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Assembly

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Northern Ireland Assembly

Wednesday 24 June 2015

The Assembly met at 10.30 am (Mr Speaker in the Chair).

Members observed two minutes' silence.

Assembly Business

Resignation: Dr Alasdair McDonnell

Mr Speaker: Before we begin today's business, I wish to advise the House that I have received a letter from Dr Alasdair McDonnell, giving me notice of his intention to resign as a Member for the South Belfast constituency, with effect from midnight on Sunday 28 June. I have notified the Chief Electoral Officer, in accordance with section 35 of the Northern Ireland Act 1998.

Executive Committee Business

Budget (No. 2) Bill 2015: Second Stage

*Debate [suspended on 22 June 2015] resumed
on motion:*

*That the Second Stage of the Budget (No. 2)
Bill 2015 [NIA 53/11-16] be agreed. — [Mrs
Foster (The Minister of Finance and
Personnel).]*

Mr Speaker: This item was unfinished when the Assembly adjourned on Monday and, in accordance with Standing Order 10(3C), the Business Committee agreed to reschedule it today. As I agreed when we adjourned on Monday, we will recommence the debate with the Members who remain on the speaking list.

Mr McNarry: Such is the system in here that, having seldom had the opportunity to be given time to speak in numerous debates, this is an occasion not to be missed. I appreciate the Minister's attention after her long stint on Monday.

There are those who would proffer the idea of placing Northern Ireland outside the United Kingdom in some kind of financial renegade state, joining up with Scottish and Welsh

nationalists in a contrived Celtic coalition. Another fantasy that will no doubt be sung about in the bars one day, telling how the war against the Brits was lost not once but twice and lamenting how the financial gurus of the combined forces of republicans failed to convince the wider representation of pro-people parties that not only should they grant a scheme for a fiscal UDI but that Her Majesty's Treasury should pay for the transition into fiscal independence.

We pay for the carnage of financial ruin, we pay for the rejection of the Welfare Reform Bill and we pay for a tactical readjustment of corporation tax, all because, in a bout of madness, politicians made a promise that they could not keep when they failed to deliver the biggest handout of all time, promising everyone on benefits that not now and not ever would they find their benefits income reduced.

Let us tell everyone, including those who work for the minimum wage or living salary, those who work for less than the £23,000 cap that will be introduced on what is paid to some for lying in bed all day, those who pay rent from earnings or are paying a mortgage — the so-called more fortunate — that the less-well-off are blaming you for the cuts in their benefits, and, in doing so, wipe out the hypocrisy that the cuts that we are in a stalemate over are Tory measures. The position that some are sleepwalking into is actually the sole work of those renowned economists, business tsars and fiscal innovators from a party of mass employment who, at taxpayers' expense, use their political payments from Stormont and Westminster pots to fund a growing army of economic migrants. Who am I talking about? None other than the Provo protégés out there and their worn-out tactic that, if the Brits agree, the unionists — the other Brits here — are up for it and even the Alliance Party are with them, then something is not right; they have to be against it. That is what is wrong with the mentality of some, especially those in the moving-on movement who have not yet worked out where they are moving to or where they want to take others.

Then, we came to the Stormont House Agreement, incorporating the former Tory/Lib Dem United Kingdom Government's latest financial package for Northern Ireland, which, going back to the song in the pub, will no doubt be heralded in folklore as the one that Martin McGuinness received orders from the high command in Dublin to choke on and deliver another wasted promise of an all-Ireland anti-austerity campaign. Only, this time, on Monday, following a weekend huddle, he has done half a U-turn. He brought forward his conditional agreement to proceed with a £600 million black-hole Budget. Sinn Féin's temerity knows no bounds. All that it does is perpetuate and dirty the deceit, which many will see through, but, unfortunately, the brainwashed will fall for. The disciples will not recognise the ruse to save McGuinness's face amid the talk spun about his resignation should ever his London paymasters step in and do us all a favour by doing welfare reform for us, an option that he has only bought time on but not prevented.

On top of the conditional agreement — do not hold your breath waiting for an explanation or detail of what "conditional" means — Mr McGuinness then threw in for good measure glib talk of a united coming together on the Stormont House Agreement and tactics to confront George Osborne after 8 July. Is that code for a put-off until the autumn, with the prospect of another Christmas Eve special still to come? Having caused the crisis in the first place, stumbling from one ard-chomhairle to another, revising tactics and stalling on dates, Sinn Féin has effectively stopped the clock. It is nothing other than manipulative, careless sidestepping that is designed to keep afloat their dreams of knocking the Treasury back through an all-singing, all-dancing unity chorus in adopting what they, and only they, called a "fantasy Budget". It is clear that, when it comes to fantasies, Mr McGuinness, on this issue, is right up there, high in the clouds.

What do Mr and Mrs Ordinary Person in Northern Ireland ask? What does the worker who is thinking of retirement ask? What does the lifelong carer at home ask? What do the nurse, consultant, teacher, student and the whole lot of us ask? My apologies to anyone I have left out.

What do people caught up in this unedifying morass of financial chicanery and ransom ask? What does everyone, except those in whose name all this is being done, ask?

Let me make one thing clear: it is not being done in my name. Choking the Welfare Reform Bill does not have my support. Nor, I suspect,

is it being done in the name of by far the greater number of people in this country — and why would it? Why would the vulnerable be put in a more vulnerable position? Why would Sinn Féin be putting the so-called more fortunate in the demonising dock? After all, they are not to blame, so perhaps we will have an explanation.

The simple fact is that there is not enough money to spend. People are being told — not asked — to forfeit what little we have because Martin McGuinness pushed too far with a promise and is not big enough to admit that it was impossible to deliver. That is what Sinn Féin wants, along with respect. Take account of our mandate, they say, which I gladly do. To their 176,232 votes, I add the SDLP's 99,809 and the local Greens' 6,822. That is a grand total of nearly 283,000 votes. I would go further and put in the SNP and Plaid Cymru, that accumulation of the Celtic coalition, which comes out at an impressive two million votes, to be respected as a mandate. However, no mention do they make of the other votes, also to be respected — the votes that did not go to Sinn Féin or their local sidekicks and fellow republicans in Scotland and Wales. It is called a majority, and substantial it is, too. Including UKIP's four million votes, it is an overwhelming, massive 27 million. That is 27 million to two million, so when it comes to respect and mandate, the figures themselves make my case for me.

Let us not forget the party that, as you announced this morning, Mr Speaker, is sending its leader packing to Westminster, London, hoping that it was Coventry. Let us not forget the Labour Party's sister act, the SDLP. Their health spokesman knows a pickled party when he sees one, even when the pickle is not vinegar and the party looks more like an onion. He knows that the SDLP are losing credibility in carrying Sinn Féin's bags for them. They are, more and more, looking like losers and rejects in backing their fellow travellers in hurting the very people who, Mr McKinney came close to acknowledging on 'The Nolan Show', had been caught up in the consequences of their crazy partnership with Sinn Féin. They are intent on self-destruction. How many financial casualties will there be in the SDLP as a result of their crazy partnership? Like the DUP did and will continue to do to the UUP, Sinn Féin will gut them and toss them overboard once the voter catch is weighed. Their stance on Monday has changed nothing.

What is there on offer that cannot be turned into advantage and opportunity for by far the greater number of people investing in their own futures in our country? Tell them the things rejected by

Sinn Féin and the SDLP, and yes, who else, although they are not here, but the tree-hugging Green Party. When is an agreement not an agreement? Tell them it is when Sinn Féin and the SDLP sign the paper with vanishing ink.

It is not a bad thing to admit that you got it wrong, even something as serious as handling the economy; handling expenditure, income, growth and instructions. It is much worse when you cannot or will not admit your errors, keep digging a deeper hole for yourself and go into self-denial.

10.45 am

I want them to take a while and listen, to take help from the experts out there when they are clearly out of their depth. I know that economists are like lawyers and consultants: you rarely get a clear answer from them. You rarely get a definitive answer on which you can hang your hat, let alone your country's future. For every solution saying to go this way, you have another telling you to go in a different direction. The whole point is to tell them the direction that you want to go. That is what we call leadership. Identify the reasons to go there and weigh them up against the reasons not to go there. It is called leadership. Once you have solid information in front of you, take the decision and use it. Sadly, in this case, Martin McGuinness did not do that. He has shown a lack of leadership.

Can the House say today that, laid out in front of us, we have an outcome or even a sense of direction based on confidence, based on togetherness and not shafted by division? Have we got leadership in this House? I think not. Frankly, the public do not think so either. They have not got the message because no clear message is being sent. Confusion reigns and frustration rules in the public's perception of this place today. At this moment, people are angry and cross, because they do not like division, least of all over money. They are right to think that we, including me, are a bunch of amateurs who could not organise whatever it is you do in a brewery. That is not good for them or for us.

We are failing people when we fail to do what is expected, which is making a proper fist of governing our country. It is absolutely ridiculous to poison public opinion by claiming the moral high ground, as some parties do, as saviours of the vulnerable as if they had a monopoly and no other parties cared about vulnerable people. The vulnerable need health, education and services as much as anyone else. Sacrifice these services and you hurt the

vulnerable, the very people who, because of their situation, require access to services more than many others. It matters that we care because we understand hardships and because we believe in the people we serve.

If we are really committed to policies of no additional water charges — all except the Alliance Party — and if we are intent on keeping free prescriptions and retaining the SmartPass for buses and trains, which are the envy of other regions in the United Kingdom, and if we support our students with low tuition fees, then add it up. Which do we remove? What do we take away in order to guarantee anyone a lifetime on benefits? Bust this place over this argument and you bust your credibility. Bring in the direct-rulers. They would not countenance this Assembly's Budget distribution. The Treasury would bring us into line with Westminster policies and ensure that there is no difference between benefit allowances here and in other United Kingdom regions.

On Monday, I heard the loose talk about thinking outside the box. What that means is never defined, and it was not defined on Monday either. It has been our consistent inability to think inside the box that has put the lot of us in the dock, guilty as charged by public opinion for pursuing a fraudulent economic hijack robbery. Not all of us are factually guilty, but the accusation of negligence by association is difficult to defend in public.

When it came to bullying over putting a welfare albatross around our economic necks, the Executive proved to be then, as they sit now, not fit to govern. The very essence of the hype and scaremongering over this Budget typifies how dangerous it will be in the future if tug-of-war tactics became normal. It is a future doomed to failure.

At this point, without embarrassing her, I would like to put on record my appreciation for the precise timing and stoic action of the Finance Minister, who stands out, not just in defiance of stupidity, but in defence of the vulnerable and the standards our economy must protect overall. Unfortunately, the vote or decision to adopt her Budget fails the scrutiny radar because the issue of welfare reform, which has been hanging over us since last year, has taken centre stage.

It seems that the negligence of passing over these current welfare reforms has passed some people by. Make no mistake: such negligence continues to prove costly and does nothing for the vulnerable. People can go over hurdles, but

not hoops, worsening, not fixing the problems we have. This takes me to the question of how one moves this dysfunctional Executive, made up of two dominant parties and three makeweights, beyond this repeated falling out? Perhaps leaving two to their own devices might make more sense. It seems to me, however, that if we are to move beyond today, with only a bandage and sticking plaster result, the outcome has to be based on satisfaction, or on holding the party line without wrecking the advancement forward. Not just an Executive, but hopefully a genuinely united Assembly, must put the case to London for an easing of pressures caused by further announcements of depressing fiscal damage to our own needs to govern, which, by all accounts, we will be unable to take.

Corporate reasoning against further disproportionate reductions, which will damage our attempts at economic recovery and our entitlement to develop economic growth on a par with all other regions, seems to me to be a far better weapon to go into battle with George Osborne than the tactically inept, doomed to fail, Sinn Féin crude job of putting vulnerable people on the front line, as if somehow our vulnerable people were different from anyone else's. That stupid promise could not be kept, and this incompetent thinking outside a caged box has plunged all of us into a deep sea of public perception of dishonesty.

When I talk of the next step built on corporate action, I do mean us. I mean Northern Ireland plc. I mean the collective, all-inclusive stakeholding population, who have placed in our hands their economic and social future. I mean proving to that public that we are capable of governance and that we have confidence in our abilities to strengthen our case, rather than continuing the fragility in here, which could tip this place over the edge.

As we sit, Ministers are roaring like pussycats over cuts, selling out students and university staff, scaremongering and even begging for money for street lights, potholes etc, and even promoting a winter of discontent, to think of a couple. They are all at it. How they can remain in office, presiding over failures in money management created way before the Stormont House Agreement came along to hide behind, is beyond me. Mr Speaker, that is a view for another day, perhaps when honour might be debated and incorporated into the ministerial code.

Let me turn to the potential opportunities offered by the current difficult financial situation that we find ourselves in. For years, the

Stormont departmental budgets have lumbered on with very little adjustment and were mainly based on historical data that was moderately adjusted from year to year as new programmes were taken on by Departments and old ones were dropped or modified. During the year, in-year monitoring was widely used to balance the books, but that system has been violated by lazy departmental senior officials. Through time, in-year monitoring became the basis of budgeting, and departmental deficiencies, bad planning and ineffective delivery were covered up in the process. As long as the money flowed out of Westminster, that seemed to be OK. Many of us thought that it was not OK and said so repeatedly. We were not listened to until the black hole that was prophesied for years suddenly materialised when Departments failed to earn the projected revenues stipulated in their budgets. That is when the first cracks began to show in our budgetary planning process. What is happening today is not just down to welfare reform but down to a bigger and deeper problem. It is a problem that was years in the making.

What is needed is root-and-branch reassessment of how we run government here. I have often said that we should apply a zero-based budgeting approach to our delivery of government programmes here. We should be asking what the purpose of business is, what the business of government is and what programmes are government obliged to deliver by statute. Once the size and scope of our government task is determined, we should ask the following questions. What does it take in manpower to deliver? What is the business that we are in? What money will it take to secure that delivery?

There is one point to make, which I raised last week. The entire Department for Regional Development was censured by 67 votes to 13 in the Assembly, and I regarded that as a very serious matter. That is where I found that there is a financial crisis. Departments in that position need to go into what I call a pay-and-take-away delivery service. That means that they deliver only those programmes that they are obliged to deliver by statute and hold back on big new costly spending programmes. Last week, I said that that meant that DRD should cut the grass, repair the roads, clear the ditches and, if anything was left, only then consider other pressures in that sector. That applies to all Departments that may fear what a zero-based budgeting approach would throw up. It could throw up serious overmanning — likely as not, it will. It could throw up bad planning. It could radically reshape how we deliver government services in Northern Ireland and,

more than likely, would expose all the bad practices. The crisis that we find ourselves in is of the order and dimension to demand a zero-based budgeting reassessment of government and government programme delivery. I believe that it can be delayed no longer.

At the same time, we need to apply imagination. I listened with interest to Mr Alastair Ross's contribution on Monday. We need to apply imagination to address the difficulties. Even that might provoke a crisis in this place. Should we approach the Westminster Government with, for example, a 10-year rolling programme to cut the costs of division in our society? When negotiating a financial package with Westminster that would keep us solvent, should we use a 10-year rolling programme to cut the costs of division in our society as a necessary leftover that was left out of previous agreements?

There is no one, I fear, who would disagree that there was failure at every agreement process to demand that a proper peace dividend is paid out in real money, real cash value and that it is long overdue in settlement for 30 or 40 years of terrorist turmoil. What is a peace process without the cash to stabilise it? Is that why, in this crisis and in this debate, we have found the peace process being used as a kind of threat?

11.00 am

There is another thing that troubles me about the present developing situation in the Budget. Let me explain it this way. When a general election occurs, the Civil Service analyses the policy manifesto of at least the two main contending parties and prepares a legislative programme based on those policies so that a Government can work quickly, smoothly and seamlessly and the business of government is carried on. In short, it plans ahead. It is my understanding that the Civil Service even prepares for a cross-party national Government, should that prove necessary in a national crisis.

I believe we need to look more carefully at the role the Civil Service in Northern Ireland plays in producing policy options that bridge the admittedly substantial gap between major parties in our Executive. Is enough being done, dare I ask? Is the Civil Service merely reactive in the situation, rather than proactive? Some might even argue that the Civil Service, still steeped in the "no questions asked, no accountability given" traditions of direct rule, is itself part of the problem.

Few in the House would argue with me that the hands organising departmental policies are not, in every case, the Ministers' but the hands of departmental directors. After all, the budgetary practices of the Civil Service, which led directly to the censure of one major Department, DRD, two weeks ago, certainly seemed to underpin the culture of big spending and lack of proper financial control that has played such a major role in creating that Department's serious and present financial shortfall.

As I said, this financial crisis is more deeply seated than welfare reform. Welfare reform has simply exposed the underlying weaknesses in our budgetary system and how it is managed. That some have not just abused the weakness but rushed to lay out unreasonable conditions sets today's context in this debate. There are issues that must be addressed by telling people where we are going, and if it is good enough to bring the people with us, let us do it.

