

CROSS SECTOR ADVISORY FORUM

THIRD MEETING HELD ON WEDNESDAY 7 OCTOBER 2009

12.00 HRS – 14.10 HRS

IN

LONG GALLERY, PARLIAMENT BUILDINGS

STORMONT, BELFAST

DRAFT MINUTES

Those Present:

| | |
|------------------------------|--|
| Rt Hon Peter Robinson MP MLA | First Minister |
| Martin McGuinness MP MLA | deputy First Minister |
| Sammy Wilson MP MLA | Minister for DFP |
| Robin Newton MLA | Junior Minister |
| Gerry Kelly MLA | Junior Minister |
| Richard Bullick | Special Adviser |
| Dara O'Hagan | Special Adviser |
| | |
| Damian Prince | OFMDFM |
| Mark Browne | DARD |
| Patricia McAuley | DEL |
| David Sterling | DETI |
| Ian Maye | DOE |
| Barney McGahan | DSD |
| | |
| John McGrillen | Down District Council |
| Sean McPeake | NI Local Government Association |
| Nora Winder | NI Local Government Association |
| Michael Kidd | Bank of Ireland |
| Kevin Kingston | Northern Bank |
| Ian Jordan | Ulster Bank |
| Carmel Morris | Irish League of Credit Unions |
| Robert Andrews | Ulster Federation of Credit Unions |
| Tommy Jeffers | Ulster Federation of Credit Unions |
| Ann McGregor | NI Chamber of Commerce |
| Colin McCarthy | Construction Industry Group |
| Wilfred Mitchell | Federation of Small Businesses |
| Carol Edwards | Consumer Council |
| Iain Osborne | NI Authority for Utility Regulation |
| Mark Prentice | Firmus Energy |
| Gary Connolly | NI Generators |
| Stephen McCully | NI Electricity |
| Alastair Pollock | Phoenix Gas |
| Frank Bryan | Powercom |
| John Corey | NI Public Service Alliance |
| Clarke Black | Ulster Farmers Union |
| Patricia Lewsley | Commissioner for Children & Young People |
| Kate McCullough | Older People's Advocate |
| Bob Stronge | NI Council for Voluntary Action |

Marie Cavanagh

Gingerbread NI

Apologies:

| | |
|-----------------------------|-----------------------------------|
| Minister Conor Murphy | DRD |
| Minister Michelle Gildernew | DARD |
| Minister Margaret Ritchie | DSD |
| Minister Sir Reg Empey | DEL |
| Bruce Robinson | HOCS |
| Eleanor Gill | Member |
| John Irvine | Almac Group Ltd |
| Joseph McGowan | First Trust Bank |
| Tom Gillen | Irish Congress of Trade Unions |
| John Armstrong | Construction Employers Federation |
| Bill McGinnis | Employment and Skills |

1. INTRODUCTIONS

1.1 The First Minister opened the meeting by welcoming everyone present. A “tour de table” took place for the benefit of those deputising for members of the Group.

1.2 The First Minister said that there had been some commentary since the last meeting that the economic downturn had bottomed out although inevitably the effect varied across sectors. The trend of continuing increases in unemployment levels was likely to continue into 2010. The First Minister was keen to hear at first hand at today’s meeting what progress was being made on the work of the sub-groups and looked forward to receiving their recommendations in the near future.

1.3 Some economic forecasts showed encouraging signs. The Ulster Bank Purchasing Managers Index (PMI) indicated that private sector output in August may have stopped contracting. In addition, the Northern Bank’s consumer confidence survey indicated that confidence appears to be improving for consumers; and house prices rose slightly in the second quarter of the year - the first indication of an increase in prices following six consecutive quarters of falling prices since the peak in the third quarter in 2007. The First Minister referred to his involvement recently in opening the site of a show house on a new housing development which reinforced the indication that there is a degree of improvement, albeit small, in the housing market. That said, the First Trust Bank’s most recent forecast released in September brings us back to the challenge that unemployment will continue to rise and employment to fall until the middle of 2010.

1.4 In summary, the First Minister reported, while some recent reports may be encouraging, Northern Ireland is not out of the economic crisis and will continue to deal with the impacts and costs of recession for some months to come.

1.5 The First Minister emphasised that surviving the economic crisis and building recovery were very different things. The Executive was starting to work on a paper on the best way forward and would be looking at what could be added from the outcomes of the work of the sub-groups of the Cross Sector Advisory Forum. Discussions at today's Forum was an opportunity to gather further ideas on the way forward, and to provide an opportunity to indicate and communicate more widely that collectively we are doing everything possible to focus on addressing the economic downturn.

1.6 The First Minister outlined the Agenda of the day's meeting, as follows:

- Agree draft minutes of the second meeting held on 30 June 2009;
- Up-date the Group on implementation of the Executive's December "credit crunch" package;
- Up-date the Group on latest progress of the work of the CSAF sub-groups;
- Discuss assistance and support to those who have lost their jobs and measures taken to assist people back into employment;
- Discuss the role and involvement of local government in the economic recovery in Northern Ireland;
- Discuss the way forward of the Cross Sector Advisory Forum; and
- Discussions under Any Other Business, including the date of the next meeting.

1.7 The First Minister stressed that Ministers continue to value the considerable skills, talents and expertise around the table today. He hoped that the work of the sub-groups would provide a set of actions which can be taken forward to address the key issues emerging from the economic downturn and build recovery.

