers that we already have. We may not have corporation tax powers yet, but that time is not too far away. As I have done before, I commend the Finance Minister for working with his Executive colleagues to ensure that we get the devolution of corporation tax powers to Northern Ireland.

We may have agreement on devolving corporation tax powers, but the one thing that is still outstanding, is very important and needs to be dealt with if we want to be taken seriously in respect of our ability to utilise our fiscal powers is the setting of the rate of corporation tax and the date for its implementation. The rate is important to ensuring that we can compete with our neighbours, the Republic of Ireland. There is some debate around whether the rate should be 12.5% or 10%, but the fact that we are getting the power ensures that we have urgency around deciding the rate.

That is important in the context of the Enterprise, Trade and Investment Minister — I declare an interest as the Minister's APS — having within her responsibility the economy and the importance of growing the private sector. If we cannot get early agreement on the rate and date, we lessen Invest NI's ability to go across the world and sell our rate of corporation tax to companies to try to encourage them to invest in Northern Ireland and benefit from our lower level of corporation tax. So, it is important that we give Invest NI the earliest opportunities to present Northern Ireland as a place to invest and a place to come and set up business and benefit from our lower level of corporation tax. It is incumbent upon Members across the Chamber to sit down with the Finance Minister and other Executive Ministers to get agreement on the rate that we are going to set and the time frame for doing it.

At least Sinn Féin are consistent in their call for more fiscal powers. They do not necessarily tell us what they are, how much they will cost or any of those things, but they are consistent nonetheless in saying that we should devolve more fiscal powers to Northern Ireland. It is important, when we look at the powers we have

and how good we are at utilising them, that we realise that that does not necessarily mean that we should devolve more.

Looking at the Alliance Party's amendment, it is important that people out there realise the Alliance Party is really about increasing the rates that people pay for their water. It is also happy to end free transport for the elderly and many other things that will hurt the people of Northern Ireland. As for free transport for the elderly, I know many people in my constituency who do not have high salaries and benefit daily from going out, meeting other people and going on day trips, which gives them an opportunity to spend some time together. The Alliance Party's amendment is a disgrace and is something that we certainly will not be supporting.

1.00 pm

Ms Boyle: Go raibh maith agat, a Cheann Comhairle. There is no doubt that securing economic recovery, prosperity and equality is at the heart of our approach to the Budget and the provision of public services. Economic recovery is self-evidently critical to our success and is the route to improving the lives of our people. What we want is economic success through well-paid jobs for our people. Capital investment, improving access to finance and restoring business and consumer confidence are all central to attracting new businesses to the North and, indeed, the island, and supporting the business that we already have here, particularly small and medium-sized enterprises. That is why we need to ensure that we prioritise infrastructure investment by ensuring that, in the context of fiscal accountability, we consider the best ways to ensure that we can benefit from the European Investment Bank, can find new, innovative ways to invest in social housing and can find sustainable measures to increase our local revenue base by exploring the potential for new levies, which would have a positive impact on society.

It must be said that, at a time when the Westminster Government have cut our resources by £1.5 billion, it is essential that we focus on delivering better outcomes from the resources that we have. We must move beyond bookkeeping to drive economic growth. That means working collectively to exploit every avenue that we have to build a progressive, strong revenue base that does not harm but strengthens our people, our competitiveness, our economic security and, indeed, our economic growth.

We want to build a society in which income and wealth inequality are low and social cohesion is

high, pay is higher, poverty is very low and the local tax take is higher and enables strong public services without endemic debt and deficit; and a strong welfare state in which public services are extensive, well funded and generally universally available and in which finance is seen as a means to sustain industry and provide financial security for individuals, not as a speculative means of profit maximisation.

We want a diverse economy with a balanced portfolio of industry sectors, with much more emphasis on product innovation, a much larger medium-sized industry sector with a more diverse ownership profile, including more extensive public and community ownership and cooperatives, and in which a more mutual and coordinated approach to economic development is taken.

At present, we make decisions that improve the local economy through, for example, job creation. The receipts go to the British Exchequer and do not enter our local Budget, yet it is our actions and local decisions that lead to the increase in the receipts. Through the Smith commission, Scotland will stand to benefit from policy decisions taken in Scotland. Why should we be any different? Collectively, we need to demand similar provisions for our local economy from the British Government. Imagine the benefits to our local Budget if we eradicated low pay through the provision of the living wage. Not only would we lift the 173,000 workers earning below the living wage out of the struggle of in-work poverty but we would generate £88 million in direct taxes and reduce benefit and tax credit payments, which would be returned to the British Exchequer. If that finance was repatriated locally, it would substantially boost our local budgets. It would, for example, pay for more than 3,500 nurses or teachers, or we could use the finance to pay for universal childcare and open up the labour market fully to parents.

Universities offer another illustration. Increased investment in research and development, along with tailored support for entrepreneurship, could lead to an increase in innovative small and medium-sized enterprises, which are important to creating high-skilled jobs, reversing the brain drain and boosting the economy.

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

Ms Boyle: It is important that the Northern Executive and the people of the North receive the full return on their investment through increased income tax, National Insurance or corporation tax revenue. Members, I urge you

to support our proposals to move our economy forward.

Mr McQuillan: I oppose the motion and support the amendment in my name and the name of my three colleagues. I begin by questioning the timing of the motion. As Sinn Féin will be only too well aware, the Stormont House Agreement paves the way for further income-generating powers, namely the devolution of corporation tax powers by 2017. Members will also be aware that Northern Ireland benefits significantly from the Barnett formula, gaining significantly more expenditure than we generate in revenue alone. These are benefits of our membership of the United Kingdom and factors that Sinn Féin perhaps wants to dismiss and ignore. Rather than being grateful and appreciative, it wishes to complain.

That aside, Sinn Féin and other Members will be only too well aware that any means of revenue-generating powers will cost the Province financially, with alterations made to our annual block grant. This will result in cuts. Before we explore any further income-generating powers, it is important and, in fact, responsible to assess whether the actual costs outweigh the benefits and the costs would significantly impact on the people of Northern Ireland, including those in west Belfast, south Armagh and beyond.

We know, looking to the future, that the Northern Ireland Executive have air passenger duty powers, which I believe will take vital routes to and from the Province. The Executive also have rates powers, and I am pleased that the DUP, holding the Ministry of Finance portfolio, has kept rates frozen for seven consecutive years, protecting domestic customers from soaring rates amid price increases in electric and heating bills, which I am pleased to hear will drop from 1 April. We are aware that the Department of Finance is to conduct a review of the non-domestic rates as a means of identifying possible additional revenue to ensure fairness, as well as to paint a picture of reality in these slightly more stable yet fragile economic times.

Some parties, like the Alliance Party, might like to introduce water charges or higher rates. However, to secure additional revenue from the rates increase, it would be necessary to apply a significant increase of 1% to the regional rate. A 1% increase would provide us with an additional £5 million per annum. This sounds like a lot of money, but, in reality, it would not do a lot for the people of Northern Ireland. It would cut their disposable income and reduce spending in shops and local high street

businesses. I am not in favour of that, as we know only too well how fragile the high street is.

My party supports investigating revenue-generating measures, as we have done with air passenger duty and corporation tax, and agree that those are viable options open to the Executive. However, the impact on the people of Northern Ireland of a significant loss of revenue from the block grant or an increase in rates would be severe and significant. It will not happen, because the DUP supports the most vulnerable. I support our amendment and the ongoing work of the Minister of Finance and the Department in assessing the potential for fiscal powers to be devolved to the Executive.

Mr McKinney: I welcome the opportunity to participate in today's debate. The negative implications of the 2015-16 Budget will be felt far and wide. The SDLP, as the only party that voted against both the draft and final Budget, recognised this. With that in mind, the impact that the Budget will have on health-care delivery is very important. The party has made it very clear that it is concerned about expenditure in the health service and worries, for example, about simply jumping to a prescription charge agenda while not addressing the wastage within that very service. I will return to that later.

First, I wish to address the motion, which is, I have to say, vague. It writes itself a blank cheque by listing or endorsing revenue-raising options that may be proposed in the future. I do not understand where Sinn Féin is coming from. Does it mean that the party is for water charges? Does it mean that it is for rates increases? What does it refer to when it talks of "local revenue" and the "local budget"? Is it proposing to increase whatever tax it is possible to increase in the Assembly and whatever tax it can think of at council level? If there is an answer, it is not in the motion. For that and other reasons, we will, of course, oppose the motion. The homework has to be done first.

What Sinn Féin is saying is that —

Mr Lyttle: I thank the Member for giving way. Will the Member not acknowledge that the direction of the Sinn Féin motion and the Alliance Party amendment is that the homework should be done and options explored? Why would he seek to reject that approach?

Mr Speaker: The Member has an extra minute.

Mr McKinney: Thank you very much. I accept that homework has to be done, but I am not

sure that the motion articulates that just as much. It is more open than that. I will get to that point in a second.

The motion refers to the need to:

"identify progressive options to raise local revenue".

What does "progressive options" mean? Perhaps Sinn Féin could have spelt that out in the text of the motion. It can be summed up in two words: "more" and "tax". I take on board what Mr Bradley and Mr Girvan said, which is that, if we go down that route, it will come off the main Budget anyway. That question also has to be answered.

Northern Ireland is in an equally —

Mr Lyttle: Will the Member give way?

Mr McKinney: Very briefly, please.

Mr Lyttle: I thank the Member for giving way. Will he not acknowledge that taxation policy that redistributes wealth from those who can afford it to the most vulnerable in our society is progressive, in and of itself? Perhaps he can speak to that.

Mr McKinney: That may be part of it, but the motion opens the door much more widely than that.

After six years of post-recession hardship, the economy is on its knees. We need proper answers, but not pro-austerity answers such as those Sinn Féin is advocating.

Last week, I understood the Chairperson of the Health Committee to be opposing what the Health Minister was saying about prescriptions charges, yet the motion, potentially at least, would allow for prescription charges. Is that a progressive tax? Perhaps we can hear from Sinn Féin on that.

Instead of this hokey-cokey approach to politics, we need an open, honest and transparent debate on revenue generation. Nothing exemplifies that more than the issue of prescription charges that was brought to the House last week. After many months of campaigning, vulnerable cancer patients thought that they were getting an answer. Instead, however, the Health Minister linked their issue to a prescription charge.

I will read out what Mr Wells said in the Chamber last week. When talking about the

pharmaceutical price regulation scheme (PPRS) money, which is additional money that is coming into the system, he said:

"I cannot be definitive about the scale of the payments Northern Ireland is likely to receive through PPRS." — [Official Report, Vol 102, No 2, p2, col 2].

The context in which he said that was one in which we would get perhaps less or around the figure of £14 million that we were already getting this year. There was certainly a threat to the money, which was sufficient for us all to say that the Minister is right and that we should put our hand in our pocket and endorse prescription charges, in the way in which the motion describes them, in its widest sense, as a progressive tax. What did the Committee learn last week from the companies that are linked to the PPRS scheme? We learned that £30 million will be available in 2015 for specific drugs for conditions beyond just cancer. Therefore, in reality, we could have a specialist drugs fund in Northern Ireland tomorrow without there being any implications. Let us have the progressive prescription charges debate in that context.

I am aware that the Speaker may be about to say that I am straying off the motion, but I do not believe that I am. The context here is — *[Interruption.]*

Mr Speaker: Do not tempt me.

Mr McKinney: Sorry, Mr Speaker.

Let us have honest debate and transparency. The Health Minister went on to say:

"There has to be absolute openness and transparency, because we are going to ask people to make a small contribution for their prescriptions." — [Official Report, Vol 102, No 2, p4 col 2].

I ask whether the motion simply opens up the door to anything — whatever you are having yourself — as long as it is pro-austerity and is forcing people to pay more tax, which will ultimately come off the block grant.

Mr Speaker: Thank you for not challenging the Chair.

Mr Nesbitt: I support the amendment proposed by Members to my left. Mr McKay opened the debate by saying that we should kick-start a debate. Why not? Could we kick-start a debate that would effect a change in political

culture? The culture that we have on this estate is one of dependency, whether that be on welfare reform or the subvention that is part of the block grant.

Let me be clear, Mr Speaker: the Ulster Unionist Party supports both. We believe in a welfare state to protect the vulnerable, and we believe in the redistribution of wealth around the United Kingdom which allows us to get more out of London than what we put into the Treasury. Let us look at the subvention that is part of the block grant. Currently, it stands at over £10 billion, yet, just 10 years ago, it was only £6 billion, and, 30 years ago, it was only £1.5 billion. It is a speed and direction of travel that is not healthy.

1.15 pm

Can we change our political culture from dependency and start talking about serious wealth generation for our people? Can we remember that, 100 years ago, we were net contributors to the Treasury, and that, down the road, Queen's Island was the Silicon Valley of its day? We were incredibly innovative in engineering, particularly in shipbuilding; we had a global reputation for linen; we had the biggest rope works on planet Earth; and we had a very sturdy agriculture sector, as we do today in agrifood. I doubt we will ever get to the point of being net contributors again, because of pensions, the health service and everything else, but, surely, even the aspiration is a game changer in terms of political culture and a drive to generate serious prosperity for our people.

There are policy levers, such as corporation tax. Let us remember, Mr Speaker, it was an Ulster Unionist idea —

Mr McKinney: Will the Member give way?

Mr Nesbitt: I will give way to the Member for South Belfast.

Mr McKinney: Does the Member agree that the scenario he was painting was one against the backdrop that existed before partition?

Mr Nesbitt: I have no doubt that the Member is accurate in a factual sense. What on earth it has to do with the debate is beyond me. Corporation tax —

Mr F McCann: Will the Member give way?

Mr Nesbitt: Yes.

Mr F McCann: It existed before partition and after partition. You are holding up Queen's Island and the rope works as a symbol of job provision and wealth, yet they were the biggest discriminators of our community in the state.

Mr Speaker: I forgot to say that the Member has an extra minute.

Mr Nesbitt: I thank the Member for his intervention. I am glad that we are so forward focused in this part of the debate.

Corporation tax, obviously, is a key lever. It is a shame that people have suffered because the DUP and Sinn Féin, given the choice between recognising that it was, ultimately, a political decision and going to try to get the power devolved from 10 Downing Street, chose instead to go to the Treasury and engage in a debate about the potential cost, which was always a moveable feast as Mr Osborne was bringing down the UK-wide rate of corporation tax, which, obviously, impacted on the change.

I notice that some Members are talking about 10% and some are talking about 12.5% to match the rate coming out of Dublin. Surely, the issue for people considering investment in Northern Ireland is to make the differential between our rate and the Republic's rate no longer an issue. Our focus should go, instead, on skills and on another area which is, perhaps, the Achilles heel for our economy: the lack of A-grade office accommodation. Let us be clear that the majority of foreign direct investment is going to be in portable services. So, people will not be looking for factories; they will be bringing in legal services, where the quality of the office accommodation will be absolutely key.

Will we tackle issues like the rate of corporation tax, skills and office accommodation? Or, will we get stuck with the kind of stale rhetoric that we have in the motion, which talks of:

"the persistent reductions to the block grant"?

It is the case that whoever ends up in Downing Street on 8 May this year, whether it is one, two or three, or regardless of what combination it is between Labour, the Liberal Democrats and the Conservatives, will be committed to reducing debt. What is the debt? The debt is a legacy to our children. We spend more, UK-wide, servicing debt than we spend on public services here in Northern Ireland and in Wales combined. In the course of an hour-and-a-half debate in the Chamber, the national debt, UK-wide, rises by £55,836,000. Surely, that has to

be tackled. Otherwise, we leave an unacceptable legacy to our children.

So, we can go ahead and bash London governments, or we can focus on our people who need our help. Think of the tens of thousands who woke up this morning without a job, without a sense of purpose in their lives, and without the drive that brought all the Members into the Chamber for this debate. Think of the people who will go to bed tonight without a sense of achievement or frustration — the things that keep us motivated. Let us put a focus on our people and on generating real prosperity.

Mr Allister: There is a certain unreality to the debate. The motion talks about lamenting the persistent reductions in the block grant and each of the successive amendments retains that, and yet the very parties that lament about that are those that want to further diminish the available spend within the block grant. They want to do it, of course, by diminishing the block grant in itself by £300 million or £400 million a year — who cares — for the sake of the vanity project that is called corporation tax reduction with no guarantee of any return; the only certainty being the reduction in the block grant.

They then want to further diminish that which comes in terms of available spend by ring-fencing £565 million of it over the next six years to sustain benefits at an artificially high level above the rest of the United Kingdom; not thinking, of course, that, at the end of those six years, that will probably have to be sustained even further as the gap will be such that, no doubt, there would be an outcry from those wholly dependent on it if anyone dared to suggest that they might have to live within the means that others live in the United Kingdom. So, the whole idea of the block grant and the lamenting of its reduction, when so much of that reduction in future years will be self-inflicted, really is a pretty hollow cry, and that is before we come to some of the suggestions being made.

I see nothing in the motion or the amendments about tackling the squandering to any significant degree: £5 million a year on spin doctors; £5 million a year on wining and dining; and half a million pounds on photographers so that we can have good quality snaps of our Ministers. If the House were serious about setting out the future stability of our finances, we would be looking at issues like that, instead of sweeping them so readily under the carpet.

Mr McCallister: At the outset, a lot of the context behind Sinn Féin moving a motion like

this is in its great rhetoric about standing shoulder to shoulder with its Greek friends. I suspect that the Greeks would be happy to be in the position that Northern Ireland is in, with a fiscal union — a political union — that does a huge physical transfer every year to poorer and less-well-off parts of that union, Northern Ireland being one of them.

So, when we talk about the block grant, we have to set the context for that. We spend £2,000 more per head of population than England does. We have been largely shielded from some of the effects of the austerity measures of the coalition Government because health and education have been ring-fenced by them, and we have the Barnett consequentials. The Greeks would love to be in an economic union that physically transferred money from one part of that union to the less well off part. Rather than standing shoulder to shoulder, Sinn Féin should be thankful that it is here and is having to manage a £10 billion subvention.

Mr Nesbitt gave some of the figures on the levels of UK debt, and when people talk about being against austerity, it is worth reminding Sinn Féin that Ireland has reduced its public spending by a sum that is equivalent to 18% of its GDP. That is the equivalent of €30 billion. If you set that in a UK-wide context, you would find that it would be the equivalent of having taken out some £500 billion in spending between 2008 and 2014. The Government have, effectively, taken about £20 billion per year out of this Parliament. So, that is the context in which you compare the two when you set aside the block grant and talk about austerity. They are two different levels of austerity.

The price of being in the Union is that there is a huge benefit to it. It has meant that this Finance Minister or his predecessors have not had to grapple with or match huge cuts in public spending and public services. Rather than talking about the cost and the price of the Union, the Executive should be asking this: how do we maximise the benefits of being in the Union? There are huge benefits to us as an economic region that will never match the economic power of London and the south-east of England.

Yes, we need to do much more to lift our productivity. We need to have real debates in here. One of the reasons why I support things like looking at revenue-raising measures or at transferring tax-raising powers is because it brings that level of responsibility in here. You could not do it, as I have repeatedly warned, without this Assembly and Executive being

reformed, because no one could devolve anything extra to here if we continued to work the way that we do. You would only do that and look at it. Others have given this warning: what if the block grant gets cut? There are no Barnett consequentials for water charging, for example. That is taken entirely out of the block grant. We may well decide, as an Executive and an Assembly, that we want to continue not having domestic water charges, but we are not even having that debate.

I listened to colleagues talk about what I thought was Minister Jim Wells's very responsible statement last week on prescriptions and how we might raise some money with them. You should listen to some of the kickback on that. That is how and why the Executive need to be reformed. They need to get a common purpose and vision, because these two bits of their economic policy are not adding up. We are firing £70 million a year into welfare, yet we are continuing to talk about how we need more money from Westminster and on the block grant and about cutting corporation tax. None of those measures, taken by this Executive, add up to a common identity and purpose. That is why I will support the Alliance amendment.

Mr Hamilton (The Minister of Finance and Personnel): I thank the Members who tabled the motion. I also thank the various parties and Members that tabled amendments, and I thank them for their contributions. I do so because I think that it has been a useful, if not very enlightening, debate. I will return to that point later. It has been a useful debate if for no other reason than that it allows me the opportunity to remind the House of the difficulties that the Assembly and our Executive have faced in dealing with public-spending reductions over the last number of years. Some Members made very useful contributions about why that has been the case, including the Member who spoke previously.

