

MINUTES OF THE MEETING OF 4 MARCH 2010

CROSS SECTOR ADVISORY FORUM

FOURTH MEETING HELD ON THURSDAY 4 MARCH 2010

2.15 HRS – 5.10 HRS

IN

SIGNAL CENTRE, BANGOR

DRAFT MINUTES

Those Present:

Rt Hon Peter Robinson MP MLA	First Minister
Martin McGuinness	deputy First Minister
Sammy Wilson MP MLA	Minister for DFP
Robin Newton MLA	Junior Minister
Gerry Kelly MLA	Junior Minister
Dara O'Hagan	Special Advisor
Emma Little	Special Advisor
Bruce Robinson	HOCS
Cynthia Smith	DOE
Lian Patterson	DRD
David Carson	CPD, DFP
Graeme Hutchinson	DETI
Michael Gould	DEL
Norman Fulton	DARD
Heather Cousins	DSD
Bobby Clulow	OFMDFM
Deirdre McMullan	OFMDFM
Brenda Mullan	OFMDFM
Cllr David Rodway	NILGA
Ken Bishop	NILGA (observer)
David Strahan	Phoenix Energy
Henry Elvin	Ulster Bank
John Corey	NI Public Service Alliance
Peter Bunting	Irish Congress of Trade Unions
Seamus McAleavey	NICVA
Kevin McSherry	Firmus Energy
Clarke Black	Ulster Farmers Union
Ben Christensen	Northern Bank
Eleanor Gill	Member
Wilfred Mitchell	FSB
Clare Guinness	Bank of Ireland
Carmel Morris	Irish League of Credit Unions
Tommy Jeffers	Ulster Federation of Credit Unions
Emma Patterson	Older Peoples Advocate (observer)

Donald Henry
Frank Bryan
Colin McCarthy
Ann McGregor
Antoinette McKeown

NI Authority for Utility Regulation
IoD
Construction Industry Group NI
NI Chamber of Commerce
Consumer Council

Apologies:

Minister Conor Murphy	DRD
Minister Michelle Gildernew	DARD
Minister Margaret Ritchie	DSD
Minister Sir Reg Empey	DEL
Minister Edwin Poots	DOE
Minister Arlene Foster	DETI
John Irvine	Almac Group
Joseph McGowan	First Trust Bank
Robbie Smyth	Member
Frank Cushnahan	Member
Bill McGinnis	NI Advisor on Employment and Skills
John Armstrong	Construction Employers Federation
Stephen McCully	NIE Energy
Marie Cavanagh	Anti-Poverty Network
Deirdre O'Hara	Energy Generators
Patricia Lewsley	Commissioner for Children & Young People

1. ITEM 1 - INTRODUCTIONS

- 1.1 The First Minister opened the meeting welcomed everyone present. A “tour de table” took place for the benefit of those deputising for members of the Forum.
- 1.2 The First Minister said that the credit crunch and economic downturn adversely affected the local economy over the last year with employment falling, unemployment rising and output in the construction, manufacturing and services sectors contracting. He noted however that the UK economy has emerged from the recession, albeit weakly and the Irish economy should do so, also weakly, later this year. There have also been some positive signs on the economic front locally but the picture overall is still very mixed.
- 1.3 The First Minister continued to say that official figures for the third quarter output were released at the end of January and overall this looked positive. Manufacturing output rose slightly in the third quarter by 0.6% and services output has stabilised with only a slight decrease of 0.3%. Encouragingly, all service subsectors covering wholesale, retail, transport, storage, communication, hotels and restaurants experienced growth with only contraction in business services and finance dampening performance. In manufacturing, all main subsectors experienced growth except the food, drink and tobacco sector and engineering.

- 1.4 Private sector output may have fallen back somewhat in January as the Ulster Purchasing Managers' Index suggests a fall in activity. The First Minister noted that this was due to the particularly harsh winter conditions, which led to a reduction in demand.
- 1.5 In addition, the First Minister said that construction output continues to fall with the cumulative decline now close to 13% since the peak at April to June 2007. That said, local house prices appear to have stabilised with prices in the last quarter of 2009 down slightly on the third quarter but up on the second quarter's average price last year.
- 1.6 The latest unemployment figures released at the end of February indicated a fall of 8,000 seasonally adjusted in the numbers seeking work in the quarter covering October to December 2009. The local economy recorded the lowest seasonally adjusted unemployment rate of all the UK regions. Even so, the First Minister noted that the number of persons claiming unemployment benefit rose by 1,400 seasonally adjusted in January this year.
- 1.7 Despite the last quarter fall in the numbers seeking work, overall unemployment rose over the last year. The First Minister mentioned reports that suggest that given the slow emergence from the recession and low growth forecast for this year, the lull in unemployment experienced late last year may prove to be temporary.
- 1.8 Looking ahead, surviving the economic crisis and building the recovery are different things. The First Minister said that we are still in very challenging times particularly in the circumstances of reducing public finances.
- 1.9 The First Minister noted that this meeting is an opportunity for members to get an update on the work undertaken since the last meeting and to outline the analysis of the recommendations submitted by the six CSAF subgroups in November last year.
- 1.10 The First Minister outlined the Agenda of the day's meeting as follows:
 - Agree draft minutes from the third meeting on 7 October 2009;
 - Update the group on the work of the Forum since the last meeting;
 - Outline the CSAF recommendations;
 - Discuss the CSAF recommendations;
 - Discuss the way forward for the Cross Sector Advisory Forum;
and
 - Discuss any other business.

2. ITEM 2: MINUTES OF CSAF MEETING HELD ON 7 OCTOBER 2009

- 2.1 The First Minister turned to the second item on the agenda – to agree the minutes of the third meeting of the CSAF on 7 October and invited comments from the members.
- 2.2 Cllr David Rodway commented on the second item on page 15 of the minutes referring to helping a growing number of people in need of social housing. David suggested that consideration should be given to withdrawing the right to buy social housing and that this should be looked at, at least as a possibility.
- 2.3 Heather Cousins (DSD) responded by revealing that DSD is conducting a review of the House Sales Scheme. Any proposals for change will go out for consultation in the next few months.
- 2.4 There were no further comments or amendments discussed and so the minutes of the third meeting of the Cross Sector Advisory Forum on 7 October were agreed.
- 2.5 The First Minister invited the deputy First Minister to lead on items 3 and 4 of the agenda.

3. ITEM 3: UPDATE OF THE WORK OF THE FORUM SINCE THE LAST MEETING

- 3.1 The deputy First Minister apologised for arriving late at the meeting as he had taken part in an interview with the journalists outside the Signal Centre. The deputy First Minister assured that the work of the Cross Sector Advisory Forum is of vital importance and allows the Executive to move forward in a joined up way with the help of the interest groups at this fourth meeting of the CSAF.
- 3.2 Before continuing to item 3 of the agenda, the deputy First Minister addressed the work that was completed at Hillsborough Castle. The deputy First Minister commented that the meetings had a very successful outcome, in forging agreement and achieving stability moving forward. The deputy First Minister stated that on Tuesday (9 March 2010), both the First Minister and himself would be putting an important vote on a resolution to the Assembly before the transfer of powers of policing and justice on 12 April.
- 3.3 The deputy First Minister noted that regarding the highly vexed issue of parades, people did not believe that the working group could put forward meaningful recommendations. He revealed that the working group submitted their recommendations in the timescale allocated. What needs to be done now is to put forward agreed outcomes by December this year. This is a challenging timescale set by the First Minister and the deputy First Minister but they are confident about meeting it and that it will be welcomed by the community.