I will support the passage of the Budget to a conclusion not because it is a brilliant financial script — the script was not there for the Minister — or because it delivers a panacea for an economic miracle to deal with our problems, because it does not. I will support it because, until we get out of the quagmire that we are standing knee-deep in and can position ourselves in a better place to talk to the Treasury, it is all we have. It will keep us afloat for a while. It will keep us honest, I hope, until the decisions are based either on pulling the shutters down and handing over all we have worked for to Tories who do not give a hang about us or on the idea that there is a genuine confidence building in our own abilities taking us forward. If the confidence is there for majority decisions, show that confidence and show it to the people today.

Mr B McCrea: I see that people are busily engaged in their business, and I promise not to detain you too long. I sometimes wonder who we are talking to here. As I listened to Mr McNarry, I thought it was some form of counselling session. I found myself wafting off to a wonderful land, far, far away and heading off to sleep. I just thought to myself, "No, you have to get back and say your piece because the world is listening". Well, a few of us in here are listening, maybe. I have a few short, salient points that I hope to make; perhaps people will listen to them, perhaps not.

The first thing is that we are here and we are being asked to pass a Budget today that we do not have the means to fund. That is the fundamental issue. Some people take issue with that approach, and some people might

even question its legality, but we have decided, I think, that this is what we have to do.

The Minister of Finance and Personnel has made it clear repeatedly that this Budget is predicated on the Stormont House Agreement. I know that this may sound a little sad, but I watched her at length in her presentation to the Committee for Finance and Personnel. As you, Mr Speaker will know, it has been highlighted under Standing Orders that the Committee must have a look and decide whether we are going to grant accelerated passage to the Bill. I hope that she does not mind me quoting her, but it is worth reiterating the point. She had this to say:

"as I have repeatedly outlined, failure of the Executive and the Assembly to find a way forward on welfare reform would put our spending plans at risk",

That was quite gentle, and then she really hits the nail on the head:

"present Ministers and the Assembly with the unenviable, and, I would say practically impossible, task of imposing further spending reductions on what are already hard-pressed departmental budgets."

There you have it. We are going to go through with this Budget without welfare reform or additional funds, and we are going to hit something that is impossible to do. If we do not pass this Budget we do not have the legal authority to spend.

The presentation to the Committee was quite interesting. I do not know whether any other Members have had the opportunity to look at the Finance Committee's scrutiny discussions; it was quite illuminating. Looking at what came across, I think that the Minister came prepared for a bit of a tussle and an argument about whether we have had proper consultation so that we can provide for accelerated passage. She was anticipating that, perhaps, those who oppose this Budget might oppose accelerated passage, but she need not have worried, because it came to nothing. Ostensibly, that was what the Committee meeting was called for, but it was barely mentioned.

Those of you who argued that Mr McGuinness, the deputy First Minister, had somehow softened his position or changed it slightly were wrong. If you had read what the Finance Committee was looking at, you would have seen that there was no opposition to accelerated passage, nor was there any discussion about it at all. It is extremely difficult

to see how you might oppose a Bill later if you did not oppose accelerated passage.

I have to put a question to the SDLP, which had representatives on that Committee. It stated that it is implacably opposed to this Budget. As a guardian of the institutions in this place, I find it interesting that it did not probe this particular issue, given that it had the chance to stop accelerated passage. Why would it not use the institutions that are in place to scrutinise when it is such a champion? Why would it later call for more cross-party talks if it had not even raised the matter at the Committee that is looking at the Budget?

While I am on the subject, I might just register the fact that since we were looking at accelerated passage and since it was so important, we are not able to get the official record of that meeting. Maybe Hansard might consider doing a little bit of accelerated passage itself so that we can read what was agreed and what was said. As it is, thanks to modern technology, if anybody wants to go through the record, I recommend that they do, because there are some really good contributions from Máirtín Ó Muilleoir and others about their positiveness on the way forward and such like. I think that they deserve an airing, so let us have a look at that.

Mr McGuinness has not softened Sinn Féin's position. Why would he? He is getting a Budget that he wants.

Who funds it, how it is funded or where the money comes from is for another day; that is somebody else's problem. This Budget will trundle on through with a big black hole in it.

I have heard most of the debate that we have had here; I have actually been in the Chamber, because I waited to see if I would get to speak late last night. I did not, but I got to hear a lot of arguments. I heard calls from all sides and from every person standing up as Chair of their Committee or with some special interest saying, "We need more money for this" or "We need more money for that". All of them ignore the elephant in the room. I will attempt to put a little clarity into this. I do not know if I have got this right — if I have not, I am sure the Minister will take me to task on it — but it seems to me that we do not have sufficient money to do even what we want to do. Without welfare reform, we have no money.

There is another issue that some mentioned in the Committee and a few mentioned here, but it has not really been talked about. Maybe I missed it — I did not hear every speech — but

few mentioned the voluntary exit scheme and the funding for it. Not only do you have reduced budgets for Departments but the savings for the voluntary exit scheme are already factored in. You cannot get the voluntary exit scheme money unless you have got this Budget. We will have even less money than the already draconian cuts that we have put through. I have to tell you that it is causing huge concern and huge distress. Government out there is effectively in paralysis because you cannot make these numbers balance. The voluntary exit scheme is important in meeting our budgetary commitments, and you cannot do that without access to the additional funding.

There is a third bit. It is not even just about welfare reform and the voluntary exit scheme: we now have George Osborne discussing what cuts he might make in his emergency Budget on 8 July. Mr Givan, who is not in his place, and I had a discussion about that. On Monday night, when she was talking about the issue and was challenged on this, I heard the Minister say clearly:

"I said that we were doomed if we do not implement the Stormont House Agreement and welfare reform, as it currently stands and not what is coming in the future." — [Official Report, Vol 106, No 1, p80, col 1.]

That means that there is more pain to be had from 8 July, if we believe what is written in the press. My understanding is that the Minister was not supportive of any further cuts and that she would oppose those issues. That is the right way forward. But that is the order we have got; that is the financial issue which, perhaps, is not receiving the clarity it deserves.

We go through all of this and say, "OK, so far, all we've had is a litany of 'This is bad', 'It's going to get worse' and 'What are you going to do?' or whatever". There are some things that we have to look at. We have to look at a different approach. Sometimes, people say things and they are lost in the melee; you do not get to hear what was said. But I heard some positive ideas coming from the Minister of Finance. I am not trying to join the sycophantic queue of people saying, "You're great. You do all of that", but some good points were raised. I would like to encourage her, such as it is, in taking some initiatives.

One of the things that were talked about was a regional economic strategy. There is an argument that you can put forward about peripherality and how Northern Ireland is, by any definition, on the periphery. We are on the periphery of Ireland; we are on the periphery of

the United Kingdom; we are on the periphery of Europe. We have higher costs in getting to market, higher energy costs and low economies of scale. There are all sorts of issues about how we should move forward with our economy. It may well be that we should look at how we could join up with the Scots and the Welsh in coming along to that position, but I think the Minister is the person to take that forward as a regional economic strategy. She can make the right argument to London, not with her begging bowl out and saying, "We're a special case", but by saying, "You know what? London has got real problems. Let's talk to London in an argument in terms that London understands." London cannot get teachers; London cannot get workers; London cannot get refuse disposed; London cannot find any way of getting people into the place. London, the centre, must understand those issues, and it is in London's interests to develop the regional economic strategy.

11.15 am

When I am talking about that, one of the issues coming forward is the High Speed Two investment — some £50 billion that the House of Lords recently had a look at. It decided that it was a really good idea but was not sure whether it would work. It was interesting that the Minister was talking to none other than the Rt Hon Theresa Villiers MP, because she announced support for the scheme at the Conservative Party conference in 2008. She said that the high-speed rail concept would relieve overcrowding, generate huge economic benefits and close the north/south divide. However, the House of Lords Economic Affairs Committee report concluded that there were more ways of investing £50 billion than simply building a railway; you could invest £50 billion in regional economic activity. There is a pot of money that we should argue for. We should be able to say to the Government, "Do you know what? This also helps you in your constituencies". This is not Northern Ireland going to London with a begging bowl saying, "Please help"; this is Northern Ireland going to London with a plan to save London, a plan to help London.

I hope that the Minister believes in the issue. Maybe I have misinterpreted, but I took that from her speeches. I believe that she is the right person to take this argument forward. I would like her to seize the initiative so that, when we go to London, we are not seen as being recalcitrant or trying to go back to the past or all of the negative images that are out there. I urge her to take the initiative.

Some people commented on the messages that had come out from the deputy First Minister. I take that to mean that Sinn Féin would join in an approach to speak to the Conservative Government about how we might invest in Northern Ireland in its totality — not simply in welfare reform but in a positive way. The real issue for us is this: if you do not have the money, you must appeal to your creditors.

I can say — everybody else said it in their speech; I am coming to the end of this — that there are some really positive things that I would like to see done. I would like to see better transmission power lines; I would like to see them go cross-border and transmarine; I would like to sell London cheap renewable energy from Northern Ireland. We have to find somebody who will spend the money to put that capital in. To my mind, that is a capital spend, like the high-speed train network, that we should approach London for, not having it come out of this Budget. I would like to see action on air passenger duty. I raised the point, and the Minister made it clear that you needed to be careful in terms of the balance: if it costs you too much money, why would you do it? As a peripheral region, we need to reduce transportation costs. There should be a reduction in air passenger duty from internal sources, but it should be funded out of London. You can make the argument to London that this fits in entirely with London's transportation strategy — entirely with London's strategy for decentralising.

I also want to point out an issue that was not brought up, and I am surprised that it was not mentioned by the Green Party: the issue of climate change is real. I have mentioned in the House the drought in Texas, the lack of water in California and the issues that will come round and change. We have to do something about it. Northern Ireland has abundant resources of renewable energy, and that is something that we can offer to the rest of the United Kingdom. We should be making that argument.

I am disappointed that Members putting forward arguments do not understand the severe economic difficulties that the United Kingdom or Ireland, for that matter, faces. There is a £75 billion gap in public expenditure this year. People talk about the deficit going down. The deficit is going down, but the debt is going up and up — massively so. Some people say, "You are a big country. You can afford it". That may well be, but, if you are going to get investment, you have to come to people with a very proper argument. That is where Máirtín Ó Muilleoir's contribution to the debate was interesting. He was optimistic about the way

forward, and he supported an initiative led by the Minister of Finance and Personnel to explain matters to London and say, "We need to get additional funds, but we are doing it not with a begging bowl out, or stamping our feet and demanding that we get it. We are saying it is in your best interests and ours. It is in our collective best interests. It is the right thing to do, and this is where we should go".

The final bit is an appeal to the SDLP: I hope that you will review your position. I want you, as a party, to provide the leadership that you once gave. I want you to come forward and try to be part of the solution in this. Simply setting your face against the Budget will not help matters; we need some credibility in the way that we approach things. You have a contribution to make as a sensible party that thinks about these things. Your opposition to the Budget or the reason behind it is understood, but not voting for it and not being part of a package where we go together is unacceptable. If you cannot find a way to vote for the Budget, you should not be in government. You should do the honourable thing: resign and go into opposition. You simply cannot be in government and not vote for the Budget. That is the reality of it.

Just in case anybody doubts my credentials about opposition, let me say to the UUP that, on 26 October 2007, I put the cat among the pigeons by saying the same thing at its conference. I said that opposition was the only way forward if you wanted to disagree with the Government. You have a choice: you are either in the Government, working for it, not being critical of it and supporting it together or you go into opposition.

My observation in all this, for anybody who cares to listen, is that the financial hole will not be plugged. The strong-arm tactics on Sinn Féin or anybody else will not work. An appeal to reason and a joint approach by people going to London with a well-argued case is the only way forward. If you do not get that, catastrophe looms. In the words of the Finance Minister, we are doomed.

Mr Speaker: I call Mr John McCallister.

Mr McCallister: I am sorry, Mr Speaker, I could barely hear that.

Before coming to the House, as is probably well known, I used to be heavily involved in the young farmers' clubs. At that time, one of my interests was three-act dramas. We used to do a few Sam Cree comedy farces. This has all the farce but not much of the comedy. It would

probably, unfortunately, mean that, if we were doing the casting, the Minister would have to be the stern mother-in-law and the Chair of the Finance Committee would be the feckless son-in-law who was never good enough to marry her daughter. *[Laughter.]* We face having to do a Budget based entirely on the Stormont House Agreement, but we have no real knowledge of who still supports that agreement. The Budget is entirely based on it. We do not know who supports it because it was signed or agreed on 23 December 2014.

By 24 December, major cracks in the unity of purpose around it were appearing, even though parties had negotiated for 11 weeks or something in the lead-up to that. Then, suddenly, what was agreed was not agreed, everything was agreed, and nothing was agreed. I have said this before: was the Secretary of State serving too much egnog? Did people sign up to something that they did not quite understand? How did we get into such a mess?

I have to say to the parties involved that we can look at the primary cause of the failure on welfare reform. I will go back to quoting Alex Neil, the Scottish Cabinet Secretary for Social Justice, who is the equivalent of our Minister for Social Development. He said that the three points that Scotland would like to be different about welfare reform are the bedroom tax, or the spare room subsidy — take your choice — the fortnightly payments and housing benefit paid directly to landlords. I will say this again to the House and to Members opposing welfare reform: does any of that sound familiar? I think that it is almost identical to the deal that the then Minister for Social Development, Nelson McCausland, maybe had a year, 18 months or two years ago, yet we are about to run out of track because we literally will not do welfare.

As I see it, we probably have up to four options on welfare. We could do nothing and keep spending £2 million a week and sending it back to Treasury. I know that the Green Party says, "It is all right Minister. You should be happy to send £2 million, because that is going out into the community. Isn't it great?". It is a pretty irresponsible way to deal with the public finances if we are saying, "Just because we cannot get our act together to do the legislation, let us give the people £2 million a week extra."

We could do the Stormont House Agreement. I have been critical of the £564 million that was set aside. I have been critical that we have been gutting our skills budget and gutting early years spending to help to pay for this. That, I think, is a real crime that we are almost

committing, because we are trapping people in poverty by not investing in those.

The third option, of course, is that the UK Government could do it without any of the mitigation measures. Then we get the threats from Sinn Féin that say, "If that happens, Mr McGuinness will resign as deputy First Minister."

We could do a fourth option. We could have all welfare devolved to Northern Ireland. We could have negotiated how much our share was and had it added in to the block grant. We could entirely design our own welfare system. That would require policy ideas and parties like Sinn Féin and the SDLP to say, "What do you want from welfare?".

Mr McNarry was critical of the Civil Service. It is not always up to the Civil Service to provide policies and manifestos; it is the job of political parties. It is what we fight and stand for elections on. That is where the policy driver should come from, but there have been no suggestions from Sinn Féin and the SDLP about the changes you would make if you had total control of welfare.

The Minister also mentioned at the Committee last week that we need to have a "mature debate" on revenue raising. There is no comprehension from the SDLP or Sinn Féin about how you would have a mature debate. Even when Mr Wells was Health Minister and talked about some modest charge of or options for prescriptions, everybody ran for the hills. There was no effort to engage in a debate on how you would move an issue like that forward.

We have got so far away from the broad principles of welfare reform. Does anybody object to the idea that work should pay? Does anyone think that families should be better off when they are in work than when not in work? I find it very hard to go to my constituents who are working and paying for fairly expensive childcare because we do not have our act together in some of the childcare strategy. They are paying dear for that, yet they see families who are on benefits and are better off financially. That is a hard thing to sell. The Department's figures showed that a third would be better off, a third would receive the same amount and a third would be worse off. It is sheer recklessness to leave welfare reform hanging.

11.30 am

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

This place needs serious reform. One of the things that we abuse most often is the petition-of-concern mechanism. There are petitions of concern to the right of me and to the left of me; it is a case of into the valley of the petition of concern. Everywhere I look, people are signing petitions of concern. We have heard of petitions of concern to legislation that we have not even seen, namely Paul Givan's conscience clause. I think that it is a ridiculous piece of legislation, but why do we have a petition of concern to legislation that we have not yet seen?

We had a petition of concern signed last week against mandatory minimum sentencing. I voted against mandatory minimum sentencing, and the vote was 46 to 41, so it was not needed. We had petitions of concern against something like 50 amendments to the Welfare Reform Bill, most of which were not needed, as you will see if you check the voting record. We had something like 10 to amendments to the Education Bill, and they were not needed. That damages the system. Everybody is doing it — the DUP, the SDLP, the Green Party and Sinn Féin — and that abuses the system. The House should be finding its own system. *[Interruption.]* Mr Girvan wants me to name others. The Alliance Party as well, if that is any use to him.

Mr McNarry: What about your mate?

Mr McCallister: As does NI21.

That should not be done. Because of the very principles of this place and the ability to criticise, we should not be using the petition of concern in such a way. It never was designed for that, yet every party is at it and must accept that level of responsibility.