1.8 The First Minister invited the deputy First Minister to make some introductory remarks.

1.9 The deputy First Minister also welcomed everyone to the meeting. The deputy First Minister indicated that whilst there were indications of improvement in the economy the Executive treated these with caution; not least as unemployment statistical trends were negative for the forthcoming months. The deputy First Minister indicated that recent meetings he had held with the CBI has reaffirmed a degree of nervousness about indications of the level of economic recovery. The deputy First Minister reported that nonetheless he and the First Minister had had a most successful visit to the United States recently to discuss investment, and the reception received was both positive and encouraging. The visit included both Ministers attending a special session of the Clinton Global Initiative. This provided an opportunity for meeting and gaining business contacts at a very senior level. The event had been organised by a senior Economic Envoy with whom relationships have been established and will be maintained. Building on the Economic Investment Conference hosted by the Executive here last year, the First Minister and deputy First Minister had stressed the need for delivery of outputs and the Economic Envoy had agreed wholeheartedly, and has

demonstrated a real commitment to focus on contributing to developing the economy here, which was most encouraging. In addition, Hilary Clinton would be visiting in the following week (12 October), and there is a prospect that the US President would visit in 2010. All this demonstrates a high degree of US commitment and interest. The First Minister and deputy First Minister were encouraged that positive outputs will accrue from this and generate real benefits for our local economy. The deputy First Minister also recognised the high level of commitment being made by local businesses and entrepreneurs to stimulate growth in the economy.

2. ITEM 1: MINUTES OF CSAF MEETING HELD ON 30 JUNE 2009

2.1 The minutes of the second meeting of the Cross Sector Advisory Forum meeting held on 30 June 2009 were agreed without comment or amendment.

2.2 The First Minister invited the deputy First Minister to lead on items 2 and 3 of the agenda.

3. ITEM 2: EXECUTIVE'S DECEMBER 2008 CREDIT CRUNCH PACKAGE OF MEASURES

3.1 The deputy First Minister indicated that since the global economic crisis the Executive has been monitoring the developing situation; consulting with a wide range of interested parties, including banks and local businesses. The range of impacts flowing from the economic downturn on our households and businesses made it clear that the issues could not be solved by one single solution. The Executive announced its package of remedial measures on 15 December 2008. These were grouped around the five themes of energy and fuel poverty; dealing with debt; support for the housing market and construction industry; support for household budgets and mitigating the threat of unemployment; and support for business.

3.2 The deputy First Minister indicated that the Executive had reviewed the credit crunch package of measures. Out of the 79 actions listed in the December package, 32 have been completed; and of the 47 still ongoing, many are short-term actions that are on track for completion.

3.3 Departments' assessment of the impacts of the short-term actions have had the desired effect, such as the Accelerated Support Fund; the Short Term Aid Scheme; and the 10-day Prompt Payment and Flooding Hardship Fund. Longer-term issues and problems, such as addressing illegal money lending and some energy measures, for example consideration of social tariffs, will require more time to deliver.

3.4 The deputy First Minister commented that whilst the public and business mood seemed to suggest that the shock of the economic crisis has passed, great challenges remain. The deputy First Minister reaffirmed the First Minister's remarks that the views, assistance and ideas of the Forum on actions needed to address the effects and aftermath of the economic downturn and help build recovery was most welcome.

4. ITEM 3: CROSS SECTOR ADVISORY FORUM SUB-GROUPS

4.1 The previous plenary CSAF meeting on 30 June explained the scope of the six CSAF sub-groups and how these would support the work of the Forum. The groups will take forward the key strands of work identified by the CSAF.

4.2 The June meeting had received progress reports by the ministerial chairs of the sub-groups. The deputy First Minister invited further up-dates to be reported by Minister Wilson and departmental officials representing ministerial chairs of respective sub-groups.

4.3 **Infrastructure, Planning and Procurement sub-group:** Ian Maye reported that the infrastructure, planning and procurement sub-group held its first meeting on 22 June 2009. Progress made since that meeting has focused on three main action points: namely capital expenditure – an assessment of future capital opportunities and whether they can be utilised in accordance with targets set within the Investment Strategy NI (ISNI); an assessment of the barriers relating to procurement; and improvements in the planning service.

4.4 With regard to capital expenditure and procurement, Ian indicated that many of the issues raised has been addressed by the announcement in early July by Minister Wilson that the Executive has spent almost £1.7bn of gross capital investment which is equivalent to 20.1% increase on the previous financial year to help deliver regional projects and support local firms, suppliers and services.

4.5 A set of actions have been identified to improve procurement procedures; in particular the way in which public sector construction contracts will be procured. These will greatly help with workload planning for all sectors of the construction industry. They will show how opportunities for enterprises of all sizes can be maximised; how costs and timescales of pre-qualification process will be reduced; as well as bidding costs of all concerned. This confirms the Executive's commitment to the construction industry on accessibility to opportunities.

4.6 Ian indicated that there were a number of other actions, primarily to be taken forward by the Planning Service. A public consultation on proposals for reform of the planning system – Reform of the Planning System in Northern Ireland: Your chance to influence change - has taken place between July and October. This has involved 11 public consultation events across Northern Ireland which have been well attended, with lively debates on the nature and purpose of the reform proposals. In addition, the consultation process involved a number of specific meetings with industry representative groups to tease out views. These have contributed to a successful consultation process.

4.7 Ian reported that in addition the Planning Service is also conducting an internal review on the pre-application process which is due to be completed by

the end of October. This involves discussions with claimants on the pre-application process to work through the issues and enable the processing of applications more quickly.

4.8 Ian also reported that the Planning Service has issued a Practical Guide which focuses on active caseload efficiency in all planning processes. Since publication, the Planning Service has carried out staff training, and continues to hold seminars with stakeholders aimed at ensuring effective implementation of the reforms.