- 3.4 The deputy First Minister stated that three working groups were set up to deal with papers currently in the system, and at the last meeting of the Executive (25 February), 16 decisions were made on 16 different papers. This inspires confidence in the community working forward in different economic times. However a difficulty is that the media most often concentrate on the negative stories not the positive ones.
- 3.5 The deputy First Minister returned to item 3 of the agenda and noted that at the October meeting last year, he and the First Minister indicated that they would like to hear the member's views and ideas on actions needed to address the aftermath of the downturn and help re-build the economy. They also indicated that the recommendations arising from the sub-groups should provide an opportunity to gather further ideas on the Executive's approach to dealing with the economic downturn.
- 3.6 The deputy First Minister indicated that the work of the sub-groups is now complete with recommendations submitted by Ministerial chairs in November last year. The deputy First Minister, on behalf of himself and the First Minister extended his thanks for all the hard work and effort that went into compiling the proposals. The deputy First Minister revealed that the Forum put a total of 70 recommendations for consideration.
- 3.7 The deputy First Minister said that after an initial analysis, officials in the Economic Policy Unit in OFMDFM copied these to lead Departments seeking their views and Departments responded during December and January. OFMDFM officials then analysed the departmental returns and these enabled the Economic Policy Unit to sort sub-group recommendations into three categories:
- **Firstly proposals that can be implemented readily.** This includes actions that are already underway, or actions that are feasible and funding is available, or simply those that can be undertaken because no funding is needed to do these. There were 42 measures here.
 - **Secondly, there are those proposals that are viable but require further ongoing consideration** as officials need to look at these closer to test feasibility or secure necessary funding. The deputy First Minister noted that some can be given priority as some have more potential to have a stronger impact on jobs, business growth and alleviating hardship. However Departments have indicated there are currently difficulties around these measures either in terms of available resources or operational issues. There were 18 measures here.
 - **Finally there are a small number that simply do not look feasible in the short term.** The deputy First Minister noted that he is keen to prioritise actions that effectively respond to the issues raised by the crisis with some urgency. There are 10 measures here.
- 3.8 The deputy First Minister noted that in addition to the sub-group recommendations, officials have been able to incorporate consideration of some of the work of the Economic Development Forum and its

recommendations to assist business during the downturn. The deputy First Minister revealed that a commentary on the EDF recommendations would be provided later in the meeting.

- 3.9 The deputy First Minister said that the list of recommendations should provide a good starting point for considering the Executive's next steps in dealing with the crisis and moving forward to re-build the local economy in line with our promise in the programme for government.

4. ITEM 4: CSAF RECOMMENDATIONS

- 4.1 The deputy First Minister stated that the Forum should examine what the sub-groups proposed. The deputy First Minister invited the Ministerial Chairs and deputising officials responsible for the sub-groups to provide an overview of the recommendations made by their respective sub-groups.
- 4.2 The deputy First Minister started with the **Infrastructure, Planning and Procurement** sub-group and noted that the measures proposed should help support the local construction and other business sectors; help use public procurement to stimulate the economy; and help use planning to assist local business.
- 4.3 The deputy First Minister noted that the measures that can be most readily implemented include: promoting good practice for planning applications; promoting improved small business access to public procurement; developing local government's role in relation to local economic development; and improving the ISNI Delivery Tracking System. The deputy First Minister invited Cynthia Smith and Lian Patterson as officials attending in place of Minister Poots and Minister Murphy, to outline the findings of the Infrastructure, Planning and Procurement sub-group.
- 4.4 Cynthia Smith introduced herself and Lian Patterson, Deputy Secretary of Resources and Management Services within DRD. Cynthia recalled that the IPP sub-group is jointly chaired by the Ministers for the Environment and Regional Development and that the last meeting of the IPP sub-group was held on 27 October. At that meeting, the programme of work agreed was considered to be realistic, viable and affordable, which included steps to improve the:
- Visibility of expenditure on capital programmes and future procurement opportunities;
 - The use of public procurement to improve opportunities for SME's; and
 - The effectiveness of the planning system.
- 4.5 Cynthia noted that all the actions and recommendations made by the IPP sub-group fall into the category of those that can be 'most readily implemented', which is a positive result. The Planning Service had already been encouraging the use of Pre Application Discussions and they continue to do so. Cynthia noted that already they are seeing a

positive impact of economically significant applications. In relation to the PfG target, the Strategic Projects Division has to date achieved a 100% record in processing all large scale investment proposals within 6 months provided PAD has taken place. The division is building on and improving the use of pre application discussions; the Good Practice Guide was published on the Internet in June 2009. A supplementary guide for PAD's, specifically for housing was published on the internet in November 2009.

- 4.6 Work between the Department's Local Government Division and the Local Government Procurement Group is ongoing, seven councils have been using 'eSourcingNI' for a number of months to publish tenders. Feedback from SME's has been very positive.
- 4.7 CPD recently published a 'Public Procurement Handbook' in February 2010 and the Local Government Procurement Group is exploring if this can be applied to Local Government.
- 4.8 Regarding the issue of Planning Policy Statement 5, Cynthia noted that Planning Service is still awaiting the outcome of the Judicial Review, which was heard in the High Court during January 2009, and which may have implications for both the timing of the publication and content of PPS5 – Retailing, Town Centres and Commercial Leisure Developments. Cynthia passed over to Lian Patterson to address the recommendations relating to the ISNI portal and Procurement.
- 4.9 Lian stated that the recommendation "to consider how additional relevant detail can be provided through the ISNI Information Portal in respect of potential expenditure on infrastructure and advanced warning of contract letting" is being taken forward by the Strategic Investment Board within OFMDFM. The recommendation arose from a desire expressed by members of the construction industry to have greater visibility of 'on the ground' construction expenditure and to identify potential opportunities more easily. Lian noted that SIB have already made considerable progress on improving the functionality of the Portal. An example of one of the improvements that has been made to the Portal is a better search engine; searches can now be made geographically or by type, etc. Processes are also being put in place to generate emails from the Portal to MLA's in order to notify them of opportunities that are happening in their constituencies so enabling them to notify their constituency members. Lian noted that SIB is continuing to work on the improvements and they advised that this should be completed or at least well progressed by the end of this month.
- 4.10 Lian said that the final two recommendations of the IPP sub-group are being taken forward by the Central Procurement Directorate in DFP. The first of these two: "Continue to work with the Centres of Procurement Expertise and the Construction Industry Group for NI to ensure that work to address the issues identified by the Construction Industry Forum for NI Procurement Task Group Report is completed by December 2009". Lian told the Forum that CPD together with the

Centres of Procurement Expertise and the Construction Industry Group have worked in partnership to deliver on those objectives by the agreed target date. At the last meeting of the CIFNI Procurement Task Group (17 February), an Addendum was agreed which sets out in detail the commitments agreed to each of the actions identified in the Task Group Report. The Addendum is available on the CPD website.

- 4.11 Turning to the final recommendation for the IPP sub-group, which is to “Consider the Report commissioned by the Federation of Small Businesses and assess the extent to which the issues raised have already been addressed through Government procurement initiatives aimed at increasing SME access to public procurement opportunities or whether further action is necessary”; Lian noted that officials from CPD met with the FSB on 17 December 2009 to discuss its report and the concerns of the FSB members in relation to public procurement. Lian said that as a follow up to the meeting, a letter was sent to the FSB on 4 January which addressed a number of points made at the meeting and in the report. Lian said that CPD will be giving further consideration to the FSB survey and recommendations as part of its work on the Committee for Finance and Personnel’s report on its Inquiry into Public Sector Procurement in NI.
- 4.12 The deputy First Minister thanked Cynthia Smith and Lian Patterson. The deputy First Minister then turned to the **Business and Skills sub-group** and noted that the measures proposed should help support business, people and the local economy; enable the unemployed to get back into work; harness and support local innovation; develop the opportunities available from local tourism; and support local job creation and retention.
- 4.13 The deputy First Minister noted that the measures that can be most readily implemented include: support for the social economy in terms of inclusion in business support schemes by removing barriers to allow them to compete for public sector contracts; and to undertake a feasibility study to consider the potential for expanding the natural gas network in the North West. The deputy First Minister invited Graeme Hutchinson and Michael Gould as officials attending in place of Minister Foster and Minister Empey, to outline the findings of the Business and Skills sub-group and also touch upon the work of the Economic Development Forum.
- 4.14 Graeme Hutchinson began by noting that the Ministers for Enterprise, Trade and Investment and Employment and Learning are joint chairs of the Business and Skills sub-group. In agreeing a list of recommendations, the sub-group was conscience of the need to avoid duplicating the work of other bodies, including the EDF sub-groups for exports, manufacturing and the economic downturn.
- 4.15 Bearing this in mind, Graeme said that the sub-group put forward recommendations in two areas which are seen as being complementary to the work being taken forward through the EDF. These are the Green

New Deal Housing Package and the Social Economy. Graeme noted that he would focus on those recommendations which fall into the category most readily to be implemented.