The policy of austerity, or the Tory cuts — whatever one wants to call them — have been introduced by the current Conservative and Liberal Democrat Government in London. They mirror those that have had to be made in the Irish Republic for similar, but different, reasons, and, indeed, they reflect those made right across Europe and the Western World. It is worth reminding ourselves of the extent of the impact that there has been on our block grant since 2010. The impact on non-ring-fenced departmental expenditure limits (DEL), which is the day-to-day resource expenditure that pays for the running of hospitals and schools and so on and so forth, has meant that it has been

down 8·1% since the beginning of the current Parliament in real terms. It is up in cash terms by 1·2%, so we have more money in cash terms but less spending power. That is why, over the last number of months, I have been reiterating the point that our spending power as an Executive has been down by over £1 billion even though the actual amount of cash available to us has risen modestly over that period. If we cast our minds back to 2010, we will recall that my predecessor, when he was in office, was more concerned about the impact, certainly in the early years, of the cuts on the capital budget. Our capital budget went down by 6% in cash terms and by 15·4% in real terms, so there have been significant reductions in our ability to spend on infrastructure since 2010.

1.30 pm

As some Members, including the proposer of the motion, mentioned, the future does not look particularly rosy or bright for public spending. We can go over why that is the case. I think that a lot of us, including the current Government and the current Chancellor, perhaps believed that the economy would have recovered sufficiently and that tax yields would have risen over the first years of the Parliament so that we would now be in a position where all the objectives of paying off debt would have been made and the deficit would have been reduced or diminished completely and that the proceeds of growth could be applied to public spending. That clearly is not the case, and austerity and cutbacks to public spending will be there for the next number of years.

The Office for Budget Responsibility, which was set up by the current Government, is projecting that, by 2019-20, at a UK level, not a Northern Ireland level, for which the granular detail is not available, resource expenditure will be down by £20 million — sorry, £20 billion — across the UK. I am sure that the Government would settle for £20 million. Capital expenditure, interestingly, will be up by some £8 billion over that period, so there is a noticeable and deliberate switch between current resource expenditure and capital expenditure.

Mr Allister: Will the Minister give way?

Mr Hamilton: Yes, I will.

Mr Allister: Are we not moving in the opposite direction? Did the recent agreement not anticipate moving money from capital into resource? Is that not a negative when building and expanding the economy?

Mr Hamilton: That is a conventional capital position. That is increasing, and Northern Ireland will benefit from that increase over the next number of years. That is one of the reasons why, given the need to do workforce restructuring and using our borrowing powers, which, of course, have been enhanced and increased by virtue of the Storm House Agreement, to assist us, we will see our capital position continue to rise over the next number of years towards the end of the decade, irrespective of what we do by using reinvestment and reform initiative (FRI) borrowing to pay for workforce restructuring.

One of the things that interests me greatly at this time is the pre-election pledges arms race between the Conservative Party and the Labour Party about what they would do with various areas of public expenditure. Both are making promises about protecting or increasing — certainly, protecting — health expenditure either in cash or real terms and education expenditure either in cash or real terms. Both of them are trading this off almost daily, and certainly, a number of weeks ago, it was very much daily. Since health and education make up 65% of our spending, and there are comparability issues with the Barnett formula, that is good news for Northern Ireland. It does not mean that we will be immune to reductions in public expenditure; there will be reductions in public expenditure.

Who knows what might happen after the election, but the most benign scenario is that you could have cash-terms protection for health and education. That would mean that, running from the first year of the comprehensive spending review, 2016-17, towards the end of the decade, resource expenditure in Northern Ireland will still go down, but the reduction could be around 1% in the first year, falling to as low as 0·1% in the final year. Obviously, that is contingent on who wins, what they do and what deals are done as a result of the election, but it is perhaps a very good argument to the people of Northern Ireland to ensure that there is a strong and united team representing them at Westminster after the next general election in some weeks' time.

In this debate, a lot of discussion is about tax-varying powers and local revenue raising. I always ask Members to bear in mind that the underlying principle of revenue raising or tax varying is that someone, ultimately, has to pay.

There is no such thing as easy money to be got through local revenue-raising or tax-varying powers. I and my party have shown that we are

not against additional tax-varying powers. We have successfully supported securing the power to devolve and reduce corporation tax here in Northern Ireland. In the past, we have secured the power to reduce and, ultimately, eliminate long-haul air passenger duty to secure our only direct route into North America.

Looking at local revenue raising is not a new thing. This is not the first time that we have had this discussion. It is not the first time that it has been called for or asked for. I recall Members and, particularly, Mr Bradley talking on several occasions to me and my predecessor in debates about discussions that were being had by the Executive through the Budget review group about other additional revenue-raising streams. Those powers or revenue-raising measures were considered in great detail by the Budget review group as far back as 2011 when it started its work, and it looked at proposals made by the likes of Sinn Féin around a tax on mobile phone masts, the sale of the government art collection and a wide range of weird and wonderful propositions that were put forward. It is significant that very few, if any, of those proposals actually saw the light of day, which shows the problem. There will be a range of reasons, such as impracticality, illegality, lack of political support, lack of political will, the wrong thing at the wrong time or just outright broad opposition. We can have these sorts of discussions, but product coming out of them is thin and few and far between.

I think that it is not wrong to have a debate, perhaps it was a debate that we had in advance of the Budget, but given that we are facing a three or four-year Budget due to the comprehensive spending review, it is not an inopportune time to continue to have the discussion. Given that Mr McKay, in his opening remarks, mentioned particularly the pressures on the health service, I think that it is an opportune time to have the discussion, irrespective of what is decided, around prescription charges. Whilst lambasting the Minister, as he does, for a range of different things, it was significant that Mr McKinney said that he was willing at least to have a debate about prescription charges moving forward. The proposals put forward by the Minister last week of a small but universal charge is something that I am very open to, and I have said that before in this House.

I will turn now to the Alliance Party's amendment. I have said to Mrs Cochrane before that I agree with her point that we should not be raising revenue to plough into an inefficient system. We are in good company on

that. The current Chancellor, Mr Osborne, said before Christmas:

"I think that politicians should solve the debt problems by delivering services more efficiently - not take the easy way out and dump the problem on families".

I agree with that. It begs this question: why does the Alliance Party continue to call for the introduction of water charges and a huge hike in our rates bill? I think that it was Mr Girvan and Mr McQuillan who made the point that, to get a significant volume of cash coming from the rate system — a 1% increase raises around £5 million, which is not an insignificant amount of money, but, in the grand scheme of the Budget, it is not going to shift the needle significantly — we would need a significant hike over years, which is something that our Ministers have argued for in various meetings, as, indeed, they have argued for an end to concessionary fares. I have said in the House, and I welcome the opportunity to say it again, that I am proud of the fact that we have maintained local household bills in Northern Ireland at the lowest levels in the UK.

I also agree that we need to reform our public sector. I am glad that public-sector reform is now at the top of our agenda. With workforce restructuring, the OECD review and a digitisation in the e-government agenda, which my Department is progressing, I am very pleased that public-sector reform is now something that everybody is talking about.

The Alliance amendment, though, talks of there not being a consistent approach to public-service reform. That is code for the decision by the Executive not to allow the Minister for Employment and Learning to proceed with taking away the premia from St Mary's University College and Stranmillis University College, which is something that the Alliance Party was resoundingly defeated on in this House.

Mrs Cochrane: Will the Minister give way?

Mr Hamilton: No, I will not. I have limited time. Very few actual proposals were made in the debate. Whether they were progressive or otherwise about revenue raising, at least the Alliance is honest about being a high-tax party. In many respects, whilst a lot of the proposals that were put forward would raise revenue, they were messing about around the edges; no substantial economic change would come from them and no substantial revenue —

Mr Lyttle: Will the Minister give way?

Mr Hamilton: No, I am running out of time. I have made it pretty clear that I will not.

The rates cap was mentioned by Sinn Féin, and the point made by Mr Bradley was right in that, while eliminating it may be superficially attractive, that would not deal with those who are asset-rich but income-poor. I have made it clear in the House before to Members from Sinn Féin that we cannot do what they are asking us to do in terms of borrowing from the European Investment Bank (EIB) to invest in infrastructure such as roads, hospitals or schools. That is why I have come up with the novel proposal of an investment fund, which will be at least £1 billion, to leverage in finance from EIB and, hopefully, grow by leveraging in finance from elsewhere.

The SDLP record on revenue-raising proposals is chequered; it famously proposed that we sell an airport that we did not own. At that time, it also proposed that we tax ATMs. The reverse is worth considering. Since introducing a relief on rural ATMs a number of years ago, the number of rural ATMs in Northern Ireland has more than doubled, so having a rate relief has assisted rural communities in particular.

I think that we all agree that we want to boost, grow and improve our economy. Northern Ireland is doing better. Unemployment has fallen for 25 months in a row. Property prices have stabilised and are starting to grow. We have record levels of foreign direct investment, and we have economic growth of around 2%. However, we could do even better, and that is why we, as a party, have supported the devolution of corporation tax powers. The latest research shows that it would create 37,500 net new jobs and that our economy would be 10% larger within 10 years. However, I am mindful at all times of our immature tax base and that our economy is not as strong as Scotland's. Many will look to Scotland and say that, if Scotland is getting it, so should we, but we are not Scotland in economic terms. There is a legacy of the Troubles, as highlighted by Mr Cree, and we have a fiscal deficit of £9.6 billion. Whilst some question the methodology, there is a fiscal deficit and we have to deal with that reality. There is also the issue of volatility in the tax take and sometimes dubious or no benefit in devolving some of those taxes.

In conclusion, I am always content to consider local revenue raising. I have talked about prescription charges. I am also open to looking at a modest increase in tuition fees. We have had modest increases in the regional rate,

although pegged to inflation, over the last number of years. We need to bear in mind the principle that someone always has to pay. I have said that I will review the non-domestic rate system, but that will produce different sets of winners and losers depending on the changes that are made. I think that the Budget review group (BRG) is the platform to take forward further discussion, but, given that no serious proposals worth considering have been made today, it is difficult to support the substantial motion that is before us. On further fiscal powers, I think we have shown a willingness to devolve those where they pass the test of being affordable and having a social and/or economic benefit, and we will continue to pursue an examination of all those through the work flowing from the economic pact that was agreed last year.

I support my party's amendment — surprise, surprise — and oppose the Alliance Party's amendment, which would see substantial increases in household taxes for people in Northern Ireland.

Mr Weir: I support the amendment in my name and that of my colleagues. As the Minister said, we have had quite a wide-ranging debate. At times, I was a little bit taken aback by some of the issues that were raised, which seemed to stretch the elasticity of the debate and go a little bit beyond what is down in black and white. For instance, the proposer spent a reasonable amount of time talking about a living wage, which, while worthy of debate, seems to be a little bit tangential to the wording of the motion.

In the spirit of generosity, I will highlight something that the proposer said, which I think is true. It is a good opportunity. As we look ahead beyond 2016, there will have to be a considerable amount of consideration as to how we take things forward, and, if today is the first salvo in a wider debate on how we can deal with a range of issues, perhaps the width of discussion that we saw in today's debate was not a bad thing in starting to open up a thinking process in that regard.

I very much agree with the Minister that, despite the wide range of issues raised, there was a lack of concrete, plausible suggestions as to how we could move forward on particular revenue-raising proposals.

1.45 pm

A number of Members mentioned that the block grant has been under greater levels of pressure, which I think is a truism. No doubt

we, like other regions of the United Kingdom, are in a tougher financial position, although, as a number of Members, including Mr McCallister, said, despite the pressures that we have been under, we are not in the situation of the Republic of Ireland and certainly not of Greece, which seems, in economic terms, to move from tragedy to farce at a galloping pace. Nevertheless, the existence of these pressures means that we need to give careful consideration to the way forward. We need to be innovative and imaginative as we look forward to the financial position of Northern Ireland while remaining grounded in a sense of realism. The Minister mentioned a range of presumably well-meaning suggestions, which, when examined close up, or, indeed, in the case of the airport that we were to sell, despite the fact that we did not own it, even at a distance, did not stand up.

We are certainly approaching additional revenue raising with an open mind. The key test for fiscal devolution is whether it is beneficial to Northern Ireland and evidence-based, hence our position on corporation tax and the fact that we have kept an open mind — I appreciate that this is a particular interest of the proposer of the motion — on APD. Clearly, the indications on long-haul flights have been accepted, but the balance on shorter-haul flights is more difficult to determine. We do not have a doctrinaire position. We are prepared to look, and the Minister referred to a range of issues whereby there could be some additional benefit, but we do not believe that the solution is to tax, tax and tax again. That is where, in particular, I have a problem with the Alliance amendment.

I certainly agree that, when waste can be cut, it should be cut, but the Alliance amendment is clearly code for a number of its ideas for additional revenue, which, perhaps in the grand scheme of things, may not add a great deal to the public purse but would create a great deal of strain for individuals. I wondered whether Alliance was going to mention water charges; it came towards the end of the speech. For a while, it seemed to be the love that dare not speak its name, but mixed in there with rate rises —

Mr Lyttle: Will the Member give way?

Mr Weir: I have only a few seconds left, much to the chagrin of the Member. It is clear — to be fair, the Alliance Party has been fairly consistent on this — that it wants major levels of taxation through water charges, which would be an additional pressure. The Minister mentioned that every 1% increase in rates

would raise only £5 million, but it would create an environment in which there is much greater pressure. A range of points, which, again, were not gone into in any great detail —

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

Mr Weir: — were made about what were described as inappropriate subsidies. That is not the route that I believe we should be going down. I support amendment No 2.

Mr Lyttle: I welcome the opportunity to discuss budgetary matters and, indeed, to see the Executive and Assembly give a commitment to consider and explore fair, progressive revenue raising. The Alliance amendment supports this commitment, and it also goes further by calling for the Executive not only to explore fair, progressive revenue raising but to get real about the need to tackle the cost of division and waste. I welcome Sinn Féin's realisation, albeit delayed, that the Alliance Party approach to fair, progressive revenue raising in the Budget is one that should be given due consideration. We must emphasise and note — let it be recorded today — that the DUP and the Ulster Unionist Party have rejected the Assembly and the Executive reaffirming their commitment to tackle waste and division in our society. That is the real disgrace today.

The Alliance Party opposed the Budget at the Executive and in the Assembly because of what it believes is the lack of a long-term strategic approach to serious social and economic challenges. The Finance Minister said that the Budget was about tough choices, but he has deferred numerous difficult decisions on many issues. He has chosen to shirk fair revenue-raising consideration and redistribution, which has resulted in a failure adequately to invest in many essential public services that are critical to the health, economic development and environmental well-being of our community.

My colleague Judith Cochrane MLA set out extremely capably the sound budgetary strategy that the Alliance Party would take. It balances reduction, efficiencies and fair revenue raising. She also set out the commitment that the Assembly and Executive need to have to address waste and the cost of division, which is estimated to be in the region of over £1 billion a year. Mrs Cochrane said that the Stormont House Agreement and Together: Building a United Community, which is now almost two years old, set out clear commitments for every Department to audit all its policies to consider how it supports sharing

over separation rather than division and waste. It is interesting that the Finance Minister today chose to dismiss the need to tackle that waste and division; he said that it was a proposal that tinkers around the edge. It is a disgrace to say that tackling the £1 billion cost of division is tinkering around the edge. Indeed, it is a failure of leadership on the part of the Minister and his party not to identify the need to tackle that challenge.

Mrs Cochrane also set out the need for us to approach education in a much more integrated manner. The Minister raised the issue of teacher training in Northern Ireland. We have four teacher training colleges for around 1·8 million people. Some people have referred to the system as one that trains Catholic and Protestant teachers separately, trains too many teachers and sacrifices economic value to fund itself. We need to get real in the Assembly and tackle that undue cost of separation and duplication.

The Alliance Party has set out the need to redirect subsidies that support people who can afford to pay for services rather than helping the most vulnerable. We have also supported other fiscal devolution, such as corporation tax, providing that we make the adequate investment in skills. Of course, there are other policy tools that we can use to achieve those aims.

In closing, it is essential that leadership is shown by the Executive and Assembly through exploring those fair and progressive revenue-raising measures. They need to get real about tackling the cost of division. As Mrs Cochrane said, we are not accountable for our tax take, but we are accountable for our tax waste. I fear that, in the DUP and the Finance Minister, we are seeing a party of high tax waste. It is essential that we, as an Assembly and Executive, move to address that and to ensure that we invest in our public services and support our private sector so that it has the platform it needs —

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

Mr Lyttle: — to make Northern Ireland the best regional economy in Europe.

Mr Speaker: As Question Time begins at 2.00 pm, I suggest that the House take its ease until then. The debate will continue after Question Time, when the next Member to speak will be Máirtín Ó Muilleoir.

The debate stood suspended.

(Mr Principal Deputy Speaker [Mr Newton] in the Chair)

2.00 pm

Oral Answers to Questions

Regional Development

Translink: Chief Executive

1. **Mrs McKeivitt** asked the Minister for Regional Development when he intends to begin the recruitment process for a new chief executive of Translink. (AQO 7618/11-15)

Mr Kennedy (The Minister for Regional Development): I have been very impressed by the dedication and enthusiasm that David Strahan brought to the post of chief executive of Translink. I respect fully his decision to leave to take a new direction in his life. I am pleased that he will remain as chief executive until the end of September, beyond his contractual commitments, to allow time for a new appointment to be made. I wish him well for the future.

The recruitment process for the new Translink chief executive is a matter for the Translink board. I expect it to take that forward as a matter of urgency. I will expect also to be kept fully informed. Under the Transport Act (Northern Ireland) 1967, I am expected to endorse any appointment by allowing a new CEO to become a member of the Translink board.

I am confident that Translink will continue to be led effectively during a period of significant budgetary pressure.

Mrs McKeivitt: On this occasion, is it the Minister's intention to ensure that the successful candidate is legally committed to staying with the company for a reasonable period?

Mr Kennedy: I thank the Member for her question. The decision by the current chief executive, Mr Strahan, was highly personal, which I completely respect. As I indicated, the appointment process is a matter to be handled by the board, and I outlined my involvement in it.

I hope that we can look forward to a degree of stability for Translink because there are challenging financial issues to be addressed. It is important not only that the appointment is

made at the earliest possible time but that we get some stability for the future.

Mr Lynch: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Does the Minister envisage additional remuneration to attract a qualified and suitable person for the post?

Mr Kennedy: I thank the Member for his question. It is hard to speculate on that, particularly for me. It would probably be unwise for me to speculate on that given that it is a matter for the Translink board. I would expect it to be within the agreed parameters of the most recent recruitment process and, therefore, similar to the current chief executive's salary. Of course, that would have to be negotiated.

Mr Spratt: I, too, wish David Strahan well in his new calling. Will the Minister ensure that, when a new chief executive is appointed, he will continue with the drive of change within the hierarchy of Translink that David Strahan started, and that that change will not be obstructed in any way by the present board?

Mr Kennedy: I am grateful to the Member for his supplementary question. I am sure that he will accept that he may have said "he or she", whoever the new chief executive may be, would drive forward the necessary changes. David Strahan was addressing a great many of those issues in a highly professional way. I expect and want to see the continuation of that so that the changes that are necessary will be carried forward to the benefit of not only Translink but the travelling public.

Mr Elliott: I thank the Minister for that update. Will being without a chief executive officer for a period of time affect any of Translink's projects, such as the Londonderry rail phase 2 and the Londonderry transport hub?

Mr Kennedy: I am grateful to the Member for his question. He raises a couple of important projects, the carrying forward of which is important regardless of the process of appointing a new chief executive. The procurement process for the signalling works is well under way. It is hoped that a contract can then be awarded to allow the signalling work to start on site around the end of May 2015.

Officials in my Department are preparing an application for European funding to support the delivery of the Coleraine to Londonderry rail upgrade project. The application is due for submission to the European Commission by 26 February, and the final date with regard to

funding approval is expected approximately six months thereafter.