On the issue of money, we keep hearing from Sinn Féin and the SDLP, "Oh, Minister, get you over to London and take on the evil Tories. Get over to London and tell the Prime Minister, the Chancellor and the Chief Secretary what's what." I have no difficulty with sending the Minister over to London, and I have no difficulty with her or with this Administration working with the Scots and the Welsh and going to London to get as good a deal as they can. However, the Conservative Party won the general election. Some people do not like that, and you hear the talk about the Conservatives not having a mandate in Northern Ireland, barely having one in Scotland and not having one in Wales. That is the electoral system. I am sure that Mr McNarry is not delighted that UKIP got four million votes and won one seat in Parliament. I am sure that that is a difficulty.

Barack Obama won 26 of the 50 states, but he is still the president: he won the election under their electoral system. So, you need to get over it. We held an election to elect the Parliament of the United Kingdom, after which an Executive were picked from the majority party that won. That is the system. The Conservative Party won the election. It has a mandate for welfare reform, as did the Coalition Government between 2010 and 2015.

It comes back to the basis of some of our politics. I am someone who voted for the Good Friday Agreement and believes in it. As many know, I believe in power-sharing, although I want to change the model that we use. Do Sinn Féin and the SDLP accept a democratic system in the UK? They continue to question the Government, yet Dr McDonnell has the great record of having the lowest percentage vote — 24% or 25% — to be elected to Parliament. I do not see them objecting to that electoral system.

If you believe in democracy, you have to accept the system. I would like a UK constitutional convention. I keep asking Sinn Féin whether it would participate in such a thing. I want a debate about an electoral system and how we change the UK. From my perspective, I want to see how we bind the four constituent parts of the UK together in a much stronger way. It is a UK-wide event, and, quite frankly, the Dublin Government should be absolutely embarrassed to be asked to be involved in the financial arrangements of the United Kingdom. When Dublin pulled the money out of the A5 project, I do not recall the Prime Minister or anyone getting involved in the internal finances of the Republic of Ireland. Why on earth would the Republic of Ireland want to get into the internal finances and fiscal transfers within the United Kingdom? It is a position and a matter for the sovereign Government of the United Kingdom. It just does not make sense.

Why, then, is Sinn Féin intent on fighting this ideological republican ideal? It seems to think that it can take on the democratically elected UK Government and that somehow we will all eventually morph into this mythical all-Ireland republic where everything will be great. I have to say to voters in the South, if anybody is watching this debate: be afraid, be very afraid of who you vote for in your next Dáil election. Quite frankly, if you are not fit to govern and run an Administration up here, why on earth would anyone think that you could run a national Administration? Why would anyone set out a grand vision: "Vote for us and put Ireland up there with Greece". It would be heading towards a bailout again or an exit from the

eurozone and, possibly, the European Union. That is where it would take Ireland to.

Ireland has slogged its way out of an economic quagmire in the last seven to eight years and had real austerity, so do not give that up lightly. Let us remind ourselves that the Republic of Ireland had to cut its public spending by 18% of its GDP. That is a fraction and makes George Osborne's cuts so far look fairly minimal and a bit of trimming around the edges.

I am not saying that real pain is not being felt, but we have been shielded from some of it, because, as the Minister acknowledged last week in Committee, we have had health and education increases from Barnett consequentials. Our real difficulty here is that we have not made the necessary reforms. We are set to borrow £700 million, and this Budget almost depends on us starting the voluntary exit scheme. We are borrowing that, when, had we put a recruitment freeze on four years ago, the public sector and the Civil Service would have reduced naturally to where we want them to be. We keep ducking these decisions and putting them off. We keep laying down a wee bit more track to take us another few yards down the road. At some point, we have to realise that you guys are in government. This is the problem. There seems to be no way that you have realised that there are any links to being in government or that there is any semblance of responsibility to govern.

I listened intently to the many contributions during Monday's debate. I have to say that some of them were pretty mythical creations. I hear from many contributors that we need to support early intervention, we need to be doing this and we need to be doing that.

To Sinn Féin and the SDLP, I say this: that is not what you voted for. You voted to put most of our resources — £564 million initially — into welfare reform to mitigate certain measures and to let us breach a £26,000 welfare cap. You pushed for and voted for that. Meanwhile, you have gutted everything else to pay for it. You have gutted our skills budget, so Minister Farry has an Enabling Success strategy with no money attached to it. Constituency colleagues will know that, in the community and voluntary sector in Kilkeel, we are almost stopping our childcare and nursery provision from early years funding. Such projects deliver real social change. They are lifting the reading ages of children by two years and improving children's numeracy by a significant margin. We should be intervening early. We should be telling our Health and Education Ministers to work together and to intervene with families from as

early as 20 weeks into pregnancy. We should be helping and supporting them. We should be working on things such as Home-Start and Sure Start, yet we are gutting all of that. We are dismantling all the infrastructure that we have to deliver those services. In the meantime, what are we paying for? You negotiated £564 million at Stormont House to mitigate welfare, and then you petition-of-concerned it. There is no logic to any of that. It is fair to say that this place rarely has any logic to it.

I have huge respect for Mr Attwood. However, he accused everybody of being a spokesperson for the Tories and the NIO. I wrote down some of the highlights for the Minister. He attacked Dr Stephen Farry for talking about the consent principle. He has to realise at some point that we are in a regional Government for one part of the United Kingdom. We get a large and generous fiscal transfer of £9.6 billion a year. There are pretty much no questions asked about what we do with that. It is ours to spend as we like. We hear that the Tories need to be taken on. The Minister will confirm that we spend £2,000 a head more in Fermanagh and South Tyrone and in South Down than is spent in Witney or Chipping Barnet, the Prime Minister and the Secretary of State's constituencies respectively. That is good, because we have a need for more spending. We have the lowest household charges, as Finance Ministers like to remind us. We never want to go to any of the difficult places. We never want to discuss and debate the issues. Mr McNarry rightly mentioned bus passes, water charges and prescription charges. Those are all decisions that the Executive and Assembly have made, but they have budgetary consequences, whether for tuition fees or whatever. If you want to keep tuition fees low, can you fund apprenticeships? You cannot have your cake and eat it, and Sinn Féin and the SDLP need to realise that.

Mr Attwood talked about power-sharing being in jeopardy. The Welsh probably have more cause to complain, because, in the recent Barnett review, they hit convergence. They probably have more cause to complain than the Scots or us about funding. However, are First Minister Carwyn Jones or First Minister Nicola Sturgeon threatening their institutions? Is Cardiff bay or Holyrood at risk of collapse? No, Wales and Scotland are getting on with it. They are taking a fight and a debate to the national Government, but they are not threatening their institutions. They have passed Budgets and are getting on with the work of being in government. They know the difference between being in government and being in

opposition, and they know that you cannot do both. You have to be in one or the other.

11.45 am

The SDLP was a party that grew up and that was involved in social mobility, in education and, particularly at that time, in lifting and creating a Catholic middle class that was socially mobile and was moving out and getting professional jobs and a university education. Why have you abandoned those people? Why have Sinn Féin and the SDLP abandoned social mobility? Why do you not want to give people the tools in life, through early intervention and proper schooling, to get out of poverty? That is something that we should all want.

They talked about west Belfast and how its poverty indices have been the worst and are so bad. West Belfast has had a Sinn Féin or SDLP MP from 1966 — almost 50 years. What have you done about it? Where is the game changer? Sinn Féin has been in charge of education in Northern Ireland for about 10 years out of the past 15. It cannot all be the Tories' fault. It cannot all be someone else's fault. The only policy initiative that I hear from Sinn Féin and the SDLP is that the Brits should send us more money. That is the only policy, never mind whether we are spending what we get wisely.

Mr Attwood went on to talk about the great work that Mark Durkan and Brian Cowen did on roads. I suggest that Mr Attwood was probably foolish to remind us of the link that he was trying to create between the SDLP and Fianna Fáil. When the SDLP looks around and thinks about other parties that it wants to partner with, it might want to think about other people. Fianna Fáil did not exactly have a great track record on managing the Irish economy when it hit the dust.

It is probably worth a reminder that the SDLP's other chosen party is the UK Labour Party. It is worth reading into the record of this Budget debate the words from an interview by Shadow Secretary of State Ivan Lewis MP about what people in the UK voted for, that it is democracy and that that is what happens:

"I would not have been able to knock on Ed Balls's door and said 'We needs loads more money for Northern Ireland.' So why would I ... pretend that that would be the case?"

That same party was the party that the SDLP unashamedly said that they want wanted to be

in government during the election campaign. Everyone down here wanted a Labour win. It is also worth stating that Mr Lewis went on to state:

"No UK government can be writing blank cheques or be seen to be blackmailed ... No UK government wants to go back to direct rule."

He added:

"the implicit threat which is always there that if we don't get what we want the institutions will collapse cannot be allowed to shape the government's response."

I agree that it should not be able to shape the Government's response. You cannot continually hark back to that and say that you are going to collapse if we do not get what we want.

Mr Attwood also spoke about wanting to create a radical middle politics. He suggested that we should join the euro, although the euro is a pretty tough old sell at the minute. I encourage the SDLP to create that radical middle and to come up with ideas. It should either participate properly in a Programme for Government and get on with being in Government, or it should get out of Government, go into opposition and give itself the breathing space to create some radical thinking. You cannot continually do both.

The other great call from Sinn Féin and the SDLP — I think that it was Dr McDonnell who made the call — was, "I have a brilliant idea for the Minister. Let us have more negotiations." I am only a couple of years younger than the Minister —

Mrs Foster (The Minister of Finance and Personnel): Are you sure?

Mr McCallister: I know, Minister, you have had a tougher seven or eight years than me. For anybody who did not believe that, I thought that it was worth reading that into the record.

We have been negotiating literally from when the Minister and I were born. The SDLP grew up and was born into political negotiations, from Sunningdale, the Anglo-Irish Agreement, the Hume/Adams talks, the Downing Street declaration to the Good Friday Agreement. We have toured about every country home in the UK. We have done all that. We have had the Hillsborough Castle Agreement, Leeds Castle, the Weston Park talks — we have been around

them all — St Andrews, Hillsborough, Stormont House and Stormont Castle, just in case the house was not enough. We have done them all, and what do we have to show for it? "Oh, no; we didn't agree to that. Who would sign up to that?" Everybody is running for the door. I have no idea which parties agreed to anything. They do not seem to have any idea what they agreed to or what their negotiators agreed to. We have parties that have reserved their position on it, yet every part of this Budget is based on the Stormont House Agreement.

I will just remind the House and the Minister of some of the highlights of the Stormont House Agreement. It includes up to £150 million over five years to fund bodies to deal with the past. Is that up for renewal or is that out the window? Have we lost that money? Have we lost the flexibility to use £700 million of capital borrowing to fund the voluntary exit scheme, with up to £200 million in 2015-16, the Budget year that we are debating? There is a huge reliance on that. Is that going to happen? Will that go ahead?

The Minister knows my view that, had we done the recruitment freeze earlier, we could have been borrowing the £700 million to invest in other infrastructure and various projects in roads, rail, schools, hospitals and wherever it was needed, but we are where we are. The payback on it is remarkably quick if we get a managed scheme, but will it happen?

There is a contribution of up to £500 million for new capital to support shared and integrated education. That is Mr O'Dowd, and he is in the Chamber. There is £300 million for infrastructure projects, profiled over four years, with £100 million of it in 2015-16. Is that going to go? What about allowing asset sales to be retained in their entirety to allow a combination of capital and resource spending? Is that flexibility allowed, and should we even proceed with asset sales if there is some doubt as to whether it can be used? There is the flexibility to repay a £100 million loan from Treasury and £114 million in welfare deductions from asset sales and capital budgets. Are we now in danger, if Stormont House is not implemented, of selling off or not selling off assets because we are not sure whether we have the flexibility to repay that £214 million between the loan and welfare fines?

To continue with welfare, the figures that the Minister gave last week at Committee showed that the welfare penalty would go up to £196 million. Are more things coming down the track on 8 July, going by the Prime Minister's speech the other day in the north of England? I have

said some of this before. I am happy to have a debate with Sinn Féin, the SDLP and others in the House about the merits of a living wage. I am on record as saying that companies that can afford the living wage should consider paying it. The Prime Minister is on record as saying that the UK needs a pay rise. I quite like the idea, which the Ulster Unionists put forward in the election, that companies benefiting from a corporation tax cut would pay the living wage. That is to be welcomed.

Of course, our entire economic strategy seems literally to be focused on Stormont House and the advantages of corporation tax. One of the difficulties that the Minister has, which even relates back to her previous role, is that we, as an Assembly and Executive, are sending Alastair Hamilton and his Invest NI team out to sell Northern Ireland as a destination, saying, "Come and invest with us." Some of the things that you need to attract inward investment are stability, good governance and a competitive tax rate and base. We look as if we are throwing all that out of the way. You could not exactly say that there has been stable government in the last three to four months. After Stormont House in the early part of year, it had rebooted the relationship between the First Minister and deputy First Minister. What happened at the ard-fheis up in Derry? Who knows. It changed dramatically from a Friday night speech by the deputy First Minister to a Monday morning petition of concern. At that point, something changed. Presumably, orders came from high command.

Mr McKay: I thank the Member for giving way. I listened to his speech with interest, as I always do. Is it not the case that there needs to be honesty in this debate? The Member does sound, in many aspects, like a Conservative spokesperson. I have listened to Members on the opposite Benches on the issues of welfare and people seeking work. They are coming out with the exact same policies that the British Government come out with. Is it not time that Members across this House were honest and said that they actually support what the Tory Government are doing rather than making arguments for the Tory Government but not actually saying that they support them?

Mr McCallister: I have probably been called worse things: to say that I am slightly more sympathetic to a Conservative Government will not offend me dramatically.

The point is that we should all be supportive of some of the bases of the Conservative/Lib Dem welfare changes — it is important to remember

that it was a coalition Government between 2010 and 2015 — such as making work pay. I cannot go and tell my constituents who are on the average industrial wage of £19,000 or £20,000 why we should pay their neighbour who is on benefits over £30,000. I cannot go and try to justify that to my constituent. I have said before in the House that you cannot have a system in which we are paying to breach a £26,000 welfare cap, which is designed mainly, I have to say, around housing benefits for the south-east of England, not actually for Northern Ireland. In the welfare debate, we had talk of something like 6,500 families who were getting an average of £30,700. That is the equivalent of a £40,000 a year salary. You cannot justify that when some of the poorest people in society are people who are now actually in work.

I acknowledge both the coalition and the Conservative manifesto commitment to lift the income tax threshold to £12,500. That is actually a good thing because it will take people out of tax. It will lift lower-paid people completely out of the tax system — or a huge percentage of their income out of the tax system. The group it is most advantageous to are the lower paid. I am someone who actually supports a living wage. I have said that, yes, if companies can do it, they should be encouraged to do it, but I am not hearing any policy ideas coming back from Sinn Féin or the SDLP other than to oppose Tory welfare changes. If you want to redesign the entire welfare system, do that — I do not have a problem with your doing it — but you have to describe how you would pay for it and tell the Minister where she will find the money to keep on going at the rate at which we are going.

12.00 noon

We and this Executive look and feel politically exhausted. The one bit of sympathy that I have for the DUP and its Ministers is that they need a partner in government. Whether we have an opposition here or not, they need a partner in government. The electorate said it was Sinn Féin, because you won the second largest number of seats and votes in Northern Ireland. I respect your mandate and right to be in government, but you have to realise that you are in government. Nothing quite sums up the Sinn Féin attitude to being in government more than junior Minister Jennifer McCann tweeting one day that action needed to be taken on child poverty and the Government should do something. You are the Government, so do something. You are in government, so look at the responsibility that you bear.

Mr McKay: I thank the Member for giving way. Part of the problem here is that, in some respects, this is a pocket-money Parliament. The Member does make good points about the fact that we need further fiscal levers so that we can have more left/right arguments on the economy.

He makes a point about the living wage, but he does not commit to it. We are committed to the living wage; that is a clear economic policy that we have. He wants to reduce the amount being spent on welfare, but he will not commit to the living wage. The Tories have come out with proposals that will affect hard-working families, and the benefits that they need will be taken off them. How can he agree with that and not agree to a living wage?

Mr McCallister: I think that the Member misunderstood me. I am committed to the living wage. I would like to see it being paid. I am on record here as saying that. One of the things that we did on welfare which affects all the Budget was to, over the last number of years, use tax credits to subsidise low pay. I was pleased to hear the Prime Minister addressing that issue in a speech earlier in the week when he was challenging tax credits. I am going from memory, so forgive me if the percentage is not accurate, but something like 14% of our welfare spend is on tax credits. We have subsidised low pay by doing that, and that should be challenged. Businesses have a responsibility to move to a living wage. He will get no argument from me on that.