- 4.16 Regarding the recommendation “To extend the eligibility of government programmes/schemes for Social Economy Enterprises and Voluntary sector organisations”, Graeme noted that in the case of Social Economy Enterprises, they are already eligible for inclusion in DETI and DEL business support schemes for SME’s.
- 4.17 Regarding the recommendation “To consider the feasibility of expanding the natural gas network in Northern Ireland through a research/feasibility study”, Graeme noted that the feasibility study is already well underway, with the draft report due later in the month. Graeme said that funding has been sourced and the costs will be split between DETI and NIAUR.
- 4.18 Regarding the recommendation “To provide easier access to the public procurement process for Small and Medium Sized businesses and Social Economic Enterprises”, Graeme noted that this matter is already being taken forward by the Assembly’s Finance and Personnel Committee in its Review of Public Procurement Policy and Practice. Graeme stated that DETI will support any CPD actions through, for example, implementing the Social Economy Enterprise Strategy to be published early 2010, and via the Social Entrepreneurship Programme. Graeme noted that DHSSPS have also indicated a willingness to participate in ongoing work on this issue.
- 4.19 Graeme then turned to the work of the Economic Development Forum and stated that the DETI Minister established a sub-group in June 2009 to consider what further measures could be used to help business through the economic downturn. The objectives of the sub-group were to outline the short-term prospects for the NI economy; to bring forward recommendations to support the construction sector; to identify problems in financing SME’s and bring forward recommendations on how best they can be rectified, and to consider what needs to be done to prepare SME’s for a medium term upturn in economic conditions; and to bring forward recommendations on how skills attraction, retention and improvement, including at senior management level, could be developed through the downturn.
- 4.20 Graeme informed the Forum that the EDF sub-group provided a report detailing 51 proposals, under 8 headings, on how the Executive could help the local economy further. Graeme listed these:
 - Infrastructure – implementing the ISNI Delivery Tracking System & Information Portal;
 - Finance – increasing take up of the Enterprise Finance Guarantee Scheme;
 - Housing – supporting the promotion of co-ownership;
 - Construction – increasing maintenance budgets in hospitals; education & roads;
 - Tourism – targeted campaign to promote inbound tourism;

- Energy – capital support for renewable projects;
- Skills – investing in business improvement training; and
- R&D – implementing MATRIX.

- 4.21 Graeme noted that with regards the Short Term Aid Scheme, since 1 June 2009, there have been 55 applications and 30 of these have been approved, with a total of £750,000 paid out.
- 4.22 Additionally, Graeme noted that two other sub-groups on manufacturing and exports produced a list of 16 and 5 proposals respectively, which are being taken forward with the CSAF recommendations.
- 4.23 Graeme noted that on 25 January, the DETI Minister made a statement to stand down the EDF and replace with a small economic advisory group to provide independent advice on the economy. The Department is making progress in establishing this group and hopes that it will be in place by spring this year. Graeme then passed over to Michael Gould to discuss the skills aspects of the Business and Skills sub-group.
- 4.24 Michael Gould noted that in terms of the recommendation to extend the eligibility of government programmes/schemes for Social Economy Enterprises and Voluntary sector organisations, this has gone ahead, with 49 social enterprises on management and leadership programmes. Michael told the Forum that the DEL Minister announced 100% funding for the training costs for Management and Leadership programmes, providing employment opportunities for 600 people on 25 M&L programmes.
- 4.25 Michael noted that there are 800 employees on Business Improvement Techniques programmes in DEL and the Skillsafe scheme has enabled 3000 apprentices on programme led apprenticeship schemes.
- 4.26 For the unemployed, the Step Ahead Programme has provided 1000 places, this allows long term unemployed persons to take up work in the Voluntary and Community sector. There are 1000 places on the Accelerated Programmes for Graduates provided by Queens University, University of Ulster and Business in the Community. There are 100 places on the Green Job pilot to work in the green economy and 200 on the INTRO graduate programme, totalling 300 places for graduates.
- 4.27 Regarding communications, Michael noted some initiatives to improve communications used by DEL, which include: 6 Ministerial road shows, which outline services with the last being held in Belfast next week (week commencing 8 March); information packs produced for individuals and employers; the Made not Born Campaign for leaders and managers; with 10 roadshows and 3 masterclasses for the Management and Leadership programme; and the Skills Conference on 25 March 2010.
- 4.28 The deputy First Minister thanked Graeme Hutchinson and Michael Gould. The deputy First Minister then turned to the **Hardship, Poverty, Debt and Energy sub-group** and noted that the measures proposed

should help relieve the social and welfare hardships arising from the economic crisis; help combat illegal money lending; and help local people in the management of debt.

- 4.29 The deputy First Minister said that some of these measures which can be most readily implemented include: further work to investigate illegal money lending; providing off-site facilities to help facilitate applications for benefits; providing a central point of information on sources of support to address poverty; continuing to promote benefit entitlement; encouraging banks to address financial exclusion of younger people; considering bulk purchase of fuel by the Housing Executive; continuing implementation of a programme of insulation of homes such as the Warm Homes Scheme; and aligning local Credit Union functions with GB and ROI. The deputy First Minister then invited Junior Minister Kelly and Junior Minister Newton to outline the findings of the HPDE sub-group.
- 4.30 Junior Minister Newton noted that the HPDE sub-group was asked to identify the best initiatives to relieve the social and welfare hardships and inequalities arising from the economic crisis; and to identify the best initiatives for combating illegal money lending, and helping local people and people in the management of debt. Junior Minister Newton told the Forum that they held two meetings, the first on 23 July and the second on 15 October.
- 4.31 Junior Minister Newton told the Forum that he and Junior Minister Kelly were pleased at the outcome at both of the meetings. He said that there was an obvious high level of commitment by the members and the lively and useful discussions at the meetings provided the basis for the recommendations which were drawn up in response to the objectives of the sub-group.
- 4.32 Junior Minister Newton noted that he and Junior Minister Kelly both feel strongly that the recommendations paper which they submitted to the First Minister and deputy First Minister in November last year provided a package of robust, realistic actions to address the sub-group's objectives. They were also encouraged by the assessment by officials. A total of 30 recommendations were submitted by the HPDE sub-group to the First Minister and the deputy First Minister. Over half of these can be readily implemented and another quarter are considered viable for further consideration. Only six of the recommendations were considered not really feasible to action at present.
- 4.33 Turning to those that can be most readily implemented, Junior Minister Newton said that these include actions that are either already underway, or those considered feasible and where funding is available. Also Junior Minister Newton noted that there are some that can be implemented now because no funding is needed to do these.
- 4.34 Firstly, turning to illegal money lending Junior Minister noted that he and Junior Minister Kelly were able to host a roundtable event on this issue. Junior Minister Newton told the Forum that this meeting took place on 6

October where representatives from Trading Standards, the Irish League of Credit Unions, the Community and Voluntary Sector and the Social Security Agency participated. Junior Ministers also received input from Tommy Jeffers from the Ulster Federation of Credit Unions. The PSNI were made aware of the event and were invited but unfortunately were unable to attend. As a result of the event, the subgroup was able to put forward three recommendations regarding research into illegal money lending:

- to accurately measure the extent of illegal money lending and legal doorstep money lending;
- to look at existing alternatives to illegal money lending and legal doorstep lending; and
- to look at ways of developing alternative funding sources to illegal money lending.

4.35 Junior Minister Newton indicated that there is also the problem of high interest legal lending. Junior Minister Newton said that he and Junior Minister Kelly have been informed by the Consumer Council that work complementary to that of the subgroup is also being undertaken to address high interest legal doorstep lending.