4.9 The next meeting of the infrastructure, planning and procurement sub-group has provisionally been scheduled for 18 November 2009.

4.10 **Business and Skills sub-group:** David Sterling made reference to the progress report provided to the CSAF at its previous meeting on 30 June in relation to the work of the three sub-groups of the Economic Development Forum (EDF) chaired by the Department for Trade and Investment (DETI). These are: the economic downturn sub-group; manufacturing sub-group; and exports sub-group. These sub-groups have evolved from one of the actions arising from the Executive's package of measures to address the credit crunch announced in December 2008; and will compliment the work of the CSAF. David reported that further up-dates have been submitted to the EDF by the sub-groups and these will be circulated to the CSAF Business and Skills sub-group for consideration at its next meeting which has had to be postponed to 14 October 2009 due to Minister Foster's diary commitments.

4.11 David indicated that the EDF recognised the importance of consolidating and prioritising the proposals of the three sub-groups. A meeting took place between the chairs of the sub-groups over the summer to agree priority proposals and an action plan and this has formed the basis of identification by the EDF of actions within 7 key areas for the Executive to address:

- Construction: to continue to find ways to stimulate the housing market; increase expenditure wherever possible for the maintenance of schools, health estates and roads; and to continue to seek fast decisions through the planning reform process.
- Exports: to increase awareness of existing schemes; provide support to potential exporters; and provide assistance to firms seek new market opportunities.
- Finance: to make greater effort to ensure businesses and firms have easy access to and awareness of Government finance schemes such as the Short-Term Aid scheme and UK schemes; and work with banks to ensure ease of access to bank finance as much as possible.
- Innovation and R&D: to continue with the implementation of the MATRIX report; and respond to the recommendations of the Independent Review of Economic Policy.

- Manufacturing: to continue to identify and implement short-term and longer-term relief on cost pressures; increase awareness of existing Invest NI and DEL schemes; identify and implement measures to protect essential skills; and identify new market opportunities.
- Market Opportunities: to do more to promote tourism, for example exploit current opportunities arising from the £/€ exchange rate and develop new Tourism Strategy; and identify opportunities in the renewables / energy efficiency sector, taking account of the Green New Deal proposals.
- Skills: to identify and implement short-term schemes to retain employment levels and up-skill the workforce; to provide particular opportunities for graduates in a depressed job market; and to help develop a NI Management and Leadership Masterclass.

4.12 With regard to progress on the work of the CSAF Business and Skills sub-group, David reported that it had been the intention to hold the next meeting on 1 October but this had to be postponed due to Minister Foster's diary commitments. The next meeting is now scheduled to take place on 14 October. The meeting is expected to focus on responses to the report and recommendations of the Independent Review of Economic Policy; an up-date on Green New Deal; actions taken by the voluntary sector, and assistance provided, in particular by NICVA, relating to the economic downturn; and the social economy, in particular an up-date on the consultation process of the Social Economy Strategy.

4.13 Publication of Independent Review of Economic Policy: David reported that the Independent Review of Economic Policy was published on 28 September 2009. The Review Panel has made a total of 58 recommendations within four key areas on: greater emphasis to support innovation and Research and Development; greater autonomy for Invest NI in supporting companies; the need to improve the way economic policy is developed and co-ordinated in the public sector; and the need to re-examine the way performance is assessed, in particular the tendency to examine decisions individually rather than adopting a broader portfolio-based approach.

4.14 David indicated that whilst the report focused on DETI and Invest NI, the Review also outlined recommendations on wider economic policy formulation, to include areas such as skills, infrastructure and planning. On 5 October Minister Foster launched a 6-week consultation on the Report of the Independent Review of Economic Policy to seek the views of the economy stakeholders. The consultation period ends on 16 November and everyone is encouraged to submit comments. Minister Foster will then consider how best to take forward the findings of the Review and discuss these with Executive colleagues.

4.15 **Hardship, Poverty, Debt and Energy sub-group**: Minister Newton reported that Minister Kelly and he held their first meeting of the Hardship, Poverty, Debt and Energy sub-group on 23 July 2009. This sub-group was

one of the largest and the meeting was well attended by representatives of the banking, energy, consumer and community and voluntary sectors. The terms of reference and forward work programme within the particular areas identified for the sub-group were agreed. The intention is to identify key strategies and actions for addressing associated problems arising from the economic downturn. The sub-group acknowledged that whilst the powers of the devolved administration are constrained with regard to regulation of the financial sector; interest rate policy; and the relative strength and weakness of sterling; there was nonetheless scope within the Northern Ireland public expenditure budget to provide support and stimulus to local markets, business and people.

4.16 Sub-group members cited various examples of welcome initiatives currently being consulted upon or at the developmental stages, including the removal of the cap on the number of pre-paid gas meters; bulk fuel purchase; guidance on financial management; and implementation of the Strategic Energy Framework for Northern Ireland.

4.17 Suggested issues to be tackled included the need to address the lack of knowledge of benefit entitlements; levels of benefit up-take; and a lot of constructive discussion round financial management, and determining and addressing the levels of illegal money lending in Northern Ireland.

4.18 The Sub-Group felt that it needed to focus on the identification of a small number of issues with short, medium and long term solutions, rather than coming up with a long 'wish list'. In summary, the first meeting agreed its terms of reference and commenced a constructive discussion on the makings of a sound programme of work. The next meeting of the sub-group is scheduled to take place on 15 October 2009.

4.19 Minister Newton then indicated that Minister Kelly would provide an update on progress on sub-group recommendations, and feedback on the previous day's roundtable discussion on illegal money lending with representatives of the Trading Standards Service, Credit Unions, NICVA and DSD.