The Member also asked for an update on the proposed new station and transport hub in Londonderry — sorry, it was not the Londonderry hub, it was the Belfast hub. Officials in my Department, together with officials from Scotland and the Republic of Ireland, engaged extensively with the Special EU Programmes Body (SEUPB) to successfully secure the inclusion of a sustainable transport thematic objective in the INTERREG VA territorial cooperation programme for 2014-2020. The programme is in the latter stages of securing formal European Commission approval, and the SEUPB has indicated that it will be opening the first calls for applications this year following completion of the approvals process. Officials in my Department intend to submit an application for funding in relation to the Waterside multimodal hub project in this or subsequent calls.

A6: Dungiven Bypass

2. **Mr Dallat** asked the Minister for Regional Development for an update on the upgrade of the A6, including the bypass at Dungiven. (AQO 7619/11-15)

Mr Kennedy: There are proposals to dual two sections of the A6, from Randalstown to Castledawson and from Londonderry to Dungiven. The Randalstown to Castledawson scheme is being advanced to a shovel-ready stage to facilitate commencement of construction — I do not know why they put words like that in, but anyway — at short notice, should the necessary funding become available. I am pleased to be able to confirm that the process to select a contractor commenced on 7 January 2015.

The A6 Londonderry to Dungiven scheme, which includes a bypass of Dungiven, is well advanced in its development. A public inquiry was held in 2012, and the inspector produced a report containing several recommendations. One of those was to examine a suggested alternative route for the Dungiven bypass. That was put forward by a third party on the final day of the public inquiry, and we are, therefore, quality assuring the route. That work is nearing completion, and when I am satisfied that all the issues have been appropriately reviewed, I will issue a departmental statement.

Mr Dallat: Mr Principal Deputy Speaker, with your permission and I am sure that of the entire House, I offer my deepest sympathy to the

family of the child who lost her young life on the A6 yesterday and extend our good wishes to her older sister, who is fighting for her life in a Belfast hospital.

The Minister inherited this legacy, so we do not blame him for all of it. When will he be able to state the day and the hour when Dungiven will have a bypass and the north-west will be able to link with the rest of the world in transport terms?

Mr Kennedy: I am grateful for the supplementary. Let me add my sympathies to the family of the road fatality on the A6 and all the friends and family of those involved.

The Member heard in my answer my determined efforts to continue advancing the A6 scheme. That means not just the Castledawson section but the Dungiven bypass element. Of course, we are seeking to bring it to a shovel-ready stage, and we will continue to do that. We are optimistic that that can be done, and then it will be down to finance. Of course, it is an important and long-awaited scheme. I know that there is considerable community support and, indeed, widespread political support for it. I look forward to getting that political support when it comes to the Executive allocating the necessary finance to allow me to proceed with it.

Mr Campbell: I also join in the condolences to the family affected. Hopefully, the Minister will be able to respond to the written question I tabled today regarding the Glenshane Pass. In covering it over 30 years, I have never experienced delays like those that thousands of motorists faced this morning, even though we have had much worse weather in the past.

Will the Minister be able to give us an indication within the next two months of whether the alternative route that he is considering is a viable runner, or are we back to plan A?

Mr Kennedy: I am grateful to the Member, and I will await with interest his Assembly question on problems on the Glenshane Pass this morning. My sympathy goes to anyone affected by any such problems.

I also take the opportunity to say something about the winter services that my Department provides from the early onset of winter in October right through until March or April. They are a very dedicated bunch of staff who at all times attempt to alleviate journey difficulties. I pay tribute to them, because it is they who drive the gritters, man the salt barns and seek to give

assistance in very poor conditions, particularly in the wee small hours of the morning.

The Minister — sorry, the Member; the former Minister — asked about timescale. We are seeking to work through the resulting issues that were presented to us in the final stages of the public inquiry. We will seek to give our view on all those when the appropriate advice has been provided. I hope that that will be within weeks, rather than months, but we will work through those as quickly as we can.

Mr Ó hOisín: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. I also extend my sympathies to the family of the young girl killed on the A6, the latest of many scores of deaths on that road. Like Mr Campbell and others from Derry, I spent an hour on the Dungiven to Maghera section this morning and met one small snowplough, despite the fact that there was an orange snow warning yesterday evening.

The public inquiry finished in October 2012, and we are now sitting in February, almost March, of 2015. When, in real terms, can we expect the announcement on that inquiry and the results thereof?

Mr Kennedy: I am grateful to the Member for his supplementary question. Obviously, he too experienced some delays this morning. Let me say absolutely that Transport NI and the other agencies were all out on the ground seeking to alleviate conditions. As the Member well knows, conditions can change in a matter of moments or minutes. They can change in a very short period of time indeed. I thank all my staff who dedicate themselves to trying to ease journeys for everyone all over Northern Ireland.

I get a sense of the frustration in the Member's question, but all those issues have to be properly explored.

They were presented at a very late stage of the public inquiry. However, it is important that they be properly assessed because experience, even in other schemes, has shown that attempts to circumvent or shorten procedures can bring their own problems and lead to further delays. We want to avoid that. We will continue to work through these issues and report back at the earliest possible time.

2.15 pm

Mr Kinahan: We have heard media reports about a potential top-up compensation scheme for landowners affected by vesting. With

Randalstown and Toome both being in my patch, will the Minister provide an update on these plans and on whether we are going to bring Northern Ireland into line with GB?

Mr Kennedy: I am grateful to the Member for his supplementary question and, indeed, for his abiding interest in his South Antrim constituency, which I am sure will prove beneficial as we move forward into the year.

I can confirm that I have brought proposals to the Executive to ensure that landowners, whether farmers, business owners or private landowners, are properly compensated when government steps in to vest their land. This proposal is in line with the current position in GB. I am demanding not that any change slavishly follow the detail of the GB position but that it makes our approach equally fair. It will not have a significant uplift in cost against the overall costs of any given road project but will, in my view, leave landowners feeling more valued. For me, this is an issue about fairness. I am working hard to secure Executive support for my proposals so that we can bring legislation to the Floor for debate.

Concessionary Fares: Belfast

3. **Mr Sheehan** asked the Minister for Regional Development for an update on the provision of concessionary fares by all public transport providers in Belfast. (AQO 7620/11-15)

Mr Kennedy: I support fully the Northern Ireland concessionary fares scheme. Since taking office, I have ensured that the funding required for the scheme is to the fore of my Executive colleagues' minds when budget allocations have been considered.

There are two bus operators based in Belfast that provide concessionary fares on behalf of the Department, namely Metro Translink and the Belfast Bus Company. There is also a small element of concessionary travel provided by Northern Ireland Railways for journeys that begin and end in Belfast. There are other bus operators based outside Belfast that have services to the city that provide concessionary fares. Of the approximately 35 million concessionary fare journeys last year, we estimate that those in Belfast account for approximately 7 million. In the Belfast area, the cost of concessions in 2013-14 is estimated at just over £11 million out of a total spend of over £40 million. That figure does not take account of journeys into and out of Belfast.

Historically, the concessionary fares scheme has been underfunded, and my Department had to secure additional funds during this financial year to cover the cost of it. I appreciate and welcome the fact that extra resource of £9.5 million has been allocated for concessionary fares in 2015-16. However, that was based on existing passenger numbers and fares. If there is a growth in passenger numbers, as current trends indicate, there is likely to be pressure on the budget, and, as such, it is likely that my Department will have to bid for additional budget if the Executive wish the scheme to expand. Entry into the scheme of new operators, whether in or outside Belfast, will increase this financial pressure.

Given that the scheme attracts support from all sections of the community and across all parties, I encourage all Members to show their support for it by canvassing their colleagues in the Executive to ensure that appropriate funding is allocated to my Department to cover all existing and future commitments with the concessionary fares scheme in place.

Mr Principal Deputy Speaker: Before I call Mr Sheehan, I remind the Minister of the two-minute rule.

Mr Sheehan: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Gabhaim buíochas leis an Aire as ucht a fhreagra. I thank the Minister for his answer. Can he tell us whether he has met the Belfast Taxis Community Interest Company to discuss concessionary fares in the taxis that it operates?

Mr Kennedy: I am grateful to the Member for his supplementary question. I am certainly aware that, over the past number of years, representatives from the West Belfast Taxi Association have met officials to discuss the concessionary fares scheme. The last such meeting was over a year ago, in February 2014. There have been discussions in relation to an appropriate ticketing system that could be used and other such issues. I also have to say to the Member — he will probably know — that the audit requirements for the concessionary fares scheme are fairly explicit and would have to be adhered to. Since then, there have been no further discussions with the organisation. However, I understand that a recent request has been received. Officials will pursue that.

Mr Beggs: The concessionary fares scheme provides the means by which a single pass can enable someone to travel by bus or rail. That is a form of integrated ticketing, and the Minister has mentioned that. Will he give us an update

on his plans for integrated ticketing for public-sector transport — bus and rail?

Mr Kennedy: I am grateful to the Member for his interest and his question. Translink is finalising an economic appraisal to examine the costs and benefits of various replacement options for a new ticketing system. The Department will require that any new ticketing system is compatible with the Belfast rapid transit project and offers the best possible value for money for passengers and the Department. The new system will be designed so that it can also be used by other public transport operators. When the economic appraisal has been finalised, it will need approval from my Department and the Department of Finance and Personnel. The concessionary fares scheme will apply to the Belfast rapid transit scheme as it does to other public transport services in Northern Ireland.

Mr Lyttle: I welcome the work that the Minister has done to maintain concessionary fares. I take the opportunity to put it on record that, despite the best efforts of the DUP to suggest otherwise, the Alliance Party has at no time proposed the withdrawal of free public travel for older people. I ask the Minister whether any assessment has been undertaken on what percentage of free public transport is used by people in employment.

Mr Kennedy: The Member has raised an issue that has garnered some debate at particular times. There is an anomaly within the system that, technically, allows a percentage of users of the concessionary scheme to benefit by travelling to work.

I am not minded to amend the scheme at present. I am satisfied that that issue only affects a reasonably small minority of users, and any such attempt to tamper with the scheme would give the wrong impression. I am a very strong believer in the concessionary fares scheme. It has created great opportunities for people to get out and about, to travel and to use it for social reasons, as well as bringing retail benefits to local towns, Belfast and other cities. The perception might be to tinker with it because of one perceived flaw, but that would be the wrong message to send out. I believe in concessionary fares, and I will defend, support and argue for that at all times.

Public Transport: Passengers

4. **Mr Hussey** asked the Minister for Regional Development for his assessment of recent

growth in passenger numbers on public transport. (AQO 7621/11-15)

Mr Kennedy: I am pleased to provide some positive feedback on public transport usage in Northern Ireland and report that passenger numbers are increasing year on year. In the 2011-12 financial year, the number of passenger journeys was over 77 million, and, in the current financial year, Translink is on target to achieve 80.5 million passenger journeys, an increase of over 4.5%. That growth is most significant on the railways but, in overall terms, compares very well with trends in other parts of the UK and the Republic of Ireland. That success reflects my Department's investment in modernising the bus fleet and the introduction of new trains. In conjunction with Translink, I have sought to improve passenger facilities and infrastructure, provided more park-and-ride opportunities to encourage car users to access public transport for at least part of their journey and, where possible, introduced road priority measures for buses to speed up services that would otherwise be held up by traffic congestion.

Mr Hussey: I thank the Minister for his response so far. Given the clear growth in public transport usage that has been overseen by him, will he undertake not to sanction any Translink proposals to reduce the frequency of local bus services without public consultation on them? Will he take cognisance of the outcome of any consultation?

Mr Kennedy: I am grateful to the Member for his supplementary question; he raises a very important point. In the context of where we are with budgets etc, it is important to set out my position. I take the view that any change in frequency to public transport services is of such importance that it should be and must be consulted on publicly. In particular, the views of passengers must be properly taken into account. I make clear my expectation that such an exercise will be undertaken with any proposals. Of course, any decisions taken after consultation would have to take full account of and give proper weight to responses received to the consultation process. I am proud of the progress that we have made on public transport over the past few years and am determined that, in spite of an incredibly challenging financial position, the progress we have made is not put in reverse in any way.

Mr G Robinson: Does the Minister agree that free travel for the over-60s and the partial upgrade of our rail network has contributed to the growth of numbers on public transport?

Mr Kennedy: I am very pleased to agree with the Member; I take that as a compliment to my handling of the Department. *[Laughter.]* I know that the Oscars were on last night. We did not get nominated.

The Member raises an important point. Work on that is one of the few things for which people give genuine credit to the Executive and to the Department in particular. As Minister, I am very pleased that public transport continues to expand. Into the future, I want that to continue and to be built on. That is why I say to the Member that I urge him to use his considerable influence, particularly with the Finance Minister and his party Executive colleagues, to ensure that the Department is properly funded for concessionary fares and the running of public transport.

Mr McGlone: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Leading on from that point, what analysis will the Department or the Minister do on the effects that the recent fare increases announced by Translink will have on keeping people in their cars rather than encouraging them to use the public transport system?

Mr Kennedy: I am grateful to the Member for his supplementary question. Although fare increases are unwelcome at any stage, I assure the Member that they have been kept to a minimum. It remains the case that Translink fares compare favourably with those in the rest of the United Kingdom and the Republic of Ireland. Since 2011, fare increases in GB have been more than two to three times higher than those in Northern Ireland. Fare increases here have been about half the rate of inflation during my term as Minister. In that time, passengers have seen a cut in fares in real terms. That has benefited passengers and helped to ensure that passenger numbers increased to over 80 million last year. I had been able to maintain a freeze on fares since mid-2013, but, in the light of the current budgetary situation and the cuts in the Translink budget this year and next year, a fare increase was required, but I very much hope that the current growth can continue.

Mr Principal Deputy Speaker: Order. That ends the period for listed questions. We move on to 15 minutes of topical questions.

2.30 pm

Londonderry Rail Fiasco

T1. **Mr Spratt** asked the Minister for Regional Development what he has done to initiate an

inquiry into how his departmental officials and Translink have handled the Londonderry rail fiasco, given the original cost of some £22 million, which we were told would not increase, and to confirm that three of the four firms that have tendered for the new process have pulled out. (AQT 2141/11-15)

Mr Kennedy: I am grateful to the Member for his question. Of course, when he was Chair of the Regional Development Committee, he had much more hands-on involvement with the issue. He may know that I have had discussions with the Regional Development Committee. Yes, there was a setback, in that the original estimate was clearly incorrect. That has been addressed. I took steps to instigate what is called a power review, and we have accepted its recommendations. The work of the power committee, which was independent completely of Translink and the Department, has sought to make changes to future contracts. We are very clear that there are lessons to be learned, and I am content that progress is being made. Lessons have also been learned in the Department and Translink, and I am considering the outcome of those reports.

As I outlined in answer to a question from Mr Elliott, we continue to make progress on the contract and the project, and I very much hope that that will continue so that we can successfully bring the project to a conclusion that will satisfy everyone.

Mr Spratt: The Minister described the issue as a setback — a setback of £20 million to the public purse. Given the cosy relationship between Translink and officials in the Department, which is, I think, quite well established now, will the Minister ensure that heads will roll as a result? If he is not prepared to sack folks in his Department or Translink, will he consider his position?

Mr Kennedy: I am grateful to the Member. I am sorry that it is not possible to nominate anyone for an Oscar so soon after the event. The Member well knows that I have expressed my displeasure to Translink at the sequence of events that led to this. However, we are moving forward on the scheme, not least through the actions that I have taken. I have made it clear that there will be no hiding place for anyone as far as learning lessons is concerned. I am particularly interested in moving forward to see the project successfully completed. That is the task that I have set myself, and I believe that that is what people in

the area and in the north-west region want. We can do the redding up later.

Mr Principal Deputy Speaker: Question 2 has been withdrawn within the permitted time frame.

Craigantlet Roads Project

T3. **Mr Cree** asked the Minister for Regional Development for an update on the Craigantlet roads project. (AQT 2143/11-15)

Mr Kennedy: I thank the Member for his question and for his interest in the scheme. As the Member will be aware, my Department proposes to implement a scheme to improve the road infrastructure at Craigantlet. Three options put forward for public consultation early last year generated much discussion on which should be taken forward. Having considered all the relevant information available, we decided on a single roundabout with a new link road as the preferred option. However, that scheme could have an impact on the local environment, and I can therefore confirm that my officials are continuing to discuss it, and in particular the potential impact on the local environment, with colleagues from the Department of the Environment and Planning NI. Once that process has been concluded, an announcement will be made on the most appropriate way forward.

Mr Cree: I thank the Minister for that. Can he give us a likely timescale, bearing in mind that the project has been going for some time? Are there any particular safety factors that may need to be considered?

Mr Kennedy: I am not in a position to specify a timeline, because working with other Departments has to be taken into consideration. The Member will know that work is being undertaken close to the area involved at Craigantlet. My Department is implementing a collision remedial scheme for the existing road layout. That will comprise high-friction surfacing and additional signs. The new surfacing has already been laid, and the signs should be erected within the next four weeks, but that work has not been undertaken to delay or detract from the main scheme in any way.

Mr Principal Deputy Speaker: Question 4 was withdrawn within the permitted time frame, and Mr Alastair Ross is not in his seat to ask question 5.

Mobuoy Road: Vesting Order

T6. **Mr Agnew** asked the Minister for Regional Development, in light of the many questions that he has received from me about the possibility of vesting land at Mobuoy Road, which has been contaminated by illegal landfill, and given that, in one answer, he referred to a cost-effective engineering solution to dealing with the contaminated waste, what the cost of that cost-effective solution would be and how effective it would be. (AQT 2146/11-15)

Mr Kennedy: I am grateful to the Member for his interest, which clearly extends beyond north Down to Dungiven and other parts.

I can update him as follows: I have not yet confirmed any of the statutory orders for the Londonderry to Dungiven dual carriageway. If, in due course, I confirm the direction or order to complete planning for the scheme, the vesting order will continue to remain in draft form until funding has been confirmed. The draft vesting order, as presented at the public inquiry into the scheme, has not been amended at Mobuoy. It has not been necessary for my Department to undertake any additional assessment work at Mobuoy, as the environmental considerations into the chosen road alignment took into account existing conditions known at the time. The environmental statement is still appropriate and relevant, and it clearly deals with any discovery of potentially contaminated land and outlines appropriate actions that should be taken. The land being vested at that location, which forms part of the illegal landfill site, is still required for flood compensation measures. Additional environmental assessments have been undertaken by the Northern Ireland Environment Agency, and that information has been used to inform potential solutions to the contamination that may be required should remediation still be necessary.

Should the contamination issue remain unresolved when the road is being built, I am content that cost-effective measures can be deployed to remedy the undesirable effects of the buried waste.

Mr Agnew: I thank the Minister for his answer. I assure him that, when my interest takes me outside north Down, I try to use public transport where possible, as I am sure that he knows.

I want to ask about the possible cost-effective solution. Will that require the Minister to engage with Europe to ensure that any such solution does not result in EU infraction proceedings?

Mr Kennedy: I never doubted that the Member would use public transport for his other journeys. I encourage him to do so increasingly. Let me say to him that, if further measures have to be considered, we will take the advice of other Departments or agencies. Whether or not it would be necessary to include Europe at that stage, we will certainly be mindful, I think, of any potential proceedings that could be taken that we would be open to or liable for. I think that it will be sensible to collaborate with other agencies and Departments as necessary.

Twaddell Avenue: Parking/Pedestrian Access

T7. **Mr Humphrey** asked the Minister for Regional Development for an update on the consultation on parking for the residents of the Twaddell Avenue area and pedestrian access on each side of the road, which was discussed when he visited Twaddell Avenue a number of months ago. (AQT 2147/11-15)

Mr Kennedy: I am grateful to the Member. I well remember the visit. My officials sent a preliminary design drawing detailing a proposed alternative traffic calming scheme along Twaddell Avenue to you in October 2014. The Member is shaking his head to indicate that he has not received that. An accompanying letter also detailed the advantages and disadvantages of the proposals and asked that you would undertake to discuss this with the local residents' association and any other interested parties in the locality and provide a response. To date, my officials have no record of receiving a response, either from you or further representations, so I will be interested in your supplementary.