4.36 Junior Minister Newton told the Forum that he was very pleased to report that he had had a meeting with Antoinette McKeown, Chief Executive of the Consumer Council and Julie McCurley, Head of Money Affairs of the Consumer Council yesterday (Wednesday 3 March) where they outlined their proposal to set up, in conjunction with private sector partners, a practical affordable credit and financial capability pilot which aims to move consumers from legal high interest money lenders to lower cost credit through credit unions. Junior Minister Newton indicated that he and Junior Minister Kelly would be supportive of these efforts.

4.37 Turning back to the work of the subgroup and looking at other areas such as benefit entitlement, Junior Minister Newton noted that the subgroup recommended that facilities to start the process of applying for benefits should start away from the Social Security Agency offices. Junior Minister Newton informed the Forum that the provision of these facilities is underway.

4.38 Junior Minister Newton stated that a main concern of the HPDE subgroup was the lack of awareness of the benefits people are entitled to. To help address this, Junior Minister Newton noted that the Social Security Agency provides a range of services to promote benefit awareness such as outreach, promotional events, production of specific publications, and a new Benefits Adviser Service.

4.39 Junior Minister Newton noted that the HPDE subgroup recommended the roll-out of the FSA Money Guidance to help people manage their finances better. This falls within the remit of OFMDFM and is currently being advanced through the NI Financial Capability Partnership.

- 4.40 Junior Minister Newton stated that a recommendation for an extension of the NI Direct website may help promote Green New Deal environmental measures and also provide a central point of information for anti poverty measures.
- 4.41 To promote gas uptake, Junior Minister Newton indicated that a rather novel and innovative recommendation is to remove the existing cap on the number of prepayment gas meters allowed locally, and he revealed that the Utility Regulator is considering this.
- 4.42 Junior Minister Newton noted that it was thought that the banks should be asked to address the financial exclusion of younger people and to promote best practice in dealing with mortgage repossession as outlined in the Lord Chief Justice's Pre-Action Protocol on Re-possession Proceedings which came into effect on 5 October last year.
- 4.43 Another sub-group recommendation asks the Housing Executive to consider bulk fuel purchase of fuel by the Housing Executive. Junior Minister Newton noted that DSD is investigating the possibility.
- 4.44 Junior Minister Newton told the Forum that insulating homes was considered important by the sub-group and revealed this is being done currently through the current Warm Homes Scheme.
- 4.45 Junior Minister Newton said that another recommendation to bring the functions of local Credit Unions into line with those in GB and Ireland is currently being looked at by DETI. Junior Minister Newton then handed over to Junior Minister Kelly to continue outlining the remaining HPDE recommendations.
- 4.46 Junior Minister Kelly said that he would like to re-iterate the comments made by Minister Newton, that he would wholeheartedly agree that the meetings of the sub-group were very successful.
- 4.47 Continuing with the HPDE findings, Junior Minister Kelly stated that there were a number of recommendations put forward by the Hardship, Poverty, Debt and Energy Subgroup members that should be considered further.
- 4.48 Junior Minister Kelly indicated that we may not have the funding for these now but that he and Junior Minister Newton think they should be considered by Ministers as possible potential candidates for action in future and maybe for future resource bids, subject of course to the other competing priorities for funding. These actions will require further testing though by Departments.
- 4.49 Giving an example, Junior Minister Kelly noted that while the SSA's Benefit Uptake Programme has been designed to overcome some of the main barriers to claiming benefits, there may be ways of further extending current programmes to address the attitudinal barriers people might have to applying for benefits.

- 4.50 Junior Minister Kelly also said that indicative targets currently exist for social considerations to be taken into account during procurement. For example covering the numbers of long term unemployed persons to be hired per millions of pounds of contract. However, raising targets for social consideration/impacts in procurement projects is put forward for further consideration.
- 4.51 Junior Minister Kelly relayed that the sub-group were keen to ensure that some form of campaign to discourage illegal money lending was considered either through the media or financial education. Junior Minister Kelly indicated that this may lie with OFMDFM in conjunction with NI Financial Capability Partnerships which promotes the usage of legitimate credit sources.
- 4.52 Junior Minister Kelly noted that tackling fuel poverty more intensely and in particular for older people through greater funding for fuel poverty measures was considered important by the sub-group.
- 4.53 Junior Minister Kelly said that energy measures were also considered by the group. One of these was recommending the take up of gas connections to public buildings, businesses and social housing in the new gas towns along the existing North West and South/North pipelines.
- 4.54 According to Junior Minister Kelly, the sub-group also thought that the adoption of energy efficiency measures in new buildings and the adoption of renewables by domestic households such as solar power or domestic wind generation, should receive financial support.
- 4.55 Junior Minister Kelly then turned his attention to a few recommendations that were not considered feasible at present.
- 4.56 Junior Minister Kelly stated that a recommendation to make changes to legislation to allow more effective sharing of personal data for benefit application was thought likely to conflict with the provisions of the Data Protection Act. Therefore it was thought that the current approach to data sharing between departments and agencies looked most sustainable.
- 4.57 Junior Minister Kelly told the Forum that a recommendation to introduce a cap on interest rates used by legal lenders was viewed as not possible for consideration because financial services are a reserved matter. Junior Minister Kelly noted that the Office of Fair Trading (OFT) is currently investigating the nature of the market.
- 4.58 While it was considered important to protect private tenants when their landlord's property is repossessed and the sub-group recommended this for consideration Junior Minister Kelly told the Forum that it turned out that under housing law, private tenants already have protection in that they are entitled to receive 28 days notice from the landlord. Junior

Minister Kelly also indicated that Courts Service has measures/protocols in place to keep tenants involved in cases of repossessions.

- 4.59 Junior Minister Kelly stated that both he and Junior Minister Newton considered that the discussions they were involved in and the recommendations that the HPDE subgroup finally came up with, were a good success.
- 4.60 Junior Minister Kelly noted that in both his and Junior Minister Newton's views, where feasible, implementation should further ease hardship and poverty. Junior Minister Kelly ended by thanking the members of the Hardship, Poverty, Debt and Energy sub-group for their valuable contribution.
- 4.61 The deputy First Minister thanked the Junior Ministers and then turned to the **Agriculture sub-group** and noted that the measures proposed should help support the local farming industry through the current crisis; and provide opportunities for renewables and the Green New Deal. The deputy First Minister invited Norman Fulton to outline the findings of the Agriculture sub-group.
- 4.62 Norman Fulton told the Forum that the final meeting of the agriculture sub-group was held on 22 October to discuss and agree its report and set of recommendations for action. The recommendations were divided among three themes:
- Exploiting the opportunities for the land based sector arising from renewable energy technologies;
 - Developing the local food production sector and, in particular, linking this with tourism initiatives to create new opportunities; and
 - Maximising the potential for farm business diversification and the creation of rural micro enterprises.
- 4.63 Under the first of these themes, Norman noted that the sub-group believed that the land based sector had a key role to play in the development of the renewable energy market, ranging from the provision of primary feedstock for renewable energy production through to the generation of renewable energy, particularly renewable heat and electricity. Norman stated that the sub-group welcomed the initiatives that Government has been taking to stimulate the supply of renewable energy but considered it vital that these initiatives are given a high profile to ensure that potential investors are aware of the help and support that is on offer. Norman noted that the sub-group recommended that all relevant Government agencies should work together to publicise and promote the range of help and support mechanisms that is on offer. This should be brought together on a single "one-stop-shop" website, giving basic information and further contact details in one readily accessible location.
- 4.64 Norman stated that the sub-group also believed that it was important that Government looks not only at stimulating supply, but also at stimulating demand to ensure balanced growth of the market. Norman said that the

sub-group felt that with its sizeable estate, the public sector should be taking a lead on procuring and using renewable energy technologies to underpin the demand for renewable energy technologies, build confidence and act as an exemplar for the private sector. Therefore, Norman noted that the sub-group recommended all new-build and major refurbishment projects across the public estate, plus projects which attract public funding, should incorporate renewable energy technologies and, where possible, help build local supply chains. Norman said that the sub-group also believed that district heating systems (based on renewable energy) for new build social housing offered the potential to stimulate the renewable energy sector, as well as tackling fuel poverty and create new jobs in the green economy.