4.20 Minister Kelly explained that many views and ideas were put forward at the first meeting of the Hardship, Poverty, Debt and Energy sub-group and he was very pleased with the level of commitment demonstrated. Minister Kelly reported that one of its outputs was the compilation of draft recommendations based on views expressed which has been circulated to members for discussion at the next meeting scheduled for 15 October. This paper covers a wide range of issues such as: access to prepayment meters; awareness of the New Green Deal; bulk fuel purchase; gas boiler conversion; extension of the gas network; domestic renewables; financial advice for consumers; financial exclusion; the role of Credit Unions; attitudinal surveys to benefit up-take; data sharing; promotion of awareness of good quality sources of debt management services; and central point provision of information on initiatives to address poverty.

4.21 With regard to the issue of illegal money lending, Minister Kelly reported that members of the sub-group have been circulated a research paper on Loan Shark activity which focuses on issues round the definition of Loan Sharks; the extent of the problem; enforcement issues against illegal loan shark activity; and comparisons with other jurisdictions.

4.22 A roundtable event on Loan Shark activity was chaired by Minister Newton and Minister Kelly the previous day (6 October) with representatives from the Trading Standards Service; the Credit Unions; NICVA; the Social Security Agency; DSD and OFMDFM officials. The event follows directly from the Executive's December Credit Crunch package of measures, and it is considered that its outcomes will assist the work of the Hardship, Poverty, Debt and Energy sub-group.

4.23 Minister Kelly reported that feedback received from the Trading Standards Service representative at the loan shark roundtable event highlighted the complexities of the issues, not least the difficulties in establishing bone fide evidence to substantiate convictions or indeed the collection of comprehensive data to establish the level of the problem; and discussions around whether the central solution was an enforcement issue or preventative measures to deal with the level of the problem and impacts on those affected by such activity.

4.24 Minister Kelly expected a lively discussion at the next Hardship, Poverty, Debt and Energy sub-group meeting and he looked forward to the sub-group submitting substantial recommendations to the Cross Sector Advisory Forum in the near future.

4.25 **Agriculture Sub-Group:** Mark Browne reported that the second meeting of the Agriculture Sub-Group held on 8 September discussed in depth four key issues identified at its previous meeting, namely; opportunities afforded by land-based renewable energy technologies; the potential of promoting local food and linkages to tourism; potential of business diversification using farm-based assets; and addressing planning constraints perceived to be limiting potential farm-based diversification activities. Papers had been circulated in advance of the meeting to sub-group members on these topics setting out the current state of play. Members were invited to express views on these and any further opportunities that could be taken forward to enhance economic outcomes.

4.26 Mark indicated that there was wide-ranging and constructive discussion around opportunities afforded by joined-up action.

4.27 The main points made in relation to the four key areas were:

- Land-based renewable energy technologies: Sub-group members recognised and welcomed the significant efforts being made to address supply issues and considered that more could be achieved if a focus was also given to the demand side, to stimulate confidence in interested investors which would lead to a more balanced and sustainable market growth. It was suggested that public procurement could play a key role with the public sector acting as an exemplar to the private sector, not only in the area of raw materials, but also local manufacturers, and suppliers and installers of land-based renewable energy technologies.
- Links between local food and Tourism: Sub-group members recognised evidence of a more joined up approach emerging between various local food promotion bodies as a very positive development which should be built upon. The sub-group were nonetheless of a very firm view that a more proactive approach was required to link local food with tourism to maximise economic opportunities, citing a lost opportunity to showcase local food during the recent Tall Ships festival which had enjoyed a local, national and international audience.
- Business diversification using farmed based assets: Potential for public procurement of local food was raised. It was also suggested that there were opportunities to be gained from reconnecting the food consuming public with agriculture and the local food supply chain. Sub-group members were of the view that this had largely been lost in recent years and with it the opportunity to add value to local food.
- Perceived Planning constraints on Farm-based Diversification: Sub-group members were greatly encouraged by the very high level of interest generated under the roll out of the Rural Development Programme - 1200 applications had been received covering diversification projects and micro business development. Sub-group members expressed concern for the implications for applicants of the cost of bank finance, though recognised the potential to foster new economic enterprises across Northern Ireland, which needs to be nurtured. The sub-group considered that it will wish to monitor closely impacts of the planning approvals process to facilitate the diversification proposals.

4.28 Concluding, Mark indicated that the sub-group had a very constructive discussion and has commenced honing a few issues where the Executive can take collective action to generate economic opportunities that make a real difference. The next step will be to firm up a set of recommendations to submit to the CSAF.

4.29 **Banking, Finance and Lending Sub-Group:** Minister Sammy Wilson reported that the first meeting of the Banking, Finance and Lending sub-group, which took place on 6 August 2009, discussed three main issues, namely: the issue of the establishment by the Republic of Ireland of a

National Assets Management Agency (NAMA); banking and business lending; and the state of the local housing market.

4.30 National Assets Management Agency (NAMA): Minister Wilson indicated that he had reported to the sub-group his concerns on the extent of assets within Northern Ireland to be transferred to NAMA, and that NAMA might have a “fire sale” of these Assets which would have severe implications for the local property market and the wider economy. Minister Wilson reported that since the meeting of the sub-group he had met with his counterpart in the Republic of Ireland, Minister Lenihan, in early September to discuss these issues and had been reassured on a number of points. Minister Lenihan clarified that the overall value of Northern Ireland-based loans likely to transfer to NAMA would be in the region of €4.8m which was much lower than earlier estimates of €20m that had been reported in the media. With regard to the possibility of a “fire sale”, Minister Lenihan gave an assurance that it was not in anyone’s interests to undertake a “fire sale” of Northern Ireland-based assets, including tax payers in the Republic of Ireland.