Mr Humphrey: I appreciate that. Obviously, there has been no follow up from me because I did not get the letter or the drawings. I do not know what happened there, but perhaps, if the officials could forward those on, I will be happy to respond. Very clearly, the people who live there and pedestrians need to have this issue addressed. The Minister has seen at first hand that, very clearly, there is a problem. We are keen to have that problem addressed and alleviated as soon as possible, so I welcome that and the Minister's interest in it.

Mr Kennedy: I thank the Member for his supplementary question, and I will endeavour to ensure that he is in early receipt of the necessary details. Hopefully, progress can be made.

Mr Principal Deputy Speaker: Mr Dominic Bradley is not in his place for question 8, and Mr Sammy Wilson is not in his place for question 9.

Millennium Way, Lurgan: Extension

T10. **Mr Moutray** asked the Minister for Regional Development for an update on the proposed extension to Millennium Way, Lurgan. (AQT 2150/11-15)

Mr Kennedy: I am grateful to the Member for his question. I am so sorry that other Members are not in their place for me to be able to respond to them. The Member will know that this is a scheme that has been on the go for a very long time. The planning permission for the scheme was granted on 24 March 2014. The notice of intention to make a vesting order for the scheme was published during the weeks ending 7 November and 14 November, with the closure date for receipt of objections being 16 December 2014. Two objections were received, and Transport NI officials met both objectors in January to discuss the content of the objections. Follow-up letters, summarising the content of the meetings, were sent to each objector. Each letter included a request from them to confirm whether they intended to withdraw their objections.

Mr Moutray: I thank the Minister for the update. This indeed has been a long and protracted issue. This is a relatively small scheme, Minister. Will you go down in history, Minister, as the Minister who delivered nothing for Lurgan or will you go down as the Minister who delivered Lurgan's own Kennedy Way? The choice is yours, Minister, and I would like an answer.

Mr Kennedy: Thank you very much indeed. I am not sure about Kennedy Way; that may have been done somewhere else. I view it as a debt of honour to people like the late Harold McCusker, Sam Gardiner MLA, who is party colleague of Jo-Anne Dobson MLA, and other local representatives who have consistently lobbied for this important scheme. I recently had the opportunity to travel in the Lurgan area, and I need no persuasion about the benefits that this scheme would bring to Lurgan.

I think that the Member will find that when things are being delivered to Lurgan, it will be the Ulster Unionist Party that will best deliver them.

2.45 pm

Social Development

Mr Principal Deputy Speaker: Questions 2, 5, 9 and 10 have been withdrawn.

Homelessness

1. **Mr McCartney** asked the Minister for Social Development how he plans to help protect people who lose their homes as a result of the ongoing financial crisis. (AQO 7632/11-15)

Mr Storey (The Minister for Social Development): The final report of the housing repossession task force was published on 12 February and outlines a range of recommendations on how existing systems of support can be improved and how people in difficulty can be encouraged to come forward for help earlier. This is an incredibly important area of work, and I am considering how the task force recommendations can be used to make a positive impact for many households affected by this very serious issue.

I plan to publish a formal response to the report shortly, but there are a number of proactive recommendations that I am keen to support. They include continued funding of support for mortgage interest, which assists homeowners on certain benefits with mortgage interest payments, allowing them to remain in their own homes; timely assistance from the Northern Ireland Housing Executive, including a homelessness assessment for vulnerable households; and increasing the availability of voluntary exit schemes such as assisted voluntary sales.

Across the United Kingdom, there are signs that the situation is improving, with the number of mortgage approvals increasing and the number of mortgages in arrears decreasing. The task force recommendations aim to improve the situation in Northern Ireland further and help gather the numbers of households that engage proactively with their lenders at an earlier stage.

Mr McCartney: Go raibh maith agat, a Phríomh LeasCheann Comhairle. Gabhaim buíochas leis an Aire as an fhreagra sin. I thank the Minister for that answer and for the information he has supplied. I know that he has dealt with a number of issues, but is there a contingency if there is an increase in the interest rate? Will the plan be rigorous enough to offset that as well?

Mr Storey: Given the nature of this issue, we cannot just allow it to be set in a number of

recommendations in a document that does not have the flexibility to be able to respond to what may be the changing circumstances as a result of an issue he mentioned regarding a rise in interest. This is something that we need to keep under review. I assure the Member that the issue in regard to how we would respond will be given consideration so that we are left as flexible as possible. No one should underestimate the seriousness of the situation for families affected by this matter. It is something that has been highlighted by the task force and it is something that we need to keep constantly under review so that we have every eventuality covered to be as proactive as possible given the challenges we face.

Ms P Bradley: I thank the Member for tabling the question. Recently, the Committee for Social Development had a briefing from the task force, and it highlighted, as you have, that early intervention is one of the key priorities that needs to be addressed. What is your Department doing to encourage homeowners in distress to seek advice early?

Mr Storey: This is an issue, as it is in most of these cases, where relevant, appropriate information at the right time could be of great benefit and help. My Department is working with the behavioural insights team, which is known as the nudge unit, which is appropriate, to examine how behavioural economics can provide an innovative stimulus to borrower engagement. My Department will soon implement the recommendations, as we discussed in the original question, of the housing repossession task force, which includes the establishment of one of the recommendations in regard to a mortgage options hub for the delivery of specialist mortgage debt advice at an early stage and the harmonisation of debt advice services.

I think that, if that is implemented, it will encourage people to come forward a lot earlier in the process when the indications are pointing to a serious situation developing. I trust that, as a result, we could and should avert some of the more disastrous outcomes that come about as a result of the repossession of one's home.

Mrs Overend: Can the Minister outline why he has not brought in a mortgage relief scheme such as the mortgage to shared equity scheme, which is in place in Scotland?

Mr Storey: We can look at what has happened in other jurisdictions, but we always need to ensure that we have put in place the right and appropriate mechanisms to deal with issues in

Northern Ireland. We could be asked why we are not implementing the mortgage rescue scheme immediately. Mortgage rescue is a complex policy, with a range of stakeholders needed to deliver a successful scheme. The key lesson from the English experience is that, to achieve value for money, the policy development phase cannot be rushed. To ensure that we secure buy-in from all the key sectors and to determine whether the scheme, if viable, will deliver value for money, we have asked the Northern Ireland Federation of Housing Associations to complete a feasibility study.

I never take the view that there is nothing that we can learn from other schemes, but I always take the view that we must ensure that the schemes that we introduce in Northern Ireland are bespoke and address the specific needs and problems in Northern Ireland. That is one of the reasons why we will not rule anything out but will be cautious about what we implement over the next number of years.

Mr McGlone: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Thanks very much, Mr Principal Deputy Speaker. Agus mo bhuíochas leis an Aire chomh maith. I thank the Minister too. I heard the Minister refer to the fact that some support with payments may be introduced for people who are on benefits. Will the Minister accept that there is an intervening gap between somebody going on benefits to their getting their actual mortgage interest pay? Will he also accept that there are consequential in the payment of mortgages for the lace-curtain poor, which is those people who are not on benefits but who are on very low income and therefore fall into the debt trap?

Mr Storey: The Member raises a valid point on that. There are households where there is an issue with negative equity. The lenders are acknowledging that house-price inflation alone will not alleviate the drag of negative equity on market mobility, and, consequently, we can increasingly expect products for customers in negative equity, such as mortgage porting, to become available. That also points to the responsibility on the banks and lenders to ensure that the products that they provide are for not only those who are in receipt of benefits but working families that have pressures and problems, that struggle in many of those circumstances and that sometimes find it difficult to find a friend in the system who can be of assistance to them.

Mr Principal Deputy Speaker: Mr Chris Hazzard is not in his place for question 3.

Lanyon Tunnels/Sandy Row

4. **Mr Ó Muilleoir** asked the Minister for Social Development for his assessment of the benefits the Lanyon tunnels development and the Sandy Row community enterprise hub will bring to their local communities. (AQO 7635/11-15)

Mr Storey: The Lanyon tunnels has been identified as a regeneration project that has the potential to provide commercial and regeneration activity in the Markets area of Belfast. Working in conjunction with the private-sector-led regeneration of the Stewart Street lands, the project also offers the Markets area community the benefit of greater connectivity to the city centre. An application to the social investment fund has been made to OFMDFM and is being assessed. Belfast City Council carried out a contamination study on the site in November 2014, and its findings are being analysed.

The south Belfast social enterprise hub contract was awarded in May 2014 to the consortium of Belfast South Community Resources, CM Marketing and Community Training Research Services. A hub manager and a team of associates provide support such as mentoring, training and ideas generation to new and existing social enterprises to develop new business ideas. The hub also provides free facilities for hot-desking and test trading to new social enterprises. The retail unit available for test trading as part of the hub at 86 Sandy Row opened on a test-trading basis on 3 November, with Made in Belfast with Love, a social enterprise craft collective, being the first to occupy the space.

To December 30 2014, 131 individuals and groups have engaged with the south Belfast hub on Sandy Row to consider options for starting up new social enterprises in that area. That activity will bring significant value to the area in skills development, community group development and potential new business starts, with associated job creation.

Mr Ó Muilleoir: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Thank you, Mr Principal Deputy Speaker, and thanks also to the Minister for his comprehensive answer. This is not all in your bailiwick, and I appreciate your work on both projects. As they reach the finishing line — they are very close to getting full grant aid — will the Minister pledge his continuing support for the projects, in Sandy Row, which I visited, and the Lanyon tunnels in the Markets, on their journey towards full funding?

Mr Storey: I thank the Member for his supplementary. This is the challenge set by many of these projects. When you get something up and running and have an end goal in sight, it would be very disappointing for all those involved if we were not able to see it brought to fruition. I mentioned the contamination survey that has been carried out, as we all need to be cognisant of it. I want to ensure that, as the information is brought to the fore, it does not become a reason for not reaching the finishing line and realising the project, which I believe could have huge significance, as I outlined in my original answer, through linking another part of the city with the city centre and giving opportunity to a community that may feel disconnected from the rest of the city because of the road layout. Nothing could be further from the truth. A project on-site like this can dispel that, and I will certainly give the assurance that my Department and I will continue to do what we can to bring this over the line.

Mr Spratt: I thank the Minister for his answers so far, his interest in south Belfast and his recent visit to Sandy Row. What is the Minister's assessment of the success to date of the enterprise hubs in all areas?

Mr Storey: I thank the Member. I also thank him for his continued work in representing South Belfast and for the issues that he has already brought to my attention. Social enterprise hubs are not specific to south Belfast; they cover a wide range of locations. It would be right to say that it is almost too early at this stage to state whether the pilot phase has been successful. However, early indications continue to be positive. The initial task of securing and fitting out premises for the hubs has been completed in all areas, and stakeholder and client feedback on the quality of the facilities has been universally positive. The enterprise activity is now ramping up across the hubs, and I am optimistic that we will see an increase in social enterprise start-ups and the socio-economic benefits as a result of this pilot phase.

Looking at other locations, what we can say about this approach is that it has been the catalyst for others. I made reference to one business that has now started up as a result of the south Belfast hub, and it is when more of that takes place that we generate in the community and the wider area that entrepreneurial spirit and determination to ensure that economic regeneration is in the hands of the community, as well as in the hands of larger organisations.

3.00 pm

Mr McKinney: I thank the Minister. How can the generation proposals take account of best practice in building a shared future? Is that one of the defined objectives?

Mr Storey: I thank the Member for his question. All that we do in the Assembly should be about trying to ensure that we continue to recognise that, while we still have many differences as a society, we can do many things in a shared way to the benefit of all communities. We always run the risk in Northern Ireland of believing that, somehow, it is about only two communities and that "shared" is about only two communities. Northern Ireland is becoming very diverse, with many varying interests and elements of community right across the country. We need to ensure that, whatever we do in regard to this project or any others, we take into consideration the community and communities that we are working with and in. We need to recognise that, sometimes, there will be sensitivities that we have to recognise, but that should not deflect us from the overall objective of the scheme, which is to enhance communities generally. By doing that, we all benefit.

Affordable Warmth Scheme

6. **Mr D Bradley** asked the Minister for Social Development for an update on the affordable warmth scheme. (AQO 7637/11-15)

11. **Mr Kinahan** asked the Minister for Social Development for an update on the affordable warmth scheme. (AQO 7642/11-15)

Mr Storey: I thank the Member for his question. With the Principal Deputy Speaker's permission, I will answer questions 6 and 11 together, as both are in reference to the affordable warmth scheme.

Following two successful pilots in 2012 and 2013, my Department introduced the new affordable warmth scheme on 14 September 2014. The warm homes scheme will end on 31 March 2015, and, from 1 April, it will be replaced by the affordable warmth scheme as the Department's primary tool to address fuel poverty. The scheme is a new area-based approach that will find and assist households in severe or extreme fuel poverty by using a targeting tool that has been developed by Ulster University and successfully tested in the pilots. It differs significantly from the warm homes scheme, targeting specific low-income households that are likely to be subject to fuel poverty. Over 33,000 households in Northern

Ireland are in severe or extreme fuel poverty; that is, they need to spend more than a quarter of their household income on energy costs. Those are the households that the affordable warmth scheme will find and help as a priority. All the energy efficiency measures available under the warm homes scheme will be retained under the affordable warmth scheme, with some new measures added.

The scheme is administered in partnership with local councils and the Housing Executive. It gives householders control over their choice of installer and when they get the work carried out. All local councils across Northern Ireland are targeting households identified as being most at risk of fuel poverty. The areas identified as being most in need of energy efficiency measures will be contacted first. To qualify for the scheme, the householder's gross annual household income must be less than £20,000. Householders will be free to choose a provider to install the approved measures. All work completed will be subject to inspection by building control officers.

Mr D Bradley: I apologise to you, Mr Principal Deputy Speaker, for being absent during the previous Question Time when you called me.

I ask the Minister how the scheme will be monitored and reviewed.

Mr Storey: There will be an ongoing process of monitoring and evaluation. Obviously, when we come to the end of the scheme, as has been the case with the previous scheme, there will be an evaluation. Over recent days, representations have been made to us by the Member's colleague Mrs Kelly in relation to the practical outworkings of the scheme. I had a meeting just last week with a charitable organisation that expressed concerns about how the scheme was being rolled out. Since that meeting, we have reinforced with councils the importance of making sure that people are aware of the scheme and of the criteria to access it. An evaluation is ongoing, and it is relevant and pertinent to the 33,000 households in Northern Ireland that want a better outcome in addressing fuel poverty.

Mr Devenney: I thank the Minister for his answers so far. Can households self-refer to the affordable warmth scheme as they did to the old warm homes scheme?

Mr Storey: I thank my colleague for his question. The affordable warmth scheme is primarily a targeted scheme, and I expect that the vast majority of homes assisted will be in

the target group, which came about as a result of an Ulster University identification process — I think it was called an algorithm. That was difficult for me to say; do not ask me to spell it or you really will have difficulties.

I accept that there will be householders who meet the criteria for the scheme but are not in the area being targeted by the council. Councils have the discretion to accept non-targeted referrals from a range of sources, including health professionals, social workers and environmental health officers.

Mr Beggs: It will take some time for the new affordable warmth scheme to get up and running, and the Minister mentioned that it would replace the warm homes scheme. Will he assure me that all those who applied under the warm homes scheme before the deadline date will, despite there perhaps being a late surge, receive payment for any work that has been carried out?

Mr Storey: Yes. I am confident that we will be able to bring the old scheme to an end and that, when it comes to an end, the other will be in place. Obviously, you face a challenge when you move from one scheme to another to make sure that the funding and the referral elements are brought to an end in a timely and efficient way. I assure the Member that that is important to the Department. We want to make sure that, when one scheme comes to an end, all is done and dusted before we move on to the new scheme.

Local Government: Devolved Functions

7. **Mr Elliott** asked the Minister for Social Development for an update on the progress made in devolving departmental functions to the new local government structures. (AQO 7638/11-15)

Mr Storey: I thank the Member for his question. The Regeneration Bill is the mechanism to allow the conferral of powers and functions by my Department on councils. I introduced the Regeneration Bill to the Assembly on 8 December 2014. The Second Stage debate took place on 20 January 2015, and the Bill was passed to the Social Development Committee for detailed scrutiny. Although the powers will not be conferred until 2016, my officials and I are working closely with councils to ensure that my Department's regeneration and community development activities fit with locally developed plans in the intervening period. In the coming months, I will meet representatives of each of

the new councils to discuss a range of issues and to ensure a smooth transfer of powers to the new councils from April 2016. I will commence that process after Question Time today when I meet the first of the councils to discuss the issue.

Mr Elliott: I thank the Minister for that update. I wonder whether he and his Department have yet refined how much money will follow from his Department to local government for those devolved functions, particularly in neighbourhood renewal.

Mr Storey: I thank the Member for his supplementary. When distributing a budget, it is interesting that, all of a sudden, Members realise the importance of making sure that they get their question in or get a piece on 'Good Morning Ulster' or some other programme so that I hear all the concerns.

I am still engaged in the process, and I would have preferred to be in a better position in terms of time. I have met officials over the last 10 days to discuss the budget. I have asked for refinement and further information to ensure that, within the budgetary challenges that I face, councils do not perceive that, somehow, we are reducing their budget just because it is easy to do so. I want to work with councils. Yes, the amount that we transfer will not be the same envelope as we originally envisaged, but I am doing everything I can to minimise the difference in a practical way and, where I can, to introduce another way whereby councils would have access to some other element of funding. I am having discussions about how that would be done, what it would look like and how we can deliver it practically for councils so that, when it comes to the transfer date in April 2016, they are in possession of not only the finance but the policy and process that give them some sense of continuity

I do not want to be in the position of imposing my will on local authorities. That is neither the role nor the vision of the transfer of powers and functions. I want to continue to work with councils to minimise the impact of a challenging budgetary outcome.

Mr Principal Deputy Speaker: I remind the Minister of the two-minute rule.

Mr G Robinson: What impact is the delay having on community planning?

Mr Storey: I thank the Member for his supplementary. I wrote to councils last December, giving my Department's

commitment to fully engage with the community planning process, on which councils have the lead. My Department established a community planning steering group with the remit of providing a single point of contact for all business areas of my Department. My officials also play a full role in the DOE-led interdepartmental community planning group.

The Member has asked about what is, for me, one of the most important elements of the transfer of functions to councils. I am proud that I came into politics in 2001 as a member of Ballymoney Borough Council. We have heard a lot about double-jobbing and gone through that process in the House, but I still believe that Members who have come to the House from local government have made an invaluable contribution through bringing to the debates and the issues experience that is to be had only if you have come through the councils. However, there is a huge challenge. I had a conversation with my colleague the Minister of the Environment about how we could best ensure that community planning really works. It should not be just a policy or something that rolls off the tongue; it should be real, joined-up and meaningful. When you look at an area, you should be able to identify a community plan that gives enhanced services to a community in a way that is beneficial to the financial position but, more importantly, beneficial to people in the community because it is led by them and is for them. That is a vital element of the reform of local government.

Mr Principal Deputy Speaker: I call Mr Alban Maginness, and I ask him to be brief.
[Laughter.]

3.15 pm

Mr A Maginness: Thank you very much, Mr Principal Deputy Speaker. I was not going to be brief.

This is a very exciting opportunity for local councils, and I affirm my support for the Minister in his desire to get it right. What about staffing transfers? Will staff be in place? Will they be able to exploit the new opportunities?

Mr Storey: I will be as brief in my reply. Yes, we have done the piece of work on the implications for staff, who will be in place. If the delay has given us any benefit, it is that we will be in a better position to work with councils so that we have, when it comes into effect in April 2016, staff, finance and processes in place in a way that is to the benefit of local authorities.

Mr Principal Deputy Speaker: That ends the period for listed questions. We now move on to topical questions.

Housing: Fermanagh

T1. **Mr Lynch** asked the Minister for Social Development what is being done to address unfit housing in the rural Fermanagh area. (AQT 2151/11-15)

Mr Storey: I thank the Member for the question. We have a situation with the condition of homes in Northern Ireland, particularly Housing Executive homes, that is beginning to cause me grave concern. If I want to achieve anything in my time as a public representative, surely it is to enhance the lives of people: the people who come to our constituency offices; the people whom we represent; and the people whom we claim are at the heart of all that we do.