4.65 Norman noted that the sub-group suggested that Government should look again at using Building Regulations as a means of stimulating the demand for renewable energy technologies, ensuring these are integrated into the design and construction of new properties and major refurbishments.

4.66 Finally on this theme, Norman noted that the sub-group felt that Government should use mechanisms such as Feed-In Tariffs and Renewable Heat Incentives to stimulate the development of the renewable electricity and renewable heat markets respectively. Norman stated that this will require local primary legislation, but the sub-group felt that Government should initiate the necessary preparatory work to enable this to proceed at the earliest opportunity in the term of the next Assembly.

4.67 Turning to the second theme of local food linked to tourism, Norman said that the sub-group felt there was a clear need to develop a more integrated approach to the development of the food industry. Therefore, Norman noted that the sub-group welcomed the efforts by various food and drinks organisations to reduce fragmentation and develop a more strategic approach to tackling issues of common interest across the sector. The sub-group believed that these efforts needed be sustained, and suggested that this could best be achieved through the creation of a single food marketing and promotion body.

4.68 Norman stated that the sub-group also believed that much more could be done to integrate food with local tourism – to the benefit of both sectors. Therefore, the sub-group recommended that in the development of all future tourism strategies and in the planning of major tourism projects and events, specific thought be given to showcasing and exploiting Northern Ireland food, making it an essential part of the offering.

4.69 Turning to the final theme of the Agriculture sub-group regarding farm business diversification and rural micro businesses, Norman said that there was considerable discussion around perceived problems relating to the consistency in the application of planning policy and the time required to progress planning applications. Part of this problem may be

due to poor communication and unrealistic expectations. Therefore, the sub-group recommended that Government agencies needed to be more proactive in publicising and explaining the processes, costs and timescales involved in planning applications for diversification and micro-business projects.

- 4.70 Norman noted that the sub-group also recommended that planning applications must be dealt with quickly and consistently in order to capitalise on the economic opportunities arising from diversification and small business creation. Therefore, the sub-group suggested that the application and approvals process should be simplified for modest scale projects.
- 4.71 The sub-group also recommended a fast track approvals mechanism be developed where on-farm developments were required to ensure compliance with EU legislation.
- 4.72 Finally, Norman indicated that the sub-group recognised that the banking sector has a key role to play in nurturing diversification and micro-business enterprises. Therefore, the sub-group called on banks to adopt a more supportive role, by providing professional advice and input as well as financial backing for diversification and small scale projects.
- 4.73 Norman summed up by noting that seven of the sub-group's recommendations are classified as readily implemented and only one is classified as not feasible at this time, therefore this is a positive outcome for the Agriculture sub-group.
- 4.74 The deputy First Minister thanked Norman Fulton for providing the overview for the Agriculture sub-group. He then turned to the **Banking, Finance and Lending** sub-group and recalled that measures in this area should help secure a sufficient flow of credit to support local business and people. The deputy First Minister invited Minister Wilson to provide an overview of its recommendations.
- 4.75 Minister Wilson began by telling the Forum that the last meeting of the sub-group was held on 19 November 2010 where the sub-group discussed a number of issues including the Republic of Ireland's plan to establish the National Asset Management Agency (NAMA) and the state of local business lending. At this meeting the sub-group also agreed their final recommendations. Before introducing the Banking, Finance and Lending sub-group recommendations Minister Wilson gave the Forum an update on two key banking issues facing Northern Ireland.
- 4.76 The first of these issues was the National Assets Management Agency. Minister Wilson noted that the main concern with NAMA was the impact that it would have in Northern Ireland. Minister Wilson told the Forum that he met again with Brian Lenihan on 17 February and that this was a very constructive meeting. At the meeting, Minister Lenihan confirmed that a Northern Ireland sub-committee would be established to manage loans transferred from Northern Ireland. The current proposal is that this

sub-committee will have two members from Northern Ireland, and the two nominees would be announced shortly. Minister Wilson commented that this will ensure that our interests are properly safeguarded.

4.77 Minister Wilson noted that there have been a number of issues raised regarding NAMA by the Business Alliance on the potential impact on local businesses and that he raised these in the meeting with Minister Lenihan. The issues raised include:

- Would there be damage to the reputation of businesses if their loans go into NAMA (affect their credit rating) and would there therefore be difficulties for future funding? – Minister Lenihan confirmed that a list of all the Northern Ireland loans in NAMA will be available. Loans shouldn't be seen as a greater risk as businesses can use surpluses as a security. The role of the advisory panel will provide greater security as it will be able to explain the role and implication of loans taken into NAMA.
- Unclear if interest would be tax deductible? – The double taxation agreement between the UK and the RoI addresses this point.
- How would NAMA transfer personal guarantees? - NAMA does not have the power to seize NI based loans without a court order from NI. This is no different from the current arrangements.

4.78 Minister Wilson commented that there is no unwillingness to engage with NI on issues that arise and that he will continue to liaise with Dublin.

4.79 Moving on then to discuss Business Lending, Minister Wilson noted that discussions at the latest sub-group meeting centred on prevailing lending conditions. Minister Wilson commented that he continues to receive representations from local business owners who are having difficulties accessing finance and stated that it is clear that credit will remain constrained for a considerable time.

4.80 Minister Wilson told the Forum that he raised the issue of business lending with the Chief Secretary to the Treasury at the last Finance Quadrilateral meeting. The Chief Secretary to the Secretary agreed to table these issues at the UK Lending Panel, chaired by the Chancellor.

4.81 Minister Wilson thanked the Institute of Directors for their work in surveying members, which moves away from anecdotal evidence.

4.82 Another issue that was highlighted at the last meeting was the more prudent approach now adopted by banks in considering lending applications. Minister noted that we don't want to go back to the reckless behaviour of the past, however we don't want to place additional burdens on businesses in terms of providing adequate information.

4.83 Minister Wilson noted that he welcomes the publication of a "Quick Guide" to accessing finance which was produced in partnership by the IoD, the British Banking Association and Invest NI. Minister Wilson said that this will help local businesses to apply more successfully for loans.

- 4.84 Moving on, Minister Wilson commented that there is evidence regarding UK Government banking schemes that Northern Ireland has the lowest uptake of the Enterprise Finance Guarantee Scheme of all the regions. Minister Wilson stated that the statistics are telling on this issue:
- 94 loans offered in NI - £17.2 million
 - 434 loans offered in Wales - £33.98 million
 - 591 loans offered in Scotland - £80.45 million
- 4.85 Minister Wilson then moved on to a discussion of the six recommendations and noted that banking regulation is a reserved matter for HM Treasury and the Financial Services Authority to determine so it is not surprising that there were few action points for the Northern Ireland Executive coming out of the Banking, Finance and Lending sub-group.
- 4.86 Minister Wilson told the Forum that three of the six recommendations are for the local banks to take forward. These included encouraging their customers to take part in the next IoD lending survey; engage with HMT on the replacement to the Enterprise Finance Guarantee Scheme, so that if part of the reason for the low uptake in NI is the structure of the scheme, we can try to make sure that the scheme is tailored for participants in NI; and to consider working with the Ulster Community Investment Trust to support the social economy sector.
- 4.87 Minister Wilson noted that IoD have the lead on two of the sub-group's recommendations and took this opportunity to thank the IoD for the very active role in seeking evidence on local bank lending. Minister Wilson noted that DFP and IoD are seeking information on local bank charges from the British Banking Association and that this information is extremely difficult to get. Minister Wilson stated that officials in DFP are liaising closely with IoD on obtaining further information and this work is ongoing. He also informed members that the IoD is currently working on their third lending survey, which is nearly ready for launch.
- 4.88 Minister Wilson noted that in terms of the final recommendation "investigating the feasibility of a financial mediation scheme, similar to that in GB", his officials in DFP have considered this scheme in liaison with DETI colleagues and DETI are liaising with the Department for Business, Innovation and Skills to assess its feasibility. Minister Wilson noted that he was unable at this stage to comment on funding required.
- 4.89 The deputy First Minister thanked Minister Wilson for the overview of the Banking, Finance and Lending sub-group findings. Finally, turning to the **Housing and Property sub-group** the deputy First Minister invited Heather Cousins as the official attending in Minister Ritchie's place, to outline the findings of the sub-group.
- 4.90 Heather Cousins began by commenting that the housing market seems to have reached some degree of stabilisation and transaction volumes are slowly increasing. While resale and home moving figures are still

low, the number of first time buyers entering the market has increased by 25% since its lowest point in 2008. Heather said that this is good news however it must be contrasted with the growing figures for unemployment, which may not yet have peaked, the high levels of housing need and mortgage possession.