He will also get no argument on how we move to tax-varying powers here. I would love nothing more than to see this place being more normal. I would love to see us having the power to look at corporation tax. I would love to see us being part of the national debate about the regions and the other nations of the UK, about income tax bands or levels of income tax. At the minute, you could devolve tax-varying powers to this Assembly only if you reformed this Assembly and the way it works. It needs to be a proper place that is not just always debating and saying that we will cut corporation tax. It is strange that Sinn Féin have moved off that and said that corporation tax in unaffordable. I am not quite sure where the SDLP is on that. We have no ability to have that debate here, because this Assembly and Executive, to use the First Minister's phrase, is so dysfunctional that we do not know whether it is going to pass a Budget. There is nothing more fundamental to basic governance than passing a Budget. In a normal parliamentary democracy, if a Government cannot get their

Budget passed, they fall. That is just the nature of parliamentary democracy.

I want to touch on a point that Roy Beggs made in the last debate, because it is one that I feel strongly about as well. If our councils started to spend in a reckless way and could not live within their means, at some point Minister Durkan or some other Minister would have to step in and say that enough is enough. That happened with some of Sinn Féin and the SDLP's political heroes, such as when militant Labour ran Liverpool City Council into the ground, or Ken Livingstone at the Greater London Council, to the point that Mrs Thatcher abolished it. You have a responsibility. We would not let councils behave in the way that this Assembly is now behaving. We would have to step in and stop them at some point.

We have a Minister who is faced with a dilemma as to at what point enough is enough. At what point do we question the mitigation measures and how we move them on? At what point does the permanent secretary take over? At what point does the Treasury step in and ignore all the threats that it will collapse the institution and bring down the peace process and all the doom and gloom? We need to move beyond that. The idea that we are somehow going to negotiate our way out of this is just no good.

When it comes to tax-varying powers, of course, you could include things like air passenger duty (APD). The Chair of the Committee knows about regional disparities. Air passenger duty has hurt the growth of the regional economy. That is a debate that I would love the Minister to have when she goes to London. I would like to see her tying in not just with the Scots and the Welsh but with the Conservative idea to create a northern powerhouse. Places like Manchester and Newcastle are being disadvantaged as well. That is an area where the Minister can go and challenge the thinking of the Government and how it is disadvantaging the growth of regional economies. That is something that we should be looking at. If we look at all the sectors and all the choices that we face, there is no sign that Sinn Féin, or the SDLP for that matter, are up to making any of the difficult decisions.

Minister Farry had the Executive against him on St Mary's College. Look at Ulster University. Our universities are now faced with several options: they can cut numbers; they can increase fees, if the Assembly would let them; or they can try to get more money from the Department for Employment and Learning.

Those are the choices that this Executive and Assembly should realistically be making.

People talk about DRD and street lighting, and I know, as a constituency representative, that Transport NI seems to have effectively stopped. I do not know how other colleagues feel about getting anything done. If the stories are right, Transport NI is down to 35 litres of fuel to drive around with. At least we can comfort ourselves in knowing that Transport NI's depots are in great shape at the minute. There is not a weed or a bit of dust blowing around them.

Mr Ross is in his place, but there is no sign of anyone wanting to have a debate about what we want the state to look like, what role we expect it to take, or what services we expect it to deliver. There is no sign of any part of government moving into that realm. All anyone talks about is taking on the Conservative Government. Sinn Féin might be uncomfortable because it has had to vote against water charges in the South. It does not even want a debate with the Minister about revenue raising up here. We are running this place into the ground while waiting for a Dáil election to happen. That is an intolerable place for any Administration and partners in the Government to be in: to just sit and, effectively, fiddle while Rome burns. That is what we are doing. We cannot be allowed to continue with that.

Looking broadly at some of the issues, I think that it is important to remind colleagues that the reason why the Committee does not have a lot of choice about accelerated passage of the Budget Bill is simply because, until we reform our Budget process, there is not a pile of choice left for Members as to how they do that.

I listened to and read some of Michaela Boyle's advice to the House. She talked about a no-growth austerity agenda from Westminster. The no-growth agenda in Westminster has left the UK the fastest-growing economy in the G7. It has created some 1.7 million jobs. I want this Administration to be involved in that type of reform for Northern Ireland.

We were successful last year in attracting inward investment. Per capita, we had the highest rate of inward investment in any part of the UK, which is to the credit of Invest NI and the Minister in her previous role for going out and selling Northern Ireland as a place to invest. Given the current instability, as the Invest NI team go out not knowing whether we are setting corporation tax, that record will be very difficult to maintain, especially if we do not get our skills base right.

I come back to welfare and say to Michaela Boyle and her colleagues that there is nothing compassionate about trapping people in poverty. There is nothing compassionate about trapping people on benefits for the rest of their lives and condemning the next generation to low educational attainment, poverty and benefits.

A report is out on the job of work that needs to be done in Protestant working-class areas. We have a job of work to do in all areas where underachievement is being presided over by the Education Minister. We need to change the way our schools are run, engage kids early on in their education and engage those kids' parents in education. All educators will tell you that they could walk into a house and know by the number of books there how well a child will do in school. I suspect that this is not a problem for the Minister's kids or mine: their parents are reading to them at home and taking an interest in their education. That is not happening in some of our families, and there is nothing compassionate about a welfare, education or health system that ignores that reality.

There is a seven-year difference in life expectancy in parts of Belfast. There is nothing compassionate in that. This Administration should embark on these and many other reforms and make sure that they deliver. Take the report of the Human Rights Commission on health. It talked about the need for Departments to move on with Transforming Your Care, on commissioning and other changes, setting the value on human rights and charting a constructive course ahead. However, Transforming Your Care, by all accounts, three and a half years in and three Ministers later, is going nowhere.

We have this system of government that allows people to be in government and opposition at the same time. We can vote for a Budget and go to a picket line in Newry all in the one day. Thankfully, on that occasion, Mickey Brady was asked to leave the picket line, but this coalition of irresponsibility, particularly on this side of the House, cannot be allowed to continue.

(Mr Speaker in the Chair)

I have looked at some of the failings of the Executive and where we have lost money. We spent £53 million on a training college for the police and the Fire and Rescue Service that now looks as if it is not going to happen. Is the A5 road going to happen or not? That is £60 million-plus. The Maze/Long Kesh site involves £18 million of EU money. The Narrow Water

bridge involves £14.5 million. For education reform, we managed to get something — the lowest common denominator available. Local government reform looks as though it is having enormous teething problems. Planning seems to have almost ground to a halt. In education, we still have 64,000 empty places. The Department of Finance, in a previous monitoring round, had to give £63 million to the Department of Education, because that was the only way in which to get Sinn Féin to agree, yet there is no semblance of reform. That is how bad our system is at the minute. The only model that Sinn Féin looks to is the Greek model.

12.15 pm

In concluding, I say to Members that I believe passionately in devolution. As I said earlier, I voted yes in 1998. Is there frustration? There is bound to be enormous frustration in parties in and out of government that want to do things to help people but are blocked at every turn. I accept and respect everyone's mandate to be here. I have no difficulty with the concept of power-sharing. What I do have difficulty with is what we have at the minute, which is shared-out power and, effectively, little fiefdoms, where people are king on their own patch. I suspect that, when the DUP first selected the Department of Finance, it was hoping that it would be much more like the Treasury in London, with much more overarching power to reform other Departments and to help to guide that reform. Peter Robinson set up the performance and efficiency delivery unit (PEDU), which Simon Hamilton subsumed into the public sector reform division, yet we have no way of getting any Departments to engage with it.

I believe in devolution. I believe in this place. I would like to see this place be a bastion of hope, with policy ideas coming out of it and reform that lifts the standard, tackles educational underachievement, economic inactivity and our productivity gap. Our productivity has remained stagnant for many years. I want to be involved in a democracy that has politics of aspiration, that wants social mobility and that wants all our people, not just those in South Down but across Northern Ireland, to do well and succeed. It is almost like the old Sinn Féin mantra from the proclamation about:

"cherishing all of the children of the nation equally".

We are not cherishing people equally when we trap them in poverty and trap them in west Belfast. We should be using very wisely the £2,000 a head of extra spending that we get and creating an equality of opportunity for people that people can see. We must look at reforming this place. We must look at reforming the petition of concern mechanism. I want to see the Assembly doing that. I want the Assembly and Executive to have the maximum powers that they can have to maximise the benefits of being in the Union. I want all those ideals for the Assembly and Executive, but those ideals can happen only when people realise that they are in government.

The big challenge for Sinn Féin and the SDLP is to decide whether they want to reform Northern Ireland and whether they want Northern Ireland to work. No matter what our constitutional preference is, this place has to be made to work. As a unionist, I want it to work and to be a full, integral part of the UK. As Irish nationalists or republicans, you have to make this place work to make sure that you look as though you are fit ever to be in a sovereign Government in the future. Either way, we have to make this place work for the people of Northern Ireland, whom we are sent here to represent.

As a committed devolutionist, I say to them that I, like many, am absolutely fed up with Sinn Féin and the SDLP's stance on the issue. Many people have long since switched off on what is happening at Stormont. The little boy has cried wolf way too often. This is not only a crisis: it is a proper crisis and a real crisis. We have to move away from that. We have to remember that the peace process is over and that it was successful. It is now time to govern. I remind colleagues of Danny Kennedy's words:

"More than ever, the debate highlights the fact that our current system allows those in government to behave as though they were absolutely removed from it and as though they are in opposition." — [Official Report, Vol 105, No 5, p16, col 2].

Sadly for people in Northern Ireland, some here today seem more comfortable with the character of opposition — a harum-scarum opposition — than with the responsibility of government.

Although I am committed to devolution, I have less of an ideological problem than all the parties down this side of the House with Tory direct rule Ministers coming in and sorting out our problems. Quite frankly, if the Assembly and Executive cannot rise to meet the

challenges before us and deliver for the people of Northern Ireland, then this place does not deserve to exist. I do not say that lightly. I know the consequences that it could have. People could say that you could get rid of devolution for a few weeks. I constantly remind people that I was a 6-week-old baby when this place collapsed in March 1972. By the time it came back in a stable form, I was a 35-year-old Member of it, so I do not say it lightly. At some point we have to stop running to big brother at the British or Irish Governments saying that we need more money. We cannot give in to all the threats of "Oh, this will happen, the deputy First Minister will resign." We have to say that enough is enough.

Mr Speaker: I call Ms Claire Sugden.

Ms Sugden: Apologies, Mr Speaker, I was not expecting to be called so soon. *[Laughter.]* I will try to be brief in say in a few words that others have laboured over; I do not think there is much that I can say that will change the outcome of the debate anyway. If anything, I hope that I can send out a message of what a 28-year-old female from Northern Ireland thinks of the Assembly.

When preparing for the debate, I looked over the Hansard from Monday. One of the things that jumped out at me was when Minister Foster said:

"the Budget Bill underpins all the public services that Ministers and Departments are tasked with delivering." — [Official Report, Vol 106, No 1, p56, col 2].

Essentially, that is our reason to be. That is why we are in the Assembly today. Anything that we do follows from the Budget.

I was not a fan of the original Budget Bill, and I am not really a fan of this one. It seems to cut a clinical line across the various Departments. There is no strategy that envisages our Departments working together so that we can provide the people of Northern Ireland with an efficient and effective public service, which is something that they deserve. That said, the Minister can only play with the cards that she has been dealt. Even in an environment where the political impasse did not hang over our heads, she would still have a difficult task trying to convince civil servants that we are no longer under direct rule and that cross-departmental working is really the only way forward.

We are where we are, and that is at the end of the line. Unless the Budget (No.2) Bill is

passed today, Northern Ireland has failed. While that shame will stay with us as Members of the House, the biggest tragedy is the effects that it will have on the people of Northern Ireland — the people I represent — and the basic public services they are entitled to. Not the standard that everyone else gets, but the basic public services that they are entitled to.

Much has been made of the phantom Budget, or provisional Budget, although I am not sure that that is much better. We will call it hypothetical. By all means, I am the last person to come forward to congratulate the DUP on its policy.

Nevertheless, I think that what we have on the table is the best option. It seems that it is the only option that is on the table. It is not a bad thing that we set welfare reform aside. In Northern Ireland, the politics often gets in the way of the politics, and, to me, welfare reform at this stage is nothing more than politics; bad politics at that.

I do not like the Conservative Government's approach to welfare reform. Their approach has been about penalising those who take advantage of the system rather than helping those who need to use it. All of us, as Members of this House, will be able to say that they have felt the squeeze in anticipating welfare reform and the changes that are happening, knowing that it is coming. It is coming and neither I nor any Member of this House can stop welfare reform. If that is the imminent reality, which it is, then I would rather that it was implemented in the form that is most considerate of the circumstances of Northern Ireland and the post-conflict society that we find ourselves in.

There are concerns about welfare reform, as I have very briefly outlined, but I do not accept that the current impasse is about the most vulnerable in our society. I am actually quite angry that that phrase is overused in the way that it is by some Members of this House. If it were about the most vulnerable in our society, we would have passed welfare reform, because satisfying the most vulnerable in our society goes beyond benefits. It looks to other public services, and to pin it only on benefit disrespects the people whom Members here say they are helping.

Even if I could swallow the nonsense about the most vulnerable, it is fair to say that we are not helping the most vulnerable in that respect. We are actually making it much harder for them. We are cutting the services that are helping them to get back into work, making them feel

part of society and giving them somewhat of a quality of life that the rest of us take for granted. Please, please do not tell me that this is in the name of the most vulnerable. This is the consequence of bad party political decisions. I would be sacking the spin doctor because Sinn Féin is usually better at wearing the faces that it has.

Welfare reform needs to be set aside for now, so that Northern Ireland can get on with it. The people of Northern Ireland so desperately want us to get on with it, whatever "it" may mean. They are fed up with the poor quality of politics here that they have been getting since 1998 and before that. I have a theory, Mr Speaker; I think that we will eventually get there. We will get there because what is happening now is probably a natural cycle of the conflict and of deeply-divided societies. Politicians got the job because they waved their flag higher or because they got a number of votes for the other side. They did not have to be good at their job during the conflict, but now they do. People are starting to wake up to politicians in Northern Ireland, and they are starting to realise that those people are here to represent them and their interests and to provide the public services that they use.

In a crude way, I see this as a positive message, because it means that we are working our way out of this dark tunnel. We have a long while to go yet, but we need to keep going, and we cannot fall here. I will vote for the Second Stage of this Bill, and I commend the Minister for bringing it to the House in the form that she has done, but we need to keep going, and we cannot fall now.

Mr Murphy: Go raibh maith agat, a Cheann Comhairle. Before I make my contribution, I want to offer my best wishes to my party colleague Cathal Boylan, who underwent a very serious heart operation yesterday. Thankfully, he is stable today, and I am sure that the House will join me in wishing him a speedy recovery and a quick return to work.

I do not intend to make a very long contribution, not just to save the Finance Minister, who sat through quite a substantial number of speeches on Monday and this morning, but because I realised that, having sat through some of this morning's contributions, the longer the speech the more contradictions get built into them. I will keep it simple and straight.

I will begin by reiterating what the deputy First Minister said on behalf of our party here on Monday when he offered conditional support for the Bill on the basis that:

"the Executive have workable and sustainable finances in the time ahead, and to ensure the full implementation of the Stormont House Agreement." — [Official Report, Vol 106, No 1, p70, col1.]

Of course, he recognised that there were still very fundamental challenges facing the Executive and the Assembly around the welfare protections that have been spoken about this morning and the other important elements of the Stormont House Agreement, including the essential legacy mechanisms and how those must proceed. At that stage, he also noted that the Budget (No. 2) Bill, which, as people and Members understand, is to implement the second half of the spending of the Budget Bill that was agreed in March, does not contain further cuts to the one agreed in March. However, he made the point that further cuts to our Budget would dramatically impact on front-line services, our economy and society and that that was not sustainable going forward.

12.30 pm

In the likelihood of the Budget Bill getting the agreement of the Assembly to go forward, today and next week, the question is this: what do we do in the time ahead? Do we accept the line that there is no more money, that there is no money tree, as we have been told in the various clichés that have been rolled out? Do we accept that the British Government do not have any power to raise any more finances, even though people have made reference to it being the fastest-growing economy in the G7 or G8? Do we accept that they cannot go after taxes that are withheld from them by large corporations or very wealthy individuals? Do we accept that they cannot spend the huge amounts of money they are spending in other areas, in areas that are more productive and more protective of society? If we accept that line, going forward, and throw in the towel on that basis, we agree, as some people have sought to do in their contributions during this Budget debate, to pit the most vulnerable people in society — the people who are dependent on welfare — against the working poor and other people who depend on front-line public services. We say to those people, "There is room in the safety net for only one group of you. The other people have to get out".

People argued about the welfare issue against people who are working, and said, "The solution to that is to cut welfare, not to increase the minimum wage for people who are working as well". If we accept all of that, the only solution for us is to go home, close our front door and

close our ears and our eyes to the full impact of our failure to fight for the people who elected us to represent them.