4.31 Minister Wilson reported that he discussed with Mr Lenihan the extent of how Northern Ireland could have maximum input to NAMA’s decisions. Mr Lenihan advised that it was not possible for Northern Ireland to have membership representation on NAMA’s Board, though he gave an indication that issues of mutual concern could be communicated through an Advisory Committee which reports directly to the NAMA Board. Minister Wilson indicated that both Minister Lenihan and he agreed to meet on a regular basis to discuss financial matters of mutual interest on a regular basis.

4.32 Banks and Business Lending: Minister Wilson indicated that discussions on business lending focussed on the low uptake amongst local banks of government backed schemes, such as the Enterprise Finance Guarantee Scheme, and associated impacts on local businesses. The Enterprise Finance Guarantee scheme is being monitored by the Department of Business, Innovation and Skills (BIS) and latest figures show that only 51 loans have been taken up in Northern Ireland. This compares with 372 in Scotland and 267 in Wales. Minister Wilson explained that there were various explanations for this, to include the possibility that banks are not marketing the schemes as well.

4.33 Minister Wilson reported that the Institute of Directors (IoD) bank lending survey was also discussed, indicating that the results of the first survey published in April showed 53% of businesses found bank lending conditions tougher in the first three months of 2009. The most recent IoD survey published in September showed a slight improvement, with 44% of businesses reporting that bank lending conditions had worsened.

4.34 Minister Wilson also reported that the issue of bank rates and charges were also discussed and in particular that banks were not passing on cuts in the Bank of England base rate to its customers. The banks’ representatives responded that savings rate is the true cost to banks and that this is considerably higher than the base rate, making it impractical to lend at rates linked to the base rate. The point was made to banks that there was a

necessity to pass on interest rate cuts to the customer whenever possible.

4.35 Housing Market: With regard to discussions on the housing market, Minister Wilson indicated that there are some signs of improvement, in particular in new house building taking place more so than in re-sales. It was considered that this may be due in part to unrealistic expectations by purchasers of sales made before the economic downturn now attempting to re-sell at unrealistic profits. However, there were some indications that the market was stabilising and the University of Ulster's House Price Index has recorded a marginal increase in average house prices in the second quarter of 2009. That said, the Nationwide data for the same period has recorded a decline of almost 5%.

4.36 Minister Wilson indicated that one of the indicators on housing market trends discussed was that of repossessions and this also suggested that the housing market was stabilising. Repossessions in Northern Ireland had remained almost constant at around 450 cases in the first two quarters of 2009. In GB the latest figures show a 10% improvement over the same period. The latest figures suggest that although the UK housing market is stabilising with repossessions falling and prices starting to increase, it is still fragile and the local market appears to be lagging behind in terms of recovery.

4.37 Minister Wilson concluded his report by indicating that there was widespread concern of job losses amongst people working in the banking sector which would not be good for the local economy, though this was reserved matter and thus largely outside the control of the Executive.

4.38 **Housing and Property Sub-Group**: Barney McGahan reported that the second meeting of the Housing and Property sub-group took place on 9 September 2009. Discussions were around the developments in the housing market and it was considered that it would be a little while longer before it would be clear whether the housing market had stabilised. Several members of the sub-group considered that there was a danger that too much Government intervention could lead to house prices being kept artificially high. Discussions focussed round 5 key areas, namely: helping to support the construction industry; helping the growing numbers in need of social housing; helping first time buyers; keeping housing supply on track; and preventing repossessions.

4.39 Barney indicated the main points made in relation to the five key areas:

- Helping support the construction industry: Additional funding for social house building was needed; collaborative procurements; up-to-date information on areas of un-met social housing need to enable forward planning by developers; and the possibility of leasing developer properties as social units.

With regard to additional funding for social housing, Barney indicated that Minister Ritchie had written to the Minister for Finance about the possibility of transferring public funds from 2010/11 to the current financial year.

- Helping growing numbers of people in need of social housing: The key aim is to increase supply of social housing which was limited by available funding; increased use of private rented sector – DSD was currently consulting on Private Rented Sector Strategy; and examination of waiting lists to make sure it is up-to-date and targeting those in greatest need, similar to previous health waiting list initiatives.
- Helping first time buyers: The need for more suitable shared ownership and equity schemes between the developer and buyer; and new mortgage products from lending institutions.
- Keeping supply on track: The need for flexibility on targets in the Regional Development Strategy; mixed tenure developments by Housing Associations; and private finance for Housing Associations, for example from the European Investment Bank.
- Preventing Repossessions: review of Court Service policy of not providing legal aid for applicants facing repossession; and increased protection for tenants facing eviction when landlords' properties are repossessed, in particular those who bought to let.

4.40 Barney indicated that preparations were well advanced for drawing up recommendations for discussion at the next meeting of the sub-group scheduled for 20 October to enable preparation of its final report to the next plenary session of the CSAF.

4.41 The deputy First Minister thanked everyone for their feedback on progress to-date on the work of the respective CSAF sub-groups. He invited any questions or queries from the Forum.

4.42 Tommy Jeffers noted that there had been Credit Union representation at the previous day's roundtable event on Loan Shark activity, and enquired why the Ulster Federation of Credit Unions had not received an invitation to the meeting. In response, the deputy First Minister indicated that he was unaware that the UFCU had not received an invitation and undertook to find out why they had not been invited.

Action: EPU, OFMDFM

4.43 The deputy First Minister then indicated that the First Minister will take the lead on the next three items on the agenda.