A huge challenge for me since coming to the Department has been to address the level of repairs needed. The Member will be aware that the Housing Executive has appointed Savills to do a stock condition survey, and its initial findings will indicate to us the state of what will be needed and the amount of money that will be needed to address the problem, whether in Fermanagh or any other part of Northern Ireland. That will be a huge challenge, not only for me as Minister but for the Assembly, because of the amount of money that will be needed to address something that is a serious problem, despite all the efforts and progress made. I assure the Member that the rural community will not be left out of that analysis and will not be left out of addressing the need.

Mr Lynch: Go raibh maith agat, a Phríomh-LeasCheann Comhairle. Gabhaim buíochas leis an Aire as an fhreagra sin. I thank the Minister for that answer. I share his concerns about the unfitness of housing in rural areas. I am also aware that he is not long in the Department. Will he explain what his Department will be doing to rectify the issue?

Mr Storey: The Member will be aware that the Housing Executive carries out extensive work with rural communities, and I have seen some of that work. I attended an event in Cookstown not that long ago, at which it was abundantly clear that the Housing Executive has a grasp of, and a handle on, how it has a responsibility, not only in its role as a landlord but in a number of other areas, which have become known as its regional functions.

You can have a debate on whether the focus should be on the landlord functions or on the other elements of its business, but the Housing Executive has made progress on separating the two. I, along with the Housing Executive, will continue to ensure that, whether in rural communities or in an urban situation, the needs of those who are in the properties are addressed in a way that enhances the properties. When we have good-quality and affordable housing in Northern Ireland, we will have given to our community something of immense value and profit.

Housing: Strabane and Omagh

T2. **Mr Byrne** asked the Minister for Social Development for his Department's assessment of crisis housing need in Strabane and in some parts of Omagh, given the overall social housing and housing stress needs in west Tyrone. (AQT 2152/11-15)

Mr Storey: I do not have the actual figures for the need, but I am quite happy to supply those to the Member. However, I think it goes back to the point that I made to the Member who asked the previous question. There is a huge challenge for the House. I have said it to members of the Social Development Committee and others since coming into post. We run the risk of taking our eye off the ball in terms of the importance that we place on housing. Regrettably, housing has always been seen as a divisive issue in the past, particularly in an urban situation. Members are well aware that I have said in the House in the past that I find it difficult to come to the House to answer questions when I am specifically asked how many houses have been built for one particular community or the other.

I think that, if we get the language right and the financial structure for the Housing Executive right, there will be a huge opportunity, whether in Strabane, Omagh or any other part of Northern Ireland, for us to inject quality housing into those communities. I repeat the comment, because I believe it passionately: if we give quality, affordable housing to those communities, we give them something that is invaluable.

I visited the Limestone Road in Belfast — in my colleague's constituency — just last week. What I saw was something that is to be admired. It has been challenging and has not been without difficulties, but I believe that the quality of homes that have been provided has given to that community a sense of hope rather

than a sense of hopelessness. I would like to replicate that in Strabane or Omagh.

Mr Byrne: I welcome the Minister's comments and his views on the situation. Does he accept that, in some areas, housing stress is created because people who were homeowners have had to vacate their homes because they could not meet the mortgage? Many of them are now looking for affordable or adequate social housing. Is he able to use his good influence to make sure that housing associations will be able to meet those social housing needs in certain parts of Northern Ireland?

Mr Storey: I thank the Member for his supplementary question. Again, what he highlights is that, when we come to look at the mix of how we provide housing in Northern Ireland, it will not be down to one particular provider. Over the last number of years, we have benefited from ensuring that there is a mix of providers. I have had conversations with the housing associations. We have had individual conversations with some of them, we have met the federation and, as the Member will be well aware, I meet the Housing Executive on a regular basis.

In those conversations with the Federation of Housing Associations, the Housing Executive, organisations that are responsible for co-ownership and with the private sector, we need to get, as a bottom line for them all, their commitment to ensuring that they will build quality, affordable homes so that people in Northern Ireland will have that opportunity and that choice, because sometimes they are forced into making different choices. If they are limited in the choices that they can make, I think we are limited in the outcomes that we will have. I can give the Member an assurance that those conversations will continue and that, whether it is the housing associations, the Housing Executive or whatever other elements are in the market for the provision of housing, I will make every effort and continue to work with them to encourage them in the best possible way.

Volunteering Small Grants Fund

T3. **Mr Anderson** asked the Minister for Social Development what support has been provided to volunteering organisations through his Department's volunteering small grants fund. (AQT 2153/11-15)

Mr Storey: I thank the Member for his question. We owe a huge debt of gratitude to the many volunteers across Northern Ireland who, on a day and daily basis, give service to our

community in a way that is exemplary and that contributes to the community.

He has highlighted a particular issue in regard to the volunteering small grants programme. I am pleased to be able to say that, since 2013, we have provided approximately £1.4 million in support through the programme. The programme targets small front-line volunteering organisations that may not normally receive support through other sources. Front-line organisations can receive grants of up to £1,500. It is of huge benefit to them to receive that amount of money. Unfortunately, it can sometimes determine whether they continue to do the work they do.

Since coming into office, I have attended a considerable number of events. Many activities, whether in the sporting field or other community-led activities, would not be delivered if it were not for the actions, activities and enthusiasm of our volunteers.

Mr Anderson: I thank the Minister for that response. As he quite rightly said, this funding is the lifeline for a lot of our small volunteering organisations. How many organisations have benefited from this support?

Mr Storey: I thank the Member for his supplementary. In 2013-14, a total of 658 volunteering organisations received support from my Department. In 2014-15, support was provided to 660 organisations. The grants that these organisations apply for can be used to purchase equipment, they can be for training, or they can meet the running costs of the organisation. I repeat, because it bears repeating, that volunteering is a lifeline for many communities. When you think of Northern Ireland as a small geographical entity compared to the rest of the United Kingdom, to have 660 organisations that have all benefited from, and been in receipt of, the small grants fund is an indication of how pivotal and important the voluntary sector is in Northern Ireland.

Mr Principal Deputy Speaker: Mr Attwood is not in his place. Topical question 5 was withdrawn within the time frame required.

Independent Living Fund: Future

T6. **Mr McCarthy** asked the Minister for Social Development to advise families and the House what will happen after 30 June 2015 to ensure that severely disabled people can be kept in their own homes and away from institutional homes, given that he will be aware that the Department for Work and Pensions is closing

the independent living fund on 30 June, which is just around the corner, and the Minister's Department, with the Health Minister, will take up where DWP is leaving off. (AQT 2156/11-15)

Mr Storey: I thank the Member for his question. You will be aware that this issue was raised during the Consideration Stage of the Welfare Reform Bill. I have no doubt that the Member will be present when the Bill comes back for Further Consideration Stage tomorrow. I gave an undertaking on the previous occasion that the Bill was before the House that this issue would be raised with the Health Minister. I have done that. I had a brief conversation in relation to the issue. Unfortunately, over the last couple of weeks, the Health Minister has had to deal with the situation that pertains with the health of his wife. I will hopefully have more to say about the issue when we come to the House for the Further Consideration Stage of the Welfare Reform Bill tomorrow.

Mr McCarthy: Thank you, Mr Principal Deputy Speaker. The Minister knows how important and, indeed, vital it is that, come 30 June, those people have something. In fact, people want to know now what the future holds for those at home. They do not want to be looking for homes.

3.30 pm

Mr Principal Deputy Speaker: Question, Mr McCarthy.

Mr McCarthy: It is vital that we respond positively to the consultation now, which is up, as you know.

Mr Storey: I assure the Member that I am equally concerned that we do not find ourselves in some sort of no man's land in this. We need clarity and a clear understanding of what will take place. Given the consultation, the concerns that were expressed and the importance of the fund in how it is administered and delivered for the benefit of people in their homes and the community, those issues are not lost on me, and I do not believe that they will be lost on the Health Minister either. I reaffirm what I said and trust that I will be in a position to say something of more detail on that issue during the debate tomorrow.

Mr Principal Deputy Speaker: Order. Time is up. That concludes Question Time. I invite Members to take their ease while we change the top Table.

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

Private Members' Business

Block Grant: Reductions

Debate resumed on amendments to motion:

That this Assembly recognises that the persistent reductions to the block grant create significant challenges for the Executive in the delivery of front-line services; welcomes agreement on the Budget 2015-16; further recognises that the Executive have additional revenue-generating powers, which have not been explored fully as part of the Budget process; and calls on the Executive to collectively identify progressive options to raise local revenue and increase the local Budget. — [Mr McKay.]

Which amendments were:

(1) Leave out all after "front-line services"; and insert:

"further recognises that the Executive have additional revenue-generating powers that have not been explored fully as part of the Budget process; recognises that there has not been a consistent approach to reducing waste and pursuing public-sector reform to ensure that additional resources are available for front-line services; and calls on the Executive to identify, collectively, progressive options to raise local revenue, tackle waste and pursue public-service reform to effectively increase the local Budget." — [Mrs Cochrane.]

(2) Leave out all after "2015-16;" and insert:

"notes the success of the Executive in securing the devolution of corporation tax and air passenger duty for long-haul flights; further notes the work being conducted by the Department of Finance and Personnel on the potential for devolving specific additional fiscal powers; and calls on the Minister of Finance and Personnel to bring forward recommendations on further fiscal devolution to the Executive." — [Mr Girvan.]

Mr Ó Muilleoir: Go raibh maith agat, a LeasCheann Comhairle, agus mo bhuíochas le gach duine a ghlac páirt sa díospóireacht. Thank you, Mr Deputy Speaker, and my thanks to everyone from all the parties who took part in the debate. The debate was on alternative or extra ways to raise revenues, but it turned into

quite an existential debate on where we are in political and constitutional terms.

We should not lose sight of the fact that Daithí Mc Kay for Sinn Féin set out some areas where we think there could be changes and other areas where we think we should start an urgent debate. In particular, we have identified removing the cap on rates on homes above £400,000, and we think that we can do that without putting anyone who is asset-rich and cash-poor into added difficulties. We also looked at the Scottish model and at what we can learn from that.

Putting that to the side, there were slim pickings from the other parties on additional means to raise revenue. That said, I think that the debate was worthwhile, because it is certainly useful for the House to look at the block grant, at the subvention and at where the money is and is not. I am a great admirer of my colleague on the Committee for Finance and Personnel Mr Girvan, who said in the kindest terms possible that the Treasury sometimes keeps us in the dark about what money is being raised here. That is undoubtedly true. There is certainly a lack of transparency and trust in the figures that the Treasury provides us with, and I think that we need to do better on that. We also need to do better when we discuss the block grant and what the Finance Minister, Mr Hamilton, refers to as the £10 billion gap. We need to look at that carefully as well.

I spent the weekend on a treasure hunt for the £10 billion, and our colleagues in the research department gave me a certain amount of help with that. When we look at what makes up the gap, we find that there are items that make little or no difference to the ordinary people and constituents we serve. In particular, £1 billion of that £10 billion is debt. Another £1 billion-plus is what the Treasury refers to as "defence", and defence and debt are, of course, closely linked in this day and age. We owe it to our constituents to drill down and to question the Treasury on what we raise and what it says is part of the subvention and block grant for this part of the world.

That goes to the core of the debate that we have in the Finance Committee weekly: the need to understand where we are today and how we can increase and enhance our firepower and spending power in the time ahead.

There have been suggestions that some of the smaller parties support water charges and the removal of free travel; both large parties are against that. We stand four-square against the

introduction of water charges, and we stand against the removal of free travel. That remains our position. However, we should not be paralysed from looking at other ways of raising revenue.

One thing that surprised me was the Minister, last week in the Chamber, referring to this Parliament as a toddler and the Scottish Parliament as being in its first year at primary school or at kindergarten. I am wholly opposed to such language; it seems to be the type of language that will be music to the ears of English Ministers. In my view, we are as capable of running our affairs as those same English Ministers.

There is a very famous book by Senator Jim Webb on the fighting Irish. It is not about the fighting Irish; it is about the fighting Ulster Scots in America. When we go into negotiations with the Treasury, I would like to see not only the Ulster-Scots work ethic but the character, resilience and determination to stand up for our constituents and voters to make sure that we get a fair deal so that we can build an economy that is fair and prosperous.

I think that Mr Cree was afraid that we were going to lead him into the Republic today, because he went back to 1969 and the crossroads; Ms Boyle's crossroads, of course, but your crossroads and Mr O'Neill's crossroads as well. That encouraged your leader to go back 100 years to what might have been a golden era, but, as Mr McCann pointed out, not everyone shared in that golden era.

I think that we can look confidently to the future, but that makes it incumbent upon all of us to look critically at the links with Britain and this dependency, as it is, on a block grant.

Mr McCann alluded to this: there are two sides to this coin. Tomorrow, at the economy Committee, we will discuss underinvestment in water and sewerage and in the road network. Of course, parts of the North of Ireland have been constantly left outside of economic prosperity and development. We think of the north-west — that debate continues today — and north and west Belfast. Mr McQuillan referenced west Belfast and south Armagh, but, of course, west Belfast is more than just the Falls Road and Ballymurphy; it is also the Shankill Road, as he will appreciate. That is why I think we can do better than go by what happened heretofore: to depend absolutely and entirely on the block grant, bring no innovative thinking to that and bring no assertive or confident approach to how we can better run our own affairs. So, where some see

English altruism or the altruism of English Ministers, I take a wholly different view. Often, we hear from Scotland, and others, that even as London surges ahead, the decisions taken in London are to our benefit. We are constantly assured of that. I do not think that that holds.

Minister Hamilton mentioned some possible Barnett consequentials that may derive from increased expenditure on health and education if that happens. I also read the news. The spending promises and decisions of recent days will make no difference to our constituents. Three billion pounds on a new aircraft carrier; £20 billion on a new generation of fighter jets. Where are the benefits of that spending to us? Of course, that would be part of the magic £20 billion subvention that we are told we get.

Sadly, austerity remains top of the Tory coalition's agenda. For us, austerity spells only further misery for the poor and for working people; it is not the solution to our economic progress. We need investment, not more cuts, to bring progress. The Minister told us again today that we have lost £1.5 billion from the block grant since 2010-11 and that we stand to lose another £1 billion between now and 2020. Such decisions only hold us back; they do not give us the impetus that we need to push into the future.

I move now to the Alliance amendment. My colleagues Ms Cochrane and Mr Lyttle cut out the most important statement in the Sinn Féin motion, which is that we support the 2015-16 Budget. You cannot have your cake and eat it. You are opposed to the Budget; the alternative to the Budget was the horror story that would be direct rule. When you come forward with ideas for revenue raising, and no one has a monopoly on those, we will take them on board. For now, we cannot back the Alliance amendment —

Mr D Bradley: Will the Member give way?

Mr Ó Muilleoir: Duitse, a Dhoiminic, cinnte.

Mr D Bradley: Go raibh maith agat, a LeasCheann Comhairle. Gabhaim buíochas leis an Chomhalta. What specific revenue-raising proposals is the Member coming forward with? He has not mentioned any yet.

Mr Ó Muilleoir: If you had been listening, you would know that we mentioned removing the cap on rates on homes valued above £400,000. I did not mention the contributions from the SDLP that were new and interesting.

Unfortunately, the pieces that were interesting were not new, and the pieces that were new were not interesting; they were basically election manifestos.

We have come up with ideas, and if you had been listening, you would know what those ideas are.

I made a visit last week to the Scottish Parliament, where I saw great exuberance, great energy and great confidence, perhaps not unrelated to the fact that just under half of the members are women. I will finish with a quote from Nicola Sturgeon that I think is very relevant to this debate today and where we are going. She said:

"I believe and always will believe that the best way forward is to be in charge of our own resources, so we don't have to be subject to the kind of cuts coming at us from the UK government, but instead could be masters of our own destiny."

I think that that is a good way to finish the debate.

Mr Deputy Speaker (Mr Beggs): Before I put the Question on amendment No 1, I remind Members that, if it is made, I will not put the Question on amendment No 2.

Question put, That amendment No 1 be made.

The Assembly divided:

Ayes 11; Noes 76.

AYES

Mr Agnew, Mrs Cochrane, Mr Dickson, Dr Farry, Mr Ford, Ms Lo, Mr Lunn, Mr Lyttle, Mr McCallister, Mr McCarthy, Ms Sugden.

Tellers for the Ayes: Mrs Cochrane and Mr Dickson

NOES

Mr Allister, Mr Anderson, Mr Bell, Ms Boyle, Mr D Bradley, Ms P Bradley, Mr Brady, Mr Buchanan, Mr Byrne, Mrs Cameron, Mr Craig, Mr Cree, Mr Dallat, Mr Devenney, Mrs Dobson, Mr Dunne, Mr Durkan, Mr Easton, Mr Eastwood, Mr Elliott, Mr Flanagan, Mrs Foster, Mr Gardiner, Mr Girvan, Mr Givan, Mr Hamilton, Mr Hazzard, Mr Humphrey, Mr Hussey, Mr Irwin, Mr G Kelly, Mr Kennedy, Mr Lynch, Mr McAleer, Mr F McCann, Ms J McCann, Mr McCartney, Mr McCausland, Ms McCorley, Mr

B McCrea, Mr I McCrea, Dr McDonnell, Ms McGahan, Mr McGimpsey, Mr McGlone, Mr M McGuinness, Mr D McIlveen, Miss M McIlveen, Mr McKay, Mrs McKeivitt, Mr McKinney, Mr McMullan, Mr McQuillan, Mr A Maginness, Mr Maskey, Mr Milne, Mr Moutray, Mr Nesbitt, Mr Newton, Ms Ní Chuilín, Mr Ó hOisín, Mr Ó Muilleoir, Mr O'Dowd, Mrs O'Neill, Mrs Overend, Mr Poots, Mr Ramsey, Mr G Robinson, Mr P Robinson, Ms Ruane, Mr Sheehan, Mr Spratt, Mr Storey, Mr Swann, Mr Weir, Mr Wells.

Tellers for the Noes: Mr McQuillan and Mr G Robinson

Question accordingly negated.

Mr Deputy Speaker (Mr Beggs): I have been advised by the party Whips that, in accordance with Standing Order 27(1A)(b), there is agreement that we can dispense with the three minutes and move straight to the Division.

Question put, That amendment No 2 be made.

The Assembly divided:

Ayes 71; Noes 16.

AYES

Mr Anderson, Mr Bell, Ms Boyle, Ms P Bradley, Mr Brady, Mr Buchanan, Mrs Cameron, Mrs Cochrane, Mr Craig, Mr Cree, Mr Devenney, Mr Dickson, Mrs Dobson, Mr Dunne, Mr Easton, Mr Elliott, Dr Farry, Mr Flanagan, Mr Ford, Mrs Foster, Mr Gardiner, Mr Girvan, Mr Givan, Mr Hamilton, Mr Hazzard, Mr Humphrey, Mr Hussey, Mr Irwin, Mr G Kelly, Mr Kennedy, Ms Lo, Mr Lunn, Mr Lynch, Mr Lyttle, Mr McAleer, Mr F McCann, Ms J McCann, Mr McCarthy, Mr McCartney, Mr McCausland, Ms McCorley, Mr I McCrea, Ms McGahan, Mr McGimpsey, Mr M McGuinness, Mr D McIlveen, Miss M McIlveen, Mr McKay, Mr McMullan, Mr McQuillan, Mr Maskey, Mr Milne, Mr Moutray, Mr Nesbitt, Mr Newton, Ms Ní Chuilín, Mr Ó hOisín, Mr Ó Muilleoir, Mr O'Dowd, Mrs O'Neill, Mrs Overend, Mr Poots, Mr G Robinson, Mr P Robinson, Ms Ruane, Mr Sheehan, Mr Spratt, Mr Storey, Mr Swann, Mr Weir, Mr Wells.

Tellers for the Ayes: Mr McQuillan and Mr G Robinson

NOES

Mr Agnew, Mr Allister, Mr D Bradley, Mr Byrne, Mr Dallat, Mr Durkan, Mr Eastwood, Mr McCallister, Mr B McCrea, Dr McDonnell, Mr

McGlone, Mrs McKeivitt, Mr McKinney, Mr A Maginness, Mr Ramsey, Ms Sugden.

Tellers for the Noes: Mr A Maginness and Mr McKinney

Question accordingly agreed to.