Over the last number of years, the Assembly has stood as a bulwark against the full impact of cuts from the British Government, first from the Tory/Lib Dem Government and, now, what is being proposed by the Tory Government. People have criticised the decisions that the Executive and Assembly have taken, but, without the decisions, the cuts would have made a much more severe impact, and certainly there would have been a much more severe impact on people who are dependent on welfare. We can see —

Mr Allister: Will the Member give way?

Mr Murphy: Yes, I am prepared to give way.

Mr Allister: The Member started his speech talking about contradictions. I would like to explore one issue. He tells us that the Assembly and, by inference, his party, has stood as a bulwark against cuts, but his is the party that tells us that £1.5 billion of cuts have been inflicted on our block grant. Those are cuts that his party implemented. So, to this moment in time, according to his own script, they have implemented £1.5 billion of cuts. Now, belatedly, it is a die-in-the-ditch matter. Will he explain that contradiction?

Mr Murphy: I thank the Member for his contribution. I have been absent from the House for three years, but I know it certainly was not his practice to reciprocate by giving way when he was speaking, but I hope that that is now the norm in public debate. The reality is that, if the Assembly had not taken decisions —

Mr Allister: On a point of order, Mr Speaker. I do not think I have ever refused, in practice, interventions. I think I have been very generous in taking interventions on issues, and I intend to continue to do so.

Mr Murphy: I accept the point, Mr Speaker —

Mr Speaker: Yes, I think you should accept it, because I can testify to it.

Mr Murphy: I accept the point the Member makes, and I accept that my recollection might be somewhat rusty, since, as I said, it is three years since I was in the Chamber. I am very pleased to be able to engage in debate with him, and I wish it was likewise outside the Chamber, in the normal discourse that takes

place between elected representatives to the House, that we had such a debate.

The reality is that the bulwark that the Executive stood against is that we do not have water charges, we have free prescriptions, and we have free transport for the elderly. All the things that add to the impact on vulnerable people and working-poor people in Britain have been offset, including by people's welfare entitlements as a result of the Welfare Reform Bill not going through and the protections that we agreed to build into the Stormont House Agreement. We have stood as a bulwark against the worst impacts of what was coming down the track, and we have readily accepted that there have been £1.5 billion cuts over the last number of years, which we have tried to mitigate and use our limited resources to protect the people who are most in need. That has been our approach, and we make no apology for it. We said it clearly, and the Executive agreed in their Programme for Government for 2011 that their priorities were growing the economy and protecting core services —

Mr McCallister: Will the Member give way?

Mr Murphy: Yes, sure.

Mr McCallister: I remind the Member that we do not have a charge to visit a GP, thanks to the National Health Service and money from Westminster.

Mr Murphy: I absolutely accept that, which is why we argued in particular — the Member made a lot of references to the nature of our party being all-Ireland — that the National Health Service is much better than the healthcare system that pertains in the South, and we are quite happy to acknowledge that.

We have engaged, as we normally do, but we have certainly stepped up that engagement recently with the business community, the trade union sector and others in civic society. They recognise the damage that further cuts will cause to people who depend on core services and welfare and that the ability of the economy to recover will be damaged by austerity policies that are being strengthened and deepened in London as we speak. Austerity policies damage economic recovery as well, and businesspeople recognise that, because it is not only people who rely on core services. The Executive's Programme for Government has a central plank of trying to secure economic recovery, and that will be directly impacted by the prospect of further cuts that are not part of

this Budget — the £38 million that the Chancellor has announced for further in-year cuts and the prospect of £25 billion of further cuts and our share of what that might be. That is why we say that such further cuts to the Assembly and our ability to do business and deliver on the Programme for Government that we were democratically elected to deliver will be impacted.

The space that we have, hopefully, now opened up in relation to the Budget Bill should be used imaginatively and collectively by the Assembly, and we should get away from the defeatist language that I have heard as part of the Budget debate, which is that we should simply shrug our shoulders and say, "We would like to help the vulnerable, but there you go. What can we do? Big Brother has told us that we are not allowed to do it any more. It does not matter what our democratic mandate is or that we stood on promises to the electorate and crafted a Programme for Government to reflect our priorities. What can you do? What can you say? That is simply the way it goes."

Mr McNarry: I thank the Member for giving way. For the sake of clarification of his party's position: when you talk about creating new space, is that new space to continue the argument that you are now involved in with the current welfare reforms, or is it new or agreed space to face up to the measures that are likely to come from 8 July, where, I think, there is a unity of purpose? Are you creating space for that only, or are you merging the two?

Mr Murphy: I am in danger of defeating the argument that I made at the start by speaking for so long. I recognise what the Member said when he talked about putting himself in a collective mandate across Britain and the North during the last election: the mandate for those who were nationalist and opposed the British Government and the mandate for the rest of them. I think that he included himself and UKIP in that, which was in support of what was happening. He then went on to make the case that we have a mandate here, which is to stand up, or we would end up with direct rule policy and Westminster policies being directly implemented here. He said that we had a responsibility on our mandate here to try to challenge those things. I want to recognise my mandate. I want to recognise the fact that we were elected to challenge these things.

It is not creating a new space. I think it is giving us more space to try to collectively get the argument in relation to the impact of austerity, and not just simply on the narrow band of

welfare reform: the full impact of austerity. Austerity is damaging prospects of our own economic recovery and delivering those core services which we pledged, in our Programme for Government, to protect. That is now recognised across society. Some Members across the Chamber appear to be in denial in relation to that, and they are certainly in denial about our ability to do anything to effect any change to it. I think that there is an opportunity, and not just here in the North, to talk to others who share the same view and have a growing concern about what is coming down the tracks from Westminster, to share unity of purpose with people in Scotland, Wales and across Britain who feel the same way. You saw the extent of the demonstration in London last Saturday.

I welcome the intervention that the Finance Minister made, signalling her intent to meet her counterparts in Scotland and Wales. There are many differences between what we have done and what they have done, but there is also a commonality in terms of the threat to the ability of the devolved institutions to deliver their own programmes, in view of what is coming at them from Westminster.

That is the type of space that I see opening up. It is not a very large window; it is quite a narrow window of opportunity. I hope that we can speak collectively and with unity of purpose on that. I and my party are quite happy to engage in debate with any party here in relation to that agenda, to see where we can find common cause. When we found common cause, albeit briefly, in the Stormont House Agreement, that had an impact on the attitude of the British Government. It secured additional money for education and the legacy issues. When we speak with one voice, we can make an impact. We have an opportunity to engage and speak with the people in our society who understand what is coming at us, and also those in other devolved institutions.

My argument was outlined by the deputy First Minister. We need to be thinking imaginatively in the time ahead, talking together and trying as best we can to present unity of purpose in this regard, if we are to effect any change at all. We must recognise the very serious challenges that we face and the ideology that underpins the Tories' approach to Government and be determined in our challenge to represent and protect the people who have sent us to this Chamber to do so.

Mrs Foster (The Minister of Finance and Personnel): I thank everyone who has contributed to the debate today, and indeed on

Monday. In particular, I want to thank the Chairs and Deputy Chairs of Committees, who set out their departmental perspectives. It is always good to hear the range of departmental issues facing us in this financial year from all those involved in the scrutiny Committees.

I want to talk about the fundamentals of the debate. We have heard much reference to the Budget document, obliquely in some cases, and I accept that. It was published on 19 January this year by my predecessor, and, for those of us who have little economic understanding, on page 23 it shows the very basic information that needs to be understood in relation to how a Budget is set. It sets out very clearly that Northern Ireland businesses and the public pay taxes to the United Kingdom Government. That Government then allocates a Budget to Northern Ireland, as it does for Scotland and Wales. In our case, we benefit to the tune of an extra £10 billion in relation to the taxes that we pay. Then the Northern Ireland Executive distribute the Budget to different Departments, and the Departments spend their budgets on public services throughout the year. And that is it, in a nutshell. I could end there, but unfortunately I need to answer some of the issues — *[Interruption.]* I did not want to give you a lot of hope there, but I need to deal with the issues that have been raised during the debate over these two days. However, I point Members to that page in the Budget document.

I start with the Chair of the Finance Committee, Mr McKay, who asked for clarification on pay bill savings in relation to the voluntary exit scheme. As I explained to him in last week's debate, the expected quantum and spread of savings from the scheme across the Departments is being calculated by the working group under the leadership and chairmanship of the head of the Civil Service. It will be available shortly.

12.45 pm

Mr McKay supported the general principles of the Bill on behalf of the Committee. He noted the importance of public-sector reform and the use of new technology in everything that we do in the future, and that is something that I will come back to in a minute. That was a theme that was also taken up by Mr Ross, who spoke next and who raised a number of issues that I think are worth referring to.

First, in his capacity as Chair of the Justice Committee, he raised the issue of legal aid reform. He talked about the fact that the current programme of legal aid reform, which, when fully implemented, would deliver £22

million of annual savings in criminal legal aid. He talked of further changes in Crown Court fees. That will save in the region of £8 million. That was introduced in early May. We know that the Justice Minister has put forward to the Executive proposals to further reduce costs through amending the scope and eligibility of legal aid, and those measures will not be sufficient to meet all the pressures in-years. The Justice Minister has sought the agreement and support of the Executive to introduce emergency legislation to apply a variable levy on those legal aid fees. That will come before us very soon.

Mr Ross also talked about fiscal powers. Our top priority still remains the transfer of corporation tax powers. This party has been consistent in continuing to argue for the devolution of corporation tax powers. We believe very strongly that it is a very important economic lever and that it has the potential to bring about a step change in our economic performance, but, as I will point to later, all that is encompassed in the Stormont House Agreement. All of it is detailed in the Stormont House Agreement, including the devolution of corporation tax.

In relation to the point about innovation and doing things differently, which, I think, a number of Members latterly referred to, we need to focus on outcomes. We need to look at how we can do things differently to bring about better outcomes. The last person to make that point was Mr McNarry. How do we, as a public service, do things differently to bring about better outcomes? Instead of looking at processes, how do we have better outcomes? That point was made very clearly by Mr Ross. He talked about the efficiency of the private sector in some of the things that it was able to offer to the public sector, and he talked about the role of government and whether we should be big government or small government in the lives of individuals. I thought that it was a very considered speech and one that caused a lot of debate around the Chamber on Monday and today.

I understand that Dr McDonnell is to leave this House, and his last appearance was yesterday. He has now decided to concentrate on Westminster, and I wish him well as he concentrates on his Westminster activities. He did not bring me much joy with his speech, it has to be said. He said that we needed to get into another all-party process. I have to say that that did not work very well for us in December. We are back here talking about another all-party process when we thought that everything had been agreed on 23 December.

The Stormont House Agreement really underpins this Budget, and, without the implementation of the full Stormont House Agreement, the Assembly and the Executive do not have the mechanism to move forward. So, we need to implement the full Stormont House Agreement.

Mr McDonnell repeatedly referred to the need to have greater efficiencies and Budget reductions, but not once did he tell us how he was going to deliver those efficiencies. There were no ideas coming forward as to how those efficiencies were going to happen. He also called for a re-engineering of public expenditure, but, again, did not provide us with very much insight as to what that actually meant in his world.

In relation to the devolution of corporation tax powers, I have already stated that I believe that it has the potential to transform the economy. I very much want Northern Ireland to be the go-to place for businesses that are looking for a place in the United Kingdom or access into wider Europe. Having that competitive rate of corporation tax is very much one of the key levers that we have to make that happen.

As an Executive, we need to agree on a rate and a start date. That is very much part of the Stormont House Agreement. It is important that we look back to the Stormont House Agreement to see what it actually says about corporation tax. On the very last page, it talks about the process for the devolution of corporation tax, stating:

"Progress of the legislation through Parliament this session will proceed in parallel with implementation of key measures to deliver sustainable finances".

So, the Bill that was to bring corporation tax was to proceed at the same time as:

"agreement in January 2015 on a final balanced budget for 2015-16 with a clear commitment to put the Executive's finances on a permanently sustainable footing for the future; and progress on welfare reform in January with the Welfare Bill passing through Consideration Stage in the Assembly before the end of February."

So the devolution of corporation tax is conditional upon us having a sustainable Budget and progressing on welfare reform. The Stormont House Agreement is very clear on that issue, and anybody who thinks otherwise should look at what it actually says.

There has been some commentary in the media on an issue raised in our debate here on Monday, when I said that time is running out in relation to the devolution of corporation tax. I said that because, when you set a date and a rate, you have to give Alastair Hamilton and his team, and any Ministers who go out to talk about corporation tax, the time to sell our rate of corporation tax. We are losing precious selling time by not setting the date and the rate, and the longer we prevaricate on them the longer we will be putting off using a transformative tool for our local economy.

Leslie Cree raised a number of issues around the 2014-15 financial year. Whilst it is not related to the Budget Bill before us, I confirm that I will report provisional out-turn, which includes asset sales income, underspends and carry forward under the budget exchange scheme. I will bring that to the House with the conclusion of the June monitoring round. Members should be well aware of the figures involved, because the Department reports forecast out-turn to the Committee. The March return was not significantly different from the provisional out-turn. However, I reassure the Member that I expect out-turn to come within budget exchange limits set out by Treasury, ensuring no loss to Northern Ireland.

Mr Cree also raised the issue of reinvestment and reform initiative (RRI) borrowing. I confirm that we secured Her Majesty's Treasury's agreement — again, within the Stormont House Agreement — to utilise borrowing to fund the voluntary exit scheme. It will become very clear, as I continue with my speech, that the whole budgetary process is underlined by the Stormont House Agreement. No matter what question you ask me, I will answer, "It's dependent on the Stormont House Agreement."

Of course, the savings that were to be generated from the voluntary exit scheme have already been put into this Budget. I think that it was Mr McCallister who asked me about that. Therefore the savings that were to come would more than cover the cost of borrowing in the longer term. It is expected that the voluntary exit scheme will realise some £150 million annualised savings and roughly between £60 million and £80 million in-year. However, it depends on when the staff are released, so it has to be a projection and cannot be a firm figure. Departments obviously have targets that they need to work to, and this scheme is helping them to do that. If it is delayed, there will be an impact on the ability to deliver those budgets. So, the Budget Bill is predicated on the Stormont House Agreement and assumes

that £200 million is available in-year for the voluntary exit scheme.

Mr Cree also raised the OECD review, which is conducting a series of meetings. Initial recommendations from its draft report are due in September, with the final report being completed this November. Mr Cree also highlighted some of the issues raised by a Member on the opposite Benches. I add my support to the concerns Mr Cree has over Sinn Féin's fiscal ideology. It is abundantly clear that Sinn Féin do not do financial responsibility, and they definitely do not do irony. Definitely not.

In relation to the multiplier effect, the Member raised his concern that there will be a negative multiplier from the voluntary exit scheme, but, as I am sure the Member will appreciate, there will actually be an injection of £700 million into our local economy as a result of the exit payments. That will represent a significant positive multiplier impact on the local economy, because obviously those people will be spending that money in the local economy. The Member must also appreciate that we can only, again, access that additional spending power if we implement the exit scheme. The exit scheme is essential, and many Members around the House have mentioned it during the debate. If we are going to balance this Budget and deliver essential front-line services to the people of Northern Ireland, it is important that we proceed with it. We can only proceed with it if the Stormont House Agreement is implemented.

Judith Cochrane and Sammy Wilson talked about the reduction in early years funding. I understand that, in relation to the specific early years fund, the budget was reduced by £2 million in 2015-16, leaving £941,000 available. That money that is left will enable all current recipient groups to receive continued support to the end of the current academic year, which is the end of August 2015. I understand that the Education Minister will continue to review his budget, but it is ironic that, of course, we are losing £2 million a week in penalties, which is exactly the same amount of money that it takes to deal with that early years fund.

Mrs Cochrane also made reference to the fact that we were in a United Kingdom framework and that we are in a devolved settlement and that those not supporting welfare reform will cause other public services to be cut. Of course, it is very true that failure to implement the Stormont House Agreement was plunging us into financial uncertainty. She and Pat Ramsey made reference to budget cuts in higher education, and I think that there was a

general concern about the cuts that were having to be made in higher education and the impact that that was going to have on skills development. I am aware, of course, of the reductions that have had to be made, and the universities have reported that such reductions will cause there to be job losses and fewer undergraduate places. However, I urge the universities to protect university places as much as possible to make sure that that is their primary focus and motivation. Of course, everyone across government is having to face significant pressures and having to decide on their priorities as they move forward.

Martin McGuinness came into the Chamber and made a speech where he told us that he was giving conditional support to the Bill. He indicated that it does not amend the opening Budget position as approved by the Executive in January. That is absolutely right; this is a continuation of that Budget. The June monitoring round is when we have to deal with the problem of living within those control totals, and, of course, the only way that we can live within the control totals is by ensuring that the Stormont House Agreement is honoured and that welfare reform is implemented. As I said, he gave conditional support to the Budget, and he talked about his mandate and the need to respect the mandate of those who are opposed to what he called the Tory Government's austerity plans. It does beg the question: if only there were a way to gauge public opinion on these matters across the United Kingdom. Of course, we have just come out of a general election. One would have thought that, if people wanted to express their opinions, that was the place to do it. I think that it was Mr McNarry who pointed out that those who are vigorously opposed to austerity are in a tiny minority compared to those who want to move ahead and develop the economy of the United Kingdom. Whilst, of course, we respect the mandate of those who oppose what is happening at present, surely the contrary must be the case as well. If you accept the principles of democracy, you have to accept that the current Government are a Conservative Government and that this is the process that we are engaged in.