- 4.91 Heather noted that DSD have made progress in each of the recommendations made by the sub-group and hope to move on several of them later this year. Heather stated that we can also expect significant growth in the local private rented sector which may now account for as many as one in five dwellings and that this could prove to be a very useful resource with safeguards put in place in helping to meet housing need and to resolve homelessness.
- 4.92 Heather moved on to address firstly the recommendations which can be most readily implemented. In terms of the recommendation to: “Encourage the banks to continue to develop mortgage products that will help to attract first time buyers into the market”, Heather noted that the DSD Minister and officials have met with the Council of Mortgage Lenders to encourage responsible lending to homebuyers and to press lenders to ensure that affordable mortgage products are made available to help first time buyers and in turn help the wider economy.
- 4.93 Heather noted that the banks have reacted to changing circumstances very quickly and have produced a range of products suitable for first time buyers and this, combined with lower prices and low interest rates has encouraged a rise in the number of first time buyers entering the market.
- 4.94 In terms of the recommendation to “Introduce and regularly update an online database displaying locations with unmet social housing need by District Council area and settlement”, Heather told the Forum that there has been a slight technical delay in the production of this database although it is still expected to be ready for summer 2010, however, once completed the database will contain information on locations with unmet social housing need and the type of housing required. Heather explained that in the interim period, the Minister has approved the publication of the three year social housing development programme, which will show levels of housing need across Northern Ireland. The programme will be published on the NIHE website this month (March 2010).
- 4.95 Moving on to the recommendations that are viable in the short/medium term, and the recommendation regarding “Long term leasing of existing private sector housing for use as social rented homes”, Heather noted that DSD officials have been carrying out extensive work to take this forward and have agreed a leasing model for Housing Associations to bring forward proposals. Heather also told the Forum that the Strategic Investment Board has appointed PricewaterhouseCoopers to consider the proposals and test the market.

- 4.96 Regarding the recommendation to “Explore new shared ownership and shared equity schemes”, Heather noted that officials are continuing to explore the potential for alternative shared equity/ownership models that could help deliver more affordable homes.
- 4.97 Regarding the recommendation to “Review the Social Housing Waiting List to target resources where most needed”, Heather noted that the social housing waiting list currently stands at over 30,000 applicants and with a potential squeeze on public spending around the corner, there is little or no chance that we will ever be in a position to meet all this need. Heather noted that instead, we need to ensure that resources are directed towards social housing applicants who are in greatest need.
- 4.98 Heather noted that officials are making good progress with two projects intended to achieve this aim. Firstly, officials are carrying out a review of the common selection scheme with a view to ensuring it still identifies and prioritises housing need effectively. Secondly, Heather informed the Forum that officials are considering changing the strategic guidelines for social housing development plan to allow us to focus on areas where there is a greater intensity of need, i.e. greater numbers of applicants with the highest levels of need. Heather noted that both projects should be ready for consultation this year.
- 4.99 The deputy First Minister thanked Heather for her address and in closing this item of the agenda, thanked both the Ministers and officials for leading the discussions regarding their respective sub-group recommendations and Graeme Hutchinson and Michael Gould for providing commentary on the Economic Development Forum Recommendations. The deputy First Minister then apologised to the Forum as he had to leave early.
- 4.100 Before leaving, the deputy First Minister said that he wanted to inform the Forum that he and the First Minister would be going to the United States again shortly. The deputy First Minister reminded the Forum that the last time they visited the United States was around the time of the killing of two soldiers and policeman Stephen Carroll. The story in America was less about the killings but more about the public’s reaction to them. During their last visit, the First Minister and deputy First Minister had discussions with HBO and Universal about potential work in the Paint Hall, both of these projects came through. The deputy First Minister also referred to the recent announcement that a pilot and series will be filmed in Northern Ireland later this year. The deputy First Minister told the Forum how he was impressed by Declan Kelly, the economic envoy for Northern Ireland and hoped that there will be further announcements of investment in NI. The deputy First Minister referred to an Irish News article which said that not one job had been created in Northern Ireland as a result of this investment; however, the deputy First Minister revealed that there were four to five hundred jobs created by Universal and HBO at the Paint Hall.

5. ITEM 5: DISCUSSION OF CSAF RECOMMENDATIONS

- 5.1 The First Minister noted that Ministerial colleagues and officials provided the Forum with a very useful commentary on their sub-group recommendations and the work of the EDF, which gave the Forum a lot to discuss. The First Minister commented that it was not the initial intention of the Forum to segregate people into groups and now that the work of the sub-groups is complete it will be useful for members to cross over into other working groups to have their say.
- 5.2 The First Minister told the group that he now wanted to hear their views, mentioning that some of the members may not be aware of the direction of the thinking of the sub-groups they were not on. The First Minister then opened the floor to comments from the members on the recommendations.
- 5.3 Antoinette McKeown thanked Junior Minister Newton for the opportunity to meet with him and informed the Forum of a new initiative of the Consumer Council's which addresses 4 of the recommendations of the Hardship, Poverty, Debt and Energy sub-group. The Consumer Council is currently working with partners to scope a practical affordable credit and financial capability pilot which aims to move consumers from legal high interest money lenders to lower cost affordable credit through credit unions. The project is a two pronged attack in that will provide financial capability support for those paying high interest rates whilst also transferring high cost credit to lower cost credit at credit unions. Antoinette stated that as the initiative meets four of the CSAF recommendations, the Consumer Council is keen to get buy in from the CSAF.
- 5.4 Colin McCarthy, speaking on behalf of the IPP sub-group and as the Procurement Task Group Chair wanted to endorse the statement about the amount of work that the Procurement Task group has put in and that it is working very well. The Report that the Procurement Task Group published addresses issues around legality for the construction industry in public procurement. A standard template Pre-Qualification Questionnaire for construction works projects has been launched on the CPD website which will bring more transparency to the process in tendering for works projects; Colin noted that this took an extra couple of months to get right. Colin noted that this is a live document and will be reviewed in 9 to 12 months as used. This is the first tangible step from the Report, Colin stated that all tasks from the report will be completed in 9 months.
- 5.5 Moving on to address the SIB tracking system, Colin commented that a good job has been done so far but there is a bit more work to do in trying to bring more information together.
- 5.6 Colin noted that a major issue facing the industry is the looming election and this will have a major affect on the finances available from central Government. Colin told the Forum that the Procurement Task Group will

work with Minister Wilson and SIB to discuss flexibility of the work load programme to focus work more effectively in the sector. Colin stated that the problems from the collapse of commercial and housing will be with us for a good few years.

- 5.7 Colin noted that sustainability had been mentioned by others during the course of the meeting and he said that this is a long term programme which needs to be addressed. The legal statutory incentives are very good in house design and bring deliverables into the fore.
- 5.8 Colin noted that a long term aim is to bring innovation and training opportunities for employers for up skilling to the industry. Colin wanted to have it recorded that Des Armstrong from the Central Procurement Directorate has put a lot of work into the Task Group Report and recognised hard work in the industry to date.
- 5.9 Minister Wilson commented that the Pre Contract Qualification arrangements benefits contractors in that it prevents duplication of work, which brings long term benefits to the industry. Minister Wilson also noted that the SIB tracking system is not working all that well, noting that some departments have not put much on the tracking system and other have put a “wish-list” of information on the system. There is ongoing work to be done on the tracking system, Minister Wilson wants to remind departments to give firms a picture of what is coming down the line for them to draw together tender plans for.
- 5.10 Turning to the issue of capital budgets, Minister Wilson stated that up skilling is something that is now being built into contracts, for example, for every £5 million spent, one apprentice will be taken out of long term unemployment, and Minister Wilson said he would encourage contractors to do this as this is a benefit to the firm and the industry.
- 5.11 Peter Bunting's comments related to the Green New Deal and public procurement. Peter noted that the Green New Deal has the capacity of creating one thousand new jobs and growth in the manufacturing sector and he would have thought that this recommendation would have been made more prominent.
- 5.12 Peter noted that public procurement is not mentioned in the Business and Skills list of recommendations, he noted that we should do more than encourage firms to hire the economically inactive by inserting this into the contract criteria as it is crucial to tackling economic inactivity. Peter posed two questions to the Forum. Firstly, regarding the HPDE recommendations to ‘promote awareness of benefit entitlement’; Peter questioned why DSD are downsizing the number of staff dealing with pensions as this is detrimental to the recommendation.
- 5.13 Secondly, Peter questioned whether the recommendation regarding the ‘promotion of the Lord Chief Justice Pre-Action Protocol on Repossession Proceedings’ had a positive or negative impact on the number of repossessions?