4.44 The First Minister explained that at the CSAF meeting held on 30 June it was noted that it would be useful to discuss the following three items at the next meeting.

5. **ITEM 4: ASSISTANCE AND SUPPORT TO THOSE LOSING THEIR JOBS AND PEOPLE WHO ARE UNEMPLOYED**

5.1 The First Minister commented that the global economic slowdown has impacted adversely on the local labour market, reporting that the

unemployment rate was currently 6.7% in Northern Ireland, which amounts to an estimated 53,000 people unemployed. This is an increase of 4,000 over the last quarter, and 18,000 over the year. Economic inactivity is also rising, and the number of seasonally adjusted employee jobs has fallen by around 25,000 over the year to June 2008.

5.2 The First Minister indicated that Minister Empey and Minister Ritchie were unable to attend the meeting and invited their official representatives to provide an up-date on assistance and support given to people losing their jobs and those who are unemployed.

5.3 Patricia McAuley, (DEL), provided an overview of support measures already in place. Where 20 or more people are to be made redundant the employer has to inform the Department for Employment and Learning which kick starts the assistance process within DEL and DSD. The employer is advised about the services available. Depending on the time and circumstances, DEL can provide different levels of services at redundancy clinics. There are a range of services available and DEL / DSD try to tailor this to individual circumstances. DEL brings in other Agencies and bodies e.g. INI, HMRC, Colleges/Training Providers as appropriate. A leaflet was produced in February 2009 – ‘We can help you find your way back to work’ providing advice on benefits entitlements and where these can be obtained. This is particularly beneficial for people who have become unemployed for the first time. A booklet – ‘Your rights at work’, was also issued in February this year. This sets out employment rights for the employee. In addition, more recently in September 2009 two leaflets – ‘Help for Employers during the downturn’ and ‘Help for you during the downturn’ includes a range of information on various programmes and assistance available for both employers and people who are either unemployed or are about to become unemployed, to include information on redundancy clinics and how to access various programmes to assist in regaining employment. The information has been widely disseminated and has been made available on the DEL and NI Direct websites.

5.4 Barney McGahan, Social Security Agency reported that the Social Security Agency makes every effort to sure that individuals who become unemployed receive all available social security benefits through the Jobseekers Allowance system. Individuals in receipt of the Jobseekers Allowance may also qualify for interest free budgeting loans or non refundable community care grants and emergency assistance Crisis Loans under the Social Fund scheme.

5.5 Barney highlighted that the Housing Executive also provides financial assistance and advice to social housing tenants. The Housing Executive advertise basic grade job vacancies in local offices, and under its financial inclusion strategy provides advice and information on benefits entitlements for social housing tenants who are unemployed. The Housing Executive also makes referrals to the Citizens Advice Bureau for specialist finance advice and works closely with the Credit Unions on access to financial services.

5.6 Barney reported that in addition 350 Housing Executive owned community houses are leased to community groups in social housing estates providing access to a range of community activities such as job clubs, IT training and equipping individuals with other necessary skills to help gain employment.

5.7 The First Minister thanked Patricia and Barney for their reports and invited comment from the Group.

6. ITEM 5: MEASURES TAKEN BY DEL TO ASSIST PEOPLE INTO EMPLOYMENT / TRAINING

6.1 John Corey, NI Public Service Alliance: Commenting on the seriousness of the level of unemployment levels currently standing at 53,000, and quarterly statistics suggesting that the trend is to continue, John Corey indicated that there was a need to focus on schemes to assist those who have recently become unemployed as a result of the economic downturn. He enquired about what schemes were currently in place to assist these people. John also considered that there was a need for a particular focus on youth unemployment as a failure to do so would have negative long-term implications for the economy. John enquired whether there was any examination of data of rising unemployment of young people and whether there were any schemes in place specifically targeted at young people to assist them getting back into work.

6.2 Bob Stronge, NICVA: Commenting that the economic downturn has resulted in many people becoming unemployed for the first time, Bob Stronge enquired how that has impacted on those people who have been unemployed long-term, and whether any consideration has been given to the potentially worsening opportunities for these people as a result. Bob inquired whether there has been any marked change in terms of the Social Security Agency's strategy to tackle the diverse needs of people unemployed at different stages of their lives.

6.3 Patricia Lewsley, Commissioner for Children and Young People: Patricia Lewsley indicated that young people at the age of 16 years may have little scope for getting employment, which was a huge concern, particularly as other young people with third level qualifications either becoming unemployed or currently looking for work having just completed their education. There was a need to overcome barriers with the identification of specific varying schemes targeted at obtaining the relevant training and skills required for a diverse job market.

6.4 Wilfred Mitchell, Federation of Small Businesses: Wilfred Mitchell enquired whether there was any scope for re-introducing the Enterprise Allowance Scheme which had yielded positive results.

6.5 In response, Patricia McAuley indicated that she would explain what schemes were currently in place and then address the points that have been made.

6.6 Patricia explained that the main provision to assist unemployed adults to gain employment is within the Steps to Work scheme. This is a flexible programme as it enables changes to be made much more easily than its predecessor of New Deal. Patricia reported that since the economic downturn, the Department for Employment and Learning has made a number of changes, for example a childcare allowance has been increased to facilitate people entering training schemes. In addition, an allowance to assist people to take short courses for up to 10 days has been increased from £300 to £2,000. Travel allowances have also been increased to facilitate people having to travel further distances to get to work placements.