1.00 pm

Michaela Boyle, on behalf of the Public Accounts Committee, raised the issue of Excess Votes. I welcome that Committee's work on scrutinising departmental accounts, and I note that it has recommended that the Assembly agrees legislative cover to excess expenditure in 2013-14 for the Education and Health Departments and the Public Prosecution

Service. Clause 5 authorises additional resources to the Health Department and the Department of Education, and the Excess Vote for the Public Prosecution Service will be included at the spring Supplementary Estimate stage for the Assembly's agreement.

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

Pat Ramsey spent a little bit of time talking about regional imbalance. He very much welcomed the Executive's decision to set up a committee to look at regional imbalance across Northern Ireland. He talked about the link between regional imbalance and the infrastructure deficit. In particular, he raised concerns about transport infrastructure in the north-west, particularly the A5 and A6 roads. It is worth pointing out that the budget was in place for the dualling of the A5 road, but, as the Member is very much aware — unfortunately, he is not here — the project has not been delayed because of a lack of money; it was delayed as a result of a judicial review. That is the reality. Sometimes, we forget that. Minister Kennedy has advised that work on the new environmental statement and new draft statutory orders is now complete and that he intends to circulate a paper regarding the A5 to Executive colleagues shortly.

For transport infrastructure in the north-west, it is also worth mentioning that the second phase of the upgrade of the Coleraine to Londonderry railway line is now under way, which is going to see £46 million of investment in signalling equipment and a new passing loop, which, when completed, will allow hourly services from Londonderry and Coleraine to Belfast. That should be very much welcomed, as I have done on previous occasions.

Sandra Overend and, I think, some others, but Sandra in particular, mentioned Desertcreat. The Executive allocated £53 million to that project in the 2015-16 Budget, but that was conditional on access to end-year flexibility (EYF) from Her Majesty's Treasury. With support from the Justice and Health Ministers, the steering group has asked the programme board to develop a revised business case for consideration by the Executive in the autumn. A key option in the business case is that consideration will first be given to sites and premises currently owned by the services and the Policing Board, including Desertcreat, of course. Included in the EYF pot is £30 million initially provided by the Executive for the Health element of the college. This means that the Executive will now have to argue for access to their own funds that were previously rolled into

end-year flexibility, which could be deemed by Her Majesty's Treasury to be forfeited EYF and, therefore, lost to the block. My officials will continue to engage with their counterparts in Whitehall to reclaim that £30 million funding for allocation elsewhere in 2015-16. Given that 2016-17 will represent the commencement of a new Budget period, it should be noted that the cross-service college project would have to be funded entirely from the Northern Ireland block allocation.

Mrs Overend also highlighted the issue of the additional £500 million for shared education that was provided in the Stormont House Agreement. That, of course, is available only if all aspects of the agreement are implemented, including welfare reform. Without the implementation of welfare reform, the reductions in public services here would have to intensify dramatically. That is something we will not allow to happen; it would be impossible to deal with public services in relation to the amount of cuts that would have to come if welfare reform were not implemented.

Mr Irwin, on behalf of the Agriculture Committee, mentioned a number of issues. Of course, I and my party are entirely committed to the agrifood sector. We have shown that by our actions throughout devolution. Therefore, I share the Committee's concerns with regard to the persistently high cost of bovine TB to our economy. We need to be more radical in our approach to reducing and, eventually, eradicating bovine TB. I also agree with the Member on June monitoring: given our financial position, Departments cannot rely on additional funds being made available through in-year monitoring. That is just not going to happen this year because the funding is not there.

We were then treated to a lyrical contribution by Mr Ó Muilleoir. It is unfortunate that he is not here because I wanted to share some things with him, but I am sure that he will read Hansard. He talked about how small boats do not get lifted by the tide. It is good, then, that we are part of a very large ship. We are part of the United Kingdom, thankfully, and can benefit from that. We have seen other small boats, as he put it, having difficulties in the past. He also said that, if we accepted the agenda from London, the institutions were doomed. Mr McCrea mentioned my use of the doomed word yesterday, but Mr Ó Muilleoir's feeling is that, if we accept an agenda from London, we are doomed. I sometimes wonder whether some Members are aware of how a democratic Government work. Proposals are put forward and brought to the Floor of the House of

Commons, where they are scrutinised and voted on, and the decision is clear. That is what happened with welfare reform in the House of Commons, but, of course, Mr Ó Muilleoir's colleagues might not be aware of that because they do not go to the House of Commons. Other Members of Parliament from this part of the United Kingdom do go to the House of Commons and raise their voice on these issues.

We had erudite references to the 'Financial Times' and even a quote from T S Eliot's rather obscure poem 'The Waste Land'. I wondered whether Mr Ó Muilleoir had read the beginning of the poem. It is preceded by some words in Latin and Greek, which I will translate into English for the House because my Latin and Greek are not very good. It goes:

"I saw with my own eyes the Sibyl of Cumae hanging in a jar, and when the boys said to her, 'Sibyl, what do you want?' she replied, 'I want to die'."

I am not saying that that is how I felt on Monday night. *[Laughter.]* It was not quite that bleak, but he reminded me of a fictional character from an earlier author — one Wilkins Micawber from Dickens's 'David Copperfield'. Micawber's poor, beleaguered wife often said that he needed to be more careful with his money and deal with it in a financially responsible way. What was his answer to that? Does anyone in the House know what Micawber said to his wife? He said that something would "turn up". Frankly, that has been the attitude of Sinn Féin and the SDLP throughout the process. They feel that something will turn up to deal with welfare reform. They will not have to give it much thought: they will just complain about it, say that it is terrible and that the Tory Government are doing awful things to us, but they will not come forward with any solutions — something will "turn up".

It is time to move from fiction to reality and deal with this as the responsible Government that we are supposed to have in Northern Ireland. I hope that when Mr Ó Muilleoir quotes from fictional poems and literature in the future, he remembers that they are just that — fictional. We have to deal with reality in the House.

Stephen Farry gave us some of that reality. He said that we need to deal with the future spending difficulties in front of us — and others referred to that — and that we need to challenge the Government on the direction of their future public spending plans. We have no difficulty in looking at those plans and challenging the Government when we believe

that they are not in the best interests of Northern Ireland. He said, and I agree with him, that our credibility would be very much stronger — it would be enhanced — if we balanced our books in Northern Ireland to begin with.

He talked at some length about the principle of consent. He mentioned the fact that we are a devolved Administration within the United Kingdom and that the United Kingdom Government have legitimacy and sovereign power in Northern Ireland.

He felt that the two nationalist parties and the Green Party were really undermining that principle of consent that, for him, was a key part of the Good Friday Agreement.

He went on to talk about how devolution has provided a buffer against some of the policies that have come from Westminster. That is absolutely right. One only needs to look at the record of this Administration to see how we have provided Northern Ireland solutions to some of the issues that have come. We pay almost £16,000 less to study for a degree than in England and Wales. We have attempted to protect people from the worst effects of the recession through freezing the regional rate and not introducing water charges. We have brought forward an economy and jobs initiative that was made in Northern Ireland to deal with the issues that were in front of us. We brought forward the jobs fund. We brought forward financial instruments to help small and medium-sized businesses. When they could not access finances from the banks, we brought forward schemes to do that. We have provided a buffer here in Northern Ireland. It has been to the credit of this Administration that we have been able to do that.

Mr Farry set out, from his own perspective, the pressures around his Department and his reduction in university funding. He said that those who are against welfare reform are preventing us from creating jobs and opportunities. Indeed, he talked about the economic inactivity strategy, which, again, is a devolved policy. It is the only economic inactivity strategy in the United Kingdom. It is something that he and I worked on together when I was in the Department of Enterprise, Trade and Investment.

He referred to what he saw as the ludicrous situation of the SDLP, because, depending on who you were speaking to, you got a different answer on what was happening in relation to the Budget Bill. The leader, Dr McDonnell, said in his speech that he would vote against the

Budget. Mr Ramsey said that he would not divide the House on the Budget. Alex Attwood, apparently, had said on radio that he would not divide the House on this occasion but would vote against it on a later occasion. It reminded me of the sketch from 'Little Britain' when Vicky Pollard would be asked a question: "No, but yes, but no." It really is the Vicky Pollard of the Assembly. There have been no productive solutions brought forward from the SDLP. It just wants to be destructive in relation to the economy in Northern Ireland.

Mr Moutray, from the point of view of OFMDFM, raised a number of budget pressures within that Department, including the £400,000 pressure for match funding from Atlantic Philanthropies. I am sure that he will agree that, throughout the debate, we have heard of a number of very worthwhile projects and programmes that face funding shortfalls. Again — I almost feel as if I should have a choir behind me by this stage — unless the Stormont House Agreement is implemented in full, we will not have access to money to deal with those issues.

Mrs Dobson raised a number of concerns with our health service. I pay particular tribute to the exceptional work of staff in the health service in continuing to meet the challenges of providing unscheduled care services, not least those who recently treated you, First Minister. Indeed, I hear from Mr Murphy that Cathal Boylan has been in a similar position recently, so it is something that we should always appreciate and make reference to.

I am advised by the Health Minister that emergency departments continue to face significant pressure. The number of people attending emergency departments has been increasing. The number of people needing to be admitted has also increased. Provisional information indicates that over 708,000 people attended an emergency department in 2014-15. That is an increase of nearly 14,000 on the previous year. Despite that, the number of patients waiting more than 12 hours from attendance to discharge or admittance was only up slightly, to 3,175, compared to 3,109 in the year 2013-14. That was significantly lower than the levels seen between 2009-2010 and 2012-13.

Mr McCarthy: I am grateful to the Minister for giving way. I find it hard to sit, but I am going to ask the Minister a question. I am sure that she will have sympathy, but sympathy is not enough. It is in relation to the Health Minister. I raised it on the Floor of the Chamber last week.

We hear so much about the vulnerable. There are no more vulnerable people in society than those with learning disabilities. Instructions have come from the Department on a regional level that those most vulnerable people are to be denied continence products by 50%, which means that they will have to sit in unhygienic conditions. That will undoubtedly lead to health problems. Can the Minister and Health Minister give me and this Assembly some commitment that that decision will be reversed and that those vulnerable people will indeed have the products that they need and deserve?

1.15 pm

Mrs Foster: I thank the Member for his intervention. Indeed, he illustrates very well that when we talk about vulnerable people, we are not just talking about people who are in receipt of welfare; we are talking about people who receive public services from the Health Department, the Department of Justice and the Department of Education. All of those people will be impacted because of the non-implementation of welfare reform. That is the point that we have been trying to make. Unfortunately, some do not accept that. I cannot understand the reason for that, because if you take £604 million out of your current Budget because of the non-implementation of welfare reform amongst other things, you are dealing with an inevitable cut to public services. It is not rocket science. It is very simple to understand. I am sure that some of the primary-school children who were here earlier would understand that that is the case.

Mr Dunne made what I thought was a very important point, which was that the business community really needs to speak up and support those in this place who want to move forward and deal with responsible government here in Northern Ireland, instead of performing the contorted sort of interviews that I have been listening to from some of the business community over this past couple of weeks. They do not want to get involved in the grubby world of politics and all that sort of thing. That did not stop business organisations from getting involved in the politics of Scotland when they had to deal with the debate on whether Scotland would be better within the United Kingdom or outside of it. The business community felt very strongly about that argument and that it should come forward. Well, the issue is very similar in Northern Ireland; will we allow a number of parties in this House to completely destroy the public services that are delivered in Northern Ireland? They need to put their voices forward and be heard.

I will move to Mr Attwood's contribution. He started off by making some very kind comments about my new position as Minister of Finance and Personnel. Then, he went on to say that the Alliance Party was really the NIO, which was really the Tory party. He then berated the Labour Party, which I was a little surprised about given the SDLP's relationship with the Labour Party, but then misinterpreted what Mr Farry said about the principle of consent. He said that the principle of consent should not be elevated to a position where we have to accept all of Westminster's decisions. Well, the reality is that this place is a devolved Administration, which is here under the sovereign will of the United Kingdom Government. That is what the principle of consent is about and until such times as the people of Northern Ireland decide otherwise, we will remain part of the United Kingdom.

Mr Attwood then went on to talk about how radical middle politics has to prosper. We look forward to that manifesto coming forward. We look forward to those ideas coming forward. I think that it would be very much to the benefit of his party if it had a radical middle way instead of mimicking Sinn Féin all the time. He took issue with Mr Farry's comments about Northern Ireland not being far behind Greece. I have to say to him that, when he made that comment, his credibility was completely thrown out the window when he then said that we should consider joining the euro. I could not follow that train of thought at all.

Mr McCallister: We will get a good deal.

Mrs Foster: We may get a good deal at this point in time, but what we would get out of it after that is another question.

He took grave exception to the comparison with Greece made by Mr Farry, but make no mistake: if we do not implement welfare reform, our Budget situation will become untenable. I have made that point many times in recent weeks.

Of course, we benefit from being part of the United Kingdom. Whilst the UK deficit needs to be repaired, it is manageable. In fact, the Office for Budget Responsibility projects a UK budget surplus by the end of this decade. That is something that we must work towards as a United Kingdom.

He talked about the economic inactivity strategy and how we were not making a difference in terms of devolution. The economic inactivity strategy will make a difference only if it is funded, and the only way that we can get

funding is if we implement the Stormont House Agreement. Yet again, that point was missed.

He said that new thinking did not require new money. I look forward to hearing what that new thinking is. He said that Mr Ross made an important contribution by saying that we needed new thinking and to move away from what we have been dealing with and into brave politics. He went on to talk about looking for new money from elsewhere.

I intervened to say that we would be engaging with the European Union to draw down money from there. He made reference to historic discussions between Brian Cowen and Mark Durkan, missing a number of fundamental points, in particular Fianna Fáil's role in what happened in the Republic of Ireland. He wanted to deal with hard, concrete issues — but not welfare reform.

He then made a personal statement about his children and my children and the need to put children front and centre. Let me say — I am sorry that he is not here for me to make these comments to him — that it is precisely because of my children that I want to grow the economy in Northern Ireland. It is precisely because of them that I want to see an economy in Northern Ireland that is aspirational and which will not leave people behind.

A Member today made reference to trapping people in welfare. That is not the Northern Ireland I want to see. I want to see a Northern Ireland that is confident in itself and which wants to move forward with economic growth.

Roy Beggs made the comment that without welfare reform the Budget was unsustainable. That is absolutely right. Mr Allister asked what would happen if we did not do welfare reform. He suggested that we would not be able to get the adjustments that we needed because Sinn Féin would have to agree to them at the Executive.

The First Minister has always made it clear that this party will not implement a Budget that has £600 million of cuts in public services. Therefore, if welfare reform does not happen, there is no Budget. If there is no welfare reform, there is no Stormont House Agreement, no Assembly and no Executive. It is very clear. We will not have to go through a budgetary process.

He asked about the composition of the £604 million pressure. It is comprised of the resource DEL pressures that would arise from the Stormont House Agreement not proceeding,

and an additional amount to allow the Executive to take decisions on the possible reallocation of resources to address the significant inescapable pressures emerging in some Departments.

He asked whether any money reflecting the cost of the exit scheme was included in that £600 million. Yes, it is included in the £600 million. He asked when the June monitoring statement was coming. That is being analysed. However, it is clear that it will be a hugely difficult monitoring round. There are significant pressures in many Departments and no resources available to address them — that is without taking account of the Stormont House Agreement. So there are a challenging few days ahead on June monitoring.

Mr Allister: Will the Minister give way?

Mrs Foster: Yes, I will give way.

Mr Allister: Can I invite the Minister to flesh out this indication that the cost of the exit scheme — the £200 million for this year — is, in fact, within the £604 million overdraft? How can that be, if it was to be funded by loan? Why is it now being funded in this mythical £604 million?

Mrs Foster: As to the loss of the £200 million for this year, the RRI borrowing for the voluntary exit scheme is included in the £600 million because we do not have the loan to deal with those issues. That is still there. The savings that we would have had from the £200 million will not be realised either.

I will move on to Mr Agnew, who cast himself in the role of a latter-day Chairman Mao with his great leap forward as to how he was going to solve the problems of Northern Ireland: and we all recall what a great success that was. First, he wanted to deal with the rates cap, as he felt that that would be a fundamental issue in moving forward. Indeed, I see that his colleague has written an article in the 'News Letter' today, again saying that it would be a great thing to help deal with the problems in Northern Ireland. Of course, less than 1% of properties are valued at over £400,000. That would bring in £7.65 million, which is less than the £9.5 million in penalties we have to pay out each month. It would not even cover the penalties for one month.