Mr Deputy Speaker (Mr Beggs): I have been advised by party Whips that, in accordance with Standing Order 27(1A)(b) — *[Interruption.]* Order, Members. It is my duty to inform the House appropriately. In accordance with Standing Order 27(1A)(b), there is agreement that we can dispense with the three minutes and move straight to the Division.

Main Question, as amended, put.

The Assembly divided:

Ayes 72; Noes 15.

AYES

Mr Anderson, Mr Bell, Ms Boyle, Ms P Bradley, Mr Brady, Mr Buchanan, Mrs Cameron, Mrs Cochrane, Mr Craig, Mr Cree, Mr Devenney, Mr Dickson, Mrs Dobson, Mr Dunne, Mr Easton, Mr Elliott, Dr Farry, Mr Flanagan, Mr Ford, Mrs Foster, Mr Gardiner, Mr Girvan, Mr Givan, Mr Hamilton, Mr Hazzard, Mr Humphrey, Mr Hussey, Mr Irwin, Mr G Kelly, Mr Kennedy, Mr Kinahan, Ms Lo, Mr Lunn, Mr Lynch, Mr McAleer, Mr F McCann, Ms J McCann, Mr McCarthy, Mr McCartney, Mr McCausland, Ms McCorley, Mr I McCrea, Ms McGahan, Mr McGimpsey, Mr M McGuinness, Mr D McIlveen, Miss M McIlveen, Mr McKay, Mr McMullan, Mr McQuillan, Mr Maskey, Mr Milne, Mr Moutray, Mr Nesbitt, Mr Newton, Ms Ní Chuilín, Mr Ó hOisín, Mr Ó Muilleoir, Mr O'Dowd, Mrs O'Neill, Mrs Overend, Mr Poots, Mr G Robinson, Mr P Robinson, Mr Ross, Ms Ruane, Mr Sheehan, Mr Spratt, Mr Storey, Mr Swann, Mr Weir, Mr Wells.

Tellers for the Ayes: Mr McKay and Mr G Robinson

NOES

Mr Agnew, Mr Allister, Mr D Bradley, Mr Byrne, Mr Dallat, Mr Eastwood, Mr McCallister, Mr B McCrea, Dr McDonnell, Mr McGlone, Mrs McKeivitt, Mr McKinney, Mr A Maginness, Mr Ramsey, Ms Sugden.

Tellers for the Noes: Mr A Maginness and Mr McKinney

Main Question, as amended, accordingly agreed to.

Resolved:

That this Assembly recognises that the persistent reductions to the block grant create significant challenges for the Executive in the delivery of front-line services; welcomes agreement on the Budget 2015-16; notes the success of the Executive in securing the devolution of corporation tax and air passenger duty for long-haul flights; further notes the work being conducted by the Department of Finance and Personnel on the potential for devolving specific additional fiscal powers; and calls on the Minister of Finance and Personnel to bring forward recommendations on further fiscal devolution to the Executive.

Magee Campus: Ulster University

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 five minutes to make a winding-up speech. All other contributors shall have five minutes.

Mr Ramsey: I beg to move

That this Assembly recognises the importance of expanding higher education across Northern Ireland and particularly the importance of expansion at Ulster University's Magee campus in driving economic growth in the north-west; notes the 50th anniversary of the publication of the Lockwood committee report; affirms its commitment to the One Plan targets of expanding to 9,400 full-time equivalent students by 2020 and increasing the maximum student number by 1,000 by 2015; and calls on the First Minister and deputy First Minister, as chairs of the north-west ministerial subgroup, to liaise directly with Ulster University and the Minister for Employment and Learning to prioritise the expansion at the Magee campus to ensure its full delivery.

Before I commence, allow me to say for the benefit of any young person who may be listening that, if you want an education, you will get one. Your desire to learn and the success of your desire to achieve is your biggest and best resource. Never stop learning inside or outside university and keep up your studies. The reward will be yours.

Allow me to take this opportunity to say that the situation with our local university will hold you back only if you allow it to do so. Securing work and study is more difficult in the north-west, but it is not impossible. While it may be harder to access full-time undergraduate courses in Derry, it is important to state that failing to secure a place in your hometown is not the end of your academic career. Do not allow the historical situation at Magee to deter you from your dreams.

It is very important that we have this debate within a positive framework, lest another Derryman or -woman accuse me or my party colleagues of whinging about the university. The purpose of this debate, however, is to ensure that our young people have the facility that they deserve. We need to support them to

structure their learning within the parameters that have earned the University of Ulster its global reputation for excellence.

I have spoken before in the Chamber about the hurt in the heart of the city of Derry. The hurt caused by the university decision 50 years ago is still unreal. No one is whinging: we have brought forward this motion in an attempt to effect positive change. That is exactly what we want this House to assist us with: effecting positive change for Derry and the north-west, a positive move for the young people of the north-west and a positive move for the north-west's economy and that of the island of Ireland. It is important that we frame this, as I said, as positively as we can.

The motion notes the hurt that was visited upon the city of Derry 50 years ago. There is not much use in constantly revisiting the sins of the past when we are trying to improve the situation for many in the future. We know what those sins are: they were as clear then as they are now. The important aspect is that they are not allowed to be repeated. Magee's development cannot and should not be shelved.

The merits of developing and advancing a higher education campus anywhere would be obvious. However, it would seem not so in Northern Ireland. This Assembly needs constant reminding of the academic, cultural and economic rewards and the returns that we get from higher education. That is what I and the SDLP are here to do.

For my entire political career, I have been assisting the development of the Magee campus. I have worked on that issue as an activist, as a councillor, as mayor of the city in 2000 and as an MLA. I assisted in negotiations to secure lands on the Northland Road for the university. A strong educational facility is in the interests of the entire north-west, if not the entire North and the island of Ireland. I recall many meetings with Jim Allen, the former provost, now deceased, Jack Magill, the former head of Foyle and Londonderry College, and Bishop Séamus Hegarty of the Catholic Church to safeguard the lands for the betterment of the student population. Allow me to state that the basis for expansion exists, the will for it exists, and the need for it exists.

We have worked long and hard. All parties in the Chamber that represent the constituency of Foyle have worked hard, along with many stakeholders from the community sector, the business community, the chamber of commerce and across organisations in the city. However,

we need to do things better, and we need to do things smarter.

I assure you that this issue has been very close to my heart and to that of many of my party colleagues and colleagues from other parties for a long time. I have always been convinced that the development of the Magee campus will have a massive positive outcome for the future of all our young people.

The time for talking is long gone; it is time for the Assembly to put its money where its mouth is. If you are serious about addressing issues of economic imbalance, this is the best move. The development of the Magee campus is the most clear and obvious investment in the future of lives of people in the north-west. In truth, that has been clear for decades.

I recall signing a letter, as many Members have done, that called for the Magee development to be brought into line with stated objectives in the One Plan. It did take a bit of work to bring everybody to together, including the University for Derry campaign and all the sectors, but we achieved that goal a number of years back. The letter was sent to Dr Stephen Farry and signed by a number of key stakeholders in a sense of unity of purpose. The letter also recognised:

"the University of Ulster has submitted a Strategic Outline Case and that only the University of Ulster has submitted a detailed formal proposal seeking the additional student numbers. The University's Strategic Outline Case has already been approved by the Department for Employment and Learning and is supported by robust economic analysis to prove the sustainable economic and employment benefits",

not only to my constituency but to the entirety of the north-west and the region of Northern Ireland,

"as envisaged by the Executive in its package of measures to stimulate, grow and sustain the economy."

That letter was dated November 2011. I could read other, older letters, but, in the interests of staying positive, I ask this: what has happened in the intervening four years, given the number of Adjournment debates that we have had in the House, questions for oral answer to the Minister or meetings with the Ministers? We have an additional 600-plus places, but, only last month, to the detriment of the expansion of Magee, several undergraduate courses at Magee were cancelled. Is that moving forward?

One progressive movement is the establishment of the north-west ministerial subgroup, which we all welcome. Perhaps it can assist, support and identify the funding mechanisms for the Minister for Employment and Learning. Perhaps it will address a 50-year-old injustice that has never been corrected. I do not wish to be overly negative, and I welcome the fact that Minister Farry states publicly, time and time again, that he is very sympathetic and supportive of the development at Magee, but, Minister, we do not need sympathy. We need debates, and we need action.

Dr Farry (The Minister for Employment and Learning): And money.

Mr Ramsey: We need the submitted business case to be actioned.

Mr Dallat: Will the Member give way?

Mr Ramsey: Yes.

Mr Dallat: I just happened to pick up the Minister saying that we need money. Does the Member agree with me that the historical injustice in the north-west deserves special treatment? Not only do the people in the north-west — I include many people beyond Derry city — need more than sympathy, they are fed up with the blarney as well. They want an end to it, and they want the serious issues addressed. If money is one of them, let the British Government cough up the historical deficit they owe to this place.

Mr Ramsey: I welcome the intervention from John Dallat. Even though he represents a constituency where the University of Ulster is well-based, he has always been a great champion and advocate for the Magee campus debate, and I welcome that, John. He makes a good point. Continually, certainly over the past nine months, I have repeatedly heard the First Minister and deputy First Minister, on the announcement of jobs in the east of Northern Ireland and Belfast, making the comment that we need to address the imbalance in the north-west. The Member is right. There is one way they can do it — by ensuring, along with our own Minister, Mark Durkan, as well as Stephen Farry and Arlene Foster, that something very positive can come out of it, and that is identifying priorities and budget lines, albeit that it might only be a short space of time. There is nothing more important to Derry at present. It was identified within the One Plan. The most important regeneration project that could ever — ever — take place in Derry is the expansion

of Magee. Everybody has said it. Every political party in the Chamber has said it, but there were never any indicative lines either in the Programme for Government or the comprehensive spending review.

I think the challenge is now —

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

Mr Ramsey: I thank the DUP for the amendment, but it is something that, on this occasion, we will not support. It is a well-watered-down version that we could go back five or six years and debate on. I appeal in good faith to all Members in the Chamber to support the motion today.

Mr Buchanan: I beg to move the following amendment:

Leave out all after "report;" and insert:

"notes the commitment within the One Plan to an expansion to 9,400 full-time equivalent students by 2020 and increasing the maximum student number by 1,000 by 2015; and calls on the Minister for Employment and Learning to examine the options for supporting the One Plan target."

I welcome the opportunity to speak in the debate and move the amendment to the motion. The reason for the amendment is simply that the original motion is full of aspiration that can only be delivered through significant investment from the public purse. Under the economic conditions that we find ourselves in, all Departments are restricted by their available resources.

It is with that economic backdrop in mind that I believe that the best way to drive and expand economic growth in the north-west region of Northern Ireland is to incorporate a multi-agency approach whereby the Minister for Employment and Learning examines all the options for supporting the One Plan target.

4.30 pm

The north-west of Northern Ireland has suffered decades of neglect right across the board in infrastructure and skills. On behalf of my constituency of West Tyrone, I join the call for the Executive to support the collaborative efforts of balanced regional growth across the Province, looking objectively at the underlying core issues that mean that the north-west area

of Northern Ireland consistently sits at the bottom of league tables for economic fundamentals. I suggest that these are engrained, long-standing issues that cannot be resolved overnight.

The One Plan is an ambitious project that seeks to address these problems. I agree with the core areas behind the One Plan commitment. It is good to see clearly identified aims and objectives that seek to redress the imbalance that has been out of sync with the rest of Northern Ireland for far too long. Ulster University at Magee has an increasing and commendable track record of placing graduates in employment. In line with the DEL HE strategy, all undergraduates need work experience as part of their course. Ulster University is in the process of implementing compulsory work placements and work-based learning in all its courses. These proactive measures, which are advantageous in improving a student's chance of employment in the future, are welcome. Any student will tell us that they will choose a programme of study that reflects a good return on the investment of time, energy and financial aspects during their study at university. Increasingly, Ulster University has reflected current economic and employment needs in its portfolio of courses. It has worked with local employers to reflect the changing needs in the local economic area. This is one of the recommendations of the One Plan that is in process in the university. Collaboration potential between academia and business is a core element of the plan. For the future landscape of HE, traditional academic and cultural boundaries need to be transcended to improve access for people from across the community. In conjunction with that, links with FE and schools must always be strengthened.

On closer examination of the figures, we see that unemployment is constantly higher in the west of Northern Ireland. It is imperative that we tackle this unacceptably high level of unemployment. Short-term measures needed to upskill this section of our society are addressed in the One Plan for Londonderry in the core area of education to the higher education sector. The skills agenda is core to the One Plan, which will help people, especially disadvantaged and unemployed people, to get into work and remain in the workplace. Higher education, however, is only one strand of an interconnected band of issues that can contribute to driving economic growth in the north-west. The One Plan highlights key areas that are necessary for renewal in the north-west and incorporates economic, social and physical elements within its boundaries. The key focus

is on building a stronger and more vibrant economy. We can all aspire to that for this area.

For long-term sustainability and to act as a catalyst for economic growth across the north-west, I call on the Assembly to look further than simply addressing the immediate issue. The expansion of Magee college will not be the answer to all the problems in the region; no one in the House is naive enough to believe that. To effect change in the long term, it is necessary to adopt a longer-term focus. The One Plan project is extremely ambitious. While I agree that it raises clear underlying issues, the amendment not only addresses the commitment of the One Plan ultimately to expand the Magee campus by 2020 but calls on the Minister for Employment and Learning to examine all the options available to him to ensure that the core elements of the plan are addressed within the remit of his Department.

It seems to me that this is where we must start to tackle the long-standing problems that previous generations have encountered. It is not too late to start to motivate, teach and enable children to understand that everything that they need to get out of the vicious cycle of social deprivation and neglect comes through change. They must change to bring about the long-term sustainability that is required. Within the ambitious aspirations and answers to the critical questions that the One Plan seeks to address, we need to examine the sources of funding for the project. Public finances will be the main driver behind implementing those changes.

The north-west of Northern Ireland has always been known for negative reasons. It is known as an economic black spot and recognised for having the highest level of economic inactivity and poor infrastructure. We could go on and on. It is my belief that, if we, as an Assembly, are truly serious —

Mr Dallat: Will the Member give way?

Mr Buchanan: Yes.

Mr Dallat: Does the Member agree with me that the historical issues that he outlined, such as the poor transport infrastructure and the lack of investment in the university, are major reasons why it is difficult to attract new inward investment? Will he not suggest to the House that there is a special need for the north-west that is based on historical indifference and, perhaps, even worse?

Mr Buchanan: I do not disagree with the Member at all.

It is my belief that, if we, as an Assembly, are truly serious about redressing the imbalance in our country, we have to have the foresight and vision to strategically address the spectrum of issues in the long term. Right across Northern Ireland, there appears to be an apathetic acceptance that the north-west is an area of deprivation and will continue to be so. It is up to us, as political representatives, to change our outlook and begin to believe that we do not have to accept the status quo and that, step by step, that must and will change. Sometimes the negativity is brought about by public representatives who present a poor image of the area rather than coming forward and spelling out the good work that has been done.

The One Plan seeks to address the underlying issues that have contributed to the vicious circle of negativity. Core problem elements are emphasised and clearly identified aims are outlined in the plan. It is now the responsibility of the Minister for Employment and Learning to examine all the options for supporting the One Plan target that are at his disposal. Despite the aims and objectives clearly outlined in the One Plan, the reality is that, without funding and investment, none of it can be implemented. Most of the funding for that ambitious plan will come from the public purse. With that in mind, a more flexible format of higher education in the north-west is necessary, and its design and delivery must move towards a more community-focused partnership. The traditional roles of separate, autonomous institutions will have to merge ideas and strategies to change the educational landscape. In a rapidly changing world, collaboration is key to success in the educational spectrum.

Forging links with industry and business is fundamental to the Ulster University. Its portfolios of courses are vocationally applied to match industrial needs. For the duration of courses, employability is always in mind. All the university programmes are continuously re-evaluated, and professional practice is a core part of university degrees, with designated hours of work-based learning as component modules. Businesses are encouraged to work alongside the university to develop their work-based learning programmes, which, in turn, meet the needs of local employers through their input into the courses. Ulster University has a reputation for work-based access, and I believe that that is the route to the future for our children, who will come out of university equipped with all the necessary tools to gain meaningful employment in the area. If we want

to address all the difficulties in the north-west, we must work together to bring about —

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

Mr Buchanan: — the change that is required for the economy and for the young people in that area.

Mr McCartney: Go raibh maith agat, a LeasCheann Comhairle. Beidh mé ag labhairt i bhfabhar an rúin agus in éadan an leasaithe. I will speak in favour of the motion, and I certainly have a few comments to make on the amendment.

Sinn Féin will support the motion, as we feel that it truly reflects the current debate on the issue. The inclusion of the One Plan in the Programme for Government leads us to believe that the use of the word "affirm" in the motion is more appropriate than the use of the word "note" in the amendment. It is important to point that out. I say to everyone involved in the debate today that the case for expansion, particularly of Magee university, has always received its best impetus when we seek a united approach. Therefore, I would like to see a situation in which the Assembly did not divide on the issue.

I welcome the debate on the expansion. As Pat Ramsey said, this is the latest in a number of similar debates in the Assembly and elsewhere. It is fair and appropriate to say that all of us who represent Derry city in particular and the constituencies across the north-west appreciate and fully understand the need for a vibrant university at the Magee campus, with the envisaged 9,400 full-time places. I welcome the fact that my party colleagues from East Derry and West Tyrone will speak in the debate.

Beyond the obvious educational impact, the wider social and economic circumstances of the north-west would receive a welcome and dynamic boost. When people talk about expansion and the need for it as a game changer, it is not a cliché; rather, it reflects the reality. One has only to look at Galway and Cork to see the impact that a vibrant university, assisted by government policy, has on the economy of the wider region. You can include other indicators, but that always has a massive input, and you can see it in those instances.

The need for the university to be situated in Derry has its roots in the Lockwood report. That has been an ongoing theme of the

campaign, and a sense of grievance and injustice still resonates today. All of us from Derry who worked on the One Plan did so to ensure that, in putting the report together, it would be seen as Derry putting forward a united platform. There was no room for dissenting voices. There was a very strong, single-minded, single-focused way forward on a range of issues, particularly social and economic issues, and it was our mission statement for the future. Any sense of disunity or of people trying to speak about it not in the right terms was put to bed. Its inclusion in the Programme for Government is validation of the position taken.

Central to the One Plan was the need for job creation and skills, and the expansion of Magee university is very much key to that. Indeed, I think that, if asked, most people in the city and its surrounds would say that their number one preference for progress is the expansion of the university. The expansion is firmly on the political agenda now, and it is in that very advanced position by virtue of a number of factors. Speaking with one voice for Magee, with the One Plan as our reference point, was one of the initial factors. All of us in the city accepted that there was a need for a robust and strong business case, which was prompted, at the time, by the Department and the Minister. That was delivered in November 2014. With that in place, it will be our reference point as we go forward.

The initiative by the deputy First Minister that brought about the establishment of the ministerial subgroup for the north-west, with the expansion of Magee as its central plank, is another key factor. The inclusion of the Minister for Employment and Learning on that subgroup highlights the fact that there will be direct conversations across the meeting table rather than an opportunity "to liaise directly", as the motion proposes.

In fairness to the Minister, he is on record as stating that the Department's initial analysis of the business case is that it is robust and strong. Only last week, in response to a question from Maeve McLaughlin, he said that he would be prepared to make a bid in the next CSR period. I am sure that he will find support right across the public representation in the city and further afield. We welcome that. That is where our focus will be as we take this forward.

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

Mr McCartney: We want to be part of a united approach and to show positive leadership to bring about meaningful change.

Mr Hussey: It is a pleasure to speak again on another motion relating to the north-west, in particular on Londonderry and the expansion of the Ulster University at Magee. It may be 150 years since the establishment of Magee college and 50 years since the Lockwood report, but it seems that about 50 minutes have passed since we last discussed Magee. One could nearly suggest that there is an election coming up.

I am tempted to repeat what I said about Magee in the debate that we had on 19 January. However, to save time, I simply invite Members to consult Hansard from that date, Hansard from 16 September 2014, when I spoke in an Adjournment debate on the Magee expansion, and Hansard from 17 September 2013, when my colleague Sandra Overend spoke for my party on the issue.