5.14 Junior Minister Newton said that the issue of downsizing pension providers in DSD is crucial and that he would follow up on this point.

[ACTION: EPU TO FOLLOW UP ON POINT CONCERNING DOWNSIZING OF PENSION STAFF WITH DSD]

5.15 Minister Wilson noted that the word “encourage” earlier was perhaps the wrong word to use as it was indeed a requirement for every £2m spent one person must be from long-term unemployed and for every £5m spent one apprentice must be used. Minister Wilson also stated that the numbers of repossessions in Northern Ireland are low even given the current financial circumstances and this statement is backed up by the banks’ figures. Minister Wilson commented that he has been assured by banks that they are only using repossessions as a last resort.

5.16 Tommy Jeffers commented on the recommendation concerning the alignment of NI Credit Unions with Great Britain and the Republic of Ireland. Tommy confirmed that there appeared to be a delay with Treasury in moving the legislation through Westminster. There is a UK growth fund of £40m to £100m which NI Credit Unions can’t currently access and Tommy stated that he is keen the Treasury progress legislation, with the Executive’s encouragement.

5.17 Eleanor Gill firstly noted that in terms of the Public Procurement Task Group Report, a lot of work has been done already, but there is still more work remaining. Eleanor asked what has changed as a result of the Cross Sector Advisory Forum, are we better off? Eleanor suggested that we should look at dealing with quick wins as well as infrastructure, planning, skills, financial capability, energy, etc.

5.18 Eleanor commented that she is disappointed that the recommendation regarding the extension of the gas network is classed as one for longer term consideration. Eleanor noted that fuel poverty is caused by the level of income and the price of fuel generated. Eleanor asked for officials to consider that this recommendation be brought forward.

[ACTION: EPU TO CONSIDER]

5.19 In terms of financial capability, Eleanor said that the Banking, Finance and Lending sub-group had been successful in coming up with recommendations to address this issue. However, Eleanor asked that more clarity is given in terms of how bank charges have changed in the last year and said that this should stay on the agenda.

5.20 Eleanor also noted that she was shocked to hear that there were over 30,000 people on the social housing waiting list and asked when the review and consultation would be complete?

[ACTION – EPU TO INVESTIGATE TIMING OF REVIEW WITH DSD]

5.21 Eleanor also asked why the decision was made that the Anti-Poverty Strategy (Lifetime Opportunities) could not be moved to a statutory basis, noting that statistics say that one in three people are “one pay cheque away from financial hardship”.

[ACTION: EPU TO CONSIDER]

5.22 Eleanor finished by saying the Forum provided evidence of Ministers working together and asked what communications would be relayed from the Forum to let the public know of the things that the Executive were doing well.

5.23 The First Minister said that he would take note of the issues that arise during the member’s comments.

5.24 John Corey referred to the last bullet point on page 27 of the papers circulated to the CSAF members: “Consider the Report commissioned by the Federation of Small Businesses and assess the extent to which the issues raised have already been addressed through Government procurement initiatives aimed at increasing SME access to public procurement opportunities or whether further action is necessary”. John noted that reference was made to this by the DFP Committee and that the Trade Union movement considered this recommendation very important and urged the departments responsible to pick up on this and act on the recommendation.

5.25 John also referred to the HPDE recommendation about commencing the application benefits off-site from the Social Security Agency offices. He noted that he is unclear what advantage accrues from that recommendation as the best way of addressing this point would be to properly resource the Social Security Agency offices. He noted that last year staff working in SSA offices had to resist closure of offices. John urged caution about how effective this recommendation would be and how well it would work as opposed to resourcing SSA offices.

5.26 John also addressed the point about public expenditure constraints, which will impact directly on social housing. John suggested that from the TU perspective the way out of recession is to maintain public expenditure and services to provide a bedrock for people in need.

5.27 John wondered if the freeze on rates was regressive and was having an adverse impact on those most in need and therefore the extent that it is contributing to helping Northern Ireland out of the recession and directing help to those most in need.

5.28 Seamus McAleavey commented that he would be supportive of the recommendation to commence the application of benefits off site from the Social Security Agency offices, as it is a complementary measure. Seamus noted that sometimes people’s applications get lost between their MLA’s office and the SSA offices, but if the application was started and lodged then this would increase the number of people receiving their

benefits, particularly older people. Seamus mentioned that older people often do not obtain the extra benefits that they are entitled to and reiterated that this recommendation is not in conflict with the work of the Social Security Agency.

- 5.29 Seamus noted that he found it useful that the recommendations were divided into the classifications, however, we need to scrutinise why some are not being taken forward, particularly the recommendations regarding moving Lifetime Opportunities to a statutory basis and investigating the green energy bond. Seamus noted that the latter recommendation would help people pay as they save for insulation, for example. Seamus said that without rigorous scrutiny, we could fall into a trap of only doing what is easy to do, especially because of constraints on finance.

[ACTION: EPU TO CONSIDER]

- 5.30 Seamus told the Forum that he welcomed Junior Minister Newton's comments regarding loan sharks and money lending and his meeting with the Consumer Council. Research in this area is important because currently information is hidden; we don't know how deep the problem is and often those involved feel ashamed and feel that they have nowhere else to go and it is only by getting the information out in the open that this issue can be dealt with.

- 5.31 Cllr David Rodway commented that the local government role in addressing the issues of the recommendations is to seek to work closer with all Departments. Cllr Rodway noted that the new Economic Development Committee was set up to address the problem of the economic downturn. The Economic Development Committee will focus on reducing bureaucracy for small businesses (move forward planning, etc) and improve local government efficiency. The Economic Development Committee aims to secure delivery by reducing payment times to SME's to less than 30 days and encourages local government to pay as early as possible. By encouraging the creation of small businesses, Cllr Rodway said that this would help get us out of the current situation. Cllr Rodway also said that the Economic Development Committee encourages banks to ease their lending criteria, anything done in this respect would help small businesses.

- 5.32 Frank Bryan told the Forum that the business community are ready to proactively join with the DFP Minister and Executive in discussions to achieve the necessary reductions in public expenditure. Frank thanked Minister Wilson for his kind words about the IoD's work relating to business lending from the banking sector. Frank said that it is impossible to underestimate the competing pressures on banks however it is none the less essential we establish an evidence base of financing.

- 5.33 Frank mentioned that IoD have tried to run with a survey to gain some insight into the bank's lending position. While flawed and not perfect, Frank said that there is no other alternative measure available. Frank encouraged the members present to get their client base to respond to

the survey in order to build an honest picture so that it can be addressed. The lack of clear evidence relating to the financial lending market undermines confidence in obtaining loans and making investment decisions. Frank told the Forum that the current survey closes on Friday (5 March 2010) and is available on the internet.

5.34 Frank commented that something more needs to be done than the IoD survey and that the IoD gave the example of the Mazars Survey (Review of Lending to SME's, June '09) in the Republic of Ireland. The Mazars Survey shows that the issue can be addressed and encourages DFP and the Executive to continue to build the evidence base and to make this issue a priority.