He also said that he could not understand why I said that that money was lost to us in the block grant because people were still receiving their welfare payments and so the money was not lost to Northern Ireland. However, welfare

payment comes out of annually managed expenditure; it does not come through the consolidated fund. The money goes directly to welfare recipients. Meanwhile, we are losing £9.5 million from our block grant consolidated fund every month. I did not hear anything about that from the Member.

Mr Agnew also said that my record as Enterprise Minister and the Executive's record on job creation did not really matter and that devolution had not made any difference to job creation in Northern Ireland. He said that global recovery was the reason why we were seeing more jobs coming to Northern Ireland, despite the fact, and Mr McCallister made the point very well, that we have the highest rate of foreign direct investment in the United Kingdom per capita. That is all down to the global recovery.

Mr Agnew: Will the Minister give way?

Mrs Foster: If you can wait.

Yet, the global recession had absolutely nothing to do with the loss of productivity. No; it was all our fault that we lost productivity, if I recall what he said. Global recession is nothing to do with the loss of productivity here in Northern Ireland, but global recovery is the reason for the increase in the number of jobs that we have here. I read very carefully what he said about those matters. Unlike him, I will take an intervention.

Mr Agnew: I thank the Minister for taking an intervention. If she looks at Hansard, she will see that I took, I think, around 10 interventions during my speech.

The point I made to the Minister, and I will make it again, is that the gap in income between Northern Ireland and other regions of the UK has increased during this Executive's term. Whilst figures on job creation etc are usually trotted out to demonstrate how well our economy is doing, the reality is that people in Northern Ireland are worse off compared to their GB counterparts. Does she accept that?

Mrs Foster: Yes, but, the point I am making is that when I tried to challenge him on Monday night, first, he would not let me in, and secondly, he said that global recovery was all to do with job creation here in Northern Ireland. Not once did he make reference to the fact that we had just come through one of the worst recessions that the world had ever had. That had nothing to do with the loss of productivity in Northern Ireland, apparently. We have a huge public sector here in Northern Ireland and we

need to grow the private sector to deal with that productivity gap. We should be investing more in research and development and we should be spending more on innovation and encouraging firms to spend on that.

1.30 pm

He said that our single policy intervention was corporation tax. That, of course, is absolute and utter nonsense. I have made reference to many of the interventions that the Executive have been engaged in, not least our economy and jobs initiative, which brought about many of the jobs that I have referred to. He said that we should put people first without realising, of course, that businesses are made up of people. Businesses are made up of people who want to work and have the challenge of going to work every day. People work as well as receiving welfare benefits, Mr Agnew, and you should acknowledge that.

And so to today. Mr McNarry said that this was an occasion not to be missed. There were few of us in the Chamber when you started your speech, Mr McNarry, so obviously some people thought that it was something to be missed. *[Laughter.]* He indicated that we are sleepwalking into financial chaos. He wants to look at how we can change the way in which we deliver government. I mentioned that that is very much something that we need to address in terms of public-sector reform and using new technologies. He mentioned that in-year monitoring is used to patch up poor Budget planning. I do not accept that. Monitoring is used to reallocate resources when unforeseen circumstances arise, and it has actually been working well. With a capital budget in excess of £7 billion, there will always be some slippage on projects. I am sure that the Member would rather that we had a monitoring round to reallocate that capital than send it back to Her Majesty's Treasury in London. Mr McNarry indicated a desire to do things differently and to look at outcomes rather than processes, and I agree with that.

Mr McCrea let us into his life when he told us that he spent time watching the Finance Committee at home of an evening. I commiserated with him on that. He quoted me as saying that, without welfare reform, it is an impossible Budget. That is absolutely right; that is what I said. He asked about the voluntary exit scheme and the fact that savings were factored in but that we cannot get those savings unless there is a Budget. Worse than that, of course, we will not have the money until there is a full implementation of the Stormont House Agreement.

He talked about the need for us to work together to oppose further cuts, and that is right. I will engage with my counterparts in Scotland, Wales and Westminster on the comprehensive spending review, but when a decision is taken, we have to deal with reality. A decision was taken on welfare reform some time ago, and I think he acknowledged that. He made reference to the need for a regional economic strategy. Of course, we have a regional economic strategy, which I know a little bit about because I launched it back in 2012. I said in the foreword to that 'Economic Strategy' that it was a strategy:

"developed by locally elected politicians to meet the particular needs of our economy",

with an overarching goal to improve economic competitiveness and have the key drivers of innovation, research and development and skills. So we do have a regional economic strategy and are already doing what he spoke of, which is to say to companies in London, "You could do things better in Belfast." That has proved very successful. We have been able to bring firms like Citi, Allen and Overy, and Herbert Smith Freehills over to Belfast from London, and they have found that to be a very good experience.

He talked about HS2 and the fact that it was costing £50 billion and asked whether, if it did not go ahead, we would be able to talk to Treasury about gaining some of the capital from that. Even if it does go ahead, we will engage with Her Majesty's Treasury because, of course, there may well be Barnett consequentials in relation to HS2.

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

Air passenger duty, of course, is not just a Northern Ireland problem. It is something that affects all the regions of the United Kingdom. If it was devolved to us, under the Azores ruling, we would have to have a cut in our block grant to deal with that. However, on one of Mr McCallister's points, I am very happy to make the point at a regional level right across the United Kingdom that air passenger duty should be cut, working particularly with some of the regions in England — the north-east region, for example — which are disadvantaged because of air passenger duty.

Mr McCallister talked about the irresponsibility of the Greens, the SDLP and Sinn Féin. He talked about the use of the petition of concern. If he looks at the Stormont House Agreement — and it all comes back to the Stormont House

Agreement — he will find that that includes suggestions on the petition of concern. It discusses proposals for developing a protocol on the use of the petition of concern.

He talked about how the Republic of Ireland dealt with very difficult issues. It is because the Republic has dealt with those difficult issues that it is now in a growth position and on a solid foundation, and we wish them well with that. He touched on the public expenditure, per head, on the people of Northern Ireland. Our identifiable public expenditure is £10,961 per head. It is £9,924 in Wales and £10,275 in Scotland. The UK average is £8,678. So he is right to say that our public expenditure is £2,000 higher than the UK average.

He talked about the abandonment of social mobility by the nationalist parties. Again, he referenced Mr Attwood's desire for radical middle politics, and made the very important point that the Stormont House Agreement is balanced and comprehensive, with a lot more in it than welfare reform. Of course, if welfare reform is not implemented, then the cards fall away.

Mr McKay intervened and said that he wished that parties were honest about where they stood on some of these issues. Let me be very clear for the benefit of Sinn Féin. It was this party that voted against welfare reform at Westminster. It was this party that sought and achieved concessions on the most severe aspects of welfare reform. Do we think that people are better off in work than on welfare? Yes, we do, absolutely; we want to give them a pathway into work. That is why the development and growth of the economy is front and centre of everything this party does. We are quite happy to say where we stand on all those issues, contrary to the suggestion that we are not.

There was a reference to the need to engage in national politics — absolutely — and that Sinn Féin's paralysis is all about the Republic of Ireland and the elections in that jurisdiction: that is true. Mr McCallister finished off by saying that it was time to govern.

Ms Sugden said that everything we do follows on from the Budget. That is right: it is the only option in front of us. She made the very important point that welfare reform was not just about welfare recipients but was about other vulnerable people too. Cuts to public services would have a huge impact on them, particularly cuts to parts of the health service, as we have heard today. That is an important point and one that should be reflected on.

Finally, Mr Murphy clarified the deputy First Minister's support for the Budget. He said that it was conditional on workable and sustainable finances in the year ahead, and that further cuts would damage public services. Of course, if we do not have welfare reform implemented, that would damage public services very much. He talked about tax avoidance and tax evasion by the very rich and again made reference to welfare reform being imposed on us by the Tories.

I go back to the fact that this is the democratic decision of our sovereign Parliament. We can, we do and we will challenge decisions in debates on welfare. Our Members will be in the House of Commons to do that; but once a decision has been taken, we have to deal with reality. That is what Scotland has done. That is what Wales has done. Why are we in Northern Ireland not able to deal with the reality of the public finances that have been given to us by the Westminster Government? Indeed, sometimes, when we are given those decisions on funding by Westminster, we add in protections, and I have already mentioned freezing the regional rate and issues like that. That is what we were doing with the welfare Bill. It was about allowing us to have the legislative framework to bring about mitigations; but, of course, that was rejected by the parties opposite, and now we do not have the framework to bring in those mitigations.

It is very hard to follow the logic of what has happened over the past number of months. We hear a lot of talk about the vulnerable, but the Bill that would have allowed us to mitigate the worst excesses of welfare reform has now gone, and therefore we do not have any legislative framework to deal with those issues. The penalties continue. The Sinn Féin/SDLP/Green cuts, as I call them, continue. That amounts to £9.5 million every month — £114 million this year, and, of course, that will increase next year. I look forward to Sinn Féin's plans on how it will help all the vulnerable in Northern Ireland. Its record does not fill me with great hope in terms of solutions coming forward. Let us be very clear: if Sinn Féin does not step up to the mark, our national Government must intervene to protect all the vulnerable in Northern Ireland and all the people who use public services. I am interested in all the vulnerable people of Northern Ireland.

I will draw my remarks to a close. I hope that most Members have had a response to the issues that they raised during the debate, although it is not always possible to cover every issue in detail. This Budget Bill underpins all

our public services, and, for that reason, it is imperative that the legislation continues its passage through the Assembly. I therefore ask Members to continue to support the Bill to ensure that the cash and resources are authorised for the 2015-16 financial year.

Mr Principal Deputy Speaker: Before we proceed to the Question, I advise Members that, as this is a Budget Bill, the motion requires cross-community support.

Question put.

The Assembly divided:

Ayes 63; Noes 3.

AYES

NATIONALIST:

Ms Boyle, Ms Fearon, Mr Flanagan, Mr Hazzard, Mr G Kelly, Mr Lynch, Mr McAleer, Mr F McCann, Ms McCorley, Mr McElduff, Ms McGahan, Mr M McGuinness, Mr McKay, Ms Maeve McLaughlin, Mr McMullan, Mr Maskey, Mr Milne, Mr Murphy, Ms Ní Chuilín, Mr Ó hOisín, Mr Ó Muilleoir, Mr O'Dowd, Mrs O'Neill, Ms Ruane, Mr Sheehan.

UNIONIST:

Mr Anderson, Ms P Bradley, Mr Buchanan, Mrs Cameron, Mr Clarke, Mr Craig, Mr Douglas, Mr Dunne, Mr Easton, Mrs Foster, Mr Frew, Mr Girvan, Mr Givan, Mrs Hale, Mr Hilditch, Mr Humphrey, Mr Irwin, Mr McCausland, Mr I McCrea, Mr D McIlveen, Miss M McIlveen, Mr McNarry, Mr McQuillan, Mr Moutray, Mr G Robinson, Mr P Robinson, Mr Ross, Mr Spratt, Ms Sugden, Mr Weir, Mr Wells.

OTHER:

Mrs Cochrane, Dr Farry, Mr Ford, Ms Lo, Mr Lunn, Mr Lyttle, Mr McCarthy.

Tellers for the Ayes: Mr McQuillan and Mr G Robinson.

NOES

UNIONIST:

Mr Allister, Mr McCallister.

OTHER:

Mr Agnew.

Tellers for the Noes: Mr Agnew and Mr Allister.

Total Votes 66 Total Ayes 63 [95.5%]

Nationalist Votes 25 Nationalist Ayes 25 [100.0%]

Unionist Votes 33 Unionist Ayes 31 [93.9%]

Other Votes 8 Other Ayes 7 [87.5%]

Question accordingly agreed to.

Resolved (with cross-community support):

That the Second Stage of the Budget (No. 2) Bill 2015 [NIA 53/11-16] be agreed.

Mr Principal Deputy Speaker: The Budget (No. 2) Bill is agreed. The Bill will proceed under the accelerated passage procedure, with Consideration Stage taking place as the next item of business, as listed on the Order Paper.

I ask Members to leave the Chamber quietly.

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

Budget (No. 2) Bill 2015: Consideration Stage

Mr Deputy Speaker (Mr Beggs): I call the Minister of Finance and Personnel, Mrs Arlene Foster, to move the Consideration Stage of the Budget (No. 2) Bill 2015.

Moved. — [Mrs Foster (The Minister of Finance and Personnel).]

Mr Deputy Speaker (Mr Beggs): No amendments have been tabled. I propose, therefore, by leave of the Assembly, to group the eight clauses for the Question on stand part, followed by the four schedules and the Long Title.

Clauses 1 to 8 ordered to stand part of the Bill.

Schedules 1 to 4 agreed to.

Long title agreed to.

Mr Deputy Speaker (Mr Beggs): That concludes the Consideration Stage of the Budget (No. 2) Bill. The Bill stands referred to the Speaker.

Reservoirs Bill: Final Stage

Mr Deputy Speaker (Mr Beggs): This item of business was not reached on Monday and, in accordance with Standing Order 10(3C), the

Business Committee agreed to reschedule it today.

Mrs O'Neill (The Minister of Agriculture and Rural Development): I beg to move

That the Reservoirs Bill [NIA Bill 31/11-15] do now pass.

Go raibh maith agat, a LeasCheann Comhairle. The Reservoirs Bill was introduced in the Assembly on 20 January last year. While that may seem a very long time ago, the past 18 months have allowed time for every clause of the Bill to be thoroughly examined at Committee Stage and for it to be subjected to healthy debate at Second Stage and Consideration Stage.

During those debates, I informed the House that the Bill will regulate reservoir safety in order to reduce the risk of flooding as a result of dam failure in the North. When enacted, it will provide assurance that people, the environment, cultural heritage and economic activity will be better protected from the potential risk of flooding from reservoirs.

Those are the fundamental principles of the legislation. Therefore, it is very reassuring that while some concerns remain over its implementation, particularly the financial impact on individuals or not-for-profit sector organisations that are reservoir managers, the basic premise of the Bill remains intact.

I readily acknowledge that were I the manager of a reservoir that will come under the scope of a Bill containing 132 clauses and four schedules, I would be very concerned that I would be overwhelmed by bureaucracy and unnecessary costs. However, all the provisions in the Bill are entirely necessary and reflect best industry practice for the management of reservoirs.

2.00 pm

Compliance with the Bill will ensure, as far as is reasonably possible, that an uncontrolled release of water from a reservoir will not occur and that that risk will be managed appropriately and proportionately. Moreover, in the event of a failure, a reservoir manager, if compliant with the legislation, will be able to demonstrate that they maintained their structure in a reasonable manner.

I briefly mentioned the scrutiny of the Bill during Committee Stage, and I want to take this opportunity to pay tribute to the current Chair,

the previous Chair, the Deputy Chair, all the members of the Committee and the support staff for the long hours spent poring over every detail of the Bill — time that also included the questioning and re-questioning of my Rivers Agency officials.

The Committee was painstaking and unstinting in its scrutiny and raised a number of concerns, particularly in relation to the lack of information on the condition of, and cost of repairing, reservoirs, particularly those in the private and not-for-profit sectors; the lack of opportunity for reservoir managers to positively influence the designation of their structure by undertaking works to make the reservoir safer; the Department's cost recovery policy; and the recommended number and frequency of visits to a reservoir by a supervising engineer. I was pleased to accept all of the Committee's recommendations, which explain the over 200 amendments that were adopted at Consideration Stage. All of those amendments helped to shape the Bill and make it better.

For me, the most significant amendment was that which commences the Bill in two phases. The first phase includes non-contentious provisions that will come into operation after the Bill is enacted, such as registration, reservoir designation and the need for an inspection of the reservoir. The second phase includes the requirement on high- and medium-consequence reservoirs to be under the supervision of an engineer at all times and on the manager to comply with safety-related recommendations in an inspection report. The amendment introduced at Consideration Stage means that the commencement of the phase two provisions can only be made after a draft order has been laid before, and approved by a resolution of, the Assembly.

I gave the House an assurance during the Consideration Stage debate, and I am happy to repeat it here today: the commencement of phase two will not be brought forward until after a report has been presented to the Assembly by the Department setting out the condition of reservoirs and the capital costs of making them safe. I am very pleased to report that the vast majority of reservoir managers have agreed to work with my officials in Rivers Agency to gather that information and that the report should be with the Assembly by July of next year.

I also want to take this opportunity to thank those Members who are not on the Committee for Agriculture and Rural Development for their contribution to the debates on the Bill and for

the proposed amendments at Consideration Stage.

The first amendment proposed to increase the threshold for controlled reservoirs from 10,000 cubic metres to 25,000 cubic metres. While that was ultimately not adopted, it did provide a very useful and healthy debate on the matter. For the record, it is worth noting that schedule 4 of the Flood and Water Management Act 2010 amended the Reservoirs Act 1975 by changing the definition of a large raised reservoir in England and Wales from 25,000 cubic metres to 10,000 cubic metres. Similarly, section 1 of the Reservoirs (Scotland) Act 2011 sets the threshold for their controlled reservoirs at 10,000 cubic metres. Therefore, our legislation is not out of step with others.