Suffice to say that the Ulster Unionist Party has been consistent in wishing to see higher education expansion in the north-west but, at the same time, that has to be done in a planned and fully costed way. That is particularly so in light of the reality of the budgetary constraints that many in the Chamber were content to support in the voting Lobbies.

4.45 pm

It might be instructive for Members to be reminded of some history. The Ulster University at Magee, formerly known as Magee College, is the campus of the Ulster University located in Londonderry, which first opened 150 years ago as a Presbyterian Christian arts and theological college. It took its name from Martha Magee, the widow of a Presbyterian minister who, in 1845, bequeathed £20,000 to the Presbyterian Church of Ireland to found the college for theology and the arts. It opened in 1865, primarily as a theological college, but accepted students from all denominations to study a variety of subjects. As a Presbyterian, I am delighted to point out how generous that church has been in establishing seats of learning and handing them over to the state to benefit the wider society. Perhaps others should take note.

Since 1953, Magee has had no denominational affiliation and provides a broad range of undergraduate and postgraduate academic degree programmes. In the 1960s, it was hoped by many that that university college would become Northern Ireland's second university. However, as we all know, a committee under Sir John Lockwood, an English academic, published a report on 10

February that recommended a greenfield site at Coleraine for a new university and for Magee College to be closed down. Clearly, that recommendation was not fully accepted or implemented, because Magee was not closed down by the Stormont Government. Instead, it was incorporated into the two-campus New University of Ulster in 1969. I remind Members of that because some of the rhetoric used by nationalists in previous debates involved stating, as if it were a historical fact, that the establishment of UUC was a sectarian decision.

One of the most iconic pictures of that era is that of the Lord Mayor of Londonderry leading a protest parade to this Building in favour of the siting of the new university in Londonderry. That mayor, flanked by nationalist leader Eddie McAteer and the future SDLP leader John Hume, was Commander Albert Anderson, an Ulster Unionist. Plenty of unionists were in favour of expanding Magee into Northern Ireland's second university in the 1960s, but the matter is, to coin a phrase, somewhat academic now.

However, for those Members who are interested in the detail of what happened in the 1960s, rather than simply accepting the story of a historic wrong and unionist discrimination, I invite them to read the book by Gerard O'Brien, 'Derry and Londonderry: History & Society', chapter 26, which is entitled, "Our Magee Problem: Stormont and the Second University", and is available on the CAIN website. Page 685 states:

"The facts indicate that the Lockwood Committee made its decision on the location of the university on the basis of practices long accepted as sound with regard to the establishment of new British universities."

So much for history. The question is this: where are we now and where are we going?

Magee has grown in recent years from a nadir of just 273 students in 1984 to over 4,000 undergraduates now. The Ulster University has lobbied the Executive for an additional 1,000 full-time undergraduate places with a target of 6,000 students at Magee in 2017. Then we have the One Plan published by Ilex nearly five years ago. It has a more ambitious target of 9,400 places.

However, since the debate that we had last September, we have had severe cuts to further and higher education in the draft Budget for 2015-16, ameliorated, but only partially, in the revised Budget agreed by Sinn Féin and the DUP. We have had media reports that the

Ulster University is having to cut back over 50 courses in total across its campuses.

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

Mr Hussey: Clearly, this is a difficult time for higher education right across Northern Ireland, not just the north-west. Whilst the Ulster Unionist Party wants to see this expansion, and supports the sentiments contained in the motion, the stark reality is that the Budget that has just been agreed —

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

Mr Hussey: — by most of the Members in the Assembly simply does not allow it to be implemented at this time.

Ms Lo: I rise on behalf of the Alliance Party. During the Adjournment debate on 16 September on the expansion of the Magee campus, my party colleague, the Minister for Employment and Learning, made one point very clear: his central objective is and always has been to ensure that Northern Ireland continues to have a world-class and internationally recognised higher education sector, one that can continue to grow over the coming years. The Alliance Party recognises the great importance of making higher education the best it can be. Giving the next generation an excellent education should always be a high priority.

As the motion notes, it is 50 years since the Lockwood Commission report was published. The report recommended the creation of the New University of Ulster in Coleraine, as opposed to Derry/Londonderry. In terms of education provision, I am grateful that we have come a long way since 1965. As I stated in previous debates, it is undeniable that the north-west has long been neglected in many areas. The expansion of the Magee campus would certainly help to drive economic growth. The motion affirms its commitment to the One Plan's target, which is to see 9,400 full-time equivalent students by 2020 and increase the maximum student number by 1,000 by 2015.

In the Programme for Government, the One Plan does not explicitly state higher education expansion in Derry/Londonderry and I note that the only reference to the expansion of higher education is actually in relation to increasing the numbers taking STEM subjects. However, that does not discount the fact that higher education expansion in Derry/Londonderry is a key

transformational theme within the One Plan; but it is important to state that the Department of Employment and Learning is not measured or scrutinised in relation to the expansion of Magee.

Minister Farry has been able to expand higher education by around 1,600 places across Northern Ireland, with 1,200 being directed to our universities. The University of Ulster has received 652 of those places. In line with the stated commitment, the university has located those places to the Magee campus.

Mr Swann: Will the Member give way?

Ms Lo: Yes.

Mr Swann: The Member is reading out how many places are currently there or are going to be there. Does she know how many places could be lost due to the budget cuts in DEL, specifically from Magee campus?

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

Ms Lo: Thank you, Mr Deputy Speaker. I thank the Member for his contribution but, with Budget cuts, as the Member and his party says, we are under very difficult economic constraints. Does that answer your question?

The Minister had made good progress towards the interim target of 1,000 additional places by 2015 as set out in the One Plan. However, Budget cuts have focused and forced a pause in expansion plans.

The SDLP has called on the First Minister and deputy First Minister, as chairs of the north-west ministerial subgroup, to liaise directly with the university and the Minister for Employment and Learning to prioritise the expansion at the Magee campus to ensure its full delivery. As stated in the September Adjournment debate, the Minister said that he is:

"sympathetic to the potential further expansion of the Magee campus of the University of Ulster, but ... cannot be expected to both cut public spending and increase it at the same time within the context of higher education". [Official Report, Vol 97, No 4, p83, col 1].

The resourcing of the One Plan's student numbers would represent a significant challenge in terms of funding and would require an investment of over £30 million on a recurrent annual basis. It strikes me as strange, and

somewhat removed from reality, to block Minister Farry from making reasonable cuts to teacher training only to ask that he increase funding for another institution. All Departments have been faced with serious challenges that require difficult decisions. We must put aside any desire to score political points and rise to those challenges.

Mr Devenney: As a representative of Foyle who has had extensive involvement with all the key stakeholders who are keen to see the development of Magee, I am committed to the One Plan, and I am keen to see the progress and expansion of the university and courses in Londonderry. We all know the economic value that the expansion would bring. Members who spoke previously mentioned issues to do with our infrastructure, which include the delays with the A5, the A6 and the railway line. We understand that those are vital issues.

I take this opportunity to pay tribute to all the staff in Magee, who deliver a very high standard of education. The amendment places the onus on the Minister for Employment and Learning to do all in his power to bring reality to the vision that we all have for higher education in Londonderry. We live in times of economic and financial uncertainties and pressures, and I know that there is not an unlimited amount of money in the system. I accept that Northern Ireland is a small place and that our higher education strategy must be Province-wide, but I hold the view that the north-west deserves priority. I and my predecessor, Lord Hay, have long argued that the investment in higher education in the region will help to encourage much-needed economic and social regeneration that will be good not only for the north-west but for the whole of Northern Ireland.

I believe that there is a vital role for the north-west ministerial subgroup, the Minister for Employment and Learning and all the stakeholders to work together to deliver on the expansion of Magee. In the Minister's summing up, will he tell us how many places could be lost in Magee due to budgetary constraints?

Ms Boyle: Go raibh maith agat, a LeasCheann Comhairle. I also welcome the opportunity to contribute to the debate. Like my colleagues, I am fully in support of the expansion of Magee. There is no doubt that the future economic development of the new Derry City and Strabane District Council is connected with the expansion of the Magee campus, so it is essential that we work together to see that expansion delivered. Sinn Féin has made it clear that it will support any bid that is brought to the Executive for Magee expansion funding.

I welcome that the Minister is scrutinising the business plan for the expansion of the Magee campus. I also welcome the fact that, if it meets the expenditure appraisal and evaluation criteria, he will bid for funds for it in the next comprehensive spending review. I have no doubt that the business plan put forward to the Minister is robust and that, when he makes his decision, he will have the Sinn Féin Ministers' support for any subsequent bid.

We are now in a new era and situation, with the deputy First Minister determined to deliver on the Magee project. We have the new expanded Derry City and Strabane District Council, with increased powers coming on stream from April. The political landscape will then be reconfigured. All that allows for a new focus. Magee, as you know, a Cheann Comhairle, is a cross-border campus, and it plays a major part in the north-west education gateway initiative through its ability to attract students. The new Derry City and Strabane District Council's integrated economic strategy will also have a clear focus on the Magee expansion, as I said. In turn, that will be complemented by the North West Regional College's ambitions to provide accreditation for its pupils in the STEM subjects to allow them to step up to degree courses at Magee.

Sinn Féin has made a commitment to do everything within its power to improve the lives of all our citizens and to redress the impact that generations of neglect have had on places like Strabane, Derry and the north-west as a whole. That is why Sinn Féin is leading the way on issues like decentralisation, with the Agriculture Minister, Michelle O'Neill, relocating an entire Department right into the heart of the north-west.

That is why Martin McGuinness initiated an Executive subgroup on regional economic disparities, which is driving a unified ministerial approach to issues such as the expansion of Magee, the A5 road project, transport infrastructure and so on. I would like to make the point that my party colleague Mr Barry McElduff is in Dublin today meeting the Taoiseach Enda Kenny on a number of issues, one of which is the A5.

5.00 pm

The establishment of the subgroup on the north-west will drive the process of change that will deliver the political authority needed in the Magee campaign. As my party colleague from Foyle said earlier, it is no accident that Mr McGuinness invited the further education

Minister on to the subgroup, and I believe that the acceptance by the Minister to be part of that group demonstrates that he is at least willing to pursue the case for expansion.

He has already indicated his intention to bid within months for the £11 million required to construct the new teaching block at Magee this year. That bid will certainly be supported by my Sinn Féin colleagues on the Executive, as it would present a major investment and physical expansion at Magee. The Minister also signalled the potential for a significant increase in student numbers in the new Assembly mandate, which begins next year. In order to achieve that, we need to consolidate the political will, which the subgroup initiative has helped to generate. That is the best way to ensure that Magee is prioritised by all Executive Ministers.

Many young people from my area of Strabane and the north-west have to travel to Belfast and elsewhere due to many courses not being available locally in Magee. Indeed, the expansion of Magee would benefit the north-west, as we could retain many of our young people locally. It would save on travel expenses and other finances that they have to spend if they have to travel elsewhere, and it would almost certainly attract more students to the area.

The expansion of Magee is a crucial part of the One Plan —

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

Ms Boyle: — which is a Programme for Government commitment, and Sinn Féin is determined to see it delivered. The expansion of Magee is a central plank for regional economic regeneration —

Mr Dallat: Will the Member give way?

Ms Boyle: I will indeed.

Mr Dallat: If Sinn Féin is so committed to Magee, can the Member tell us why the deputy First Minister is not present this afternoon? Can she further tell us why her colleague Maeve McLaughlin has just told us on social media that she is holidaying in the sun?

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

Ms Boyle: I thank the Member for his intervention. Whilst I cannot speak for both my

party colleagues, I am aware that the deputy First Minister is in another meeting. If my party colleague is on holiday, we are all entitled to a holiday, regardless of what time of year it is.

The expansion of Magee is a central plank for regional economic regeneration. We need a unified voice coming out of the north-west region demanding what should have been delivered 50 years ago, and, by working together, we can achieve it. Go raibh míle maith agat.

Mr Ó hOisín: Go raibh maith agat, a LeasCheann Comhairle. Beidh mé breá sásta labhairt sa díospóireacht inniu agus ar son an rúin. I am very happy to speak on this subject today and am very supportive of it. As someone from the wider north-west area who attended Magee during the 80s on a number of occasions, it has always had a special affinity for me personally. The hurt and offence caused by the Lockwood Commission report on its publication in 1965 was still very tenable even then. That said, as my colleague Maeve McLaughlin MLA for Foyle stated in an interview with the 'Derry Journal' a fortnight ago, the landscape is very different today. She went on to say:

"It's been a long campaign and we are in a very different place in my view in the fact we have consensus and a very robust business case."

In the intervening years, the potential of Derry and the entire north-west region has been stymied by the lack of enhancement of the university status of Magee. Real opportunities for highly paid skilled and professional employment were also held up and denied. However, as Maeve McLaughlin said, there are new opportunities in the new dispensation. The opening of the new science park at the site of the former Fort George is significant in the fact that, from day one, it has had almost 100% tenancy and a very close link with Letterkenny regional college and the local student body.

As my colleague from West Tyrone pointed out, the Department of Agriculture and Rural Development has decentralised its headquarters to the former Shackleton base at Ballykelly. Indeed, last Wednesday, many representatives from right across the north-west were there to witness the commencement of some of the demolition work on that site, and we very much look forward to the significant provision of over 800 well-paid Civil Service jobs. Acting as an anchor tenant, that will encourage the 60 to 70 other prospective tenants who have expressed an interest in the

site. That cumulative act of job creation could potentially mean thousands of jobs for the entire region. It may also free up a number of positions in other Civil Service jobs in areas such as pensions and pensions credit, with many transferring to Ballykelly; therefore delivering a win-win situation for the whole region.

The single most significant action that we can take is to expand the graduate work base from Magee. For too long, our intelligent young people have left these shores, many to, in the first instance, attend courses at universities across the water, down South and elsewhere, where they then stay after receiving job offers. Many never return. The commitment to the One Plan should, as the motion suggests, receive the affirmation of the Assembly and the Executive, and the creation of the north-west ministerial subgroup should be the catalyst to the delivery of the expansion of the Magee campus. I will quote from the One Plan:

"a university presence in the City which transcends traditional academic and cultural boundaries, as a proven agent for equality, inclusion, regeneration and participation."

I support the motion.

Mr Durkan: Fifty years on from the publication of the Lockwood committee report, Derry's status as a university city has still not been realised. While the Magee campus has punched above its weight in academic excellence as well as achievements in many other spheres across society, no one would or could argue that there is not a long, long way to go. Across the world, people recognise the contribution made by universities in driving cities forward, allowing them to become vibrant hubs of employment and culture, driving the economy and enriching society. People in Derry and across the north-west recognise that, too, and that is why the failure thus far to rectify that wilful decision all those years ago to deny Derry a university still causes so much hurt, anger and plain despair in our part of the world.

Even to those who do not fully understand the vital contribution that a university makes, the cavalcade to Belfast all those years ago is synonymous with the campaign for civil rights, and the fact that we are not much further on with the building of a motorway to Belfast, never mind the building of a bigger university, gives rise to the suspicion among people in the north-west that they are still being treated as second-class citizens.

Mr Hussey: Will the Member give way?

Mr Durkan: Certainly.

Mr Hussey: I am sure that the Member will accept that the city of Londonderry, Strabane, Omagh and that entire area was targeted and destroyed by the IRA over a prolonged period. A lot of the problems that we face today were caused by the IRA and its terrorist attacks in the city of Londonderry and beyond.

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

Mr Durkan: I thank the Member for his intervention, but I do not believe that the abuse and suffering that all parts of the North suffered at the hands of terrorists of all hues during the conflict here should be replicated or repeated by government through neglect. Unfortunately, there are still groups that, to this day, are only too willing to exploit the feeling in Derry and those other areas that you mentioned that government is neglecting them. They can point up here and say, "What has really changed?", and that as-yet-untreated wound in Derry's psyche makes it very easy for nefarious groupings to do just that.

There is also quite a degree of confusion out there as to what is happening with Magee. It is a kind of, "Now you see it, now you don't". The expansion of Magee has been delivered; the expansion of Magee probably will not be delivered; the expansion of Magee will be delivered, and we will back any bid to expand Magee. People in Derry who are outside the loop genuinely have trouble keeping up with these developments and subsequent lack of development. Was it in the last Programme for Government? One of the reasons why the SDLP voted against the last Programme for Government was its explicit omission, although we were told at the time that a wee nod to the One Plan would suffice. Now, the very omission of Magee from that Programme for Government has been used as an excuse for not having progressed the issue with any real intent.

People need to know what is happening, and we would very much like to leave here today with a clear message for them. That is why we cannot support today's amendment, which weakens our motion. While we seek to affirm the commitment to the One Plan targets, the amendment seeks to note it — to note it. This has been an issue for 50 years. It is a time to act, not a time to note. The amendment also gives sole responsibility for driving the issue to

the Minister for Employment and Learning, absolving Executive colleagues.

At the recently and probably belatedly established Executive subgroup or task force on the north-west, there was a clear recognition of the benefits to be derived from increasing and enhancing skills in that area. Better courses and qualifications will do more to attract investors than any new rate of corporation tax. That applies anywhere, but as much, if not more so, in the north-west. There is a commitment from the subgroup to develop the north-west economy, and Magee's expansion is pivotal to that. I am at a loss, therefore, as to why the DUP would attempt to dilute that commitment through its amendment.

To deliver this expansion, we will need more than the Minister for Employment and Learning's best intentions. He will need the support of the Executive, and I include myself in that. The SDLP will support any bid to secure the resources required for this vital project. I will also happily support any bid to finance the building of the new learning block, for which I granted planning permission last year. In the near future, I believe that that might at least allow the Minister to signal his intent and the Executive to signal theirs. This issue has run on for too long —

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

Mr Durkan: — just as I have almost run out of time. We would very much like to leave here today with a clear message for people out there on how we are driving the Magee issue forward together.

Ms Sugden: Pat Ramsey rightly began his speech by stating that this is about young people. The decision that will be taken here today will be about the future of young people; that is what we are here for. By all means, expand Magee, but only if it realistically offers opportunities for young people. Otherwise, the argument to expand Magee undermines itself. If we are talking about expanding Magee for the sake of numbers, where is the substance in that? All I see in the motion are numbers. There is no mention of pragmatic courses that will bring jobs and employment to the north-west. To me, it very much suggests that the motion is for the sake of politics, not for the sake of young people, as we are quite at liberty to point out. As a young person and a part-time student of Ulster University, I find that quite sad.

I had a conversation in the car with my work experience student, Alexander, who is sitting in the Public Gallery, and he loves politics and has a real interest in moving forward with politics as part of his career, but not in Northern Ireland — not at all. He says that we still deal with the same unionist/nationalist issues here. What message are we giving out? I acknowledge that mistakes were made about Derry. By all means, I acknowledge that, but those decisions were made before me. I can work only in the environment that I am now presented with. Right now, we need jobs and realistic opportunities for young people.

It would be remiss of me not to speak about Coleraine, not as a unionist but as a constituency representative of East Londonderry.

The whole Magee debate is hindering Coleraine. I have been lobbying the Minister and chatting with a number of stakeholders in Coleraine about the opportunity to bring a veterinary school to the area. However, that will not happen because there will be an awful outcry from someone else, "What about Magee?" I know that we need a veterinary school at Coleraine, and I know that the local veterinary practitioners say that we need it. Therefore, I think we need to be mindful of this in the wider context.

5.15 pm

By all means, yes, Derry is the second city, and we need to look at the opportunities there, but we also need to look at what is happening outside Derry and Belfast.

Mark Durkan suggested earlier that Derry has not been fully embraced as a university city. I could say the same for Coleraine: it is a town with a university; not a university town. Both are really good campuses, and both are part of the same university, might I add, in a very small country in the world. Let us work together on this; it is not a case of one against —

Mr Dallat: Will the Member give way?

Ms Sugden: Certainly, Mr Dallat.

Mr Dallat: Does the Member agree that it is highly dangerous to have Coleraine competing with Derry, or vice versa, because, if you pursue that line of argument, you may find that both Magee and Coleraine miss out and Belfast will be the winner?

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

Ms Sugden: Thank you, Mr Deputy Speaker. I agree with the Member's comment. We should not be trying to pit the two against each other, but, to be quite honest, the motion tries to create a white elephant. You explicitly mentioned the Lockwood report. If this is about bringing employment to the north-west, why mention that? I respect the context, but, at the same time, there is a context in Coleraine, and that is what we should be mindful of.