5.35 Clarke Black wanted to note that he was disappointed that the linkages between local food and drink and tourism are not more explicit. Food and tourism are the responsibilities of two different departments. Clarke urged the Forum to make the linkages more explicit to drive both forward.

[ACTION: EPU TO CONSIDER]

5.36 Henry Elvin noted that the numbers of repossessions are in single digits for all four major banks in Northern Ireland, there are less than 5 across all four banks. The major issue is second tier lenders. Henry mentioned that he hopes that it doesn't come to the point where banks have to action more repossessions, as banks are currently acting very responsibly.

5.37 Henry noted that real progress has been made with increasing the number of mortgages for first time buyers. He commented that it is important to join this up by working with developers and planners and suggested that we need a change of planning and a move away from building apartments to for example building townhouses or semi-detached houses.

5.38 Regarding the Enterprise Finance Guarantee Scheme, Henry told the Forum that Ulster Bank have adopted this initiative and that 80% of the EFGS loans issued in Northern Ireland have been through Ulster Bank, indeed some 70 cases had been approved with more in the pipeline. Henry noted the EFGS is beneficial when other lending schemes haven't come to the fore and that we shouldn't go straight to the Treasury to say it isn't working in Northern Ireland because in his experience, it is.

5.39 Wilfred Mitchell welcomed the work done on procurement especially the role that small businesses can play. Wilfred noted that there needs to be a review of what the term SME means here compared to elsewhere. Wilfred commented that last year he went to America to review the best practice on procurement and the impact that it has on the economy. Wilfred found that the impact of procurement on the economy could take 10 to 15 years to be apparent.

- 5.40 Wilfred noted that businesses here are suffering in silence. In terms of the 10 day prompt payment scheme, Wilfred said that the Department of Health is the worst offender of not paying on time. Wilfred mentioned that he would like to see sub-contractors paying on time and that there should be a bigger focus on self-employment.
- 5.41 Antoinette McKeown asked that the Anti-Poverty Strategy be put on a statutory basis. Antoinette noted that there were currently 400,000 homes in fuel poverty and this should incentivise departments to work together to deal with the poverty that people are facing during the recession. Antoinette told the Forum that the Consumer Council is beginning to undertake research on bank finance and how they are dealing with customers suffering in the recession. Antoinette agreed with Henry Elvin's assessment that the main banks were not repossessing but stated that sub-prime lenders were and noted that there is a fundamental problem of repossessions, with a 64% increase in repossessions since 2008, which is the highest increase in all the UK regions.
- 5.42 Junior Minister Kelly agreed with comments made about the recommendation to move Lifetime Opportunities to a statutory basis and said that he also wanted to keep under review recommendations which do not look feasible at the moment. He said that he would follow up on these points.

[ACTION: EPU TO FOLLOW UP WITH EQUALITY DIVISION]

- 5.43 Regarding the recommendation to commence the application of benefits off-site from the Social Security Agency offices, Junior Minister Kelly agreed with Seamus McAleavey that information is important because the uptake of benefits is low. Junior Minister Kelly agreed that this measure would be complementary to the work of the SSA.
- 5.44 Junior Minister Kelly spoke about a good example of a warm homes scheme which was an initiative in West Yorkshire, where they spent £19 million insulating 50,000 homes in 3 years. In Northern Ireland, £120 million was spent on insulating 80,000 homes in 9 years. The key was that West Yorkshire did not means test and therefore saved 25% on administration costs. Junior Minister Kelly noted that the prospect of basic insulation in homes should be looked at and said that we would talk to DSD about where to go with this.

[ACTION – EPU TO CONSIDER WITH DSD]

- 5.45 Junior Minister Kelly noted that loan sharking was a key issue and said that he agreed with the proposal for the research into the loan shark problem.
- 5.46 Junior Minister Newton told the group that he agreed with the recommendations about energy, gas, prepayment caps and bulk fuel purchases. Junior Minister Newton also agreed with Seamus

McAleavey and Junior Minister Kelly that the recommendation to commence the application of benefits off site from the SSA would not be a threat to the SSA and may actually produce additional work in this area.

- 5.47 Concerning illegal money lending, Junior Minister Newton said that this is a very difficult issue to tackle because we do not have any information on the extent of the problem; a lot of this is to do with fear of providing information. Junior Minister Newton said that he was determined to tackle all of these issues.
- 5.48 Minister Wilson noted that banking needs to move away from anecdotal evidence and that we are moving somewhere in this with the help of the IoD survey. Minister Wilson commented that what is lacking from banks is more information on charges and noted that the Mazars Survey shows we can get this.
- 5.49 In response to the comments on the Procurement Task Group, Minister Wilson indicated he did not necessarily agree with some of the recommendations made in the Assembly Committee Report, for example the criticism of frameworks. Minister Wilson said that we are tied by EU regulations in some aspects.
- 5.50 In terms of social housing, Minister Wilson said that there were 1,800 social houses built this year, meaning that we are well on the target of meeting 10,000 social and affordable houses.
- 5.51 Minister Wilson commented, as regards the current fiscal position, that under direct rule we faced three years of very high rates increases. Small business relief reduced overheads by £9 million and this helps maintain jobs in the private sector. Minister Wilson also said however that these freezes can't go on forever and we need a plan for long term certainty so people are assured that the money is being spent effectively.
- 5.52 Minister Wilson noted that private finance could be better used for public sector projects. Introducing private sector money could help the industry and help the Executive by providing additional funds in credit constrained times.
- 5.53 Minister Wilson told the Forum that he is happy to engage with the IoD on discussions on wider issues and also that all the groups that make up civic society need to be involved when tough decisions need to be made.
- 5.54 In relation to the point made by Henry Elvin that the EFGS is working, Minister Wilson commented that the statistics on the uptake of the EFGS are up to date and we are operating below our weight – there has only been 94 loans offered locally. Minister Wilson noted that we need to identify the reasons why uptake is low. The problems may either lie with the promotion of the scheme by the banks or the perception of the scheme by business customers.

5.55 The First Minister thanked the members for their comments and told the Forum that he and the deputy First Minister would report them back to the Executive meeting to be held on Thursday 11 March. The First Minister noted that the final decision on the make up of any further package of measures to deal with the crisis to move us forward to rebuild the local economy will be made by Executive Ministers.

6. ITEM 6: WAY AHEAD: FUTURE OF CSAF

6.1 The First Minister reminded CSAF members of the original terms of reference. The Forum was set up to make recommendations for addressing problems arising from the economic crisis. The First Minister said that the work of the Forum is now largely complete.

6.2 The First Minister suggested that it would be useful to have a meeting in 3 to 6 months time to review the progress on implementation of the recommendations and on any recovery package that emerges as a result of the Forum's work. This will test what the Executive has done and what further value there is from the body. The First Minister invited comments on this from the floor.

6.3 John Corey said that in the last couple of months, decisions have been made to stand down both ERINI and the EDF. He said that these are both vehicles for social partners including the trade unions and the community and voluntary sector to engage with the Government and Ministers on social and economic issues. John said that he has been told that the new Economic Advisory Committee has no place for the trade unions or the Business Alliance. John commented that the CSAF is in some way meant to fulfil this role for business and social partners. John noted that an underlying point is the structure of engagement between social partners and Government and that the communication he received from Minister Foster was not helpful.

6.4 Eleanor Gill made the point that it is useful to keep a track of what will be happening in terms of the recommendations, including finding out the reasons why some may not be being taken forward.

6.5 The First Minister noted that the decision to stand down ERINI came after the findings of a critical report.

6.6 Graeme Hutchinson commented that the decision to stand down the EDF came after the publication of the Independent Review of Economic Policy. The report made the recommendation that the DETI Minister's advice could be better received from a smaller group of advisors. The proposal was therefore to replace the EDF and improve it.

6.7 Peter Bunting noted that the idea of a forum is that all members also learn from each other. He noted that the Government would not be duly lobbied without some sort of forum.

6.8 The First Minister noted that he was content that the Forum should get together between 3 to 6 months time and decide then if it is worthwhile to continue meeting. However the First Minister did stress that the Forum was intended to be freestanding to serve a specific purpose and its purpose was not to replace any other body.

The meeting ended at 17.10 hrs.