The second amendment proposed that the Department should publish a report on the operation of the Bill within three years after it is enacted. I supported that proposal and was pleased that it was adopted, as it will provide the opportunity for reflection. Indeed, perhaps such provision should be included in all future primary legislation made by the Assembly.

That brings me on to the implementation of the Bill, which we will all appreciate is the litmus test for any piece of legislation. For its part, my Department will, through the reservoirs authority within Rivers Agency, provide reservoir managers with advice, guidance and support to ensure that they fully understand the purpose of the legislation and their responsibilities. Indeed, the Bill now includes a provision that was recommended by the Committee for Agriculture and Rural Development and adopted at Consideration Stage which allows my Department to assess not only the quality but also the content of an inspection report, should a reservoir manager feel that the recommendations contained in the report are unreasonable. Also, the Bill makes provision for my Department to publish information on the range of costs being charged by reservoir engineers so that reservoir managers will have an important benchmark against which they can assess quoted costs from engineers. Again, I was happy to accept that recommendation from the Committee for Agriculture and Rural Development and was pleased that it was adopted at Consideration Stage.

My Department, through the reservoirs authority, also has a responsibility to ensure that reservoir managers comply with the provisions of the legislation. It will do so by adhering to the principles set out in the enforcement policy and by working in a positive

and practical manner with reservoir managers. Our desire is to prevent a dam breach from occurring, but that must be done in a reasonable manner. Therefore, initial enforcement and any follow-up action taken to achieve compliance will be proportionate to the severity of the case, with each case being taken on its merits. Any enforcement action will be objective, fair, equitable and transparent. We will make it clear to the reservoir manager why we have taken, or intend to take, enforcement action.

I tabled an amendment, which I am pleased to say was agreed at Consideration Stage, that prevents enforcement action being taken against reservoir managers who do not comply with a direction in an inspection or safety report, or requirements in a preliminary or final certificate, because they are seeking to ensure that they would not be in breach of other legislation. That demonstrates the proportionate approach reached during the scrutiny of the legislation. Although it is highly unlikely that the reservoir authority would consider enforcement action in such cases, I thought it important to propose that amendment for the avoidance of doubt.

I acknowledge that reservoir managers, particularly those in the private and not-for-profit sectors, will not necessarily welcome the legislation. I also recognise that the Agriculture Committee and the Assembly struggle to reconcile the principle of ensuring that our reservoirs are safe with keeping bureaucracy, regulation and cost to a minimum.

I emphasise that, while the legislation gives my officials a significant enforcement role, I want them to work with owners who find themselves in the difficult position of not being able to afford or justify improvement works to their reservoirs. That may be in the form of giving advice on the options, such as drawdown, or, in extreme situations, the discontinuance of the reservoir, which involves addressing the associated complication of securing approval through the planning process. I cannot make these other requirements go away, but my officials will assist as much as possible so that reservoir managers take informed decisions on the future use of their structures.

As I said previously, three years after the legislation is enacted, a report on its outworking will provide us with the opportunity to take stock and consider whether any refinements are needed.

I thank officials in my Department and Assembly staff for their work in creating the Bill,

and the many councils, organisations and members of the public who commented on our proposals throughout the process. I commend the Reservoirs Bill to the House.

Mr Irwin (The Chairperson of the Committee for Agriculture and Rural Development): It is my pleasure to speak as Chairperson of the Committee for Agriculture and Rural Development.

I thought it worthwhile to take the opportunity to give a short summary of the work that has been done in shaping the Bill into the form that we see before us today. I thank the Committee members for all their work on the Bill, particularly in the all-day session on 21 April, when the Assembly went through hundreds of amendments to it. Those amendments have been incorporated in the Bill for the debate at Final Stage.

Getting to Final Stage has been a long, and sometimes difficult, road. After all, the Bill was introduced to the Assembly on 20 January 2014 and referred to the Committee on 4 February 2014. It has taken nearly a year and half from introduction to Final Stage. In that time, there has been considerable reshaping, and, in the opinion of the Committee, we have a much better Bill as a result. It is still not perfect, but it is much better than it was. There has been no undermining of its primary purpose, which is the protection of people, property and the environment from the effects of flooding. The Committee, with the agreement of the Minister and through working closely with her officials, tabled amendments that take away or reduce some of the most onerous duties.

Let me recap on how we got to where we are. The Committee had a number of concerns about the Bill, the most important of which was that the need for the Bill had never been proven. What we had initially was a very complex and technical Bill that many called "an engineers' charter" and which affected, or had an impact on, only a small number of reservoir owners. Initially, that number was 150, but, in part due to the insistence of the Committee, further refining work on the number of reservoirs was done by Rivers Agency. That review meant that the number of reservoirs under the remit of the Bill fell from 150 to 137 and then 132.

We are aware that Northern Ireland Water owns the largest number of reservoirs in Northern Ireland — some 48 — and were assured that it already operates and maintains its reservoirs to the standards that will be created once the Bill is enacted. Councils are the next biggest

owner. We heard that some may have to adjust their policies and practices to comply with the Act.

We have the assurance that the public purse will ensure that reservoirs in the hands of local government will be kept safe. From that viewpoint, reservoirs in public hands will see little or no difference to their operating regimes once the Bill is introduced.

Our concern as a Committee was centred on reservoirs in private ownership and those owned by the third sector. The Department had very limited information on those reservoirs, and it was the lack of information on the condition of reservoirs and the cost to put them right that was of major concern to the Committee.

After considerable discussion, a set of amendments on the issue were accepted by the Committee, debated at Consideration Stage, agreed by the Assembly and are now part of the Bill we have before us today at Final Stage. Essentially, it means that an audit will take place whereby information on the condition of all reservoirs and the capital costs of bringing them up to an acceptable standard will be collected. That will be presented to the Committee before large parts of the Bill are enacted. In other words, the amendments allow for a phased commencement of duties in the Bill, and, thus, the Assembly has built in an extra layer of protection for reservoir managers.

The work on the audit is outside the Bill and has already started, under the auspices of Rivers Agency. In fact, the Committee was given an update on the progress of the audit on 9 June. At that stage, 94 reservoir managers had agreed to take part; 16 were undecided, and three did not respond. Each reservoir manager who takes part in the audit will be entitled to grant aid to assist with the initial inspection by a qualified engineer. It is that inspection that will, ultimately, create the report that will, in turn, create the audit of reservoirs.

So what we have is a series of actions, which include the review of reservoirs, the audit of reservoirs and the phased commencement. Together, those three things add up to a major achievement by the Committee, with the cooperation of the Minister, which vastly improve the Bill.

Also now written into the Bill as a result of the work at Consideration Stage are new provisions around risk assessment. The Bill, as initially drafted, would only take adverse consequences or impacts into account. The Committee had

concerns that no weighting would be given to the likelihood of a reservoir failing. Indeed, no consideration was being given to the type of flooding that could be expected; for example, the speed and depth of flood water. Initially, no consideration was being given to any remedial works that a reservoir manager may carry out. In other words, no matter how safe the reservoir was, or was made to be, it would continue to be ranked as being a high risk unless all risk to human life was removed from its flood path. We felt that that was unfair to the reservoir owner or manager. Furthermore, you could have two high-risk reservoirs, with one needing urgent attention and one not, but where both would be high risk. That, in the mind of the Committee, was a problem and was counterproductive to the whole meaning of the Bill.

We, as a Committee, are pleased that the amendments on risk assessment brought by the Minister, at our behest, were accepted at Consideration Stage and are now incorporated into the Bill. Associated with that are the amendments brought on the number of visits by supervising engineers. Those amendments, again, in our opinion, make the Bill fairer to the reservoir owner or manager, without endangering the lives and property of those who live in the flood path of a reservoir.

Amendments around cost recovery and other protections were also debated and agreed at Consideration Stage. They provide protection for those who could, in the worst-case scenario, be at risk of bankruptcy because they simply cannot afford the capital costs associated with the repair of their reservoirs. The amendments are now incorporated into the Bill and provide some assurance that, in publishing costs and the types of works being undertaken, the Department is keeping a watching brief on the situation. Having that type of information available and transparent to all will go a long way to addressing the fears that the Bill is an engineers' charter.

2.15 pm

The Bill before us today also includes an amendment put down by Mr Swann and Mr Elliott and accepted by the Assembly. It requires the Department to report on the outworkings of the Bill after three years. It will be interesting to see in three years what those outworkings actually are. However, we, as an Assembly, will not have to wait for three years before dealing with this issue again. As I mentioned near the start of my speech, written into the Bill are various protections that mean that an audit of reservoirs must be carried out.

That audit must be presented to the Committee, and, only after that, can the Department bring, by affirmative procedure, a statutory rule to commence large parts of the Bill, namely the recurring parts. Information will be published on a yearly basis on costs and works undertaken. That means that we, as a Committee, can, if we choose, come back and look at the detail of the impact of the new regulatory regime.

That is all I want to say today, and I conclude my remarks as Chairperson of the Committee.

Mr McMullan: Go raibh maith agat, a LeasCheann Comhairle. On behalf of my party, I thank the Committee for the help in bringing all the amendments to the House. The fact that there were over 200 amendments shows the scrutiny that the Committee gave the Bill and how seriously they took this. Also, I thank the Department for taking them away, bringing them back and helping to put them back in a certain way to please the Committee. I also thank the Minister for accepting all the amendments.

The main thrust of all of this was safety, and we have that built into the Bill — safety for those who live around a reservoir and safety for the owners of the reservoir. We have that now, and there is safety for the owners insofar as the finance goes. At the start, it was looked upon, as was said earlier, as an engineers' charter, but we have that sorted out.

The Bill may not be exactly what everybody was looking for, but we have reshaped it, and, in the long term, people will see that what we have done here today has made the Bill worthwhile. We have had over 200 amendments in it, so no one can doubt how seriously we took this. I look forward to the finishing of the process. I thank Stella and all her team for all the work and support that she gave us on this to bring us to this successful day.

Mr Byrne: As the Chairman said earlier, this was a pretty protracted process, but it was a very worthwhile exercise. I congratulate the Minister and her officials, particularly Mr David Porter from the Rivers Agency, who engaged in excellent dialogue with the Committee. It is fair to say that the Committee was apprehensive at the start about the remit that was delivered to us, but there was recognition that the European directive on floods required that this piece of legislation be enacted.

There was concern about the owners' responsibility, particularly the private owners

and social-economy owners, and the burden that might be put on them. As a result, the Committee was very clear from the outset that there should be an audit by the Rivers Agency and the Department to ascertain the state and condition of all the reservoirs, and hopefully we will hear about the capital requirements for the upgrading of those that may need some help. During the process, the Committee realised that there were particular reservoirs that had difficulties. In particular, for Camlough lake in south Armagh, there were some concerns last year that there could have been a breach of the reservoir there causing danger to the local community.

It is fair to say that the Committee worked extremely well, and our cooperation with the Department and the Minister is a good example of how a piece of legislation can be brought to a conclusion when there is proper and professional dialogue and respect for genuine issues of concern. I pay tribute to Stella and her staff, Mr Porter and his staff, and the Department. It is fair to say that, at the start, we embarked upon this piece of legislation with some trepidation. The fact that we had 200 amendments tabled and adopted is testament to how the Committee worked. I fully endorse and support the full implementation and passage of the Bill.

Mrs Dobson: I welcome the fact that, at long last, we have arrived at this stage. No one will disagree with what the Bill broadly sets out to do: to make sure that Northern Ireland's reservoirs are properly maintained and pose no significant risk to human life or health. However, they will be justified in asking why it has taken so long.

Thankfully, over the years, Northern Ireland has taken a fairly common-sense approach to the maintenance of reservoirs; we have avoided the tragedies that were witnessed in other places across the UK in the past. However, I agree that the gaps in the law here needed to be rectified. It is regrettable, however, that, four years on from when we all first heard that phrase "Reservoirs Bill", only now is the Assembly coming to the end of its involvement with the Bill. Getting to this Final Stage has not come a day too soon, in my opinion. The Bill has been hanging around the neck of the Committee for quite some time, and, to be quite honest, I have found that it has often been a distraction.

That is not to trivialise the issue because it is a very important matter. People need to know that large volumes of water upstream or uphill are safe and do not pose a threat to them or

their families. However, I am in no doubt that the Minister and her Department were more than happy for the Committee to spend month after month scrutinising the Bill and effectively demanding significant rewrites for large aspects of it. Instead of the Committee focusing on key issues such as CAP reform or alleviating some of the instability in the dairy or red meat sectors, we had to spend a huge amount of time on this Bill.

The fact that it has taken four years to get to this stage shows that the initial proposals were either ill thought out or deliberately ambiguous. Nevertheless, today represents the last step in the process. Today's Bill looks and sounds quite a bit different from the one that was first proposed. Many of the changes have already been discussed, not least additional financial support for reservoir managers. I call on the Minister to bring forward the schemes and accompanying detail without delay.

In conclusion, I thank the Committee staff, Stella and her team, for all their hard work on the Bill, for it has been a long slog for them as well. In addition, it would be remiss of me not to thank the officials, especially those from Rivers Agency who had the unenviable task of having to visit the Committee on so many countless occasions.

Mr McCarthy: I would like to thank the Minister for bringing the Bill to the Chamber this afternoon. As a Committee member, I offer my support to the Chairperson in his contribution and, indeed, to other Members. I am pleased to speak briefly on the Final Stage of the Reservoirs Bill this afternoon, and I take the opportunity to thank the departmental officials and our Committee staff for their dedicated work in getting this legislation through the House.

Alliance has acted constructively, I hope, throughout the passage of the Bill. We have sought to support those amendments that improved the legislation and have opposed those that we felt would have weakened the protections for reservoirs. As a result, we are now convinced that there is a more robust regime based on inspection and regulation that more closely matches the system that is used, as I understand it, across the water in England, Wales and Scotland.

Water infrastructure is vital in ensuring that water, regulating water levels in rivers, protecting the environment and providing facilities for communities throughout Northern Ireland. There is also a considerable danger if a reservoir's integrity were to be compromised.

As a result, a sensible regulation regime is vital, and, as such, we will support the Bill this afternoon.

However, Alliance is still concerned about the environmental impact of the Reservoirs Bill, particularly about removing responsibility from NI Water concerning future ownership and management of its 22 redundant reservoirs. The Department should safeguard the future for Northern Ireland Water's many redundant reservoirs, which provide a home for a range of wildlife as well as organisations such as angling clubs, canoeing clubs and, indeed, other recreational pursuits.

The new Ards and North Down Borough Council expressed an interest in Portavoe, with all others to be offered to other public bodies this summer before being placed on the market for sale to the highest bidder. The former Ards Borough Council, of which I was a member, supported the idea of the reservoir at Lough Cowey being opened to the local community for recreational facilities. Concerns have now been raised that, as a result of the Ards and North Down council's decision, two reservoirs in Conlig could be snapped up for housing development following previous discussions concerning land zoning during the development of the Belfast metropolitan area plan (BMAP). Instead of selling the reservoirs, once the Reservoirs Bill becomes law, I urge Northern Ireland Water to explore different ways for future ownership and management involving the local communities to ensure that the vast economic, social, environmental and health benefits are not lost forever.

In conclusion, I mentioned that Lough Cowey, which in my constituency of Strangford, just outside Portaferry in the townland of Ballyridley, is being disposed of. There is a great interest from local sporting people to get together with Northern Ireland Water to transform that wonderful environmental gem into something that is for the benefit of the entire community. I appeal to Northern Ireland Water to do its utmost to assist those local people.

I had the privilege of accompanying water officials some time ago to the reservoir on the old Belfast Road in Newtownards, which is locally called the duck pond. It is truly a fantastic facility, drawing people from all over the place to enjoy the peace, the scenery under the shadow of Scrabo Tower and the absolute tranquillity. I congratulate Northern Ireland Water, the former Ards Borough Council and, indeed, others for maintaining that exceptional natural habitat. Perhaps some of the now-redundant reservoirs could be similarly

transformed for public use. I will leave that with others.

I support the Bill.

Mrs O'Neill: Go raibh maith agat, a LeasCheann Comhairle. I do not intend to go over all the points that were raised. Broadly, the comments have all been very positive. Despite Mrs Dobson's cynical view that I was trying to distract the Committee from very important discussions, I assure her that the Bill is about safety and that it is important, which is why it is right and proper that it was given the scrutiny that it was given.

Notwithstanding that, I thank the Committee for the work that it has done in dealing with this and every other issue throughout the last number of years. I am sure that the Chair shares that view. I thank everybody for their positive contributions today. I am delighted that we have got to this stage. I commend the Bill to the House.

Question put and agreed to.

Resolved:

That the Reservoirs Bill [NIA Bill 31/11-15] do now pass.

Adjourned at 2.28 pm.

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