I really do not know whether I will support the motion. The premise is that we need to expand Magee, but we also need to look to our other universities and see what is the best way to facilitate the young people of the future. I will go back to my earlier point, and it is one that was made at the start of the debate: this is about them; it is not about the politics that we keep finding ourselves in.

Dr Farry: I welcome the opportunity to respond to today's debate. At the outset, I want to make a number of things clear. First, in principle, I want the expansion of the Magee campus of Ulster University. I am committed to doing what I can to make that a reality, subject to the discipline of the business case and economic appraisal and, crucially, the availability and sustainability of resources.

I understand the historical hurt and the timing of the motion in relation to the Lockwood report, but any decision to expand Magee would be about much more than addressing a historical wrong; it would be about a solid investment in the future of our society and our economy. I appreciate that an expansion would bring potential economic benefits to the north-west in particular and to Northern Ireland as a whole. The benefits would be the provision of higher-level skills; an increased boost for research capacity; the consolidation of Northern Ireland, and the north-west specifically, as an inward investment location; and the additional spending power in the economy that comes from a campus.

It is also worth stressing that, while Northern Ireland as a whole has a high level of participation in higher education, the local sector is small relative to our population. That provides a further rationale for expanding higher education provision in Northern Ireland.

Having set out the opportunities, I need, however, to explain the challenges that need to be confronted in order to make the ambitions that Members have expressed a reality. First,

there are considerable cost implications to any expansion. The business case puts the costs at £23 million per annum. We need to check and challenge those figures as part of our scrutiny process — they could be much higher. Moreover, those costs represent recurrent expenditure; they would not be one-offs.

We are looking at the opportunity for Magee in what was already a difficult financial context for higher education in Northern Ireland. The points that I make here predate the current round of Budget cuts. The decision to freeze tuition fees for local students at local universities was the right one. It is a recognition of the Executive's commitment to widening participation. However, we must at the same time recognise that it does curtail the universities' ability to generate additional income.

With the efficiency savings asked for across the public sector during the current Budget period, combined with a restriction on income generation, our universities have a major challenge to match the rate of growth of the leading universities across these islands. To put it in perspective, the amount invested per university place in Northern Ireland is between £1,000 and £2,500 less than in English universities, depending on the funding band. To put it another way, the universities require an investment in the region of £25 million a year to remain competitive.

We should be conscious that, in different parts of these islands, different approaches to higher education funding have been adopted. England has opted for fees of up to £9,000 per annum. Contrary arguments are being made about increasing or decreasing those. By contrast, Scotland has provided free tuition for local students but has increased its funding of higher education from its block grant. Northern Ireland has attempted to find a middle course between the two, which is to keep fees down but without addressing the funding shortfall as fully as is necessary.

There is a structural issue regarding the funding of higher education in Northern Ireland. We need to address the funding gap first; otherwise, any expansion of Magee would be seeking to build on shaky foundations. Any failure to address the structural problems would entail a considerable dilution of quality. That is in no one's interests, and all our universities are clear on that point. We would be undermining our credibility in marketing Northern Ireland as an investment location, and we would be short-changing our students by providing an inferior

form of education. If we are to expand Magee, we should do it properly.

The funding situation has been compounded by further cuts to my departmental budget. As Members will know, my budget is facing an 8.4% cut in the forthcoming financial year. Although great efforts have been made to protect key economic interventions, it is impossible to protect higher education from those cuts. For the next year, I am forced to cut the grant support to our higher education institutions by £16 million. Efforts are being made to mitigate the effect of the cuts on the front-line provision of places, but it is now inevitable that we will see a reduction in the number of university places over the coming months. Someone asked what we are expecting to see in universities and, indeed, the Magee campus. At this stage, we simply do not know what the output is going to be. However, we are looking at a situation of several hundreds of places being in jeopardy right across our universities, and across all campuses. That is an entirely counterproductive move in any situation, but it is particularly so when we are supposed to be preparing for a lower level of corporation tax.

Moreover, the position has been further compounded by the motion in the Assembly and decision in the Executive to preserve the premia payments to the teacher-training colleges. That has increased what would otherwise have been a £14 million cut to the higher education sector to a £16 million cut. That in itself places around 300 places in jeopardy. If Members are serious about the motion before us, they are, through their actions, moving in the wrong direction.

If we are to see the expansion of Magee, we are in effect seeking a recurring expenditure of almost £70 million a year.

Mr Dallat: Will the Minister give way?

Dr Farry: In a moment.

We need to find £16 million to rectify the effect of the current cuts, at least £25 million to restore the competitive position of our universities at least £23 million for the expansion of Magee itself.

Mr Dallat: I thank the Minister for giving way. Will he tell the House whether he has ever had a bid for additional university places turned down? Perhaps he might be even more generous and tell us who turned it down.

Dr Farry: I am not going into the detail of what is discussed behind closed doors. Whoever is feeding the Member rumours of that suggestion needs to be extremely careful about repeating what may or may not be said behind closed doors. I think that everyone knows what I am getting at in that regard.

It is important to bear in mind that even that pressure of potentially £17 million, which is, in itself, an enormous challenge in the best of circumstances, comes at a time when there are potential further pressures down the road.

We are likely to see a further tightening in the size of the Northern Ireland block grant over the coming years. The only real issue at stake is the scale of that tightening, subject to which parties will be in government in the UK after the general election.

We also have the further financial pressure of funding a lower level of corporation tax and preparing for its successful implementation. Of course, the logic of that situation is that we will intensify investments in skills but the danger is that, due to other pressures and in defiance of strategic sense and logic, the funding of skills gets further crowded out. If all this is to be managed, there will be a need for responsible decision-making.

I would suggest that, rather than ring-fence and protect certain areas of expenditure at present, we will need to move to address certain areas through more radical reform, including in health and education, which are the biggest areas of public expenditure. We will also need to be braver in revenue raising. Otherwise, we are simply engaging in rhetoric and building up hopes. I think that it was Mr Durkan who made an impassioned appeal for certainty around the issue, but that certainty can only come when people are prepared to be strategic and responsible on budgets. That certainty does not lie in my hands alone but with all of us, whether it is the parties in the Executive or, indeed, every party in the Assembly as a whole.

I would be particularly interested in hearing how those who tabled the motion envisage the Executive finding the resources to facilitate the expansion of Magee, particularly in the context of the current public expenditure climate. To date, I have not seen a sign that the Assembly is willing to rise to the challenge in that regard. To say simply, as Mr Dallat did at the beginning, that the British Government have a responsibility to pay for that is not a realistic answer to that question.

The people of Derry deserve much more honesty from every party as to what they are going to do differently in order to facilitate that £70 million price tag that the expansion of Magee, as part of a sustainable higher education sector, is going to involve. We have been to the UK Government in the past number of weeks looking for additional resources and we have had our answer. We have had partial success in that regard, but that is the answer that we have received. If this is to happen, it will have to be funded through choices being made locally here in Northern Ireland. People need to set out exactly what they plan to do in that regard.

Again, it is worth recalling that those who tabled the motion are members of a party that held my portfolio between 1999 and 2002 — a time when public expenditure was in a much more benign environment, but the big leap forward on the Magee campus did not happen. I would also remind those who tabled the motion that going into the last Assembly election and, indeed, into the tuition fees settlement, the higher education policy that they adopted was, in common with everyone else, to ring-fence and freeze tuition fees at the current level. However, rather than investing additional resources to pay for the funding gap, the SDLP advocated taking money out of the reserves of the universities. If that position had been followed through, money would have come out of the universities that would have further eroded the number of university places. Again, what people are saying they want to see happening and what they have done in adopting policy positions and votes does not stack up.

I want to make it clear that our classic university model is not the only means to achieve the higher level skills that our economy requires. We are also developing higher level apprenticeships. Often, apprenticeships will be a more fruitful pathway to providing the skills that employers require and to give young people in particular the skills that will give them better prospects of securing and sustaining employment. Under our new apprenticeship strategy, there can be a link between higher level apprenticeships and degrees, and I hope that that would be a central part of any expansion of the Magee campus, again, linking in the content of degrees much more closely to the needs of the economy and employers.

Any further investment in Magee should be regarded as an investment in higher level skills for Northern Ireland as a whole. I reiterate that my central objective is to ensure that Northern Ireland continues to have a world-class and

internationally recognised higher education sector and that we can build further on this platform over the coming years. Members have made reference to the investments that we have been able to make in our higher education sector over the past number of years, including well over 1,000 additional university places in STEM subjects.

5.30 pm

Mr Hazzard: I thank the Minister for giving way. Can he state whether his Department or officials have engaged with European colleagues to ascertain if any opportunities exist within Peace IV, given that education is one of the pillars, to create opportunities for border corridors and, indeed, areas of socio-economic inactivity? Go raibh maith agat.

Dr Farry: We can examine all those issues. I am not sure whether Peace IV in itself would be the best vehicle for that, but there is other potential, through European funding programmes, to consolidate the position of higher education on the island as a whole. However, any assistance we get in that regard will be, at best, marginal to the costs I have outlined. Nothing will escape Members having to find that £70 million.

I just want to highlight and make sure that, if people are serious about the expansion of Magee, they understand the scale of the financial commitment required to make it happen. I am prepared to take Members in good faith and, indeed, concur with them that it would be a good thing to do with our resources; but, given the scale and difficulties we have had in making reforms in public expenditure to date, I suggest that a lot of work and a lot of reconsideration of positions is going to be required if it is to become a reality.

We have made some good progress towards the One Plan. Unfortunately, that has now sadly come to a halt due to the budget cuts. Hopefully we will be able to maintain the current levels, but decisions will have to be made by the University of Ulster in that regard. Just because we have seen leaks of announcements around courses, that does not necessarily, in itself, translate into a reduction in places. It is about a consolidation of courses, although, obviously, there is a wider threat to places. We are yet to hear exactly how the universities are going to handle the cuts that, sadly, have to be passed on to them.

I also want to stress that we are committed to looking to develop the teaching block. I have

signed off the business case in that regard and it is currently with DFP for review and approval. Once that is received we will look at the options as to how to proceed with that as quickly as we can.

I think the amendment probably downplays the issue a bit too much.

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

Dr Farry: I think the motion is overly specific. It is an interesting debate and I look forward to continuing to work on the issue.

Mr Anderson: I welcome the opportunity, as a recent member of the Employment and Learning Committee, to wind on the debate. I have considerable sympathy with the overall thrust of the motion and much of what it has to say, but I feel that our amendment leads to a more pragmatic, balanced and realistic assessment of the current situation.

The timing of the debate is significant. It is no coincidence that, 50 years ago this month, a decision was taken to implement the Lockwood Commission report, which included a new university to be sited in Coleraine. We all know the fallout from that, and, 50 years on, in a very much changed Northern Ireland, it is perhaps not helpful to the current debate to dwell too much on what happened in 1965. I want to point out in passing that the report considered the proposed new city in County Armagh as a possible location, so those of us from Upper Bann could also give vent to a sense of grievance as well as those in the north-west, but, as I said, I am not going to dwell on what might have been.

What we must do today is look at the higher education needs of Northern Ireland in 2015. Lockwood said that the proposed second university should be, or would be:

"one for the whole of Northern Ireland".

That point still has relevance. Indeed, to me, and to our amendment, it is central. We support the expansion of Magee and the development of higher education in Londonderry, as proposed in the One Plan and outlined in the motion and the amendment. I know that my party colleagues from the maiden city are very keen to see such a development and I can fully understand where they are coming from.

Mr McCartney: Will the Member give way?

Mr Anderson: No, I have too much. However, any strategy must take the financial climate into account. It must also be Northern Ireland-wide. We want to see development and expansion of Magee to meet the needs of the local area, but, with respect, the whole of Northern Ireland could be classed as a local area. This is not some vast landmass like somewhere in the United States. Coleraine is 30 miles from Londonderry. Belfast is a bit further, 70 miles, but, today, that is no distance at all.

I do not want to be flippant, but, if we base our arguments purely on local needs, might we not be in danger of wanting a university in every town?

Investment in higher education is crucial to the development of Northern Ireland plc. I made that point very strongly during the debate on further and higher education on 2 February. Investment in higher education is a key component of the Programme for Government, and that vision is also set out in detail in the 'Graduating to Success' strategy document. If we are to attract inward investment that can provide us with the sort of high value-added job opportunities that we so greatly desire, our further and higher education sector has a crucial role to play. In developing such a strategy, the Minister has to encourage the colleges and universities to develop their courses in a very focused and strategic manner, taking limited resources into account. He also has to tailor his overall strategy on the basis of those limited resources. In my recent speech, I urged him to use his money wisely. I think that he would remember that one. That same advice is the basis for my reasoning this afternoon.

I support the concepts underlying the One Plan, which is the ambitious regeneration plan for Londonderry. However, even when it was launched, doubts were expressed about the extent to which the vision could be realised. Visions and plans are good and necessary, but so much then depends on the prevailing financial climate, which can mean that visions cannot always become a reality in the way that we might like. That is why our amendment rewords the nature of our commitment to the One Plan's higher education targets. We are broadly supportive of those targets, but, rather than affirm our commitment, we think it prudent simply to note it. That said, we also want the Minister to continue to explore the options open to him and to push ahead with his plans for Magee as far as possible.

The Minister is looking at the Magee campus business plan, but he is on public record as

saying that he does not have the funds to contemplate any further expansion of the higher education sector.

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

Mr Anderson: He has been given extra money in the Budget, and our amendment urges him to look carefully at those options.

Mr Eastwood: I thank most of the Members who spoke for their contributions. I think that it has been a good debate. Unfortunately, it is a debate that we have had to have for a long time. As referred to in the motion and continually throughout the debate, it is a debate that we have been having for 50 years. We are not mentioning the Lockwood report and the 50-year anniversary just because we have some nostalgic notion about 1965. It is because that was a great wrong that was committed on the people of the north-west by this place in a different incarnation. The reason why we reference it is because it is a wrong that has never been righted, and I think that it is about time that it was.

If you look through some of the papers from 1965, you will see that the Government of the day were originally going to use the Lockwood report just to close down Magee, even in the limited way that it was operating at that time. However, it was felt that, because of some of the protests that were happening, Magee would have to remain in place. The attitude was, "Throw it the bone of a few arts courses, and that will keep the people of Derry happy." Well, it did not. It is clear that some of the attitude of, "Throw them a few courses, and they will be happy enough", still exists in some quarters. Well, we are not happy, Mr Deputy Speaker, as you have probably worked out. We believe very strongly that, unless we address the issue, Derry is never going to be able to reach its full potential and, in fact, Northern Ireland is not going to be able to reach its full potential.

If you look at all the economic league tables, you will see that Derry and the north-west in general are at the wrong end of them. It is a point that I have made before. The Derry City Council area has the lowest economic activity in the North at 55%, with the Northern Ireland average being 67%. We have the highest percentage of jobseeker's allowance claimants across Ireland or Britain. I think that we are second only to Strabane, our new council partner, in the number of long-term claimants that we have. This is not an argument about a university just for the sake of having an

argument about a university; it is an argument about the economy. Every economist in the world whom I have talked to, read about or listened to understands that, without real investment in skills, you can never reach your economic potential.

We have heard a lot of discussion about corporation tax, which many people have described as a game changer. If you ask the businesspeople, the community people and the political people in Derry, the game changer for us is Magee's expansion. Corporation tax is one fiscal tool in any government's armoury. However, if you were to ask anyone who is looking to invest, they will tell you that the most important thing when they look at different cities and sites across the world is skills. Skills are the number-one thing when you are seeking to attract foreign direct investment and encourage entrepreneurs to set up companies and create jobs.

North-east Donegal has had a 12.5% rate of corporation tax for over 30 years. However, they have had no real university provision and no motorway provision, and, unlike the rest of the South, they have suffered unemployment as Derry has. The Southern Government understood that they needed to put universities into Galway, Cork and Limerick with the right kind of courses, whether pharmaceutical or IT courses, and that they needed a decent road network. They also understood that corporation tax would be beneficial, but that it would not work without those other fundamentals.

I was surprised at some of the Minister's attitude, but we agree with him that you cannot have a Budget that says that we are most in favour of creating and developing an economy but which, at the same time, cuts the skills agenda whilst protecting DETI. That is a bizarre position for any government to adopt. We support the Minister in arguing against that. However, he undermined his arguments slightly when he seemed to put up more and more obstacles to Magee's expansion, and I think that people in Derry will be asking questions about the Minister's real attitude. However, we take some of his earlier commitments at face value and have told him that we will support him in any bid that he wants to make.

The motion is about the One Plan and the Executive as a whole. We believe that this is an issue of such importance that the decision on it has to be taken by the Executive as a whole. I do not want to go back over recent history, but it is important to point out — I think that Ms Lo did — that the One Plan was barely mentioned in the Programme for Government.

There certainly was no specific commitment to the expansion of Magee to 9,400 places by 2020. That is why we do not have it yet. If you do not have a commitment in a Programme for Government or a Budget, it will not be delivered. We all know the history of that, but we now need to begin to change things for the future.

That is why we support the north-west ministerial subgroup. In fact, we supported it four years ago when we proposed it to the First Minister and the deputy First Minister in a meeting. We understood that, without a proper ministerial and Executive commitment to deliver the One Plan, it would never happen. I am glad that it has now taken shape, and we think that it is the right place for those types of discussions.

This is not just a discussion about Derry; it is a discussion about the economy and skills across the North. We send, I think, 5,400 students to Britain every year. Every year. In fact, I think that we are one of the places that sends the highest number of students to university. Our problem is that many of them have to go across the water to find a place because England abolished the MaSN cap whereas we kept it. That runs contrary to any argument about trying to develop an economy and, as other Members said, you cannot do that unless you make a real governmental and Executive commitment to fund higher education places in the North. We should not be spending fortunes on educating young people to a very high standard, then sending them off to Liverpool, Glasgow, London or Dublin to contribute to that economy. I think that fewer than 20% of them ever come home after they do that.

5.45 pm

As Mr Ramsey said, this argument is not just a case of Derry people whinging again. It is not that. It is about Derry people understanding. I was delighted to hear some of the DUP Members recognise the fact that there have been decades of underinvestment in our city and that the only way to resolve that is to have over-investment in it now and to prioritise the places like our city, Strabane and the north-west, which have not had the commitment that we had needed to see over the years.

I pay tribute to some of the people who fought this campaign 50 years ago — people like Michael Canavan, John Hume and others. It has been pointed out that this was a cross-community campaign, because the economy is not a one-sided issue. However, the same issue has still to be fought. We have seen Internet campaigns and the 'University for

Derry' campaign, but we see people still having to fight the issue. It is a real disappointment and disgrace that we still have to battle along these lines. Let us do one thing to address the economic difficulties of the north-west; let us commit as an Assembly and an Executive to investing in university places in Magee, to expanding on the numbers, to doing the right type of courses, and to finally, once and for all, attracting jobs for our people, so that they do not have to go to Glasgow, London, Manchester or Australia and never come back. That is a legacy that we have been left with; it is a legacy that we have to address. If we do not do it, we will have paid a disservice to the people of our city and the people of the North in general.

Question, That the amendment be made, put and negatived.

Main Question put and agreed to.

Resolved:

That this Assembly recognises the importance of expanding higher education across Northern Ireland and particularly the importance of expansion at Ulster University's Magee campus in driving economic growth in the north-west; notes the 50th anniversary of the publication of the Lockwood committee report; affirms its commitment to the One Plan targets of expanding to 9,400 full-time equivalent students by 2020 and increasing the maximum student number by 1,000 by 2015; and calls on the First Minister and deputy First Minister, as chairs of the north-west ministerial subgroup, to liaise directly with Ulster University and the Minister for Employment and Learning to prioritise the expansion at the Magee campus to ensure its full delivery.

Adjourned at 5.47 pm.



Published by Authority of the Northern Ireland Assembly,
Belfast: The Stationery Office

and available from:

Online
www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail

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PO Box 29, Norwich, NR3 1GN
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TSO@Blackwell and other Accredited Agents

ISSN 1463-7162

Daily Editions: Single copies £5, Annual subscriptions £325
Bound Volumes of Debates are issued periodically during the session: Single copies: £90

Printed in Northern Ireland by The Stationery Office Limited
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