6.7 With regard to the impact on the economic downturn on people who are long-term unemployed, consideration has been given to this, for example additional funding has been provided for the creation of 1,000 new jobs in the voluntary and community sector under a new initiative called 'Step Ahead' within the Steps to Work programme. 'Step Ahead' is aimed at people receiving benefits who have been out of work for 30 months or more. The jobs will last for six months and could potentially benefit up to 4,000 long-term unemployed over two years.

6.8 Patricia further reported that there is a range of different programmes to assist people to remain in employment and for those who have recently become unemployed for the first time, with local employment intermediary service operating in Belfast, Derry and Strabane. In addition, under the Bridge to Employment programme, customised training is provided aimed at equipping unemployed people, in particular long-term unemployed people, with the skills necessary to compete for new employment opportunities on an equal basis with others.

6.9 In relation to the above provision, Patricia reported that there were a number of programmes, such as Training for Success for 16 year olds; ApprenticeshipsNI and access to FE and HE institutions. Apprenticeship schemes have also been opened up to become available to people over 25 years old which has increased the number of up-takes. In September, the department's ApprenticeshipNI programme announced a range of apprenticeship opportunities to existing and newly recruited employees of all ages, and made provision for arrangements for training preferences and the introduction of relevant apprenticeships to accommodate that.

6.10 With regard to Wilfred's query about the possibility of re-introducing the Enterprise Allowance Scheme, Patricia indicated that through Invest NI information and advice is provided to people within the Steps to Work provision who are considering self employment and the department also provides such people with funding for 26 weeks of 'test trading' to ensure the person does not lose out financially whilst they are trying out their idea..

6.11 Concluding, Patricia indicated that the Department for Employment and Learning had a very broad range of provision available, targeted at every age group from 16 – 65 years; and such schemes were kept continually under review to facilitate changing circumstances.

7. ITEM 6: ROLE AND INVOLVEMENT OF LOCAL GOVERNMENT IN THE ECONOMIC RECOVERY IN NORTHERN IRELAND

7.1 The First Minister recognised that it was not just the Executive which is working to mitigate the worst effects of the economic downturn and lay foundations for recovery. Local government plays an important role too. The First Minister invited Ian Maye, representing Minister Poots who was unable to attend the meeting, to outline the role and involvement of local government in the economic recovery in Northern Ireland.

7.2 Ian invited NI Local Government Association representatives to provide a report on relevant work of the local government.

7.3 Sean McPeake, NI Local Government Association (NILGA) opened by giving an assurance that the local councils have and will continue to maintain focus on providing an effective service to its citizens and communities; and that service has been maintained over the last 18 months in the face of major reform changes with proposed reductions from 26 councils to 11. Sean welcomed the opportunity to share current and future plans for local businesses and communities. Sean indicated that John McGrillen would now provide an outline of the work of NILGA.

7.4 John McGrillen, Down District Council, indicated that all Councils recognise the prevailing financial pressures. There has been as need to use reserve funding to fill the gap in losses of rates revenue due to pressures from business and the construction industry. During the course of this year Councils continue to see increase in demand for services, and have received significant losses of income due to difficulties in collecting rates as a result of the economic downturn. A key factor has been a drop in the value of capital assets and Councils wish to drive forward initiatives that will benefit the construction sector, for example the promotion of Green Electricity over the course of next year.

7.5 With regard to assistance to citizens, John reported that Councils have provided increase support and advice to organisations such as the Citizens Advice Bureau, in particular for debt advice and access to benefits provision. Councils are also working closely with the Land Property Services Agency on the domestic rating system so as to avoid as far as is possible non-appliance and maintenance of the generation of rates, and looked forward to building on that partnership.

7.6 John reported that Councils continue to provide advice on energy and heating costs and fuel schemes to people who are particularly vulnerable, in particular older people and people on low incomes.

7.7 With regard to unemployment levels, John indicated that a number of Councils are working in partnership with DEL in supporting employability schemes, for example road shows. In addition, Councils have facilitated a series of seminars on the theme of the economic downturn in partnership with Invest NI which is ongoing, to include a specific training programme for long-

term unemployed people and young people, the result of which has secured jobs for many participants.

7.8 Many Councils have been working to help local businesses. A business survey to identify small businesses has been carried out to identify suitable assistance programmes. In some areas specific programmes are being worked up for the construction sector in partnership with the Planning Service, to assist in improving applications so that they can be processed more quickly.

7.9 In addition, Councils are working in partnership with NI Tourist Board and the Republic of Ireland to encourage tourism in Northern Ireland. Councils also match fund several of the Signature Flagship projects using capital assist funds to encourage private sector investment. Councils have sold assets at less than the market value to facilitate the setting up of new private sector businesses which would otherwise not have been able to get established.

7.10 John concluded his report by indicating that he looked forward to transfer of functions to Councils following implementation of the Review of Public Administration and the consultation on the Barnett Review. John commented that there was a role for Credit Unions to play and that it would be useful exploring how Credit Unions could assist the local business sector.

7.11 Sean McPeake reported that NILGA participated in an economic summit in April attended by about 80 delegates which aimed to identify 'local solutions to local problems'. Key messages delivered by local government representatives included the need for greater role in stimulating the economy; in raising the profile of local issues with the UK government and the EU; and increased engagement with partners in delivering employability and relevant skilling.

7.12 Sean indicated that NILGA work with their counterparts in England, Scotland and Wales in sharing practices and procedures for addressing the economic downturn.

7.13 Sean reported that NILGA also have and maintain links with the EU and attend European Local Authorities meetings to discuss the overall economic recovery of the EU.

7.14 Concluding, Sean indicated that future actions include work of the Strategic Policy Committee; the development of a Working Group to tackle the economic downturn; techniques to assist policy on the planning reform system; and ongoing work within the Executive office, in particular actively contributing to discussions with the Foreign Office on EU matters.

8. ITEM 7: CROSS SECTOR ADVISORY FORUM – WAY FORWARD

8.1 The First Minister said that he was hugely impressed by the range of issues and analyses reached by the various sub-groups from feedback and discussions during the course of the day's meeting. He stressed that the next

step was to translate the range of ideas into practical outcomes to deliver practical remedies to our local economic problems. It was important to act quickly and the First Minister sought members' views on the feasibility of the sub-groups submitting their recommendations by end October. He explained that once sub-groups' recommendations were received, the Economic Policy Unit would analyse the recommendations and produce a Report which would be circulated to members for consideration at the next Cross Sector Advisory Forum meeting.

8.2 Patricia Lewsley suggested that the Report on the substantial amount of work of the sub-groups should take the format of an overarching set of recommendations to be implemented by the various departments demonstrating outputs flowing from these, short, medium and long-term. Patricia pointed out that there was still a lot of work to be done, particularly round the issues of access to skills and training for long-term unemployed people, and in particular young people.

8.3 Bob Stronge agreed that the CSAF was now at the stage where actions needed to be identified and agreed with Patricia Lewsley's suggestion which should identify which departments had responsibility for the particular agreed actions.

8.4 Minister Wilson highlighted that some of the issues raised by sub-group members were already being addressed by departments or councils. Minister Wilson sought clarification as to whether sub-group recommendations would be solely in relation to new ideas or a combination of both new and existing programmes. The First Minister indicated that new ideas were expected to be submitted, but the Executive would welcome confirmation from the expertise and knowledge of CSAF members that the various existing strategies, policies and programmes were considered effective as well.

8.5 Kate McCullough, Older People's Advocate representative suggested that the recommendations should be mapped to set out what is already in place and identify gaps that needed to be addressed.

8.6 John Corey agreed that it was important that identified actions by the CSAF and its sub-groups should be made as soon as possible. Pointing out that the outputs of such agreed actions would invariably be as a result of the work of the public sector, John enquired whether public sector expenditure would form part of the sub-groups' consideration in drawing up recommendations to address the impacts of the economic downturn.

8.7 Anne McGregor, NI Chamber of Commerce suggested that the actions identified for each department should be prioritised.

8.8 The First Minister indicated that comments made were a useful steer and he would be consulting with the Executive on suggestions made on the way forward. He recognised that there may be some overarching priority issues the CSAF would want to deal with in its plenary session. It would be a most useful way forward, not least as the Executive will be faced with unavoidable public expenditure restraints. Discussions could be fleshed out

on what priority areas could be taken forward immediately and which could be postponed until funding was available to implement such actions for submission to the Executive to consider.

8.9 Colin McCarthy, Construction Industry Group agreed that it was important that deliverable actions should now be identified by the sub-groups. Colin indicated that approximately 13,000 of the 53,000 people currently unemployed comprised people within the construction industry, and projections indicate that this was to continue to rise. Pointing out that he had had a meeting recently with Minister Wilson, Colin expressed concern about the high level of public expenditure cuts that needed to be identified by departments, not least as approximately 70% of the construction industry was government funded. Colin emphasised a need for departments to take into consideration the impacts of public expenditure cuts on schools, hospitals, etc, to ensure delivery of services are met in areas most needed, commenting that the construction industry was still feeling the impact of decisions made during the economic recession of the 1980s. Long-term planning was required.

8.10 Minister Wilson explained that it was not possible to transfer capital expenditure and revenue within the public accounting system. Various approaches on how to meet public expenditure cut targets were still under discussion and no decisions had yet been taken on this complex and difficult issue. The Executive will need to make practical balanced decisions on the best methodology of ensuring that reductions are made to lowest priority areas whilst at the same time maximising the promotion of economic growth within the priorities it has set itself in the Programme for Government.

8.11 Frank Bryan, also agreed that the group was now at the stage where it needed to identify suggested actions for the Executive to take forward, recognising that difficult choices will need to be made within contracting resources across the board. Frank suggested that it would be beneficial if papers could be circulated in advance of the CSAF meetings to facilitate considered inputs to discussions. The First Minister said that the Report of the recommendations of the sub-groups would form the main item of the agenda of the next meeting of the CSAF and that this would be circulated in advance so as to enable members' preparation for substantive discussions on it.

8.12 The First Minister invited the deputy First Minister to conclude the meeting.

9. **ITEM 8: ANY OTHER BUSINESS AND CONCLUSIONS**

9.1 **Any Other Business:** There were no items raised under any other business.

9.2 **Conclusions:** The deputy First Minister thanked everyone for their contributions to the meeting as well as up-dates received on the sub-groups which was much appreciated.

9.3 The deputy First Minister acknowledged that difficult choices would need to be made, pointing out that the global economic crisis impacted not only locally, but nationally and across Europe. It was important that the Executive takes action as quickly as is possible. The recommendations of the CSAF sub-groups and resulting decisions of the Forum will provide a valuable contribution on the way forward.

9.4 The deputy First Minister summarised next steps as follows:

- OFMDFM would circulate the draft minutes of the meeting for members' comments;
- CSAF sub-groups should submit a full report of their findings, proposals, including any recommendations, to OFMDFM by end October 2009;
- Findings in the sub-groups reports will be analysed by the Economic Policy Unit, OFMDFM and reported back to the full CSAF at its fourth meeting; and
- The next meeting of the CSAF will aim to take place as soon as possible after the sub-group proposals have been considered.

The meeting ended at approximately 14.10 hrs.